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**ՖԻՆԱՆՍՆԵՐ ԵՎ ՀԱՇՎԱՊԱՀԱԿԱՆ
ՀԱՇՎԱԴՐՈՒՄ**

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«Ֆինանսներ և հաշվապահական հաշվառում» գիտական
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AGRIBUSINESS FINANCIAL RESULTS ACCOUNTING ISSUES

Abstract: Is discussed agribusiness activity results assessments' approaches and accounting issues, related to biological assets framework. Made suggestions concerning to improvement of recognition biological assets value changing and presenting in agribusiness financial statements, which will improve reality of statistics reports of economical development Armenian regions. Recommendations have been made to improve for recognition and valuation biological assets, which will bring agribusiness financial statements closer to the requirements of international accounting standards.

Keywords: biological assets, international financial reporting standards, financial statements, agribusiness

JEL code: Q 14

Research aim: propose ways to enhance the reliability of financial statements published by agribusiness

Research hypothesis: in the agribusiness system there are still problems with the reliability of financial statements, which are particularly associated with the valuation and recognition of biological assets.

Research novelty: It has been proposed to improve the economic recognition and measurement of biological asset value changes, as well as to improve agribusiness financial repor-

ting, which will in turn raise the level of realistic statistical information on economic development in the regions of Armenia.

Introduction

The information system of the agrarian economy is build on the basis of operational, accounting and statistical accounting. Statistical reports are the most practical ones, which characterize the trends of agrarian development at the macroeconomic level. Thus, being considered as one of the priority directions of the development of the Armenian economy, after the independence, the agrarian sector continued its statistical accounting and information dissemination with all infrastructures and sub-branches. Consequently, in the first years of getting independence, the agricultural sector in Armenia experienced a sharp decline. In particular, there was a quick decline in the productivity of farms, as a result of which most of the farms were not only left out of the commodity sector, but strived to meet their own consumption needs. On the economic basis of the former consultations and farms, agricultural production was concentrated in the farms of the rural population and a relatively small proportion of commercial organizations engaged in agriculture, which need the reasonable financial statements presentation.

Research results

In the last decade the development of the agricultural sector has been registered in RA (see Table 1). For both agricultural (population) and agricultural commercial organizations, there was a tendency for GDP growth. At the same time, it should be noted, that small farms still have a dominant role in the agricultural sector itself, which, due to many problems, cannot achieve a favorable competitive position in the market for the production of produce. Currently there are about 339.2 thousand householders in the agriculture sector in republic. On

average, 1.37 hectares of agricultural land, including 1.1 hectares of arable land, belong to one household. The size of farms in different regions of the country ranges from 0.6-3.1 ha.

	2014	2015	2016	2017	2018
Total					
Agriculture	983.0	945.4	878.5	908.6	892.9
pant growing	595.2	550.0	486.7	469.3	415.8
animal hasbaundry	387.8	395.4	391.8	439.3	477.1
Comercial organizations					
Agriculture	28.3	27.8	27.7	32.1	45.2
pant growing	2.3	2.3	3.8	5.2	9.2
animal hasbaundry	26.0	25.5	23.9	26.9	36.0
Hosholds plots					
Agriculture	984.7	917.6	850.8	876.5	847.7
pant growing	592.9	547.7	482.9	464.1	406.6
animal hasbaundry	361.8	369.9	367.9	412.4	441.1

Table 1. Gross agricultural output by farms at current prices in RA, billion drams [1]

If agribusinesses are not financially accounted for in smallholder farms, it is regulated in large agribusinesses, and

moreover, it complies with international accounting standards. Agrarian activity is the process of managing agricultural output as a result of bio-conversion of assets, as well as the acquisition and sale of additional biological assets. International Accounting Standard 41 distinguishes between a biological asset (plants, animals) and the agricultural products derived there from (IFRS 41, paragraph 14). The standard applies to the registration of agricultural produce, and only at the time of its formation (harvest). Agricultural products are derived from animal or plant biological assets.

Agricultural output from biological assets is measured at fair value less costs to sell. Realization costs include commissions, auctioning fees, various fees, but not transport costs to the active market (IAS 41 Standard, paragraph 23).

If there is no active market for the sale of a biological asset, the Standard proposes to apply:

a) the last market price of the transaction, if no significant changes in economic conditions have occurred after the sale;

b) the market price of similar assets, with certain adjustments;

c) sectoral indices, for example, based on the weight of one kg of cattle.

Forward trades are widespread in the agribusiness system, when the agricultural season is still at a fixed price for future harvesting between the agricultural organization and buyers. Given the existence of forward transactions, the price of a fixed product already in the agricultural organization cannot serve as a basis for the fair value of the resulting output (IAS 41, paragraph 57).

Valuation of a biological asset at fair value has a number of advantages. Thus, the economic "effect" of the bioforming process is more pronounced, when presented with the actual value of the assets. Industrial forestry organizations, if they have planted for about 20 years at their original cost (at actual

cost), will only be able to register the economic benefits expected from biological assets after logging, as the economic impact of asset conversion will not be recorded during these decades. However, the process of bioforming is manifested by the physical growth (decrease) of the asset, reproduction, the issuance of agricultural output, as a result of which the biological asset undergoes physical and qualitative changes, the financial consequences of which should be reflected in the financial reports.

In addition, fair value creates more substantive preconditions in estimating the economic benefits expected of a biological asset, than its initial value, as the existence of prices determined in active markets more accurately reflects the fair value of the asset, the same crops acquired in different years, and the crops? In calculating initial value, different values are acquired and become incomparable, and when presented at fair value, they are discounted on the same basis.

There are situations in the agricultural system where the cost of a biological asset tends to approach real value, especially when:

- there is no significant biodiversity after the costs are incurred (for example, fruit trees were planted on the eve of the reporting period);
- bioformation does not significantly affect pricing (for example, the growth of non-fertile seedlings at the initial stage, when their production cycle exceeds 30 years).

However, there are a number of difficulties in assessing the fair value of biological assets. First, with the high frequency of market prices, the revaluation of biological assets at fair value becomes difficult, especially when interim reports are presented. In addition, when presenting assets at fair value, recurrences are repeatedly made and “unrealized gains or losses” are generated. Gains or losses arising from changes in the fair value of a biological asset (less expected cost of sale)

are recognized in the period in which they are formed (IAS 41, paragraph 29).

The absence of active markets for some crops or livestock, which does not provide an idea of market prices, is not excluded. The market is considered active if the following conditions are met:

- uniformity of products sold in the market is ensured;
- there are buyers and sellers at any time in the market,
- is market pricing information universally accessible.

Accordingly, "Z" agricultural organization prepares the balance sheet for the 2019 financial year. As of January 1, 2020, biological assets are being assessed. When determining the fair value of a biological asset or agricultural product, it is appropriate to group them by age as well as qualitative characteristics. In particular, the biological assets held by the entity are disclosed as follows.

Vineyards acquired in 2016, with a carrying value of \$ 20 million and 10 years of exploitation period. In 2019 reporting year 15% increased the value yields. The market price of the vineyard rose to \$ 24.5 million in December, and sales commission fees estimated totaly \$ 0.5 million. Biological assets are valued at fair value less costs to sell. Therefore, 2020 of January 1, in the Z agricultural company balance sheet vineyards will be presented at fair value (24.5 - 0.5) and for revaluation correspondence will be formulated.

Dt 111 Fixed Assets Operated 4 million

Kt 321 Increase in revaluation value of assets 4 million

Dairy goats obtained in 2017, for 2 million AMD and for a usage period of 5 years. Purchased cattle and goat milk are not widely consumed in the region, and therefore there is no active market for these assets and the resulting agricultural produce. Although, there is sells contract with cheese production com-

pany, and as a result, the net sells annual profit is 0.4 million drams. In addition, 1.2 million drams is expected to be the result of bio reproduction of goat's weight rising.

In the absence of active markets, the accounting standard also offers an estimate of net present value assets. In such a case, the entity takes into account not only the risk of a sharp fluctuation of cash inflows over the years, but also the expected changes in the present value discount rate (IFRS 41, paragraph 30). When determining the fair value of a biological asset by net cash flows, the calculations do not include the consequences of further bioforming of the asset, as well as post-harvest recovery costs (planting after logging).

The bank deposit rate is expected to be 5% in the coming years, so the annuity ratio will be 4,329 [3]. Because in the absence of an active market, it is not possible to determine the fair value of lactating goats, the entity presents the carrying amount of the biological asset at the net present value of the expected benefit flow of the asset.

$$4,329 \times 0.4 \text{ million drams} = 1.73 \text{ million}$$

Consequently, on January 1m 2020, the dairy goats will be presented in a “Z” company balance sheet for impairment, which will be formulated:

Dt 724 Non-current Asset Re-Expense...0.27 million (2.0 - 1.73)

Kt 124 Impairment of Assets 0.27 million

Honey makers, of whom during the 2019 year 1 500 kg of honey was obtained and stored. In the domestic market, the selling price of one kg of honey is 2 thousand AMD. Still, 2019 in November, a forward contract was signed with a foreign organization with 3,000 AMD of them selling honey stored. The actual cost of one kilogram of honey made 2.2 thousand drams in 2019, and the commission for sale per kilogram was 0.3 thousand drams.

Therefore, on January 1, 2020, the value of honey stored in the balance sheet of “Z” agricultural organization will be subject to the requirements of IAS 2 (minimum of net realizable value or factual cost), as the forward price does not meet IFRS 41 standard. Consequently, the asset valuation basis.

- net sales value of honey - $(2\,000 - 300) \times 1\,500 = 2\,550$ thousand AMD

- cost of stored honey - $2\,200 \times 1500 = 3\,300$ thousand AMD

Apricot seedlings, that were formed in 2017 for 8 million AMD in Real Cost in March, will give first harvest in 2009. In this case, the cost of the biological asset tends to approach the fair value, since no significant bio transformation are still followed after the costs have been incurred.

Forest cover, which was formed about 3 years ago, at an actual cost of 6 million drams. Industrial logging will begin about 20 years after the forest is established. In this case, the cost of the biological asset also tends to come close to its fair value, as the conversion of forest cover does not significantly affect the pricing of timber.

Fish farm established in 2018 with fish worth 9 million drams. Fish growth in 2019 not only is 2 AMD million market price volatile (quantitative biotransformation), but also caviar intensity (qualitative biotransformation) estimated at 2.5 million value growth. Costs of selling fish are 0.5 million AMD. Consequently, the recording value of fish stocks in the balance sheet of “Z” company will be presented at fair value less realization costs $(9 + 2 + 2.5 - 0.5 = 13$ million AMD).

Conclusion

The application of the IFRS in the agricultural output accountting system is important not only for micro-level but also for the more accurate presentation of the results of the agrarian economy in the regional statistical information.

Consequently, improving for recognition and valuation biological assets will bring agribusiness financial statements closer to the requirements of IFRS and will recorded more transparency and fair information in financial statements.

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Ջուլիետտա Գևորգյան

տ.գ.թ., դոցենտ

Հայաստանի ազգային ագրարային համալսարան

ԱԳՐՈՔԻԶՆԵՍԻ ՖԻՆԱՆՍԱԿԱՆ ԱՐԴՅՈՒՆՔՆԵՐԻ ՀԱՇՎԱՌՄԱՆ ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ

Բանալի բառեր - բիոլոգիական ակտիվներ, ֆինանսական հաշվետվությունների միջազգային ստանդարտներ /ՖՀՄՍ/, ագրոքիզնեսի ֆինանսական հաշվետվություններ

Քննարկվել են ագրոքիզնեսի ֆինանսական արդյունքների գնահատման մոտեցումները և հաշվառման հիմնախնդիրները: Առաջարկվել են բիոլոգիական ակտիվների արժեքային փոփոխությունների տնտեսագիտական ճանաչման և չափման, ինչպես նաև ագրոքիզնեսի ֆինանսական հաշվետվությունների բարելավման ուղղություններ, որոնք կբարձրացնեն ՀՀ մարզերի տնտեսական զարգացման վիճակագրական տեղեկատվության իրատեսության աստիճանը:

Կատարվել են առաջարկություններ բիոլոգիական ակտիվների ճանաչման և գնահատման բարելավումների ուղղությամբ, որոնք ագրոբիզնեսի ֆինանսական հաշվետվությունները կմոտեցնեն ՖՀՄՍ պահանջներին:

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ПРОБЛЕМЫ УЧЕТА ФИНАНСОВЫХ РЕЗУЛЬТАТОВ АГРОБИЗНЕСА

Ключевые слова - биологические активы, международные стандарты финансовой отчетности, финансовая отчетность агробизнеса

Рассмотрены подходы оценки результатов агробизнеса и проблемы бухгалтерского учета, имеющих отношение к сфере биологических активов. Сделаны предложения по совершенствованию экономического признания стоимостных изменений биологических активов и представлении финансовой отчетности агробизнеса, что позволит повысить степень реальности статистической информации об экономическом развитии регионов Армении.

Были сделаны рекомендации по улучшению признания и оценки биологических активов, что приблизит финансовую отчетность агробизнеса к требованиям международных стандартов бухгалтерского учета.

Ներկայացվել է՝ 10.02.2020 թ.

Ընդունվել է փաշտոնաթղթի 25.03.2020 թ.

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“ECONOMIC REVOLUTION”, OR “STABILITY MANAGEMENT” ?

Abstract: How ready is modern Armenia for such a powerful economic breakthrough, which the state leaders and some economists had predicted in advance with the “economic revolution”? Do the political, economic, organizational, moral-psychological and ethno-cultural characteristics of our society give grounds for optimism? The author of this article considers the paramount solution of urgent problems of stabilization of all spheres of public life more real. The “economic revolution” should rather be seen as a formulation of the will of the ruling party, as a very attractive political slogan. The real problem is sustainability management as the basis and main condition for economic development.

Keywords: “economic revolution”, stability, dialectics of stability and variability, stability management, bureaucracy, “economic miracle”, Daniel Kahneman

JEL code: A 11, O 10, Z 18

Research goals: to check how justified the goal set by the current leadership of Armenia to start the “economic revolution”, as well as to consider different points of view of economists regarding the reality of such a revolution.

Research hypothesis: although the need for accelerated economic development of the country is obvious, but it can be

achieved more quickly by ensuring such economic and political stability that can create a tendency to move forward from the inside.

Research novelty: the arguments in favor of the possibility of “economic revolution” in Armenia are critically examined, a brief outline of “economic miracles” in some countries is given, and the research hypothesis is substantiated, namely: setting up the “economic revolution” can be considered a good slogan, but the primary task is balanced management of stability.

Introduction

The need for accelerated development of the Armenian economy is not in doubt. However, this requires a balanced state policy, first of all, clear strategic goals and clear tactical decisions. Excessive revolutionary pathos is not only inappropriate, useless, but can also harm the understanding and solution of real problems. Of course, we should carefully study the experience of those countries that have managed to make a powerful breakthrough in economic development. In each particular case, it is necessary to identify the conditions and driving forces of the “economic miracle”, managerial principles, and then adopt their useful experience – with the obligatory consideration of our economic, political and ethno-cultural characteristics. And these features tell me that in the current Armenian conditions, the main goal of administrative management should be to ensure economic, political and social stability in the country. We are talking about stability of such quality that it can become the basis and the most important condition for economic progress. It is not a secret at all that revolutionary enthusiasm inevitably gives rise to over-optimism, and therefore any change is initially declared a positive “reform”, while only a comprehensive generalization and retrospective analysis can be

the basis for such an assessment. In the same way, the “economic revolution” cannot begin simply with its announcement: this wording can perhaps be perceived as a successful political slogan reflecting the position of the current Armenian authorities; however, its content and the main condition for implementation may be another slogan – “stability management”.

Order and Progress

This title resembles the main slogan of one of the sociology founders Auguste Comte: “L’Ordre et le Progrès” [2, p. 19]. In fact, this is the best formulation of the main means of regulating all management systems, but above all public life in general. The combination of these concepts is not accidental, but reflects the most profound understanding of the internal determinism of any organized integrity. Comte considered the harmony of order and progress as a justification for his “new general philosophy”, did not stop repeating that “progress is the development of order” [2, p. 74]. Thus, we will continue further analysis in the spirit of this formulation of the problem: stability (order) is the main condition for progress, and progress is the main goal of stability.

As known, a kind of “spine” of any management system is its structure, which is created to give the system the ability to organize purposefulness, with the help of which efficient functioning and unhindered development of the system is ensured. “Create a structure” means to fix, stabilize and legitimize (by legal, administrative, financial, moral-psychological and cultural means) those relationships between the subject and the object of management, those managerial powers and roles, those intra-organizational laws that ensure the solution of the organization's tasks (including her own reproduction).

From this point of view, the super task of the manager is to ensure a dialectics of stability and variability of the organization structure. An unstable, fragile system is not suitable

for uninterrupted operation and stable reproduction. In turn, if the structure is too rigid and incapable of change, then it becomes a barrier to development, gradually becoming a self-sufficient force, including due to the fact that the administrative apparatus shows a tendency to bureaucratization.

Therefore, the structure should be so stable as to provide the organization with the ability to successfully solve the problems it faces, and at the same time so flexible as to be able to adapt to changes in the external and internal environment, but the main thing is to ensure progressive development.

Thanks to stability, both the functioning of the organization and the accumulation of positive managerial experience are realized, as well as the fixing of proven organizational, economic, financial, legal and social institutions. At the same time, stability should not only impede the implementation of matured changes, but should also serve as a source of necessary organizational and social reforms. A system that neglects the need for change, and even more so resists these changes, will eventually perish.

Changes are as manageable as we can understand their “cause – effect” relationships. A system based on managerial fear of the future cannot be sustainable. At the same time, hasty decisions, over-optimism of managers, underestimation of risks are fraught with destructive consequences. Therefore, the main qualitative criterion for stability is its ability to ensure progress: the more balanced the structure of the organization, the more painless changes are realized within its framework.

Only in the stage of stability is a deep analysis of the current situation possible, a balanced assessment of the main achievements of the previous stage – the stage of the jump, clarification of the causes of shortcomings and errors, as well as discussion, preparation and implementation of the necessary conditions for the next stage of development.

Those leaders who underestimate the importance of the moment of stability and put an excessive emphasis on making changes, which are not entirely timely and justified, Christopher Gray, a professor at Cambridge University, very appropriately calls “fans of change”, and also notes the harm they cause to the organization: “Management's insatiable appetite for change ignores the accompanying costs of staff fatigue and lack of innovation” [4]. In fact, there is a misunderstanding among the leaders of the essence of the dialectical interconnection between stability and progress, and therefore the stage of effective stability is sacrificed to dubious projects of changes. This is a serious managerial mistake, as well as evidence that the essence of the work of a successful manager is misunderstood. And again, C. Gray's diagnosis is accurate: “This means most managers and leaders today have little interest in one of their core skills: the management of stability. The art of organisation is about enduring, about managing both continuity and change, and we lose the first part of this if we buy into change hysteria”. It should be said that Professor Christopher Gray absolutely accurately also pointed out the fundamental error of the “fans”: “We can easily get into a situation where we commit a classic error of logic: change is necessary - this is a change - therefore, this change is necessary” [4].

Neglect of the importance of managing stability can push managers and leaders in adventurous steps. So, for example, is it possible to rebuild a structure that is not yet completed, that is to say unstable? And is it really justifiable to expect from the unfinished structure of spasmodic development – acceleration? I am sure that after reading these rhetorical questions, some readers involuntarily recalled these two words “restructuring” (in Russian “перестройка”) and “acceleration” (in Russian “ускорение”), words that became a kind of symbol of the imminent collapse of the Soviet Union. Indeed, in a retrospective

analysis of the events from 1985 – 1991, these keywords of the Gorbachev economic revolution appear before us as a kind of expert assessment, an accurate forecast of the inevitability of the failure of this adventurous undertaking, although at that time they were presented almost as a “magic wand”. The activities of the unlucky reformer Mikhail Gorbachev very accurately described the chief architect of the “Singapore miracle” Lee Kuan Yew: “He actually jumped into the deep part of the pool, not learning how to swim” [7].

The goal of accelerated development should flow from the real possibilities of managing the stability of the system: an unstable system is not only incapable of ensuring progress, but itself is deprived of the necessary resources for normal self-reproduction, since the super-optimistic, and therefore over-confident reformer directs these resources to deceptive projects of ephemeral progress. If the economy is characterized by stable development, then the very possibility, goals, objectives and pace of systemic progress are dictated from within, and cannot be forced from the outside.

However, it is important to understand that focusing solely on the problems of system stability means limiting oneself to the problems of the present and neglecting the requirements of future development. If the stability of reproduction becomes the main goal for the administrative apparatus, then there is a danger of bureaucratization of the entire system. This phenomenon is especially dangerous for the public administration system: a classical analysis was made by Karl Marx on the example of the Prussian monarchy. In particular, he showed how a powerful bureaucratic apparatus is able not only to dictate its will to the highest political authority, but also to radically change the very essence of public administration from within: “Hence it is obliged to present what is formal for the content and the content for what is formal. The aims of the state are

transformed into aims of bureaus, or the aims of bureaus into the aims of the state” [14].

The demonstrative stability of the bureaucracy hides the desire of officials to unhindered self-reproduction, the desire to show their own importance and irreplaceable, as well as a clear strategy: either disrupt the trends of progress or subordinate the changes to their own interests. The more bureaucracy grows stronger, the more it becomes a closed, self-sufficient system with a rigid structure. This ‘anatomy’ of the bureaucracy is very colorful outlined by Marx: “The bureaucracy is a circle from which no one can escape. Its hierarchy is a hierarchy of knowledge. The highest point entrusts the understanding of particulars to the lower echelons, whereas these, on the other hand, credit the highest with an understanding in regard to the universal; and thus they deceive one another” [14].

It should be apparently reminded that this is not about the bureaucracy that Max Weber praised so highly. Indeed, in comparison with the ‘traditional’ (“patriarchal”) and “charismatic” management systems, the “bureaucratic” system has significant advantages, in particular: a fixed charter, a rigid hierarchy of intra-organizational power positions and powers, filling of posts by professional qualities, ensuring career growth deserving, impersonal business communication, etc [15]. That is why Weber quite rightly considered this system an ideal type of government. And we completely agree with him: controlled bureaucracy is an effective tool of management. But in this case we are talking about an excessively increased and uncontrolled bureaucracy, which is capable of paralyzing the activities of any organization. It is characterized by corruption, embezzlement, patronage, red tape, fraud, secrecy, dodges, nepotism, and withdrawal from real activities.

Thus, one extreme is the maniacs of change; the other extreme is a self-sufficient bureaucratic apparatus. It is the

understanding of the dialectic of sustainability and progress that allows a wise manager to find a golden mean strategy.

Stability is the basis and means of forecasting the future, and therefore a means of sustainable management of progress. The future is a continuation of the present, and knowledge of the present is the basis for shaping the future. And if we recognize this, that is, that stability unites the present and the future, and then our main responsibility should be precisely the management of stability in order to ensure the desired future. “Order and progress” – the exact ratio of goals and means on the basis of comprehensive consideration of specific conditions and real opportunities.

From revolutionary pathos to evolutionary change

In the spring of 2018, a nationwide protest movement in Armenia led to a change in political power, and this change was called the “velvet revolution”. In the scientific literature even the name “Armenian revolution” is already used. More important, of course, is not the name, but the essence of the radical changes that have occurred. And here I agree with the following expert assessment: “So-called “revolutionary” processes in Armenia had a peaceful, non-violent character, so in essence they were not revolutionary in the proper sense of this concept, but a moment of progressive evolutionary transformations in the country according to the laws of solidarology. The main argument in favor of such a statement is that not a single drop of blood was spilled in these events, no violence against the personality and no collapse of public life as a whole were noticed, most decisions were made on a compromise, mutually satisfactory basis, and no one was subjected to political repression neither by ‘prerevolutionary’ authorities, nor by ‘winners’ in the ‘confrontation’ [1, p. 17–18].

All this is true, because in the purely political sense, it was a peaceful transfer of power: peaceful due to the fact that the

previous regime had become so hated by the masses that it did not have sufficient resources of resistance, and the parties had the wisdom not to sharply aggravate. Nevertheless, I consider what happened to be a revolution – a revolution of values. Citizens again believed in social justice, in the honesty and integrity of officials, mutual trust appeared between the authorities and the people, the belief in the possibility of a moral revival of the country - in “New Armenia” was revived. Another thing is how the potential of the powerful movement of the people towards the valuable renewal of all spheres of public life was used.

As everyone knows, each new power, and even more so the revolutionary power, makes promises. And promises, as everyone knows, should be kept. Otherwise, the loss of power in the next election is inevitable. This is the essence of the democratic system. But if promises are not kept, and you don't want to give power, then populism enters the arena – expired authorities give even more attractive promises. And so, in my opinion, the current ruling elite announced the beginning of the “economic revolution” as a kind of continuation, or the next stage of the “velvet revolution”. The slogan was picked up by a group of enthusiastic economists; a series of publications appeared on the essence of the “economic revolution”, its conditions, driving forces, stages, etc.

It seems to me in this connection to emphasize the following points. First, there is no particular need to justify the accelerated economic development of the country in general, including for the successful implementation of the main goals of the “velvet revolution”. However, it is also clear that a balanced state policy is needed for this, first of all, clear strategic goals and clear tactical decisions are needed. This means that the “economic revolution” cannot begin simply with its announcement.

Secondly, the economy, as a system that is self-reproducing and therefore internally aimed at evolutionary development, fundamentally does not suffer revolutionary changes. Therefore, in this sphere, the excessive revolutionary pathos is not only inappropriate, useless, but can also harm the understanding and solution of real problems.

Thirdly, many of the political goals of the “velvet revolution” were achieved relatively quickly. It is not a secret at all that revolutionary enthusiasm inevitably gives rise to over-optimism, and therefore any change is initially declared a positive “reform”, while only a comprehensive generalization and retrospective analysis can be the basis for such an assessment.

Fourth, we should carefully study, of course, the experience of those countries that have managed to make a powerful breakthrough in economic development. And, in each particular case, it is necessary to identify the conditions and driving forces of the “economic miracle”, managerial principles, and then adopt their useful experience – with the obligatory consideration of our economic, political and ethnocultural characteristics.

Fifth, a comparison with the experience of these countries tells me that in the current Armenian conditions, the main goal of administrative management should be to ensure economic, political and social stability in the country. Recall that we are talking about stability of such quality that it can become the basis and the most important condition for economic progress.

And finally, the sixth, the wording “economic revolution” can perhaps be perceived as a successful political slogan reflecting the position of the current Armenian authorities, but, as I think, its content and the main condition for implementation may be another slogan – “stability management.

What should be done specifically? It is under this heading that two collections of leading economists are published –

“What to do?” [12] and “What to do 2 ?” [13]. The main goal of the publication of the first book is to analyze the urgent problems of the Armenian economy and the strategic directions of its development, while the second has a more specific wording: “Perception and implementation of the economic revolution”. In all likelihood, there will be a third publication – “What to do 3?” with a note of the achievements of the “economic revolution”.

