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CHAPTER 1

CURRENT TRENDS IN ECONOMIC DEVELOPMENT

MILITARY “FACE” OF UNCONDITIONAL BASIC INCOME

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Abstract. The concept of an unconditional basic income through the prism of social standardization and provision of the most vulnerable segments of the population was explored in this article. The purpose of the article is to determine the need and possibility of introducing basic social income in Ukraine for the most vulnerable categories of the population, due to the new military reality. The study used general scientific methods, such as: cluster analysis – for clustering of countries in the pre-pandemic worldview; method of comparative analysis – to compare the features of the introduction of unconditional basic income in foreign countries; historiographical method – to study the history of formation and development of unconditional basic income. The historiography of the formation and progress of piloting the invariance of an unconditional basic income in foreign countries of the world is considered. It has been proved that the most majority of the indicated piloting and its experimental basis are based on the theory of adaptation and future intellectual and institutional development of the corresponding category of citizens or a specific individual, considering country specifics of mental self-improvement and increasing professional competencies. The current situation that is developing in Ukraine in the post-pandemic background, which has developed into a crisis associated with the war of Russia against Ukraine, is analyzed. A low level of mass payments during the pandemic period, its inertia, and the deepening of the socio-economic crisis, in fact, starting from the beginning of martial law, were established. In particular, the data on food inflation in Ukraine were analyzed as the root causes of the growth of world consumer prices, the likelihood of their projection on the national economy under martial law on the use of a system of assumptions, including on the future growth of food prices in Ukraine and net exporters of grain group of agricultural raw materials. It was made the assumption about the expediency of introducing the concept of an unconditional basic income in Ukraine for the most unprotected groups of the population, in particular, pensioners on a comprehensive basis based on a grouping of factors – accelerators.

Keywords: unconditional basic income, social support, crisis, military aggression, food inflation, COVID-19 pandemic.

JEL Classification: F52, G18, Z18

Formulas: 0; **fig.:** 0; **tabl.:** 0; **bibl.:** 20

Introduction. The full-scale war, which began on February 24, 2022, caused new acute challenges for the government, particularly in the socio-economic context. Failing to fully emerge from the previous pandemic crisis, Ukraine faced much more complex economic, social and other problems caused by military aggression. In particular a significant part of production has been completely stopped, logistics ties have been broken, and the number of refugees and displaced persons is growing every day. All this, in turn, significantly affected the reduction of jobs, the inability to pay wages by employers, reduced tax revenues to the budget due to loss of income or lower tax rates. At the same time, there is a significant increase in prices, especially for basic goods, which directly affects the purchasing power of citizens. In such difficult economic conditions, the issue of introducing unconditional basic income for all categories of citizens who have lost the opportunity to earn money or find themselves below the poverty line is very important.

Literature review. A significant number of scientific works are devoted to the social aspects of the protection of citizens in Ukraine, but the issue of introducing an unconditional basic income is more fragmented, in contrast to the complex picture in foreign scientific works. Among foreign scientists who have studied the essence of this concept and the mechanisms of its implementation, it should be noted T. Paine, Williams D. Condorcet, F. Herman, G. Stigler, M. Friedman, etc. The Ukrainian scientific layer on this topic is represented by the works of such researchers as L. Barannik, O. and T. Dlugopolsky, S. and A. Gonchar, M. Pishchulina, E. Starikov and others. However, in recent years, in view of the transition of the protracted financial crisis caused by COVID-19, supplemented by the war with the Russian Federation, this topic may acquire a new meaning for our country. However, there are a few scientific debatable problems related to the provision of social assistance in general and the introduction of an unconditional basic income, which still remain unanswered and require thorough study.

Aims. The purpose of the article is to determine the need and possibility of introducing basic social income in Ukraine for the most vulnerable categories of the population, due to the new military reality.

Methods. The study used general scientific methods, such as:

- cluster analysis – for clustering of countries in the pre-pandemic worldview;
- method of comparative analysis – to compare the features of the introduction of unconditional basic income in foreign countries;
- historiographical method – to study the history of formation and development of unconditional basic income.

Results. Social protection of citizens is an important and priority area of public policy in any country. In view that Ukrainians, and in particular retirees, have experienced a significant number of economic downturns during the years of Ukraine's independence, their socio-economic situation cannot be considered satisfactory [1; 2]. Annual indexation of pensions, additional payments to pensioners over 75 and 80 years – also do not solve all economic problems for such categories of citizens. Speaking about the conditions of war and post-war reconstruction, this category of citizens

(retirees) will need significant support from the state in the face of rising unemployment, relentless inflation and the general economic downturn.

Today it is really difficult to assess the conditions in which Ukraine will find itself in the end of the war [3]. Because the destruction of infrastructure in general and critical in particular occurs every day. However, forecasts and understanding of the economic situation in the future have already been announced, which indicates the disappointing situation in Ukraine in the coming years. Thus, the International Monetary Fund in its April forecast for 2022 pays considerable attention to the situation in the world, which is due to the military aggression of the Russian Federation against Ukraine. In particular, it is noted that prices for agricultural products are likely to continue to rise, especially wheat (as Russia and Ukraine account for about 30% of world wheat exports) and, to a lesser extent, corn [4]. Taking into account that world food prices have risen significantly due to the coronavirus pandemic, new changes due to the war will add to the already sharp rise in basic food prices.

In February 2022, under the conditions of the coronavirus pandemic, the food price index, according to FAO estimates, reached its historical maximum – 140.7 points, which is 3.1 points higher than in 2011 [5]. In March 2022, the same figure reached 159.3 points, which is the highest value of this index in the history of its existence – since 1990 [6]. And all this against the background of at least 35% of the country's economic decline [4]. The logical conclusion in this situation will be a significant level of unemployment, which in turn will be reflected in tax revenues, including SSC, which finances the solidarity pension system in Ukraine. Of course, a significant budget deficit of the Pension Fund will be financed from the State Budget of Ukraine, however, this will in no way affect the purchasing power of pensioners.

However, the IMF forecasts a significant downward revision of global growth, with a baseline forecast of 3.5% increase in production, close to the pandemic average. However, the forecast assumes that economic growth in EU member states may slow down further than projected in the baseline scenario, and inflation may be higher than expected [4]. We understand that the European Union's ability to provide financial support to Ukraine may also be limited due to the need to support its own citizens.

In such difficult economic conditions, there is a need to consider in more detail the possibility of introducing a guaranteed minimum in Ukraine for the most vulnerable categories of citizens – retirees [7]. However, in the future it may be necessary to expand the categories of citizens who will fall under the concept of basic income (for example, people with disabilities of certain categories, women with two or more minor children).

The idea of unconditional basic income (guaranteed minimum or universal basic income) was first formed by the Anglo-American philosopher and publicist Thomas Paine in 1797 in his pamphlet “Agrarian Justice” [8]. At the same time, influential economists of the last century, Milton Friedman and Friedrich von Hayek, believed that a guaranteed income in one form or another is the best way to overcome poverty. The concept of unconditional basic income can be defined as the minimum cash benefit for certain categories of citizens who are most vulnerable, and any other income of such a person does not affect this benefit.

The basic income system can be financed from income received from enterprises or resources owned by the state – in fact, it is a major component of many proposed models of socialism [9]. However, basic income financing schemes are also present in the concepts of capitalism, so the sources of funding can be diverse [10].

Western European countries began discussions on unconditional basic income a few years before the COVID-19 pandemic [11–12]. However, at that time, scientists had a lot of controversy about understanding both the reasons for the introduction of such payments and the need. In 2013, the initiative was launched – the first of its kind worldwide – collected more than 300,000 signatures and involved more than 25 EU member states – Unconditional Basic Income Europe (UBIE). UBIE's history began with the European Citizens' Initiative for Unconditional Basic Income, which also initiated the creation of new groups promoting the concept in several European countries, including Greece, the United Kingdom, Portugal, and Romania. According to their categorization, unconditional basic income is income that is unconditionally provided to all members of the community on an individual basis, without verification of material values or work requirements. At the same time, unlike many existing minimum income schemes in European countries, unconditional basic income is universal, individual, unconditional and high enough to ensure an existence that preserves personal dignity and allows the individual to take an active part in society.

Also in 2015, a study was conducted in EU countries on existing minimum income schemes [13]. It is noted that in most countries, political decisions on minimum income schemes are made at the national level. However, in some cases decisions are taken jointly at the national and regional / local levels, and in several cases, decisions are made exclusively or almost exclusively at the regional or local level.

Later in 2018, British experts advised the authorities to introduce a comprehensive guaranteed monthly minimum income in the country. However, researchers noted that many British families would face economic difficulties in the next decade if the problems caused by work automation, Brexit and aging are not addressed. By guaranteeing an unconditional basic income, albeit a minimum, many will be able, for example, to work part-time for more free time and learn something new or improve their skills, according to British researchers [14]. Despite the large and growing population of “dissatisfied” unstable and low-paid workers and widespread dissatisfaction with the growing sanctions regime, significant barriers remained to the emergence of a sufficiently large and coherent basic income support group in Britain [15].

Similar experiments have been used in other countries around the world [16]. In particular, the Finnish authorities randomly cut off 2,000 unemployed people and made payments at the lowest level of the existing amount of assistance (approximately 560 euros per month).

And in the state of the United States – Alaska, the Permanent Welfare Fund still operates today as a successful example of annual payments to all residents of the state part of the sale of national wealth. The fund is funded by taxes on the oil industry, and, accordingly, annual payments vary depending on the income of oil companies

operating in Alaska. For example, in 2019 the annual payment was 1.6 thousand US dollars, and in 2020 – about 990 US dollars [17].

Back in the 1970s, the money was “distributed” to residents in the town of Dauphin, in the Canadian province of Manitoba. The Canadian experiment lasted four years, did not show significant changes in the level of employment, but showed improvements in the social sphere. Correspondingly, there is a Norwegian Oil Fund in Norway, which was created to invest excess income in the oil sector (deductions are made from the received oil income to the personal accounts of Norwegians and open accounts for newborns) [17].

In 2017, the Scottish authorities conducted a pilot project among the unemployed in four cities – Glasgow, Edinburgh, Fife and North Ayrshire. The financial portfolio of the program amounted to 250 thousand pounds for a period of 2 years [18]. The main aim was to test the role of basic income in poverty reduction in Scotland, although behavioral effects were also interesting to study. Each of the pilot oblasts has developed different models of a pilot basic income program related to their locality, potentially focusing on a specific group (families, single parents related to health) or a specific geography (city, town, surroundings). The Scottish model offered two levels of benefits: one “high level” based on the minimum income standard and one “low level”, more closely corresponding to current levels of benefits. For both levels of benefits, it was proposed to suspend a number of existing income-related benefits, while others, primarily those related to disability, housing, childcare and disability, continued.

In 2016, Swiss people voted in a referendum against the proposal to pay each adult 2,500 francs (\$ 2,418) per month, and minors – a quarter of this amount [19]. Opponents of the idea cited exorbitant costs, saying it would encourage people to quit their official jobs, especially low-paid manual labor.

In 2017, the Organization for Economic Cooperation and Development (OECD) published a report stating that the results of the introduction of guaranteed income will depend on the existing system of taxation and social services in each country [20]. However, the OECD notes that this plan may be extremely expensive for the treasury and will have little effect on poverty. Moreover, the OECD notes that if this scheme is funded by the abolition of existing social benefits, poverty may increase.

Many economists believe that basic income can only be financed by raising taxes, which is unlikely to please the wealthier, as it may be their responsibility to pay more taxes.

Discussion. The lack of mass payments during the pandemic period, as well as the deepening economic crisis in Ukraine due to the full-scale military invasion of the Russian Federation does not help improve the financial situation of the most vulnerable. In particular, statistics show that inflation and rising world prices, and as a consequence of prices in Ukraine, suggest that the growth rate of social benefits is unlikely to approach inflation. Consequently, a significant reduction in the purchasing power of citizens, including retirees, can be predicted. We assume that the future rise in food prices in Ukraine and European countries may be due to the narrowing of the grain market, among which Ukraine is one of the main exporters. The need to introduce the concept of unconditional basic income in Ukraine for the most vulnerable

categories of citizens, in particular, pensioners on a comprehensive basis, is appropriate given the new financial and food crisis. As the decline in Ukraine's productive capacity, rising inflation, inability to sow fully and many related factors will lead to higher prices for the most basic basket of consumption, while the purchasing power of retirees will be significantly reduced due to lack of significant growth in social benefits. If before the military invasion the concept of introducing state regulation of food prices was realistically considered, now due to logistical problems and the breakdown of supply chains, the cost of production can increase significantly. Consequently, price regulation will in fact lead to additional budget expenditures that cannot be sufficiently monitored in the face of military aggression.

Conclusions. The current situation that is developing in Ukraine in the post-pandemic background, which has developed into a crisis associated with the war of Russia against Ukraine, is analyzed. A low level of mass payments during the pandemic period, its inertia, and the deepening of the socio-economic crisis, in fact, starting from the beginning of martial law, were established. In particular, the data on food inflation in Ukraine were analyzed as the root causes of the growth of world consumer prices, the likelihood of their projection on the national economy under martial law on the use of a system of assumptions, including on the future growth of food prices in Ukraine and net exporters of grain group of agricultural raw materials. It was made the assumption about the expediency of introducing the concept of an unconditional basic income in Ukraine for the most unprotected groups of the population, in particular, pensioners on a comprehensive basis based on a grouping of factors – accelerators.

Author contributions. The authors contributed equally.

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ON THE ISSUE OF INFORMATION SECURITY AS THE MAIN CONDITION FOR THE FORMATION OF A NEW INFORMATION SOCIETY: THE EXPERIENCE OF UKRAINE

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Abstract. The concept of "information society" appeared in the process of scientific study of changes in society at the turn of the twentieth and twenty-first centuries. The basis of changes that affected almost all spheres of public life was the dominance of information and knowledge in the functioning and development of various spheres of social life (material production, employment and social structure, professional activities and lifestyle, culture, communication, etc.). The development of the global information society, wide use of information and communication technologies in all spheres of life has raised the problem of the information security. The main components of information security are a set of elements that include openness, confidentiality and integrity of information resources and supporting infrastructure. Studying the experience of foreign countries is necessary to create an optimal system of legal information security of Ukraine. Information security is a set of methods, techniques and actions aimed at protecting against unauthorized actions with data. Information is considered safe if it is fully protected from any kind of threat. The most common are cases of leakage of information about payments and personal data. The right approach to security is to take precautionary measures that can reduce harmful effects inside and outside the system. Information protection is a set of legal, technical, and organizational means of preventing unauthorized actions with data. It is installed in information systems and is characterized by a set of measures and actions aimed at protecting data from outside influences. Information security becomes especially important in the context of Ukraine's accession to global cyberspace - the level of development of the information society, in which the efficiency of its components is determined by the achievements of scientific and technological progress: the development of computer information technology as a means of global telecommunications. Having studied the experience of foreign countries, we can offer some European methods for creating an optimal system of legal support for information security of Ukraine.

Keywords: information, information society, information security, information resources.

JEL Classification: D80, F52, K39

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Introduction. In recent years information products and services have begun to play a key role in the economic sphere. In the political sphere, the availability of information related to state activities and political processes expands the possibilities for establishing effective feedback between the government and the population, which promotes the development of social initiatives and civil society. In the field of communications significant expansion of opportunities for communication and interaction in the range from interpersonal communication through chats, blogs, Internet forums, online conferences to interaction through so-called information networks within the global information space at the interstate and intercultural level.

Literature review. The term "information society" was proposed by the Japanese theorist K. Koyama. In Japan the program "Information Society Plan: National Goal to 2000", based on the work of a theorist was adopted back in 1972. However, the term

"information society" was first used by Yu. Hayashi, a professor at the Tokyo Institute of Technology, in 1969. An important role in the approval and popularization of this concept was played by the work of another Japanese researcher I. Masuda "Information Society as a Post-Industrial Society", as well as books by Western futurists O. Toffler, J. Naisbitt and others. [1] Since the early 90's of the twentieth century, the term has entered wide scientific circulation.

Aims. The purpose of the article is to solve the problem of information security as a key area of development of the information society, and to determine the main directions of legal information security, taking into account the experience of the European Union.

Methods. The main research methods that were used in the article are general scientific methods of analysis and synthesis, as well as comparative analysis, which became the basis for obtaining research results.

Results. Information security is a set of methods, techniques and actions aimed at protecting against unauthorized actions with data. The Law of Ukraine "On Information" stipulates that information is any information and / or data that can be stored on physical media or displayed in electronic form [2]. Information is transmitted orally and in writing through signs, technical mechanisms, gestures, programs. Information and its constituent principles are still being studied by experts to improve the efficiency of data storage and use. The information that needs to be secured is used in various spheres of life: political, economic, social and spiritual. It is important to protect it from leakage to minimize possible adverse effects.

Information is considered safe if it is fully protected from any kind of threat. The most common are cases of leakage of information about payments and personal data (about 80% of cases). The right approach to security is to take precautionary measures that can reduce harmful effects inside and outside the system. *There is also a narrower meaning of information security:*

Information security is a practical activity aimed at preventing unauthorized access, use, detection and conversion of data. Internal and external information threats can harm national and international relations, specific citizens.

Information protection is a set of legal, technical, and organizational means of preventing unauthorized actions with data. It is installed in information systems and is characterized by a set of measures and actions aimed at protecting data from outside influences.

Information security is also the science of ensuring the preservation of information resources, inviolability of the will, legal rights of the individual and society. Penetration into the information space is an open (sometimes latent) action that specifically or coincidence affects the object of protection, leading to leakage or disclosure of information. Information security is based on the following issues:

1. Why, who and what to protect?
2. From what external and internal factors to protect?
3. How to protect against threats?

The main components of information security are a set of elements that include openness, confidentiality and integrity of information resources and supporting

infrastructure. Security features often include protection against unauthorized access, which is a key component of data security.

Let us consider the system of basic components of information data:

- Accessibility is a feature that allows users in certain cases to freely obtain information that interests them. Exceptions are data hidden from public scrutiny, the disclosure of which can cause serious harm to subjects and information. For example, materials that everyone can receive are available: buying tickets, services at banks, paying utility bills.

- Integrity is one of the elements of information that guarantees its stability in case of intentional (unintentional) transformation or destruction of certain data. It can be static (stability of the main objects from the initial state) and dynamic (accurate implementation of successive actions). If the unity of information is violated, it can lead to serious negative consequences. This characteristic is the main and relevant in the information space.

- Confidentiality - the main property that allows access to information only to legal entities: customers, platforms (programs), processes. Confidentiality is the most researched and developed aspect of information security.

The purpose of confidential information is to restrict access of persons to data whose legal regime is established by specialized regulations in national and non-state industries, industry and social activities.

Information security becomes especially important in the context of Ukraine's accession to global cybercivilization - the level of information society, in which the effectiveness of its components is determined by scientific and technological progress: the development of computer information technology as a means of global telecommunications [3]. Against the background of the formation of the global information society and Ukraine's entry into the world information space, increasing the effectiveness of legal regulation of information security is becoming especially important. Moreover, a person, his or her life and health, honor and dignity, inviolability and security are recognized in Ukraine as the highest social value [4]. The most important feature of the information society is the ability of everyone to create information and knowledge, have access to them, use and share them. The main goal of the information society is to enable people to realize their intellectual potential, their capabilities and abilities, contributing to the constant development and improvement of their living standards. In the practice of information society in different countries there are three main models: European, American and Asian.

The European model of information society development is characterized by social orientation and active involvement of the state and international institutions. EU bodies are implementing a number of programs of the information society development and a single European information space creation. These programs are aimed at ensuring the rights and freedoms of citizens, the development of information infrastructure, free access and awareness of society, the creation of favorable conditions for the development of entrepreneurship in the field of information technology. A sign of the European model of information society is the variability of political orientation of programs for building and developing the national components

of Europe, due to the new regional geopolitics, information (intellectual) economy, information legislation, various opportunities for post-industrial development [1].

Ukraine does not stand aside from the process of forming an information society. One of the main priorities is the desire to build a people-oriented, open and development-oriented information society in which everyone could create and accumulate knowledge and information, have free access to them, share, use, thus promoting social and personal development and improving the quality of life. Moreover, Ukraine has formed the legal basis for building an information society: laws of Ukraine "On the Concept of the National Informatization Program" and "On the National Informatization Program" were adopted, as well as other regulations governing public relations for the creation of electronic information resources, protection of intellectual property resources, introduction of electronic document management, information protection. These and other preconditions allow us to believe that the Ukrainian market of information and communication technologies is in a state of active development and can become the foundation for the development of information technology information society in Ukraine.

Due to the active development of our country and its active cooperation with the European Union Ukraine is increasingly trying to bring all areas of activity to European norms and standards. In addition, the pace of digital development is increasing. That is why there is a need for a comprehensive study of the experience of international legal information security, its systematization, the formation of strategies for further improvement of the national information security system, taking into account the development trends of Ukraine. Despite the fact that the issue of information security attracts considerable attention of researchers and scientists, there is still no single and systematic scientific study of improving the administrative and legal support of information security in Ukraine, taking into account the experience of foreign countries, especially Europe.

The study of the experience of foreign countries in the field of information security began in 1991, when European countries (at that time, not yet the European Union) developed the first standard of information security "European criteria for information security". This document defines the tasks of information security, especially the protection of information resources from unauthorized modification or destruction, to ensure the confidentiality and integrity of information resources, as well as ensuring the efficiency of all systems by combating threats of denial of service. In 1996, after the creation of the European Union, information security standards were officially published in the document "Common conditions for information technology security". According to it, the CIA TRIAD model was used to describe the main criteria of information security. The main characteristics of information security of this model are:

- confidentiality;
- integrity;
- availability.

Later, in 2001, the European Commission presented a document entitled "Network and Information Security: A European Policy Approach", which set out the

European Union's current approach to information security issues. This document identified the main directions of European policy in the field of information security, namely raising awareness of all users about the possibility of a threat when working with communication networks; creation of a single European information and warning system for new threats; providing comprehensive technological support; support and promotion of market-oriented standardization and certification; legal support, the priorities of which are the protection of personal data, combating cybercrime; strengthening information security in general at the state level by introducing effective and uniform means of information security and encouraging the use of electronic signatures in the provision of public online services of member countries, etc.; development of international cooperation in the field of information security.

European standards of information activity of public authorities provide for their total information openness, except for restrictions related to the confidentiality of information (primarily, ensuring the security of personal data). Directive 95/46 / EC "On the protection of individuals with regard to the processing of personal data and on the free movement of such data" is the main document regulating the right of citizens of the European Union to the protection of personal data [5]. It is important to note one of the provisions, namely the "Guaranteed Security Principle № 11", which requires that personal data be protected by reasonable means of security against all types of threats, such as data loss, unauthorized access, destruction, use, modification or disclosure. The new rules on personal data protection were approved on April 14, 2014 and came into force in 2018. An innovation was the introduction of more severe penalties for late reporting of information leaks. This directive requires the consent of users to the processing of their personal data, which must be free, informed and specific, and can be revoked at any time.

Discussion. Having analyzed these provisions, it should be noted that the development of legal regulation and harmonization of relevant standards for information security, including information technology security, in the European Union began to develop much earlier than in Ukraine, so it is more systematic and thorough. In addition, the regulation of information security in the European Union is clearer and more structured. First of all, these are clearly defined basic concepts and categories, the implementation of a list of relevant threats to information security, such as personal data, etc.

On the example of assessing the system in Germany and Poland, we can conclude that to achieve the goal of information security in any sphere of public life requires a clear and coordinated functioning of the subject of such security, which is endowed exclusively specialized powers. It is the specialized body that can most effectively ensure information security, as it accumulates special experience, improves educational, technical, material, practical base, as well as the baggage of interaction with other subjects of legal relations in the state and subjects of international law. On the example of Germany, it is clear that the appropriate basis for the further effective functioning of the legal mechanism for information security in the country is, first of all, effective and high-quality regulatory regulation [6, 7].

One of the most important trends to be borrowed in Poland in the context of information security is the active involvement of non-state actors in all processes, especially members of civil society. After analyzing such implementation in other countries, it is necessary to note the positive impact on the whole sphere, as well as that information security is carried out primarily by adopting a key strategic document that directs the activities of all actors in information security, identifies key areas and tasks set before the mechanism of information security. Thus, having studied the experience of foreign countries, we can offer some European methods for creating an optimal system of legal support for information security of Ukraine.

Conclusion. The main components of information security are a set of elements that include openness, confidentiality and integrity of information resources and supporting infrastructure. Studying the experience of foreign countries is necessary to create an optimal system of legal information security of Ukraine. Information security is a set of methods, techniques and actions aimed at protecting against unauthorized actions with data. Information is considered safe if it is fully protected from any kind of threat. The most common are cases of leakage of information about payments and personal data. The right approach to security is to take precautionary measures that can reduce harmful effects inside and outside the system. Information protection is a set of legal, technical, and organizational means of preventing unauthorized actions with data. It is installed in information systems and is characterized by a set of measures and actions aimed at protecting data from outside influences. Information security becomes especially important in the context of Ukraine's accession to global cybercivilization - the level of development of the information society, in which the efficiency of its components is determined by the achievements of scientific and technological progress: the development of computer information technology as a means of global telecommunications. Having studied the experience of foreign countries, we can offer some European methods for creating an optimal system of legal support for information security of Ukraine.

