



РАНХиГС
РОССИЙСКАЯ АКАДЕМИЯ НАРОДНОГО ХОЗЯЙСТВА
И ГОСУДАРСТВЕННОЙ СЛУЖБЫ
ПРИ ПРЕЗИДЕНТЕ РОССИЙСКОЙ ФЕДЕРАЦИИ

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**«РОССИЙСКАЯ АКАДЕМИЯ НАРОДНОГО ХОЗЯЙСТВА и
ГОСУДАРСТВЕННОЙ СЛУЖБЫ при ПРЕЗИДЕНТЕ РОССИЙСКОЙ
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КСО в Бизнесе: Позиция Критиков **CSR in Business: A Critical Perspective**

Аннотация. Несмотря на многочисленные исследования, авторы которых утверждают, что реализация политики КСО обязательна в современной бизнес-среде, есть и критики, которые либо считают, что успешная имплементация КСО в стратегию компании на практике просто невозможна, либо утверждают, что компании всегда заботятся лишь о коммерческом интересе, а не о благосостоянии общества.

Во-первых, есть несколько проблем с точки зрения компании. Начнем с того, что КСО как концепция имеет широкое толкование, поэтому компаниям может быть сложно внедрить в стратегию КСО, поскольку у людей разные представления о том, что является успешным проектом КСО (узкая концепция или обширное представление). Более того, из-за различий в экономическом развитии стран, некоторые компании не способны соблюдать добровольные стандарты КСО. Помимо этого, даже если компании реализуют проекты в сфере КСО, они не могут перечеркнуть этим разрушительный характер бизнеса. Многие критики также отмечают, что какую бы пользу ни принесли проекты КСО, это можно будет легко воспроизвести с помощью хорошо подготовленной PR-кампании.

С другой стороны, есть и точка зрения потребителей и компаний-конкурентов. Например, некоторые участники рынка утверждают, что лидеры отрасли склонны использовать свои достижения в сфере социальной деятельности в качестве

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конкурентного оружия или навязывать недостижимые «добровольные» стандарты для получения монопольных выгод. Кроме того, потребители и общественность склонны полагать, что компании используют проекты КСО только как часть PR-кампании, чтобы скрыть свои неэтические действия. Что еще хуже, иногда заявленные ценности противоречат действиям компании, особенно если говорить об их операционной деятельности.

В заключение, я считаю, что некоторые из шагов, которые могут поспособствовать изменению данной стигмы, это: разработка системы измерения эффекта КСО деятельность; реализация долгосрочных проектов по КСО компаниями; продвижение образования по КСО; разведение добровольных инициатив компаний и законов.

Annotation. Despite numerous written papers, the authors of which claim that the implementation of CSR policy is a must in the modern business environment, there are a few critics who either believe that successfully implementing CSR in company strategy is simply impossible in practice or claim that instead of having in mind the well-being of the society at large, companies simply try to increase sales or improve their PR campaign.

First, there are couple of issues from the company's perspective. To begin with, CSR as a concept has broad interpretation, which is why it might be hard for companies to implement CSR strategy since people have different vision as to what successful CSR project is (narrow conception and extensive view). Moreover, due to difference in economic development of countries, some companies may fail to uphold voluntary standards of CSR. Another point is that even if companies do carry out CSR policy, it is impossible for them to make up for the destructive nature of the business itself. In addition to that, many critics point out that whatever benefit CSR projects can bring, it can be replicated more easily with well-prepared PR campaign.

On the other hand, there are also consumers' and third parties' perspective. For instance, some companies claim, that industry leaders are prone to using their renowned social activity as a competitive weapon or force unachievable "voluntary" standards to achieve monopolistic gains. Besides, consumers and general public tend to believe that companies only use CSR activities as a part of PR campaign to cover up their wrongdoings. To make the matters worse, sometimes stated values contradict the actions of company when it comes to their operational activities.

In conclusion, I believe there is room for improvement and some of the steps that can be taken are: coming up with CSR impact measurement system; carrying out long-term CSR projects; promoting education on CSR; not viewing voluntary initiatives as substitutes for law.

Ключевые слова: корпоративная социальная ответственность, компания, стратегия, общество, критика

Key words: corporate social responsibility, implementation, company, strategy, society, criticism.

Несмотря на многочисленные исследования, авторы которых подчеркивают необходимость реализации политики КСО в современной бизнес-среде, есть и те, кто считают, что сделать КСО частью стратегии компании просто невозможным на практике, или же заявляют, что вместо заботы о благополучии общества, компании думают только об увеличении продаж или улучшении своей PR-компанияи.

Критики концепции КСО полагают, что единственной реальной целью существования компании является извлечение прибыли. Кроме того, корпорации уже развивают общество: создают продукты и услуги, предоставляют возможность трудоустройства и карьерного роста для населения, а также платят налоги правительству. Помимо идеи о том, что корпорации неправомерно обязаны вносить еще больший вклад в благосостояние общества, некоторые эксперты утверждают, что кредо КСО - «делать хорошо, делая добро» - иллюзорная цель, благородная, но недостижимая на практике.

Первая проблема внедрения КСО в стратегию компании заключается в том, что использование термина КСО стало настолько широким, что это позволяет людям интерпретировать и применять его в самых разных целях. Эта неопределенность ограничивает полезность КСО как аналитического инструмента, так и руководства для лиц, принимающих управленческие решения [1]. Девинни (2009) указывает на существование двух крайних взглядов на КСО: узкую концепцию КСО (более корпоративистскую ориентацию) и широкий взгляд на КСО. Он отмечает: «Для тех, кто имеет узкую концепцию КСО, корпорация имеет незначительные обязательства перед обществом, кроме создания экономической ренты, которая может получить заинтересованные стороны с признанными правами на эти ренты. Для тех, кто имеет широкое представление о КСО, корпорация должна служить инструментом государственной политики другими средствами [...], а КСО привлекает корпорации,

действующие от имени обездоленных, и требует активных претензий на ренту со стороны широких слоев общества, как бы они ни были определены³». Более того, некоторые компании просто не способны следовать добровольным стандартам КСО, особенно в развивающихся странах, утверждая, что они будут действовать в рамках законодательства стран, в которых они работают. Правительства же также снижают требования в отношении соблюдения прав человека или экологических стандартов, чтобы привлечь зарубежные инвестиции [2]. И даже если компании успешно проводят политику КСО, они все равно не могут компенсировать разрушительный характер их бизнеса. Например, крупные нефтегазовые или добывающие компании могут способствовать развитию городов, в которых они работают, но это никогда не компенсирует весь ущерб окружающей среде, нанесенный их деятельностью.

Коммерческим компаниям не только трудно внедрить КСО в свою стратегию, но, как утверждают эксперты, нет достоверных доказательств того, что КСО влияет на повышение эффективности. Существует только несколько исследований этого явления, из которых невозможно понять, есть ли причинно-следственная связь между конкретными проектами КСО и положительным влиянием на операционные результаты. Другим аргументом является то, что существуют более простые способы улучшить имидж компании, к примеру, хорошо подготовленная PR-кампания. Существуют доказательства того, что доход от благотворительности примерно равен доходу от рекламы⁴ [4].

С другой стороны, посредством деятельности по КСО, менеджеры преследуют разные цели: благоприятное освещение в СМИ, легитимность со стороны сообщества, расположение государственных органов, меньше внимания со стороны инвесторов и сотрудников. По сути, менеджер считает, что, удовлетворяя интересы заинтересованных сторон и создавая имидж социальной и экологической заботы и осведомленности, он может снизить вероятность того, что заинтересованные стороны будут тщательно проверять его на предмет управления доходами. Помимо этого, социальная активность иногда используется как конкурентное оружие. Например, одна небольшая горнодобывающая компания обвинила своего глобального конкурента в использовании

³ *Devinney, T.* (2009). Is the Socially Responsible Corporation a Myth? The Good, the Bad, and the Ugly of Corporate Social Responsibility. *Academy of Management Perspectives*, May 2009, Vol. 23, No. 2.

⁴ *Fisman, R., Heal, G., & Nair, V. B.* (2007). Social responsibility: Doing well by doing good? (Working paper). New York: Columbia University.

своего «отмеченного наградами позиционирования в области КСО», чтобы поставить в невыгодное положение конкурентов, лоббируя стандарты, снижающие ценность небольших горнодобывающих компаний, чтобы он мог купить их со скидкой⁵⁶.

Многие компании используют КСО в качестве средства для улучшения своего имиджа в обществе и достижения лучших финансовых результатов, но у них нет подлинной приверженности другим заинтересованным сторонам, помимо акционеров и управленческого персонала компании. Корпорации стремятся соответствовать стандартам КСО, потому что таким образом они смогут получить положительный PR. В то время как они стремятся показать себя социально ответственными перед внешней средой, они также становятся более эффективными в сокрытии социально безответственного поведения, такого как лоббирование или меры по уклонению от уплаты налогов. Точно так же Harjoto и Jo (2007) показывают не только взаимодействие между активностью КСО и интенсивностью рекламы, но и тесную связь между структурой организации и конфликтами собственности, подразумевая, что КСО является лишь реакцией на внутренние и внешние организационные и стратегические конфликты⁷. Достоверность позиции управленческого усмотрения подкреплена Приорой, Суррокой и Трибо, которые показали, что фирмы, которые занимаются манипулированием доходами, значительно более склонны участвовать в деятельности по КСО [3]. Чен, Паттен и Робертс продемонстрировали аналогичную стратегию компенсации, согласно которой фирмы с плохими показателями в области охраны окружающей среды и безопасности продукции занимаются все большей благотворительностью⁸.