Let's start with the first collection. We have before us a wide range of urgent economic problems of the Armenian society, many of which are not only comprehensively described and studied, but also received well-founded solutions. In particular, measures are proposed to carry out fundamental institutional and structural transformations, apply more effective social programs, improve the system of state management of the economy, provide sound macroeconomic decisions and reduce managerial expenses, improve the business environment, etc. Obstacles and serious risks associated with pursuing a policy of long-term economic growth of the country are also not ignored: overpolarization of income against the background of an overall low living standard, the absence of a wide layer of the “middle class”, limited financial potential, high poverty, ongoing population outflows, unresolved clanishness and recidivism of corruption crimes, slow reduction of the shadow economy, the danger of rapid degradation of the new political elite, the likelihood of new oligarchs, etc.

None of the 16 articles in the collection contains any justification for the need to initiate a certain “economic revolution” in Armenia; no one has used such a term. Moreover, the most serious scientific and practical problem, which in my opinion is quite justifiably, posed in the collection “What to do?” does not concern the future, but the past. This is the question of what is the cause of our failures. “After three decades after independence, we must admit that there is no answer to the question of

why in Armenia (as in other post-Soviet countries) market reforms led to de-industrialization, to the formation of an inefficient and uncompetitive economy, as well as to social pessimism the population regarding changes for the better”? [11, p. 52]. It is quite obvious that against the background of such a statement, talking about a certain “economic miracle” is, at least, not serious.

At the same time, I want to say that I, as a social philosopher, was pleased to find in the collection an idea confirming my thesis about the priority task for our economy and society as a whole – the priority of stability management. An analysis of the state of one of the financial sources of economic development – investments – quite logically led the author to a similar conclusion: “It’s not a secret that investments flow where stability and profitability exist, therefore the primary task of Armenia’s economic development and creation of an attractive environment for investments is to ensure economic and political stability” [9, p. 128]. That’s right: stability and progress! I have already sufficiently stated my point of view on the need to manage stability, and precisely so that the seeds of progress flow from the essence of sustainable development. Here I would like to add that such management should cover not only all sectors of the economy, but the whole society. It is important to understand the exceptional importance of applying a systematic approach both in the analysis of problems of stable development and in their resolution. After all, it is quite possible in one area to achieve an unprecedented economic breakthrough, a completely adequate name for the “economic revolution”, for example, in the development of information technologies. However, a systemic lag in the economy as a whole will inevitably lead to the fact that a short-term positive effect will result in large losses.

Let’s move on to the second collection of articles, published just a year later under the title “Perception and imple-

mentation of the economic revolution”. Just note that the term “economic revolution” simply rules the ball: the same authors who, just a year ago, while discussing the primary problems of Armenia, did not say a word about the “economic revolution”, never used this expression, and in a moment became fiery theorists of the “economic revolution”. In general, the term “economic revolution” was mentioned in the first collection - 0 (zero) times, in the second - 68! This is what a political order means: everyone (in fact, not everyone, more on that below) suddenly realized the ultimate truth: salvation in revolution! Very much reminiscent of Soviet times: the party said - we will fulfill!

Of course, everyone sets out his point of view in accordance with his understanding of the problem, in this case the whole complex of social and economic development of Armenia. From this point of view, this collection of articles by our leading economists is undoubtedly very useful both in terms of a serious analysis of real problems and in terms of proposed measures to solve these problems. At the same time, I am very concerned about the thesis in which the “economic revolution” and the management of stability are directly opposed, moreover, all previous governments (before the “velvet revolution” of 2018) are blamed for the fact that they dealt only with issues stability and neglected development issues [13, p. 13, 201]. Such a statement can be limited to the answer in terms of formal logic: if this is true, then it turns out to be the same that the governments accumulated the resource that the “economic revolution” should rely on, so as not to be just a good wish. But in essence, I want to remind the dialectic of sustainability and development: it is true stability management that prepares future progressive development. And vice versa, even the most tempting revolutionary project without reliance on stability, condemned to failure.

I am no less, and even more worried, by another thesis – the assertion that supposedly after the political revolution follows the economic revolution [8, p. 13]. It is difficult to agree with such a statement: including because the very concept of ‘economic revolution’ has not yet been clarified. Of course, after the political revolution there is a redistribution of property, and the new political elite sharply and repeatedly improves their economic condition. But there is no reason to talk about the ‘economic revolution’ as a systemic phenomenon that encompasses the entire economy. Moreover, the opposite is more likely to be observed here. As history shows, the political revolution is followed by the economic downturn, the “flight” of capital from the country, the cautiousness of foreign investors, counter-revolutionary fermentation, coup attempts, impoverishment of the population, etc. Let us recall the revolution in Russia in 1917: political and economic chaos, loss of territories, civil war, repression, persecution, famine – how much time and energy was required to achieve political, economic and organizational stability in the country. The same thing with the collapse of the Soviet Union. In fact, the social revolution took place in the classical sense of the word: after all, there was a radical change in the economic system – the transition from socialism to a market economy. And it is known that the former republics took a very long time to overcome the dire consequences of these fundamental changes and achieve sustainable socio-economic development.

I must say that I am not alone in my opinion. Moreover, some authors of the same collection of “What to do 2?” quite reasonably warn readers (and their colleagues) from an over-optimistic position: “In history there is not a single statement of fact that the revolution made society happy. It is unlikely that any rational being will deny the need for change brought about by the revolution, however, it is almost impossible to prove that the revolution provides a solution to these problems” [3, p. 41].

An appeal to history is quite justified from another point of view. Indeed, it happened more than once in history when the goal was set of accelerated social and economic development. For reformers, goals are always good, but the result of acceleration is not always as favorable. I think Mikhail Gorbachev “wanted the best”, but “it turned out as always”. Of course, there are many successful projects, amazing examples of the “economic miracle”. Recall some of them: Japan’s record period of economic growth from the mid-1950 to the 1973 oil crisis; West Germany’s rapid reconstruction and economic development in the post-war years; Chinese economic boom from 1978 to the present; rapid economic development of Four Asian Tigers – South Korea, Taiwan, Hong Kong and Singapore in 1960 – 1990; Brazilian Miracle (1968 – 1973); Belgian economical miracle (1945 – 1948), Baltic Tigers – Estonia, Latvia and Lithuania, 2000 – 2007, etc.

It’s clear in itself that we should carefully study the experience of those countries that have managed to make a powerful breakthrough in economic development. However, it is obvious that their experience is too unique to deduce any general patterns, formulate certain rules and follow them in order to achieve the “economic revolution”. It is very difficult to find common points in the economic successes of these countries. The foregoing relates to their prerequisites and conditions, the characteristics of economic policy and ideology as a whole, the share of external financial assistance and foreign consultants, as well as, not least, and perhaps, first and foremost, the personality of the leader who initiated the fundamental economic reforms. That’s why, as it seems to me, it’s too early to seriously talk about the possibility of creating a theory of “economic miracle”. But, at the same time, I agree with the main conclusion of the author of this idea: “Despite these differences, there is a commonality, not in the form of economic institutions, but in the fact that economic institutions

seem to have allowed the long-term accumulation of private investment and human capital” [10, p. 17]. And this is just one of the most important moments of the stability management strategy – the accumulation of finances and personal capital in order to prepare for a future breakthrough.

Thus, there is no need to “reinvent the wheel”. In this regard, I would add one more general point in various “economic miracles” and “tiger jumps”, namely: they all received post factum these sonorous names. None of the “father of economic miracle” previously announced the start date of the economic revolution: neither Ludwig Erhard (West Germany), nor Lee Kuan Yew (Singapore), nor Park Chung-Hee (South Korea)... Correctly noticed: there is no miracle, but there is hard work: truly “perspiration, not inspiration” [6, p. 66]. So, our task is quite specific: in each particular case, it is necessary to identify the conditions and driving forces of the “economic miracle”, managerial principles, and then adopt their useful experience – with the obligatory consideration of our economic, political and ethnocultural characteristics. And these features tell me that in the current Armenian conditions, the main goal of administrative management should be to ensure economic, political and social stability in the country. We are talking about stability of such quality that it can become the basis and the most important condition for economic progress.

Festina lente (instead of a conclusion)

That's it: “Haste slowly”. This ancient Roman proverb best expresses the imperative demand of the time – the need for a gradual economic development of Armenia, balanced management of stability, aimed at creating real prerequisites and conditions for the subsequent progressive breakthrough. Why do we write off and proclaim the “economic revolution”, although in principle almost everyone understands that we are not ready for it in either the economic or the political sense?

For the answer we turn to Daniel Kahneman, Nobel Laureate in Economics. His famous book “Thinking, Fast and Slow” is devoted to making managerial decisions in the face of uncertainty, explaining, in particular, the reasons for the overly optimistic assessment of real economic problems, leading to an underestimation of the seriousness of the risks [5]. The basis of his concept is the allocation of two types of human thinking: one is “fast thinking”, which is intuitive when a solution to a problem appears as if automatically; the other is “slow thinking”, when the solution to the same problem is obtained on the basis of calculations, requires concentration and enhanced mental work. When making managerial decisions, as in solving other life tasks, this “fast thinking” eases our position by discreetly replacing a complex problem with a lighter one. Therefore, we, Kahneman believes, constantly have the illusion of over-optimistic confidence: “The normal state of you mind is that you have intuitive feelings and opinions about almost everything that comes your way. You like or dislike people long before you know much about them; you trust or distrust strangers without knowing why; you feel that an enterprise is bound to succeed without analyzing it. Whether you state them or not, you often have answers to questions that you do not completely understand, relying on evidence that you can neither explain nor defend” [5, p. 97].

In everyday life, such thinking and behavior does not really interfere, and even vice versa sets up a confident solution to personal and business problems. However, for leaders of organizations and especially for their consultants, “fast thinking” gives rise to a dangerous illusion of complete control of the situation: “Most of us view the world as more benign than it really is, our own attributes as more favorable than they truly are, and the goals we adopt as more achievable than they are likely to be. We also tend to exaggerate our ability to forecast the future, which fosters optimistic overconfidence” [5, p. 255].

And the whole pathos of the Kahneman's book is aimed at enabling us to really appreciate our capabilities.

In the light of our formulation of the problem, this means, first of all, the need to free ourselves from the illusions of an "economic revolution" and ... slowly rush.

And of course, Kahneman's advice is not for politicians, but for scientists. Political leaders are forced to rush, make promises, even if they know that they are not able to fulfill them. It's hard for them not to promise – the situation obliges: after all, populism rules politics all over the world. The role of scientists and, above all, economists is all the more important. It is no secret that among the social sciences, it is economists who have the greatest respect among those in power, they are the only ones who receive the Nobel Prize, advice big business, and ordinary citizens listen to their opinions and advice. Let us hope that in matters related to the social and economic development of Armenia, our leading economists, with their balanced assessments and sound recommendations, will help the political leadership to choose the right strategy and effective tactics in today's complex world.

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Վալերի Միրզոյան

Փիլիսոփայական գիտությունների դոկտոր, պրոֆեսոր

«ՏՆՏԵՍԱԿԱՆ ՀԵՂԱՓՈԽՈՒԹՅՈՒՆ», ԹԵ՝ «ԿԱՅՈՒՆՈՒԹՅԱՆ ԿԱՌԱՎԱՐՈՒՄ»

Քանալի բառեր – տնտեսական հեղափոխություն, կայունություն, կայունության և փոփոխականության դիալեկտիկա, կայունության կառավարում, բյուրոկրատիա, «տնտեսական հրաշք», Դենիել Քանմեն

Պատրա՛ստ է արդյոք ներկայիս Հայաստանն, իր քաղաքական, տնտեսական, կազմակերպական, բարոյահոգեբանական և ազգամշակութային ներկա առանձնահատկություններով հանդերձ, իրականացնելու այնքան հզոր մի տնտեսական թռիչք, որը պատշաճ լիներ «տնտեսական հեղափոխություն» անվանելու: Կարևորելով տնտեսական առաջընթացի զարգացման անհրաժեշտությունը և ընդունելով հեղափոխական բնութագրումը որպես քաղաքական գրավիչ կարգախոս՝ սույն հոդվածի հեղինակը հիմնավորում է «կայունության կառավարման» հրամայականը որպես ոչ միայն առավել իրատեսական, այլև հենց նույն հեղափոխական թռիչքի իրագործման հիմք և գլխավոր պայման:

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"ЭКОНОМИЧЕСКАЯ РЕВОЛЮЦИЯ", ИЛИ "УПРАВЛЕНИЕ СТАБИЛЬНОСТЬЮ"?

Ключевые слова – экономическая революция, стабильность, диалектика стабильности и изменчивости, управление стабильностью, бюрократия, «экономическое чудо», Даниэль Канеман

Насколько готова современная Армения к такому мощному экономическому рывку, которую руководители государства и некоторые экономисты заранее предрекли “экономической революцией”? Дают ли основания для оптимизма политические, экономические, организационные, морально-психологические и этно-культурные характеристики нынешнего состояния нашего общества? Автор данной статьи считает более реальной первостепенное решение

насуточных проблем стабилизации всех сфер общественной жизни. “Экономическую революцию” следует скорее рассматривать как формулировку воли правящей партии, как весьма привлекательный политический лозунг. Реальная же задача – это управление устойчивостью как основа и главное условие экономического развития.

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Ընդունվել է փաշարոյթյան՝ 25.03.2020 թ.*

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APPROACHES TO MEASUREMENT OF AGRICULTURAL INSURANCE EFFICIENCY

Abstract: In the insurance market, agriculture has always been considered risky and not particularly competitive within insurance companies. And it is no coincidence, that the state has played its seriously part in this area, which has tried, and still is, trying to apply motivational levers to activate agro-insurance, often by taking insurance premiums or partially providing insurance coverage [1, p. 27]. At the same time, however, the results of agro-insurance directly, or indirectly also interests to commercial banks, agricultural processing organizations, which are likewise stakeholders and interested in the efficiency of the insurance process. The article presents a multifaceted methodology for measuring and evaluating the effectiveness of agro insurance, based on the realization of the goals of the relevant stakeholders on a macro and micro level.

Keywords: agribusiness, insurance, beneficiaries of insurance, socio-economic efficiency of insurance

JEL code: Q 14, G 22

Research aim: to study the specifics of agro insurance and based on it, to present a methodology for multipart assessment of the effectiveness of the insurance process.

Research hypothesis: Contractors and insurers are traditionally interested in evaluating the effectiveness of agro insurance, but as the scope for evaluating the effectiveness of the sector enlarging, the outcomes of the insurance process are more accurately measured.

Research novelty: developed a new methodology for measuring agro insurance, based on interconnections in the implementation of insurance targets related to micro and macro level beneficiaries.

Introduction

The insurance market has been steadily developing in the Republic of Armenia in recent years. The number of insurance policies has increased substantially by about 35%, with insurance premiums increasing by 30%, even in condition of unchanged number existing insurance companies and their relatively small increase in capital. At the same time, insurance reimbursements have also increased, which have not affected the insurance companies' reserve funds, but on the contrary, they have seen an increase (see Table 1).

Indicators	2015	2016	2017	2018
Number of licensed insurance companies	7	7	7	7

The capital of licensed insurance companies, mln. AMD	15 063.6	15 063.6	15 063.6	16 043.6
Number of effective agreements	591 859	633 727	796 123	826 916
Insurance premiums, mln. AMD	31 424.5	33 141.2	35 262.8	41 380.3
Amount of compensation, mln. AMD	13 564.5	14 222.4	18 002.7	22 818.9
Insurance reserves, mln. AMD	17 278.4	19 185.9	19 896.0	21 175.1
Volume of liabilities as per all effective agreement, mln. AMD	9451439	110048235	28679886	33403061

Table 1. Activities of insurance companies in RA

Source: Statistical Yearbook of Armenia, 2019, page 433

However, if we analyze the structure of the insurance market in Armenia, become clear, that it has a disproportionate structure of services, as more than half of insurance contracts are covered by vehicle insurance, and one third by property and health insurance. Agricultural insurance is in a more modest position and does not exceed 6% of insurance contracts [2, p. 5].

The amount of insurance premium depends on the location of the insured area, according to the number of 5 risk zones. Five levels of compensation costs were selected based on the lowest possible and highest production costs calculated per hectare per insured crop. The amount of insurance premium under the plan will be subsidized by 50-65% depending on the insurance product. In autumn 2019, 2 crops - apricots and

grapes, of 3 risks - hail and fire, spring frost will be covered for the agricultural season of 2020. In case of hail and fire 6 regions (Ararat, Armavir, Aragatsotn, Kotayk, Vayots Dzor, and Tavush) were selected, 2 in case of spring frost - Ararat (Armavir). In order to benefit from the program, agricultural entrepreneurs apply to one of the agency member insurance companies ("Ingo Armenia" Insurance CJSC, "Rosgosstrakh-Armenia" Insurance CJSC, "Sil Insurance" CJSC) [3].

As of 2019 The German KFW bank had to allocate € 5.3 million for the implementation of the pilot program of introduction of the agricultural insurance system in Armenia. Of this, € 4.8 million should be allocated exclusively to subsidies. The remaining 515,000 euros will be spent on consulting costs. The co-financing of the Armenian government will make 5 million euros.

For its part, the Climate Investment Funds will also provide 2 million euros, 200,000 of which will be spent on insurance subsidies and 1.8 million euros on advisory services. The consortium of three companies will be consulted of these companies. Within the framework of the Armenian Agricultural Insurance Pilot Program, it is envisaged to set up the National Bureau of Risk Management in the field of agriculture, NARMA - National Agroinsurance Risk Management Agency, for which € 1.9 million will be allocated.

The question then arises as to how effective these investments are, both in terms of the organization of agricultural insurance and in defining the outcome of this process. Various approaches to measuring insurance effectiveness in professional literature are offered at both macro and microeconomic levels (specificity of insurance payments in GDP, specificity of accident compensation in insurance premiums, degree of damage compensation, etc.). However, we believe, that the effectiveness of agro insurance should be considered from the pers-

pective of all stakeholders involved in the process (see Figure 1).

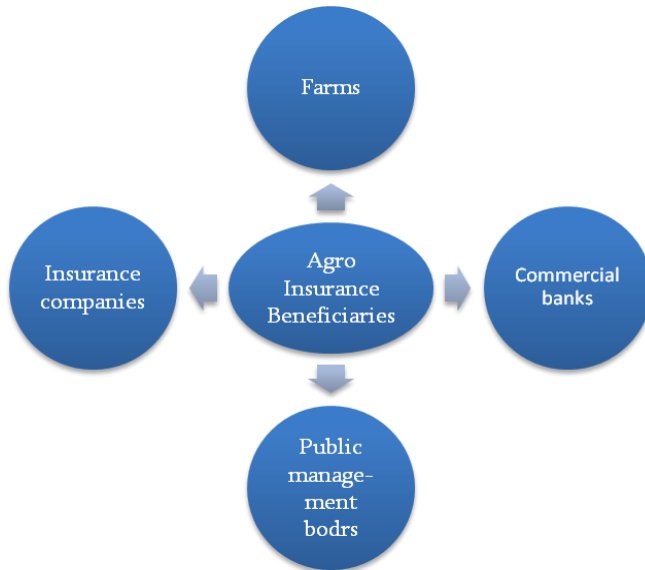


Figure 1. Main beneficiaries of the agricultural insurance process. Composed by the author

The question then arises, as how effective these investments are, both in terms of the organization of agricultural insurance and in defining the outcome of the process. Various approaches to measuring insurance effectiveness in professional literature are offered at both the macro and microeconomic levels (specificity of insurance payments in GDP, specificity of accident compensation in insurance premiums, degree of loss compensation) [4, pp. 84-94]. However, we believe that the effectiveness of agro insurance should be considered from the perspective of all stakeholders, involved in the process (Figure 1).

Research results

The process of agricultural insurance at the micro and macro levels has various manifestations, both entrepreneurial and partnership, as well as community and national (see Chart 2). Whereas farms are concerned about insurance for crop losses, partner processing organizations see insurance as a means of ensuring sustainable development of farms, where there is no risk of rural food providers being fed up with major losses. The same interest holds for commercial banks, which lend to farms seeking to high level lend payments to them. And insurance in this case actually provides business economic benefits.

However, agri-insurance also serves community and general state interests, which are not only purely economic, but also socially oriented (see Figure 2). Thus, local authorities see insurance as a tool for sustainable development of farms, which provides compensation for agricultural damage, reduction of out-of-work flows of rural residents, and creation of new jobs in rural communities. Socioeconomic expectations are similarly expected from the process of agro insurance.

Therefore, the effectiveness of agri-insurance is demonstrated in various manifestations and measurement, which necessitates the use of a consolidated measurement methodology for evaluating effectiveness. And uniform format is provided, when indicators with different measurement units are converted to relative values. Suppose, from our point of view of different groups of beneficiaries, the indicators of agricultural insurance compensation are offered by coefficients. In addition, they are calculated based on the actual return on the expected return on the beneficiaries (see Table 2).

And as far as each of these indicators strives to 1.0, the agricultural insurance beneficiaries associated with these indicators, considering the insurance process to be effective.

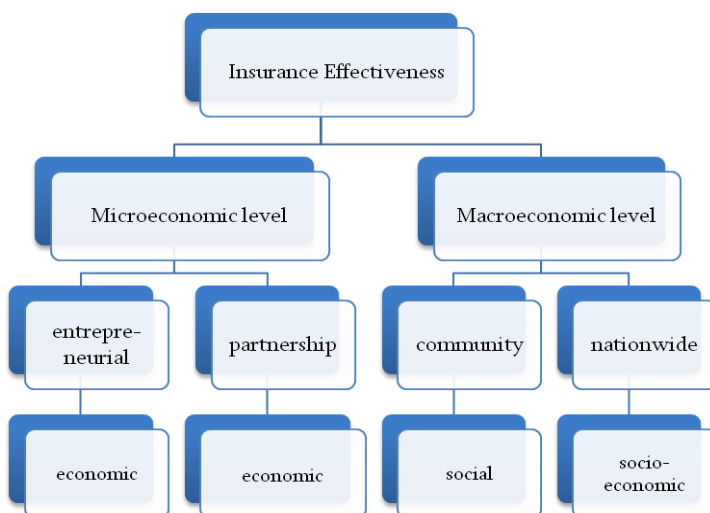


Figure 2. The hierarchy of agricultural insurance return types.
Composed by the author

Consequently, the effectiveness of agri-insurance assessed on the basis of the beneficiaries' intentions is presented by deviations from insurance outcomes (see Table 2). This approach already compares the impacts of the factors that influence productivity and enables the opportunity to present the causal effects of agricultural insurance in a single integrated indicator at the micro and macro levels.

In addition, the proposed methodology for estimating agricultural insurance does not limit the number of factors included in the calculations.

Beneficiaries	De- no- tatio n	Insurance Outcomes		Outcome realisation degree	Devia- tions
		expec ted	actually		
Farms	a				
- compensation for harvest loss	a₁	75	68	0.906	0.094
- for agriculture production expenses compensation	a₂	42	38	0.904	0.096
Insurance companies	b				
- insurance payments	b₁	103	97	0.941	0.059
receipts	b₂	85	82	0.965	0.035
- provisions					
Governmental and community bodies	c				
-employability	c₁	560	395	0.71	0.290
- reduction of labor shortages	c₂	2800	1900	0.68	0.320
- improvement of food security	c₃	5	3	0.6	0.400
Commercial banks	d				
- lending volumes	d₁	272	211	0.776	0.224
- percentage profit	d₂	18	12	0.667	0.333
Processing companies	e				
- profitability					
- agricultural products purchasing	e₁	18	16	0.889	0.111
	e₂	954	852	0.893	0.107
Total	n11				2.069

Table 2. Agricultural Insurance Outcomes Indicators from standpoint of beneficiary groups

The insurance process has a direct or indirect impact on various entities related to economic activity, operating both on micro and macroeconomic levels. And therefore, as the range of beneficiaries included in the calculations expands, the reliability of insurance effectiveness assessment increases. As a result, large or small deviations in actual outcomes (Δa , Δb , Δc , Δd , Δe , Δf) of the beneficiaries' expectation and insurances can be averaged and presented in a holistic approach to the effectiveness of agribusiness insurance (R).

$$R = \frac{\sum [(1 - a_{11}/a_{10}) + (1 - a_{21}/a_{20}) + (1 - b_{11}/b_{10}) + (1 - b_{21}/b_{20}) + (1 - c_{11}/c_{10}) + (1 - c_{21}/c_{20}) + (1 - d_{11}/d_{10}) + (1 - d_{21}/d_{20})]}{n}$$

or

$$R = \frac{\sum (\Delta a + \Delta b + \Delta c + \Delta d + \Delta e + \Delta f)}{n}$$

Thus, based on the information presented in Table 2, the calculated efficiency indicator R of the insurance coverage was 0.1888 (2.069 / 11), which indicates a consolidated deviation actual results, from the intended insurance outcomes. And the more that deviation increases, the lower the effectiveness of adware.

Conclusions

The proposed methodology for measuring the effectiveness of agro insurance enables.

First, take a holistic approach to performance evaluation, taking into account the expectations of all stakeholders united around the insurance process.

Second, measure the effectiveness of agro insurance with an integral indicator, whose calculation framework is flexible and can be continuously adjusted based on the substantive changes in the coverage of the insurance process across different economic entities.

Third, to assess the effectiveness of agribusiness, a unified measure is used, that enables comparative analysis to be

carried out both on a temporal basis (between different reporting periods) and factor approach (between targeting different interests).

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Արտակ Մարտիրոսյան

Ասպիրանտ, Գավառի պետական համալսարան

ԱԳՐԱՊԱՀԱԳՐՈՒԹՅԱՆ ԱՐԴՅՈՒՆԱՎԵՏՈՒԹՅԱՆ ՉԱՓՄԱՆ ՄՈՏԵՑՈՒՄՆԵՐԸ

Բանալի բառեր – ագրորիզնես, ապահովագրություն, ապահովագրության շահառուներ, ապահովագրության սոցիալ-տնտեսական արդյունավետություն

Ապահովագրության շուկայում գյուղատնտեսությունը միշտ էլ համարվել է ռիսկային և առանձնապես իր մրցունակությամբ չի առանձնացել ապահովագրող կազմակերպությունների շրջանում: Եվ պատահական չէ, որ այս ոլորտում

իր խոսույն դերակատարումն է ունեցել պետությունը, որը փորձել է, և մինչ այժմ էլ փորձում է մոտիվացիոն լծակներ կիրառել ագրոապահովագրության ակտիվացման ուղղությամբ՝ հաճախ իր վրա վերցնելով ապահովագրավճարների չափաբաժիններ, կամ մասնակիորեն ապահովել ապահովագրական ծածկույթ։ Սակայն, դրան զուգահեռ, ագրոապահովագրության արդյունքները ուղղակիորեն կամ անուղղակիորեն հետաքրքրում են նաև առևտրային բանկերին, գյուղմթերքներ վերամշակող կազմակերպություններին, որոնք նույնպես հանդիսանում են շահակիցներ և հետաքրքրված են ապահովագրական գործընթացի արդյունավետությամբ։ Հոդվածում ներկայացվում է ագրոապահովագրության արդյունավետության բազմագործոն չափման և գնահատման մեթոդաբանություն՝ հիմնված մակրո և միկրոմակարդակում ոլորտային շահակիցների նպատակադրումների իրականացման վրա։

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ПОДХОДЫ К ИЗМЕРЕНИЮ ЭФФЕКТИВНОСТИ АГРОСТРАХОВАНИЯ

Ключевые слова – агробизнес, страхование, бенефициары страхования, социально-экономическая эффективность страхования

На страховом рынке сельскохозяйственная деятельность всегда считалась рискованной и особенно не выделялась конкурентоспособностью среди страховых компаний. И не случайно, что государство сыграло ключевую роль в этой области, которая пыталась и до сих пор пытается применить мотивирующие рычаги для активирования агростра-

хования, частично субсидируя страховые взносы, или обеспечивая страховое покрытие. Однако, результаты сельскохозяйственного страхования прямо или косвенно представляют интерес также для коммерческих банков, компаний по переработке сельскохозяйственной продукции, которые также являются бенефициарами и заинтересованы в эффективности страхового процесса. В статье представлена многофакторная методология измерения и оценки эффективности агрострахования, основанная на реализации целей соответствующих заинтересованных сторон данной сферы на макро - и микроуровне.