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CHAPTER 2

DEVELOPMENT OF FINANCE, ACCOUNTING AND AUDITING

DETERMINANT OF CUSTOMER SATISFACTION AT VIETCOMBANK-A LARGEST COMMERCIAL BANK IN VIETNAM

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Abstract. *The study builds a model of the factors affecting customer satisfaction with service quality at Vietcombank. Data were collected from primary and secondary sources. The research uses the combination of qualitative and quantitative methodology with the Cronbach's alpha reliability analysis, Exploratory Factor Analysis (EFA) method, Confirmation Factor Analysis (CFA), and Structural Equation Modelling (SEM) through SPSS data analysis software. The survey was conducted with 130 questionnaires with the convenient sampling method. The result shows that the research results show that customer satisfaction with the quality of banking services depends on the following factors: service capacity; responsibility; sympathy. Therefore, the author suggests some managerial implications to Vietcombank management at the Nguyen Oanh branch to improve customer satisfaction. This research still has some limitations: the study does not investigate other influencing factors; the convenient sampling method has not been generalized well; the research is only conducted for Vietcombank at the Nguyen Oanh branch.*

Keywords: *satisfaction; customer; service quality; Vietcombank.*

JEL Classification: *G21, G24, F30*

Formulas: *0; tabl.: 2; fig.: 1; bibl.: 19*

Introduction. Vietnam is in a period of renovation and renewal in the management and the market mechanism. It has brought many opportunities and challenges for businesses in Vietnam. The country's economy is developing day by day, and the banking industry plays a role in economic development (Dang & Nguyen, 2021a; Nguyen & Dang, 2022). In times of market economy and rapid rise in living standards, they demand more advanced services. Commercial banks are more established, and customers have more choices of a financial service provider for them. With such a competitive market, customers are the decisive factor in the existence and development of the bank. The bank that wins a lot of attention and customer loyalty, that bank will be successful. The previous studies agree that customers or investor always analyze bank environment or performance to invest or use their service (Abuzayed et al., 2018; Nguyen & Dang, 2020; Nguyen, 2021a). In addition, in ASEAN countries, Vietnam is one of the countries that have an increasing financial market recently (Dang & Nguyen, 2021a; Nguyen, 2020, 2022; Nguyen & Dang, 2022). Therefore, the research in commercial banks in Vietnam is very important.

In addition, In Vietnam, Vietcombank is the First State-owned Commercial Bank selected by the Government to pilot equitization. Nearly half a century of operation in

the market, Vietcombank has always maintained its position as a leading provider of financial services in the field of international trade; in traditional activities such as capital trading, capital mobilization, credit, project financing as well as modern banking services: trading foreign currencies and derivatives, card services, banking electronic... Some previous studies find that Vietcombank play important role in Vietnamese financial market (Dang et al., 2020; LE, 2020; Viet & Tuan, 2018).

Therefore, all other businesses always consider a customer-oriented business strategy as the top strategy. Based on that reason, the author conducts the topic: “Determinant of customer satisfaction at Vietcombank-A largest commercial bank in Vietnam”.

Aims. This study has the following research objectives:

- Determining the factors affecting customer satisfaction with service quality at Vietcombank – Ho Chi Minh City, Vietnam.
- Measuring customer satisfaction with service quality at Vietcombank.

Methods. *Research data.* Secondary data are data collected from available sources, and it has been aggregated and processed at least once. Secondary data sources for the study of the topic are diverse, mainly taken from the following sources:

- Internal data sources: the company's business performance reports, accounting, and financial reports...
- Books, newspapers, magazines, professional documents: to provide the theoretical basis of the methods used in the topic.
- Web: update news and reports related to research issues.
- Primary data is the initial data collected directly from the research subject without processing.

How to proceed?

- *Step 1: Build the questionnaire*
 - Develop a questionnaire based on the information collected in the research model and related satisfaction studies.
 - Select and edit the questions based on the opinions of experts (banker and Master Tran Phi Hoang). Interview 10 random customers to test the clarity of the questionnaire.
 - Edit and finalize the questionnaire, and issue the official questionnaire.
- *Step 2: Determine sample size and scale for the survey*
- *Step 3: Send a survey to customers*
- *Step 4: Contact the customer to track the response result*
 - After a week, if there is no response from the customer, the sender will call back to ask the customer to answer.
 - Customers who come to make transactions at the bank's counters will answer directly on the survey. They will take the survey and send it back to the bank staff at the counter.
- *Step 5: Get feedback from customers.*
- *Step 6: Process data through the use of the SPSS tool and conduct data analysis.*

Table 1. Scales and scale coding

No.	Variable	Content Interpretation
RELIABILITY		
1	DTC1	The bank always does what it promised.
2	DTC2	Customer information is always strictly confidential.
3	DTC3	Vietcombank is a bank trusted by customers.
4	DTC4	The bank made the correct transaction the first time.
5	DTC5	Safe transactions.
RESPONSIBILITY		
6	DU1	Transaction processing time at Vietcombank is always rapid.
7	DU2	Bank staff is always ready to listen and meet the needs of customers.
8	DU3	The staff is always enthusiastic to guide customers about the procedure.
9	DU4	Wide and convenient transaction network.
10	DU5	Staff always answer the phone and email quickly.
11	DU6	Convenient working time.
12	DU7	Reasonable transaction fees.
SYMPATHY		
13	SDC1	Staff always treat customers properly.
14	SDC2	Bank employees often ask customers.
15	SDC3	Employees always understand the specific needs of each customer.
16	SDC4	Employees always actively care about the difficulties of customers.
17	SDC5	The staff is always enthusiastic and customer-friendly.
SERVICE CAPABILITIES		
18	NLPV1	The staff is happy and enthusiastic when customers enter the bank.
19	NLPV2	The staff consults and answers clearly and satisfactorily the questions of customers.
20	NLPV3	Employees deal with customers' transactions very quickly and accurately.
21	NLPV4	The staff is highly knowledgeable.
EQUIPMENT		
22	PTHH1	The transaction counter is arranged reasonably and impressively.
23	PTHH2	The bank's equipment is modern and attractive.
24	PTHH3	The bank's equipment is modern and attractive.
25	PTHH4	The customer service facilities are good. (toilet, television, newspaper, water to drink...)
26	PTHH5	Parking is very convenient and safe.
GENERAL EVALUATION		
27	SHL1	The bank's equipment is modern and attractive.
28	SHL2	Customers will introduce Vietcombank bank to friends and relatives.
29	SHL3	Customers will continue to use the services of Vietcombank bank.

Source: develop by author

The subject of the survey is a group of individual customers who have been directly transacting and using Vietcombank's services.

The sample size is determined based on the 5:1 standard of Bollen (1998). It ensures good data analysis (exploratory factor analysis EFA). It takes at least five observations for one measurement variable, and the number of observations should not be less than 100. The survey model in the study includes five independent factors with 26 observed variables. Therefore, the required number of samples is from $26 \times 5 = 130$ samples or more. So the sample size of the study is $n = 130$ samples.

Research model. SERVPERF is a model built by Cronin Jr and Taylor (1992) based on the argument that the SERVQUAL model does not have the necessary reliability in many studies for banking or fast food. Therefore, the SERVPERF model is built based on the SERVQUAL model, but it removes the evaluation of expectations and only retains the evaluation of customer feelings.

Besides, the SERVPERF model can influence customer satisfaction at Vietcombank. When the density of customers is high, utilities such as television, newspapers, and drinking water... have an impact on customers. The way banker handle customer transactions quickly and accurately also affects customer satisfaction.

Regression analysis will determine the relationship between the dependent variable (customer satisfaction) and the independent variables (tangible means, responsiveness, service capacity, reliability). The regression analysis model will describe the form of the relationship and thereby help predict the degree of the dependent variable when the value of the independent variable is known in advance. The selected analysis method is the Stepwise selection method with FIN input standard of 0.05 and FOUT output criterion of 0.1. It is the most widely used method.

$$\text{Equation shape: } Y = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$$

In there:

- X1: EQUIPMENT
- X2: SERVICE CAPABILITIES
- X3: RESPONSIBILITY
- X4: RELIABILITY
- X5: SYMPATHY

Results and discussion.

1. Descriptive statistics of observed variables. Statistical results are described in Table 2.

Table 2. Descriptive statistics of factors to assess satisfaction level

	N	Minimum	Maximum	Mean	Std. Deviation
DTC1	120	1	5	3,04	,864
DTC2	120	2	5	2,81	,802
DTC3	120	1	5	2,84	,745
DTC4	120	1	5	2,78	,804
DTC5	120	1	5	2,92	,836
DU1	120	2	5	3,02	,845
DU2	120	1	5	3,12	,822
DU3	120	2	5	3,20	,922
DU4	120	1	5	3,17	1,051
DU5	120	1	5	2,94	,813
DU6	120	1	5	3,13	,766
DU7	120	1	5	3,02	,855
SDC1	120	1	5	3,04	,738
SDC2	120	1	5	3,28	,900
SDC3	120	1	5	3,18	,907
SDC4	120	1	5	3,23	,905
SDC5	120	1	5	3,20	,846
NLPV1	120	1	5	3,07	,857
NLPV2	120	1	5	3,13	,805
NLPV3	120	1	5	3,11	,818
NLPV4	120	1	5	3,32	,907
PTHH1	120	1	5	2,74	,804
PTHH2	120	1	5	2,94	,910
PTHH3	120	1	5	3,09	,961
PTHH4	120	1	5	2,73	,807
PTHH5	120	2	5	3,10	,803
Valid N (listwise)	120				

Source: develop by author

Customers who have transacted with Vietcombank for more than three years accounted for the highest percentage (33.3%), from two to less than three years accounted for 26.7%, from one to less than two years accounted for 23.3%, less than one year accounted for the lowest rate (16.7%). Thus, although the percentage of long-term customers with the bank accounts for the highest rate, the proportion of customers less than two years is also high, so Vietcombank needs to have reasonable plans to make these customers become customers. These customers are satisfied and loyal to them.

2. Results of assessing the reliability of the scale. The analysis results of individual customer satisfaction scales on service quality at Vietcombank are shown in Table 3.

For the RELIABILITY factor, Cronbach's Alpha is $0.879 > 0.7$. Component of RELIABILITY factor includes five observed variables. The first analysis of Cronbach's Alpha rejected DTC1 because the coefficient "Cronbach's Alpha if Item Deleted" is greater than the coefficient of Cronbach's Alpha. When removing that variable and analyzing it a second time, all the remaining variables have the total correlation coefficient greater than 0.3 and the coefficient "Cronbach's Alpha if Item Deleted" is less than 0.879. Therefore, variables DTC2, DTC3, DTC4, DTC5 will be included in factor analysis to assess customer satisfaction.

For the RESPONSIBILITY factor, Cronbach's Alpha is $0.862 > 0.7$. RESPONSIBILITY factor composition includes seven observed variables. Through Cronbach's Alpha analysis for the first time, there are DU3 and DU4 whose total correlation coefficient is less than 0.3, so they are rejected. After removing those two variables and conducting the second analysis. DU6 is rejected because the total correlation coefficient was less than 0.3. We continue to remove that variable, and conduct a third analysis. The remaining variables have the correlation coefficient greater than 0.3, and the coefficient "Cronbach's Alpha if Item Deleted" is less than 0.862. Therefore, the variables DU1, DU2, DU5, DU7 will be included in the factor analysis to assess customer satisfaction.

For the SYMPATHY factor, the Cronbach Alpha is $0.846 > 0.7$. Components of the SYMPATHY factor include five observed variables. All of these variables have correlation coefficients with the total variable greater than 0.3, and the coefficients of "Cronbach's Alpha if Item Deleted" are less than 0.846. Therefore, all these variables are included in the factor analysis to assess customer satisfaction.

For the SERVICE CAPACITY factor, Cronbach's Alpha is $0.874 > 0.7$. Components of the SERVICE CAPACITY factor include four observed variables. All of these variables have the total correlation coefficients greater than 0.3, and the coefficients of "Cronbach's Alpha if Item Deleted" are less than 0.874. Therefore, all these variables will be included in factor analysis to assess customer satisfaction.

For the EQUIPMENT factor, Cronbach's Alpha is $0.996 > 0.7$. Components of the response factor include seven observed variables. Through Cronbach's Alpha analysis for the first time, there is one variable PTHH5 with a total correlation coefficient of less than 0.3, so it is rejected. After removing that variable and conducting the second analysis, all the remaining variables have the total correlation coefficient greater than

0.3, and the coefficient "Cronbach's Alpha if Item Deleted" is less than 0.996. Therefore, the variables PTHH1, PTHH2, PTHH3 and PTHH4 will be included in the factor analysis to assess customer satisfaction.

Table 3. Calculation results of Cronbach's Alpha coefficient of factors measuring customer satisfaction

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
RESPONSIBILITY (Cronbach's Alpha = 0.879)				
DTC2	8,53	4,301	,759	,837
DTC3	8,50	4,353	,825	,815
DTC4	8,57	4,533	,669	,872
DTC5	8,42	4,297	,714	,856
RESPONSIBILITY (Cronbach's Alpha = 0.862)				
DU1	9,08	4,363	,789	,790
DU2	8,99	4,714	,693	,830
DU5	9,17	4,762	,688	,832
DU7	9,08	4,665	,668	,841
SYMPATHY (Cronbach's Alpha = 0.846)				
SDC1	12,90	8,494	,569	,836
SDC2	12,66	7,454	,655	,814
SDC3	12,76	7,479	,641	,818
SDC4	12,71	7,301	,688	,805
SDC5	12,74	7,437	,722	,796
SERVICE CAPABILITIES (Cronbach's Alpha = 0.874)				
NLPV1	9,55	5,039	,666	,863
NLPV2	9,49	4,756	,836	,798
NLPV3	9,51	5,059	,710	,846
NLPV4	9,30	4,699	,716	,845
EQUIPMENT (Cronbach's Alpha = 0.996)				
PTHH1	8,26	5,723	,986	,996
PTHH2	8,25	5,819	,991	,994
PTHH3	8,26	5,823	,985	,996
PTHH4	8,26	5,790	,996	,993

Source: develop by author

3. EFA exploratory factor analysis.

KMO = 0.869 ($0.5 \leq \text{KMO} \leq 1$) so factor analysis is appropriate.

Sig. (Bartlett's Test) = 0.000 (sig. < 0.05) shows that the observed variables are correlated with each other in the population.

Eigenvalues = 1,080 > 1 represent the portion of variation explained by each factor, then the derived factor best summarizes the information.

Total variance extracted: Cumulative % = 77.228% > 50%. This proves that 77,228% of the variation of the data is explained by 5 factors.

4. Regression model results. From the above regression analysis table, we can see that the relationship between the dependent variable Customer satisfaction, and 3 independent variables is shown in the following standardized regression equation:

$$Y = 0.441 \cdot X_2 + 0.272 \cdot X_3 + 0.182 \cdot X_5$$

Table 4. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	,869
Approx. Chi-Square	2766,920
Bartlett's Test of Sphericity df	210
Sig.	,000

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9,938	47,324	47,324	9,938	47,324	47,324	4,439	21,139	21,139
2	2,515	11,974	59,298	2,515	11,974	59,298	3,092	14,723	35,862
3	1,477	7,032	66,330	1,477	7,032	66,330	2,971	14,150	50,011
4	1,208	5,754	72,083	1,208	5,754	72,083	2,876	13,696	63,708
5	1,080	5,145	77,228	1,080	5,145	77,228	2,839	13,521	77,228
6	,776	3,696	80,924						
7	,632	3,010	83,934						
8	,524	2,494	86,428						
9	,474	2,256	88,685						
10	,409	1,949	90,633						
11	,392	1,867	92,500						
12	,355	1,691	94,192						
13	,283	1,346	95,537						
14	,256	1,220	96,757						
15	,241	1,150	97,907						
16	,169	,804	98,710						
17	,141	,671	99,382						
18	,090	,429	99,811						
19	,021	,102	99,913						
20	,014	,068	99,981						
21	,004	,019	100,000						

Source: develop by author

All three components measuring customer satisfaction have significance levels $\text{sig}\alpha < 0.05$. So these three factors are accepted in the regression equation, and they affect the level of customer satisfaction (Y). According to the regression equation above, customer satisfaction has a relationship linearity with the factors of service capacity (standardized beta coefficient is 0.441), responsiveness (standardized beta coefficient is 0.272), and empathy (standardized beta coefficient is 0.182).

Table 5: Regression results

Symbol	Beta	SE	T-Stat	p-value	VIF
X1	-2.4512	0.05679	4.61321	0.7225	2.913
X2	0.442123	0.13258	1.67627	0.0231	2.321
X3	0.272043	0.18521	2.03465	0.0000	1.610
X4	-5.61225	0.01892	1.35464	0.3231	2.157
X5	0.45542	0.29344	1.28682	0.0602	1.615
C	-0.24625	0.43432	-2.01712	0.1529	
R-squared = 0.5625					
Adjusted R-squared = 0.5411					

Source: develop by author

The F test used in the analysis of variance is a hypothesis test about the fit of the overall linear regression model to consider the dependent variable that is linearly related to the entire set of independent variables. In this case, we see that the F statistic has a very small $\text{sig}\alpha$ value, indicating that the used model is suitable and the variables all meet the acceptance criteria ($\text{Tolerance} > 0.0001$).

The criteria of Collinearity diagnostics with the variance inflation factor (VIF) of the independent variables in the model are small. That shows that the multicollinearity of the independent variables is insignificant, and the independent variables in the model are acceptable. ($\text{VIF} < 10$ is acceptable) (Dang & Nguyen, 2021b, 2022; Nguyen, 2021b).

Finally, the Durbin Watson coefficient used to test the first-order series correlation shows that the model does not violate. Because when using the multiple regression method, the obtained value of D is 1,868 (ranging from 0 to 4) and accepts assume there is no first-order series correlation in the model. Thus, the multiple regression model satisfies the evaluation and suitability test conditions for drawing research results.

Our findings are consistent with previous studies (Mohammad & Alhamadani, 2011; Tansuhaj et al., 1987) that find many factors can affect bank's customer satisfaction and our results provide an important implication for Vietcombank and also for other commercial banks in Vietnam.

Conclusion. The research results show that customer satisfaction with the quality of banking services depends on the following factors:

The SERVICE CAPACITY factor has the highest influence ($\beta = 0.441$). It can be explained that the transaction staff are the ones who will have direct contact with customers, so all manners, qualifications, consulting skills of the staff have a great impact on customer satisfaction.

RESPONSIBILITY factor ranked second ($\beta = 0.272$), which can be explained that customers are increasingly interested in diversified services and timeliness of banks because more and more banks compete. Therefore, customers have more choices and prefer to deal with banks with better service.

SYMPATHY factor ranks third ($\beta = 0.182$). More and more banks compete with each other, so customers have more choices. Therefore when conducting transactions with a bank where they feel like they are not cared for, the staff is not friendly and doesn't care about customers' questions and difficulties, etc., they will not want to go to that bank for a second transaction.

In summary, the study has met the objective of assessing customer satisfaction. It builds an analytical model and thereby identifying the factors affecting customer satisfaction. It will help banks evaluate the provision of banking services, thereby offering measures to improve customer satisfaction using the service.

Author contributions. The authors contributed equally.

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ATTRACTING FOREIGN DIRECT INVESTMENT IN THE CONTEXT OF GLOBAL ECONOMIC

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Abstract. The article reveals the distinctive features and trends in the regulation of foreign direct investment (FDI) at the international and national levels. The advantages and disadvantages of foreign models for stimulating foreign investment ("American", "Japanese", "Taiwanese") are highlighted. Based on the generalization and analysis of the determinants of FDI, the specifics of the use of modern methods and tools of state stimulation and attraction of foreign direct investment in foreign countries at the present stage of economic integration, a brief analysis of the problems of state regulation of FDI in the Ukraine, directions and measures have been developed to improve the Ukrainian model of their stimulation and attraction. Investments, including foreign ones, are not only a mechanism for development, but also a way to regulate the economy through the transfer of capital. At the present stage of market development, foreign investment is the main source of the latest competitive technologies. The purchase of Ukrainian enterprises or their shares, i.e. the implementation of mergers (acquisitions), foreign investors see as an attractive way to invest from those positions that reduce the risk due to ineffective management. At the same time, the chances of applying best practices in the field of new technologies and the circulation of funds during the protracted crisis are increasing. Thus, among the problems that need to be solved immediately, one of the first places is the problem of lack of investment resources in the economy of Ukraine and the creation of favorable conditions for their accumulation. It should be noted that the processes of economic growth are determined by the volume and growth rate of investment, their structure and quality characteristics.

Keywords: foreign direct investment, investment environment, organizational and economic mechanism of FDI attraction, investment policy, investment activity, investment attractiveness, state regulation.

JEL Classification: E22, F30, G11

Formulas: 0; **tabl.:** 2; **fig.:** 1; **bibl.:** 19

Introduction. In today's minds, investments act as an important intellectual development of the structural and re-budding of the national economy, the provision of technical progress, and the promotion of showcases of state activity on the macro- and micro-levels. The very term "capital" no longer refers to negative associations, step by step slandering not only the main assets and commodity and material reserves, but also, we see assets, including intellectual capital, corporate rights (including the right to buy or sell your share of power).

The development of the mechanism for obtaining direct foreign investment in any country may come from the peculiarities of the globalization of the economy. The creation in Ukraine of the mechanism for obtaining foreign investments is to blame for the mother of the obvious advantages of equal powers, the signs of stench are already coming, and with other potential recipient powers. Adopting a solution of an investment nature, as if it were another type of management activity, is guilty of being based on a victorious organizational and economic mechanism for managing financial resources.

Literature review. In the modern system of international economic relations, the role of interstate investment cooperation is growing, due to the objective need to strengthen globalization at all levels. Globalization, which was originally predominantly political in nature, now covers mainly the economic and financial spheres.

The integration of the national economy into the world economy is based on various forms of foreign economic activity. According to economist Sh.-A. Mishale, such integration is carried out on a multilateral basis [1].

The development of the modern world economy is determined by the growth of innovation and investment activity in emerging markets and relatively weak economic growth in developed countries in the context of continuing globalization processes combined with strengthening regional integration processes [2].

In the classification of international capital flows there are several main forms, which are identified in the following sources [3-5].

Informal restrictions, which may have the same negative impact on the activities of foreign investors as direct restrictions, include [6-7]:

- delaying the licensing procedure,
- corruption and bureaucratization of licensing procedures.

The "practice of benefits" of certain types of foreign investment and methods of their regulation largely depends on a number of factors (determinants in foreign sources), which are classified by the following reinforcements [8-11].

State regulation of foreign investment in market economies is reflected in three models, set out in [15]. The dynamics of capital investment by type of assets in Ukraine in 2017-2020 is set out in [19].

In order to avoid the impact of such factors on the national economy, the entry into the system of global economic relations creates an objective need to increase its competitiveness.

The analysis of international investment processes and the author's research indicate that in the modern world there was practically no country left that was not involved in the processes of international investment cooperation.

Aims. Study the methods influencing the structure of changes in the global investment of foreign direct investment, ensuring the maximum net cash flow.

Methods. The main research methods were scientific abstraction, logical generalization and cognitive modeling to identify the impact of economic indicators, the impact on the future benefit of capital investment.

Results. The national economy in the context of globalization is one of the subjects of the global market. The integration of the national economy into the world economy takes place on the basis of various forms of foreign economic activity (FEA). According to the economist Sh.-A. Mishale, such integration is carried out on a multilateral basis and at various levels: export-import of goods, the movement of long-term capital, technology [1]. International movement and interweaving capital, expanding cross-border cooperation to the sphere of production and ownership structure, are the basis of modern globalization along with trade.

Globalization global processes significantly complicate financial markets and their segments; new financial products and services appear [10].

The development of the modern world economy is determined by an increase in innovation and investment activity in emerging markets and relatively weak economic growth in developed countries in the context of continued globalization processes, combined with the strengthening of processes regional integration [2]. The latter in the aspect of this study can be considered in two planes:

- a set of trade and political obligations, mutual on the liberalization of capital markets;
- creation of a more homogeneous investment environment through the harmonization of legislation.

Global instability is one of the negative features of globalization; however, it is followed by equally important problems, in particular: stratification of the society, rapid redistribution of resources; the growing influence of TNCs and other influential economic groups that can benefit from the crisis and change the permanent global competitive division. In order to avoid the influence of such factors on the national economy of the country, when entering the system of global economic relations, an objective necessity to increase its competitiveness is generated [17].

In the classification of international capital flows, there are several main forms [3-5]. Among them is foreign direct investment (FDI) – long-term capital investments that provide investor control over the object of capital allocation. Thus, FDI is capital (cash or fixed) provided by an investor – a legal entity – a foreign company, over which the investor's control is actually established for the long term.