Despite numerous studies, the authors of which insist that the implementation of CSR policy is a must in the modern business environment, there are a few critics who either believe that making CSR a part of company strategy is simply impossible in practice or the ones who

⁵ *Bierce, A.* (1911). *The devil's dictionary*. Project Gutenberg. Retrieved March 10, 2009. URL: <http://www.gutenberg.org/etext/972> (Дата обращения: 10 марта 2019)

⁶ *Dean, T. J., & Brown, R. J.* (1995). Pollution regulation as a barrier to new firm entry: Initial evidence and implications for future research. *Academy of Management Journal*, 38(1), 288–303, 2017

⁷ *Harjoto, M. A., & Jo, H.* (2007). *Why do firms engage in corporate social responsibility?* (Working Paper). Santa Clara, CA: Santa Clara University.

⁸ *Chen, J. C., Patten, D. M., & Roberts, R. W.* Corporate charitable contributions: A corporate social performance or legitimacy strategy? *Journal of Business Ethics*, 2008

claim that instead of having in mind the well-being of the society companies simply care about the increase in sales or improvement of their PR company.

Critics of the CSR concept believe that the only real aim of company's existence is to generate economic returns. Besides, corporations already enhance the society by creating and delivering products and services consumers want, provide employment and career opportunities, and pay taxes to government. Apart from the idea that corporations are wrongfully obliged to contribute even more to the well-being of society, some experts claim that the holy grail of CSR — “doing well by doing good” — is an illusory goal that is noble in spirit but unachievable in practice.

The first problem of implementation of CSR in company's strategy lies with the fact that the use of the term CSR has become so broad as to allow people to interpret and adopt it for many different purposes. This vagueness restricts CSR's usefulness both as an analytical tool as a guide for decision makers [1]. Devinney (2009) points out the existence of two extreme views of CSR: a narrow conception of CSR (a more corporatist orientation), and an expansive view of CSR. “For those with narrow conception of CSR, the corporation has little, if any, obligation to the society other than the creation of economic rents that can accrue to the stakeholders with recognized rights to those rents. For those with an expansive view of CSR, the corporation should serve as an instrument of public policy by other means [...] and CSR involves corporations acting on behalf of the disadvantaged and demands active claims on rents by broad sections of the society, however defined⁹”. Moreover, some companies often fail to uphold voluntary standards of behavior in developing countries, arguing instead that they operate within the law of the countries in which they are working while governments are limiting their insistence on stringent compliance with human rights or environmental standards, in order to attract investment [2]. And even if companies do carry out CSR policy, they still can't compensate for the destructive nature of their business. For instance, the major Oil and Gas or extraction companies may contribute to the development of towns they operate in but it will never make up for all the environmental damage their operations have caused.

Not only is it hard for commercially driven companies to implement CSR in their strategy, but, experts claim, there is no hard evidence of CSR policy being connected with performance improvement. Only few longitudinal studies on this phenomenon exist and we

⁹ Devinney, T. (2009). Is the Socially Responsible Corporation a Myth? The Good, the Bad, and the Ugly of Corporate Social Responsibility. *Academy of Management Perspectives*, May 2009, Vol. 23, No. 2.

simply do not understand the causal link between a firm's specific CSR activities and the operational outcomes that can influence performance. Another argument is that there are easier ways to improve companies image, for instant, well-prepared PR campaign. There is evidence that the return to philanthropy is approximately equal to the return to advertising¹⁰ [4].

On the other hand, by means of CSR activities, the manager pursues different objectives to obtain favorable coverage from the media, legitimacy from the community, favorable regulation, and less scrutiny from investors and employees. In essence, a manager believes that by satisfying stakeholders' interests and projecting an image of social and environmental concern and awareness, he can reduce the likelihood of being scrutinized by satisfied stakeholders for his management of earnings. On top of that, social activity sometimes is used as a competitive weapon. For example, one small mining company accused its global competitor of using its "award winning CSR positioning" to disadvantage competitors by lobbying for standards that reduced the value of the small mining companies so that it could purchase them at a discount^{11 12}.

The use of CSR as a makeup to sell more. Many companies use CSR as a makeup to enhance their public image and achieve better financial results, but they do not have a genuine commitment to other stakeholders besides shareholders and management personnel of the company. Companies are naturally keen to be aligned with CSR schemes because they offer good PR (public relations). While companies are vying to be seen as socially responsible to the outside world, they also become more effective at hiding socially irresponsible behavior, such as lobbying activities or tax avoidance measures.

Similarly, Harjoto and Jo (2007) show not just an interaction between CSR activity and advertising intensity but a strong relationship between organization structure and ownership conflicts, implying that CSR is an ex post facto discretionary reaction to internal and external organizational and strategic conflicts¹³. The veracity of the managerial discretion position is reinforced by Prior, Surroca, and Tribo', who showed that firms that engage in earnings

¹⁰ Fisman, R., Heal, G., & Nair, V. B. (2007). Social responsibility: Doing well by doing good? (Working paper). New York: Columbia University.

¹¹ Bierce, A. (1911). The devil's dictionary. Project Gutenberg. Retrieved March 10, 2009. URL: <http://www.gutenberg.org/etext/972> (Дата обращения: 10 марта 2019)

¹² Dean, T. J., & Brown, R. J. (1995). Pollution regulation as a barrier to new firm entry: Initial evidence and implications for future research. *Academy of Management Journal*, 38(1), 288–303, 2017

¹³ Harjoto, M. A., & Jo, H. (2007). Why do firms engage in corporate social responsibility? (Working Paper). Santa Clara, CA: Santa Clara University.

manipulations are significantly more likely to also engage in CSR activities [3]. Chen, Patten, and Roberts showed a similar offset strategy whereby firms with poor environmental and product safety performance engage in more philanthropy¹⁴.

¹⁴ *Chen, J. C., Patten, D. M., & Roberts, R. W.* Corporate charitable contributions: A corporate social performance or legitimacy strategy? *Journal of Business Ethics*, 2008

Business risks in Iceland, the impact of Russian counter-sanctions and the most promising sectors for investment

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Iceland is a unique natural place and an independent state with effective institutions, high social security and a human development index. Iceland has a very high standard of living [1], per capita income, low unemployment (2.8%), high average wages (\$ 3,300) and inflation at 1.8%. The total tax burden is 36.4 percent of total domestic income [2]. Over the past three years, government spending amounted to 43.2 percent of the country's total production (GDP), and the budget surplus averaged 4.5 percent of GDP. Public debt is equivalent to 40.9 percent of GDP. The total value of exports and imports is equal to 89.8 percent of GDP. Although Iceland officially withdrew its application for membership in the European Union in 2015, it enjoys free trade and the movement of capital, labor, goods and services from the EU. There are also bilateral duty-free agreements with other countries. In other cases, the average applicable tariff rate is 1.5 percent. In addition, it is worth noting that Iceland was one of the first countries in Europe to get out of the 2008 financial crisis. Now the country quickly repays foreign debt (the country had the highest external public debt to GDP in the world in 2012 - 699%; debt is 82% of GDP for 2018), developing economic relations with investors and countries. The cost of currency and credit swaps has long reached a pre-crisis level [3].

In 2018, Iceland joined the EU sanctions against Russia, and in response, the Russian Federation extended its counter sanctions to Iceland. Experts say that retaliatory sanctions can cause annual damage to Iceland's GDP by 1-2%. Many companies in the fish business have lost a huge Russian market, deliveries to Russia accounted for a third of all exports of these products. The way out of the situation is quite simple - to give Iceland attempts to dictate through sanctions. Now Iceland has given way to the Faroe Islands, which did not support European sanctions against the Russian Federation [4].

As for the country's legal system, Iceland is one of the oldest democracies in the world, with a party coalition in power. The country has a solid and transparent legal institutional framework to ensure compliance with laws. Corruption is effectively controlled. Iceland ranks 14th out of 180 countries in the 2019 Transparency International's Corruption Perception Index [5]. A transparent regulatory environment supports business, ensuring the efficient formation and operation of the business. Security at the highest level, the risk of murder, theft and violence is minimal.

The political and economic situation is generally stable and attractive to investors. An efficient business environment allows foreigners to open a company in one day, have significant tax breaks, highly skilled labor, trade duty free in the EU and use cheap and clean electricity,

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enjoy nature and lack of communication barriers in English, which is also often an important indicator for many. Rating agencies put an “A” rating for economic, political and business risks in Iceland, which is a high indicator of a highly developed and attractive country.

Now consider the most important sectors in the economy of Iceland. First, it is the manufacturing sector. Iceland is the world's largest electricity producer per capita. The presence of abundant electricity due to geothermal and hydroelectric energy sources in Iceland has led to an increase in the manufacturing sector. Energy-intensive industries, which are the largest components of the manufacturing sector, are mainly exported. It is important to note that now all the electricity is generated from renewable energy resources. Secondly - aluminum. Aluminum smelting is the most important energy-intensive industry in Iceland. Currently, there are three factories in operation with a total capacity of more than 800,000 tons per year, which puts Iceland on the 11th place among aluminum-producing countries worldwide. And the third most important sector of the Icelandic economy is fishing. The share of fish products in the country's exports is 63%, and the average annual catch reaches 1.3 million tons. In Iceland, a number of measures have been taken to limit fishing activities, based on an individual quota system and permissible type of fishing equipment. In addition, Iceland is one of the three remaining countries in the world where cetaceans are being harvested. Fisheries and related industries account for about 70% of the country's export earnings and contribute almost 30% to GDP.