Ներկայացվել է՝ 14.01.2020 թ.

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THE EFFECT OF THE MULTIPLIER IN THE CONTEXT OF THE CURRENT CHALLENGES OF ECONOMY RA

Abstract: The effect of the multiplier by its mechanism reflects the internal relationships and dependencies of the macroeconomic indicators we have studied, the multiplier factor of which must be calculated to determine the quantitative consequences. It is determined by the Consumption Margin and Savings Margin Coefficients. An increase in investment spending activates the multiplier effect, which leads to an increase in national income. In the event of a crisis and cost reduction, national income and investment are reduced taking into account the multiplier coefficient.

Keywords: Keynes, multiplier, accelerator, multiplier effect, GDP, investment

JEL code: E22, O 01

Research aim: theoretical interpretation the effect of the multiplier in the scope of current challenges of the Armenian economy.

Research hypothesis: the existence of the animated mechanism is due to the presence of commodity production. The more developed commodity relations in society, the higher the specific gravity of products manufactured for sale, the more strongly, as a rule, the multiplier effects are manifested.

Research novelty: is determined the dynamics of aggregate combination, which is an indicator of investment in the GDP structure in Armenia and value of the multiplier coefficient for the period 2014-2018.

Introduction

It is customary to consider the modern economy as a complex dynamic system, each phenomenon of which has a multifactorial character, which is difficult to describe, measure and manage. In any extremely complex systems (and not just in the economic sphere), strangely ordered regularities sometimes manifest themselves. Nevertheless, some rules can be found in their basis, and the rules are quite clear and quite definable. One of the simplest rules that create order in the behavior of such systems (respectively, and in the economic system) is the effect of animation. In a general sense, animation is a multiplying effect of feedback (positive or negative) on the output value of a controlled system.

Theoretical review and discussion

A. Marshall in 1926 - the great "master of economic instruments" - discovered the effect of this effect when creating deposits in the banking system. Under the term "money multiplier", A. Marshall introduced a new measurement indicator, which served as the beginning of the theory of endogenous money, that is, the "creation" of money within the economy.

The money multiplier coefficient is the relationship between the money supply and the monetary base, which affects the degree of money supply growth due to credit and deposit banking operations.

At the beginning of the twentieth century. R.F. Kan, trying to answer the questions whether investments can make the economy stable and that causes deviations from equi-

brium, reveals the multiplicative effect generated by investments. In his article “The ratio of domestic investment to unemployment” (1931), he reveals a direct relationship between the increase in net investment and the increase in total employment. From observations of changes in employment, he suggested that the magnitude of the latter is a multiplicative function of the amount of net investment. Based on his reasoning, the author concluded that as a measure of cumulative increase in employment or, in other words, a measure of expansion of production, the multiplier of investments can be used [1, p.82].

Developing the idea of Kahn, J.M. Keynes, in his work *The General Theory of Employment, Interest, and Money* (1936), writes that increasing investment entails not only expansion of production and can help achieve full employment, but also leads to an increase in national income. His theory of aggregate spending appeared as a critique of classical economics. Keynes’s reasoning about the expansion of total income was as follows: the income received can be spent on current consumption and partially on savings [2, p.131-135].

If income increases by dY , then, accordingly, there is an increase in consumption dC and an increase in savings dS , i.e., $dY = dC + dS$. Savings are generated in different ways, the situation is more known when people put savings in a bank or buy shares of enterprises on their savings. As a result, through financial markets, savings go to firms, that use them as investments to increase capital. There is a certain correlation between investments and income, the coefficient of which Keynes called the investment multiplier.

The investment multiplier can be determined by reasoning in another way. Any government stimulation of the economy leaves a certain amount of money in the hands of the population, which is subsequently spent by the population. State stimulation creates the first circle of expenditures - initial

investment, which brings income to the population. A part of the incomes acquired by the population will be spent by some group of citizens and will turn out to be expenses for this group, and will bring income for another group, this is the second circle of income-generating expenses.

The idea of the multiplier also formed the basis of the interbranch balance of V.V. Leontiev, linking the final products of the industry with gross output. V.V. Leontyev in his model presented the system of economic relations not “as a long road that describes a wide circle and returns to the starting point”, but, as he put it, “reduction of the circuit”: “The network of production relations within the circuit can be built in a composite way ... so “that the whole consists of several reproducible groups independent of each other, each of which is sufficient (directly or indirectly) for the production of all the others, as well as for its own reproduction”[3, p.38].

Thus, the intersectorial balance is presented as a system of interconnected processes. In production, indeed, some elements are generated by others, then used during further production and converted into consumed ones. As a result of each process, certain products are produced, which is associated with a certain combination of costs.

There is a direct interdependence between the two processes, since the product of one of them becomes the cost of the other. A network of relations of this kind forms a system of elements that depend on each other directly or indirectly or directly and indirectly at the same time, i.e., each industry acts, on the one hand, as a producer of some products, and on the other, as a consumer of some products.

In other words, costs and output are two relative basic concepts. Goods on the cost side are those economic elements, whose consumption in the production process causes the appearance of the corresponding goods on the output side. The matrix of total costs serves as a multiplier, since it shows the

effect of the spread of demand on intermediate products of industries, the initial source of which is the demand for final products. The business process does not really constitute a "technically" closed system, it is only part of a broader system of ties and can change its content by adding new, or excluding old elements. However, a simplified input-output model allows you to plan and predict business processes, and to plan, as V.V. Leont'ev, not "by administrative and volitional methods, but scientifically sound and therefore optimal" [3. p.35].

The multiplicative effect in the model, achieved through the technological matrix, shows the economic role of the technologies used in the sectors of the national economy, and mathematically substantiates the results of the economy from scientific and technological implementations. Another example of the multiplier effect in the economy is a network business, in which usually the sale of goods and services takes place in the form of retail trade and in direct contact with the consumer.

Research results

Animation is developing as a process of creating a network of independent partner agents. A sales agent, selling goods to a buyer, offers him to find new buyers for a certain percentage of the sales volume; the buyer-partner, under the same conditions, attracts regular partners, etc. Thus, a network of buyers and sellers is formed. The income of the network company is the sum of the income of the agents that make up the network, and the income of each participant consists of commissions for the sale of products and additional interest, depending on the volume of sales made by the sales agents they attracted.

Thus, in order to have a constant income, each participant in the network business creates a circle of his clients and a circle of his sales agents. The longer a person works and the

more clients and agents he has, the more income he receives from his activities.

And so, the multiplier effect plays an important role in characterizing the impact of different indicators on the dynamics of national income. The multiplier and accelerator models were developed by J. Keynes, as well as R. Harrod, J. Hicks, P. Samuelson, N. Caldor [4, p.1360].

The mathematical interpretation of the multiplier effect is as follows:

$$\Delta Y - C^I \times \Delta Y = \Delta K \rightarrow \Delta Y = \frac{1}{1 - C^I} \times \Delta K = \alpha \times \Delta K \quad (1)$$

Where: ΔY - increase in national income,
 ΔK - capital gains
 C^I - the share of non-productive consumption in the growth of national income
 α - multiplier value.

The most common of the Keynesian growth models are the models developed by Domar and Harriot.

The Doomar model is a relatively simple model of economic growth, proposed in the late 1940s. The only factor driving demand and supply growth in the economy is investment growth. If investments in the given period increased by ΔI , then total demand growth would be:

$$\Delta Y_{AD} = \Delta I \cdot m = \Delta I \cdot (2), \text{ where '}$$

m is the cost multiplier,

b is the consumption threshold;

s is the threshold saving threshold.

$$\Delta Y_{AS} = \alpha \cdot \Delta K \quad (3)$$

$$\Delta K = I(4)$$

$$\Delta Y_{AS} = \alpha \cdot I(5)$$

Balanced economic growth in the economy will be achieved by supply and demand equality, that is:

$$\frac{\Delta l}{S} = \alpha \cdot l \frac{\Delta l}{l} = \alpha \cdot s \quad (6)$$

In dynamic equilibrium conditions, the rate of capital gain must be equal to that of MPK and MPS. MPK is given by production technology and is, by definition, stable, so the rate of increase in investment will only increase at the expense of s , which has also been stable over the period under consideration.

One of the Keynesian models of economic growth is the Harriet model. Unlike the Doomar model, investments here are endogenous, dependent on entrepreneurs' expectations and based on the accelerator principle. Income Growth Proportionally Increases Investments:

$$I_t = V (Y_t - Y_{t-1}) \quad (7)$$

V is the accelerator. Entrepreneurs plan their own production volumes based on the situation in the previous period.

$$Y_t \frac{Y_t - Y_{t-1}}{Y_{t-1}} = a \frac{Y_{t-1} - Y_{t-2}}{Y_{t-2}} \quad (8)$$

where' $a = 1$ $AD = AS$,
 $a > 1$ $AD = AS$,
 $a < 1$ $AD < AS$:

Multiply the two parts of the equation by Y_{t-1} and add Y_{t-1} , we get:

$$Y_t = Y_{t-1} \cdot \left(a \cdot \frac{Y_{t-1} - Y_{t-2}}{Y_{t-2}} + 1 \right) \quad (9).$$

Y_t is the supply of goods in period t , AD , as in the Domari model, is determined by a multiplier ($l = S$).

$$\frac{S}{V - S}$$

Year	Fixed Capital Investments, (billion dram)	MPC (is determined by the relationship between consumption and investment change)	Multiplier value
2014	240,875	0	0
2015	571,050	7.94	-0.14
2016	380,465	-13.6	0.07
2017	188,141	-14.5	0.06
2018	381,264	15.7	-0.07

Table 1. The value of the multiplier coefficient for the period 2014-2018

Harrod called the guaranteed growth rate, in this case $AD = AS$, and the expectations of entrepreneurs will come true. Such a growth rate ensures full utilization of productive capacity, but not always full employment. The client also introduces the concept of "natural growth rate". This is the maximum rate achieved by population growth and technological progress. If the guaranteed growth rate is greater than the natural growth rate, then the actual growth rate is smaller than the guaranteed growth rate. The development of the economic system is ideal if the guaranteed, natural and actual growth rates are balanced against the full employment of resources.

Let's calculate the effect of the multiplier for the economy of Armenia.

As a result, we have determined the dynamics of aggregate combination, which is an indicator of investment in the GDP structure. It is the sum of the two components: gross fixed capital formation (investment in capital - equipment, instruments, construction, etc.) and the change in inventories of unrealized or accumulated goods intended for consumption or

export in the domestic market, as well as imported; including intermediate goods for final production.

Conclusions and suggestions

The study showed that the key to uncovering the essence of the mechanism of animation is an understanding of the duality of its qualitative characteristics, the presence of causal relationships in the economic system and the specifics of the animation process. On the one hand, the effect of this mechanism is due to the presence of the initial impulse, which is the lever for the emergence of the animation process. Another integral part of the mechanism of animation is the presence of systemic ties in the economy, when a change in one indicator leads to corresponding changes in other parameters of the economic system.

The existence of the animated mechanism is due to the presence of commodity production. The more developed commodity relations in society, the higher the specific gravity of products manufactured for sale, the more strongly, as a rule, the multiplier effects are manifested.

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Հենրիկ Մանուկյան

Հետազոտող, Հայաստանում ֆրանսիական համալսարան

ՄՈՒԼՏԻՊԼԻԿԱՏՈՐԻ ԷՖԵԿՏԸ ՀՀ ԱՐԴԻ ՏՆՏԵՍՈՒԹՅԱՆ ԵՆԹԱՏԵՔՍՈՒՄ

Բանալի բառեր – Քեյնս, մուլտիպլիկատոր, աքսելերատոր, մուլտիպլիկատորի էֆեկտ, ՀՆԱ, ներդրում

Մուլտիպլիկատորի էֆեկտն իր գործողության մեխանիզմով արտացոլում է մեր ուսումնասիրած մակրոտնտեսական ցուցանիշների ներքին կապերն ու կախվածությունները, որոնց հետևանքների քանակական որոշակիությունը պարզելու համար պետք է հաշվարկել մուլտիպլիկատորի գործակիցը: Դա որոշվում է սպառման սահմանային հակումի և խնայողության սահմանային հակումի գործակիցների օգնությամբ: Ներդրումային ծախսերի ավելացումը ակտիվացնում է բազմապատկչի ազդեցությունը, ինչը հանգեցնում է ազգային եկամուտների աճի: Ճգնաժամի և ծախսերի կրճատման դեպքում ազգային եկամուտներն ու ներդրումները կրճատվում են՝ հաշվի առնելով բազմապատկչի գործակիցը:

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ВЛИЯНИЕ МНОЖИТЕЛЯ В КОНТЕКСТЕ СОВРЕМЕННОЙ ЭКОНОМИКИ РА

Ключевые слова – Кейнс, мультипликатор, акселератор, эффект мультипликатора, ВВП, инвестиции

Влияние множителя по его механизму отражает внутреннюю взаимосвязи и зависимости, изученных нами макроэкономических показателей, множитель которых необходимо рассчитать для определения количественных последствий. Он определяется коэффициентами маржи потребления и сбережений. Увеличение инвестиционных расходов активизирует эффект мультипликатора, что приводит к увеличению национального дохода. В случае кризиса и сокращения расходов, национальный доход и инвестиции сокращаются с учетом коэффициента мультипликатора.

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Ընդունվել է փաշարույթին՝ 25.03.2020 թ.*

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ISSUES OF ECONOMIC ECOSYSTEMS DEVELOPMENT IN ARMENIA

Abstract: After gaining independence, the Armenian economy did not achieve much growth. Today, rapid growth, even the revolutionary development of the Armenian economy, has again become relevant. All this requires reconsidering the conceptual position of the economic ecosystem, which not only ensures the country's economic security, but also provides new opportunities for economic growth. In this case, the ecosystem of the economy is mainly built on the basis of partnership, and not on the principles of competition. The article discusses ways to reform the ecosystem of Armenia.

Keywords: economics competition, business ecosystem, economics safety, inclusive economics

JEL code: B 52, P 40

Research aim: to summarize the overall directions of the improvement of the economic system of the Republic of Armenia.

Research hypothesis: the economy of the Republic of Armenia has serious development potential in the directions of expanding the current ecosystem, which are still not of a practical nature

Research novelty: radical reforms of the ecosystem of Armenia are mainly summarized in the framework of the innovation economy, the potential of the Diaspora, as well as the development of inclusive and self-sufficient economy.

Introduction

Numerous attempts have been made in economics to associate the processes of bio-geological and economic organisms. Mankind has always tried to understand the wonders of nature, the systems of perfect functioning of biological organisms, to learn from them and reproduce the results in the economic activities of its own business. And this aspiration must be justified, as the economic system is an anthropogenic environment, which in its perfection is still far from the biological perfect environment, and always needs improvement in this regard.

According with this logic, James Moore's was published article in the 1993 Harvard Business Review "Predators and Prey: A New Ecology of Competition.", in which parallels were drawn between biological ecosystems and human-managed economic systems, thereby applying the principles of biological ecosystem management, suggesting ways to make economic systems manageable [1]. Then, in 1996, the author was published "The Death of Competition: Leadership and Strategy in the Age of Business Ecosystems" monograph, in which entrepreneurship is interpreted as complementary activity of buyers and producers within the business ecosystem, at the center of which is a large leading organization. And today the term "business eco-system" has become widespread in

economics framework. Today's marketplace is seeing radical changes in the way companies do business with one another. New partnerships and alliances are constantly being forged, the lines between industries have blurred, and it has become difficult to tell one business from another, and who's competing with whom.

The Death of Competition helps managers make sense of this chaos. Using biological ecology as a metaphor, it reveals how today's business environment parallels the natural world, and how, just like organisms in nature, companies must coexist and concerned within their own business ecosystems. Through numerous examples, he explains the radically new cooperative/competitive relationships like the one forged between IBM and Microsoft and provides a comprehensive framework businesses can use to enhance their own collaborations with their customers, suppliers, investors and communities [2].

One of the key principles of biological ecosystem activity is known to be:

- to compete in the struggle for survival of certain biological components in order to gain a favorable position in the environment;
- participate with each biological component in the ecosystem within the food chain and become a link for other biological components included in the system;
- provide a balance within the ecosystem, so that it develops sustainable at the expense of balancing the interoperability of individual components in the system;
- to have the following solution scenarios for life-sustaining competition: develop and expand the scope of the biological system, ensure sustainability, disintegrate and cease to operate.

From the foregoing core principles of the biological system, economists consider the opportunities for business

ecosystem development, ecosystems that can operate in both micro and macro economies, be large or small, have a dominant position in the business environment, or just set up a local business. It is now widely recognized that achieving and sustaining any development outcome depends on the ability of multiple and interconnected actors – governments, civil society, the private sector, universities, individual entrepreneurs and others – to work together effectively. Each set of interconnected actors whose collective actions produce a particular development outcome is a local system (or ‘ecosystem’). Improving that development outcome therefore requires an ecosystems approach [3].

Although innovation is a means to improving how development goals are achieved rather than an outcome in itself, the same principles apply. For innovative ideas to be efficiently generated, developed, tested and ultimately scaled for development impact they also require the coordinated, collaborative action and resources of the actors noted above – collectively referred to as the ‘innovation ecosystem’. Thus, the mega ecosystem is the global ocean, and the locally operating ecosystem is the lake, even the micro-environment formed in the water. The following nutritional plaque is formed in the lake ecosystem (see Figure 1). Large predatory fish feed on small fish, small fish on buckets, sea buckets on algae, which ensure water purity and keep the lake from swamping. And the latter is extremely important for large fish that cannot survive in the marshes. Consequently, sustainable livelihoods of the lake largely depend on the nutritional status of the lake.

Consider a scenario where flocks of seagulls, which feed on small fish and resume intensively destroying the biological component of the lake system, are found around the lake (see Figure 1). In this case, the life of the gulls has a direct negative impact on the lake's ecosystem, as their destruction of small fish also results in the consumption of large predatory fish stocks and their destruction in the lake. On the other hand, due to the scarcity of small fish, rapidly growing litters, which destroy marine vegetation and replace algae with squirrel reeds, and the lake gradually becomes a marsh, this time in a new transformed ecosystem (see Figure 2).

It should be noted that, in parallel to the lake ecosystem, there is also a 'seagull-small fish' ecosystem (see Figure 1), based on another food source, which although has relatively small interconnected links, can nevertheless have a larger impact on the ecosystem around it and destroy it into a swamp. However, it is not only through external influence that the ecosystem can undergo or be transformed into gas. It will occur when the balance of interaction between individual components of the system is violated. Thus, if large predatory fishes reproduce at high rates, small fish will be rapidly killed, resulting in the rearing of the buckets, the algae reserves disappearing, and the lake will begin to gradually swamp again. Another scenario may occur when the impact of human contraction will expand the lake basin area, grow small fishes, and provide food for large fast-growing predators. In this case, the expansion and development of the ecosystem, rather than marsh, will be recorded. Consequently, it is essential for the sustainable life of the biological ecosystem to create a balanced state of interdependence between its components, which also applies to the business ecosystem of the economy. All the figures are composed by the authors.

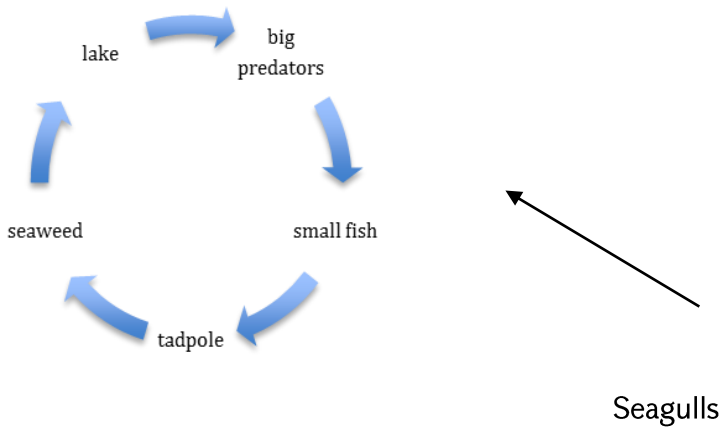


Figure 1. The ecosystem of a lake formed by food chain

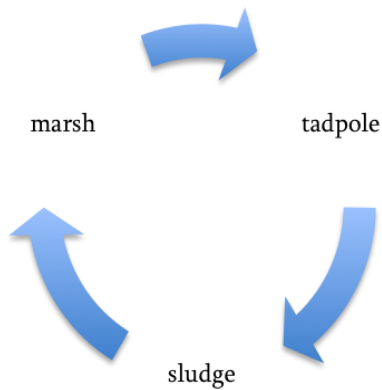


Figure 2. The ecosystem of swamp formed by food chain

Research results

When looking at the business ecosystem in the Republic of Armenia, we have historically proposed to present it in two stages, for the Soviet and independence periods. The economic ecosystem of the Soviet Union was much more comprehensive and diverse. The economies of the individual republics operating there were interconnected and provided mutual economic services. Market competition did not work there, so the balance between the separate economic components of the ecosystem was determined by administrative methods. Armenia was more of an industrial economy in that region, and in that closed ecosystem it served not only domestic, but also union economic interests [4].

After independence, the Soviet Union's economic ecosystem collapsed, and the Republic of Armenia faced the challenges of forming a new business ecosystem. First of all, if before that the main motive of the economic ecosystem was to serve the union economic interests and the republic's economy risks was "protected" under the Soviet 'umbrella'. After independence, Armenia already had the task of creating a new, reformed economic ecosystem, which would, first of all, ensure the economic security of the republic, had no external sponsorship and would already operate on the basis of market economic relations.

In our opinion, the current ecosystem of the Armenian economy is most vulnerable from the point of view of providing economic security. Perhaps the main safeguards for maintaining macroeconomic balance are the growth of external public debt and transfers from abroad, and the country's economic development locomotive - mining and services fields. Consequently, sharp declines in the prices of extracted metal ores, or reductions in service volumes, could have a serious impact on the disruption of the harmonious business ecosystem in the country [5].

The RA has not yet succeeded in activating the ecosystem around the innovation axis in the business sector, and as a result the accumulated human capital, operating HEIs and research institutions are largely not engaged in economic development and thus are not part of the business ecosystem. Studies show that today, countries with innovative economies are competing in the mega-markets of the economy, leaving behind the countries that export raw materials.

Innovation ecosystems can operate at multiple levels (e.g. city, regional, national) and within multiple sectors (e.g. agriculture, health, education). Because of this breadth, it can be difficult to draw meaningful boundaries around who is or isn't part of an innovation ecosystem. It is therefore helpful to focus first on the sector and problem that the innovation is seeking to address (e.g. "low attendance rates among girls at government-run primary schools in Nairobi") and then consider the specific actors, resources and contextual factors that the innovation will need to engage, utilize or influence to be impact full [3].

The Armenian Diaspora can also be part of the developing business ecosystem of the Republic of Armenia. Armenian businessmen living in the Diaspora should not be left out of the economic development of the Republic of Armenia, and with their capital and business opportunities miss the opportunity to be an important component of the business ecosystem formed in the Republic of Armenia [6].

The business ecosystem that is emerging in the country can operate sustainable and have opportunities for expansion when it is aimed at developing a self-sufficient economy. In this case, the business ecosystem is formed mainly at the expense of export rather than import, mainly using inclusive economy approaches [7].

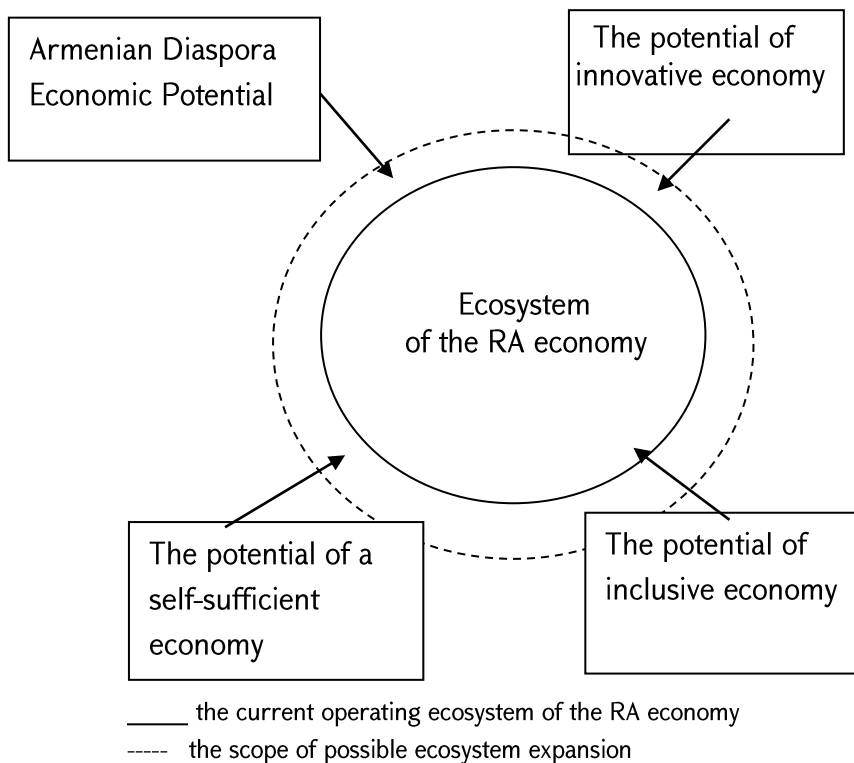


Figure 3. The summary of competitiveness of the RA economy ecosystem expansion

Today, the driving force of the Armenian economy is the oligopolistic system, which is a major blow to inclusive economics. Small and medium-sized businesses, all social strata, established human capital, and the financial resources accumulated in the country are not fully included in the processes supporting economic growth. Therefore, we believe that the inclusive economy component of the business ecosystem is a necessary condition for its effective operation (see Figure 3).

Conclusion and suggestions

The development of such branches that create an animated effect on the development of the country's ecosystem is becoming increasingly relevant. Thus, the expansion of tourism services puts the development of the hotel economy, the improvement of qualitative components of travel infrastructures (roads, airports, hotels, etc.), the agribusiness into action. In this case, the intra-sectoral competition is already going out of the service sector and is being transformed into other sectors of tourism, with a tendency for partner support [8]. This is the theory that characterizes the business ecosystem factor, which the business environment develops mainly not through "harsh rules of market competition", but through approaches of partnership solidarity and support.