It should be noted that in 2007-2010 the process of international capital migration was carried out in the context of the global financial and economic crisis, which led to a reduction in the volume of FDI in the world by 21% (compared to 2007) to \$1.7 trillion in the world decreased by 39%, amounting to about \$1 trillion. The inflow of foreign direct investment in developed countries in 2009 decreased by 41% – to \$565 billion. FDI received by developing countries, in turn, decreased by 35% and amounted to 406 billion dollars [8].

At present, it seems an axiom that FDI as a source of capital, managerial skills and technical knowledge is a necessary factor in ensuring economic growth [11].

The "preference practice" of certain types of foreign investments and methods of their regulation largely depends on a number of factors (determinants in foreign sources), which can be classified as follows:

1) environmental factors or external factors (geographical location of the country, all types of resources, scientific and technical bases, volumes of markets for consumer and industrial goods, infrastructure). These factors can only be changed in the long term;

2) internal factors [12], which include the creation and management of representations, the effectiveness of processes, etc. (the interest of governments, managing investor expectations, the effectiveness of administrative procedures, the regulatory framework, financial and tax incentives [14].

The regime of privileges in the vast majority of cases is established for enterprises of priority economic sectors for the host country and requiring large amounts of capital investment (based on the use of natural resources and financial services) [15].

Informal restrictions, which can have the same negative impact on the activities of foreign investors as direct restrictions, include:

- delaying the licensing procedure,
- corruption and bureaucratization of licensing procedures, etc. [6-7; 12].

In the international competitiveness rankings, Ukraine is traditionally ranked among the developing countries. The predominance of FDI is aimed at agricultural development, the dynamics of capital investment by type of assets in Ukraine in 2017-2020, are shown in table 1.

Table 1. Capital investments by types of assets, million UAH

Capital Investments				
Branch	2017	2018	2019	2020
Total	448462	578726	623979	508217
Investments in tangible assets	432040	542335	600568	483324
- residential buildings	53372	57396	58015	34886
- non-residential buildings	65605	88846	100468	78920
-engineering structures	78564	111315	149153	127995
- machinery, equipment and inventory	154722	187651	198455	161637
- vehicles	60124	73926	65871	50075
- land	1994	1673	2230	2298
- long-term biological assets crop and livestock production	3728	4528	6000	5247
-other tangible assets	13931	17000	20376	22266
Investments in intangible assets	16422	36391	23411	24893
including:				
- software and databases	8196	9476	10215	12411
- rights to commercial designations, industrial property objects, copyright and related rights (including entertainment and entertainment)	6228	24382	8389	8389

Source: created according to data [19]

World agriculture is one of the most subsidized economic activities. Subsidies provide the population with a sufficient amount of food, prevent price instability, provide support for underdeveloped industries (infant industry argument) [9; 20], dynamics of capital investments by types of economic activity in Ukraine in 2017-2020, are shown in Table 2.

It should be mentioned, that such countries are characterized by increased political and economic instability, unfavorable investment climate and high economic risks [16].

The following restrictive measures were used particularly frequently:

- limiting the attraction of foreign capital to the most important industries and sectors of the economy. Thus, the limits of the maximum admission of foreign capital to the national economy are legally established in order to protect it from the influence of foreign investors on the state of individual industries and on the economy of the republic as a whole;

- limiting the share of foreign investors in the capital of national enterprises, including a complete ban on foreign investors controlling national enterprises;
- measures to use a certain share of the profits of enterprises with foreign capital for the internal needs of the host state, for example, restrictions on the repatriation of profits, etc.

Table 2. Capital investment by type of economic activity, million UAH

Capital investment by type of economic activity				
Activity	2017	2018	2019	2020
Total	448462	578726	623979	508217
Agriculture, forestry and fisheries	64243	66104	59130	50680
Industry	143300	199896	254196	180537
Construction	52176	55994	62347	39615
Wholesale and retail trade; repair motor vehicles and motorcycles	33665	51818	44174	41685
Transport, warehousing, postal and courier activities	37944	50078	43793	34885
Temporary accommodation and organization food	2134	2675	2832	1951
Information and telecommunications	18395	29885	21063	22382
Financial and insurance activities	8055	10652	11246	11979
Real estate transactions	22506	27557	28147	19940
Professional, scientific and technical activities	7965	10798	11912	11823
Activities in the field of administrative and ancillary services	12747	11838	11741	8624
Compulsory social insurance	32844	44598	54306	62303
Education	3493	4460	4789	3740
Health and social care assistance	6708	8139	9485	14836

Source: created according to data [19]

The legal framework governing FDI in developing countries has traditionally been very diverse. This is due to significant differences in the policies of these states in relation to foreign capital and the goals of the investment policy pursued in proportion to the national interests.

Depending on the degree of state regulation of investment activity, passive and active methods are distinguished. Types of tools impacts are divided into:

- macroeconomic;
- microeconomic;
- institutional [14].

The use of the passive method is based on:

- providing participants in economic activities with information related to the conditions of production and marketing activities, prospects for the socio-economic development of the state [8];

- identification of priorities and development of an indicative plan for economic recovery.

These parameters are determined by measures of budgetary, tax and monetary policy [14]. The implementation of a deflationary monetary policy by increasing the required reserves and the discount rate reduces the liquidity of the banking system and limits credit operations, which leads to a reduction in the sources of financing of investment processes. A decrease in the discount rate of interest leads to a reduction in

the cost of credit resources, and hence to an increase in the possibilities of financing a greater number of investment projects.

Tax measures aimed at regulating and stimulating investment activity include:

- reduction of tax rates;
- tax credit;
- tax holidays;
- investment discounts;
- exemption from tax of a part of the profit, which is directed to finance capital investments;
- benefits of indirect taxation [21].

In addition, the need to stimulate business and investment activities in Ukraine to seriously conflict with the objectives of fiscal policy. But maintaining the current direction of credit policy for business monetary and exchange rate policy is still keeping the base to a constant sound for taxation. The same can be said about the effects of these remedies monetary policy. To date, there are no ready-made recipes these problems, however, we believe that these recipes are sure to appear if we can move to a positive attitude towards national capital, to put its development as a cornerstone of economic transformations [18].

An important microeconomic tool for regulating investments is the depreciation policy of the state, through which not only the size of the own funds of organizations that are going to expand investment activities, but also the pace, as well as the nature of reproduction, the rate of renewal of fixed assets. Accelerated depreciation of assets should be carried out in accordance with international standards, reduce the risk of long-term investments and reduce losses associated with obsolescence of fixed assets [12].

According to the established experience of state regulation of foreign investment in market economies, there are three models, which are shown below in Figure 1:

These models are based on certain incentive measures [15].

Countries with an established "American" model (USA, Spain, Italy) assign the main stimulating role to tax incentives for private sector investment in the context of a consistent liberal macroeconomic policy using pricing mechanisms and interest rates. The main control mechanism for the effective distribution of investments in this model is the stock exchange (respectively, the developed securities market). The functions of the state include:

- coordination of directions of investment resources (taking into account priority directions);
- analysis of information on the state and development of the national economy and its dissemination;
- forecasting the economic situation;
- investing in infrastructure (primarily financial market infrastructure).

The disadvantages of the "American model" include:

- the absence of factors stimulating savings;
- the inability to quickly increase savings.

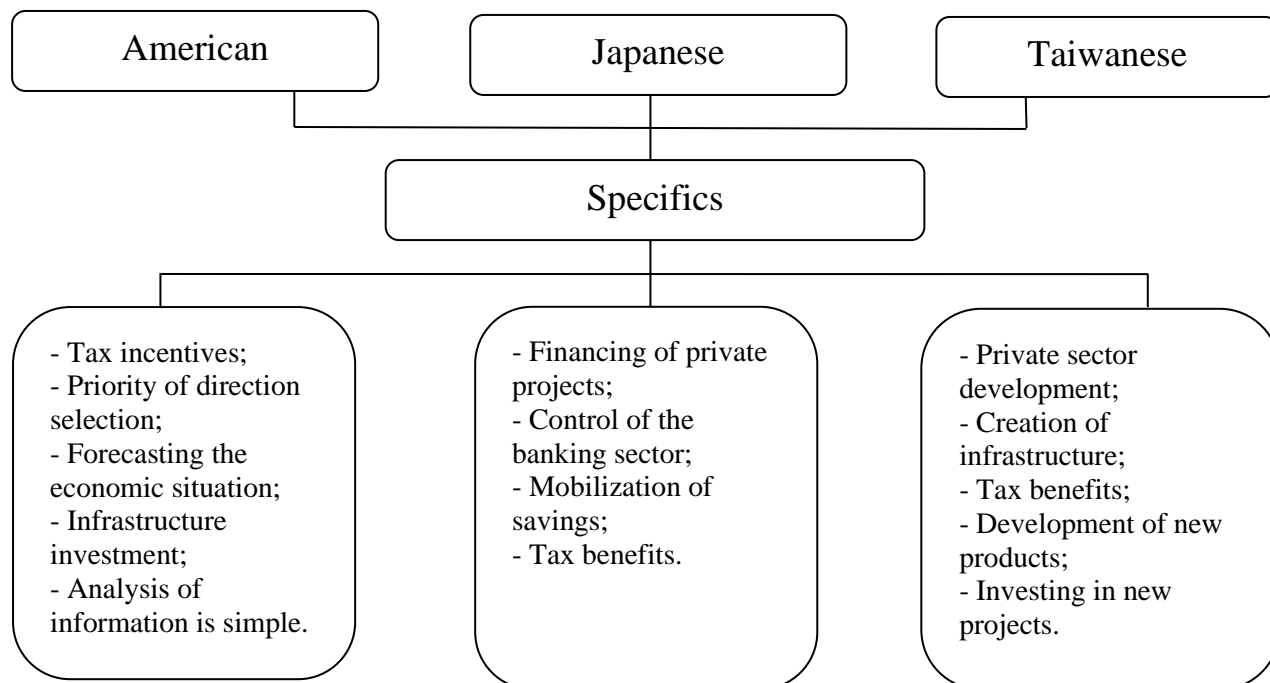


Figure 1. Models of state regulation of FDI

Source: developed by the author on the basis [15]

The "Japanese" model, used in Japan, Great Britain, Canada, Austria, is associated with state financing of private projects based on the interaction of state structures and private business. The state controls the banking sector and mobilizes the savings of the population, which it provides to corporations on favorable terms, taking into account cooperation and strict observance of their obligations. Investments in infrastructure are coordinated by government-created advisory boards according to the needs of the particular firm. A necessary condition for the implementation of this model is the presence of a strong private sector and effective public administration. Tax incentives in this model are a form of subsidies through which the state supports enterprises that are able to achieve an increase in the volume and improve the quality of their products, as well as to further increase budget revenues in a larger volume than the amount of state assistance provided. Stimulation of priority sectors through the tax mechanism is typical for economies in transition. It was used by countries such as Japan, Taiwan, the Republic of Korea.

The advantage of this model is the possibility of accumulating significant resources for the implementation of large-scale investment projects. The main disadvantages are the politicization of the investment planning process and the likelihood of a change for the worse in the main monetary parameters [13].

The mixed "Taiwanese" model, used not only in Taiwan but also in China, includes instruments from both the "American" and "Japanese" models. It is based on the development and implementation of regulatory mechanisms aimed at coordinating private investment decisions.

At the same time, it is assumed that the private sector associated with the export of goods and services has information about the investment market and ongoing projects. The task of the state is to provide such firms with active support by creating the necessary infrastructure, providing tax incentives, ensuring the availability of participation in the development of new products and technologies, as well as investment plans by financing design activities, research laboratories (R&D).

In the context of the global crisis, a positive trend is that many financial institutions and independent institutions still consider Ukraine as the most attractive country for investment.

A feature of Ukraine as a host country can be considered that more than the capital entering the country is the reimport of domestic assets previously exported from the country and subsequently attracted under the guise of FDI.

An analysis of the advantages and disadvantages of foreign models for stimulating foreign investment shows that it is not necessary to limit the activity of public and private capital in stimulating and attracting FDI. In the context of globalization, this is basically impossible.

Nevertheless, it is necessary to take a more balanced approach to the problem of attracting and using foreign investment in Ukraine, and the country's participation in the international movement of capital. Here must be a clear position of the state, expressed in the following provisions:

- granting equal rights and opportunities (including in tax and customs regulation) to both national and foreign investors, while respecting national interests;
- protection of strategic resources (primarily natural) of Ukraine;
- restrictions on foreign investments in "closed", strategic sectors of the economy.

The analysis carried out made it possible to draw a conclusion about the dominant role of state institutions in the process of attracting foreign investment. This role is in the harmonization of national legislation with international legal norms and the provision of special preferences and tax incentives that encourage investment in production, innovation, and research activities.

Discussion. The sectoral composition of Ukraine's economy provides evidence of a post-industrial type of development, consumer model of the economy, absence of changes in technological structure and restraint of investment activity, import dependence, raw materials-based type of economy due to the high exports share. Apart from that, prerequisites for structural modernization are being formed in Ukraine due to an increase in the accumulation rate to 33% in 2015-2019, in particular, in the secondary sector of the economy.

This indicates the necessity to take into account the features of the sectoral composition of Ukraine's economy in the formation of state structural policy in order to ensure long-term economic growth. Taking into consideration the predominance of the secondary and tertiary sectors in Ukraine, it is advisable to stimulate the development of services, which will ensure the growth of the secondary sector through the development of innovations.

For instance, it is important to provide public funding for research institutions and the implementation of their technological developments by the private sector

(Veugelers & Schweiger, 2016). Ukraine is one of the countries where technologies are acquired and there is a small amount of companies purchasing technologies (Veugelers & Schweiger, 2016). Therefore, it is advisable to stimulate the production and acquisition of technologies, R&D and knowledge at the state level. Biscione, Caruso & de Felice (2021) have proven the influence of public administration on the implementation of innovations in transition economies in the case of high turnover. The basic management tool is tax rates, the reduction of which occurs with the introduction of technology and leads to the firm's growth.

Conclusion. The investment policy management mechanism is a system of key components that regulate the process development and implementation of investment decisions of the enterprise, which is the key to sustainable development of the country's economy. At the formation and implementation of investment policy must adhere to the principles of sustainable development in the context taking into account social, economic and environmental aspects both inside and outside the enterprise and take into account the stage of the life cycle of the investment policy of the enterprise. In general, the need to form and implementation of the advanced directions of Ukrainian investment policy is explained by the implementation of economic reforms and social sphere.

Further investigations should be directed on studying the most effective state instruments for regulation and management of the post-industrial economic type with a predominance of consumption in the tertiary sector, with an emphasis on technologies and innovations in the secondary and tertiary sectors.

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CHAPTER 3

MODERN MANAGEMENT TECHNOLOGIES

CURRENT STATE AND PROSPECTS OF EVENT MANAGEMENT DEVELOPMENT IN UKRAINE

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Abstract. The modern world is characterized by the extremely rapid development of technology and science. The purpose of the article is to study the current state and development prospects of event management in Ukraine. The methodological basis of the article was the use of general scientific research methods, such as: analysis and synthesis, induction and deduction, as well as special research methods, such as: comparative analysis, graphic method, generalization method, etc. This trend has affected almost every sector of the economy in recent years. Automation and artificial intelligence in machines make life easier for employees every year and help them perform their duties much faster. Processes related to event management, such as organizing, conducting, and collecting feedback, are no exception. The latest event platforms and technologies have completely changed the views of specialists on conducting this particular type of activity.

Keywords: event management; development; strategy; event platforms; funding.

JEL Classification: D22, L20, L25, O10, E65, D78

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Introduction. In line with technology development, more and more new companies are following a strategy to develop and update all aspects of their activities. Special attention is paid to those areas that focus the eyes of customers on themselves, without which the existence of this company is simply impossible. Global standards for conducting, managing, and organizing events are updated.

At the same time, the event industry market is forming, consisting of structures specializing exclusively in holding events and having significant competitive advantages over the possibilities of organizing and conducting promotional events for themselves.

An essential condition for the development of the event industry is a complex combination of all components in the organization of events, achieving a level of synergy that brings only commercial benefits but also emotional satisfaction to participants, which always strengthens the latter. Positioning the event industry as a commercially significant phenomenon stimulates entrepreneurial activity and activates target groups.

The very concept of event management can be interpreted as a way to manage an event. Today in Ukraine, this type of activity is focused on organizing the creation and holding of events, which includes the formation of the company's image in the long term.

As a result, research in event management development is very relevant.

Literature review. The central part of the research related to event management development was carried out by such scientists as C. V. Butinets, E. V. Mnykh, T. M. Pushkar, M. T. Zubilevich, S. F. Golov, and others. However, given the rapid growth trend and renewal of the event management market, the research problems remain relevant and require further detailed analysis. Based on the works of scientists using methods of analysis, generalization, and explanation, the article will outline the direction of research. The object of research is Event management in Ukraine, and the subject is the state of this market and the conditions of its development. The work aims to determine the analysis of existing market features and their prospects.

Aims. The purpose of the article is to study the current state and development prospects of event management in Ukraine.

Methods. The methodological basis of the article was the use of general scientific research methods, such as: analysis and synthesis, induction and deduction, as well as special research methods, such as: comparative analysis, graphic method, generalization method, etc.

Results. Event management involves a wide range of marketing communications (from communicating necessary but straightforward information to employees, customers, and contractors to effectively presenting a brand or product) organized by various events.

The scale of the impact can vary dramatically, that is, from an enterprise to several companies and up to huge public events. Special forces that drive event management to development are:

1. refund of funds;
2. quality of the event;
3. Event result.

Event management is an industry that is constantly developing and creates career opportunities for everyone interested in organizing and planning events. Nowadays, Ukrainian event management includes [2, 4]:

- Complete Brand Learning;
- Target audience analysis;
- Gradual development of the event concept;
- Logistics plan;
- A scheme for coordinating technical aspects before directly fulfilling the event conditions.

Event management is an event management program that, depending on the goals set, involves the event manager performing diverse actions-building logistics, drama, and scenography of the event. That is why event management should carry the functions of planning, organizing, and controlling the conduct of a unique, unique

event in terms of content, and the uniqueness should be supported not so much by the originality of the idea but by "custom" ways of manifesting it to the end-user [1].

If we analyze Ukraine, the event services market has gained a remarkably rapid development and surge in innovation since 2004. During the period of cultural formation, it underwent significant changes not only quantitatively but also qualitatively: the quality of services provided improved, the range of services expanded, and the flexible pricing policy of companies began to be applied [3].

However, in Ukraine, as in other CIS countries, many problems hinder event management development. Therefore, it is worth analyzing some of them and assessing their negative impact on the overall development system on the development of Event Management in our country.

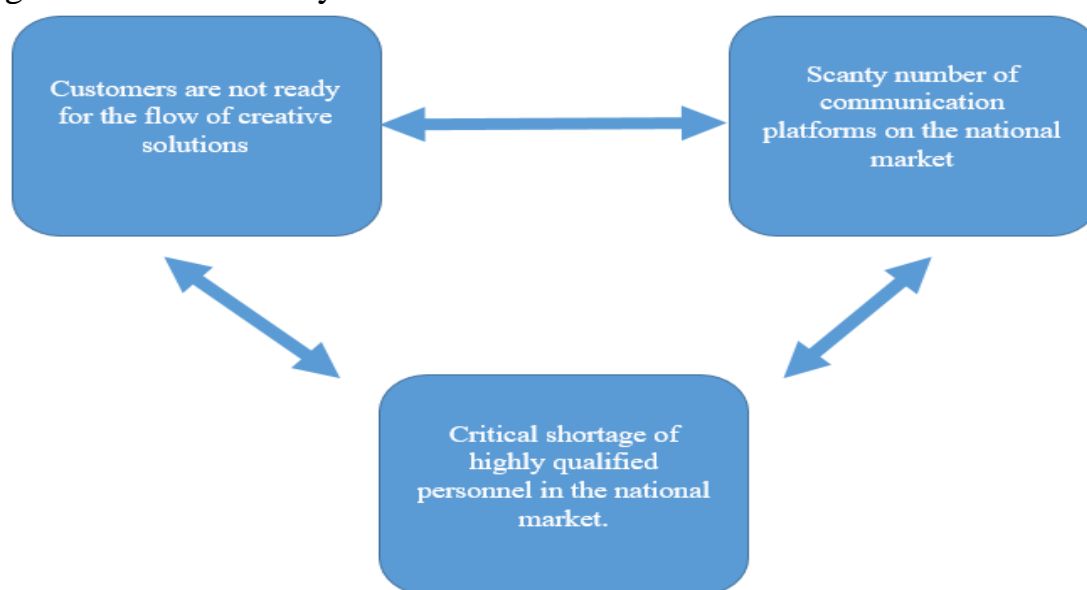


Figure 1. The main problems of Event management in Ukraine

Source: [1]

After analyzing fig. 1. we can see the main problems that hinder the development of Ukrainian event management and thus do not allow for high-quality mass cultural events at the world level.

However, despite several problems that have already "taken root" in the national market, many events are held in Ukraine of each kind. More than 800 event companies operate on the Ukrainian market, containing about 50 events a year. The total volume of the Ukrainian market using Event Management is about 45 million dollars [5].

According to many such events, a complete classification of events has been formed, which must be distinguished (Table 1).

Table 1. Classification of events on the national market

B2B	B2C
Congresses, conferences, forums	Corporate events
Symposia, round tables, seminars	Sports competitions
Presentations, trainings, master classes	Festivals, concerts
Press conferences, business breakfasts	Field events
Motivational event tourism	

Source: built by the author on the basis of his own research

After analyzing the table 1 we can see that in our country, a complete classification of events has been formed, which provides for their division into two main categories: B2C – all events that are designed for a mass target audience (mass consumer) and B2B – events that are of a business Nature (business nature).

Current trends in the development of such a direction of socio-economic activity are also directly represented in the practice of Public Authorities. Conditions that determine the possibility of using elements of Event Management in the activities of Public Administration bodies should be presented in the following aspects [7].

First, the population's Galloping differentiation replaces the constant consumption of a mass product. Densification is taking place, which divides the entire population into relatively insignificant groups that differ from each other in specific diverse characteristics. Thus, the results of Demassification are presented everywhere and everywhere [5].

It is only necessary to look at how many TV channels and various radio stations have emerged to please all possible consumer, cultural, and even political tastes of different population segments. Also, the period of "entertainment for all" is gradually becoming a thing of the past, giving way to completely different types specially selected for a particular segment of society.

Secondly, in the public sphere of management, the issue of dominating guidelines for the consumer as a full participant in such relations, which is regulated not only by the norms of law but also by the relevant laws of supply and demand, is becoming relevant today. In other words, the winner is the one who directly takes into account the values and tastes of the consumer and, based on them, builds his target marketing policy. Thus, in the context of Public Administration, this primarily means that the paradigm of so-called "Good Governance," which is reasonably actively implemented in various modern practices of Public Administration in developed countries, involves taking into account the participant in power relations [6].

Third, the development of social marketing is becoming more relevant. The usual tradition of linking, for example, the name of a company, product, or brand with various socially significant phenomena has become active in the last decade, and, according to experts' forecasts, it will also continue to gain momentum in the future.

Social marketing emerged as a tool for current product promotion, which evolved into a long-term market strategy that determines product positioning in a certain way. By using social marketing, leading companies get a rare opportunity to form long-term and strong relationships with the consumer.

That is why event management can be considered one of the most dynamic tools for BTL agencies in the communication market. The number of agencies that conduct events is overgrowing, and the organization and conduct of events have reached a world level.

Another aspect that characterizes the conduct of events is event platforms. These programs help you conduct events most effectively, following all the conditions for its approval. The program includes the functions of preparing, analyzing, and performing all aspects of the event itself, and in addition, it helps to collect feedback from all people present at the event [8].

It is worth analyzing the leading event platforms that organizers use when planning an event.

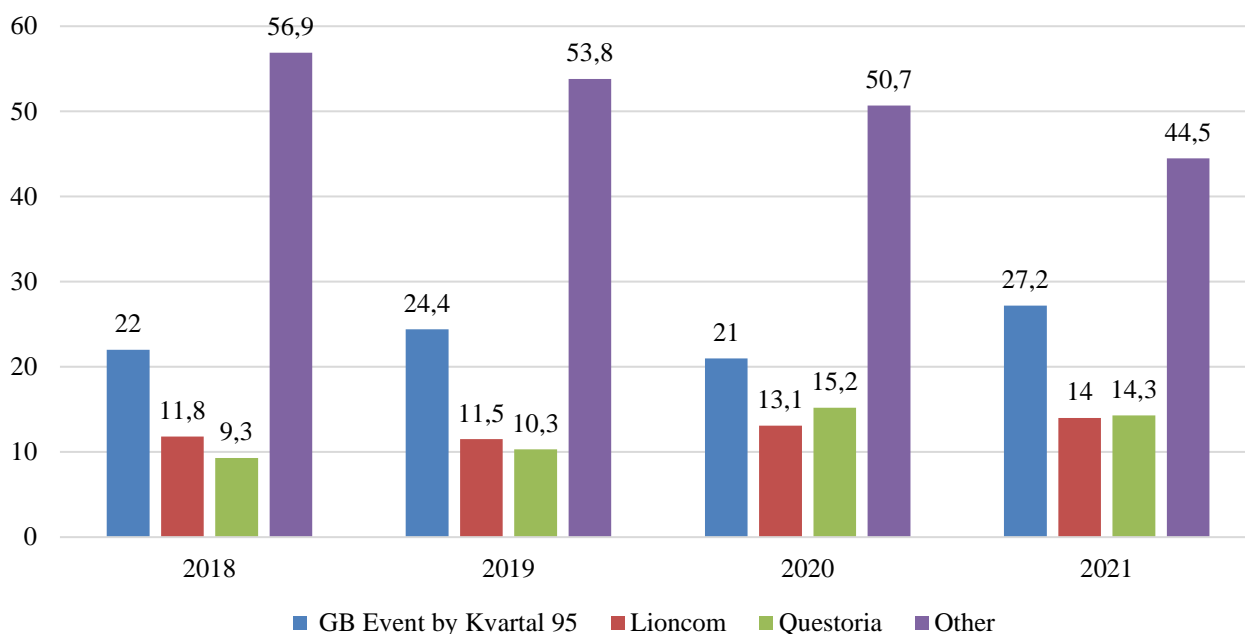


Figure 2. Analysis of the use of event platforms in Ukraine during 2018-2021, %

Source: built by the author on the basis of his own research

After analyzing the use of event platforms in Ukraine, we can conclude that during the period under study, the leader is such a platform as GB Event by Kvartal 95. Its use during the study period fluctuates around 24% so that this platform can be recognized as a leader in the national event market.

