

- *in the field of environment*, information technology will help to expand humanity's capacities to understand and manage physical and ecological processes, and to forecast and respond to disasters and catastrophes.

- *in the field of culture*, multimedia technologies already offer tremendous possibilities for the promotion and sharing of physical and non-physical cultural heritage.

The information economy is required to contribute to "advancing the mutual knowledge and understanding of peoples, through all means of mass communication", "to promote the free flow of ideas by word and image", to "maintain, increase and diffuse knowledge", and to "give fresh impulse to popular education and to the spread of culture".

It is true that economic and commercial interests now seem to be the main driving force for the building of information highways. But it is also obvious that culture, education and science, as distinct and integral parts of our civilization, cannot be left totally at the mercy of market forces. We should create & adopt the information policies, which will be in harmony with society, economy & environment.

## **THE SHADOW ECONOMY IN UKRAINE**

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For long time Ukraine had command and control economy. The process of creating of free market system was started in 1991. At that time Ukraine was not able for radical changes, and the huge "shadow" economy arised.

Under the "shadow" economy we understand: hidden services and goods production; informal activity (no registered business); illegal economy - bribes, swindler, extorting, contraband, prostitution, and so on.

There is one important aspect of studying shadow economy: the scales of "shadow" economy's capital turnovers and incomes are unnoticeable That is why it is the "shadow" economy. It is supported that the share of the "shadow" economy in Ukraine in machine - building in 1993-1995 was 5-13, in oil - processing -11 per cent in public transport -

20-30, in service 80-86 and in the field of medical services it was 47-50 per cent. In 1996-97 the tendency towards growing is going on. Shadow capital is actively taken out. In accordance with data of the National Bank of Ukraine, in 1994 approximately 2 billion dollars were carried out, and Ukrainian foreign investments in 1994 were 8,4 million dollars. Approximately 40 per cent of cash, which is in circulation, miss banks. In such a way, the "shadow" sector is serviced. Now it is on the almost legal level, and, practically, all population is engaged in it.

Our "shadow" has a feature - it is a self-reproducing system. "shadow" generates crisis, and crisis, in its own turn, generates stronger "shadow". This is the most important cause of economical lagging of Ukraine, in comparison with the Eastern - European countries. But the "shadow" has the only one positive aspect: The "shadow" economy, in the time of deep crisis, helped people to survive and is doing it now. As a final result - it has a bad influence upon future developing of Ukraine. Now we are able to observe:

- the criminalization of the "shadow" economy and society, and appearing of organized criminality, which has become the political phenomenon. Authorities of criminal world become deputies on different levels. That gives the possibility to have an influence upon state resolutions (the above - mentioned is caused through the piling up of capital in the "shadow" sector. Approximately 77 per cent of all money mass are in the "shadow"). It has a bad effect on the foreign investment activity, because the risk level is high.

- the scientific and technical degradation, because the elements of the "shadow" economy do not make long-term capital investments to maintain innovations.

- the conversion of the "shadow" economy into monopsony. Having at its disposal enough large capitals, the "shadow" economy is able for removing of any competitor to buy and to resell goods. Taking the part of goods or financial capitals in the conditions of deficiency of the industrial one, the "shadow" money are doomed to play an inflation role.

The existing of mass abuse in the country on all levels (and on the state level as well) gives a ground to call the economy of Ukraine "persons economy". Persons Economy - it is the condition of economy.

in which common result depends on decisions of persons, which are engaged in a "shadow" sector. This condition is just for countries with large "shadow", which has a tendency to become deeper corrupted.

The "shadow" economy cannot be easily liquidated, but it is necessary to decrease its share, to make it within the limits of 20-25 per cent. The most important method must be a policy with the combination of a "whip" and a "gingerbread", but the priority has to belong to the "gingerbread". It is very important to create the normal conditions for business functioning. The state must facilitate the process of firms creating, entering, and functioning on a market by means of:

- reducing of a quantity of the bureaucratic barriers during founding;
- changing the tax system;
- stimulating the foundation of the systems of business legal protection, giving credits on favorable terms, giving of information of good quality.

Capital, which is in the "shadow", must be pulled into a legal sector. But the process of convincing of Ukrainian businessmen to make own business legal, will be very hard, because control made deep psychological traumas. The hardest problem, which has to be settled, is to change the way of our people thinking. It is needed to change some generations.

## **THE COMPETITIVE ANALYSIS OF GOODS' POSITION ON FOREIGN MARKET**

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The competition is one of the main operative powers of market economy. The rival overseas market research is required for successful functioning of the enterprise. It is impossible to get the advantages in competitive fight on foreign markets when you ignore your own rival and information about their weak and strong points.