In this regard, the transformation of the ecosystem of the Republic of Armenia economy has to be built on the following pillars:

- consider the main potential for attracting new financial resources to attract the Armenian Diaspora,
- develop the innovation economy on the current university system, established in the country,
- target development of the economy to self-sufficiency and import substitution.

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Սիրանուշ Պողոսյան

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Գորիսի պետական համալսարանի տնտեսագիտության և
կառավարման ամբիոնի վարիչ

Նոնա Խաչատրյան

տ.գ.թ., դոցենտ, ԵՊՀ

ՏՆՏԵՍԱԿԱՆ ԷԿՈՆՈՄԱԿԱՐԳԵՐԻ ԶԱՐԳԱՑՄԱՆ ՀԻՄՆԱՀԱՐՑԵՐԸ ՀԱՅԱՍՏԱՆՈՒՄ

Բանալի բառեր – տնտեսական մրցակցություն, գործարարության էկոհամակարգ, տնտեսական անվտանգություն, ներառական տնտեսություն

Անկախացումից ի վեր ՀՀ տնտեսությունը զարգացման մեծ տեմպեր չունեցավ: Այսօր նորից արդիական դարձան ՀՀ տնտեսության թոփշքաձև, անգամ հեղափոխական զարգացումները: Սակայն, դրան զուգահեռ, անհրաժեշտություն առաջացավ տնտեսության էկոհամակարգի հայեցակարգային դրույթների վերանայումը, որով ոչ միայն ապահովվում է երկրի տնտեսական անվտանգությունը, այլև տնտեսական աճի նոր հնարավորությունների շրջանակը: Ընդ որում, այս դեպքում տնտեսավարման էկոհամակարգը հիմնականում կառուցվում է ոչ թե մրցակցային, այլ գործընկերային հիմունքներով: Հոդվածում իրենց մեկնաբանություններն են ստանում ՀՀ տնտեսության էկոհամակարգի բարեփոխման ուղիները:

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ПРОБЛЕМЫ РАЗВИТИЯ ЭКОНОМИЧЕСКИХ ЭКОСИСТЕМ В АРМЕНИИ

Ключевые слова – экономическая конкуренция, бизнес-экосистема, экономическая безопасность, инклюзивная экономика

После приобретения независимости, экономика Армении так и не достигла больших результатов. Сегодня стремительный рост, революционное развитие армянской экономики снова стали актуальными. Все это требует заново пере-

смотреть концептуальные положения экономической экосистемы, которая не только обеспечивает экономическую безопасность страны, но и предоставляет новые возможности для экономического роста. В этом случае экосистема экономики в основном строится на основе партнерства, а не на принципах конкуренции. В статье рассматриваются пути реформирования экосистемы экономики Армении.

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Ընդունվել է փաշարոյթյան՝ 25.03.2020 թ.*

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RISK MANAGEMENT APPROACHES IN EMERGENCY SITUATIONS

Abstract: The risk profile in the management system is mainly related to the probability of possible losses, or the probability of loss of expected benefits. And the higher this probability, the higher the risk of process control. In emergency situations, risks are determined by objective and subjective factors. At the same time, the main reason for the formation of subjective risk, is the disproportionate impact of man on the environment as a result of human or social and biological disasters. However, objectively formed risks are caused by emergencies, mainly due to natural disasters, and therefore it is difficult to manage because of the origin and uncertainty of formation. The article presents the specifics of emergency risk management.

Keywords: risk management, decision making, risk management, risk scoring grade assessment

JEL code: I28, H 51

Research aim: to present the specifics of emerging risk management and to develop a new risk assessment methodology based on this.

Research hypothesis: Emergency risks are subjective and objective in nature. However, if a robust methodology for measuring and managing risk impact is applied, the objective risks are reduced to some extent.

Research novelty: an Integrated Emergency Risk Index has been developed, that enables the use of sound management decisions to prevent disaster damage.

Introduction

Emergency risks can lead to human casualties, disabilities, illnesses or other health consequences, property damage, loss of livelihoods and services, social and economic shocks or environmental damage. Therefore, in the professional literature, the risk of emergencies is characterized by the expectation of potentially undesirable consequences from potential phenomena and processes, which are likely to be high or low [1].

In contrast to business risks in organizations, which are mostly localized, anti-crisis risk management is viewed more broadly, given the scope and prevalence of losses. Therefore, disaster risk in professional literature is also characterized by the likelihood of large-scale public services, livelihoods and possessions, deterioration of population health, and possible catastrophic losses arising in the community due to the risk or potential impact of a hazardous phenomenon [2, p.32]. The

authors also present the risk of disaster with the probable extent of the hazard, or the disastrous impact of the hazardous phenomenon with outward losses. That is, the idea of risk is based on the idea of measuring potential damages and preventive functions.

Theoretical review and discussion

In emergencies, risk is also monitored for a specific area, a combination of the potential occurrence of a hazardous phenomenon or movement at a given time, and the resulting consequences. In professional literature, risk management is also presented as a decision-making process under conditions of possible uncertainty. It is also thought that the risk of a crisis is the expected loss of a given object, movement. In this case, the risk is presented both personally and public. Personal, when the expected danger concerns an individual. Public, when the expected danger concerns groups of people. Naturally, the level of risk left by an individual due to the impact of a natural disaster is lower, than the level of impact on society of the same disaster. Experts therefore argue that from a disaster management perspective it is appropriate to focus on society, not individuals [3, p.14].

Risk management in the professional literature is also presented in the following stages, such as emergency prevention, ie the prevention and elimination of disasters, as well as the reduction of the potential risk consequences of emergencies to mitigate the potential impact of pre-existing measures [4]. In these cases, risk management already implies urgent planning for emergency situations, to ensure normal living and working conditions for people in crisis situations.

Emergency risk management is particularly relevant to the development of managerial operational communication channels [25. p. 21]. The factor of delay or slowness is unacceptable here, and there is a need for a rapid response to

certain areas of the risk management system and the establishment of direct communication with each other. In this regard, we propose to present an anti-crisis risk management model with the principle of triangular construction, with all peaks directly and directly communicating with each other, representing separate areas of risk management (see Figure 1). All the figures are composed by the author.

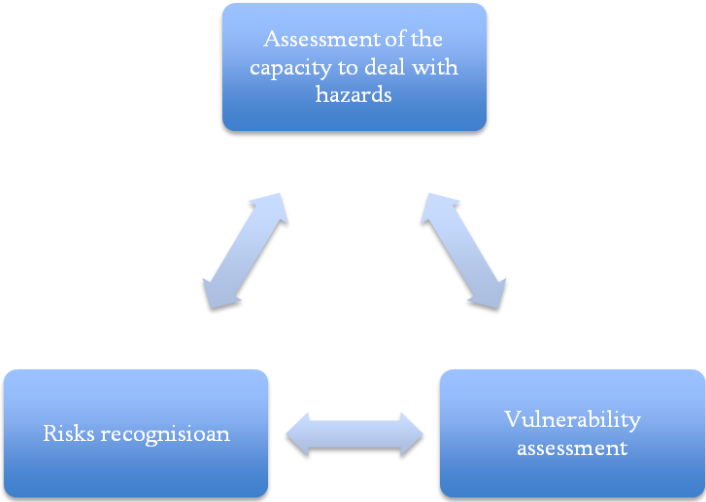


Figure 1. Proposed Risk Management Mechanism in Emergencies

In emergency risk management, first of all, management entities begin to recognize risks. And as a rule, the risks here are sectorial and have a wide range of formations (natural disasters, man-made disasters, socio-domestic disasters). Therefore, each sector is characterized not only by the variety of risks involved, but also by the speed of spread, the extent of potential harm. In this regard, the effectiveness of risk management in emergencies increases when it outlines as fully as possible and recognizes the scope of sectoral risks (see

Figure 2).

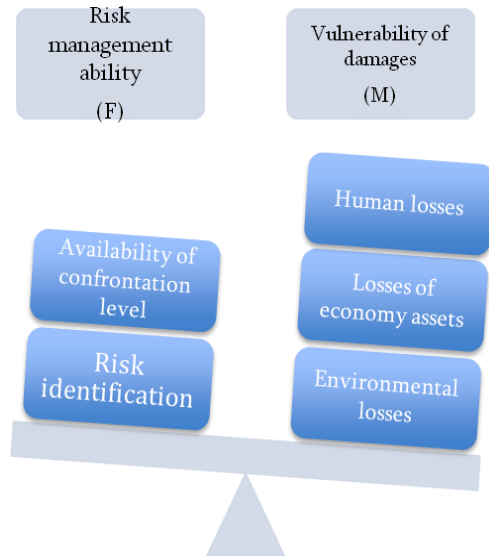


Figure 2. Proposed Mechanism for Crisis Risk Management Capacities and Disaster Vulnerability

In identifying risks, it is important to identify the degree of vulnerability of potential risks. Vulnerability is a combination of certain conditions and characteristics that increase the likelihood of being exposed to a devastating emergency. Examples of vulnerabilities in professional literature in educational institutions include low quality of building design and construction, insufficient protection of material values, low level of awareness and awareness of student and teacher disasters, lack of awareness of the importance of disaster risk reduction and preparedness by administrative staff, and insufficient awareness, also failure to comply with fire safety rules (fire extinguishers, lack of internal water supply) non-working of hydrants), which increases the vulnerability of the facility to fire hazards [6, p,14].

They believe that risk perception is essential to the success of risk reduction that is, understanding the importance of the risk that the public may encounter [3, 16]. The studies, show that experience and education and social belonging can selectively influence perceptions of risk. Risk perceptions can also be influenced by personal experience of the hazardous phenomenon, qualitative level of risk, nature of the hazard (predictability, possibility of prevention, etc.).

The crisis management system also considers the ability to withstand hazards an important factor in emergency risk management. The ability to withstand danger in times of crisis characterizes the response to the consequences of the threat and the timely and effective recovery, and the ability is the sum of all available resources that can contribute to security. In fact, capability is the set of material and non-material resources created for potential emergencies that can contribute to disaster recovery.

Thus, this consolidation includes introduction of alert system among the population, availability of financial and transport means, cooperation with different structures, infrastructures, and material resources. Therefore, one of the most important startups in crisis risk management is the assessment of the risks, vulnerabilities and capabilities of emergencies, which are implemented in the design of strategic and strategic planning of risk mitigation risks.

Emergency risk assessment is also important given the ability to manage potential hazard management goals. As a rule, increasing our risk management capacity leads to a reduction in disaster vulnerability, which we propose to base on emerging risk assessments. To this end, we consider it appropriate to apply residual risk-taking capability based on risk management capacity (F) and countervailing vulnerability (M) (see Figure 2).

It is, of course, practically difficult to make disaster risk

management fully manageable so that crisis management capacity (F) can adequately compensate for the full potential of risk losses (see Figure 2). And in order to balance the risk management capacity with the vulnerability of losses ($F = M$), additional risk management capacity (ΔF) needs to be identified. That is, to have the following balance:

$$F + \Delta F = M:$$

Based on this balanced relationship, we propose risk ratio $\Delta F / F$. And the lower this coefficient is 1.0, the higher the risk of being exposed to crisis risks will be appreciated, because if the M index increases, the crisis management system should take measures to detect additional F reserves, which is denoted by the ΔF index.

We propose to implement the process of crisis risk management and disaster vulnerability mitigation in the following stages:

- identify and quantify risk factors for disaster risk management and disaster vulnerability;
- value-added factors counterbalance each other so as to form a residual risk capability (ΔF);
- Evaluate the effectiveness of crisis risk management by calculating the crisis risk factor coefficient in relation to $\Delta F / F$ (see Table 1).

Research results

In the process of risk recognition, it is important not only to identify risk factors, but also to measure them. In order to identify risk factors, they are practiced within the community, local government, and of course emergency inspection discussions.

Thus, the Government of Armenia Disaster Risk Planning Decision Draft recommends, that community leaders develop and approve disaster risk management plans within three months of receiving a model disaster risk management plan,

with prior approval by the Emergency Ministry Rescue Service. Although the appendix to this document requires risk factors to be recorded, it does not require a measurable measure at the same time.

Thus, as a result of our research, the rescue services give different assessments of the risks inherent in various emergencies and the potential vulnerability of the six risk factors identified (see Table 1). If the risk of earthquakes among the population is high (4 points) in the event of an earthquake, in the case of epidemics this factor is not given much attention and the disaster response rating is presented with 1 point.

#	Factors	Earthquake		Epidemic	
		Managerial Potency	Damage vulnerability	Managerial Potency	Damage vulnerability
1	Disaster-prevention exercises among the population	$f_1 = 4$	$m_1 = 5$	$f_1 = 1$	$m_1 = 4$
2	Alarm system ability	$f_2 = 3$	$m_2 = 3$	$f_2 = 4$	$m_2 = 5$
3	Ensuring security rules	$f_3 = 3$	$m_3 = 4$	$f_3 = 4$	$m_3 = 5$
4	Financial and economic support for rescue activities	$f_4 = 4$	$m_4 = 5$	$F_4 = 4$	$m_4 = 5$
5	First Aid	$f_5 = 3$	$m_5 = 4$	$f_5 = 4$	$m_5 = 5$
6	Sustainable operation of livelihoods	$f_6 = 4$	$m_6 = 5$	$f_6 = 3$	$m_6 = 5$

Residual indicator of ability to withstand risks $\Delta F = \sum f - \sum m$	6	9
Crisis risk resisting ratio R $R = \Delta F / F$	$6/21 = 0,29$	$9/20 = 0,45$

Table 1. Grading of Crisis Risk Management Capacity and Disaster Vulnerability Factors. Composed by the author

The data in Table 1 show, that the estimates of seismic risk tolerance for these estimates are higher than for the speculators, as in the former case the crisis risk factor is lower than the latter ($0.29 < 0.45$). At the same time, depending on the nature and scope of the emergency, the range of risk factors identified may be broader and their estimates also presented on a number of different scales. However, in all cases, the magnitude of the risks we propose is based on counterbalancing crisis risk management capabilities and disaster vulnerability (see Figure 2).

Conclusion and suggestions

It is necessary to make the existence of risk management capacities and disaster risk factors measurable with the scoring system. Crisis management decision-making emphasizes the importance of risk mitigation, for which we propose to conduct surveys at different levels of the system and assess the potential risks and vulnerability of identified risks on a 1-5 point scale. In addition, the higher the risk level, the higher the risk factor.

Naturally, the scores attributed to risk management capabilities will be less than or equal to the vulnerability assessments, as it is virtually impossible to manage emergencies risks

in a manner that will completely eliminate potential losses. The proposed risk management mechanism in emergencies provides an opportunity.

First, to determine the likelihood of disaster risk mitigation in crisis situations by establishing a balance between potential damages and their prevention factors.

Second, apply a crisis risk index, which compares disaster risks and potential damages to disasters according to different areas of emergency.

Third, interdependent information in the crisis management system is formulated for effective decision-making in the “risk-recognition-vulnerability” context.

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**ԱՐՏԱԿԱՐԳ ԻՐԱՎԻՃԱԿՆԵՐՈՒՄ ՌԻՍԿԵՐԻ
ԿԱՌԱՎԱՐՄԱՆ ՄՈՏԵՑՈՒՄՆԵՐԸ**

Բանալի բառեր – ռիսկերի կառավարում, որոշումների կայացում, ռիսկերի դիմակայման ցուցանիշ, ռիսկերի բալային գնահատում

Կառավարման համակարգում ռիսկի բնորոշումը հիմնականում առնչվում է ակնկալվող հնարավոր վնասների ձևավորման, կամ ակնկալվող օգուտների կորստի հավանականության հետ: Եվ որքան մեծ է այդ հավանականությունը, այնքան բարձր է գնահատվում կառավարվող գործընթացի ռիսկայնությունը: Արտակարգ իրավիճակների պարագայում ռիսկերը ձևավորվում են օբյեկտիվ և սուբյեկտիվ գործոններով:

Ընդ որում, սուբյեկտիվ ռիսկերի ձևավորման հիմնական պատճառը մարդու անհարկի ազդեցությունն է շրջակա միջավայրի վրա, որն առաջացնում է տեխնածին կամ սոցիալ կենսաբանական աղետներ: Իսկ օբյեկտիվորեն ձևավորվող ռիսկերը արտակարգ իրավիճակների ձևավորման պատճառ են դառնում հիմնականում բնածին աղետների հետևանքով և դժվար կառավարելի են ծագման պահի և տեղանքում ձևավորման անորոշության պատճառով (երկրաշարժեր, փոթորիկներ և այլն): Հոդվածում ներկայացվում են արտակարգ իրավիճակներում ռիսկերի կառավարման առանձնահատկությունները:

ПОДХОДЫ К УПРАВЛЕНИЮ РИСКАМИ ПРИ ЧРЕЗВЫЧАЙНЫХ СИТУАЦИЯХ

Ключевые слова – управление рисками, принятие решений, управление процессом, оценка рисков по бальной системе

Характеристика риска в системе управления в основном связана с вероятностью возможных потерь, или вероятностью потери ожидаемых выгод. И чем выше эта вероятность, тем выше управленческий риск. В чрезвычайных ситуациях риски определяются объективными и субъективными факторами.

В то же время основной причиной формирования субъективного риска является непропорциональное воздействие человека на окружающую среду в результате техногенных или социальных и биологических катастроф. Тем не менее, объективно сформированные риски вызваны чрезвычайными ситуациями, в основном по причине стихийных бедствий, поэтому ими трудно управлять из-за происхождения и неопределенности формирования. В статье представлена специфика управления рисками при чрезвычайных ситуациях.

Ներկայացվել է՝ 02.02.2020 թ.

Ընդունվել է փաշարոյթյան՝ 25.03.2020 թ.

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LABOR PRODUCTIVITY IMPACT FACTORS ON THE INDUSTRY OF THE RA

Abstract: This research presents productivity of labor in the fields of industry and its separate sectors: mining industry and open pit operation, processing industry and electricity, gas, steam and air supply in RA. The results were adjusted for price fluctuations by calculating base year indices. The main factors affecting these areas were also studied: average salary, number of employees in higher education, number of vocational trainers, and number of persons with higher education qualification.

Keywords: industry, labor productivity, value added, wages, education

JEL code: E 23, J 01

Research aim: identify the extent of the impact the most important factors on labor productivity in the industry

Research hypothesis: employees' educational censorship plays a key role within factors, affecting on productivity in industry.

Research novelty: correlations of labor productivity, educational censorship and employability in the RA industry have been identified

Introduction

Labor productivity is important for the whole economy as well as for individual firms and employees. Growth in labor productivity at the whole economy enables to create more output with the same labor force, thereby creating greater GDP and generating economic growth. Increasing productivity at the individual enterprise level enables lower unit labor costs per unit of productivity and lower cost productivity, which makes enterprises more competitive in the market. It is important to study the factors affecting labor productivity and their impact size [1, p.14]. The main factors affecting the industry and its separate sectors were average salary, number of persons with higher education, number of vocational training, number of persons with higher education qualification. Correlation calculations were performed to estimate the impact of these factors. It is also important for us to clarify the following questions:

- What has been the dynamics of labor productivity in industry and its separate sectors?
- What factors have influenced labor productivity?
- To what extent do factors affect work productivity?

Research methodology

Labor productivity is an indicator, which shows the productivity of the work, that is, the labor resource return of each unit used. The number of products or services produced to calculate it relates to the labor force. The well-being and dynamics of both the employees of the enterprise and the society at large depends on the level of productivity and dynamics of the work [2, p. 34].

There are several methods of calculating labor productivity. The most common are in-kind, conditional-type and value

methods. In this study, the value-based method of calculating labor productivity was used. The volumes of products produced and services rendered are expressed in monetary terms by multiplying the volumes by their prices. It calculates the productivity of the work of general industrial production and its separate branches: mining industry and open pit operation, processing industry and electricity, gas, steam, and air supply. The aggregate value added of the NSS "National Accounts System" collection at current prices was accepted as the volume of output. The Labor Market Index of the Labor Market in the Republic of Armenia has been adopted as a labor force [4, p.79].

However, calculating labor productivity by value method has a serious drawback. That is, price changes can cause deviations from the actual labor productivity index. To prevent this from happening, calculate output at base year prices when calculating labor productivity. Since the survey was conducted for 2005-2017, therefore the base year will be 2005, thus the labor productivity rate will be calculated at 2005 prices. For this purpose, the index of "Industrial Product Price Index" of the NSS Collection "Price and Price Indexes in the Republic of Armenia" was taken [5, p. 98].

Research results

The analysis is based on "Gross Value Added at Current Prices" of the NSC "National Accounts System" collection for the general industry and its separate branches: mining and open pit operation, processing industry and electricity, gas, steam and air supply [3, p 57].

However, the gross value added represents the quantity of output produced, multiplied by the market price of that product. In order to offset the impact of prices and to calculate the real increase in labor productivity, the gross value added of industry and its separate sectors will be calculated at base year

prices, choosing base year 2005. For this reason, the gross value added will be related to the price index.

Estimates show that labor productivity in the Armenian industry increased 2.5 times between 2005-2017, mining industry - 1.7 times, processing industry - 1.9, electricity, gas, steam and air - 1.5 times [7, pp. 45, 56].

Factors affecting labor productivity in industry and its separate sectors and the magnitude of their impact. There are a number of factors that affect labor productivity. Some of them have a positive impact on productivity, others have a negative impact. Depending on the nature of the work being done, these factors and their magnitudes vary. We have studied the factors affecting the productivity of work in the industry and its separate sectors: mining and open pit mining, processing industry and electricity, gas, steam and offshore supply and their impacts. The average salary, the number of people with higher education among the employed, the number of those, who have undergone vocational training, and the number of those, who have completed the qualification in the job were selected as such factors. To determine the magnitude of the impacts of these factors, their indicators were linked to the productivity of industry and its separate sectors. As a result, the factors affecting the productivity of these sectors were obtained.

As each sector has its own set of job characteristics, the impacts of these factors are different for each sector. Table 1 summarizes the impacts of the above factors on the entire industry and on the mining and open pit operations.

Table 1 shows, that wages have a major impact on the productivity of both the entire industry, the mining industry and the open pit operation. Its impact on the whole industry is 0.91, and in the mining and pits operation is 0.88.

Indicators	Industry	Mining
Average salary	0.91	0.88
Number of persons employed in higher education	0.67	0.58
Number of Professional Qualifications	0.77	0.65
Number of qualifications raised	0.49	0.35
Export of mining products	0.66	0.72

Table 1. Impact factor on whole industry, mining and open pit operations. Composed by the authors

Education is one of the most influential factors that positively affects job productivity. The more highly educated people in the economy, the easier it is to hire qualified people from the market, and the greater the opportunity to make work more productive. That is why its impact on the whole industry is 0.67, with mining and pits operating at 0.58. Nowadays, almost all companies are sending their employees to professional development and upgrading in order to increase the productivity of the market.

Correlation estimates show, that these factors also greatly influence labor productivity. The impact on those across the industry of vocational qualifications is 0.77, and those who qualify are 0.49. The impact of those, who have passed the qualification in the field of mining and open pit operation is 0.65, and those who graduated are 0.35. Since most of the mining products are exported from the country, its export volumes greatly affect labor productivity in the sector. This proves, that the economy is in demand in the country and if there is a demand for goods in the domestic or foreign markets, companies start producing more, thus increasing the productivity per employee.

Indicators	Manu- facturing	Electricity, gas, gloss and air supply
Average salary	0.82	0.85
Number of employers with higher education	0.66	0.55
Number of Professional Qualifications	0.82	0.66
Qualified persons raised	0.53	0.47
Consumer spending	0.87	0.8
Monetary Income	0.85	0.88

Table 2. Factors Influencing Industry and Electricity, Gas, Steam and production air. Composed by the authors

The impact of the export of mining products on the mining and open pit operation is 0.72. Since mining is a large part of Armenia's economy (about 30%), export of these products also affects the entire industry. However, impact on the entire industry is 0.66. Table 2 presents the impacts of the above factors on industry and electricity, gas, steam, and production air supply.

As in the entire industry and mining, as well as in the processing and electricity, gas, steam and air supply sectors, wages have a major impact on labor productivity. Its impact in the processing industry is 0.82, in the areas of electricity, gas, steam and air supply - 0.85. Higher education also has a major impact on these areas. Its impact in the manufacturing industry is 0.66, in the areas of electricity, gas, steam and cool air supply - 0.55. Increasing employee qualification has a major impact on these areas. The impact of those with a qualification in the processing industry is 0.82 and those with a qualification of 0.53. The impact of those with a qualification in the fields of electricity, gas, steam and air conditioning is 0.66 and those

with a qualification of 0.47. As already mentioned, Armenia's economy is in demand. This fact is reaffirmed once again in the areas of processing industry and electricity, gas, steam and air supply. As these sectors produce the consumer goods and utilities that households consume, so the positive household income and the consumer spending they incur have a major impact on labor productivity. The impact of consumer spending on the manufacturing industry is 0.87 and on monetary income 0.85. The impact of the same factors on the electricity, gas, steam and offshore supply sectors is 0.80 and 0.88, respectively.

Conclusion

Thus, wages have a major impact on the productivity of both the entire industry and the work of its individual sectors. Its impact on the entire industry is estimated 0.91, and its separate sectors - mining, open pit, processing, electricity, gas, steam and production air, respectively - are 0.88, 0.82 and 0.85. The level of education has a major impact on labor productivity in the economy. Companies in a competitive market place spend a great deal of money on upgrading their employees. Its purpose is to increase employee productivity. Research shows, that these costs are justified and contribute to increased labor productivity. However, as a result of correlation analysis, it becomes clear, that education has a greater impact on the processing industry and on electricity, gas, steam and production air supply, than on mining and open pit sectors. This shows, that mining work does not require high qualification education, and work in the processing industry requires professional skills. The impact of consumer spending on the manufacturing industry is estimated to be 0.87, and on electricity, gas, steam and off-air supplies is 0.80.