Which industries will develop in the future, and in which areas of the Icelandic economy will it be most promising to invest? In the last decade, the Icelandic economy has been reoriented to the development of the manufacturing industry and the service sector, as well as the production of software, biotechnology and the development of the financial sector. Abundant geothermal and hydropower sources have already attracted significant foreign investment in the aluminum sector. Tourism is also expanding, in particular, focusing on eco-tourism and excursions to whale habitats. Improving and expanding a country's civilian infrastructure, including the road system, public transport, and airports, will help eliminate the capacity constraints resulting from the booming tourism industry.

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«Social and responsible business: international dimension»

Аннотация. Исследование включает в себя углубленный анализ лучших практик социального и ответственного бизнеса как в России, так и во всем мире. Грядущие годы считаются многообещающими для роста корпоративной социальной ответственности (КСО) и устойчивости международного бизнеса, поскольку Цели устойчивого развития (ЦУР), принятые Организацией Объединенных Наций, охватывают различные области деятельности предприятий. В работе обозначены ключевые мировые тенденции бизнеса согласно годовому отчету, размещенному на платформе знаний ЦУР. Кроме того, в статье дан анализ возможности их применения в российских корпорациях. В дальнейшем, в исследовании представлен широкий анализ случаев внедрения практик КСО, ведения социального и устойчивого бизнеса – истории успеха, которые могут быть применены в российских реалиях. Некоторые из рассматриваемых случаев – социальные магазины и кафе, поддержка различных благотворительных организаций - связь бизнеса и общества. Этическое и благоразумное деловое поведение анализируется на основе руководства ОЭСР по должной осмотрительности в отношении ответственного делового поведения. В заключение, исследование дает рекомендации российским предприятиям,

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действующим компаниям и будущим стартапам относительно того, как применять на практике ответственные методы ведения бизнеса, учитывающие интересы всех заинтересованных сторон. Работа направлена на доказательство утверждения о том, что ответственный бизнес сегодня формирует жизнь завтра.

Summary. The research encompasses the in-depth analysis of the best practices of social and responsible businesses in Russia as well as around the world. The following years are believed to be promising for the growth of corporate social responsibility (CSR) and sustainability in international business as the Sustainable Development Goals (SDG) adopted by the United Nations cover various fields of enterprises' operations. First, the article outlines the key global trends in business according to the annual report posted on the SDG knowledge platform and analyses the possibility of their application in Russian corporations. Secondly, the paper provides the broad analysis of cases of implementation of the CSR practices, the running of social and sustainable business trying to achieve SDGs - success stories which can be adopted to the Russian dimension. Some of the mentioned cases in the paper are social shops and coffees, support of various charity organizations - the connection between business and society. Ethical and prudent business behaviour is analysed with the basis on OECD Due diligence guidance for responsible business conduct. Thirdly, the research gives the recommendations to the Russian businesses, existing companies and future start-ups, on how to put into practice the responsible methods of business conduct which take into considerations all the stakeholders. The work is aimed at proving the statement that responsible business of today shapes the life of tomorrow.

Ключевые слова. ЦУР, ООН, устойчивое развитие, корпоративная социальная ответственность, социальный бизнес, этика, страновые риски

Key words. SDG, the UN, sustainable development, corporate social responsibility, social business, ethics, country risks.

In recent time sustainable and socially responsible ways of doing business have become not only buzz words but a brand-new strategy for achieving the UN Sustainable Development Goals (SDG). Sustainable enterprises do not overlook the needs of society and do not harm the environment. It goes without saying, contemporary businesses cannot be fully prosperous without being sustainable and responsible – if they lack public approval, then, their income will steadily decrease as customers will switch to responsible businesses. Fortunately, many companies accept this idea and seek to align their corporate strategy with the goal of being profitable and responsible. Thinking in a short-term perspective may be harmful to everyone, because earlier or later reputation which is crucial in the 21st century may be damaged due to

many factors that were neglected at the time of fast growth. Therefore, many businesses nowadays do think about future perspectives.

No doubt, sustainability will remain on the agenda on corporate strategies in the near future and here are the key trends, according to the UN, that may appear in the forefront of its development:

1. Artificial intelligence and digital transformation;
2. Sustainability profession – teaching future responsible managers;
3. Sustainable supply chain (integral approach which is especially relevant for multinational corporations) [2];
4. Diversity and inclusion (in HR strategies);
5. Ethical product line, packaging, company operations [1].

Social and responsible businesses have not been born recently and there are numerous cases and best practices around the world that deserve being outlined:

- Social cafes, supermarkets, shops etc;
- Social employment;
- Funding of social projects, schools, hospitals, children centres in the city of operation, various methods of involving the stakeholders [6];
- Broad corporate social responsibility (CSR) policies adopted by multinational companies and aimed at helping developing countries;
- Collaborations and marketing campaigns aimed at raising awareness of the environmental issue, the problem of waste recycling;
- New ethical standards in almost every company and codes of conduct; the standards are elaborated on the international level by the Organization for Economic Development and Cooperation (OECD) [4].

Of course, the list is not limited by these points, there are much more practices that are being put into practice. It is worth being noticed that Russia is not an exception and has numerous companies that are responsible or have high standards of CSR policy (VkusVill, NorNickel, Severstal etc) [5].

One of the main points of our research is the review of country risks in Germany and Switzerland with regard to the development of sustainable and responsible business. The data is taken from the reports of Fitch as well as the articles posted on the web sites of Moody's and Standard and Poor's as the main credit rating agencies. The findings are thoroughly analyzed by the authors while the attention is paid to the ways how low country risks in Germany and

Switzerland contribute to the flourishing of ethical business and in which aspects German and Swiss business is more advanced than the Russian [3]. The main country risks to which distinguish and compare the authors are the following:

- Political, economic stability (currency stability);
- The level of government control in business;
- The easiness of doing business;
- The difficulties in front of setting a new company;
- The standards in corporate governance in Germany and Switzerland.

At the end of this part the authors outline Swiss chocolate company Lindt&Sprungli as an example of a multinational sustainable and responsible company by paying attention to its special supply chain [7].

Nevertheless, there is still room for future development of sustainable business and for Russian enterprises it should become one of top priorities [5]. There are several ways of building inclusive, social or responsible business that would involve various stakeholders and achieve SDGs:

- University initiatives aimed at formation of new generation of responsible managers in Russia;
- Launching new social businesses alongside proper publicity which will attract more customers;
- Social employment – giving input to inclusive economy etc;

For existing big Russian companies:

- Participating in social projects, supporting environmental movements;
- Fostering the process of cleaning cities with highly polluted air;
- Supporting Russian biodiversity;
- Promotion;
- New “green shares” for people to take part in social initiatives.

For the government:

- Analyzing the issue of tax reform (some exemptions and lower rates) for social and responsible companies that invest in social projects.

Our research draws on a mixed-methods approach and its analysis is based on corporate strategies, which will be popular in 2019-2020 in the world and here are the key trends responses from small, medium and large companies from services, commerce and manufacture.

The results will reveal that CSR practices highly influence business environment; firms in Russia can adopt pioneering practices in order to improve their CSR performance and do it due to environmental and social reasons. The study shows that companies worldwide use different CSR practices to convince stakeholders that most activities of the company are carried out within the framework set by society. The findings also indicate that the context of implementation of CSR practices in Russia is an essential and beneficial process both for business activity and public concerns regarding companies` engage in socially responsible practices.

Материал выверен, цифры, факты, цитаты сверены с первоисточником, материал не содержит сведений ограниченного распространения.

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Eric Woydte*

Current status and trends in German-Russian business relations

Annotation: 2018 was a difficult year for the Russian economy. Contrary to sanctions pressure and foreign trade and macroeconomic risks, the Russian economy has grown steadily. Despite everything, the cooperation between Russia and Germany is intensifying. German companies continue to develop their productions in Russia. BMW plans to open a plant in Kaliningrad, Mercedes-Benz completes construction of its plant in the Moscow region, and Volkswagen Group Rus continues to produce in Nizhny Novgorod and Kaluga. But how constant is this trend? Are there any incentives for further growth? What are the trends and challenges?

The lecture takes a look at the current state of the German-Russian economic relations and highlights trends from a German perspective. The focus here is on German investments in Russia, which, in contrast to the Russian economy, have been growing steadily in recent years.

In addition to the investments, the German-Russian trade is growing steadily and has almost returned to the level of the most successful year of 2012 (about 80 billion US dollars).

Key words: Europe, EU-Russia, Germany, economy, sanctions, foreign investment

The Eastern European Association of German Business (OAOEV) and the German Russian Chamber of Commerce recently conducted their annual business climate survey in Russia among German companies in the Russian business for the 16th time. The focus was on the local business environment, the current business assessments of companies and their expectations regarding the future economic and business development, as well as the possible impact of US sanctions against Russia and the assessment of EU sanctions and their consequences.

A total of 168 companies participated in the survey. The surveyed companies represent almost all sectors: most of them come from mechanical and plant engineering, with almost 19 percent, followed by construction (13 percent), consulting firms (eleven percent), wholesaling and retailing (nine percent) and chemicals and the automotive industry (seven percent each).

The surveyed companies together have almost 142,000 employees in Russia and in 2018 they were transacting nearly 23 billion euros in the Russian Federation. The last comparable survey was conducted in January and February 2018.

The current results at a glance: The assessment of the business climate by the German companies in the Russian business has become progressively worse compared to the previous year: Only one third of the respondents rate the general development positively. The companies are also much more skeptical about the outlook for the coming year than in the previous year's survey. On the other hand, companies are largely satisfied with their own business situation: 41 percent describe them as good or very good, and 47 percent consider it satisfactory.

Significantly more than half of the companies were able to increase their sales in Russia in 2018. The biggest disruptive factors affecting business activity in Russia are currently the exchange rate trend and the EU and US sanctions. The surveyed companies therefore once again overwhelmingly (95 percent) want a reduction in EU sanctions. More than half of the companies, are directly or indirectly affected by the US sanctions against Russia, but only 14 percent want to restrict their Russia activities.