The second place was taken by such a platform as Lioncom because, in 2018, the share of its use was 12%, and during the study period almost did not change, which characterizes this platform as stable and easy to use.

The third place was taken by the Questoria platform because, during the study period, its share ranged from 13-25%, but in 2020, this platform reached 1st place with a usage share of 20%. Such a sharp increase can be characterized by the fact that this company has dramatically reduced its pricing policy, and now this platform has become even more accessible.

This policy became possible after developers were able to reduce the cost of developing some aspects of this platform, thereby providing an opportunity to reduce the price of using this program.

So, we can conclude that there was a positive trend toward the use of event platforms in Ukraine during the study period. This situation has developed because the Western world has long used similar technologies to hold conferences, symposia, and meetings, but new technologies have further optimized these processes.

Such a platform carries several aspects of solving the main problems that an event manager faces in his work. Such a program includes a separate chat for all conference participants, contains information about all the necessary halls and exhibition centers, and collects information about the quality of speakers and the overall impression of the conference.

It is worth analyzing how much money was spent on organizing events in Ukraine, taking into account the funds for purchasing event platforms.

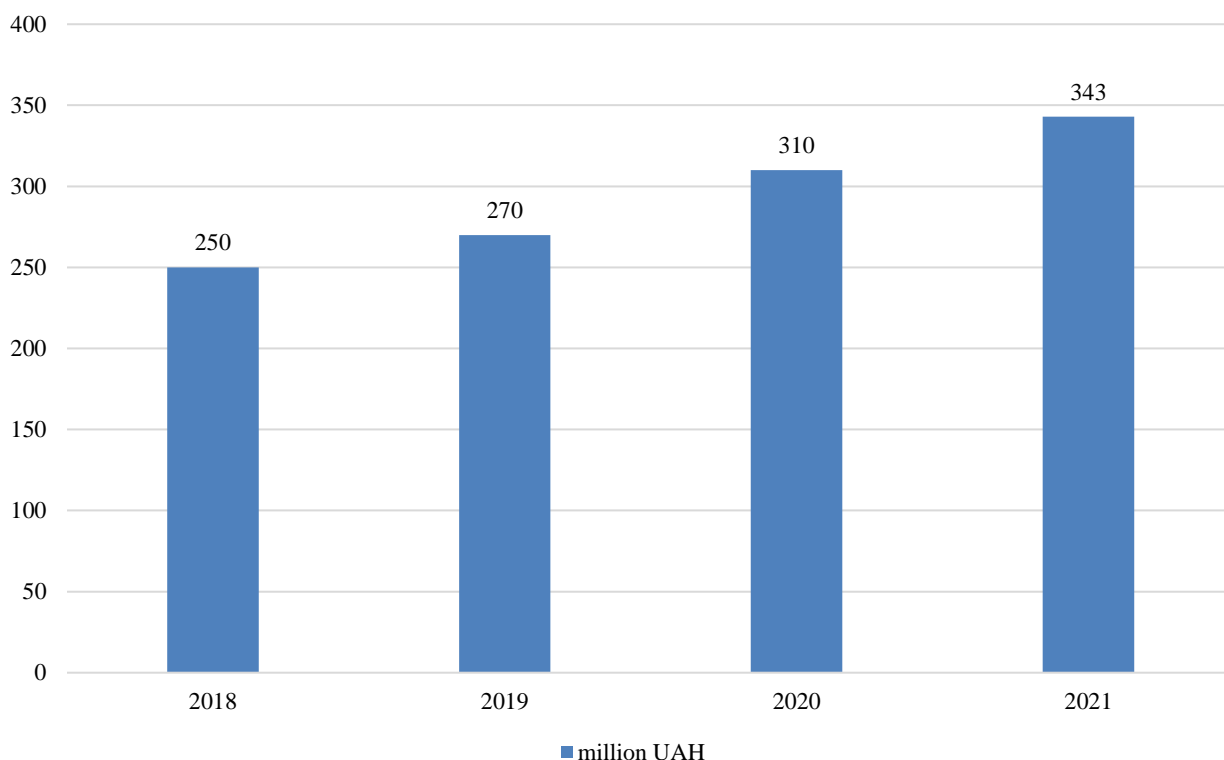


Figure 3. Analysis of funds spent on organizing events in Ukraine during 2018-2021, million UAH

Source: built by the author based on his research

Having analyzed the funds spent on organizing events in Ukraine, we can conclude that there is a tendency to increase spending on this area of development during the study period.

During 2018-2019, the use of funds decreased, and the figure in 2019 was 270 million UAH. However, if we analyze 2019-2020, we can conclude that the total number of expenses has increased because, in 2020, this figure was already 310 million UAH, and in 2020 already 343 million UAH.

So we can say that event management in Ukraine is gradually developing, and every year, more and more new ways of development and optimization methods are acquired.

Discussion. Under the concept of event management, we propose to understand a type of management activity aimed at managing various business events (business meetings, fairs, exhibitions, conferences, congresses, marketing events, social initiatives, etc.) and team building in the activities of enterprises, organizations, and institutions to achieve their strategic and tactical goals.

To specify the essence of event management, it is advisable to identify the following key characteristics:

- event management is associated with a set of different relationships that arise during the administration of business and team building events;

- the field of event management is closely related to the so-called business and team building infrastructure, which, in particular, covers conference halls, various technical equipment, audio and video equipment, accommodation facilities for employees/participants, catering, transport;

- event management is an independent field of scientific knowledge and professional activity – event management in its content is more related to the category of working hours of employees;

- event management is based on a set of scientifically based provisions (principles, methods, forms, tools, etc.); – the sphere of event management extends both to the internal environment of the business entity ("internal" orientation) and to activities related to the external environment ("external" exposure);

Conclusion. So, after analyzing the event services market in Ukraine, we can conclude that it is now at the stage of upgrade and its active development.

For event management to continue developing, it is necessary to create conditions for the symbiosis of the areas of responsibility of event and public relations; increase the market volume by expanding the range of services offered by event agencies; take a more careful approach to the selection of professional personnel, as there is an increase in customer requirements for organizing events.

Author contributions. The authors contributed equally.

Disclosure statement. The authors do not have any conflict of interest.

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LOGISTICS ACTIVITY IN THE REGIONAL MARKET OF TOURIST SERVICES

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Abstract. This article forms modern theoretical and methodological principles on the nature, place and role of logistics in the field of regional tourism. The influence of the content and quality of logistics activities on the effectiveness and efficiency of tourist services is determined. Modern destructive factors influencing the development of both regional and international tourism have been identified. It is proved that logistics activity helps to strengthen the competitive position of the subjects of the market of tourist services in the regional tourist market. The content of the article reveals a set of basic terms for the interpretation of the definition of "logistics activities" and the main approaches to understanding it. The study of the role and place of logistics activities was carried out within the system-activity approach. The genesis of various aspects of logistics activity on the basis of the analysis of works of domestic and foreign scientists is considered. The generalized purpose of logistics activity is formalized and its tasks within the limits of exogenous and endogenous approaches are defined. Peculiarities of logistics activity in the regional tourism market are considered. The author's vision of the institutional structure of the subjects of the market of tourist services in Ukraine is formed and the place and role of the subjects of logistic activity in this market are determined. The logistic analysis of the subjects of the regional tourism market is carried out. The basic object of management in logistics, namely the logistics flow, is defined as the basic sign of differentiation of these subjects. The tendencies of development of the subjects of the regional tourism market are forecasted and the algorithm of their transformation into the subjects of logistic activity is offered. The process-functional structuring of the logistics activity of the subjects of regional tourism has been carried out. The basic postulates concerning logistics activity in the market of tourist services are formulated. A systematic decomposition of the components of logistics activity is presented. The place of logistic activity in the management system of the organization is determined. The nature of the influence of the organizational mechanism of logistics management on the effectiveness and efficiency of the regional tourism market is established. The directions of managerial activity of managers of logistics companies are revealed. The main types of logistics activities in the field of tourism are presented.

Keywords: tourism, regional tourism market, tourist services, tourist flow, logistics activity, subjects of logistics activity, efficiency, effectiveness, social responsibility.

JEL Classification: L26, L83

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Introduction. In the priorities of the post-war recovery of the economy of Ukraine, an important place should be given to the market of tourist services as a multifunctional field of activity, which will contribute to the development of a significant number of subjects of the real sector of the economy, an increase in the scale of service and the involvement of a significant number of employees involved in the implementation of these processes. This will contribute to the solution of a number of important socio-economic and educational and cultural tasks related to ensuring employment, well-being, and cultural development of the population, which will be relevant for Ukrainian society. For the realization of this task, there are both favorable and destructive factors that will affect the state of regional and international tourism. The obvious constructive factors include: the international status of Ukraine, projects

and processes of financial and logistical support of the country's economy by the leading countries of the world, primarily the USA and Great Britain, deepening integration with EU countries, Ukraine's successful geographical location, the presence of significant tourism potential of the majority its regions, activation of the foreign economic policy of business entities, especially in the western and central regions. Destructive factors in the development of the tourist services market include the imperfection of the legal framework of the entities involved in tourism and related activities. The lack of an appropriate industrial and technological base of regional tourism and the appropriate level of culture in the business environment, the inadequate condition of transport and other service infrastructure facilities in terms of their compliance with global and European quality standards.

Taking into account the main constructive and destructive factors of the development of the tourist and related services market, it is important to determine the essence, place and role of its logistical support in the realization of the potential of the tourism industry of Ukraine. In fact, such provision is represented in the tourist business by various types of logistics activities. Logistic activity creates appropriate spatio-temporal usefulness of the tourist service and contributes to its effectiveness in relation to the goals of tourism and efficiency in relation to the used resources of both the companies involved in tourist and related services and the service consumer himself. The problem is that science today lacks a comprehensive analysis of logistics activity as a tool that contributes to strengthening the competitive position of entities in the domestic regional tourism market.

Literature review. The work of the following domestic and foreign scientists is devoted to the study of the genesis of various aspects of logistics activity: V. Alkema [4], O. Bakaeva [5], Donald J. Bowersox [6], David J. Kloss [6], O. Kutakh [5], E. Krykavskii [1], M. Christopher [10], C. Skowronek [9], Z. Saryush-Volskoi [9], A. Tkacheva [10], Yu. Ponomareva [11], James S. Johnson [12], Donald F. Wood [12], Daniel L. Wardlaw [12], Paul R. Murphy Jr. [12], O. Sumets [2-3], N. Smirnov [16], James R. Stock [13], Douglas M. Lambert [13], O. Tridid [15], D. Waters [14] and others. The problems of logistics in the field of tourist services and the peculiarities of logistics activities carried out by organizations in this area of the economy were directly addressed by domestic scientists: V. Banko [20], Yu. Bogach [28], V. Brych [27], A. Bedrakivska [21], M. Gobrei [29], N. Korolenko [22], N. Konishcheva [7], I. Levitska [21], T. Luzhanska [29], V. Mazur [27], G. Mykhailichenko [24], O. Rudkivsky [30], O. Runtsiv [23], T. Skorobogatova [25], S. Skibinsky [26], S. Spivak [29], I. Smirnov [17-19], N. Trushkina [7] and other.

The analysis of foreign and domestic professional sources shows that the essence of logistics activity in modern managerial scientific thought is considered from the standpoint of functional, process, system and integration approaches. According to Nukov residents who are supporters of the functional approach, logistics activity is, firstly, multifunctional, secondly, hierarchical in its structure, thirdly, it always has specific tasks both within the limits of individual functions and in their entire complex. Western scientists believe that the main task of logistics activities consists in the material provision of economic activity, its planning, the search for optimal sources of

quality resources and their procurement in accordance with the criteria of rationality and service quality [6, 9-10, 12-14]. Some domestic scientists perceive logistics activity within the process approach as a set of spatially coordinated and time-synchronized logistics processes aimed at generating material, information, service, financial and other flows of appropriate quality. Others consider it within the limits of the system approach, understanding it as logistics, the activity of elements interconnected in a single process of managing material and accompanying flows, namely links, the totality of which, the limits and tasks of functioning are combined by the internal goals of the business organization and external goals. Also worthy of attention is the fairly new integration approach to understanding logistics activity, which, in our opinion, has a number of significant advantages. First, it allows to consider this activity from the point of view of integration of functional, managerial and supporting functions, and within them processes and operations. Secondly, it allows you to consider logistics activity as a structural and functional complex of integrated goals and tasks of units of subjects. Thirdly, it involves the integration of logistics flows, methods and mechanisms of their management and the integration of forms and means of their transformation. Fourthly, such activity is not limited to the framework of one organization and in practice forms an integration of subjects involved in the promotion of material and related flows operating in conditions of uncertainty and risk.

Aims. The purpose of the article is to study the theoretical and methodological principles regarding the essence, place and role of logistics activity in the field of regional tourism and to determine the importance of the organizational mechanism of its management on the effectiveness and efficiency of the subjects of this activity.

Methods. In the process of research, contextual and comparative analysis was used to clarify existing approaches to understanding logistics activities, the decomposition of activity components was studied using systemic analysis, the institutional component of the structure of the tourist services market environment was studied using methods of detailing, formalization, analysis and generalization. Methods of analogy, interpretation, analysis, and synthesis were used to construct a decomposition of types of logistical support for regional tourism entities.

Results. The study of the peculiarities of logistics activities in the market of tourist services was considered from the awareness of the modern understanding of the concept of "tourist service". Scientists V.Ya. Brych, V.S. Mazaur understands this concept as "services related to accommodation, food, transport, information and advertising services, as well as services of cultural, sports, everyday life, entertainment, etc., aimed at meeting the needs of tourists (visitors)" [26, p. 163]. This service is generated by the subjects of the tourist services market, which is an open self-regulated and adaptive socio-economic system with connections that regulate relationships related to the production, sale and consumption of tourist services or tourist products in a certain time interval in a certain territorial space. In the study, the main attention is paid to the analysis of the institutional environment of the tourist services market as the organizational base of the subjects of logistics activity. According to the Law of Ukraine on Tourism, the institutional environment of the tourist services market is

formed by enterprises (legal entities) of state, communal and private ownership and individual entrepreneurs [27]. The specific structure of these organizations, which are an institutional component of the logistics environment in the field of regional tourism, is presented in Figure 1. According to the Law of Ukraine "On Tourism" [27], entities that carry out and/or provide tourism activities are "...legal and natural persons who create a tourist product, provide tourist services (transportation, temporary accommodation, food, excursion, resort, sports, entertainment and other services) or carry out intermediary activities for the provision of characteristic and related services". Subjects of regional tourism primarily include [27]: tourist operators (tour operators) and travel agents (travel agents).

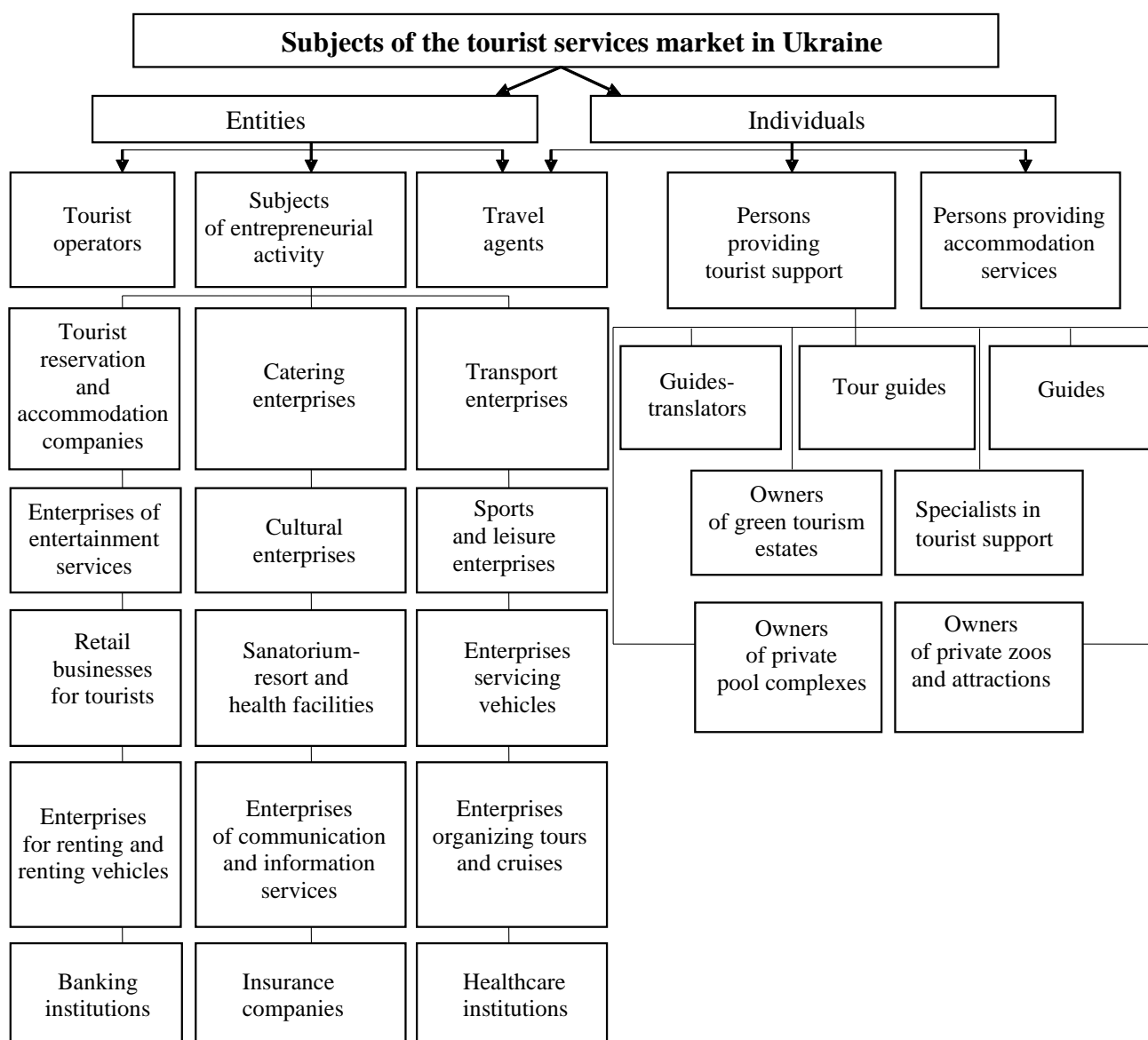


Figure 1. Subjects of the tourist services market in Ukraine

Source: created by the author based on [27]

A number of business entities (legal entities and individuals) also operate in this market. These are enterprises for the reservation and accommodation of tourists, public catering organizations, companies that provide services for transportation (transfer) of

tourists and goods that are goods of infrastructure, food and other support for their livelihood. The participants of this market are communication and information provision enterprises, institutions of culture and entertainment services, sports and leisure organizations, retail enterprises that sell goods for tourists, sanatoriums and health resorts. An important role in the market of regional tourism is played by companies whose activities are aimed at serving tourists who choose an individual trajectory in the process of implementing a tour. These are companies that rent, hire and service vehicles, companies that organize one-day tours and cruises, and others.

An important role in the regional tourism market belongs to financial intermediaries and, first of all, banking institutions, insurance companies and health care institutions. In the post-war period, important participants in this market will be the Ministry of Community and Territorial Development, local self-government bodies and other commercial and public organizations that deal with issues of security and law and order. The participants of this market should include natural persons who are subjects of business activities that provide accommodation, food, excursion, entertainment and other tourist services. These are primarily tour guides, guides-translators, sports instructors, guides and other specialists in tourist support. On the regional tourism market in Ukraine, these are owners of green tourism estates, owners of private animal farms and zoos, private hunting grounds and fisheries, owners of extreme tourism facilities, owners of swimming pools and attractions, tenants of ponds, lakes, etc. In addition, in this market there are natural persons who are not subjects of entrepreneurial activity and provide services for temporary accommodation (accommodation), food for others.

In the study, a logistic decomposition of the subjects of the regional tourism market was carried out. The main object of management in logistics - logistics flow - is defined as a basic feature of differentiation of business entities. As is known, the tourist information, material, financial and service flows operate in the tourism market. The first group of subjects of this market are companies that are directly related to the maintenance of the main tourist stream. The activities of the second group of subjects are aimed at informational, logistical, financial and other infrastructure support of the tourist market. The third group of subjects are organizations that provide services to ensure the individual trajectory of the tour. For the market of regional tourism in Ukraine, the most characteristic are entities that implement certain types of logistics activities (logistics functions or their complex), which is the subject of their activities. The desired state of development of such subjects is the transformation into organizations that function in accordance with the modern concept of logistics. To implement such a vector of their development, it is necessary to go through several stages of development. In our opinion, these are the following steps: organizational and functional reorganization and transformation into a structured non-hierarchical internal supply chain; formation of the organizational basis of management in the form of a logistics system of the company; development of supply channels between the organization and other market entities on a partnership rather than transactional basis; formation of supply chains and structured network companies in the regional tourism market.

At the next stage, the essence and specific features of the functioning of the subjects of logistics activity were investigated. Analyzing the logistics activity of tourist enterprises, N. Konishcheva and N. Trushkina believe that this is a special type of economic activity, the implementation of which requires coordination in space and synchronization in time of tourist (human) flows with a set of services of the appropriate level of quality, which are adequate to the requests of travelers [7]. Scientists emphasize that we are talking about a special function, the implementation of which requires the implementation of consecutive processes of logistics activity in a single complex, which allows minimizing the costs and losses of the enterprise in the field of tourism activities due to the optimization of the logistics chain and reducing the impact of external risks [7].

Professor Skorobogatova T.M. considers the logistics activity of a tourist enterprise within the framework of service logistics and considers it to be the activity of moving objects (consumers of tourist services) to service entities (and not vice versa) and long-term use of a complex service. The main priority of this activity, in her opinion, is the formation of tourist flows in temporal and spatial dimensions, which have a higher rank in relation to personnel, material, financial and information flows [25].

In the concept of tourism logistics, A. V. Bedrakivska and I. V. Levitska consider logistics in the field of tourism to be the activity of providing quality tourist services, increasing the quality of the tourist product to the level of world standards due to the condition of optimizing the use of material and information flows, as well as reducing total costs for providing tourist support, maintenance and service [21]. Banko V.G. does not define logistics activities in the field of tourism, but defines its functions, which include planning tours, processing tourist orders and forecasting demand for a tourist product, transporting tourists and providing them with the appropriate set of services [20]. Mykhailichenko G.I. under the logistics activity of the field of tourism is understood the activity of managing product flows of logistics enterprises, which includes the rational organization of the formation, sale and organization of the consumption of the tourist product and accompanying these processes through the passage of information flows. Logistics activities in accordance with the phases of the logistics chain, in her opinion, include the following components: information on the input flow, production on the formation and creation of the tourist product, sales, which covers the distribution, promotion and determination of channels for the sale of finished products, and information on the output flow [24].

Professor Smirnov I.G. logistics activity in the field of tourism is called tourism logistics, which includes activities whose main subject is the flow of tourists arriving at the locations of tourist resources [17]. It presents the component structure of logistics activity, which includes [18] the logistic activity of recreational and tourist resources (resource base of tourism); logistics activities of the material and technical base of tourism, including logistics activities of tourist accommodation (hotel industry) and catering (restaurant industry); logistical support for the creation and operation of information infrastructure; logistics activities for the creation and operation of transport infrastructure in tourism; logistic activity in the field of excursion service; logistics

activities related to the provision of related services in tourism; logistics activities for the production and sale of tourist goods. Korolenko N.V. considers logistics activities in the field of tourism through the lens of logistics strategies of tourism market organizations, highlighting the management aspect of this activity, namely, the long-term direction of optimizing their resources in the management of main and accompanying logistics flows [22].