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Ֆրիդա Բահարյան

տ.գ.թ., դոցենտ, ՀՊՏՀ

Ալիկ Թորոսյան

Հետազոտող, ՀՊՏՀ

ԱՇԽԱՏԱՆՔԻ ԱՐՏԱԴՐՈՂԱԿԱՆՈՒԹՅԱՆ ԱԶԴԵՑՈՒԹՅԱՆ ԳՈՐԾՈՆՆԵՐԸ ԱՐԴՅՈՒՆԱԲԵՐՈՒԹՅԱՆ ՄԵՋ

Բանալի բառեր – արդյունաբերություն, աշխատանքի արտադրողականություն, հավելյալ արդյունք, աշխատավարձ, կրթություն

Հոդվածում ներկայացված է ՀՀ արդյունաբերության և դրա առանձին ճյուղերում՝ հանքագործական արդյունաբերության և բացահանքերի շահագործման, մշակող արդյունաբերության և էլեկտրականության, գազի, գոլորշու և լավորակ օդի մատակարարման ոլորտներում աշխատանքի արտադրողականությունը: Արդյունքները ճշգրտվել են գնային տատանումներից՝ դրանք հաշվարկելով բազիսային

տարվա գներով: Ուսումնասիրվել են նաև թվարկած ոլորտների վրա ազդեցություն ունեցող հիմնական գործոնները՝ միջին աշխատավարձը, զբաղվածների մեջ բարձրագույն կրթություն ունեցողների թիվը, մասնագիտական վերապատրաստում անցածների թիվը, ինչպես նաև զբաղվածների մեջ որակավորումը բարձրացրածների թիվը:

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ФАКТОРЫ ВЛИЯНИЯ ПРОИЗВОДИТЕЛЬНОСТИ ТРУДА В ПРОМЫШЛЕННОСТИ

Ключевые слова – промышленность, производительность труда, дополнительная стоимость, заработная плата, образование

В статье представлена производительность труда в промышленности РА и ее отдельных секторах – горнодобывающей промышленности и эксплуатации карьеров, перерабатывающей промышленности и электроснабжения, газоснабжения, пароснабжения и промышленного воздуха. Результат был скорректирован с учетом колебаний цен путем расчета цен базового года. Также были изучены основные факторы, влияющие на эти области: средняя заработная плата, количество работников в сфере высшего образования, количество переквалифицированных работников, количество лиц с высшим образованием.

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ISSUES OF THE ONLINE LEARNING MODULE DESIGN IN YOUTH STUDIES

Abstract: In 2014, the Concept of State Youth Policy was confirmed, in which ‘the youth worker’ was defined as a subject of State Youth Policy in Republic of Armenia. However, the issues of the youth worker education are not completely solved in the country yet. The article recommends a flexible approach to this issue, combining traditional knowledge of a youth worker with online learning. In this regard, the problems of designing distance learning module are discussed, the solutions of which will make the youth worker education effective. Particularly, have been analyzed youth studies current conditions in Armenia and on the basis of which key principles of online learning module design for youth worker education were interpreted. Taking into account the risks of organizing distance learning, such proposals have been made, which will ensure the university education traditions, interactive learning, and high level of learning process self-organization and, finally, will design student-centered learning in youth studies.

Keywords: youth worker on-line education, online modules design, youth studies, distance learning course

JEL code: Z13, I20

Research aim: to make recommendations for the ‘young worker’ specialist education curricula development

Research hypothesis: distance learning education carry out some difficulties that arise when designing non - traditional education curricula

Research novelty: implementation of distance learning curricula carries some risks that, are prevented in case of implementation blended education, by combining distance learning with traditional education.

Introduction

In 21 century, in the system of university education online learning approaches are activated. The reason is not only the unprecedented development of information technology, but also the “crisis” of the traditional educational system which is becoming noticeable in our day. On the one hand, there is an increase in demand for online learning in the information society; on the other hand, the problem of distance learning is not fully integrated in the complex education system yet. In this regard, nowadays, educational online technologies are at the stage of improvement, so that not only do the benefits of traditional teaching, but also the advanced capabilities of contemporary technology in online learning, which has been formed over the centuries but gradually "outdated" over traditional university education. These tendencies are observed in the surveys of students participating in online learning modules, when 60% of respondents prefer to get distance education, without visiting university, and 22% for participating in classes in **blended** (traditional and online learning).

Research results

Online learning is firmly rooted in a comprehensive learning environment by engaging competitive positions in teaching methods. And the reason is not just that this form of teaching is less costly over the traditional, has a massive learners, uses modern information systems and has organizational capability. Nowadays, beneficiaries of educational services, whether students, lecturers or employers, seek to see more dynamic developments in educational sphere. On the one hand, knowledge is rapidly "outdated", and on the other one, it becomes more diverse and multi-layered for the students, as the range of graduates skills and abilities is expanding [1].

And it turns out that it is not possible to create competitive graduates in the labor market with only classroom lectures and classes. Education requires comprehensive information provide, group wide-ranging discussions, academic mass debates, and experience exchanges which are maximized are provided in the case of online training. For online teaching education sphere stakeholders it becomes attractive in terms of time management as well. Absence of contact communication requirements creates opportunities for teaching participants to demonstrate mutual flexibility and individual approach to organizing classes.

And it is of utmost importance now, as most students, especially in Master's and Doctorate, are working parallel with studying, and are able to regulate their working day through online learning. Studies show that in international practice, has an enormous involvement in the online education system, especially those who already have university diplomas, but by participating in training courses, they gain new working skills in special courses that do not provide an academic degree (see chart 1).

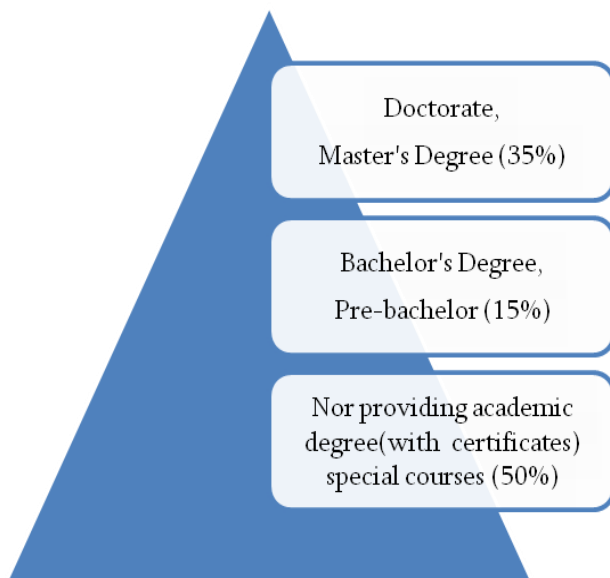


Chart 1. Distribution of students, studying online academic programs, by academic degrees [2]

Only in 2015, already 6 million students have attended at least one distance learning course and this number is increasing annually about 3.9%. In recent years, 29.7% of students of higher education system have attended at least one course of distance learning. On a global scale, 14.3% of students (2902.756) have participated in professional education programs based on distance learning, and 15.4% (3 119,349) in professional education programs based on distance learning and traditional teaching methods. However, distance education in the Republic of Armenia is still somewhat rooted in school programs, when teaching is being carried out in remote and border villages of the regions, and in the university environment it has just begun its first steps (YSU, Public Administration Academy of the RA, etc.). So, as a result, about 2% of the students have taken at least one distance training course, in

that case, when a number of documents regulating the field of distance learning have been developed for several years [3, 4].

Therefore, at present, the problem is to apply the latest educational tools for the transfer of traditional electronic media into the electronic environment, so that a person involved in distance learning programs in a traditional university environment may feel as a student, consider his studies attractive and interesting, value his presence in the university system, but, at the same time, receive education in correspondence with the requirements of the information system and be introduced in the labor market as a competitive graduate.

Youth Studies Current Conditions in Armenia

Experience shows that youth education in Armenia is mainly implemented in a traditional way. Moreover, there are no programs for trainings of youth education trainers in the country yet. Education is provided by Youth NGOs, which conduct seminars, trainings within the framework of Armenian youth (see chart 2).

However, on the other hand, the main activities of Youth NGOs in Armenia are implemented in major cities and youth in rural areas are deprived of Youth Study. At the same time, regional organizations are mostly concentrated in regional centers, and in other cities and villages about 20% of the surveyed youth NGOs are located, and only 8 organizations (about 2% of total) are in rural communities. See Youth Organizations Mapping. // Monitoring Report, Center of Youth Eevents Implementation. 2014, p.24

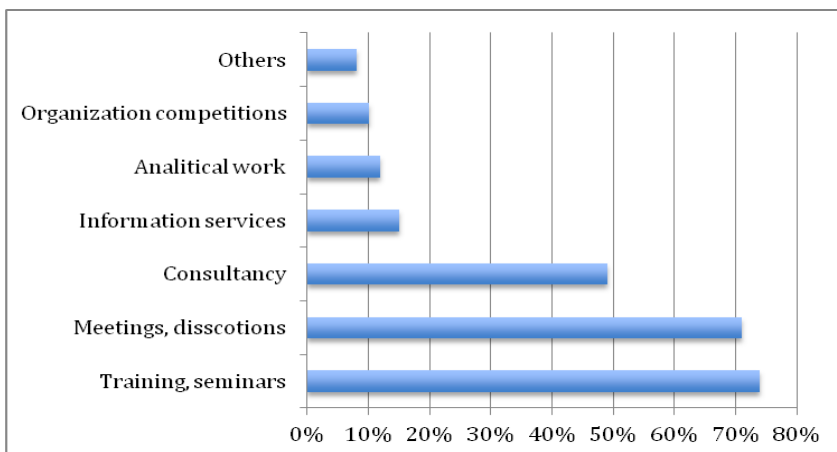


Chart 2. Main activities carried out by Armenian Youth NGOs [4]

It can be concluded that some groups are less involved in the youth work education than others:

- The Youth in rural communities or regional cities are less involved in the programs
- The youth aged 25-30 years old
- The youth with no professional education
- It is also interesting that according to the judgments of the specialists a greater number of girls are involved in the youth works in Armenia than boys. The approximate ratio of girls to boys is 60/40 [5].

Youth education is needed not only for permanent employees of NGOs, but also for volunteers. At the same time, according to the studies, relatively much part of youth organizations with permanent employees in the Republic of Armenia are the ones consisting of up to 20 persons, and the specific weight of youth organizations with more than 1,000 employees is about 7%.

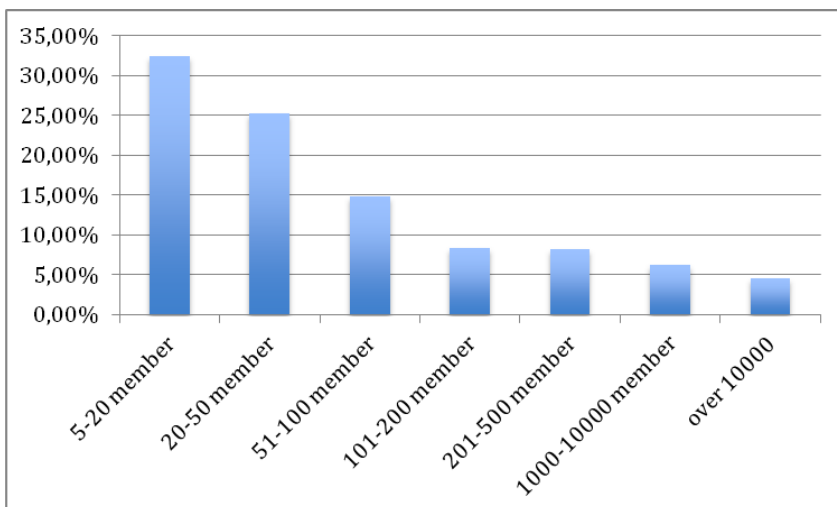


Chart 3. Distribution of RA youth organizations by full-time employees. Source: Youth Organizations Mapping. / Monitoring Report, Center of Youth Events Implementation. 2014, p. 29

What concerns the employees at RA youth organizations on a voluntary basis, the highest percentage of their distribution is 17.4, who are recruited in 11-20-person volunteer groups (see chart 4).

In this regard, the Distance Learning of Youth Study is actual in Armenia and has a wide range of usage, as traditional university education is already in a ‘crisis’.

‘The crises’ of traditional university education

The traditional studies of universities, perhaps having six-century history, is currently being used with some unchanging components. Up to now, students in regular groups, according to defined schedules, are coming to the universities, participating in class lectures and practical work, spending a significant part of their time at the university environment. As in the past, nowadays as well, there is a great appreciation in

direct student interaction with academic staff which has educational importance.

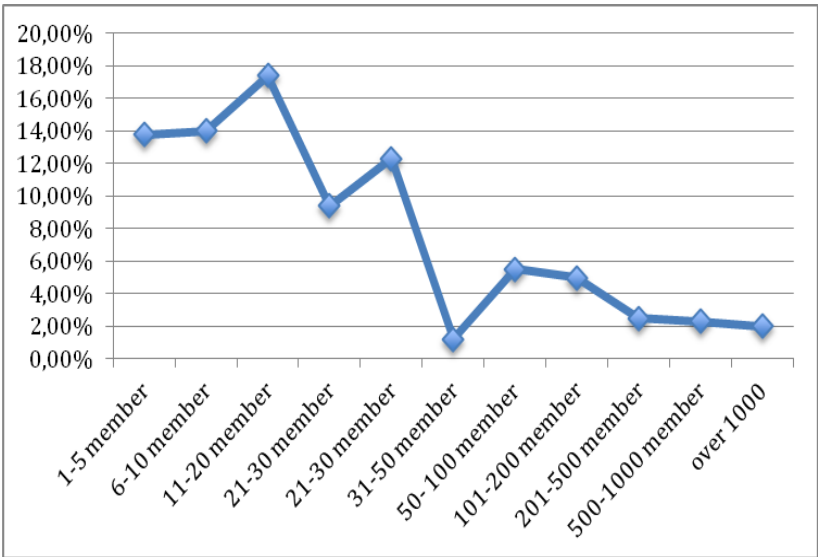


Chart 4. Distribution of Volunteers by Youth Groups in Armenia [6]

The academic environment at the University has always ‘abraded’ the student by giving him an intelligent behavior, characteristic qualities of a human being, humanitarian features. In this regard, from middle Ages till now, attending university is still honorable and academic pride for every individual. However, parallel to this, today's online education contradicts this trend of attending university, which, by giving to students professional qualities, expels him from live interaction in academic environment and transmits education to the Internet, and classes to the e-learning. And it turns out, that traditional university education, along with the aforementioned advantages, is currently experiencing a ‘crisis’, as the number of

students, enrolled in distance education programs grows year by year on the plane. Students have relatively passive attendance at universities and prefer to be taught in an online environment.

In our opinion, the current 'crisis' of traditional university education has a number of reasons. First of all, if previously the university was a source of knowledge and intelligence, now the role of the university is gradually declining on the Internet. If before, the key motivation of students' attendance at university was knowledge acquisition, now it is possible to get the most out of the Internet in a wider and faster way, by the way, the range of the theoretical and applied information is drastically increasing year by year. And it is no coincidence that, in modern conditions, academic staff can not 'compete' with the online one, in providing mass knowledge-based information.

Besides, the knowledge formed in the era of information society is getting old more rapidly, than in the early past. And if in an industrial society, the graduates have been using the knowledge gained during four or five years of university education for decades, so now, not graduated yet, educational information and knowledge often begin to fade and does not coincide with the dynamic changes in labor market requirements. And it turns out, that going to university and studying for years, contains certain risks of getting 'fast-paced knowledge', so the demand for the student's presence at the university in that regard is not actual.

The social isolation of the individual, which has become more vivid in information society, also contributes to the deepening of the traditional educational crisis in the university. Nowadays, young people spend most of their time on the web, partly preferring online, not live friendly communication. Indeed, the social isolation situation is definitely makes attractive not traditional, but online learning.

Finally, online tutoring over traditional university education is also beneficial in terms of time resource management in education.

In distance learning programs, students do not lose the time on the way to the university, they are able to take a flexible approach of joining to online learning process and leaving them out, building up their learning time, demonstrating a high degree of self-organization, which are somehow limited in case of traditional learning (university attendances by schedule, hard-time academic studies defined 'from above', etc).

Methodological Challenges for Online Learning Improvement

Nonetheless, online teaching is also not perfect in methodological terms, which is repeatedly mentioned in professional literature: Thus, as part of the shortage of distance learning it is mentioned that:

- there is no direct communication between the student and the lecturer,
- it is difficult to create a creative atmosphere in the group of learners, and when there is no one next to the learner who can inspire him, it can have a profound impact on the learning process,
- high demands are presented for the organization and management of the learning process; it is rather difficult to motivate the audience,
- there are a number of individual and psychological conditions, as well as strict self-discipline, which directly depends on the student's self-esteem and self-consciousness,
- certain professional practical skills can be obtained only by practicing (but not virtual) in practical and laboratory works [4]
- teaching by communication technology, maybe IT leads to

- isolation of learners, decreases supervision by the lecturer, not always the learners are ready for tense, effective, independent work, for self-organization, are able to personally plan academic work, there is a lack self-discipline [7].

The disadvantages of online learning can also be indirectly attributed to the organization of traditional teaching, but the above mentioned academic shortcomings are displayed more vividly during the distance learning and it is necessary to organize the process of designing modules in such a way, when risks of learning efficiency decline can be minimized as much as possible. In this regard, we are proposing the key elements of an online learning module design which are interconnected and must function at the same time throughout the module teaching cycle (see chart 5).

Not having the opportunity to participate in classroom studies and staying "lonely" facing computer, firstly, the student needs to be guided primarily by the organization of academic behavior. In this regard, while designing each module, the lecturer's speech should be heard when the video lecturer introduces the purpose of the lecture, the objectives of the expected learning outcomes in "knowledge-skills-capabilities." Then, the video message, addressed to student, should include learning modes of the course, assessment approaches and other organizational tips and guidance about the course.

It is also highlighted a series of leading lectures, which should be videotaped if available, otherwise, in PDF text format. Having a wide range of available information to get online, nevertheless, without lecturers direction, the student will get tangled in the "information cobweb". In this regard, thematic and targeted lectures are mandatory for distance learning, which guide the student to the right orientation of learning related to the choice of available alternative online information.

Therefore, the presence of guiding lecturers is a mandatory principle in the process of online module designing.

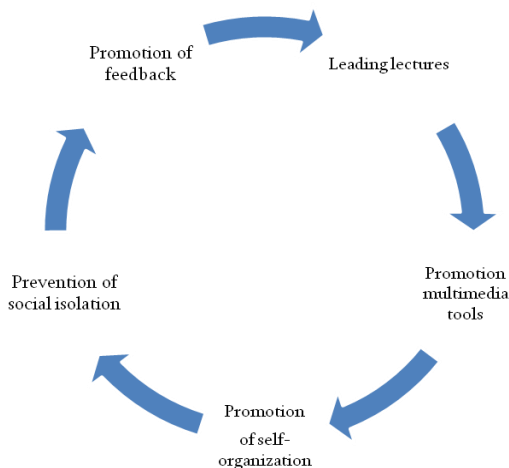


Chart 5. Key principles of online learning module design.
Composed by the authors

The formation of "boredom symptom" risk is specific to distance learning, but it can be overcome with active multimedia tools in case of using active learning motivation (see chart 5). Appearing in an "electronic" environment and by not feeling the warmth of an academic live audience, listening to a series of distance lectures, doing e-learning exercises alone, not enjoying the praise of a lecturer or classmate addressed to them, distance learning becomes just boring for a student. It is here that the motivating signals should be used while designing the teaching module that will transfer liveliness to the learning experience. These can be regular presentations of the student's progress position in a student-grade rating scale included in the distance learning module, earnings of emotional image

marks in case of correctly done electronic exercises, encouragements in multimedia formats, and so on.

The Promotion of self-organization is also an important principle in the online learning design process. The self-organization process in the field of education is most successful in mature age groups, but for younger generation it is more risky. Therefore, any module of distance learning should be accompanied by a special instruction, detailing the timing of the online tests, the current and final exams, the days of the webinar, and the timing of organizing online group debate clubs.

It is also remarkable the maximum and minimum time limit of student's presence in online platform for each module. The student should not take a passive position in case of online debates, webinar, which can be monitored by his actual time presence on Web during those learning processes. On the other hand, students are presented maximum limitations of being on web while doing tests, electronic exercises, or examining questions. So, such time-limitations of online learning will force a student to self-organization and implement an effective time management.

Student social self-isolation risks prevention is also taken into consideration when designing an online learning module. In this respect, while teaching the module video tutorials, webinars, student debate on-line forums, group assignments and programs should be used as much as possible, which will transfer to the teaching process direction and will not lead distance learning in the way of self-isolation (see chart 5).

The main link in the logic chain of the above mentioned principles usage of the online learning module design is to provide feedback in the student-lecturer", "student-student", "student-electronic dean's office" communication channels.

Effective organization of distance learning is largely dependent on the smooth functioning of feedback channels by

which traditional teaching is able to the smoothly transition to an e-learning environment by establishing a permanent connection with key stakeholders of the educational process (academic staff, students groups, university administration and so on).

Conclusion

Social surveys in online training programs suggest that in comparison with traditional education, students often do not complete distance learning courses, considering them difficult, requiring more self discipline and determination and other academic challenges.

Consequently, nowadays, the problem of developing an online learning module for a youth employee is to create an academic environment that will ensure the university education traditions, interactive learning, and high level of learning process self-organization and, finally, will design student-centered learning.

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Նոննա Խաչատրյան

տ.գ.թ., դոցենտ, ԵՊՀ

Հասմիկ Սահակյան

«Հաշվապահության Ուսուցման Միջազգային Կենտրոն»
կրթական հիմնադրամ, գործադիր տնօրեն

ԵՐԻՏԱՍԱՐԴՆԵՐԻ ԿՐԹՈՒԹՅԱՆ ՀԵՌԱՌԻՍՈՒՑՄԱՆ ՄՈԴՈՒԼԻ ՁԵՎԱՎՈՐՄԱՆ ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ

Բանալի բառեր – երիտասարդ աշխատողների հեռավար կրթություն, առցանց մոդուլների ձևավորում, երիտասարդության ուսուցում, հեռավար ուսուցման դասընթաց

2014 թվականին ՀՀ-ում ընդունվեց «Երիտասարդության պետական քաղաքականության հայեցակարգը», որում «Երիտասարդ աշխատողը» սահմանվեց որպես ՀՀ-ում երիտասարդական պետական քաղաքականության սուբյեկտ: Այնուամենայնիվ, երկրում դեռևս ամբողջությամբ լուծված չեն երիտասարդ աշխատողների կրթության խնդիրները: Հոդվածում առաջարկվում է ճկուն մոտեցում ցուցաբերել այս խնդրին՝ համատեղելով երիտասարդ աշխատողի ավանդական գիտելիքները առցանց ուսուցման հետ: Այս

առումով քննարկվում են հեռավար ուսուցման մոդուլի ձևավորման խնդիրները, որոնց լուծումները արդյունավետ կդարձնեն երիտասարդ աշխատողների կրթությունը: Մասնավորապես, վերլուծվել են երիտասարդության շրջանում կատարված ուսումնասիրությունները և դրանց հիման վրա մեկնաբանվել են ՀՀ-ում երիտասարդ աշխատողների կրթության համար առցանց ուսուցման մոդուլի ձևավորման ներկայիս հիմնական սկզբունքները: Հաշվի առնելով հեռավար ուսուցման կազմակերպման ռիսկերը՝ արվել են այնպիսի առաջարկներ, որոնք կապահովեն համալսարանական կրթության ավանդույթները, ինտերակտիվ ուսուցումը, ուսումնական գործընթացի բարձր մակարդակը, ինքնակազմակերպումը, և վերջապես, ուսանողակենտրոն կրթությունը:

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ПРОБЛЕМЫ ФОРМИРОВАНИЯ ДИСТАНЦИОННОГО МОДУЛЯ ОБРАЗОВАНИЯ СРЕДИ МОЛОДЕЖИ

Ключевые слова – дистанционное обучение молодого работника, проектирование модуля онлайн, обучение молодежи, курс дистанционного обучения

В 2014 году в Республике Армения была принята концепция государственной молодежной политики, в которой термин «молодой работник» был определен как субъект го-

сударственной молодежной политики в стране. Однако проблемы образования молодых работников в стране до сих пор полностью не решены. В статье предлагается гибкий подход к решению этой проблемы путем сочетания традиционных знаний молодых работников с онлайн-обучением. В связи с этим, обсуждаются вопросы разработки модуля дистанционного обучения, что даст возможность сделать обучение молодых работников более эффективным. В статье анализируются исследования проведенные среди молодежи и на их основе представлены действующие базовые принципы разработки модуля онлайн - обучения для молодых работников в РА. Принимая во внимание риски дистанционного обучения, были сделаны предложения. В частности, традиционное университетского образования принимая во внимание все сильные стороны интерактивного обучения станет студенто – ориентированным обучением для образования молодежи.

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ACCOUNTING STANDARDS AND EU COUNTRIES ECONOMIC DATA INTEGRATION

Abstract: The main purpose of applying International Financial Reporting Standards (IFRS) was to provide an understanding of financial information in a business environment. However, when these standards began to operate in the single currency area, such as the Eurozone, the principle of comparability of financial statements of organizations was pushed to the forefront. In this regard, it is recommended to apply such approaches in the accounting policy presented by the organizations operating in the EU countries, which will provide comparability in the financial reporting system.

In such an environment, the degree of more trustworthy financial information across EU countries will increase, and the application of IFRS will have a direct impact on the growth of economic activity and investment decisions.

Keywords: International Financial Reporting Standards /IFRS/, accounting policy, interactive effect, Eurozone

JEL code: M 41

Research aim: theoretically analyze how the application of IFRS contributes to the economic activity of common currency using countries.

Research hypotheses: accounting policies applied in organizations operating in Eurozone countries should be designed to ensure, that the financial reporting process is supporting for comparable framework in business information system.

Introduction

Direct effect around the adoption of the euro – accounting comparability increases among industries in European Union (EU) countries, that accepted the common currency relative and this effect is driven by increases in arm's length financing. Economic integration has an interactive effect, by influencing the consequence of accounting standards harmonization on accounting comparability.

Common currency direct examination of the effect of economic integration on accounting comparability around euro adoption is accepted in 1999 (this the “*direct*” effect). Subsequent, it allows us to estimate the resulting effect of business activity information integration at the time of accounting standards harmonization. Specifically, it is essential to look at changes in accounting comparability around the European Union's adoption of IFRS in 2005, conditional on euro membership and it's labeled as an “*interactive*” effect [1].

This setting also provides several desirable empirical features. Membership in a currency union integrates product markets by boosting bilateral trade and fosters cross-border arm's length financing through higher capital. These effects bolster the case for using euro adoption as our instrument for economic integration.

Research results

With the aims of protecting the Eurosystem from incurring losses in its monetary policy operations, ensuring the equal treatment of counterparties and enhancing operational

efficiency, underlying assets have to fulfill certain criteria in order to be eligible for Eurosystem monetary policy operations. It is recognized, that the harmonization of eligibility criteria throughout the euro area would contribute to ensuring equal treatment and operational efficiency. At the same time, due attention has to be paid to existing differences in financial structure across Member States. When determining the value of underlying assets used in reverse transactions (see IFRS 13), the Eurosystem applies the following principles:

- For each marketable asset the Eurosystem specifies a single reference price source. This also implies, that for assets listed, quoted or traded on more than one market, only one of these markets is used as a price source for the relevant asset.
- For each reference market, the Eurosystem defines the most representative price to be used for the calculation of market values. If more than one price is quoted, the lowest of these prices (normally the bid price) is used.
- The value of marketable assets is calculated on the basis of the most representative price on the business day preceding the valuation date.
- In the absence of a representative price for a particular asset on the business day preceding the valuation date, the last trading price is used. If no trading price is available, the national central bank will define a price, taking into account the last price identified for the asset in the reference market [6].