Two-thirds of companies are in favor of the idea of building and using a dollar-free payment system. The importance of the Eurasian Economic Union (EAWU) for German companies continues to grow. Only a few advances are attested to German-Russian relations: According to 54 percent of respondents, the trend has stagnated over the past twelve months. Agriculture and the food industry continue to be ranked by far as the fastest growing industries in Russia.

Russia's economy will face major challenges in 2019: given the restrained economic outlook and a difficult geopolitical environment, the government must mitigate the impact of the announced US sanctions measures while generating growth. New development impulses should be provided by private investment, the digitization of the economy and increased labor productivity. For the year 2019, the Ministry of Economic Affairs expects gross domestic product (GDP) to grow by 1.3 percent.

German companies invested so heavily in Russia last year that their net direct investment increased by 26.4 percent to an amount of two billion euros. This is evident from statistics of the Deutsche Bundesbank, which were analyzed by the German-Russian Chamber of Foreign Trade (AHK) in Russia.

"This is one of the highest values since the collapse of the Soviet Union," said German-Russian Trade Chamber CEO Matthias Schepp in Moscow. "Russia is a big market and an interesting land for investment." The low ruble exchange rate for foreign investors generate a good precondition for building or buying a factory in the largest country in the world. In the 'Doing Business Index' of the World Bank, Russia has improved from 124th place in 2011 to 31st place in 2018.

"The economic reform movement has not derailed despite the internal political hardening and the ongoing confrontation with the West," says Matthias Schepp. "In some areas, under pressure from relatively low oil and gas prices and Western sanctions, the Russian government has succeeded in significantly improving the investment climate."

According to the latest business climate survey conducted by the AHK and the Eastern Committee - Eastern European Association (OAOEV), 56 percent of German companies operating in Russia were able to increase their turnover and one in three companies plans to invest further in 2019.

Nevertheless, German-Russian trade rose by 8.4 percent to € 61.9 billion in 2018, approaching its peak of € 81 billion in 2012. The positive development is also reflected in the number of members of the AHK, which has grown by 10 percent to 874 companies in the past two years.

Gross fixed capital formation will rise by 2.5 percent in real terms in 2019, estimates the German Ministry of Economic Affairs. By 2024, their share of GDP is expected to increase from the current 21 percent to 25 percent, mainly through investment in national projects. However, private sector involvement is uncertain given high interest rates and possible new rounds of sanctions. Therefore, the state is trying to oblige companies to invest part of their

windfall profits in their national projects. In addition, with the new version of the special investment contract, the granted subsidies and guarantees are to be increased.

The net inflow of foreign direct investment (FDI) into the Russian economy in general declined significantly in 2018 due to the weaker framework conditions. In the third quarter of 2018 alone, FDI fell by \$ 6 billion - the worst quarterly result since 1994. By 2019, total FDI is expected to fall further. Overall, the central bank expects a capital outflow of \$ 25 billion in 2019. But for the next seven years, the head of the direct investment fund, Kirill Dmitriev, expects to invest \$ 40 billion. Especially Chinese and South Korean companies as well as the state-owned Saudi investment fund are interested in financing projects.

All in all, it is concluded that German companies are increasing their exposure despite the slow-growing Russian economy. This is mainly due to a long-standing and trusting partnership. It remains to be seen in 2019 how both countries use their cooperation potential under the umbrella of constantly changing external influences.

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Технология Блокчейна или как это работает?

Аннотация: статья посвящена уникальной технологии блокчейн, ставшей популярной совсем недавно. Все больше компаний используют данную технологию в своих операциях, дабы снизить роль государства. Что такое блокчейн, какими преимуществами он обладает, преграды для развития и какую революцию за собой ведет данная технология в сфере банковских услуг и платежной системы.

Ключевые слова: блокчейн, смарт контракты, структура блокчейна, безопасность блокчейна, восприятие людьми блокчейна, тренде в блокчейне.

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Technology of Blockchain or how it works?

Abstract: the article is devoted to the unique technology blockchain, which has become popular recently. More and more companies use this technology in their operations in order to minimize the role of the controlling authority. What is the blockchain exactly, what advantages

does it have, barriers to development, and what kind of revolution does this technology lead in the banking services and payment system.

Keywords: blockchain, smart contracts, blockchain structure, blockchain security, blockchain adoption, blockchain trends.

Price Waterhouse Coopers (PWC) defined blockchain as a “*technology, which the unconventional world of data structures is putting transactions on the distributed ledgers*”. The Blockchain key features are disintermediation, resilience, integrity and untraceable.¹⁵

How it works?

As a rule, the blockchain accepts confirmations for automatic verification between participants. Transactions are carried out through ledgers. Ledger could be a piece of paper, ledger could be a piece of like some kind of digital database. And where we are putting that ledger centralized controlled manner.

What blockchain is absolutely not?

1. “*BTC or Bitcoin*”: Although the most popular use of the blockchain is in financial services, many people falsely believe that the blockchain is bitcoin, but this is certainly not true. Blockchain is not a cryptocurrency, it is the foundation on which a cryptocurrency is built.¹⁶

2. “*Influenced by the regulators/governments*”: Blockchain is a technology used by many regulated sectors, such as financial services, public service sector and media sector, but the blockchain itself is not currently regulated.¹⁷

3. “*Simple technology*”: Blockchain technology is complex, and it can be quite difficult for a non-professional, even a professional, to understand. I see this as one of the main barriers to blockchain adoption.

Is blockchain secured?

One of the advantages of blockchain is that it is heavily encrypted by cryptography, which is a military standard encryption type. However, in 2016, the hacker discovered a loophole in the encoding that allowed him to deplete funds from the DAO, which accounted for

¹⁵ **P. Adam-Kalfon** Blockchain, a catalyst for new approaches in insurance [Электронный ресурс] // 2017. 44 p. URL: <https://pwc.com/gx/en/insurance/assets/blockchain-a-catalyst.pdf>/ (дата обращения: 20.04.2019).

¹⁶ **Mano lingam** Bitcoin is not the Blockchain. [Электронный ресурс] // 2019. URL: <https://hackernoon.com/bitcoin-is-not-the-blockchain-1c85c372332f/> (дата обращения: 20.04.2019).

¹⁷ **B. Carson** Blockchain beyond the hype: What is the strategic business value? [Электронный ресурс] // 2018. URL: <https://mckinsey.com/business-functions/digital-mckinsey/our-insights/blockchain-beyond-the-hype-what-is-the-strategic-business-value/> (дата обращения: 20.04.2019).

more than \$ 60 million. What does this mean for the future security of the blockchain and how measures will be taken to prevent hacking and threats?¹⁸

What is the blockchain structure?

The data is not in one single ledger that is distributed. One similar data is distributed across different nodes or across different entities or persons they are having this. Each computer node in the network holds a copy of the ledger, so there is no single point of failure. *They are all connected!* That's why it is called blockchain and the blocks are having the data inside them and the transactions inside them. Whatever is in one ledger is been replicated in all other ledgers as well. This is done through the consensus algorithm. So, the mathematics is behind it. So, it is nothing relevant to the human intervention.¹⁹

What are threats and opportunities for this technology?

I will list the most relevant for the modern business solutions.

Opportunities

1. Decentralized Storage Solutions;
2. Automation of all business processes;
3. Changing the way business operates

Threats

1. Scalability;
2. Network effect;
3. Integration & Interoperability;
4. Security issues;
5. It's not been done before, so there are no best practices to follow.

Speed of blockchain adoption

Blockchain is at a very early stage of development, and before mass acceptance begins, people have to clearly understand what the options are for using of the blockchain. Currently, development speed is very low due to gaps in knowledge and limited talent in the blockchain

¹⁸ **S. Falkon** The Story of the DAO—Its History and Consequences. [Электронный ресурс] // 2017. Dec 24 URL: <https://medium.com/swlh/the-story-of-the-dao-its-history-and-consequences-71e6a8a551ee> (дата обращения: 20.04.2019).

¹⁹ **B. Carson** Blockchain beyond the hype: What is the strategic business value? [Электронный ресурс] // 2018. URL: <https://mckinsey.com/business-functions/digital-mckinsey/our-insights/blockchain-beyond-the-hype-what-is-the-strategic-business-value/> (дата обращения: 20.04.2019).

industry. Some people are not willing to accept changes, and they often consider it a burden, not an advantage. But in today's digital era, this is beginning to change, and those who want to innovate will rapidly outpace their competitors.