Yuriy Bogach sees information and communication as the main logistics activity of tourist enterprises [28]. The author's team T. Luzhanska, M. Gobrei and S. Spivak understand the integrated management of flows in the enterprise, which covers all its functional divisions and directions - supply, production, marketing, sales, finance, infrastructure. In their opinion, the essence of the logistics activity of a tourist enterprise consists in the management of objects (flows) in the functional spheres of the enterprise by using logistics methods [29, p. 302].

O. Rudkivsky considers the logistics activity of tourist enterprises as a tool for reducing the level of costs and increasing the level of service, which in turn leads to an increase in the level of competitiveness due to an increase in market share [30].

The next stage of the research was the process-functional structuring of the logistics activities of regional tourism entities. The logistics activities of the subjects of the regional tourism market are aimed at optimizing flow processes in order to reduce costs and increase the level of customer service in order to achieve the established competitive goals. It includes the following components: functional and (or) phase activity aimed at the implementation of transformation processes and the transformation of elements of logistics flows in order to form their proper utility in accordance with consumer expectations; managerial activity aimed at determining the goals and tasks of logistics activities and forming plans for its implementation, developing and implementing scenarios for the organization of the implementation of the specified plans, as well as ensuring control of their implementation; provisioning activity (logistics provisioning) which includes various types of provisioning.

For tourism enterprises, the main types of functional logistics activities should include: tourist flow service as a basic function of companies in this market; transport activity aimed at the transportation of tourists and material and technical resources of their life activities during the tour; purchases and other types of material and technical support; warehouse activity; production of tourist products; sales of tourist products and information activities in tourism. The list of functional components of logistics activity and the logically ordered set of their implementation for different subjects of the regional tourism market may differ significantly. It depends on a significant number of factors. The main ones are: the development of the regional tourism market from the point of view of the resource base, infrastructure and organizational potential, the subject of the enterprise and the degree of its integration with other subjects of this market.

At the final stage of the research, the essence of the main types of logistical support of regional tourism was clarified, which is complex and includes the components shown in Figure 2.

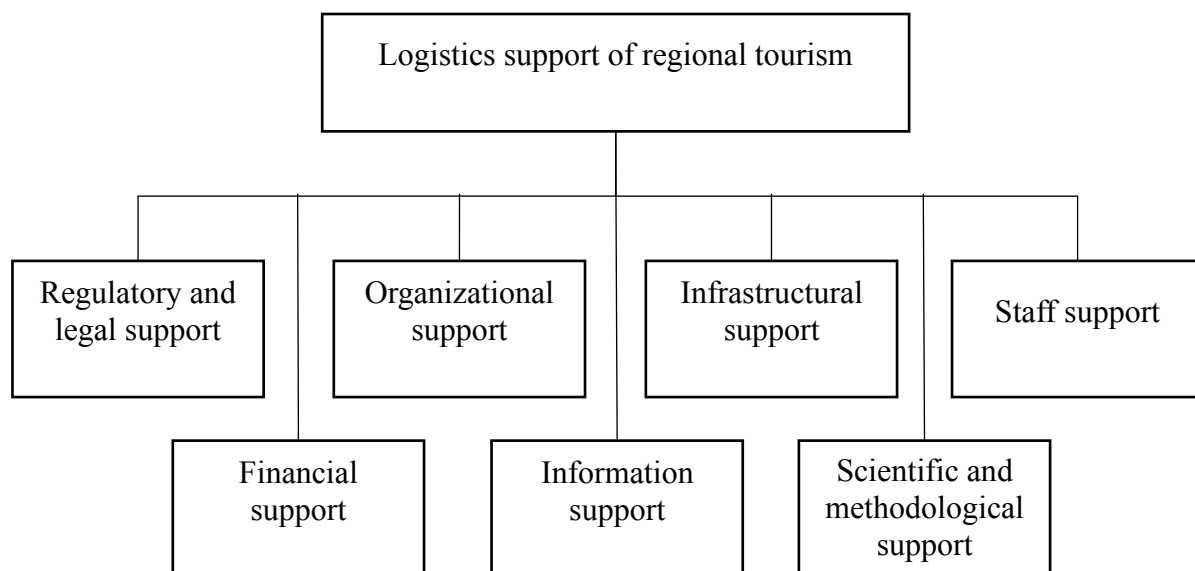


Figure 2. Complex of components of logistic support of regional tourism

Source: compiled on the basis of [4]

Regulatory and legal support is the basis for the identification of existing regulatory and legal restrictions in the implementation of preparation procedures and management decision-making during the development and implementation of plans within the scope of the execution of contracts. Organizational support is the basis for the formation of logistics systems of individual entities in supply chains and networks. It is aimed at introducing into the practice of regional tourism organizational and management mechanisms for coordinating the actions of specialists of various services of companies involved in the management of tourist, commodity, financial and other logistical flows. Infrastructural support of regional tourism is a set of elements that perform important logistical tasks and ensure the implementation of individual logistical processes.

Infrastructural provision of regional tourism includes the following components: transport, recreational and industrial, warehouse, information, customs. Information support for the implementation of logistics operations in tourism consists in the design and organization of a complex of logistics information systems of companies participating in the value chain. Personnel support for the performance of logistics functions during the implementation of contracts consists in the implementation of the processes of formation and development of personnel potential of logistics companies. This type of support should implement the processes of recruitment and involvement of personnel, their assessment and selection, deployment and engagement of personnel, their adaptation and development, motivation and control of activity results, etc. Financial and economic support of logistics activities is primarily related to the economic assessment of resources and operations of logistics support. Basic in financial and economic security is the thinking in categories of total losses for the execution of logistics operations within the scope of the implementation of agreements, which involves not only their identification and evaluation, but also the rationalization of their structure and the level of individual components. Scientific and methodical

support of logistics activities in tourism is based on a significant complex of knowledge, models, methods, techniques, algorithms and effective practices and tools. The scientific base of modern logistics includes a number of methods: methods of forecasting the need for infrastructure facilities, technical and technological means and resources. Methods of ABC and XYZ analysis, methods of determining the coordinates of logistics service centers, methods of choosing logistics intermediaries, the Pareto method, methods of statistical evaluation and control of processes, methods of volume-calendar and volume-dynamic planning and others.

Discussion. Thus, the analysis of sources regarding the essence of the concept of logistics activity, approaches to its understanding and analysis of its components shows that this activity is part of the economic activity of organizations. The modern understanding of logistics activity is considered within the framework of functional, process, system and integration approaches. Each of these approaches considers activity based on the selection of a specific research subject. Differences in scientists' understanding of logistics activities even within the same approach have been identified. This difference is related to the diversity of logistics activities in different areas and organizations. Depending on the profile of the organization, it can be operational, functional or a set of business processes.

It was established that the nature of the activity depends on its place and role in the commercial and production cycle of the organization. Logistics activity is not limited to the boundaries of the economic system of the organization and even at the level of the organization is associated with the formation of incoming logistics flows of resources, their transformation into flows of finished products and the delivery of outgoing logistics flows to the consumer. The need of the hour is to study the peculiarities of logistics activities of organizations and enterprises in various spheres and branches of the economy.

Taking into account the importance and perspective of the development of the tourism sector and the important place of logistics activities in the field of tourism business, the study examined in detail the peculiarities of logistics activities in the market of tourist services. For this purpose, the institutional structure of the subjects of this market was identified and analyzed and their differentiation was carried out. It was established that there are three groups of entities in the regional tourism market based on the nature of the logistics flow.

Within each group, subjects were divided according to the main utility of the flow into subjects that generate and transform mainly information flows (reservation services, Internet, etc.), material flows (purchases of food, inventory, tourist goods, souvenirs, etc.), financial (insurance services and banking operations). This differentiation is not a limitation in the integration of the subjects of this market into a single service stream. Based on this circumstance, all economic entities in the logistics environment in the regional tourism market are entities of logistics activity. The subject of logistics activity as a concept in Ukraine is still not legally established. In the professional and scientific literature, under such entities, various scientists understand business entities that are very different in terms of their activity, which are often called logistics entities or logistics companies.

From our point of view, this approach is not entirely correct. Business entities (both legal entities and natural persons that have at least one of the above characteristics, namely: enterprises or their associations that implement types of logistics activities (logistics functions) that are the subject of logistics activities should be classified as logistics activity subjects their activities; firms or their companies whose organizational basis is the logistics system; institutions or organizations that function in accordance with the modern concept of logistics. The analysis of different points of view on the logistics activity of the subjects of the regional tourism market indicates the absence of a unified and systematic view on the logistics activity of sub "objects of this market. Some scientists distinguish within this activity functional, management or supply components. Others consider it at an overly generalized level insufficient for a proper analysis of the essence of logistics activity.

As a result of the analysis and generalization of professional sources regarding the essence of logistics activities of business entities in general and logistics activities in the regional tourism market in particular, we have formulated basic postulates regarding logistics activities in the market of tourist services. Based on the structural-phase structuring of the logistics activity of the subjects of the regional tourism market, it can be stated that the logistics activity is a system of phased logistics processes, and within them, logistical operations coordinated in time and synchronized in space both within the organization and between participating subjects chain of value promotion in order to achieve the appropriate level of service to tourists at optimal costs. The analysis of managerial aspects of logistics shows that the strategic goal of the regional tourism market entities as a whole is to achieve long-term success in business.

The organizational and economic mechanism for realizing this goal is a logistics system aimed at the transformation and transformation of logistics flows generated in this market. A fundamental difference in the management of logistics activities in the regional tourism market is the management of three types of functions: functions related to the tourist flow and maintenance of its elements; functions related to material flows of provision in this market; functions of regulation of coordination and synchronization of all types of logistics flows of the regional tourism market.

In our opinion, the goal of the logistics activity of the subjects of the regional tourism market at the strategic level is the formation of the comprehensive usefulness of the tourist product and (or) tourist service in accordance with the requests of consumers, provided that the necessary level of economic security of the subject of logistics activity is ensured.

The task of logistics activity is to ensure the appropriate level of competitiveness in the regional tourism market by increasing its own share in this market, balancing its own interests with the interests of other subjects participating in this activity. At the same time, the ways to ensure competitive advantages are the logistics service profile that meets the needs of consumers and achieving maximum adaptability of the subject of logistics activity to the conditions and requirements of the regional tourism market environment with the lowest costs. The realization of this goal requires the solution of a strategic task (second-level goal) regarding the organization of the optimal geographical placement of tourist, service and other infrastructure facilities that meets

the defined level of service to tourists and ensures minimal logistics costs. The presented vision of the strategic goal of logistics activity corresponds to its understanding within the framework of the integration approach.

Based on the process-functional structuring of this activity, as well as from the systematic decomposition of its component submissions, it is necessary to distinguish: external, in relation to the subjects of participants in the tourism market, and internal, in relation to the internal supply chain of the enterprise, the goal and task of logistics activity. The external strategic goal of logistics activities, as mentioned above, is to balance the interests of the enterprise with other participants in the promotion of value for the participants of the tourist flow. As well as ensuring a proper competitive position by forming the comprehensive usefulness of the tourist product (service) adequate to the expectations of participants in the tourist market. The purpose of internal logistics activities is to form the appropriate logistics potential of the entity to solve the tasks of ensuring an adequate level of its economic security and realizing competitive advantages in the regional tourism market. The purpose of logistics activity at the tactical level, depending on the phase or function of its implementation, can be: optimization of the cycle of reproduction by means of a comprehensive, consumer-oriented approach to the regional tourism market, service flows, materials and information; quick response to the requests of tourism market participants; the minimum volume of resource reserves; consolidation of physical distribution and management of materials, etc. The goal of the operational level of logistics activity is aimed at the implementation of current tasks. Taking into account the understanding of the tasks of logistics activity as steps in the direction of achieving the goal, they can be classified according to the same characteristics. The management component of logistics activities is carried out by implementing the following functions: analysis, forecasting, planning, organization, motivation, regulation, etc.

The main components of the logistics management system are: subjects of the company's logistics activities; components of this activity and forms of its organization; objects of logistics activity and methods, principles and management styles adopted in the organization. The main subjects of logistics activity management are managers of various levels and committees and management teams, which are the centers of responsibility for individual areas of logistics flows and ensuring their proper properties and quality parameters. Objects of logistics management in the regional tourism market include tourist, service, material, information and financial flows.

Conclusions. Thus, the content of the "tourist service" category is disclosed in the article, the institutional component of the logistics environment of the regional tourism market is decomposed, and a systematic analysis of the essence, place and role of logistics activities of regional tourism market subjects is carried out. Alternative views of scientists regarding the understanding of the category "logistics activity in the field of tourism" are considered in detail, and the components of the content of logistics activity in the field of tourism and approaches to understanding its organizational and economic essence are determined. The algorithm of transformation of subjects of the regional tourism market into subjects of logistics activity is presented. The main aspects of logistics management at different levels have been established. The components of

logistic activity support were identified and analyzed both at the level of individual subjects and their integration formations.

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COMPARATIVE ANALYSIS OF CORPORATE GOVERNANCE MODELS

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Abstract. The article is devoted to the study of models of corporate governance in corporations. The purpose of the article is a comparative analysis of corporate governance models of different countries of the world. The main research methods that were used in the article are general scientific methods of analysis and synthesis, as well as comparative analysis, which became the basis for obtaining research results. The main features of the Anglo-American, Japanese, and German models of corporate governance were established in the conducted research, as well as their common features and differences. It was established that the main features or elements that distinguish one model from another are: the main participants of the corporate environment; main groups of shareholders of a specific country; composition of the board of directors (or boards, as in the German model); legislative framework; information disclosure requirements for corporations included in prelisting; corporate actions that require shareholder approval; the mechanism of interaction between the main participants.

Key words: Corporate governance; model; Anglo-American model; Japanese model; German model; shareholder.

JEL Classification: E63, F30, G34

Formulas: 0; **fig.:** 0; **tabl.:** 0; **bibl.:** 20

Introduction. Corporate governance in corporations has its own characteristics depending on the jurisdictions of different countries. The organization of relations between shareholders, managers, banks and other stakeholders involves various practices and features.

Carrying out a comparative analysis of corporate governance models will contribute to a deeper understanding of the activities of corporations in different countries of the world.

Literature review. The thematic multifacetedness and theoretical eclecticism of issues of the effectiveness of corporate governance form the appropriate information space of research. The founders of the theory of corporate governance, Barle & Means (1932) firstly developed agency theory as a gap between organizational ownership and control due to a decrease in ownership structure [1]. While Ross (1973) stated that agency relations arise between two parties called agents (representatives) and principals (decision makers) A significant surge in research into the corporate governance system was associated with the emergence and development of agency theory. Corporate governance is defined as the set of economic and legal mechanisms through which organizations are governed (Denis and McConnell, 2003).

Corporate governance is a set of rules governing the relationship between shareholders, management or company managers, creditors, government, employees, as well as internal and external stakeholders with certain rights and obligations (FCGI, 2001).

The role of the corporation as the most complex and promising organizational form of entrepreneurship is growing in the era of the post-industrial, information

society, as it is the most competitive element of the highly concentrated and integrated world economy.

However, the problem of knowing the essence and functional and specific characteristics that determine the place of the corporation in the country's economy and its relations with economic agents still remains open.

A number of problems related to the specifics of corporate governance are caused by legal factors (dispersion of property rights; ignoring the rights and interests of the individual owner), economic factors (predominance of qualified knowledge and skills of managers, the effect of negative synergy, complexity of corporate control mechanisms, asymmetry of information), social factors (misalignment of economic interests of various groups of economic agents; determinism of individual behavior of the owner depending on the statutory contribution) and institutional factors (change in the role of the corporation as an institution of the global economy; change in the place and role of the owner-shareholder; contradiction between the private and collective basis of the corporation) [164].

Solving the above problems requires the creation of effective mechanisms for the interaction of the diverse interests of the corporation as a business entity and owners, requires the harmonization of property relations and finding ways to resolve contradictions between them.

Aims. The purpose of the article is a comparative analysis of corporate governance models of different countries of the world.

Methods. The main research methods that were used in the article are general scientific methods of analysis and synthesis, as well as comparative analysis, which became the basis for obtaining research results.

Results. In the developed countries of the world, there are different models of corporate governance. The model of corporate governance is a reflection of the most essential characteristics, properties and regularities of the functioning of corporate governance as an object of socio-economic reality, which is created by a researcher in order to obtain new knowledge about the corporate governance system in accordance with the purpose of the study [83]. Specialists distinguish three models of corporate management: Anglo-American, Japanese and German.

In each country, the structure of corporate governance has its main characteristics or elements that distinguish it from the structures of other countries. Today, in the comparative analysis, specialists operate mainly with three models: Anglo-American, Japanese and German.

The main features or elements that distinguish one model from another are: the main participants of the corporate environment; main groups of shareholders of a specific country; composition of the board of directors (or boards, as in the German model); legislative framework; disclosure requirements for listed corporations; corporate actions that require shareholder approval; mechanism of interaction between the main participants.

The Anglo-American model is distinguished by:

- presence of individual and institutional investors unaffiliated with the corporation (so-called external shareholders or outsiders);

- well-developed legislation defining the rights and obligations of three key participants — managers, directors and shareholders;
- a relatively simple mechanism of interaction between shareholders and between shareholders and the corporation both at the annual general meeting and between them.

Shareholding is a common means of capital accumulation by corporations in Great Britain and the United States of America. Therefore, it is not surprising that the largest capital market in the world has formed in the USA, and the London Stock Exchange is the third in the world after New York and Tokyo (in terms of market capitalization). In addition, the predominance of equity financing, the size of the capital market and the development of the corporate governance system are in a certain way related to each other: the USA is both the largest capital market and the place of the most developed proxy voting system and the unprecedented activity of institutional investors. The latter also play an important role in the capital market and in corporate governance in the UK.

Participants in the Anglo-American model are managers, directors, shareholders (especially institutional), government agencies, stock exchanges, self-regulatory organizations and consulting firms that provide advice to corporations and/or shareholders on issues of corporate governance and proxy voting.

Key participants are managers, directors and shareholders.

The Anglo-American model developed under the conditions of a free market, it assumes the distribution of ownership and control in the most famous corporations, which is very important from a business and social point of view, because investors who invest their money and own the enterprise, of course, do not bear legal responsibility for their actions corporations. They hand over control to managers and pay them as their agents to run things.

The interests of shareholders and management do not always coincide. Corporate law resolves this conflict by creating an additional link — the board of directors. She is elected by shareholders and acts as their trustee, representative of their interests in the corporation.

The post-war period in the United States and Great Britain saw a shift towards an increase in the number of institutional shareholders compared to individual shareholders. In 2006, UK institutional investors accounted for 53.3 percent.

The increase in the number of institutional investors led to the strengthening of their influence and the introduction of changes in the legislation that contributed to their activation as participants in corporate relations.

The board of directors in the Anglo-American model consists of "insiders" and "outsiders". "Insider" is a person who works for the corporation (executive director or employee) or is closely connected with the management of the corporation. An "outsider" is a person or institution that is not directly connected to the corporation and its management. A synonym of the word "insider" is "executive director", or "independent director", or any person working in the company, and not necessarily a director [85].

Traditionally, the chairman of the board of directors and the CEO of the corporation are the same person. This practice often leads to abuses, in particular, to

the concentration of power in the hands of one person (for example, the board of directors is controlled by one person who is the chairman of the board of directors and the CEO) or a group of persons (for example, the board of directors consists only of "insiders") immutability of directors and/or managers, as well as disregarding the interests of shareholders.

As recently as 2006, 75 percent of the CEOs of the 500 largest US corporations were chairmen of the board of directors. However, both English and American corporations seek to include an increasing number of independent directors on the board.

Starting from the mid-80s of the last century, interest in corporate governance began to grow. A number of factors contributed to this: an increase in the number of institutional investors in both countries; increased state control in the US of granting voting rights to some institutional investors at annual meetings of shareholders; company takeover activities; excessively high salaries of executive directors in many American companies and a sense of loss of competitiveness compared to German and Japanese competitors.

As a result, individual and institutional investors began to notify each other of planned actions, conduct investigations, and organize themselves to defend their interests. The data collected by them is quite interesting. For example, in many cases there is a connection between the "loss of vigilance" of the board of directors and the poor performance of the corporation. In addition, corporate governance analysts have observed that independent directors often do not have complete information and are unable to provide effective control.

There are a number of factors that contributed to the increase in the number of independent directors on the boards of corporations: a change in the composition of owners, i.e. an increase in the number and importance of institutional investors, their participation in voting at annual meetings of shareholders, as well as the recommendations of such independent organizations as the Committee on Financial Aspects of Corporate Relations (known as the Cadbury Committee) in Great Britain and a number of organizations in the United States.

The composition of the board of directors remains the most controversial issue of corporate governance in Great Britain and the United States. Perhaps this is because other issues of corporate governance, such as information disclosure and mechanisms of interaction between corporations and shareholders, have largely been resolved. As a rule, the number of board members in Great Britain and the United States is smaller than in Japan and Germany. A 2006 survey of the 100 largest U.S. corporations by research firm Spencer Stewart found that the size of boards had declined slightly from 15 members in 1998 to 13.

In Great Britain and the United States, the relationship between management, directors and shareholders is governed by a set of laws and regulations. In the United States, the Securities and Exchange Commission (SEC) regulates the securities market, establishes disclosure rules for corporations, and also regulates shareholder-to-corporation and shareholder-to-shareholder relations. The laws governing pension funds also have a strong impact on corporate governance. In 1988, the Ministry of

Labor, which is responsible for private pension funds, decided that these funds can act as "proxies" for their shareholders in the affairs of the corporation. This resolution affected the activities of private pension funds and other institutional investors. They became interested in corporate governance, shareholder rights and participating in voting at the annual shareholders' meeting.

In the US, corporations are registered and established in a certain state, and it is the laws of this state that form the basis of the legal framework for the rights and obligations of the corporation.

Compared to other countries, the USA has the strictest rules regarding disclosure of information, and there is a clearly regulated system of relations between shareholders. This is not surprising, considering the size and significance of the stock market in the country's economy and in the international arena. In the UK, the statutory framework for corporate governance is enacted by Parliament and may be governed by the rules of bodies such as the Securities and Investments Board, which oversees the stock market. The legislative framework regarding disclosure of information and relations between shareholders is well developed. However, the English system is often characterized as inadequate. It is believed that a public service similar to the American Securities and Exchange Commission should be more effective [86].

An important role in the Anglo-American model is played by stock exchanges, which determine the listing, the level of information disclosure and other requirements.

As noted above, the United States has perhaps the most stringent disclosure regulations. In other countries using the Anglo-American model, these rules are not as strict as in the USA [87].

In the US, corporations must report quite a lot about themselves: financial information about the corporation - quarterly; data on the capital structure; to provide a certificate of the previous activity of the directors to be appointed (including the positions they hold, relationship with the company, ownership of the company's shares); the amount of the total remuneration for management, as well as the dates of payment of remuneration to each of the five highest ranks (senior management) of the corporation by name; data on shareholders owning more than 5 percent of the share capital; information about a possible merger or reorganization; about amendments made to the charter, as well as the names of persons and/or companies invited for audit. This information is included either in the annual report or in the agenda of the shareholders' meeting.

In the UK and other countries where the Anglo-American model is used, the disclosure requirements are similar but not as strict as in the US and, as a rule, reporting is provided every six months.

Two matters that require mandatory shareholder approval are the election of directors and the appointment of auditors. Non-ordinary matters requiring shareholder approval include: the establishment and amendment of stock option plans, which directly affect payments to executives and directors; merger and purchase of a controlling stake; reorganization; amendments to the Corporation Charter. In the US, shareholders do not have the right to vote on the amount of dividends proposed by the board of directors. In Great Britain, on the contrary, this question is put to a vote.

Shareholders also have the right to include proposals in the agenda of the annual meeting. These proposals must relate to business matters. Shareholders owning at least 10 percent of the share capital have the right to call an extraordinary general meeting of shareholders as well.

In the United States, the SEC has issued numerous regulations governing the form, content, timing, and publication of shareholder proposals. SEC also regulates the interactions of shareholders among themselves.

As already noted above, the laws governing the relations of shareholders among themselves and the relations between shareholders and the corporation are well developed. Independent organizations play an important role in corporate governance.

All registered shareholders receive by mail complete information about the holding of meetings, the annual report of the corporation and ballots for voting. Therefore, shareholders who are not present at the meeting in person have the opportunity to vote.

The Japanese model is characterized by a high percentage of affiliated banks and companies as shareholders; banks and corporations have strong ties; legislation, public opinion and industrial structures support "keiretsu", that is, groups of companies united by common ownership and management; the percentage of unaffiliated shareholders is relatively low, which is associated with complications during voting.

In Japan, with the unconditional importance of equity financing of corporations, the characteristic composition of owners prevents a serious influence of shareholders on the corporation's affairs. Although even a small number of shareholders from other countries would be able, in our opinion, to make it more convenient for foreign shareholders.

The Japanese model of corporate governance is multifaceted and is based around a key bank and a financial and industrial network or keiretsu.

The key bank and keiretsu are two different elements of the Japanese model, which at the same time duplicate and complement each other. Almost all Japanese companies have close ties with a key bank. The bank provides its corporate clients with loans and services for issuing bonds, shares, keeping current accounts and consulting services. Of course, the key bank is the main owner of the corporation's shares [84].