The IFRS set common rules so that financial statements can be consistent, transparent and comparable around the Eurozone countries. They specify how companies must maintain and report their accounts, defining types of transactions and other events with financial impact. [5]. Eurozone countries in current having economic development harmonization issues. The western most economic developed countries caring some losses because of less developed level of Eastern countries.

We believe, that financial reporting is shaped not only by accounting standards (and other country-level institutional factors), but also by the underlying economic environment in which firms operate. Because economic forces such as product and capital market segmentation differ across countries and over time, these can be a deterrent to accounting convergence, despite countries' efforts to harmonize accounting practices. A counterargument is, that economic integration will have an immaterial effect, when evaluated incrementally to accounting standards as well as to other institutional factors such as legal regime, strength of enforcement, and creditor rights.

The adoption of the euro can affect financial reporting in two ways. First, membership in a currency union can directly change the “financial presentation” of firms. The acceptance of the euro has been shown to increase bilateral trade, thereby integrating product markets. This leads to greater convergence in market shares and profit margins thus affecting reported sales and profitability. Second, the euro can influence the “mapping” between the business activities and reported accounting information, due to changes in the demand for financial reporting. Specifically, the adoption of the euro had a substantial impact on arm's length financing due to greater capital mobility among member countries. To the extent there is a simultaneous increase within euro countries in their reliance on arm's-length financing, is expected these increases to create a more homogeneous demand for financial reporting transparency [2].

It is true, that the relation between economic integration and accounting standards harmonization in shaping accounting comparability (the *interactive* effect). Interaction between these constructs and illustrates, that economic integration and accounting standards harmonization can be either complements or substitutes. Accounting standards harmonization could bring about greater accounting comparability when the underlying

economic environment is more similar. This is because a lack of economic integration creates heterogeneity in the incentives to provide financial reporting transparency, thereby inhibiting accounting standards convergence from translating into a convergence in reporting behavior. On the other hand, accounting standards harmonization could have a stronger effect when economic integration has not already made financial reporting outcomes more comparable. In this case, the harmonization of accounting standards would be more binding among firms that were not already doing so. [4]. In addition, we highlight the necessity for euro area countries to adopt a unified accounting policy presentation format that will facilitate the harmonized presentation of financial statements.

Conclusion

The concepts underlying accounting practices under IFRS are set out in the IASB's 'Conceptual Framework for Financial Reporting' issued in March 2018 (the Framework). The main sections of the Framework are: status and purpose of the Conceptual Framework, characteristics of useful financial information, the elements of financial statements, recognition, measurement, presentation and disclosure concepts of capital and capital maintenance [3].

However, we believe that in parallel it is necessary within Eurozone countries to develop common principles of accounting policies that will increase the degree of comparability of financial statements.

Accounting policies are the specific principles and procedures implemented by a company's management team that are used to prepare its financial statements. These include any accounting methods, measurement systems, and procedures for presenting disclosures. Accounting policies differ from accounting principles in that the principles are the accounting

rules and the policies are a company's way of adhering to those rules.

Consequently, although the company's accounting policy depends on its field of activities, size, markets and other economic issues, we consider the introduction of a unified accounting policy to be essential for Eurozone countries.

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Հրաջյա Սարգսյան

Տնտեսագիտության մագիստրոս, Սանկտ Պետերբուրգի
պետական տնտեսագիտական համալսարան

ՀԱՇՎԱՊԱՀԱԿԱՆ ՍՏԱՆԴԱՐՏՆԵՐԸ ԵՎ ԵՄ ԵՐԿՐՆԵՐԻ ՏՆՏԵՍԱԿԱՆ ՏԵՂԵԿԱՏՎՈՒԹՅԱՆ ԻՆՏԵԳՐՈՒՄԸ

Բանալի բառեր – ֆինանսական հաշվետվությունների միջազային ստանդարտներ (ՖՀՄՍ), հաշվապահական հաշվառման քաղաքականություն, ինտերակտիվ էֆեկտ, եվրագոտի

Հաշվապահական միջազգային ստանդարտների կիրառման հիմնական նպատակը ֆինանսական տեղեկատվության հասկանալիության ապահովումն էր գործարար միջավայրում: Սակայն, երբ այդ ստանդարտները սկսեցին գործել միասնական արժույթի տարածքում, ինչպիսին եվրագոտին է, ապա առաջին պլան մղվեց կազմակերպությունների ֆինանսական հաշվետվությունների համադրելիության սկզբունքը: Այս առումով, առաջարկվում է եվրամիության երկրներում գործող կազմակերպությունների կողմից ներկայացվող հաշվապահական հաշվառման քաղաքականությունում այնպիսի մոտեցումների կիրառում, որոնք համադրելիության դաշտ կապահովեն ֆինանսական հաշվետվական համակարգում: Նման միջավայրում կբարձրանա եվրագոտում գործող կազմակերպությունների փոխադարձ վստահելիության աստիճանը և ֆինանսական հաշվետվություններին ներկայացվող միջազգային ստանդարտների կիրառումն իր ուղղակի ներգործությունը կունենա տնտեսական ակտիվության աճի վրա:

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СТАНДАРТЫ БУХГАЛТЕРСКОГО УЧЕТА И ИНТЕГРАЦИЯ ЭКОНОМИЧЕСКИХ ДАННЫХ СТРАН ЕВРОСОЮЗА

Ключевые слова - международные стандарты финансовой отчетности, учетная политика, интерактивный эффект, еврозона

Основной целью применения Международных стандартов бухгалтерского учета было обеспечение понимания

финансовой информации в бизнес-среде. Однако когда эти стандарты начали действовать в единой валютной зоне, например в еврозоне, принцип сопоставимости финансовой отчетности организаций был выдвинут на первый план. В связи с этим рекомендуется применять такие подходы в учетной политике, представленной организациями, действующими в странах ЕС, которые обеспечат сопоставимость в системе финансовой отчетности. В такой обстановке степень взаимного доверия организаций, действующих в еврозоне, возрастет, и применение международных стандартов финансовой отчетности окажет непосредственное влияние на рост экономической активности.

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Ընդունվել է փաշտոնաթիվով՝ 25.03.2020 թ.*

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THE ROLE OF SMALL AND MEDIUM ENTREPRENEURSHIP IN THE NATIONAL ECONOMY AND ITS DEVELOPMENT PATHS

Abstract: Small and medium business is the basis of a market economy and a key factor in economic development. Small and medium-sized enterprises are the main guarantor of economic and social stability in the country. They stimulate private property and entrepreneurial skills, are flexible to the changing conditions of a market economy, help diversify economic activities and can make a significant contribution to international trade, to stimulating exports, and creating new jobs.

Keywords: Small and Medium Enterprises (SMEs), national economy, SME subject, micro, small, medium, problems, internationalization

JEL code: D 13, M 20

Research aim: identify the factors contributing to small and medium-sized business development in the Republic of Armenia and present directions for their application.

Research hypothesis: small and medium-sized businesses in Armenia currently have great potential for development, and this is largely driven by financial, rather than organizational factors, that need to be identified.

Research novelty: barriers to Medium and Small business development in Armenia is exposed and suggested proposals for their overcome.

Introduction

Entrepreneurship is the foundation of a market economy that, by providing the production of material and non-material goods, also solves deeper problems aimed at creating new jobs, increasing the efficiency of economic activity, and increasing the living standard of the population. Entrepreneurship acts as a link between science, education, manufacturing, consumption and social security.

Different types of organizations have various roles in the implementation of these functions. In this respect, it is important to classify the organizations on the basis of which it will be possible to target the organizations, that are more important in solving specific problems with the goal of state policy.

Theoretical review and discussion

In selecting the criteria underlying the classification of organizations, it is necessary to identify the issues that need to be addressed during the course of a particular survey. In economic studies, the most commonly used classification of organizations is by size. In general, the classification of organizations by size in different countries is based on its characteristics, but we can say that they generally lead to the distribution of all organizations into groups of small, medium, and large organizations. In some, especially English-speaking and a number of Asian countries, the concept of "small business" is used to separate small businesses from the larger ones, using the concept of "small business", whereas in Western European countries "small and medium enterprises" are more commonly used and the option of separating the big ones.

The concept of small business is widely used in various socio-economic surveys, publications, studies and other sources, and although the concept of small business has not been clearly defined yet [1, p. 18]. Many economists have come up with the definition of SMEs, which have been guided by the importance of one or another of the characteristics of the enterprise [2, p.59]. Different authors have come to the conclusion, that the definition of small business is a very difficult task, as the content of the discussion has different purposes for the separation of small business [3, p. 13]. For example, in the study of tax issues, the separation of small businesses takes precedence over tax base and taxable turnover, the number of employees when discussing employment issues, and so on. For this reason, any definition of the essence of small entrepreneurship, which will attempt to unambiguously define the essence and philosophy of small business, is initially doomed to sound criticism.

When defining a small business, the limited number of employees is often emphasized [4, p.85]. A similar definition is given by Novikov, who, in addition to staffing constraints, also adds to the notion of limited turnover [5, p. 163]. Generalizing the system of benchmarking of SMEs in different sources can be grouped into quantitative and qualitative indicators. Quantitative indicators for SMEs are simpler, based on measurable characteristics of the organization, such as number of employees, profitability, annual turnover, average annual asset balance, etc [6, p.19]. The main arguments advocates for the use of quantitative indicators relate to their scalability, the existence of a universal methodology for measurement, and the comparability of organizations, in which it is possible to objectively measure the size of different organizations, including SMEs or large enterprises. However, does not mean, that the quantitative indicators have no shortcomings. Opponents of the use of quantitative indicators emphasize the fact, that the

application of such indicators does not allow to take into account the sectoral characteristics of the organizations, in particular the employment and capital circumstances. Moreover, only when guided by quantitative indices is it extremely difficult, and in some cases, to make international comparisons impossible, since an organization of the same size in a small state can have a dominant position in the market, while an organization of the same characteristics in a large state itself protects competition and support mechanisms may be needed.

Many professionals with such shortcomings put forward the idea, that the separation of SMEs and large enterprises should be based on qualitative indicators that reflect the economic, social, competitive, humanitarian and other aspects of the organization. Due to the wide range of qualitative indicators, researchers propose far greater criteria for SME separation, than for quantitative criteria. SME qualifications are more subjective in nature, based on the researcher's personal perceptions, professional interests and issues discussed. Both the internal environment of an organization and its place and position in the economic environment can be emphasized, when discussing quality standards.

In general, by coordinating the qualitative indices of the different authors for identifying SMEs, the following characteristics can be identified most frequently:

- the small number of manufactured products,
- material and financial resource constraint,
- simple structure of management system,
- direct involvement of founders or owners in the management process,
- the informal nature of the relationship between managers and subordinates,
- restrictions on suppliers and sales markets, etc.

Experience shows, that associations formed between countries with different levels of economic development, are

usually bound by the creation of a free trade zone, coordinating financial policy, avoiding the formation of supranational governing bodies.

Processes under way at the present stage of regional economic cooperation show, that the dynamics of integration of the same or comparable type of civilization into the dynamics of regional economies also positively influence on the basis for the formation of a new, not only unified economic but also cultural space within the regional union [7, p. 26].

At the same time, when joining or co-operating in one or another integration union, it is necessary to assess the extent to which this step enhances the country's security, in particular its economic security, to what extent integration contributes to GDP growth, its structure improvement, export growth, and the solution to the problem of trade balance deficit and, of course, how it affects the solution to the problem of employment [8, pp. 5-6].

In this context, the issue of giving formats corresponding to civilization and geopolitical orientations is very important for Armenia. This necessity requires Armenia to participate more actively in the European and Eurasian integration processes, which will significantly increase Armenia's security level. It should be noted, however, that in the Armenian analytical community it can sometimes be argued that the EU Eastern Partnership format and the issue of EEU membership are contradictory processes. Obviously, such approaches are timeless and reflect the mindset of the first post-Soviet years to "flee the Russian Empire". It is noteworthy, that in the political circles of Armenia (where issues are more realistic), the process of integration into European and Eurasian formats is complementary rather, than contradictory [9, pp. 11-12].

One of the most important theses of Eurasian integration raises the decisive influence of geographical space on the

cultures and states occupying that territory, as a result of which it forms a distinct, unique type of civilization [10, p. 101].

Research results

Today the EEU has set the following goals: modernization of the economy, technological leadership, promotion of export to foreign markets, investing them in global value chains. And in many ways, the success of the Union countries in achieving those goals will depend on business itself, including small and medium-sized businesses.

In current the share of small and medium-sized businesses in the structure of the EEU member states is very small. For example, the share of small and medium business in Russia is about 15%, in Kazakhstan - 14% (see figure 1). The figures for the rest of the EEU countries are close to that figure. For comparison, the share of small and medium-sized businesses in the EU is over 50% of GDP in all countries.

Consider also the classification of EEU countries in Doing Business 2017. Thus, four out of the five EEU countries came in at 40th place and Kyrgyzstan at 75th. At the same time, pay attention to some of the countries' problems, such as the growth rates of international trade in the case of Russia and Kazakhstan, noting the obstacles to their export - import operations.

A number of issues need to be addressed to become the engine of integration for small and medium-sized businesses in the countries of the Eurasian Union.

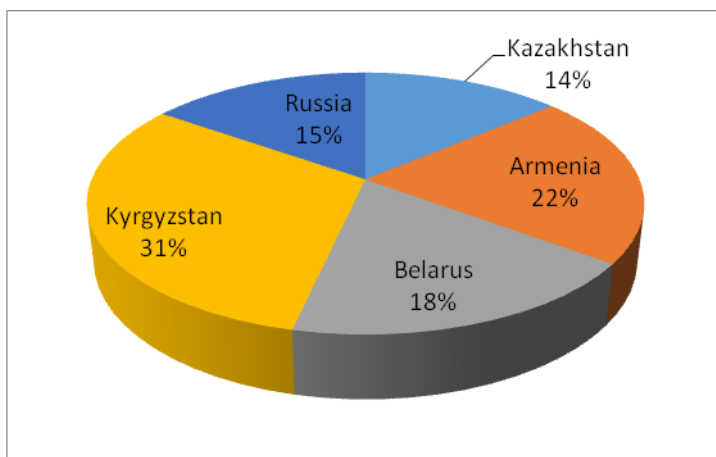


Figure 1. SME share in EEU countries

Source: Report on the work carried out by the National Endowment for Small and Medium Entrepreneurship Development in Armenia in 2017, smednc.am/am/publications/

There are a number of barriers to small and medium-sized businesses in the EEU, in particular non-tariff barriers to mutual trade, administrative and tax burden on business entities in the Union, low financial support for small and medium-sized businesses, high interest rates on loans, SMEs and large enterprises, insufficient cooperation of companies.

The share of the public sector in the economy of the EEU member states remains significant. In Russia, 70% of GDP, in Belarus up to 75% of GDP, in Kazakhstan - 60% of GDP. At the same time, public procurement volumes in the EEU member states are huge, reaching \$ 270 billion annually. All of this justifies the importance of measures aimed at the development of small and medium-sized businesses in the Union countries.

Note also the EEU Customs Code, the Commodity Nomenclature of External Economic Activity, the Single

Customs Tariff and Technical Regulations, and the rules on product labeling, which are important both in the production of goods in the Union and in third countries.

The following obstacles are evident for SME development in EEU countries:

- Unstable credit growth rates, both short and medium term,
- The high value of small business credit resources,
- Reducing the volume of small business lending from the banking sector,
- High level of social taxes,
- Lack of venture capital investment,
- Lack of a systematic policy of subsidizing interest rates on small business loans,
- Volumes of financial support for small businesses,
- Low level of cooperation with small, medium and large businesses,
- Low level of innovative business incubators.

It is obvious, that Armenia has a huge unrealized potential for trade with EEU member states. It can be assumed, that the facilitation of the new tariff policy and foreign trade rules will contribute to the increase of exports from the RA to the EEU countries. On the other hand, export growth cannot happen automatically, but requires the implementation of a well-established foreign trade strategy.

In Armenia, SMEs provide employment to about 266,000 people, which makes up 26.3% of total employment. SMEs in Yerevan employ around 179,000 people, which makes up 67% of total SME employment. In the provinces this figure is lower - 87 thousand people.

In 2017, taxes paid by SMEs totaled AMD 205 billion, comprising only 26% of SMEs in the regions. Overall, small companies account for 25% of the tax revenues from the SME sector, while "small" and "medium" enterprises have a share of approximately 37% and 38%, respectively.

Direction of support provided	The amount of support provided during 2017
Support for start-up business entrepreneurs	464
Training support, including sector-based technology courses	246
Information and consulting support	10,337
Credit to start-up and operating SMEs providing guarantees	81
SME internationalization	348
Grants to support businesses in the field	11
Total:	11,487

Table 1. Support to the SME sector by directions

Source: Report on the work carried out by the National Endowment for SME Development in Armenia in 2017, www.smednc.am/am/publications/

From 2014 to 2017 an examination of the dynamics of the number of SMEs shows that there is a significant increase in the number of active taxpayers in almost all types of SMEs, but on the other hand, the number of employment in the sector has declined. From 2014 to 2017 SME turnover growth and tax payments have fallen in 2017. The burden on one taxpayer has steadily increased. In the field of SMEs, the tax burden is increasing and the main growth burden falls on mostly medium-sized entities.

152,600,000 AMD has been allocated from the RA State Budget for the implementation of the SME State Assistance Program for 2017 in Armenia.

During the reporting period within the framework of the State Support to Charter Issues Program of SME DNC of

Armenia in 2017, SME DNC of Armenia provides credit guarantees to start-up and operating SMEs, start-up business entrepreneurship, sector support, business information, consulting, business consulting, consulting and consulting. About 4700 start-ups and SMEs have received 11,487 support for development directions (see Table 1).

The study shows, that 3.3% of SME-supported entities operate in Yerevan and 96.7% in RA regions, mainly in remote and borderline rural and urban communities. The regional distribution of assistance provided by SME DNC of Armenia is as follows: Aragatsotn Province - 1,126, Ararat Province - 902, Armavir Province - 410, Gegharkunik Province - 1,029, Lori Province - 2,328, Kotayk Province - 1,958, Shirak Province - 888, Syunik Province - 407, Vayots Dzor Province - 1057 '1,003, in Yerevan' 379.

Based on the above, we can summarize, that in Armenia:

1. Referring to the business start-up procedures as well as the needs of the start-up business, the SME registration process is simple, transparent and fast. However, the main beneficiaries of the implemented reforms are the capital and several urban areas. Start-ups need advice on how to choose the right business organization, as well as SME DNC support, credit and grant programs. They are not aware of what to do after registering a business and what documents to submit to the tax authority.

2. The introduction of new technologies that can enhance the competitiveness of SMEs is not available to SMEs. 43% of SMEs indicated that their businesses need support to enter foreign markets, while SMEs are aware of export procedures and work in this area is incomplete. Although there are co-financing programs to participate in international exhibitions, even then participation is not available to SMEs.

3. Almost 44% of SMEs surveyed regarding SME development activities indicated that they need business consulting and

training services. Effectiveness of cooperation between business entities, business associations and educational institutions remains problematic, business associations do not function effectively and do not provide high quality services to their members due to insufficient financial resources, SMEs resolve problems locally, situationally, and provide systemic, institutional solutions. not yet.

Conclusions and suggestions

The above studies provide the basis for the following recommendations:

To increase the effectiveness of public policy:

- improve the mechanisms for collecting statistics in the field of SMEs. Apply additional categories (such as startup, growing, international, exporter, female, etc.) to SMEs during the data collection phase. Combine statistical data collection with SME needs recording,
- review and simplify tax legislation and administration from the point of view of SMEs,
- refine the definition of "start-up business",
- improve public-private dialogue through real platforms,
- effective implementation of SMEs strategy for implementation of ongoing assessments, monitoring, periodic adjustments, "lessons learned", and those responsible for failure to identify,
- improve communication between government agencies and business associations,
- also take into account the specific needs of businesses operating in regions and rural communities.

To facilitate access to SME financing:

- implement SME sector awareness raising measures on various financial instruments and products.

To increase the competitiveness of SMEs:

- increase the awareness of entrepreneurs on export procedures,
- improve access to official online information on export procedures:

To support start-up businesses:

- provide startup entrepreneurs with advice on choosing the right legal form of business, which can be done through online consulting platforms, posters, printed sheets,
- provide start-up businesses with information on documents and deadlines to submit to the tax authority,
- carry out information campaigns to raise awareness of government support, credit and grant programs.

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Հենրիկ Մանուկյան

Հետազոտող, Հայաստանում ֆրանսիական համալսարան

ՓՈՔՐ ԵՎ ՄԻՋԻՆ ԲԻԶՆԵՍԻ ՆՇԱՆԱԿՈՒԹՅՈՒՆԸ ԱԶԳԱՅԻՆ ՏՆՏԵՍՈՒԹՅԱՆ ՄԵՋ ՈՒ ԶԱՐԳԱՑՄԱՆ ՄԻՏՈՒՄՆԵՐԸ

Բանալի բառեր – Փոքր և միջին ձեռնարկություն (ՓՄՁ), ազգային տնտեսություն, ՓՄՁ սուբյեկտ, գերփոքր (միկրո), փոքր, միջին, հիմնախնդիրներ, միջազգայնացում

Փոքր և միջին ձեռնարկությունները (ՓՄՁ) շուկայական տնտեսության հիմքն են և տնտեսության զարգացման հիմնական շարժիչ ուժը: ՓՄՁ ոլորտը յուրաքանչյուր երկրի տնտեսական և սոցիալական կայունության հիմնական երաշխիքն է: Նրանք խթանում են մասնավոր սեփականատիրությունը և ձեռնարկատիրական հմտությունները, ճկուն են փոփոխվող շուկայական տնտեսության պայմաններում, օգնում են դիվերսիֆիկացնել տնտեսական գործունեությունը և կարող են նշանակալի ներդրում ունենալ միջազգային առևտրի, արտահանման խթանման, նոր աշխատատեղերի ստեղծման գործում:

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РОЛЬ МСП В НАЦИОНАЛЬНОЙ ЭКОНОМИКЕ И ПУТИ РАЗВИТИЯ

Ключевые слова – малые и средние предприятия (МСП), национальная экономика, МСП субъект, микро, малый, средний, проблемы, интернационализация

Малый и средний бизнес является основой рыночной экономики и ключевым фактором экономического развития. Малые и средние предприятия являются главным гарантом экономической и социальной стабильности в стране. Они стимулируют частную собственность и предпринимательские навыки, являются гибкими к изменяющимся условиям рыночной экономики, помогают диверсификации экономической деятельности и могут внести существенный вклад в международную торговлю, в стимулировании экспорта, создании новых рабочих мест.

Ներկայացվել է՝ 03.02.2020 թ.

Ընդունվել է քաղաքապետության՝ 25.03.2020 թ.

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THE IMPACT OF THE CUSTOMS VALUE ON THE ECONOMIC DEVELOPMENT

Abstract: The features of determining the customs value associated with the export and import are essential in any economic system. The exact determination of the latter may directly affect the development of the economy. In this paper we represent and analyse the dynamics of the customs value determination methods in RA and its interactions between the macroeconomic indices. We use the dataset over the period 2007-2017 for these indicators. We find that the most volume in the overall customs value is for the first method and there is a decrease in the fourth method, which speaks about the fact that the role of the customs system has increased and the fiscal function has decreased. In any case, the unit increase in customs value has a negative impact on the observed indicators and it is important that the customs regulation measures applied in Armenia become more effective.

Keywords: Customs Method, Economy, GDP, Export, Import, FDI

JEL code: G 28, E 62

Research aim: to identify the impact of changes in customs value on the development of the Armenian economy

Research hypothesis: customs value can have a significant impact on fiscal policy changes in the country

Research period: series for the survey of indicators include data for 2007-2017

Research novelty: an increase in the customs value per unit has a negative impact on the observed indicators, and it is important that the customs regulation measures applied in Armenia become more effective

Introduction

One of the priority areas of the application of customs system functions in developed countries is servicing external economic activity participants. Consequently, the customs value of goods which are transported by customs is very important, as the correct determination of which can directly reflect on the development of the country's economy, as well as on the level of economic security of the country. The customs value of goods is significant in terms of the organization of the customs case too, as it forms the basis for the calculation of the mandatory customs payments and the preparation of the foreign trade balance.

We can say that the development of the trade and economic relations of the Republic of Armenia is one of the priority directions of the economy. Customs duties are very important in this system, as having free trade agreements, different customs duties are applied, which promote production of domestic goods and increase export volumes. Membership in the various international organizations should contribute to

enhancing Armenia's economic competitiveness and free movement of goods.

Research results

The use of different and volatile systems for determining and assessing the customs value of goods transported by customs in the field of international trade and economic relations is a major obstacle to increasing trade volumes. Moreover, the agreements on tariffs did not work properly as the valuation systems allowed to unilaterally manipulate the amounts of contingent taxes by modifying the valuation criteria in several transitional countries [2].

Due to the customs administration issues, the initial value of goods was based on the transaction value of imported goods, that is, the price actually paid or payable for imported goods sold to the exporting country, which may be modified appropriate to the provisions of Article 8 of the GATT (General Agreement on Tariffs and Trade) Assessment Agreement. Definitive customs value shall not be permitted. The free-standing price of goods shall be acceptable by the customs authorities as the basis of transaction value of imported goods, as this price excludes any restriction, condition or payment for resale or use by the seller, and subject to change in accordance with the requirements of Article 8 [6].

The Republic of Armenia implements a unified customs policy, which is an integral part of foreign and domestic economic policies and plays a major role in shaping and developing trade relations with other countries. In the Republic of Armenia the customs case includes the procedure and conditions for the transport of goods to and from the territory of the EAEU (Eurasian Economic Union), as well as across the Republic of Armenia, customs duties collection, customs clearance, customs control and other measures of customs policy implementation [6].

Hence, in this paper we attempt to investigate the relationship between the methods of determining customs value and the macroeconomic indexes, such as GDP, FDI, export and import.

Data: The data which are necessary for the statistical analysis of the customs value determination method are published quarterly and annually by the Statistics Department of the State revenue committee of the Republic of Armenia.[9] The data for the customs value calculated by the for methods are given in the Table 1.

Year	Customs value by the first method,mln dram	Customs value by the second method,mln dram	Customs value by the third method,mln dram	Customs value by the forth method,mln dram
2007	46818.0	11.2	27.9	992186.0
2008	128974.0	167.5	360.7	1133986.0
2009	154311.0	1.5	93	1013458.0
2010	223895.0	4	85.6	1140958.0
2011	307900.0	17.4	187.7	1174221.0
2012	844262.0	332239	34428	434517.0
2013	1095359.0	359399	29413	261401.0
2014	1100972.0	364029	26072	249550.0
2015	706191.5	307 068	18 513	149770.8
2016	669185.9	172 829	4 288	185763.4
2017	936083.4	55 944	165 752	257743.8

Table 1. The statistics of the custom value determination methods in RA during 2007-2018

We see that the customs values calculated by the first and fourth methods predominate in the Table-1. The largest indicator is observed in the first method during the 2007-2014 years, and it has a tendency to increase by years. As for the fourth method, it has declined more over these years, which may indicate the increasing role of the customs system and the reduction of the customs fiscal function, as it is the case in developed countries [5] (see Figure 1). Moreover, the weight of the customs value by the fourth method has prevailed in the overall customs value during the period 2007-2011, but since 2012 the weight of the customs value by the first method has been much more than the last one.