Blockchain Smart Contracts

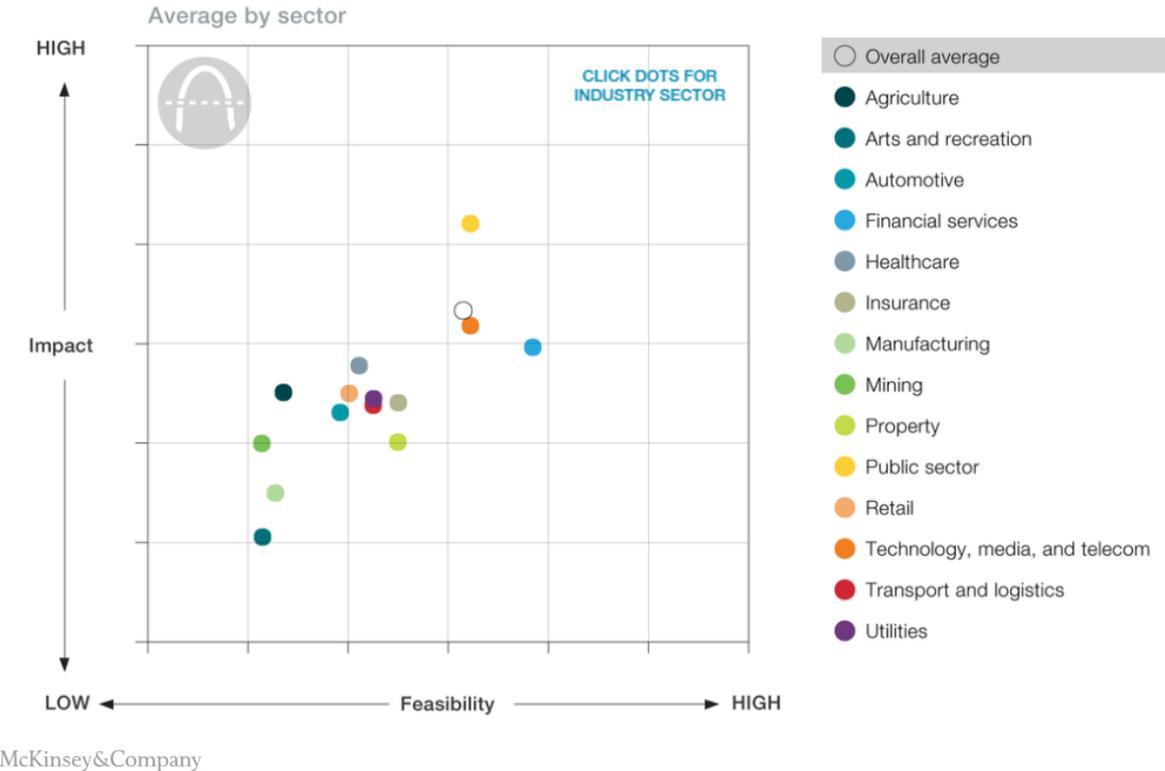
It is important to understand what is exactly smart contract is. It is coded, self-fulfilling digital contract that help you exchange money, property, stocks, or anything of value in a transparent and conflict-free manner while avoiding intermediary services. Smart contracts can exist without a blockchain, but most intelligent contracts naturally occur at the blockchain level to increase traceability and level of trust.²⁰

Blockchain Prospects by Sector Wise

The graph chart 1 is very important. It was made by McKinsey&Co and they came up with very interesting fact that the best utilization of blockchain is with the public service sector, which, of course, is in the hand of regulators governments and entities like that. So, they have the top most utility at the moment for the blockchain and second utility is for the tech companies and third biggest utility is for financial service providers. We can see there is a reason behind that. And the reason is all these are basically network oriented sectors. And blockchain is a

²⁰ Smart Contracts. [Электронный ресурс] // BlockchainHub. 2017. Feb 9. URL: <https://blockchainhub.net/smart-contracts/> (дата обращения: 20.03.2019).

network oriented on solution. That’s why blockchain is very much accepted in these sectors.²¹



Graph Chart 1. McKinsey&Co Blockchain opportunities by industrial sector

²¹ **B. Carson** Blockchain beyond the hype: What is the strategic business value? [Электронный ресурс] // 2018. URL: <https://mckinsey.com/business-functions/digital-mckinsey/our-insights/blockchain-beyond-the-hype-what-is-the-strategic-business-value/> (дата обращения: 20.02.2019).

Blockchain Trends

First of all, the number of transactions on Ethereum, which is the second most populated kind of a blockchain, 240,000,000 transactions since its inception.²²

Secondly, Global blockchain spending expected to reach \$9.2 billion, by 2021.²³

Thirdly, if we see the numbers for the spending on blockchain globally and plus for most populated region Middle East and Asia, it is exponentially growing year by year. It is expected to reach \$307 million in 2021, which represents a compound annual growth rate (CAGR) of 77.4% for the 2016-2021 period.²⁴

Finally, 77 % of Financial Service Providers will be using blockchain in their operations by 2020.²⁵

Key for Creative Solutions through Blockchain

The key for this creativity is that we have to change the approach we are seeing the blockchain as the technology. People consider blockchain technology as 80% of the technology and 20% as a process change or changing the mindset, changing in a business process. In fact, it's other way around! It's 80% change in the mindset basically. Taking decentralized or hybrid from a centralized. That's where we are like having a gap. So, once we reach this approach the level of solutions we are creating through blockchain will be far different and far better than what we are having at the moment.

The blockchain Revolution in Banking

²² **B. Harling** Ethereum Network Statistics: 240 Million Transactions, 250,000 Engineers – Consensus Report [Электронный ресурс] // 2018. June 1 URL: <https://blocktribune.com/ethereum-network-statistics-240-million-transactions-250000-engineers-consensus-report/> (дата обращения: 20.01.2019).

²³ **M. Ottman** Report Suggests Global Spending on Blockchain Tech Could Reach \$9.2 Billion by 2021 [Электронный ресурс] // 2018. Feb 9. URL: <https://medium.com/@MmelissaOttman/report-suggests-global-spending-on-blockchain-tech-could-reach-9-2-billion-by-2021-aca88bfa3ee7/> (дата обращения: 20.02.2019).

²⁴ **S. Manek** Blockchain Spending in the Middle East & Africa to More than Double in 2018. [Электронный ресурс] // 2018. Feb 12. URL: <https://www.idc.com/getdoc.jsp?containerId=prCEMA43567218/> (дата обращения: 20.04.2019).

²⁵ **R. T. Munoz** The Next Fintech Disruptor: Blockchain as a Service. [Электронный ресурс] // 2018. Apr 12. URL: <https://medium.com/parcelx/the-next-fintech-disruptor-blockchain-as-a-service-b5bbc362bd4e/> (дата обращения: 20.04.2019).

Many of the world's leading banks are implementing blockchain and are actively investing in research and development. Blockchain promises to optimize and automate all internal operations.

Some of the main uses for the banking sector are customer lending, corporate payments, p2p, and pooling of funds. In the mortgage industry, there is also an example of using the blockchain, in which banks can store estimated data and significantly accelerate the issuance of loans.

But some are cynical - the Bank of England says that there will not be a banking revolution yet, and many at our December meeting have argued that there will be no revolution at all if banks continue to buy back their budding competitors.²⁶

I would say that blockchain is a magical thing, but we all have to be creative enough to come up with the blockchain journey and use the best of it.

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²⁶ **The Economist Intelligence Unit** Leading the pack in blockchain banking [Электронный ресурс] // 2016. 20 p. URL: <https://www.ibm.com/downloads/cas/PA8V4RMX/> (дата обращения: 20.04.2019).

The Educational System Of This Century: Skills and Trends

Annotation

This paper seeks to address the pressing need for the transformation of our global educational system. We believe that education is the backbone of any development. The rapid speed at which disruptive technologies like AR, VR, AI and even the latest 5G are being embraced makes it a necessity for educational institutions around the world to upgrade and redefine the whole process of transferring knowledge and the teacher-student relationship. The paper also highlights some of the major skills and competences that are important in order for the 21st century learners to succeed in this ever-changing world. The paper concludes with a suggestion for a more pertinent skill which will greatly assist any person or organization in reaching their personal, professional or organizational goals and targets.

Key words

1. Agility
2. Artificial intelligence
3. Augmented Reality
4. Big Data
5. Civic engagement
6. Collaboration
7. Communication
8. Competition
9. Critical thinking
10. Creativity
11. Decision-making
12. Emotional intelligence
13. Flexibility
14. Focus
15. Gamification
16. Global Awareness
17. Globalization

18. Industry 4.0
19. Innovation
20. Internet of Things
21. Instructional technology
22. Intelligence
23. Life-Long Learning (3L)
24. Millennial
25. Monopoly of knowledge
26. Negotiations
27. Reforms
28. Skill
29. Social responsibility
30. STEM
31. STEAM
32. Technology
33. Trend
34. Virtual Reality
35. VUCA environment

Main thesis

I would like to quickly begin this short paper with a story which I am sure some of you are familiar with. Even though it hasn't been historically or scientifically established, some people still credit the title of this story to Albert Einstein. "Everyone is a genius, but if you judge a fish by its ability to climb a tree, it will live its whole life believing that it is stupid." ^[1]

A long time ago, when the animal kingdom was being divided into climbers, fliers, runners, and swimmers, there was a school for developing the animals. The theory of the school was that the best animals should be good at all these 4 skills. No one was allowed to graduate from that school unless he could climb, swim, run, and fly at a certain prescribed rate. So instead of swimming, the fish was made to climb trees while the eagle was made to run and allowed to fly only for recreation. Therefore the time taken by the fish in learning how to climb trees at the prescribed rate had hindered him from swimming at the prescribed rate, and he left school humiliated. All in the name of Education. The animals that refused such training, and persisted in developing their best talents were dishonored and called all sorts of names. At the end, only

an abnormal eel with large pectoral fins proved he could run, swim, climb trees, and fly a little; so he was made valedictorian.

Naturally, we all know that a fish is specialized to swim superbly, and its ability to climb a tree is not, in any way, a necessity. So I believe it is unfair and absurd to use a single inflexible standard for assessing the achievement of the 21st century students/learners. The focal point here is that each individual should be allowed to pursue his or her strengths, and weakness in any area should not induce any feelings of inferiority.

Trying to run all kinds of children and students through the same model of teaching, with the vain hope of bringing them all to the same standard of uniformity should be regarded as an educational blunder. Even the fingers on one's hands are not equal in size and the biologists that rightfully tell you that no two brains are the same, so there is no need to paint everyone with same brush nor rate every learner using same criteria. This paper shall mention how instructional technology can help us achieve more balanced and personalized learning modules.

Trends.