In the United States and other countries where the Anglo-American model is used, there is no phenomenon of a key bank that performs multiple functions. Various institutions are engaged in this; commercial banks provide loans; investment banks issue shares; specialized consulting firms provide proxy voting services, etc.

Many Japanese corporations also have strong financial ties to a network of affiliated companies. This network is characterized by common loan equity capital, trade in goods and services, and informal business contacts. They are called keiretsu.

State economic policy also plays a key role in corporate governance. Before, during, and after World War II, the Japanese government pursued and continues to pursue economic policies designed to aid Japanese corporations. This policy means the official and unofficial representation of the government on the board of the corporation.

Four participants are the main ones in the Japanese model; the key bank and affiliated company or keiretsu (major internal shareholders of the corporation),

managers and the government. The interaction between these participants is aimed more at establishing a business contact, and not a balance of power, as in the Anglo-American model.

Unlike the Anglo-American model, independent (unaffiliated) shareholders are practically unable to influence the affairs of the corporation. As a result, there are few truly independent directors.

The basis, which consists of four connected straight lines, is the interrelationship of the interests of four key participants: the managers, the bank, the keiretsu and the government. The lines in the upper part of the figure define the lack of mutual interest between non-affiliated shareholders and independent directors, which play a minor role in the Japanese model.

In Japan, the stock market is completely in the hands of financial organizations and corporations. Similar to the USA and Great Britain, the number of institutional shareholders increased significantly in the post-war period. In 2006, financial institutions (insurance companies and banks) accounted for approximately 43 percent of the Japanese stock market, corporations (excluding financial institutions) accounted for 25 percent. Foreign investors — about 3 percent.

In the Japanese model, as in the German one, banks are key shareholders and develop strong relationships with corporations. This is the main difference between both models from the Anglo-American one, where such relationships are prohibited by antitrust legislation. American and English corporations obtain financial and other services from a variety of sources, including well-developed securities markets.

The composition of the board of directors consists almost entirely of affiliated persons, that is, executive directors, heads of important departments of companies and the Management Board. If the company's profits fall over a long period, the key bank and keiretsu members can remove the directors and appoint their own candidates [85]. Another common phenomenon in Japan is the appointment of retired ministry officials to the corporation's board of directors. For example, appointing a retired ministry official to the bank's directorate. In contrast to the Anglo-American model, representatives of unaffiliated shareholders, i.e. "outsiders", are rarely found on the board of directors of Japanese corporations. The board of directors in Japan is more than in the USA, Great Britain and Germany. The composition of the average Japanese council is 50 members.

Government ministries have traditionally had enormous influence on the development of Japan's industrial policy, although a number of factors have slowed this movement in recent years. First, several ministries, led by the Ministry of Finance and the Ministry of International Trade and Industry, began to participate in policymaking due to the growing role of Japanese corporations at home and abroad. Second, the incipient internationalization of Japanese corporations has made them less dependent on the Japanese market and, accordingly, less dependent on domestic industrial policy. Third, the growth of the Japanese capital market led to a partial liberalization of Japanese financial markets. While these and other factors have separated the unified industrial policy, it nevertheless remains an important factor in Japanese legislation, especially compared to the Anglo-American model.

On the other hand, there is independent regulation of the Japanese market by government agencies (although not as effective). Japan's legal framework was copied from the American one during World War II. Despite various amendments and changes, the core of Japanese stock market law is still the same as that of the US. In 1971, after the first wave of foreign investment, new laws were introduced in Japan requiring more complete disclosure of information. The main regulatory bodies are the Securities Bureau of the Ministry of Finance and the Committee for Supervision of Stock Exchanges, which was established at the initiative of the Bureau in 1992. The latter is responsible for compliance by corporations with current legislation and consideration of offenses.

Japan has pretty strict disclosure requirements, but not as much as America. Corporations have to report quite a bit about themselves. namely: data on the capital structure: information about each candidate for the board of directors (including the positions he holds, relations with the corporation, ownership of the corporation's shares); details of the remuneration paid to all managers and directors; information about possible mergers or reorganizations; proposed changes to the articles of association, as well as names of companies invited for audit [87].

Japan's disclosure regime is different from the US, which is considered the toughest in the world. In Japan, financial information is provided every six months, in the USA - quarterly. In Japan, the amount of the total remuneration is notified to managers and directors, and in the USA - for each person personally. The same applies to the list of significant owners: in Japan - these are the ten largest shareholders, in the USA - all shareholders who own a package of more than 5 percent. In addition, there are significant differences between Japanese and American financial accounting standards (GAAP).

Payment of dividends, distribution of funds, election of board of directors and appointment of auditors are the usual range of matters requiring shareholder approval. In addition, without the consent of the shareholders, it is not possible to solve problems related to the capital of the corporation: adopt amendments to the charter (for example, changes in the number and composition of the board of directors or changes in the approved type of activity); pay severance pay to directors and auditors; increase the upper limit of remuneration for directors and auditors. Mergers with other corporations, acquisition of a controlling stake, and reforms also cannot be carried out without the consent of shareholders [88].

Shareholder proposals are a relatively new phenomenon in Japan. Until 1981, the law did not allow shareholders to bring their proposals to the general meeting. In 1981, an amendment to the Commercial Code was passed, which provides that a shareholder who owns at least 10 percent of a company's stock can make proposals at annual meetings.

The mechanism of interaction between key participants contributes to the strengthening of their relations. This is the main feature of the Japanese model. Japanese corporations are interested in long-term, mostly affiliated shareholders. And, on the contrary, they are trying to exclude unaffiliated shareholders from this process.

Annual reports and materials related to holding general meetings are available to all shareholders. Shareholders can attend meetings, vote by proxy or by mail. In theory, the system is quite simple, but in practice it is very difficult for foreign shareholders to vote.

Annual meetings are a purely formal event, and corporations take proactive measures to keep shareholders from voicing their dissent. Moreover, shareholder activism is also weakened by the fact that most corporations hold their annual meetings at the same time, which prevents institutional investors from attending and voting at different corporations.

The **German model** of corporate governance is significantly different from the Anglo-American and Japanese models, although there are some similarities with the Japanese model. Banks are long-term shareholders of German corporations and, similar to the Japanese model, bank representatives are elected to the board of directors. However, in contrast to the Japanese model, where bank representatives are elected to the board only during a recession, in Germany bank representation on the board is permanent. The three largest universal German banks (banks that provide a variety of services) play a major role. In some regions of the country, state-owned banks are key shareholders [84].

The German model has unique features that distinguish it from other models:

- bicameral board consisting of executive (corporation officials) and supervisory (employees/company employees and shareholders) councils;
- legalized restrictions on shareholder rights in terms of voting, i.e. the company's charter limits the number of votes a shareholder has at meetings, and may not correspond to the number of shares he owns.

Most German corporations have traditionally preferred bank financing to equity financing, and thus the stock market capitalization is small compared to the power of the German economy. The percentage of individual shareholders is low, which reflects the general conservatism of the country's investment policy, and, not surprisingly, the structure of corporate governance is oriented towards maintaining contacts between key participants, that is, banks and corporations.

The system is somewhat controversial for small shareholders: on the one hand, it allows them to make proposals, but at the same time, it allows companies to limit the rights of shareholders in terms of voting. However, the percentage of foreign investors is quite significant (19 percent in 2006). This factor is slowly starting to affect the model, because foreign investors are starting to protect their interests.

As in the Japanese model, the bank simultaneously acts as a shareholder and as a creditor, issuer of securities and debt obligations, depository and voting agent at the annual general meeting. In 1990, the three largest German banks (Deutschebank, Dresdnerbank, Commerzbank) were members of the supervisory board of 85 of the 100 largest German corporations.

In Germany, corporations are also shareholders and can have long-term investments in other non-affiliated corporations, that is, they do not belong to a certain group of related parties. companies themselves. This is somewhat similar to the

Japanese model, but quite different from the Anglo-American model, where neither banks nor corporations can be key institutional investors.

The inclusion of worker/employee representatives in the supervisory board is an additional distinguishing feature of the German model from the Japanese and Anglo-American ones [85].

In Germany, the main shareholders are banks and corporations, in 2007 they held 27 percent and 41 percent of the stock market. Institutional agents (such as banks) with about 3 percent and individual investors with 4 percent are not a particularly strong force. In 2006, the share of foreign investors was 19 percent of the market, and their influence on the German corporate governance system is growing.

The bicameral board is a unique feature of the German model, in which a supervisory board and an executive board manage German corporations. The supervisory board appoints and dissolves the executive board, approves the decisions of the top management and gives advice to the executive board. The Supervisory Board usually meets once a month. The charter stipulates financial corporate documents that require approval by the supervisory board. The executive board is responsible for the day-to-day management of the company.

The executive board consists exclusively of employees of the corporation. Only representatives of workers/employees and representatives of shareholders are included in the supervisory board. The composition and size of the supervisory board are determined by laws on industrial democracy and employee equality [85].

The size of the supervisory board depends on the size of the company. In large companies, employees elect half of the supervisory board, which is 20 people.

The two main differences between the German model and the Japanese and Anglo-American models are as follows:

1. The law establishes the size of the supervisory board, which is not subject to change.
2. The supervisory board includes representatives of the company's workers/employees.

The fact that the supervisory board does not include "insiders" does not at all mean that it includes only "outsiders". Members of the supervisory board, elected by shareholders, are usually representatives of banks and corporations - major shareholders. It would be more correct to call them "affiliated outsiders".

Germany has a strong federal tradition, meaning federal and local laws have an impact on corporate governance. The statutes of the joint-stock company and the stock exchange, commercial rules, as well as the rules listed above, which discuss the composition of the supervisory board, are part of federal legislation. However, the regulation of exchanges is the prerogative of local authorities. The Federal Securities Regulatory Agency was established in 1995.

In Germany, fairly strict disclosure rules have been developed, but they are less strict than the American ones. Corporations must report the following about themselves: financial information (every six months); data on the capital structure; limited information about each candidate for the Supervisory Board (including address and place of work); aggregate information on the remuneration of the executive and

supervisory boards; data on shareholders owning more than 5 percent of the corporation's shares; information about a possible merger or reorganization; proposed amendments to the articles of association, as well as names of persons or names of companies invited for audit [87].

Information disclosure rules in Germany differ from those adopted in the USA, which are considered the strictest. So, for example, financial information is reported semi-annually, not quarterly. Unlike the US, aggregate data on directors' and managers' remuneration is provided; information about the members of the supervisory board and their ownership of the company's shares is not reported. In addition, there are notable differences between German and American (GAAP) financial reporting standards.

A major difference in the German financial reporting system is that German corporations are allowed to have significant retained earnings, which enables companies to understate their value,

Until 1995, German companies had to disclose the names of individuals who owned more than 25 percent of the shares, and in 1995 this limit was lowered to 5 percent, which is in line with international standards.

The main actions requiring the approval of shareholders are: distribution of net profit (payment of dividends, use of funds); ratification of decisions of the supervisory and executive councils for the past fiscal year; elections of the supervisory board; appointment of auditors [88].

In fact, the approval of the decisions of the executive and supervisory councils means a "seal of approval" or a "vote of confidence". If shareholders want to take legal action against individual board members or the board as a whole, they will refuse to ratify the board's decisions for the past year.

Unlike the Anglo-American and Japanese models, shareholders do not have the right to change the size or composition of the supervisory board. This is established by law.

In addition, important matters relating to the capital of the corporation cannot be resolved without the consent of the shareholders; it is not possible to make decisions about cooperation with branches; it is not possible to adopt amendments to the charter (for example, change the type of activity), as well as increase the upper limit of remuneration for members of the supervisory board. Mergers with other corporations, acquisition of a controlling stake, and reorganization also cannot be carried out without the consent of shareholders.

In Germany, shareholder proposals are commonplace. After the announcement of the agenda of the annual meeting, shareholders can submit two types of proposals in writing: one that contradicts the proposal of the executive and supervisory boards, which is included in the agenda of the annual meeting, i.e. a counter proposal (it may relate to an increase or decrease in dividends or an alternative candidate for the supervisory board), and a proposal to include the issue in the agenda of the meeting. For example, carrying out a special investigation or inspection, a request to cancel restrictions on the right to vote, recommendations on changing the capital structure.

If these proposals satisfy the legal requirements, the corporation must publish these shareholder proposals in an amended agenda and send them to shareholders before the meeting.

The legal and public framework in Germany is designed to take into account the interests of employees, corporations, banks and shareholders in the system of corporate governance. The multifaceted role of banks was already discussed above. And, although the system as a whole is focused on key participants, a lot of attention is also paid to small shareholders, such as, for example, the provisions on shareholder proposals.

But there are some circumstances that prevent the full participation of shareholders. Most shares are bearer shares (they are not registered). Corporations issuing such shares must announce in government publications the holding of annual meetings and send their annual reports and agenda to the depositary bank, which, in turn, sends them to those shareholders in whom it is interested. This often makes it difficult for foreign shareholders to obtain the specified information.

In Germany, most shareholders buy shares through banks, which are depositories and have the right to vote.

The shareholder gives the bank mandates, on which the bank has the right to vote in a period of up to 15 months. If the shareholder does not give special voting instructions, the bank has the right to vote as he deems necessary. This leads to a conflict of interests between the bank and the shareholder.

In addition, legal restrictions on the right to vote and the impossibility of voting by mail also prevent the participation of shareholders in the affairs of the corporation. The shareholder must either be present at the meeting or be represented by his depositary. Despite these circumstances, small shareholders are not excluded from the process and often make proposals against managers at meetings.

Discussion. On the basis of the conducted research, a comparative analysis of Anglo-American, Japanese, and German models of corporate governance was carried out, grouping them according to such characteristics as: the main ones participants corporate management; main groups shareholders of this country; composition of the board of directors; legislation; disclosure requirements; corporate actions requiring shareholder approval; the mechanism of interaction between the main participants.

The obtained results are summarized in the table 1.

Conclusions. The main features of the Anglo-American, Japanese, and German models of corporate governance were established in the conducted research, as well as their common features and differences. It was established that the main features or elements that distinguish one model from another are:

- the main participants of the corporate environment;
- main groups of shareholders of a specific country;
- composition of the board of directors (or boards, as in the German model);
- legislative framework;
- information disclosure requirements for corporations included in prelisting;
- corporate actions that require shareholder approval;
- the mechanism of interaction between the main participants.

Table 1. Comparison of corporate governance models

Characteristics	Anglo-American model	Japanese model	German model
The main one's participants corporate management	Managers Shareholders Board of directors	Key bank; Keirets Managers Government	Banks Corporate shareholders (companies);
Main groups shareholders of this country	Individual and institutional investors	Institutional investors	Institutional investors
Composition of the board of directors	Insiders and outsiders The number of members ranges from 5 to 10 people	Mostly affiliated persons (insiders); Quantitative composition of the board - 50 members.	The supervisory board - outsiders, and the executive board - insiders.
Legislation	Federal (statewide) laws, state laws (USA) Exchange listing rules	National laws	Federal and local legislation
Disclosure requirements	- financial information – quarterly (USA) and every six months (Great Britain and other countries) - capital structure - front activities of the directors - the amount of their reward - shareholders who own more than 5% of the JSC - merger/absorption - audit firms - other	- capital structure - candidates for the board of directors - the amount of remuneration of all managers and directors - mergers or reorganizations; - changes to the charter; - merger/absorption - auditing firms - other	- financial information (every six months) - capital structure - candidates for the board of directors - the amount of remuneration for all members of the executive and supervisory boards - shareholders who own more than 5% of the JSC - merger/absorption - audit firms - other
Corporate actions requiring shareholder approval	- election of directors; - appointment of auditors	- payment of dividends; - distribution of funds; - elections of the board of directors; - appointment of auditors - change in the capital of the corporation - adoption of amendments to the statute - merger - reorganization	- distribution of net profit; - elections of the supervisory board; - appointment of auditors; - merger; - reorganization; - amendments to the statute; - changes in capital
The mechanism of interaction between the main participants	- the influence of shareholders on the current activities of the company is reduced to the selection and removal of directors; - the key figure in company management is the chief manager; - corporate relations of banks with companies are limited.	- preference in corporations is given to affiliated shareholders; - all shareholders have access to materials related to general meetings; - shareholders can vote by proxy and by mail.	- most bearer shares, which are not registered; - shares are sold through depository banks; - frequent conflicts between banks and shareholders; - complicated management of shareholders by the company.

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STRENGTHENING CORPORATE GOVERNANCE

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Abstract. The major Corporate scandals which dates back to Ralph Nader to Enron has shaken the investors confidence world over leading to a sluggish growth, creating acute unemployment and loss of face. The purpose of the article is to provide suggestions on strengthening corporate governance. The main research methods that were used in the article are general scientific methods of analysis and synthesis, as well as comparative analysis, which became the basis for obtaining research results. To come out from such situation we need to have fusion of Blue Ribbon Committee report and Sarbanes Oxley Act requirements. Both of these can act as a guiding force to emerging economies of Eastern Europe to come to terms with corporate pitfalls. The Lawmakers as well regulatory agencies in Romania can take a cue from them in strengthen the financial disclosure norms in their Corporate Laws as well in standards of professional body of auditors.

Keywords: corporate governance, corporate scandals, comparative analysis, corporate pitfall.

JEL Classification: E63, F30, G34

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Introduction. The present lack of public confidence in Corporate Sector has two major root problems. First the Public has come to believe that corporate executives are more interested in their bank accounts than the interest of their stakeholder's especially independent stock owners, retirees, employees and women. The Sarbanes Oxley Act 2002 addresses the problem through tougher penalties for white collar criminals and requirements that hold CEOs and CFOs primarily and personally responsible for disclosure in financial statements. Secondly the Public has come to believe that first problem is a norm. This false public perception that everyone does it in corporate world cannot be eliminated by tougher laws and regulations. This can only be achieved through tradition of ethical standards in Corporate Sector and greater transparency in disclosure norms in financial statements and other public documents. Though we must punish the wrongdoers but more important is to recognize and reward the majority of honest corporate executives, board members and auditors who are known for their integrity and hard work. No one can argue the fact that there is no dearth of ethical individuals in Corporate Sector. Unless we debunk the myth of everyone does in Corporate Sector, we may write the obituary of Corporate world. Thus, having set the problem in motion we seek to get the answer to moot question how the public confidence in corporate sector can be restored. We must remember the sleaze of measures taken subsequent to Enron and World Tel Scams have not stopped the scandals in Corporate America. The answer lies in Corporate Governance where accountability is fixed by corporate world, professional bodies and regulating bodies on Board level officials for their conduct in running the affairs of a corporate entity. The Purpose of Corporate Governance is to promote accountability among corporate participants and to enhance corporate performance. The Board of director's responsibility is to ensure that management is working in the best interest of its stakeholders. The major professional bodies of Auditors world over have

recommended the setting up of independent audit committees whose role flows from Board oversight function. Though there has not been adequate discussion on how the audit committees should carry out their job and who should serve on the audit committee's. Though significant literature has been evolved on the subject in last two decades in the West we have failed to bring a uniform policy at the global level.

Literature review. The good corporate governance is dependent upon integrity, honesty and transparency of independent directors who serve as members in such audit committees. The Corporate Legislations of major countries give this power entirely in the hands of promoters and Board of directors of the company thus ensuring complete dependency of such independent directors on them. They often resort to the practice of appointing each other as independent directors in their companies thus throwing away the very objective of impartiality.

The First two recommendations of Blue Ribbon Committee set up BY SEC, NYSE and NASDAQ in US on improving the effectiveness of Corporate Audit Committees are aimed at strengthening the independence of Audit Committees, Members of the committee shall be considered independent if they have no relationship to the corporation without financial, family or other material personal ties to the management that may interfere with the exercise of their independence from management.

The effectiveness of an audit committee depends largely upon the backgrounds and abilities of its members.

Choosing right candidate for the Chairmanship of audit committees is crucial as his approach that drives the committee towards an active examining body which ensures investor confidence in that particular company.

How do we ensure that members are totally independent, ensuring transparency protecting the interest of all stakeholders? The board of directors should encourage selection and retention of diligent and knowledgeable members who are dedicated to the industry and interested in the job and willing to devote substantial commitment of time and energy to the responsibility of audit committee. The job of appointment of independent directors should be left to regulatory agencies, Professional bodies, investor's protection group and chamber of commerce.

The Blue Ribbon Committee also recommended that the audit committees should receive a formal written statement from the statutory auditors delineating all relationship between auditors and the company, consistent with independent standards besides actively engaging in dialogue with statutory auditors with respect to any disclosed relationship or services which may impact his objectivity and independence.

Though Statutory Auditors are appointed by the shareholders at a company AGM they are in fact nominees of the promoter management. In real practice no statutory auditors can ever hope to be appointed without the active support and agreement of the promoters which makes them comply with their demands with financial reports more hiding than what is being revealed. According to recent news accounts of 226 blue chip companies failed in CRISP test though no norms were violated.

The audit committee should require the statutory auditors to report reportable conditions which are deficiencies that could adversely affect company's ability to produce financial statements beside Reporting illegal acts detected during audit.

Beside statutory auditor should be asked to discuss his judgment about the quality and just not the acceptability of company's accounts in accordance with accounting standards and practice. The issues like clarity in financial disclosures and degree of aggressiveness or conservation of company's accounting principles and underlying estimates and other significant decisions made by management in preparing financial disclosures and reviewed by statutory auditors

This was particularly important in environment of greed (stock options) the pressure to show improved results at the end of each quarter and where companies were in financial difficulties

The audit committees should develop regularly scheduled meetings with statutory auditors independent of management for regular, frank and confidential dialogue. One of the suggestions was to do some of the spade work a day ahead of the formal meeting by talking to the senior management, statutory and internal auditors.

The Professional bodies of auditors needs to consider how the statutory auditors can be made accountable and independent when a major share of income of some of the biggest firms came from large business groups handled by them. One way would be by rotating audits and or independent accounting boards to appraise the work of statutory auditors and to investigate lapses in skills ethics or independence, besides revisiting the accounting standards on the line of one exist in France.

The Blue-ribbon Committee recognizes that the independent auditor is in a position to evaluate and report on the adequacy and effectiveness of internal control on ongoing basis. To effectively discharge their responsibilities audit committee's members must set their priorities.

They audit committees should encourage procedures that promote accountability ensuring that management properly develop and adhere to a sound system of internal control and internal auditors objectively assess accounting practices and internal controls.

The internal auditor occupies a unique position he is employed by the management but is also expected to review its conduct. Since thus can create a significant tension the internal auditor's independence is absolutely necessary for an objective assessments of management actions. The Blue-Ribbon Committee believes it is essential to have a formal mechanism to facilitate exchanges internal auditors and audit committees. In the forms of regular meetings, independent of management or regular confidential memos or reports circulated only to the audit committees.

The audit committees must therefore establish and support a culture that promotes open disclosure by the internal auditor and recognition that if the internal auditor identifies a problem and cannot claim the support of management then he has a duty to disclose the fact to the audit committees, Boards and stakeholders. The management should encourage such disclosure by work and deed.

In major Corporate legislation world over the internal auditor is neither independent nor enjoy status where his recommendation has any impact or seldom get

therecognition they deserve. It is therefore necessary for the audit committees to make sure that the internal auditor has the right place in the organization by promoting a culture that values objective and critical analysis. The head of internal audit needs to be elevated in the hierarchy with that of CFO to minimize the discounting of internal audit inputs and enhance the quality of audit.

Finally Blue-Ribbon Committee recommends candid discussions with the management the statutory auditors and the internal auditors regarding issues implicating judgment and quality.

According to the recommendations of Blue-Ribbon Committee a great deal of responsibility has been entrusted on the members of the of the audit committee. Even the US experience has been the happy one considering recent corporate frauds. It is necessary for the Eastern European countries including Romania to initiate serious discussion on the composition structure and responsibilities of audit committees and consider education and training programs to ensure that members of the audit committees have the right background knowledge base which stays current with the developments in accounting and finance. This will realize the independence of audit committee and ultimately strengthen the corporate governance in corporate world.

Aims. The purpose of the article is to provide suggestions on strengthening corporate governance.

Methods. The main research methods that were used in the article are general scientific methods of analysis and synthesis, as well as comparative analysis, which became the basis for obtaining research results.

Results. *Implementation of sarbanes oxley act.* The one of the fallout of world major accounting scandals in corporate Americas was the enactment of Sarbanes Oxley act by US Congress the credit goes to Senator Schumer for taking lead in this direction. To understand the finer points of this statute primarily enacted to strengthen corporate governance and good standard practice at board level we have to understand its implementation. The implementation of this statute is left to Securities Exchange Commission and other regulatory bodies of US. The Public Accounting Oversight Board has been created for implementation of this Act, the members of which are named by SEC Commissioners. It is clear that members of PCAOB must be composed of individuals who are of highest moral characters free from both real and personal conflicts of interest and capable of taking tough decisions required by the members. So the members chosen for PCOAB must be after thoughtful due diligence.