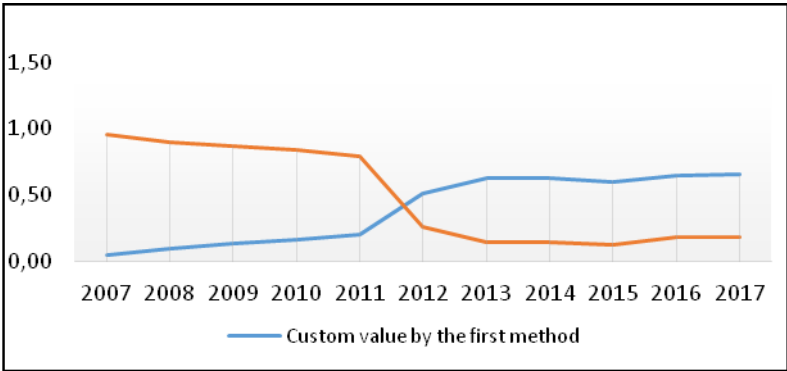


Figure 1. The weights of the customs values by the first and fourth methods during 2007-2017

In the countries with high economic growth the customs value is determined more by the first method, while in the case of the fourth method of customs value it is also applied control price in the Republic of Armenia, which artificially promote the increase of goods' prices. It would be desirable to accept the value which is presented by the declarant in any case, and in the cases of uncertainty or problematic cases the relevant

customs authorities may investigate and clarify the situation. The adjustment coefficients of customs value calculation are frequently applied too, when it is used the fourth method for the imported products and this also have significant fiscal impact on the whole system.

Overall, FDI has a positive impact on economic growth in countries with a higher level of education attainment, openness to international trade and stock market development, and a lower rate of population growth and lower level of risk. Export growth is associated with high economic growth, as it promotes specialization and redistribution of resources, contributes to the acquisition of new knowledge, and intensifies competition. The inflow of foreign investment also contributes to technology transfer, human capital development, and the formation of inter-branch links in the economy [4]. At the same time, foreign investment is mainly directed to the countries with high level of economic growth and export potential, and export growth accelerates if economic growth is accompanied by increased competitiveness [1].

The Figure 2 shows the dynamics of GDP, foreign trade turnover and FDI in the Republic of Armenia for the period 2007-2018. We can see that GDP has grown dynamically since 2009, reaching 6005058.1 million AMD in 2018. As for imports, it is increased in 2009-2014, then decreased in 2015. Export volumes have actually increased since 2009, although the growth rate has increased or decreased during that time. This is significant here with Armenia's accession to the EAEU, and the reasons for the decline can be attributed in part to the deterioration of the Russian economy in 2015. FDI seems to be at the same dynamics, while it declined in 2015, but rose in 2016 and then declined again.

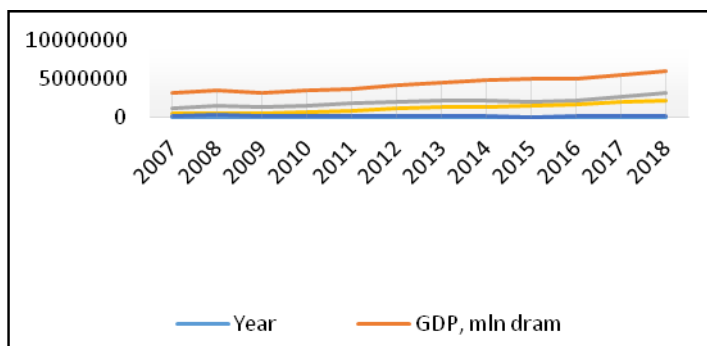


Figure 2. The dynamics of the GDP, Foreign Trade turnover and FDI during 2007-2018

Results: To evaluate the interactions between the studied indices, we made the following assignments in the Table 2. The correlations between the GDP, export, import, FDI, and customs values estimated by the first and forth methods are presented in Table 3. It is obvious that there are significant correlations between the values of the first and forth customs values and the other indicators which are studied. Therefore, we can proceed with the following steps.

Variable assessment	Variable name
gdp	GDP
imp	Import
exp	Export
first_m	Customs value by the first method
forth_m	Customs value by the fourth method
fdi	Foreign direct investments

Table 2. The indices in the regressions

	gdp	imp	fdi	first_m	fourth_m	exp
First method	.841**	.898**	-.749**	1	-.885**	.807**
Sign. level	.001	.000	.008	-	.000	.003
Observed number	11	11	11	11	11	11
Fourth method	-.901**	-.836**	.854**	-.885**	1	-.872**
Sign. level	.000	.001	.001	.000	-	.000
Observed number	11	11	11	11	11	11
**, 99% significance level.						

Table 3. The correlations between the GDP, export, import, FDI, and customs values estimated by the first and fourth methods

In order to assess the impact of customs value on the economy, we have estimated and analyzed several models where we have considered the effects of the customs value indices by the first and forth methods on the other variables. Below we discuss the models that have higher quality. We take into account the Darwin-Watson autocorrelation coefficient and cointegration tests. These are the results of the interactions between GDP, import and FDI.

(1) Equation has a high coefficient of determination that is 0.81, t-statistics of the explanatory variable is also greater than two, and hence it is significant. Therefore, we can say that the increase of the customs value with forth method by one unit will reduce the level of GDP by 1.72. The negative impact can be explained by the fact that, as a result of the increase in customs duties, import volumes may decrease, which will bring

to the negative impacts on a number of sectors of the economy, such as the increase in prices for raw materials needed for export, and as a result, exports will also decrease. Therefore, this chain will reduce the level of GDP in the country. This is also evidenced by the dynamics of variables observed in Figure 3 during the 2007-2017 period. We see that, since 2011 these indices have been moving in the opposite direction.

$$GDP = -1.72 * FORTH_M + 5313624.23 \quad (1)$$

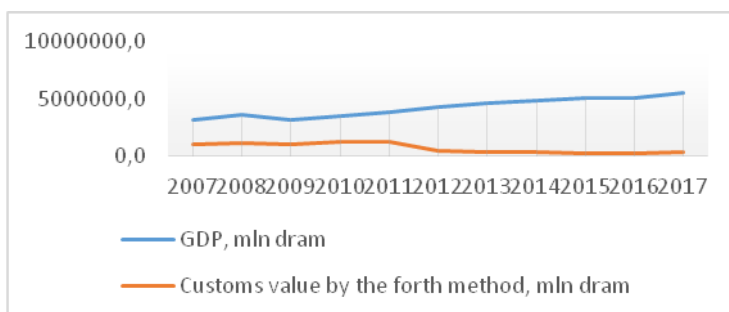


Figure 3. The dynamics of the GDP and customs value by the fourth method during 2007-2017

Next we present the effect of customs value by the forth method on the import (2). Here we also have significant assessments, in particular R^2 is equal to 0.69 and the t-statistics is significant. The unit increase of the customs value will reduce the import by 0.87. As we have already mentioned, while implementing the forth method there are used adjustment coefficients, control prices, which may produce a subjective approach when calculating the customs value, so valuation in this way is not effective. Moreover, it causes people to have a negative attitude towards system adjustments, and the artificial barriers to import are emerging in this way. In Figure 4 we see

the actual dynamics of these indices in the observed period. Here, as it was for the case of GDP we have had an increase in imports and a decrease in customs value since 2011.

$$IMP = -0.88 * FORTH_M + 2462251.31 \quad (2)$$



Figure 4. The dynamics of the import and customs value by the fourth method during 2007-2017

As for the customs valuation of the fourth method with respect to the export, in this case we have sufficient quality results too. It is given by the equation (3), and the interaction is negative, as in the previous case. This can also be explained by the fact that customs duties on exported goods are increasing, which increases the cost of export and reduces its level. We also see that the impact on the exports is even greater than on the imports. We have the same dynamics graphically (see Chart 5).

$$EXP = -1.02 * FORTH_M + 1769590.54 \quad (3)$$

The estimates of the fourth customs value on the foreign direct investment were not significant, but for the first method

they were sufficiently significant. Below we present the estimated model.

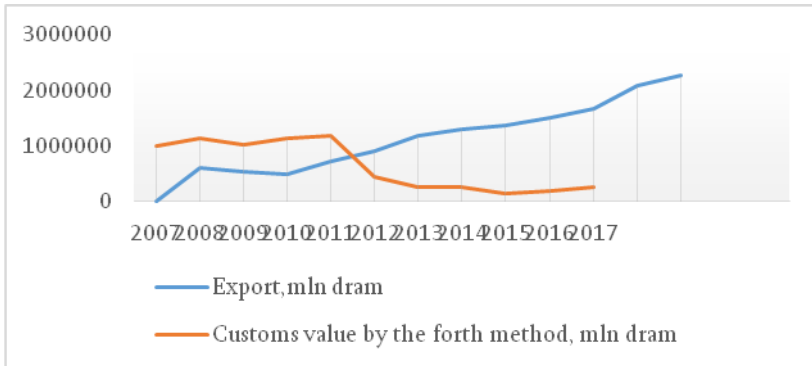


Figure 5. The dynamics of the export and the customs value by the fourth method during 2007-2017

$$FDI = -0.12 * FIRST_M + 258907.43 \quad (4)$$

In fact, increasing the customs duties reduces FDI by 0.12 points in the observed period. Particularly this is evidenced by the results of the World Bank study, where it has been founded that for the foreign firms the customs and trade regulations are major obstacle to investing in Armenia [7]. Customs and trade regulations, as well as complex customs procedures, create many obstacles. Armenia is 108th in the list of 144 countries according to the Global Competitiveness Index [8]. While Armenia may benefit from a zero tariff rate within the EAEU while trading with its members, international ratings and research suggest that there is still much work to be done to enable companies to overcome logistics barriers and enable more free trade, which will increase the investment efficiency in Armenia (especially for those outside the EAEU). Apart from the restrictions on foreign ownership, according to Armenian Investment Report in 2014, the investor requirements can be

complicated by the operational requirements, such as how to work locally and export, and can become an obstacle when entering the country. Figure 5 presents the dynamics of the FDI and Customs value by the first method over 2007-2017 period, where we also see the opposite direction since 2010.

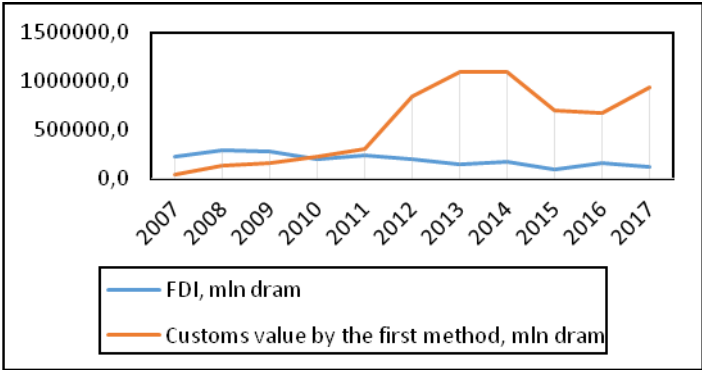


Figure 6. The dynamics of the FDI and customs value by the first method during 2007-2017

It should be noted that Armenia has quite good results in several areas that are important for the investment efficiency, but weak in other areas. The strengths are the readiness to use information and communication technologies and the opportunities arising from these sectors, flexibility in the labor market, labor cost and labor productivity. Nevertheless, the quality of Armenia's overall infrastructure, ability to attract and retain talented people, the availability and quality of local suppliers, as well as overall business excellence and innovation are at a relatively low level. Tax issues seem to be widespread for all types of investors.

Conclusion

As a result, it can be said, that the largest indicator of customs value calculation methods, if applicable, is the first method, which has gradually increased. At the same time, there is a decrease in the fourth method of customs value determination, which demonstrates the increasing role of the customs system and the reduction of the fiscal function, as is common in the developed world, but still the trade and customs regulations are a concern. However, in both methods the impacts are negative, and it is desirable that the customs regulation measures applied in Armenia become more effective and reduce the fiscal function of the customs regulation in recent years.

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Անի Խալաթյան

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Գայանե Ղուկասյան

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ՄԱՔՍԱՅԻՆ ԱՐԺԵՔԻ ԱԶԴԵՑՈՒԹՅՈՒՆԸ ՏՆՏԵՍԱԿԱՆ ԶԱՐԳԱՑՄԱՆ ՎՐԱ

Բանալի բառեր – մաքսային արժեք, տնտեսություն, ՀՆԱ, արտահանում, ներմուծում, օտարերկրյա ուղղակի ներդրումներ (ՕՈՆ)

Յուրաքանչյուր տնտեսական համակարգում արտահանման և ներմուծման հետ կապված մաքսային արժեքի որոշման առանձնահատկությունները կարևոր են: Վերջինիս ճշգրիտ որոշումը կարող է ուղղակիորեն ազդել տնտեսության զարգացման վրա: Հոդվածում վերլուծվում է ՀՀ-ում մաքսային արժեքի որոշման մեթոդների դինամիկան և մակրոտնտեսական ցուցանիշների հետ դրանց փոխազդեցությունը: Այս ցուցանիշների հետազոտման համար ժամանակային շարքերն ընդգրկում են 2007-2017 թվականների տվյալները: Կարող ենք ասել, որ ընդհանուր մաքսային արժեքի մեջ առավելագույն ծավալն առաջին մեթոդին է բաժին ընկնում, իսկ չորրորդ մեթոդի ծավալներն աստիճանաբար նվազում են, ինչը խոսում է այն մասին, որ մաքսային համակարգի դերը մեծացել է՝ նվազելով հարկաբյուջետային գործառնությունը: Ամեն դեպքում, կարող ենք եզրակացնել, որ մաքսային արժեքի միավորի ավելացումը բացասաբար է անդրադառնում դիտարկված ցուցանիշների վրա, և նման պարագայում կարևորվում է այն, որ ՀՀ-ում կիրառվող մաքսային կարգավորման միջոցառումները պետք է ավելի արդյունավետ դառնան:

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ВЛИЯНИЕ ТАМОЖЕННОЙ СТОИМОСТИ НА ЭКОНОМИЧЕСКОЕ РАЗВИТИЕ

Ключевые слова – таможенный метод, экономика, ВВП, экспорт, импорт, ПИИ

Особенности определения таможенной стоимости, связанные с экспортом и импортом, являются существенными в любой экономической системе. Точное определение последнего может напрямую повлиять на развитие экономики. В данной статье мы представляем и анализируем динамику методов определения таможенной стоимости в РА и ее взаимосвязь между макроэкономическими показателями. Используемые данные включают период 2007-2017 гг. В общей таможенной стоимости основная часть принадлежит первому методу, а в четвертом методе наблюдается снижение, что говорит о том, что роль таможенной системы выросла, а фискальная функция уменьшилась. В любом случае, увеличение таможенной стоимости на единицу оказывает негативное влияние на наблюдаемые показатели, и важно, чтобы применяемые в Армении меры таможенного регулирования стали более эффективными.

Ներկայացվել է՝ 15.02.2020 թ.

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THE RA ECONOMIC COMPETITIVENESS AND ANALYSIS OF THE EMPLOYMENT SKILLS INTERDEPENDENCE

Abstract: The pillar of competitiveness skills in indicator of the RA economy in 2019 recorded negative dynamics compared to 2018, the main reason being the sharp increase in the pupil-teacher ratio. The decline in core value has also contributed to alumni skills and critical thinking in the teaching process. Given the crucial role of quality in the workforce in ensuring the competitiveness of the country's economy, the Global Competitiveness Index Skills Pillar Analysis was performed. In addition to the underlying values, aggregate indices were considered. Comparative analysis was conducted with both the dynamics and the region, the EAEU and other countries.

JEL code: J 24, E 24

Keywords: Competitiveness, skills pillar, average length of education, quality of workforce, Global Competitiveness Index

Research aim: The purpose of the research is to identify the weaknesses of the Armenian economy, assess its potential and suggest possible options for their development. The rele-

vance of the research is also due to the increasing role of competitiveness assessments in economies worldwide.

Research novelty: causes of competitiveness skills causes negative reference dynamics in the RA, related to present workforce involvement and education system quality.

Research Method: There are different ways of assessing competitiveness. The most authoritative are the methods developed by the World Economic Forum (WEF), the International Institute for Management Development (IMD), and the Institute for Industrial Policy Studies (IPS). The Republic of Armenia is included in the relevant TDI reports with its appropriate indicators, the World Competitiveness Report is a widely recognized and extensively respected analytical study, and consequently the emphasis is placed on the dynamic, comparative analysis of the relevant indicators developed by the TSI.

Introduction

The Global Competitiveness Index combines the macroeconomic and microeconomic aspects of competitiveness into one indicator. It is published annually in the Global Competitiveness Reports by the World Economic Forum. The index consists of institutes, infrastructures, information and communication technologies, macroeconomic stability, health, skills, product market, labor market, financial system, market volume, business dynamics, innovation capability pillars. Each column in turn consists of other indicators that are measured both quantitatively and by expert methods. The present study analyzed the 2019 earnings per share, skills pillar and aggregate indicators for the RA [1]. Skills are one of the most important factors that determine the competitiveness of the economy as they characterize the quality of the country's workforce [2]. Therefore, skills have a direct impact on production as their development increases labor productivity.

Research results

2018 the skills core value in Armenia was 67.6 and in 2019 recording 66.8, negative dynamics. It should also be noted that the negative dynamics have been registered in the Health and Product Market columns. In the table below we will present the skills aggregator indicators and their values for 2018 - 2019.

Skills pillar	2018	2019
Average duration of education	77.8	83.5
Staff training level	43.7	44.8
Quality of business trips	47.0	48.3
Graduates' Skills	47.1	44.5
Digital technology skills for the active population	57.0	59.0
Ease of finding skilled workers	47.8	50.5
Life expectancy of education	72.0	72.0
Critical thinking in teaching	43.9	43.4
Student-teacher ratio in primary education	100	81.0

Table 1. Aggregate Indicators of Skills Pillar in the RA for 2018-2019. **Source:** *World Economic Forum, The global competitiveness report, 2019*

It can be seen from the table, that the negative core dynamics was due to the graduates' skills, critical thinking in teaching, and the greatest impact was the student-teacher ratio in primary education, which dropped by 19 points. Let's consider each indicator separately.

The first indicator refers to the mean years of schooling, which indicates the average number of years of schooling, completed by the population of the country, excluding replicates of the same course, for which we would like to raise

the issue of data inconsistency. For 2018 year Global Competitiveness Report the value this indicator is 11.7. This report cites the source of UNESCO and the Wittgenstein Center for Demography and Global Human Capital. In 2019 report this value is 12.5. According to the Wittgenstein Center for Demography and Global Human Capital website, the most up-to-date rating for 2015 is 10.82, which does not match the data for both reports. According to UNESCO, the average duration of education in 2015 is 11.7, which corresponds to 2018. In 2017 this indicator is 11.3 years, excluding 2019 to the report. So the source of the 12.5-year benchmark in the latest Global Competitiveness Report remains undisclosed. The main problem is that the dynamics of the UNESCO data conflict with the dynamics of the data in the reports, consequently it is a serious challenge to identify which source is expectable [3].

The average length of education is calculated for the population 25 and older. This indicator is even used to obtain the Human Development Index. The indicator requires the distribution of age groups and educational levels in a given year. According to 2019 For the Global Competitiveness Report, for people aged 25 and over in Armenia, the average education per capita is 12.5 years. The index is quite high, and in the same report of 141 countries Armenia ranks 19th.

For comparison, we will look at the regional data from Georgia and Azerbaijan from. EEU countries will also be considered, with the exception of Belarus, which is not included in the Global Competitiveness Report. Moldova has also been included in the comparative analysis as an EEU observer country. According to the average length of education, the Republic of Armenia is only 12.8 years behind Georgia. For this indicator as already mentioned, UNESCO is declared as the source of the index, so let's also look at the UNESCO database. The most up-to-date statistics for Armenia in the UNESCO database on this indicator for 2017. In this case, the average

duration of education (ISCED 1 or higher) for the population 25 and older is 11.3, and Armenia is 21st out of 49 countries.

As this indicator is strongly linked to the educational attainment of the population 25 and older, it is appropriate to consider these indicators as well. How much of a problem is the lack of education of the population? Has been in such a status, which is a pretty good result globally. The same 0.4 indicator for 2017 in the case of Norway is 0.3. In Georgia, 0.7% of the population lacks education and 1.5% in Azerbaijan. Therefore having no education is not a problem for the current workforce.

Now let's present the distribution of the educational success of the population. The population is mainly concentrated at the following educational levels: Higher Secondary (ISCED 3), Short Term Tertiary (ISCED 5), and Bachelor, Master and Doctorate (ISCED 6, 7, 8). Almost 43.4% of the population is restricted to higher secondary education. Only 19.1% of the population has short-term tertiary education. It is remarkable, that 24.1% of the population has a bachelor's or master's degree. This is again a good result globally. From the region, 2017 the similar data of Georgia and Azerbaijan are available, from which Armenia is behind Georgia. It is noteworthy, that by this index Armenia is ahead of many developed countries.

Based on the inclusion in the education system, the educational successes of the levels, the average length of education per person, it can be argued that the education received and the duration of the population aged 25 and over is not a significant problem. The problem is the quality of education they receive. There are no quantitative indicators, characterizing the skills of the current workforce, they are obtained through surveys. Answers range from 1-7 (the best is 7). As the methodologies do not differ, and economically they characterize the quality of the workforce, it is advisable to consider them together.

Code	6.02	6.03	6.04	6.05	6.06	Average
Azerbaijan	4.6	4.5	4.4	5.1	4.8	4.68
Russia	3.9	4.1	4.0	4.9	4.5	4.28
Kazakhstan	3.9	3.8	3.8	4.7	4.1	4.06
Armenia	3.7	3.9	3.7	4.5	4.0	3.96
Moldova	3.6	3.5	3.6	4.5	3.2	3.68
Iran	3.1	3.5	3.0	4.1	3.9	3.52
Kyrgyzstan	3.4	3.3	3.2	3.9	3.6	3.48
Georgia	3.5	3.1	3.4	3.7	3.6	3.46

Table 2. Comparison of indicators characterizing the skills of the present workforce by countries

The codes is presented: 6.02 – Workforce skills overqualified, 6.03 – the quality of exchange programs’, 6.04 – skills of graduate students, 6.05- the percentage oh IT skills workers in workforce, 6.06 – ability finding skilled employee.

According to these factors, in the EAEU and regional comparisons, Armenia is in the middle position in all cases. It is interesting, that the leading Armenia and Georgia (according to the average duration of education) do not occupy very high positions with these factors. While the population of 25 and over in Armenia has received relatively long-term education, it is still difficult to find skilled workers, and digital technology skills are also weak. The same can be said about the Alumni Skills that characterize the quality of the current education system.

Despite the current workforce and graduates' skills issues, organizations are also not investing sufficiently in training for the workforce, which could in some ways correct the situation. The same can be said about business trips. That is

to say, in spite of the problems with the duration of education and involvement in the educational system in the RA, the education system has been lame since the beginning. And the training institute does not substantially correct the situation. And the consequence, of all this the current state of the labor market in Armenia.

Republic of Armenia	Position
Staff training level	97
Quality of business trips	86
Graduates' Skills	100
Digital technology skills for the active population	50
Easiness of finding skilled workers	85

Table 3. Position of the RA in the 141 countries by indicators of current workforce skills

The expected duration of education is the number of years that a child of school age is expected to spend at a given educational level. The methodology of the UNESCO Statistical Institute excludes ISCED level 0, and includes age involvement ratios. Repetitions of the same course are also included, but adjusted indicators also exist. For 2019 expected duration of education in Armenia in report is 13 years and not changed in 2018 compared to. By this index, in 2019 Armenia is 83-rd out of 141 countries. According to the report, Armenia outstrips Moldova only from EEU countries. It also yields to Georgia and Iran. According to UNESCO database, the most up-to-date data available for Armenia in 2018 is the number, and in this case the picture is almost the same [4]. The only difference is that Armenia outperforms Kyrgyzstan, but in value terms there is no significant difference with regard to 2019 with the report.

When calculating the expected life expectancy, the ratio of population involvement to the educational system is included, so it is important to consider these indicators as well. One of the indicators of engagement is the Gross Engagement Ratio (GER), which is the percentage of the number of people enrolled at a given educational level, regardless of age, and the official age-specific population at that educational level. Except for the Gross Inclusion Ratio, the net inclusion ratio is usually calculated, which, unlike the former, takes into account only the population of official age. Consider the 2018 Gross Engagement Ratio statistics by educational level (see table 4).

2018	Initial	Primary	Secondary	Tertiary
GER	38.02	92.72	83.15	54.57

Table 4. Gross enrollment rate of RA at different educational levels

From the data in the table 4 can be concluded, that in Armenia little attention is paid to primary and tertiary education. The ratio of gross enrollment to initial education is 38.02%. The dynamics of this indicator is remarkable. 2017 the rate was 50.63%. Within a year, there was a sharp decline, until then being relatively stable. Initial education enrollment is a serious issue in Armenia. Compared to the regional and EAEU data, Armenia outstripped Azerbaijan and Kyrgyzstan only. In developed countries, for example, in Germany this figure was 109.13%. [5] In 2018 Armenia is already behind Azerbaijan and Kyrgyzstan as a result of the sharp decline.

At the primary level, the dynamics are also negative. In 2017, there was 94.08%. Armenia lags behind all the countries mentioned above, being the only country where it is less than 100%. In 2018 Armenia also has the worst performance in

terms of available data. Secondary education is also the worst in the data set. Not all countries in the region and the EEU are available. At the tertiary level it is not the worst. The 2018 version is behind Georgia, where it is 60.33%. Compared to a developed country in the case of the same Germany in 2017 the index value was 70.25%.

Unless there were obvious problems with the average education duration of 25 years and above, and the figures recorded by Armenia were competitive at both the EAEU and regional, even worldwide levels. The picture is not the same for the expected education duration, which is more targeted on current situation. Involvement indices identify issues that are most prominent in the primary education system. In this case, state policy should be aimed at increasing engagement at this level of education, but as we have already seen from the current workforce capacity assessment, it is not only long-term education that produces results. Therefore, focusing on these issues, the main effort of public policy should be on modernizing education and improving quality. An important component of the quality of education is the educational process, and in this case the indicators in the reports are critical thinking in teaching. This indicator is also obtained through surveys, and in 2018 it was 3.6 points, and did not change in 2019 (a slight change was observed in standard values, which is noticeable from Table 1). By this indicator Armenia is behind Russia and Kazakhstan from EAEU. The region is behind Azerbaijan, at the same time surpassing Georgia and Iran. Critical thinking in teaching depends to a certain extent on the professional quality of teachers, and this is a characteristic indicator of the percentage of trained teachers. However, as there are no up-to-date statistics for Armenia, we will not monitor this figure. Organizing a critical thinking-based teaching process is, of course, up to the teachers, and in this context, their training institute can

effectively solve this problem. The teaching system in educational institutions also needs to be revised.