The world is changing rapidly and the aspect of teaching cannot stay stagnant. Teachers must also realize that they cannot continue to teach exactly the way they were taught years or decades back. Can you spot any significant differences or changes between the two pictures below?



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being employed or should be employed by contemporary educational bodies, institutions and even governments towards improving the classroom experience, thereby guaranteeing better knowledge assimilation.

Depending on your geographical location, but generally, students and professionals from STEM, i.e. Science Technology Engineering and Mathematics tend to be more valued than those from other fields. In fact, in most African countries, you are deemed successful or having

a ‘promising future’ only when you study or work as a doctor, an engineer or a lawyer. However, now Arts i.e. the creativity and social sciences aspect has been added to make it STEAM, thereby directly or indirectly encompassing almost all spheres. This broadens the list of options from which any student/learner can choose to navigate his future towards.

The “Learning beyond school” initiative in Australia and the government’s commitment to a sustained *reform* effort that will drive improved student outcomes and excellence in and outside classrooms is an example of how the political heads can radically influence the educational system as a whole.^[2] Among other countries that are working on similar reforms are Kuwait, France, and USA.

Civic engagement and *social responsibility* in the form of giving back to the society assist in the moral development of students and graduates. The alumni networks should become more vibrant and active especially in the countries of Latin American, Asian and African continents. Unlike before when almost everything was designed for people to be more selfish and indifferent to the consequences and implications of their decisions on the society and environment, the educational process of nowadays should also concentrate on developing the students’ social identities. As business companies are being bombarded with reports on corporate social responsibility, educational institutions like schools, colleges and universities should also embrace this trend and take it upon themselves to train future leaders and business executives towards becoming more socially and environmentally responsible. The idea of “Life-Long learning” is fast becoming a trend. This is the notion that students and professionals must be ready to continuously learn new things in order for them to cope with the inevitable changes that are happening daily around the globe.

Technology.

Now let’s see briefly how *technology* is reshaping the educational system. As it is usually said, nowadays a person is either *millennial*, digital native, digital migrant or digital ignorant. It’s left for you to decide to which group you associate yourself.

Contrary to previous centuries, the teachers or instructors in this century do not have the *monopoly of knowledge*. Now, they should be seen more as ‘facilitators’ of knowledge because technology has made a lot of stuff available to learners. The old people say “curiosity kills the cat”, but in this century, it is safe to say otherwise: curiosity actually saves the cat.

The integration of technology with educational system adds some values to the whole outlook. For instance, it helps in transforming the classroom experience from a traditional “teacher-centered” to “student-centered”. The teacher here acts as a guide and a medium of knowledge

transfer. Technology also provides both facilitators and learners with access to a variety of resources that help in mastering the mentioned skills like inclusion and collaboration. It is also obvious that technology develops one's digital literacy and ensures one's "digital citizenship". Technology extends learning beyond the texts and classroom walls. The ultimate value offered by technology is the exposure of students and teachers to various online global communities. These exposures consequently boost their *global awareness*, which is an essential component to a 21st century educational makeup and the academic integrity of any individual.

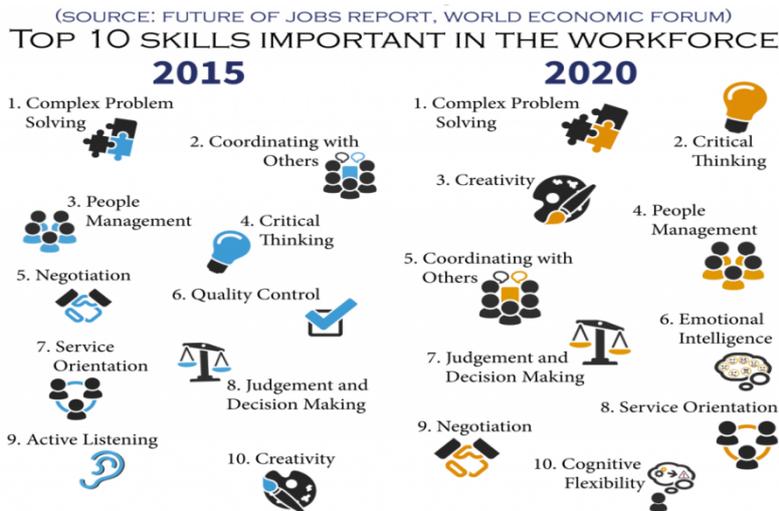
At the beginning, we have mentioned the failed attempt of uniformed module of education in the animal kingdom, so it is now clearer that there are different levels of students in any classroom. Each of them with unique learning needs. Through the use of *instructional technology*, differentiated instructions provide students with an education that is personalized or individualized which suites the student's specific needs. A forbe's article by Daniel Newman suggests *Augmented Reality / Virtual Reality*, personalized Learning, *Internet of Things*, AI and *Big Data*, Security as the top-5 digital transformation in our educational system.^[4] Gamification also plays an important role in the dissemination of knowledge in this century.

It is good to understand that bringing technology into classrooms may not be a substitution of an effective human teacher. Human beings will forever be present in the cycle/chain. I believe that is why Jack Ma of Alibaba said: "We do not have to compete with *Artificial Intelligence*, but we have to develop unique human intelligence"

Skills needed for success.

Based on various data especially from the World Economic Forum, between 2016 and 2021 around 35% of *skills* that are considered important in the labor market will have changed. Some jobs will disappear and more than 65% of children will work on jobs that do not exist yet. By 2020, the Fourth Industrial Revolution (*Industry 4.0*) will have brought us advanced developments that will transform the way we live and work.

Another survey done by the WEF's Global Agenda Council on the Future of Software and Society shows that people expect artificial intelligence machines to be part of a company's board of directors by 2026.^[3] This means that the 21st century education system must train students neither for the past nor for the present, but for the challenges of the future. Alvin Toffler once said, "The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn." So what are actually some of these skills that will help students survive in the future?



pic. 2

As you can see, *Emotional intelligence* (E.Q) which I like to call “the knowledge of you and me” was not even listed as a top skill in 2015. A person’s ability to be aware of, control and express their own emotions as well as being cognizant of the emotions of others describes their emotional intelligence. One exhibits high emotional intelligence through empathy, integrity and working well with others. A machine may never replace a human’s ability to connect with another human being, therefore people with high EQs will always be in demand. The 4 Cs- Creativity, communication, cooperation and critical thinking. *Creativity* and *Innovation*, for example, can be developed through encouraging and letting students debate and dispute any theory taught in class. Tell students to invent or prove something that is better than the existing one. This will force them to think outside the box and subsequently stretch their minds beyond their usual horizons.

Effective *communication* both written and verbal as in public speeches, presentations, debates is also vital. *Critical thinking* and good *Global Awareness* will assist a person in *negotiations* and *decision-making*. As workplaces become globalized, employees must have the skills to understand, respect and work with others despite differences in race, culture, language, age, gender, sexual orientation, political or religious beliefs, etc. There is a lot of fear-mongering happening today, and different groups are marginalized. Read books and engage with other people and cultures to experience things better.

At schools, *collaboration* and not *competition* should be emphasized through compulsory group projects, outings, networking, team buildings etc. Some countries are no more indicating ‘positions’ on a student’s result sheet, in order to curb the vicious culture of unnecessary competition. I see 21st century education as not necessarily about giving students the skills they need to succeed in this new world, but just helping them grow the confidence to practice,

improve and perfect those skills. I love the fact that “success” looks different now from how it did in the past. Highly effective people are frequently choosing to exit into the traditional labor markets by creating their own jobs which will enable them to enjoy some privileges and benefits among which are the following:

- Living and working anywhere in the world;
- Traveling as often as they like and for as long as they like;
- Changing what they’re working on to keep up with their interests and abilities;
- Enjoying earning potential that is not limited by a salary figure;
- Working with peers across the globe;
- Outsourcing things they don’t like doing;
- Choosing their own office and hours.

Due to the speed of change in the future workplace, people will have to be *agile* and able to embrace and celebrate change. That is when *flexibility* will be much in demand. Not only will our brains need to be flexible, but we’ll also need to be adaptable as we are required to adjust to shifting workplaces, professional targets, and skill-sets. An essential skill will be the ability to see change not as a burden but to embrace it as an opportunity to grow and innovate.

To sum up all these, I think one other important skill in today’s *VUCA* world of overload in useful and useless information is *focus*. It takes good focus to achieve anything valuable, both individually and as an organization.

Resources

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<https://www.forbes.com/sites/ellevate/2018/08/06/the-skills-you-need-to-succeed-in-2020/#5cc5850288a0>
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Увеличение числа иностранных студентов: Возможности и риски.

“Increase in the Number of Foreign Students: Opportunities and Risks”

В исследовании рассматриваются основные аспекты академической мобильности в России. Главной целью статьи является определение преимуществ осуществления студенческого обмена как для страны, так и для студентов. Мы также постарались выявить возможные риски и слабые стороны процесса академической мобильности в России. Наше исследование показало, что академическая мобильность играет важную роль в образовательной политике государства, но некоторые проблемы, к сожалению, остаются нерешенными.

Our research covers the main aspects of academic mobility in Russia. The main aim of our study was to identify potential benefits of international academic mobility for the country and for the students and reveal possible risks of academic mobility in Russia. Our research illustrates that academic mobility plays an important role in the education policy of the government, but some problems still have to be solved.

Ключевые слова: академическая мобильность, международные студенты, обменные программы, интернационализация, межкультурная компетенция, дисбаланс, утечка мозгов, англицизация

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Key words: academic mobility, international students, exchange programs, internationalization, “intercultural competence”, imbalance, brain drain, "anglicisation".

Statistics show that Russian higher education is popular abroad due to the fact that there are quite a lot of different programs of academic mobility in Russia. A lot of foreign students come from the Commonwealth of Independent States.