In addition to these responsibility SEC commissioners faces some tight rulemaking deadlines to implement key provisions of the Sarbanes Oxley Act. As the process moves forward during the coming years the public will be closely monitoring the PCOAB for being fair and consistent. As the first step of strengthening corporate governance the SEC has issued rules for its implementation these rules interalia covers (a) auditors independence (b) pension funds blackout periods (c) disclosure of material off balance sheet transactions (d) presentation of proforma financial information (e) retention of audit records (f) analysts conflict of interest (g) disclosure of analyst conflict of interest. The SEC has further issued a proclamation that PCOAB is operational and

prohibits any public company from being listed if it does not comply with audit committee rules.

The other issues need to be addressed under Sarbanes Oxley Act are : (a) setting up requirements for recognizing a body to establish Accepted Accounting Principles (b) Issue of rules relating to management assessment of internal control one also recognized by Blue Ribbon Committee Report (c) promulgating the rules regarding real time public company disclosure.

The Federal Register will announce about the rules and also to monitor the implementation of these rules with public support.

SEC funding. Another area to watch is How Bush Administration Fund the Sec operations. SEC is America's most independent regulatory body. But with just 3100 employees it is unable to implement the Act in entire corporate America and also act as a watch dog for any violations. Further the SEC budget is completely insufficient for the purpose. Even prior to The Corporate Scams coming to surface SEC was finding it difficult to keep up with growth of Business and the expansion of stock ownerships to a new class of investors.

In light of the new responsibilities added to SEC after Sarbanes Oxley Act Congress authorized 77% increase in SEC funding. Though keeping the tight situation of Federal budget even keeping that funding is doubtful.

Therefore, it is imperative that professional bodies, trade associations must join hands in getting an increase funding to SEC in light of additional responsibilities. Though Sarbanes Oxley Act has become most fearful legislation in Corporate America the honest corporate officials have nothing to fear from increased SEC scrutiny of their quarterly and annual reports and other disclosure requirements in Financial Statements.

We must admit that support to SEC and other regulatory bodies can best ensure Corporate Governance in Corporate America of 21st Century. There is no better way to run an organization then to prove that they run clean operations.

The Act gives an opportunity to SEC to uncovering minor compliance requirements before they take shape of major scandals.

The unfinished agenda. It is clear that Congress is yet not finished with the job of Strengthening Corporate Governance. The Senate Banking, Financial, Housing, Urban Affairs committee will keep a close watch on How SEC and PCOAB are implementing this Act. One of the recommendations which come from professional quarters was that public trading company's the internal audit function to explain to shareholders and creditors as well as potential Investors as to why certain decisions were not taken by the Board having financial implications on financial health of the company. This will help audit committees to take care of minor and major compliance requirements under the Act.

The audit committee as envisage in the Act must have access to internal controls set up in a public trading company to evaluate and review organization governance, risk management and control process including internal control relating to financial operations.

A century of corporate integrity. It is the job of regulatory agencies to protect the public interest. This means we must ensure that laws and rules are in place to

reassure the investors of the integrity of the country's commercial actors while taking care that these regulations do not inhibit these companies from maximizing their economic performance.

To achieve this all public companies must have audit committees. These audit committees should be duly supported by internal audit staff in their operations. This system will ensure the economic performance of these companies by sparing them from SEC investigations and safeguards them from pitfalls of corporate mismanagement which have seen large corporations falling like pack of cards.

The Legislators and Law maker's world over should not just leave the tasks to internal audit staff or Audit Committees to do this task they themselves have to speak when these companies are off base. We must remember the large senators are key stakeholders in major corporations.

In case if the public confidence has to be restored then these measures are absolutely essential.

The Sarbanes Oxley Act has forever changed the responsibilities of corporate managers. Directors and auditors both external and Internal. Because of Corporate Scandals such as Enron Corp, World Com, Tyco International the auditor's role has assumed new dimensions.

Conclusion. The major Corporate scandals which dates back to Ralph Nader to Enron has shaken the investors confidence world over leading to a sluggish growth, creating acute unemployment and loss of face. To come out from such situation we need to have fusion of Blue Ribbon Committee report and Sarbanes Oxley Act requirements. Both of these can act as a guiding force to emerging economies of Eastern Europe to come to terms with corporate pitfalls. The Lawmakers as well regulatory agencies in Romania can take a cue from them in strengthen the financial disclosure norms in their Corporate Laws as well in standards of professional body of auditors.

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LOBBYING AS ONE OF THE TOOLS OF CORPORATE GOVERNANCE

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Abstract. The article is devoted to the study of modern corporate governance and the use of lobbying as its tool. The relevance of the research topic is due to the tendencies to the active use by managers and shareholders of corporations of means of influencing the market and government institutions. In the course of the research the author generalized the views of numerous domestic and foreign researchers on the nature of corporate governance and the peculiarities of its regulation. The author takes into account the research of consulting and analytical companies, which show that shareholders and investors tend to attach high importance to effective management of the company, and at the same time - put pressure on management to achieve high financial and economic performance in the short term, even at strategic loss. It is noted that the psychology of investing is a special category of knowledge. The role of subjectivity of perception is emphasized, which causes inadequate response of shareholders to internal and external factors, if the information about them was distorted by the executive directors. Based on a number of examples of state and interstate on corporate relations after the lobbying, the author notes the dynamics of increasing the tendency of corporate and shareholder management to use lobbying and other questionable tools for redistribution of corporate property. The regularities of the use of lobbying and other instruments of influence by managers and majority shareholders are highlighted. Particular attention is paid to the importance of further research on the regulation of lobbying, in order to limit its abuse in the context of corporate governance. The author emphasizes the need to develop appropriate tools.

Keywords: corporate governance, corporate governance models, chief executive officers, shareholders, goodwill, lobbying, abuse of power, corruption.

JEL Classification: E63, F30, G34

Formulas: 0; **fig.:** 2; **tabl.:** 3; **bibl.:** 22

Introduction. The modern globalized world is characterized by a number of trends that spread to an increasing number of countries. These include the high level of urbanization, the high dynamics of life, the acceleration of the generational change of technologies, and the growing expectations of the quality of life both from ordinary residents and from persons who belong to the highest strata of society - the financial and managerial elite. In the era of the total distribution of telecommunication technologies and the growing popularity of cryptocurrencies, classic investment tools still retain a dominant position. According to data compiled by Finbold, the top 10 publicly traded US companies had a combined market capitalization of \$12.82 trillion as of December 21, 2021 [1]. However, the situation is usually not favorable for everyone, and the zeitgeist, which dictates high expectations of profitability, often pushes chief executive officers (CEOs) to make risky decisions that may border on unethical politics or even breaking the law. These include the use of lobbying in order to obtain a competitive advantage for the company, or to realize personal interests.

Lobbying activities of majority shareholders and CEOs of large corporations do not always become public knowledge, especially in countries where lobbying is not legally regulated and borders on corruption (as can be observed in Ukraine and a

number of other countries). Nevertheless, its impact on both the success of an individual corporation and the sector of the relevant market can be very tangible. All this determines the relevance of lobbying research as one of the tools of corporate governance in the modern world.

Literature review. The issue of lobbying as a tool for realizing the interests of individuals, their groups or organizations has already been reflected in the publications of domestic and foreign scientists. In particular, such researchers as V. Bezkorovainy, O. Grosfeld, O. Diaghilev, D. Kislov, A. Bentley, L. Zetter, W. Paterson, C. Walker and others devoted their attention to it. The author, who has several dozen thematic publications, including a monographic format, was not left out of consideration of this topic [2]. The basis for this study was also the separate ideas and work of researchers of the problem of corporate governance development, such as: I. Ansoff, S. Pishpek, O. Povazhnyi, V. Yevtushevskyi, R. Kapelyushnikov, D. Zadykhailo, G. Kozachenko, N. Karachina, F. Lopez, V. Ya. Nusinov, T. Peters, D. Kay, A. Silberston, A. Shleifer, A. Cadbury, C. Mallin, G. Shailer. However, existing trends to intensify the use of lobbying in various spheres of public relations and the fragmentation of existing research on its role as a management tool determine the relevance of new research in this area.

Aims. The purpose of the article is to study the peculiarities of using lobbying as a tool of corporate governance in modern conditions.

Methods. The main research methods that were used in the article are general scientific methods of analysis and synthesis, as well as comparative analysis, which became the basis for obtaining research results.

Results. The challenges faced by the leaders of large corporations in today's world are characterized by a dual nature. On the one hand, they are classic, as they include profit expectations, financial risks, the struggle for market share, on the other hand, they should be considered in the modern paradigm of the global information society. Never in the modern history of mankind has the activities of organizations been so transparent to society (even without the consent of the executive management and shareholders). The current level of openness of big business is determined not so much by regulatory instruments from the state as by the activities of the mass media, the presence of social networks where employees can consciously or unconsciously post corporate information, the activity of hackers who can publish reports and other confidential information of any corporation in any - what a moment Quite expectedly, all this puts forward new requirements for the effectiveness of corporate management.

In the most concise interpretation, corporate governance is a set of mechanisms, processes and relationships used by various parties to control and manage the corporation [3; 4]. At the same time, the key feature of corporate management can be considered the separation of property ownership processes from property management processes. It is as a result of this that high economic results are achieved, efficiency increases, and favorable conditions are created for sustainable long-term development of the corporation. The key to success in this case is a kind of symbiosis of two factors:

1) involvement of the maximum number of people in investing (including those who do not understand this field of activity);

2) involvement of the most professional managers in the field of activity in the management of the corporation (including those who do not have the financial resources to open their own business).

But this is in theory, but in practice, the desired performance is achieved only in the presence of a favorable market environment and compliance by the management of the corporation with a number of conditions. These conditions are: rational formation of goals, honesty before shareholders, transparency of operations, strict reporting, prompt response to threats, ability to stop in time (minimize losses).

It is not surprising that according to the compilers of the Code of Corporate Governance of the National Commission for Securities and the Stock Market (in Ukraine), corporate governance is primarily a system of rules, practices and processes by means of which company goals are established and methods are determined their achievement and the monitoring of economic activity results. Good governance requires accountability for achieving the company's ultimate goal of creating long-term shareholder value. Proper management is characterized by a large number of practices and structures that jointly contribute to the achievement of the company's goals [5]. This approach can be taken as the basis of research.

It is worth noting that the specificity of the interpretation of the content of corporate governance is due to the spread of its various models. Historically, various countries have developed a certain management structure of joint-stock companies with stable characteristics and elements that can significantly differentiate it from the structures of other countries. Currently, researchers distinguish three main models of corporate governance - Anglo-American, Western European (or German) and Japanese [6]. It is quite obvious that these models do not exist in a refined form, and each individual country has its own national model, in which one of the mentioned models is pronounced and dominant. But since the listed models refer exclusively to economically developed countries and regions, some propose to single out another model - the corporate model of countries that are in the process of economic and social changes. It also has its own characteristics and unique approaches to the formation of corporate relations [7]. At the same time, in each of the models, either an insider or an outsider approach prevails, given the tendency towards one or another level of concentration of ownership rights.

Both management, shareholders, and potential investors are guided by the same motives, which have long been studied by psychology. The subjectivism of perception determines the fact that each of us is at the same time "three different people": the one that others think about, the one that a person sees himself as, and the one that he really is. This approach is quite applicable to the corporation and corporate management.

The well-known consulting company McKinsey conducts regular surveys of the largest international investors in order to find out how the quality of corporate governance in companies affects their investment decisions. The survey results speak volumes:

1) more than 70% of investors are convinced that the quality of corporate management is as important for the growth of the company's market value as its financial and economic indicators;

2) more than 80% of investors agree to buy shares of companies in which corporate management is carried out effectively, even if they are more expensive than shares of companies with "corporate problems", with similar indicators of profits and sales volumes [8].

The key point in this case is the subjectivity of the perception of the quality of corporate governance of a particular company by investors and potential investors. And if the subjectivity of perception is extrapolated to this question, then investors can be wrong in their assessments and forecasts for three different reasons:

- 1) due to their own misconceptions;
- 2) as a result of force majeure circumstances that change the situation;
- 3) as a result of conscious or unconscious distortion of information by the company's management. And if in the first case the fault lies with the investors themselves, and in the second case there are no obvious culprits, then in the third case the fault lies with the management of the company, which unconsciously (due to poor information or frank unprofessionalism) or consciously (due to silence or falsification of information) misleads both shareholders and potential investors.

And then the most powerful emotions of investors come into force. As one of the most famous investors of our time, Warren Buffett, quite frankly admits, "Investment decisions are driven by fear and greed! Outbreaks of these diseases in the investment community will never end. It is impossible to predict their appearance, duration and consequences."

In recent decades, the world has repeatedly shuddered from high-profile corporate scandals. The cases of "WorldCom", "Enron", "Lehman Brothers" became known not only to specialists in the field of corporate management, but also to everyone who is interested in news. Silence or outright distortion of information, falsification of reporting, became another proof of the falsity of the idea of some corporate optimists about the infallibility of experienced CEOs. Moreover, when the bankruptcy of Enron led to the termination of Arthur Andersen [9], one of the top five auditing firms in the world, the question of the credit of trust in an independent and impartial audit arose. Is it possible to believe in the impartiality of state bodies in such conditions?

Almost every high-profile case of the collapse of a large corporation provokes a reaction from both financial regulators and lawmakers. Modern principles of corporate governance are based on the provisions set forth in three documents that have been published since 1990:

- 1) The Cadbury Report (The Cadbury Report) of 1992 (Great Britain) [10];
- 2) The Principles of Corporate Governance (The Principles of Corporate Governance) of 1999, 2004 and 2015 (Organization for Economic Cooperation and Development) [11; 12];
- 3) Sarbanes–Oxley Act of 2002 (USA) [13]. And if the Cadbury and OECD reports contain general principles recommended for use by corporations, then the Sarbanes-Oxley Act is an attempt by the federal government of the United States of America to legislate a number of principles recommended in these reports.

At the same time, the following five principles can be considered key for the listed program documents:

- 1) Rights and equitable treatment of shareholders;
- 2) Taking into account the interests of other stakeholders (Interests of other stakeholders);
- 3) Performance of the role and responsibilities of the board of directors (Role and responsibilities of the board);
- 4) Integrity and ethical behavior;
- 5) Support of the regime of openness and transparency (Disclosure and transparency) [10; 12; 13].

However, even such principles do not establish sufficiently strict restrictions on interaction with state bodies and individual civil servants. Corporations have to come into contact with the state in one way or another. Therefore, the use of lobbying as a very effective, albeit rather ambiguous (from the point of view of legality and ethics) tool is of particular interest in the context of modern corporate governance research.

At one time, the author devoted a lot of attention not only to proving the role of unregulated lobbying in the destruction of civilized corporate governance and the formation of threats to state security, but also to the development of the conceptual foundations of lobbying regulation in Ukraine [2].

If in countries like the USA, where legal lobbying is relatively transparent, there are historically formed traditions and mechanisms of interaction between big business and the state, which are not always shown to the general public, then in countries like Ukraine, most manifestations of big corporate lobbying traditionally remain in the shadows. At the same time, the results of lobbying by large corporations in Ukraine are still more noticeable, first of all, given the much smaller scale of the national economy.

The famous Ukrainian economist Volodymyr Nusinov, in the process of researching the history of the formation of the national model of corporate governance in Ukraine, summarized the work of a number of scientists. He singled out several stages of the formation of the national model of corporate governance in our country, which were characterized by a gradual transition from an outsider dispersed form in 1991-1993 to an insider dispersed form (from 1993 to 1995), an insider moderately concentrated form (1995-2000), and an insider concentrated form (since 2000) [14]. The tendency towards relentless concentration of ownership rights has led to the formation of a small (on a national scale) circle of majority shareholders (and in some cases sole owners) of most Ukrainian companies, which have a significant influence on the economic policy of the state as a whole and the activities of individual civil servants in particular.

Industry lobbying is particularly evident in the conditions of Ukraine. Paradoxically, it has its origins in the times of the USSR, when the so-called "red directors" lobbied for the interests of a large enterprise or an entire industry [15]. After Ukraine gained independence, such directors were joined by majority co-owners and owners of enterprises. At the same time, a number of companies, remaining in state ownership, also continue their lobbying policy.

A vivid example of counter-lobbying at the national level is the relentless fight over tariffs between Ukrzaliznytsia (Ukrainian Railways) and a number of companies whose interests are concentrated in the field of mining and metallurgy. Ukrzaliznytsia

is a natural monopolist of rail transport in Ukraine and one of the world leaders in freight transportation by rail [16] (to give you an idea of the scale, Ukrzaliznytsia transported 314.3 million tons of cargo in the period from January to December 2021 [17]). This tariff struggle has been going on for years, with both sides lobbying for their interests both directly and through pressure through mass media [18; 19].

However, in the conditions of globalization, corporate lobbying increasingly manifests itself not only at the national, but also at the supranational level. So, for example, at the end of 2021, it became known that EU competition representatives are preparing to block the agreement on the merger of the world's two largest shipbuilders in South Korea, worth 2 billion US dollars. Government officials have told the Financial Times that the proposed merger between Daewoo Shipbuilding & Marine Engineering and Hyundai Heavy Industries will be stopped as "anti-competitive". And the decision will be published in the near future. At the same time, the European Commission refused to comment for a long time [20]. According to Clarksons Research, these two companies have received new orders for 45 large ships designed to transport liquefied gas from the 75 ordered last year in the world, thus dividing the two into 60% of the world market [21].

In early January 2022, it became known that the European Commission did prohibit, in accordance with the EU Merger Regulation, the acquisition of Daewoo Shipbuilding & Marine Engineering CO., Ltd (DSME) by Hyundai Heavy Industries Holdings (HHIH). The European Commission argued that a merger between the two South Korean shipbuilders would create a dominant position for the new combined company and reduce competition in the global market for the construction of large liquefied natural gas vessels ("LLNGC"). And the parties did not officially offer legal remedies to solve the problems outlined by the Commission [22].

Executive Vice President Margrethe Vestager, responsible for competition policy, said on this occasion that: "Large LNG carriers are an important element in the liquefied natural gas (LNG) supply chain and allow this energy source to be transported throughout the world LNG contributes to the diversification of European energy sources and therefore improves energy security. A merger between HHIH and DSME would lead to a dominant position in the global market for the construction of large LNG vessels, which are in significant demand from European carriers. Given that no legal remedies have been filed, the merger would result in fewer suppliers and higher prices for large LNG carriers. That's why we banned unification" [22].

At the same time, it is not the first time that EU antimonopoly authorities have vetoed a corporate agreement. In 2019, official Brussels blocked a deal between India's Tata Steel and Germany's Thyssenkrupp, allegedly out of concern that it would lead to higher prices for consumers [20]. And although official information regarding the lobbying of both of the above decisions of the EU antimonopoly authorities was never published, we are inclined to the version of the presence of lobbying.

Analysis of cases of lobbying in the framework of corporate governance confirms the existence of certain patterns characteristic of corporate governance in general. At the same time, if some laws are characteristic of countries that can be attributed to a

certain model of corporate governance, then others are characteristic of different countries, regardless of the dominant model of corporate governance (Table 1).

Table 1. Patterns characteristic of corporate governance in different countries

First category	Second category
<ul style="list-style-type: none"> tendency of the CEO to lobby for processes that affect the share price, with the aim of their redistribution (for the Anglo-American model) 	<ul style="list-style-type: none"> the company's monopoly position opens up additional opportunities to influence the state and the market (especially when it comes to natural monopolies); majority shareholders are more informed about the real state of affairs in the company, while minority shareholders can be easily misled;
<ul style="list-style-type: none"> tendency of the CEO to lobby for processes that affect the company's position in the market, in order to strengthen their own career opportunities (for Western European and Japanese models) 	<ul style="list-style-type: none"> part of the shareholders (usually they are the majority shareholders) always have significantly greater resource capabilities (including connections with representatives of state authorities and local self-government bodies), which allows them to influence the decisions of state bodies and sometimes even on state policy in a certain field (as can be observed in the case of lobbying for tax benefits, protectionist measures, tariffs set by the state); in the event of a crisis situation, CEOs seek to minimize the negative consequences for majority shareholders, even sacrificing the interests of minority shareholders.

Source: systematized by the author based on [20-22]

In addition, the acquisition by a representative of the company's administration (who is also a shareholder) of the status of a person with an international level of knowledge allows to influence the "goodwill of the company" and indirectly - the price of its shares. This was well observed on the example of the impact of the public statements of Steve Jobs and Bill Gates and can be seen today on the example of the public speeches of Elon Musk. Such speeches, media interviews, publications in social networks, when certain information is brought to the attention of the general public about the changes that await the company, new products, or market trends, usually have a very significant impact not only on the share price, but also on decisions other people (including civil servants), and therefore represent "soft" lobbying.

Thus, managers and majority shareholders of every large corporation are constantly faced with a choice - whether to use lobbying, and if they do use it, then to what exact goal should it be directed?

It is important to note that the analysis of many years of practice shows the strategic profitability of the approach, in which company managers make responsible decisions, focusing on long-term goals. Such companies in the long run generate greater returns for their shareholders, create more jobs and contribute more significantly to overall economic growth than companies whose management is focused on short-term profitability at any cost. Moreover, better performance is shown by companies that pay more attention to the interests of their employees, customers and other stakeholders, taking them into account in their strategy.

However, an analysis of the activities of about 500 executives of large corporations, conducted by the research institution FCLT Global and the consulting company McKinsey, shows that a number of executives continue to feel pressure from shareholders and colleagues who seek to make decisions aimed at increasing profits in the near term, even if at the expense of long-term goals [23]. Therefore, the attention of the scientific community should be focused on the development of such a model of regulation of lobbying activities that will limit the destructive impact of corporate

governance on the market, public administration and society as a whole, while maintaining opportunities for CEOs and shareholders to defend the interests of their corporations.

Conclusions. Given that the purpose of a corporation's existence is profit, CEOs and shareholders are constantly under the pressure of opportunities for abuse, both at the corporate and personal level. Despite publicity and strict auditing, large corporations periodically find themselves at the center of scandals related to the concealment of information, falsification of reports and corruption.

Therefore, both the CEO and the shareholders are interested in using any tools of influence on the external environment, including lobbying. In those countries where lobbying is legally regulated, its use is more transparent, while in those countries where lobbying is not properly regulated (as in Ukraine), the results of lobbying by large corporations are more visible. At the same time, lobbying is actively used by corporations not only at the national, but also at the supranational level.

Analysis of cases of lobbying in the framework of corporate governance confirms the existence of certain patterns characteristic of corporate governance in general. At the same time, if some laws are characteristic of countries that can be attributed to a certain model of corporate governance, then others are characteristic of different countries, regardless of the dominant model of corporate governance.

The Anglo-American model is characterized by the tendency of CEOs to lobby for processes that affect the share price in order to redistribute them, while the tendency of CEOs of Western European and Japanese models to lobby for processes that affect the company's position in the market in order to strengthen their own career opportunities.

The following patterns are characteristic of corporate governance, regardless of the dominant model: the company's monopoly position opens up additional opportunities for additional opportunities to influence the market and the state; majority shareholders are more informed about the real state of affairs in the company, while minority shareholders can be easily misled; if necessary, the interests of minority shareholders are sacrificed in favor of majority shareholders; part of the shareholders (usually the majority shareholders) always have significantly greater resource capabilities (including connections with representatives of state authorities and local self-government bodies), which allows them to influence the decisions of state bodies and sometimes even state policy in a certain industry (as can be observed in the case of lobbying for tax benefits, protectionist measures, tariffs set by the state).

If the CEO acquires the status of popular persons in the information space, they can influence the "goodwill of the company" and use "soft lobbying". And although the analysis of many years of practice shows the strategic advantage of the approach in which company managers make responsible decisions, focusing on long-term goals, very often, being under pressure from shareholders, CEOs sacrifice strategic goals for the sake of quick success.

It is advisable to focus further research on the development of such a model of regulation of lobbying activities that will limit the destructive impact of corporate governance on the market, public administration and society as a whole, while

maintaining opportunities for CEOs and shareholders to defend the interests of their corporations.

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USING EXTENDED REALITY TECHNOLOGY IN EDUCATION

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Abstract. The article presents the results of a study on using extended reality technology in education. Education, as one of most important field, willing to use modern technology to make educational process more efficient and effective for different students. Extended reality (XR) allow people to study from any place of the World with the internet connection, differently from just video communications technologies, XR allow to fill that user is in the classroom surrounded by other users. This point provide socialization which is important for school age students, especially in war, pandemic, or other unpleasant circumstances, while currently used video communications technologies cannot provide same experience and working only as a “data flow” which lead to degradation in communicational and social skills. In this paper mix of qualitative (observations) and quantitative (databases) methods were used in order to observe current stage of XR technology, its development and implementation, determine current challenges of XR in education. Furthermore, patent analysis was conducted for better understanding of XR development direction and biggest influencers among countries. It had been discovered that implementation of XR in education is only at the beginning stage, there are no training centers for teachers, no state policy that regulate using XR and technology is still relatively expensive so majority of educational institutions and states cannot afford it. In addition, the active development phase started in 2015, with China in a top according to amount of patented technologies. Despite the lack of researches about XR in education, some educational organizations already use it and create their own software to support XR. Positive dynamic and unarguably benefits that provide XR technology, provide enough evidence to claim that in the future this technology would be a standard of education.