The last indicator of skills aggregation is the student-teacher ratio at the primary education level. It is precisely this indicator that has contributed most to the decline in the value of the entire pillar. In 2018 this is 9.5 in the Global Competitiveness Report, which is a good result even at the global level. Armenia ranks 5th out of 140 countries. However, the report 2019 noted a sharp decline - 17.6. The rate of decline better describes the country's position, and in this case Armenia is already 62nd out of 141 countries. Of course, at the primary level of education, the individual approach to the students is important, and the lower the score, the higher the educational level.

There is also a problem of data inconsistency here. We believe, that such a sharp decline may be due to the transition to transparency in the education system. After the Armenian revolution, the process of transparency in schools began, and in fact, non-working but registered teachers withdrew from registration, which could lead to such a sharp increase in the rate. Because both the UNESCO and consequently World Bank databases refer to the reports, there is only 2018 data available, which is 15.4, and as of 2016 there is no data available argumentation.

The question is, after all, what should be the approach at different educational levels, and is this not a problem when one teacher in primary education has 15.42 students, and only 6.92 in tertiary education? Let us first consider the examples of European developed countries (see table 5).

Country	Primary	Tertiary
Norway	8.59	8.56
Switzerland	9.93	8.73

Austria	10.02	7.18
Italy	11.48	20.12
Sweden	12.23	12.28
Germany	12.30	7.59
Finland	13.67	19.84
Belgium	11.28	16.95

Table 5. Student-teacher ratio in developed countries

It is noticeable, that the picture is spotted. For Norway and Sweden, the ratios are almost the same. In Switzerland, Austria and Germany a more individualized approach is used at primary level. In Italy, Belgium and Finland the picture is the opposite. From this observation we can argue, that it is only difficult to determine, which educational model is most effective. According to UNESCO data on this indicator in the region, Armenia is expected to reach 2018, as of now it is only behind Georgia and is the leader in the EEU. Interestingly, in all cases in the EAEU and in regional countries, the above model is the same. At the primary education level, the student-teacher ratio is substantially higher than in the tertiary level. The only difference is Georgia, which recorded 8.98 in the primary, and it is not significantly different from the third. Despite the different models at different educational levels, one thing remains for sure at the primary level: countries should strive for an individual approach with students, and in this respect Armenia is falling behind.

Conclusion

The current workforce has been heavily involved in the education system and received long-term education. However, the quality of education received has been poor, and as a result

there are serious problems with the skills of the current workforce in the market.

Despite serious problems with the skills of the current workforce, and fact that staff training could solve the problem and to some extent, this institute is also weak in Armenia, and employers and the state do not make sufficient investment to develop this institute.

In the current population, enrollment rates are already low. The inclusion in primary education is problematic, with a sharp decline compared to the previous period.

The value of the pupil-teacher ratio has risen sharply in Armenia, which is viewed as a bad thing, as the small value of the index implies an individual approach to pupils and students. Looking at the examples of developed countries, we cannot argue, that this approach is unambiguous, as the values of the index in different developed countries differ.

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Գայանե Ավագյան
տ.գ.թ., դոցենտ, ՀՊՏՀ

Ռաֆայել Պետրոսյան
Ուսանող, ինֆորմատիկայի և վիճակագրության ֆակուլտետ
ՀՊՏՀ

**ՀՀ ՏՆՏԵՍՈՒԹՅԱՆ ՄՐԾՈՒՆԱԿՈՒԹՅԱՆ ԵՎ
ԱՇԽԱՏՈՒԹԻ ՀՄՏՈՒԹՅՈՒՆՆԵՐԻ
ՓՈԽԿԱՊԱԿՑՎԱԾՈՒԹՅԱՆ ՎԵՐԼՈՒԾՈՒԹՅՈՒՆԸ**

Բանալի բառեր – մրցունակության հմտություններ, հիմնասյուն, կրթության միջին տևողություն, աշխատուժի որակ, գլոբալ մրցունակության ինդեքս

Հաշվի առնելով աշխատուժի որակի կարևորագույն դերը երկրի տնտեսության մրցունակության ապահովման մեջ, կատարվել է գլոբալ մրցունակության ինդեքսի «Հմտություններ» հիմնասյան վերլուծություն: Բացի հիմնասյան արժեքներից դիտարկվել են այն ագրեգացնող ցուցանիշները: Կատարվել է թե՛ դինամիկայի և թե՛ տարածաշրջանի, ԵԱՏՄ և այլ երկրների հետ համեմատական վերլուծություն: Բացահայտվել են մրցունակության «հմտությունների» հիմնասյան բացասական դինամիկայի պատճառները ՀՀ-ում, վեր են հանվել կրթական համակարգի տևողության, որակի և աշխատուժի ներգրավվածության հետ կապված խնդիրները:

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АНАЛИЗ ВЗАИМОСВЯЗЕЙ НАВЫКОВ РАБОЧЕЙ СИЛЫ И ЭКОНОМИЧЕСКОЙ КОНКУРЕНТОСПОСОБНОСТИ РА

Ключевые слова – конкурентоспособность, база навыков, средняя продолжительность обучения, качество рабочей силы, индекс глобальной конкурентоспособности

Учитывая решающую роль качества рабочей силы в обеспечении конкурентоспособности экономики страны, был проведен базовый анализ навыков по индексу глобальной конкурентоспособности. В дополнение к базовым значениям, были рассмотрены агрегированные показатели. Сравнительный анализ проводился как по динамике, так и по региону ЕАЭС и другим странам. Выявлены причины отрицательной динамики навыков конкурентоспособности РА, связанные с вовлечением рабочей силы, системой образования, продолжительностью и качеством обучения.

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THE IMPACT OF MONETARY POLICY ON DOLLARIZATION OF THE ECONOMY

Abstract: The article discusses the impact of monetary policy on the dollarization of the economy. The main factors that determine the high level of dollarization and its downward trend are analyzed. An econometric model was used to describe the relationships between dollarization of deposits as a dependent variable and transfers in private currency, as well as foreign trade balances as independent variables.

Keywords: monetary policy, dollarization, financial stability, inflation, private transfers, foreign trade balance

JEL code: G 32

Research aim: to observe and analyze the interactions between the level of dollarization of the Armenian economy and a number of factors, in particular the external private transfers and foreign trade balance of the country.

Research novelty: assessed the interactions between the level of dollarization of deposits (as an independent variable)

and, on the other hand, the balance of external private transfers and trade balance (as dependent variables) and the results of its valuation in Armenia.

Introduction

The national currency of any country is one of the most important instruments of an independent and effective monetary policy. The effectiveness of the monetary policy and the overall turnover of the currency as a payment instrument depend on the confidence of the country's population in the national currency. From this point of view, Armenian national currency is not an exception. The practice introduction of the national currency was accompanied by enormous inflationary pressures [1]. In any case, the official devaluation of the national currency and its accompanying quadruple inflation following its official turnover led to the unofficial volume of the major monetary functions of the US dollar, such as value, exchange rate and saving money.

Research results

Most experts agree that "the high inflationary environment, the lack of confidence in the monetary authorities, and the imperfection of the financial markets have played a major role in the dollarization of the economy" [2]. On the other hand, is the dollarization of a certain degree of economy for a small importing country that significantly exceeds export, such as the RA, to be considered objective in some way? However, the issue is to what extent and under what conditions and terms this phenomenon can be considered acceptable.

The issue of "financial dollarization" is now more widely discussed among theorists, under which the ability to provide or express the national currency of a given country in foreign

currency as well as other assets is understood [3]. The combination of these factors in the transactions made ensures the transaction cost savings and the ease of trading. But on the other hand, dollarization substantially restricts the flexibility of national banks' policies, as well as renders national banks more vulnerable [4].

Researchers also often finds that the dollarization of the economy greatly impedes the implementation of an independent, effective and independent monetary policy. In particular, a number of IMF experts [5] agree with this opinion. However, numerous empirical studies show, that high levels of dollarization do not always impede effective monetary policy, especially in the context of ensuring financial stability.

Experience in different countries shows that setting formal barriers to foreign exchange rather, than solving the problem simply increases the volumes of shadow transactions and the shadow currency. In particular, the experience of Latin American countries in the 1980s shows, that such a policy directly affects both investment and national savings. It contributes to the outflow of capital from the country and the restriction of bank credit [6].

Our observations for 2004-2019 about dollarization trend of deposits and loans to financial assets over the period, shows that after the stabilization of the circulation of money in Armenia since the late 1990s, there has been a decline in the level of dollarization in the economy in 2005-2008, fluctuating between 35-65%. However, no matter how paradoxical it may be, there has been a significant acceleration of inflation rates during that period. And in the preceding and following periods, dollarization rates were (and continue to be) high, ranging from 40-70% (see Chart 1).

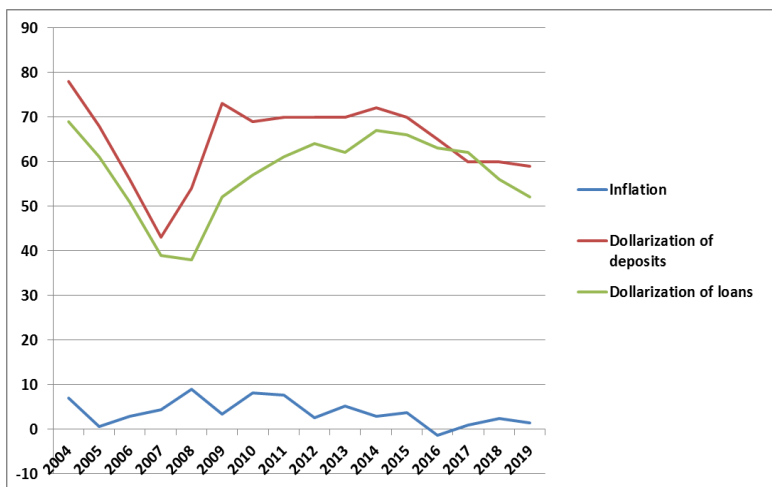


Chart 1. Changes in the level of dollarization of inflation, deposits and loans in the RA in 2004-2019

This study attempts to observe and analyze the interactions between the level of dollarization of the Armenian economy and a number of factors, in particular the external private transfers and foreign trade balance of the country. The research methodology used the econometric model to assess the interactions between the level of dollarization of deposits (as an independent variable) and, on the other hand, the balance of external private transfers and trade balance (as dependent variables) and the results of its valuation.

Within the framework of the study, quarterly digital rows reflecting the volume of deposits attracted by commercial banks of Armenia during 2004-2019 were used as baseline statistics and based on the econometric model the dollarization level of deposits was estimated [8]. At the same time, the quarterly volumes of foreign currency remittances sent to Armenia on behalf of individuals through the commercial banks of the

Republic of Armenia were taken from the CBA external sector statistics database [8]. In addition, data on the balance of exports and imports of goods and services for the period 2004–2019 in the National Statistical Committee database were included in the model applied quarterly [9].

Based on the described indices, an econometric model was considered, the specification of which was finally given by the analysis of a number of preliminary indices. For example, does the need to consider the model indices in a logarithmic manner are conditioned by the fact that the dependent variable is represented in percentages, and the independent variables or factors are expressed in monetary terms. As a result, the following econometric model is presented:

$$\ln DOLL_t = \beta_0 + \beta_1 \cdot \ln S_t + \beta_2 \cdot \ln TR_t + \beta_3 \cdot D_{t2} + \beta_4 \cdot D_{tcr} + \varepsilon_t,$$

where:

$\ln DOLL_t$ – is the t-quarterly value of the dollarized level of the dollarization level indicator,

$\ln S_t$ – is the t-quarterly level of the trade balance of the balance of payments index.

$\ln TR_t$ – is the t-quarter level of the logarithm of the volume of outward transfers sent to the RA on behalf of individuals;

D_{t2} – is a false variable describing the second quarter of each year; [10]

$\beta_0, \beta_1, \dots, \beta_4$ – are the unknown parameters of the model,

ε_t – is the random error of the model in t-view.

Before evaluating the model, the rows that were non-stationary within the model were calibrated. The model was estimated using the least squares method, resulting in the estimated coefficients, and following some arithmetic operations, the following final estimated model:

$$\ln \widehat{DOLL}_t = \underbrace{1.51}_{(0,0011)} - \underbrace{0.02}_{(0,0232)} \cdot \ln S_t - \underbrace{0.11}_{(0,0169)} \cdot \ln TR_t + \underbrace{0.13}_{(0,0114)} \cdot D_{t2} \\ + \underbrace{0.12}_{(0,0091)} \cdot D_{tcr}$$

Dependent Variable: D(LDOLL)				
Method: Least Squares				
Sample (adjusted): 2004Q3 2019Q2				
Included observations: 60 after adjustments				
D2	0.13	0.0511	2.62	0.0114
D(D(LS))	-0.02	0.0088	-2.34	0.0232
D(D(LTR))	-0.11	0.0435	-2.46	0.0169
DCR	0.12	0.0437	2.70	0.0091
C	-0.05	0.0141	-3.44	0.0011
R-squared	0.54	Mean dependent var		-0.005
AdjustedR-squared	0.48	S.D. dependent var		0.06
S.E. of regression	0.0458	Akaike info criterion		-3.25
Sum squared resid	0.12	Schwarz criterion		-3.08
Log likelihood	102.53	Hannan-Quinn criter.		-3.18

F-statistic	11.84	Durbin-Watson stat	1.67
Prob(F-statistic)	0.000001		

Under the coefficients obtained in the estimated model, the brackets indicate the probabilities of being 0 for each coefficient, which is quite low as we can see. The model's deterministic coefficient is close to 0.5, which indicates good model quality. The probability of all coefficients of the model being zero at the same time is close to zero. There is no autocorrelation in such a model. The errors of the model coefficients are adjusted accordingly.

Thus the model's qualitative performance indicators are sufficient to interpret the results with the help of the model:

1. The 1% increase in the trade balance in the t-th quarter may, under other conditions, bring about a 0.02% reduction in the dollar-denominated rate of dollarization in the t-quarter.

2. An increase of 1% in remittances from the Republic of Armenia to the foreign currency in t-th quarter may, under other conditions, lead to an average decrease of 0.11% in the dollarization level.

3. From the model, we note that in the second quarter, the average dollarization rate is 13% higher than in the other three quarters.

4. The model follows that in the quarters above, the dollarization rate was 12% higher than in the other quarters.

Conclusion

The study of the phenomenon of dollarization in the Republic of Armenia concludes that the inflation targeting policy implemented over the last one and a half decade has significantly stabilized the financial system of the country,

increased the level of confidence in the national currency, thus contributing to the reduction of the level of dollarization of the economy. On the other hand, externalization factors - external private and official transfers, as well as changes in the negative external trade balance of the RA - continue to have a significant impact on the level of dollarization of the economy.

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Արսեն Պետրոսյան

տ.գ.թ., դոցենտ, ՀՊՏՀ

Անդրանիկ Մարգարյան

ՄՏՀ ֆակուլտետի ուսանող, ՀՊՏՀ

ԴՐԱՄԱՎԱՐԿԱՅԻՆ ՔԱՂԱՔԱԿԱՆՈՒԹՅԱՆ ԱԶԴԵՑՈՒ- ԹՅՈՒՆԸ ՏՆՏԵՍՈՒԹՅԱՆ ԴՈԼԱՐԱՅՆԱՑՄԱՆ ՎՐԱ

Բանալի բառեր – դրամավարկային քաղաքականություն, դոլարայնացում, ֆինանսական կայունություն, գնաճ, մասնավոր տրասնֆերներ, արտաքին առևտրի սալդո

Հոդվածում քննարկվել են ՀՀ դրամավարկային քաղաքականության ազդեցությունները տնտեսության դոլարայնացման երևույթի վրա: Վերլուծվել են դոլարայնացման բարձր մակարդակը և դրա իջեցման ուղղությամբ շարժը պայմանավորող հիմնական գործոնները: Կիրառվել է էկոնոմետրիկ մոդել, որը նկարագրում է ավանդների դոլարայնացման մակարդակի՝ որպես կախյալ փոփոխականի, և մասնավոր արտաթուփային փոխանցումների, ինչպես նաև արտաքին առևտրի սալդոյի՝ որպես անկախ փոփոխականների, միջև կապերն ու փոխներգործությունները:

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ВЛИЯНИЕ ДЕНЕЖНО - КРЕДИТНОЙ ПОЛИТИКИ НА ДОЛЛАРИЗАЦИЮ ЭКОНОМИКИ

Ключевые слова – денежно-кредитная политика, долларизация, финансовая стабильность, инфляция, частные трансферты, внешнеторговый баланс

В статье рассматривается влияние денежно-кредитной политики на долларизацию экономики. Проанализированы основные факторы, определяющие высокий уровень долларизации и тенденцию ее снижения. Была использована эконометрическая модель для описания взаимосвязей между долларизацией депозитов как зависимой переменной и переводами в частной валюте, а также сальдо внешней торговли в качестве независимых переменных.

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Ընդունվել է փաշարոյթյան՝ 25.03.2020 թ.*

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NATIONAL WEALTH FINANCIAL MEASUREMENT ISSUES

Abstract: Accuracy of macroeconomic information largely depends on the reliability of financial information flows formed in the microeconomic level. For this reason, the consolidation and harmonization of national accounts used in the macroeconomic level and the accounts used in the microeconomic field is of utmost importance. The article presents a new methodology for the management of macroeconomic financial information, based on accountancy approach, which creates the opportunity to present the national economy as a balance sheet model, such as balancing the assets and capital, liabilities of the organization. In this case, national wealth in special macroeconomic accounts, is presented with balanced macroeconomic assets.

Keywords: national accounts, macro and micro accounting harmonization, national wealth measurement

JEL code: E 01

Research aim: identify theoretical and practice opportunities for micro and macroeconomic accounting of national wealth and submit a report on the factor change of national wealth.

Research novelty: is proposed a methodology for financial flows information in the country, taking in account microe-

conomic national wealth measurement, formulated on a "bottom-up" basis

Introduction

Measuring and evaluating the national wealth of the country is one of the key macroeconomic issues, the solutions of which are currently presented in different statistical approaches. At all times, the valuation of national wealth has been extremely important not only in terms of strengthening security, but also in revealing the country's prosperity reserves. In this regard, we attach great importance to the organization of macro-level national wealth accounting, which will provide an opportunity not only to represent the remainder of the country's national wealth, but also the movement in the reporting period [2, pp. 45-48].

In practice, there is a problem of harmonizing the accounting of macro and micro economic activity. Macroeconomic accounting is carried out through the system of national accounts, while microeconomic accounting of companies' business activities is operating by double entry in traditional accounts [3, pp. 23-25].

Therefore, when summarizing the accounting results of the economic activities of organizations and transferring them to a macro level, there is an opportunity to re-organize the macroeconomic accounting of the national economy [4, p. 16].

The system of national accounts operates on the basis of macroeconomic accounting, using the information on the production and consumption accounts of public goods. This system is presented in balanced tables, which are interconnected and summarize the summary of public goods production, distribution, redistribution and consumption.

Founder of National Accounts French economist François Caen in 1758 in his work, Economic Tables, for the first time, presented a macroeconomic balance sheet and attempted to

present the results of the reproduction and consumption of public goods in the form of balance sheets and their value [5, pp. 91-98].

Currently, the system of national accounts management is built on the basis of international standards and macroeconomic indicators, [6] the main of which are:

- gross national product, which is the value of the products and services delivered during the year at market prices;
- gross domestic product is the market value of products and services provided within the country and only by the factors of production of that country;
- gross net output, which is the gross domestic
- product, consumed within the country at market prices, with deduction of depreciation of core capital;
- the gross profit of the economy, which is the surplus output produced within the country within a year, or the gross net output, excluding working capital expenditure and paid wages.

The accounting of the national economy is of great importance in the social life of the country. At first glance, only a descriptive national accounts system enables not only to analyze, but also to predict, the various combinations of economic development factors, to identify ways to increase the efficiency of public goods production, and to regulate macroeconomic balance [7].

Thus, the system of national accounts is mainly used in the formulation of economic policy and macroeconomic forecasts. Cross-sector comparisons of the economy are made on the basis of the results of public goods production, income generation and consumption analysis. The National Accounts information builds on economic summary tables, also referred to as the macro-economic budget, as it represents income and expenditure and thus provides an information basis for short-term and mid-term planning of the country's economy.

Currently, the development of the national accounts system is proceeding in the following directions:

- Expanded balance sheets of new spreadsheets and integration into existing macroeconomic accounts system, covering national assets, financial resources, human capital,
- Improvement of traditional national accounts and breakdown of individual sectors of the economy, improvement of macroeconomic indicators [1, pp. 407-437].

In addition, it is important to apply the universal principles of accounting, throughout the economy of the country, complete the interconnection of micro and macro-economic accounting, which leads to the coordination of information flows and effective economic decision-making.

In this respect, as in organizations, the national economy system can also be represented in terms of the assets and sources of their formation, which is done in business entities, operating in the microeconomic environment. The process of producing public goods is organized by involving labor resources, as well as by using non-current assets (equipment's, streams, vehicles, agricultural land) and current assets (raw materials, commodities financial resources), which together make up the country's national wealth.

Consequently, the balance of the national economy is formed by assets in households, the public sector, and in organizations whose value pool is, at a given point in time, represented as the national wealth of the country. In this respect, there is a need to organize macroeconomic accounting in a way that is consistent with enterprise-level microeconomic accounting, using double-entry accounting.

Research results

Implementing macroeconomic accounts, by double-checking their production, distribution, redistribution and final consumption of public goods throughout the reporting year, is

coming possible to obtain the national economy balance by the end of the reporting year. At the same time, the information summarized in the macroeconomic accounts identifies the factors affecting the change of national wealth in a year. In addition, the result of macroeconomic accounting is not only the balance sheet of the national economy, but also the report on income generation and distribution, which is also the system of national accounts.

Thus, we propose to organize macroeconomic accounting of national wealth in line with microeconomic accounting, using consolidated accounts that not only correlate the initial and final balance sheets of the national economy for the reporting year, but also present macroeconomic accounting and income statement.

Let us take a conditional example of the mechanism of accounting for the change in national wealth for the year. The country's national wealth on January 1, 2020, AMD 3 billion was estimated, with the largest share being current assets (natural resources, financial and productive resources), and human capital represented by a small share (see Table 1).

Assets	Sum	Sources	Aum
Non current assets	1 000	National Wealth	3 000
Current assets	1 950		
Labor sources	50		
Balance	3 000	Balance	3 000

Table 1. The Balance Sheet of National Economy on
01.01.2020 (billion AMD)

During 2020 general production and consumption of goods was organized in the country in the following ways:

- Raw material and commodities worth AMD 20 billion were spent at the initial stage of issuance of material goods,

salary of AMD 10 billion was amortized, and amortization of AMD 7 billion was calculated.

- Initial release of material goods at AMD 40 billion in gross output amounted to AMD 3 billion.
- In the intermediate stage of production and consumption, commodity values of 21 billion were spent (16 billion of which was received from the initial stage of issuance of tangible assets), as well as a salary of 10 billion drams, amortization of non-current assets of 6 billion drams.
- In the interim phase of the release and consumption of tangible goods, AMD 45 billion in gross output amounted to AMD 8 billion.
- 12 billion and 7 billion drams worth of material assets were imported and exported to the economy in the reporting year, respectively, which occurred during the intermediate consumption and production phase.
- The final consumption of public goods issued in the reporting year was made in the following directions: replenishment of non-current assets - AMD 25 billion, replacement of current assets - AMD 22 million, recovery of labor - AMD 27 billion.

The final balances are the accounts of the assets and liabilities of the national economy, which form the final balance sheet of the national economy (see Table 2).

Conclusions and suggestions

Our proposed model of accounting for the national economy provides an opportunity to compile the country's economic assets and sources of their generation balancing. On the other hand, the proposed methodology for macroeconomic accounting operates on the same principle, as applied on a micro level. In this case, it is possible to closely correlate micro and macroeconomic accounting across the country and to conduct a factor analysis of national wealth formation.

“Goods Production” macroeconomic suggested account gives summarizes information the volume of products and services, generated in the country in the reporting year, both at the initial stage of production and at the intermediate and final stage of consumption. At the end of the year there is no balance value in this account, as the surplus and final consumption information is transferred to the respective accounts.

The suggested by us “National Wealth” macro-economic account is subject to change as a result of the surplus posted in the country during the year. For this reason, the "Surplus Result" account has no balance at the end of the year, as it transfers its summary information to the "National Wealth" macroeconomic account.

The information flows of the initial and intermediate stages of production are summarized in the debit part of the suggested “Gross Outcome” account, and the credit represents the intermediate and final consumption, after which the account is closed.

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Հրաչյա Սարգսյան

Տնտեսագիտության մագիստրոս, Սանկտ Պետերբուրգի
պետական տնտեսագիտական համալսարան

ԱԶԳԱՅԻՆ ՀԱՐՍՏՈՒԹՅԱՆ ՖԻՆԱՆՍԱԿԱՆ ՉԱՓՄԱՆ ՀԻՄՆԱԽՆԴԻՐՆԵՐԸ

Հիմնաբառեր բառեր – ազգային հաշիվներ, մակրո և միկրո հաշվառման ներդաշնակեցում, ազգային հարստության չափում

Մակրոտնտեսական տեղեկատվության ճշգրտությունը էապես կախված է միկրոտնտեսական հարթությունում ձևավորվող տեղեկատվական հոսքերի ձևավորման հավաստիությունից: Այդ իսկ պատճառով, չափազանց կարևորվում մակրոտնտեսական հարթությունում կիրառվող ազգային հաշիվների և միկրոտնտեսական հարթությունում օգտաործվող հաշվապահական հաշիվների համախմբումը և ներդաշնակեցումը: Հոդվածում ներկայացվում է կրկնակի գրանցման հիման վրա մակրոտնտեսական հաշիվների վարման նոր մեթոդաբանություն, որի արդյունքում հնարավորություն է ստեղծվում ազգային տնտեսությունը ներկայացնել հաշվեկշռային մոդելով, ինչպիսին է կազմակերպության ակտիվների ու պասիվների հավասարակշռումը: Այս դեպքում ազգային հարստությունը հատուկ մակրոտնտեսական հաշիվ-

Ներով հավասարակշռվում է մակրոտնտեսական ակտիվների հետ:

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ПРОБЛЕМЫ ФИНАНСОВОГО ИЗМЕРЕНИЯ НАЦИОНАЛЬНОГО БОГАТСТВА

Ключевые слова – национальные счета, гармонизация макро и микро учета, измерение и учет национального богатства

Точность макроэкономической информации существенно зависит от надежности информационных потоков, формируемых в микроэкономической сфере. По этой причине консолидация и согласование национальных счетов, используемых в макроэкономической сфере, и счетов, применяемых в микроэкономической среде, имеет первостепенное значение. В статье представлена новая методология ведения макроэкономической учета, основанная на двойной записи, которая создает возможность представить экономику страны с использованием балансовой модели, такой как традиционная балансирования активов и пассивов организации. В этом случае, национальное богатство на специальных макроэкономических счетах предствояется сбалансировано с макроэкономическими активами.

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Ընդունվել է փաշարույթյան՝ 25.03.2020 թ.

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