In the 2015-2016 academic year, the total number of international students in Russia was 237,538, being 5% of the total number of students. 79% of foreign students were from the former Soviet republics.²⁷

There is a number of advantages of having international students and running exchange programs in Russian universities.

First and foremost, foreign students are an important source of revenue for Russian universities. From 2005 to 2015 the amount of revenue universities earned from foreign students rose from \$356 million to \$1.46 billion respectively.²⁸

In addition, internationalization can definitely contribute to the quality of education, awareness of other cultures, formation of stronger connections with people and countries all over the world. According to International University of Catalonia, students' participation in exchange programs can increase professional prospects and employability in the country of origin and target country. European Commissioner for Education, **Androulla Vassiliou claims, that if a student studies or trains abroad, he has a greater chance of improving his employment prospects.**²⁹

One particular benefit of studying or training abroad is the development of an “intercultural competence”, described as «...the ability to communicate effectively and appropriately in intercultural situations based on one's intercultural knowledge, skills and attitudes» [10, p. 247].

Nevertheless, the risks of the growth of the foreign students are quite high.

²⁷ Foreign Students in Russia: The Need for a Long-Term Strategy [Электронный ресурс]. – Режим доступа: <http://russiancouncil.ru/>

²⁸ How Russian universities are profiting from foreign students [Электронный ресурс]. – Режим доступа: https://www.rbth.com/business/2016/12/12/how-russian-universities-are-profiting-from-foreign-students_655731

²⁹ UIC Barcelona University of Catalonia [Электронный ресурс]. – Режим доступа: <http://www.uic.es/en/international/study-abroad/advantages-of-international-mobility>

There is a problem of imbalance in the number of exchange Russian and foreign students: there are much more Russian students, willing to go abroad for a semester or more than the foreign ones, choosing Russia for having an exchange program. This can lead to several problems, the main of which is the existence of a potential risk for the country to lose «talents» or, in other words, to have a brain drain, because it's understandable that students with an international experience tend to take up careers in an international environment.

Moreover, there is the problem of the expansion in English-language degree programs leading to housing shortages for domestic students and the "anglicisation" of education as a way to recruit international students and earn revenue.

To sum up, it is clear that Russia is developing the process of academic mobility, which has a lot of positive effects for the students, universities and government. But still it is necessary to remember that there still exist some problems and risks which have to be overcome in order to improve the process of academic mobility and increase its positive impact on the society.

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Country risk analysis. United Kingdom

Анализ страновых рисков. Великобритания

Annotation. The main objective of the report is to form an idea of a country such as the United Kingdom, from the point of view of political and economic risks, to analyze all

the existing and possible problems of the country. Research carried out in this academic paper is of interest to entrepreneurs and international business, because it gives an idea of how profitable it is to invest in this country and run business in the UK. It also contains a forecast for the near future of the country to predict possible problems and opportunities for doing business there.

Аннотация. Основная цель тезиса - сформировать представление о такой стране, как Великобритания, с точки зрения политических и экономических рисков, проанализировать все существующие и возможные проблемы страны. Исследование, проведенное в рамках данной научной работы, представляет интерес как для предпринимателей, так и для международного бизнеса, поскольку дает представление о том, насколько выгодно инвестировать в эту страну и вести бизнес в Великобритании. Работа также содержит прогноз на ближайшее будущее страны, чтобы выявить потенциальные проблемы и возможности для ведения бизнеса в Великобритании.

Key words: United Kingdom, risk, economic risks, operational risks.

Ключевые слова: Великобритания, риск, экономический риск, операционный риск.

The business climate of the UK is considered one of the best in the world, and the country is rightly called the most important international business center, and London is viewed as the leading financial center. The UK is among the ten most developed countries, ranking sixth in the world and third in Europe in terms of GDP, producing 3.9% of the world total. The country is a major global exporter and importer of goods and services, its share in world trade is 2.6% in world exports of goods and 3.9% in their imports (8th and 3rd places in the world, respectively). In terms of exports of services, the United Kingdom ranks second in the world after the United States, and 5th in imports.

Economic risks. The government will attempt to cushion Brexit's disruptive impact for UK industries through a 'phased process of implementation' or 'transitional agreements'. As Britain will remain in the EU until the conclusion of an exit agreement, significant changes may take time to unfold. However, currency and economic growth risks could result in a weaker appetite for imports into the UK over the medium term [1].

Operational risk. Although the economy will see downside risks over a multi-year horizon as Brexit-related economic restructuring and labor shortages start to take shape, the risk of a sharp correction is limited. This is because the UK is one of the most globalized

economies among developed states, with a world-leading financial services sector and also deep and liquid domestic markets. As such, the improvement in global economic conditions will provide much-needed tailwinds to growth and the business environment [1].

The United Kingdom, a leading trading power and a financial center, is one of a quintet of trillion dollar economies in Western Europe. Over the past two decades, the government has greatly reduced public ownership. Long-term political, economic and regulatory strength, coupled with relatively low rates of taxation and inflation, are key factors that have made the UK attractive to foreign investors. As a founding member of the World Bank, the UK supports multilateral efforts to promote human and economic development, reduce poverty, and boost shared prosperity around the world. The UK economic outlook is also good. It will have stable GDP growth over the next 5 years. The UK has very low risks and is constantly working to improve the investment climate in the country, so it is one of the best countries for investment [2].

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ЭКОНОМИЧЕСКАЯ МОДЕЛЬ СОВМЕСТНОГО ПОТРЕБЛЕНИЯ И ЕЕ ЭФФЕКТИВНОСТЬ НА РОССИЙСКОМ РЫНКЕ

COLLABORATIVE CONSUMPTION ECONOMIC MODEL AND ITS EFFECTIVENESS IN THE RUSSIAN MARKET

Аннотация: процесс диджитализации сегодня не может не оказывать влияния на мировую экономику, и российский рынок не является исключением. Экономическая модель совместного потребления становится все более и более популярной. В этой работе объясняются основные причины, почему российский рынок оказался средой, в которой шеринг способен развиваться столь эффективно.

Abstract: digitalisation of the modern world can't help influencing world economy and the russian market is not an exception. As economy becomes more sophisticated and advanced new types of consumption are introduced. It's common knowledge that collaborative consumption model or, as it is called, sharing model is an emerging tendency today. This paper explains how this new consumption model works and whether it has a significant potential in the Russian market or not.

Ключевые слова и выражения: шеринговая модель, совместное потребление, мировая экономика, диджитализация, российский рынок

Key words and phrases: sharing model, collaborative consumption, world economy, digitalisation, russian market.

The last decade was marked by the release of some high-tech projects and a considerable part of them are companies representing one of the most dynamically developing sectors of the economy today. The collaborative consumption or in other words the sharing economy managed to show impressive results over a very short period of its existence.

A collaborative consumption is an economic model that involves the collective use of a product or service, connects key economic agents directly thereby avoiding traditional intermediaries since this or that digital platform acts as an intermediary. Sharing economy suggests that it is much more reasonable to pay for temporary access to benefits than for owning them. That is why "access is the new ownership" is the motto of the millennial generation.

There are several conditions which make Russia suitable for the sharing model. The first one fully concentrates on the way consumers behave in the conditions of the political and economic isolation in 2014-2019. The other condition which needs to be mentioned is a high level of internet penetration in Russia. About 76% of russians use internet which is on the same

level as the USA*. Almost half use their mobile phones which has formed another trend - not in Russia only, but in the whole world as well - m-commerce. Besides, one can see that the most impressive results of the collaborative consumption in Russia come from the transportation segment. The Moscow government claims that Russian capital has the largest car sharing fleet in Europe. The reason is clear: terrible traffic and road conditions in Russia. Moscow citizens spend on average 91 hour annually being stuck in a traffic jam†. It's common knowledge that roads are terrible in Russia. Global Competitiveness Report of 2015-2016 showed that Russia was on the 123rd position worldwide in terms of roads quality. The final important element of the effectiveness of collaborative consumption model in Russia concerns generation issue. For the past decade Russian society has been significantly transforming itself: now one can note that more and more managing positions are taken by people representing generation Y instead of generation X.

It is clear that there is still a long way to go with the way how Russian people perceive new technological tools and innovations. Of course, Russia has an enormous territory and sharing model for now is only used in some big cities like Moscow and Saint Petersburg. The only thing which really influences the likeliness of spreading this model into the depth of the country is time. As long as the most of the people buy their cars not because of their convenience but their prestige nothing can change in fact.

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Artificial Intelligence Developments in Medicine

Разработки в сфере искусственного интеллекта в медицине

Статья раскрывает основные применения искусственного интеллекта (ИИ) на сегодняшний день в медицинском секторе. Приведены конкретные примеры применения искусственного интеллекта.

The article discovers the main applications of Artificial Intelligence (AI) nowadays in the medical sector. Existing examples of such applications are given.

Ключевые слова: искусственный интеллект, медицина, эффективность в медицине
Key words: Artificial Intelligence, medicine, efficiency in medicine

Artificial Intelligence in Medicine is one of the fast-developing fields. AI systems have proved to be efficient at processing and analyzing medical data, as well as recognizing pathology and helping doctors with diagnosing. Moreover, several AI applications have outperformed experienced doctors when diagnosing some specific diseases, such as melanoma and diabetic retinopathy[5]. Overall, AI in medicine can provide better efficiency on all stages of work with a patient – from the first examination to the surgery and the period of recovery.