Keywords: extended reality, augmented reality, virtual reality, education, patent analysis, technology innovation.

JEL Classification: A22, A23, M53

Formulas: 0; **fig.:** 5; **tabl.:** 1; **bibl.:** 14

Introduction. The use of mobile Internet devices expands the boundaries of the traditional information and educational environment of the university to an extended reality (XR) technology-oriented - open multidimensional pedagogical system that includes psychological and pedagogical conditions, mobile information and communication technologies and teaching aids, research and education management, and provides interaction, cooperation development of the personality of teachers and students in the process of solving educational and scientific problems at any time and in any place. One of the ways to increase the efficiency of technology-oriented learning environment is the use of augmented reality technology, which provides an opportunity to combine real and virtual learning tools using Internet devices.

Research in the field of extended reality was conducted by Chisinau, Codell, Maisel, Milgram, Sutherland and other scientists. Their works addressed the problems of classification, development and use of extended reality in the educational process and in professional activities. In particular, the works of Guayel, Martin-Gutierrez, Karabin, Restivo, Rizova, Siotata, Hugh confirmed the positive effect of the use of this technology in education and provided an opportunity to identify the use of augmented reality (AR) and virtual reality (VR) technology as one of the most promising areas for

improving the efficiency of the learning process in education system.

The concept of virtual and augmented reality has been evolving since the 1960s and is considered a very promising, powerful and useful tool, especially in education. Augmented reality is defined as the combination of physical and digital spaces in semantically related contexts for which the objects of associations are located in the real world. Unlike virtual reality, the augmented reality does not create a completely virtual environment, but combines virtual elements with the real world: virtual objects are added to the real environment of the user, which changes as a result of his actions (Cieutat, 2012).

Literature review. Sutherland the "father" of modern user interfaces, in 1968 points out that this requires the creation of virtual tools or user-managed components for performing certain experiments. The virtual and augmented reality helmet he developed is named "Sword of Damocles" - due to its large weight and size, the mechanism was permanently mounted above the user (Sutherland, 1968).

Thus, the lack of mobility of extended reality technology has become a major obstacle to its spread - more than 30 years of research in this area has not gone beyond individual laboratories. The theoretical result of this stage was the work of Milgram: the authors describe the space between the real and virtual world (calling it a combined reality), in which extended reality is closer to the real (not modeled) world, and extended virtuality - to the virtual (fully modeled) world (Milgram, 1994).

With the advent of mobile devices in the 1990s that the technological preconditions get up for the use of extended reality technology outside of specialized laboratories - in the mobile space of the Internet user. On the basis of XR technology, mobile software tools have been created to study various disciplines (socio-humanitarian, fundamental and professional). These tools provide information about educational facilities and their characteristics. In a number of projects in North America and Europe, mobile devices have been used to visualize augmented reality virtual objects. Thus, with the help of software for mobile devices, future engineers could see where the bridge supports are located during their visual inspection at different angles (Martin-Gutierrez, 2014).

Restivo, considered the possibility of applying AR and VR technology in teaching physics. Researcher point out that, despite the widespread research approach in teaching, students are not always able to perform an experiment in a classroom due to lack of time or materials. Performing experimental work in extracurricular time carries additional risks, especially when working with dangerous materials. The use of modern technology provides a safe way to perform experiments both under the guidance of a teacher and independently. Augmented reality experiments and sensory devices visualize real research for users and are aimed at giving students the opportunity to observe and describe the work of real systems when changing their parameters and partial replacement of material resources and experimental installations by objects of augmented reality (Restivo, 2016).

Rizov, considering the use of extended reality in the teaching of engineering graphics, introduce the concept of "prepared" and "unprepared" scene (virtual modeling space). If XR software is planned to be used in an "unprepared" scene

(usually outside the audience), then to determine and track its status requires additional hardware - gyroscopes, GPS-navigators, compasses and more. For classroom use, it is advisable to "prepare" the scene - in this case, the position and tracking is carried out using appropriate reliable black-and-white markers of characteristic shape (square or circle), specified by the software architecture for their detection and tracking (Rizov, 2017).

Karabin notes, that augmented reality can be used for students to work together. This is especially important in the process of laboratory work with potentially dangerous equipment that requires constant monitoring of student activities. Real laboratory work is preceded by AR work by placing markers on laboratory installations. Using markers, students will be able to use a mobile device to visualize the instructions or learning materials needed to properly use and configure the equipment. (Karabin, 2019).

To sum up, the use of extended reality technology in a technology-oriented learning environment:

- 1) expands the capabilities of laboratory facilities used to prepare students to work with real systems;
- 2) makes available systems of high complexity and cost, which have traditionally been available only to specialists;
- 3) provides laboratory simulators with augmented reality interfaces, which helps to improve training;
- 4) motivates students to experimental and research work.

Aims. The purpose of the article is to observe current stage of development and XR technology in educational sphere, examine challenges that slowing down implementation of XR.

Methods. The main research methods that were used in the article are general scientific methods of analysis and synthesis, as well as comparative analysis, which became the basis for obtaining research results.

Results. Despite fact that nowadays XR technology consistently get improved and implemented in different educational institutions, there are lack of "groundwork" for technology to have mass character.

Usability of virtual and augmented reality technologies in educational institutions: challenges and risks. There are also a number of problems that prevent the introduction of extended reality technologies in educational institutions. In particular, despite the fact that Google Play and the App Store, Steam offer a wide range of mobile applications with AR and VR, the key obstacle still remains limited resources in educational institutions and the lack of non-English language content. It is also necessary to update teaching methods and improve the skills of older teachers, as the number of young professionals familiar with XR in schools is insufficient. (World Bank, 2020).

On the solutions of AR related issues working corporations such as Apple, Facebook, Vuzix, Microsoft, Google and many others. According to consulting firm ABI Research, AR solutions are key factors setting new standards in learning, human resources and collaboration. The introduction of digital tools, including augmented

reality, in HR departments (HR) can accelerate the process of digital transformation of HR and increase the value of existing HR activities, especially after COVID-19. ABI team believe, that by 2025, there will be about 60 million active AR users who will use these technologies to gain experience and training in various fields, including healthcare, logistics, architecture, engineering, construction, etc. (ABI Research, 2021).

Thus, because of new challenges and technologies of extended reality, the educational industry is on the beginning of a new stage of its development - technological, efficient and interesting for students. We can be sure that new programs will appear in the future, and both augmented and virtual reality technology will be improved and implemented in even more processes in education. But AR/VR is still not widespread in education in any country. At present, XR technologies are not widely used in education, and there are a number of reasons for this.

Firstly, educational system is not prepared for restructuring and rethinking. XR today can be considered only as a supplement to the educational process, but not as an alternative. The transition should be smooth, appropriate research should be performed, focus group success should be studied, and appropriate conclusions should be made. It is possible that excessive enthusiasm for this form of education may lead to an improvement in the educational process in one area, but deterioration in another. In any case, it should be taking into account that modern students are so accustomed to gadgets that it is better to receive all information through a cell phone, computer or tablet, and this requires the use of new technologies in the educational process, diversification of teaching methods, etc.

Secondly, it is necessary to completely rethink and change the program of education. Working with such technologies has many factors that need to be considered when designing a program of study. It is required to clearly agree on all points of the program so that they do not interfere with each other.

Thirdly, it is still the high cost of equipment for mass use of XR in education. Moreover, there is a lack and variety of training programs to use as an alternative to classical teaching methods and tools. In addition, a small number of trained professionals, as the use of XR technology in education requires the training of teachers who will work with children, adolescents and students, and this requires time and appropriate training courses to be implemented at the state level.

Despite the benefits of extended reality technology, humanity will soon face three paradoxes: mobility, isolation and social integration. The paradox of mobility is that XR allows you to get anywhere, but with it a person does not go anywhere. The paradox of isolation - XR allows you to communicate with people from any country, but at the same time isolates from physical communication. The paradox of social integration is that people who find it difficult to socialize prefer virtual communication (Nekrasov, 2020)

Analysis of XR technology in Medicine as example of innovation. One of the first areas of application of technology is surgery and the consequences of its manipulation. A large number of patients suffer from phantom pain that occurs during amputation of one part of the body. This phenomenon is one of the most serious neurological

problems. It happens that the pain experienced by the patient becomes unbearable, and the only solution to this problem is to take painkillers. However, with the help of augmented reality technologies, a program was created that allowed patients with amputated arms to watch a picture online in which they had both hands. When using augmented reality technology, patients were asked to tense their muscles on a virtually created missing arm. By artificially creating an amputated arm in augmented reality, we "cheat" brain activity by seeing that the arm is not amputated, the human brain is gradually adjusting to this thought, which is why the intensity of phantom pain in the study described above is so significantly reduced (Khor, 2016).

Post-traumatic stress disorder (PTSD) has become a more common psychological disease. PTSD is a chronic mental disorder that can develop due to a traumatic event in a person's life. This pathology is reflected not only in the psycho-emotional state of the patient, but often has characteristic clinical manifestations. With the help of AR and VR technologies, patients are immersed in the circumstances in which they received psychological trauma. This method helps the patient to analyze the situation that happened to him and reduce their fears, so it is one of the fundamental in psychiatric practice. (Fiani, 2020).

Alzheimer's syndrome is a chronic disease that causes slow damage to neurons and death of brain tissue. During the course of the disease, memory, mental abilities, and the ability to cope with everyday affairs gradually deteriorate. In order to simplify people's life, a technology combining AR and VR technologies was proposed. In this way, short films are created in virtual reality mode, which will remind people of things related to his life. Augmented reality technologies are used to overlay images with instructions for the operation of an object, in order to adapt a person to the situation.

Parkinson's syndrome, is a very serious chronic disease with hard diagnostic, which means that it is almost impossible to prevent the development of the disease. However, with the help of AR and VR technologies the patient is immersed in a virtual environment in which his virtual position in space changes, while special sensors monitor changes in body position in the physical world, and the inner ear helps maintain proper balance. If a person is easily out of balance and unable to regain it, then there is a reason to consult a specialist. It follows that augmented reality technology is the basis for early diagnosis of Parkinson's syndrome. (Li, 2019)

Discussion. For better understanding of XR development direction and biggest influencers among countries patent analysis was conducted. The global patent annual trends is given in Figure 1. After searching in Web of Science: *Extende* realit* AND education* OR XR AND education* OR augmente* realit* AND education* OR AR AND education* OR mixe* realit* AND education* OR MR AND education* OR virtua* realit* AND educatio* OR VR AND educatio** and filter by Derwent Innovations Index only we get 1557 results.

First patent was registered in 1990 however, until 2008 there was no more than 5 patents registered annually. So first step in developing extended reality in education were done from 2008 to 2015 with near 40 patents per year. But from 2015 amount of patent application increased significantly and reached its peak in 2020 with 297 registered patents. Now we see that graph is declining but 2020-2021 we get COVID

pandemic which may be partly responsible for declining pandemic influence all world.

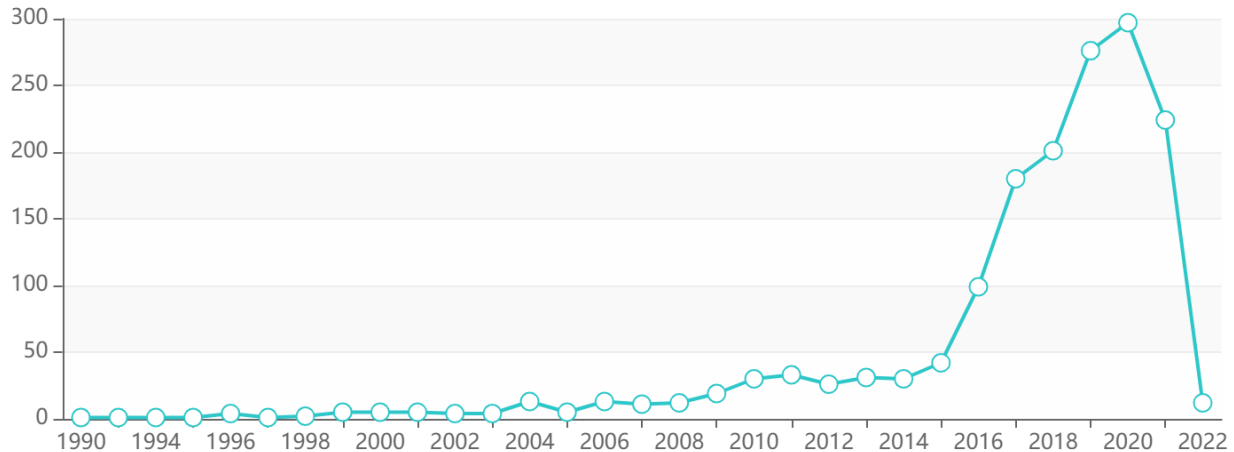


Figure 1. Global patent annual trends

Source: Created by the Author based on database from <https://www.webofscience.com/wos/woscc/basic-search>

In graph 2 clearly shown that China is registered 41,5 % of all patents related to XR in education. PRC followed by South Korea with almost 450 patents, United states of America with approximately 250 patents and World intellectual property organization with just above 100 patents. All other countries represented in the graph, have insignificant contribution. It is shown, that Asian region have higher interested in XR technologies than other continents.

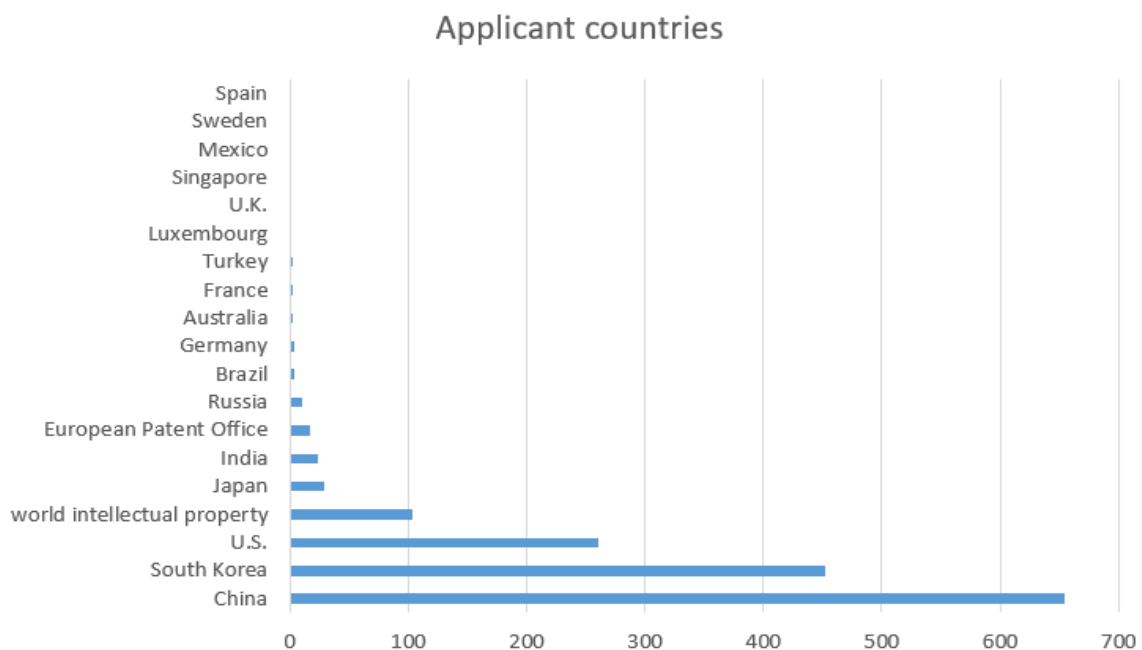


Figure 2. Analysis by countries of patent application

Source: Created by the Author based on database from <https://www.webofscience.com/wos/woscc/basic-search>

According to third graph, the first country which applied for XR technology in education patent was America, nowadays USA is in top 3 countries contributed to extended reality technologies. So it's obvious that America find this technology perspective.

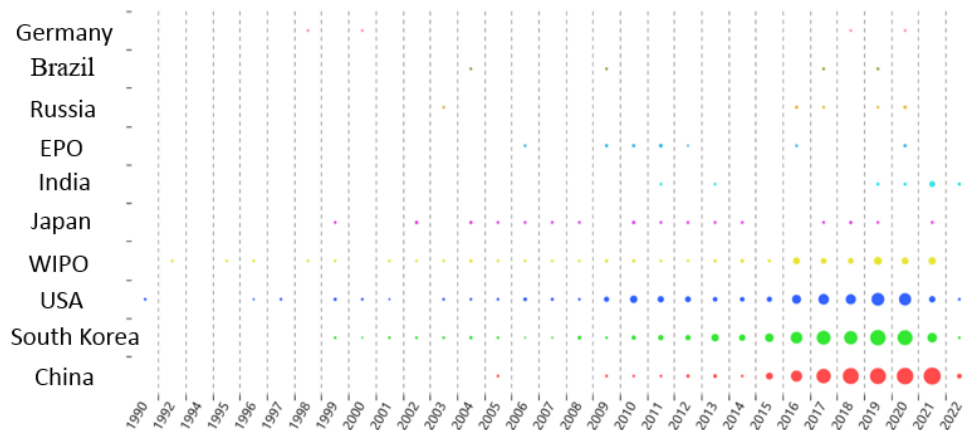


Figure 3. Application time-application country

Source: Created by the Author based on database from <https://www.webofscience.com/wos/woscc/basic-search>

Current leader – China make its first patent only in 2005, one of the last countries, but ten years later, science 2016 increased its participation significantly, outperformed its nearest concurrent South Korea.

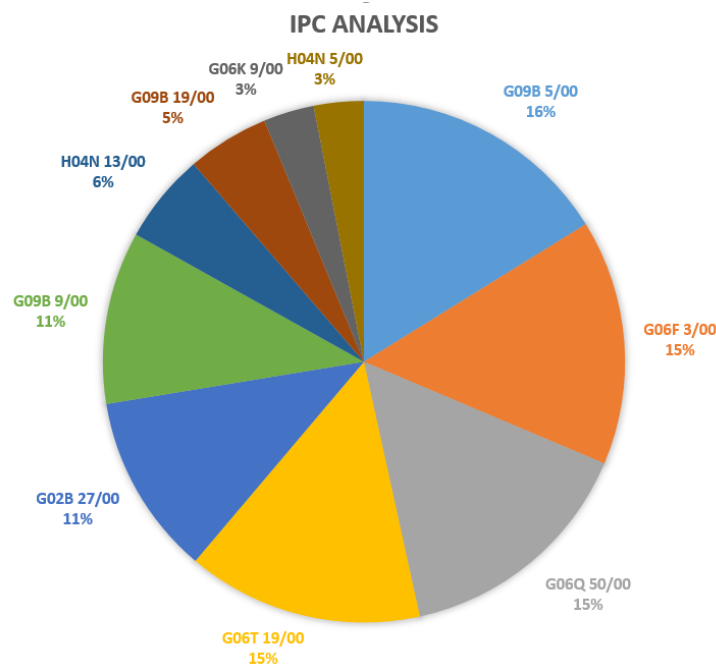


Figure 4. IPC Analysis

Source: Created by the Author based on database from <https://www.webofscience.com/wos/woscc/basic-search>

The diagram represents that different aspects of XR technologies in education developed relatively even. Biggest category G09B 5/00 (Electrically operated teaching aids, 16%) is followed by G06F 3/00 (input/output device to converting and transferring data, 15%). This demonstrate that software and hardware are developing evenly, however, there are not enough software to massively implement the technology in educational systems of countries.

Table 1. IPC Classification

IPC	Classification
G09B 5/00	Electrically operated teaching aids
G06F 3/00	An input device for converting data to be processed into a form that can be processed by a computer; an output device for transferring data from a processor to an output device, for example, an interface device
G06Q 50/00	A system or method specially adapted to a specific business sector, [Education, 2012.01]
G06T 19/00	Manipulation of three-dimensional models or images for computer graphics [2011.01]
G02B 27/00	Other optical systems; other optical instruments (devices for producing special optical effects in shop windows or display cases, for example, A47F 11/06; optical toys in A63H 33/22; designs or drawings featuring special optical effects in B44F 1/00)
G09B 9/00	Simulators for teaching or training
H04N 13/00	Stereoscopic television systems; parts thereof
G09B 19/00	Teaching aids not included in the other large groups of this subclass (teaching or practical apparatus for aiming and shooting in F41G 3/26)
G06K 9/00	Methods or apparatus for reading or recognizing printed or written characters or for recognizing figures, for example, fingerprints (methods or apparatus for reading diagrams or converting figures of mechanical parameters such as force or state into electrical signals) G06K 11 /00; speech recognition into G10L 15/00)
H04N 5/00	Parts of television systems (scanning parts or their combination with the supply voltage into H04N 3/00) [2011.01]

Source: Created by the Author based on database from <https://www.wipo.int/classifications/ipc/en/>

According to 15% of G06Q 50/00 (a system or method specially adapted to a specific business sector) some educational organization already creates the methods which will allow use of XR technology in the learning process. Smaller parts include, simulators of teaching training, 3d modeling, optical, television and stereoscopic system. So the XR technology used in education can have different forms and use diverse range of sensors engaged, but, they all have one mission – to make teaching process available, in different situations like war or pandemic, interactive and interesting for kids.

The world cloud analysis includes 50 words that often appear in scientific papers. The most repeatedly used words where ‘learning’, ‘augmented reality’, ‘students’, ‘education’, and ‘technology’. It is remarkable, that “extended reality” did not appear in the cloud world but all, “mixed”, “virtual” and “augmented” reality did it. Also, mobile device and learning presented in the world cloud, almost as much as terms related to medicine. Notable, word “autism” also presented which mean that using of XR technologies was considered as a method of teaching for the students with special needs. In this cloud, darker colors represent relevant topics of the past years while brighter – modern.

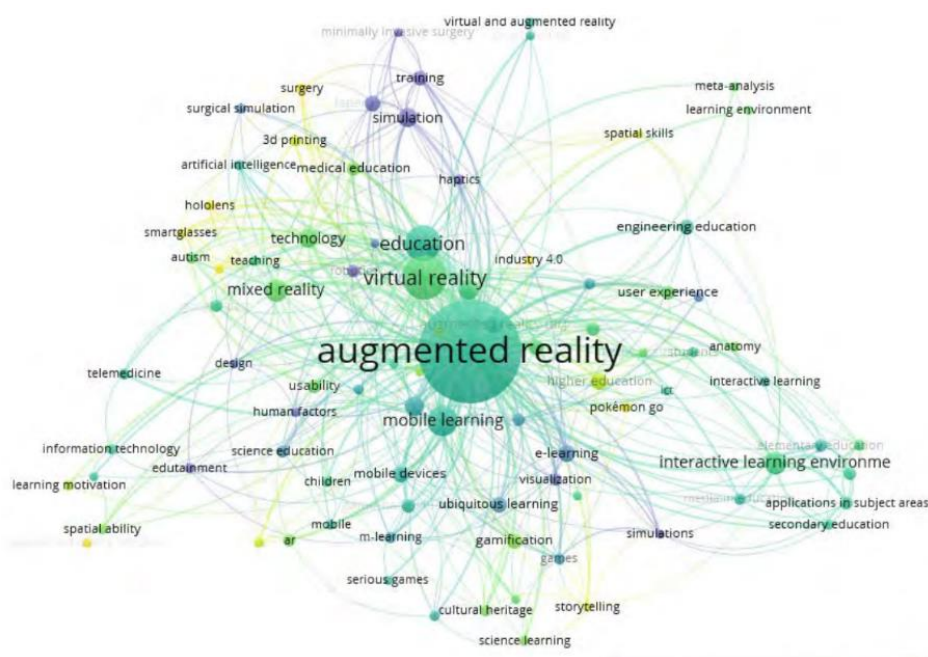


Figure 5. World Cloud

Source: Cecilia, A. G. (2021). Augmented Reality in Education: An Overview of Twenty-Five Years of Research. *Cont Ed Technology*, vol. 13. P. 13. Retrieved from: <https://doi.org/10.30935/cedtech/10865>

Despite the significant advantages of integration into the educational process of the outlined tools, there are a number of organizational problems, namely: it is necessary to train teachers and research and teaching staff, especially in the use of AR and VR in teaching disciplines, as well as in the development and implementation means of this type in the educational process.

Conclusion. To sum up, since extended reality is already being actively implemented in many areas of human activity, its development with the help of available content and relevant courses is an essential prerequisite for the development and gradual introduction into the education system. Technologies that help create interactive lessons in virtual reality, using photos360, video360, 3D models and other media, will soon reach a mass character, especially since the use of virtual reality in education is possible at any age: and younger students, and people of different ages who have decided to learn a new profession or improve their skills. At the same time, it is important to remember that the virtual education system cannot be considered complete, at least today, and should therefore be seen only as a supplement to the learning process - as an effective tool in the learning process. And might be consider as full replacement of traditional education only in lack of other options (if its war, pandemic or student have special needs).

Summarizing, it should be emphasized that AR and VR are quite powerful technologies for improving the educational process, but research into their effective use is at an early stage.

Future scientific research in the direction of didactic principles of using AR and VR at different stages of the educational process, as well as to develop them for specific fields of knowledge and disciplines have be done before implementing the technology massively.

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