First of all, AI eases administrative workflow immensely. While human judgment is of great importance, some heavy monotonous work can be automated. This may be scheduling, with AI matching patients' and doctors' appointments with best available facilities[2]. Also, voice-to-text recognition programmes may cut the time of filling up the papers. In Russia, when the appointment time is limited to 12 minutes per patient, 70-80% of time is taken by administrative work[1]. If AI technologies are integrated, doctors can afford more time for communication with the patient. IBM Watson[4] is a good example of an existing AI machine which performs voice-to-text recognition and transcription, as well as aggregates and mines data, providing useful insights.

Next, AI machines are great assistants to medical workers. While medical staff may be involved in doing medical procedures and assisting on operations, machines can be monitoring patient's health condition. Molly, the virtual nurse developed by Sensely, can track key health

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measurements such as rate of heartbeat, blood pressure and weight. It can also talk to the patient and analyse new symptoms and integrate acquired data to the patient's medical profile. It was counted that with automated medical assistants medical industry can save up to 20 billion dollars each year[3] and increase the attention paid to every patient.

Finally, surgical robots are proven to make less invasive surgeries, with operation accuracy rising and rehabilitation time decreasing. AI-assisted operations start with robots giving recommendations to surgeons, so that nothing important about the case is left out. Also, robot-assisted surgeries result in less complications after invasions than non-assisted ones. The most advanced surgical robot today is Da Vinci[4]. The robot has 4 'hands': one hand holds a camera, two hands play the role of the surgeons' hands doing the operation, and the last hand works as the surgeon's assistant's hand. The role of the human surgeon is to sit at the control desk and direct the robot's 'hands'.

Taking into account all AI applications mentioned above, it can be concluded that medicine is also moving towards greater personalization due to AI. Machines deal with data, doctors – with patients, and this leads to an approach, where each patient's case is analysed thoroughly. The more medical institutions integrate AI systems, the less will be the rate of misdiagnosing.

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Н.Е. Михалева*

Россия в международных торговых потоках экспорта и импорта / Russia in the international export and import trade flows

Аннотация: Современный мир невозможно представить без международной торговли, в которой Российская Федерация, как и многие страны, принимает активное участие. Изучение торговых потоков экспорта и импорта России является предметом многих исследований различных ученых. Анализ структуры, динамики и основных направлений экспорта и импорта России позволяет прийти к определённым выводам и представить пути решения имеющихся проблем.

Annotation: The modern world cannot be imagined without an international trade where Russia in line with most countries is actively participated. Learning of export and import trade flows has become a subject of many investigations of different scientists. By analysis of structure, dynamics and main directions of Russia's trade flows of export and import it becomes possible to come to certain conclusions and present solutions to existing problems.

Ключевые слова: международная торговля, торговые потоки, экспорт, импорт, динамика, структура, направления.

Key words: international trade, trade flows, export, import, dynamics, structure, direction

It is well known that international trade in goods and services has a high role and importance in the modern world. In the policy of each country, great attention is paid to the

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foreign trade issues, because of the fact that successful foreign trade promotes economic growth and development of the country.

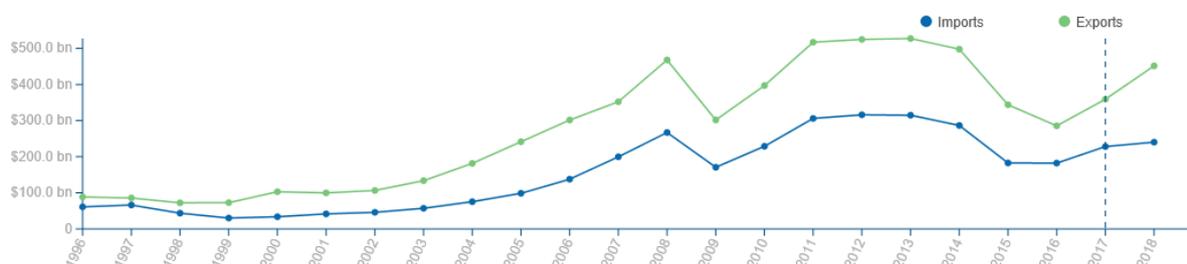
According to the existing literature, nowadays, the share of foreign trade among the total volume of international economic relations is about 80% [2]. Moreover, in Russia there is a market economy of an open type, which means its active involvement in international relations and foreign trade. Integration of world markets leads to a certain specialization of each country on the particular product. It is important for each country to export goods that can be easily produced without extra costs, because of some circumstances, environment and to import other goods that cannot be produced in this country. So, the entire world economy now consists of interrelated groups of countries that are constantly exporting and importing goods towards each other. According to Petrunyak, Russia in the present time is one of the most important countries in the international trade system, since it is the most important trading partner for the supply of oil, gas and coal. Despite the sanctions imposed by other countries against Russia, our country does not completely close the economy and is open to the outside world [3].

By analyzing the figures of dynamics, structure and main directions of export and import of Russia¹ some findings that indicate Russia's impact in the world trade were discovered.

Firstly, Russian Federation is capable of producing enough goods that could be exported abroad and there is a high demand for domestic products. However, due to the economic crisis, the aggravation of the political situation, the introduction of sanctions in 2014-2016 Russia's exports and imports have declined markedly, at present the situation has changed and volume of exports and imports are slightly increasing (Pic.1).

Pic.1. Dynamics of export and import

Secondly, as regards the structure of Russia's export, it should be taken into account that it consists mostly of selling raw materials and resources while in the modern world it is



¹ International trade in goods based on UN Comtrade data. [Электронный ресурс] // UN Comtrade Database. URL: <https://comtrade.un.org/labs/dit-trade-vis/> (дата обращения: 17.05.2019)

necessary to sell goods of high-tech industries. As for the coming-in of goods, import of machines takes the biggest part in the structure.

Moreover, there is a trend towards reorientation of significance of trade partners of Russia. Decreasing dependence on the west countries, volume of export and import trade flows with east countries such as China, Korea has been increased over the last 2 years.

From the evidence submitted it will follow that there are some problems in our country regarding the world trade. In order to solve these problems it is necessary to change the structure of export by increasing the share of high-tech industries, growing the economy and keeping on with reorientation of trade flows in geographic terms.

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The analysis of investment opportunities and risks for Russian investors in Chile.

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Relevance of the report: Some investors will consider South American region to be difficult to operate in. But expenditure to Latin American market provides great opportunities to develop a business. Chile Republic is a fast developing country with growing markets and industries, this is the most prospective direction for starting your investments in the region. The report will concentrate on key risks and opportunities for foreign investors in the country.

Overview of the report: Chile is one of the most attractive country for foreign business in Latin America. Let's take a look on the key aspects.

Political risks: Chile is one of the most politically stable countries in the South America. Chile's coalition political system avoids dramatic changes in the country's political sphere. In addition, the Chilean government is heavily interested in FDI and has created highly favorable conditions for attracting them. However, there are some political risks in the country. There are problems in social security in Chile. The government faced popular uprisings, citizens' discontent with the worsening unemployment situation (the level of self-employment continues to grow), expensive education and low pension benefits. In addition, the government has not yet resolved the conflict with the local population - Mapuche, demanding the return of their historical territory to the people.

Economic risk: The economic situation of the country is stable. Chile possesses the status of the most creditworthy sovereign in Latin America. However, due to internal problems in the social sphere, the Chilean government actively subsidizes social programs. To solve the problems of the social crisis, Chile resorts to external loans, the external debt of the state is growing, despite the fact that the size of the debt remains low (~15% of GDP), the negative trend is worrying specialists who may decide to lower the credit rating of the Chilean Republic. The main economic problem of Chile is the low diversification of the economy, the major export item of is copper. The economy is focused on the mining industry. In this regard, Chile is still largely dependent on revenues from the export of goods, which is a significant structural weakness. Although Chile will begin to move away from copper dependence, increasing the value of other segments of the economy, the country will remain subject to copper price shocks for many years.

Operational risks: Chile's open economy and strong democratic institutions make it one of the most stable countries for doing business in the region. Most of its attractiveness lies in the low risks that businesses face as a result of criminal activity in the region, which leads to lower security costs and lower risk of involvement in financial crimes.[Fitch Solutions, Chile Country Risk Q2 2019: 39]

Industries to invest: In addition to the developed mining industry (copper, coal, lithium), in Chile, the development of new sustainable energy technologies has received great elaboration. Chilean Republic have the 4th country with the greatest attractiveness for electric investment in NCRE (Non-Conventional Renewable Energy), possessing best conditions for solar energy production in the world; It has been found anywhere on the planet. It can be found in the regions of Antofagasta, Coquimbo, Biobío, and Los Lagos. The coastline extends over 4,000 kilometers and provides marine energy. In Chile, opportunities in the energy sector not only exist in a renewable generation but also in electric transmission. Chile is focused on fostering a more robust and secure transmission system. For this purpose, international public tenders are called, periodically, in which actors from different countries could participate. [<https://investchile.gob.cl/key-industries/energy/>]

Food industry is a promising direction of the Chilean economy. Our climate diversity paired with the ability of our professionals allows us to produce healthy foods and ingredients that are recognized for their quality and competitive costs the world over. By producing in Chile you are part of a privileged network that can access 64% of the world market consumers. Chile possesses diverse climates and can count on highly fertile land. It is one of five macro zones in the world that has Mediterranean-like climate, which is the best for cultivating. Consolidated industry approach has established an international reputation of the Chilean food industry. It has highly-skilled professionals for the development of high quality food. Presently, Chilean advances in technology, biotechnology and research are key in supporting sustainable agriculture and encouraging high levels of technical specialization. Chilean food industry has a robust commercial network supported by 26 trade agreements in 64 markets, and is world leaders in exporting blueberries, cherries, grapes, prunes, dehydrated apples, salmon and mussels. [<https://investchile.gob.cl/key-industries/food-industry/>]

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