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Kazakhstan Philosophy Congress: Eastern Division: METHODOLOGICAL, SOCIAL AND POLITICAL ISSUES OF PHILISOPHY ON THE ANALYSIS OF MEGA-TREND FOUNDATIONS OF MODERN WORLD	7
DEVELOPMENT: METHODOLOGICAL ASPECT Gusseva N. 5	
ON THE DEVELOPMENT OF THE THINKING SUBJECT Ishchenko T. 9	
CRITICISM OF FORMALISM IN ART: METHODOLOGICAL AND PSYCHOLOGICAL ASPECTS Mareeva E., Mareev S. 15	
DOES MODERN PHILOSOPHY HAVE ANY FUTURE? PHILOSOPHICAL ESSAY Kossichenko A. 20	
PECULIARITIES OF UNDERSTANDING THE RIGHT TO EDUCATION IN THE ERA OF ANTIQUITY  Muzhchil S. 24	
BASIC EXISTENCE OF SCIENTIFIC PHILOSOPHY BECAME THE MAIN QUESTION OF PHILOSOPHY Nekrasov S. 29	
PERSONALITY IN THE CONTEXT OF ILYENKOV'S PHILOSOPHICAL AND PEDAGOGICAL IDEAS Sukhanov V. 40	
INSTRUCTION AND LEARNING ISSUES  APPLICATION OF INTERPERSONAL NEUROBIOLOGY TO THE KAFT CLASSROOM Foltz L.G.  49	
TEACHING ACADEMIC LISTENING USING A VIRTUAL LEARNING ENVIRONMENT Zhubanova Sh. 56	
THE ROLE OF MANAGEMENT AND LEADERSHIP IN THE DEVELOPING OF THE EDUCATIONAL SYSTEM OF KAZAKHSTAN Uzakbaeva Zh. 64	
LEADERSHIP IN THE DEVELOPING OF THE EDUCATIONAL SYSTEM OF KAZAKHSTAN Uzakbaeva Zh. 69	

BUSINESS ADMINISTRATION AND SOCIETY DEVELOPMENT COVENANTS IN LOAN CONTRACTS AS A MEASURE AND AID TO REDUCE	CE
RISK Stefan N., Brauweiler HCh.	
EFFECTIVE MODEL OF SPORTS MANAGEMENT IN KAZAKHSTAN: FORE EXPERIENCE	74 EIGN
Alshimbayev R., Iskenderova F.	83
INVESTIGATION OF WORLD VISION AFGHANISTAN HRM PRACTICES A PERCEPTIONS FOR IMPROVING ORGANIZATIONAL MANAGEMENT AND PERFORMANCE	
Faizi N., Bordiyanu I., Novitskaya Y.	90
THE THEORETICAL BASIS FOR THE FUNCTIONING OF THE SYSTEM INTERNAL CORPORATE TRAINING OF PERSONNEL IN THE ECONOMIC CONDITIONS	M OF NEW
Tokarchuk V., Nepshina V.	100
PROBLEMS AND TRENDS OF MARKETING MANAGEMENT IN DOME PRACTICE OF THE REPUBLIC OF KAZAKHSTAN	
Kazykenov A., Zhadygerov Sh., Syrymbek M.	106
LIQUIDITY AND SOLVENCY AS KEY PERFORMANCE INDICATORS OF T ENTERPRISE	ΉE
Toleukhanova A., Nepshina V.	111
EFFECTIVE USE OF BUDGETARY FUNDS OF THE REPUBLIC OF KAZAKHSTAN	
Ramazanov Zh., Bordiyanu I.	116
IMPROVING BUSINESS PROCESSES OF AN INDUSTRIAL ENTERPRISE Kupina Kr., Sarsembayeva G.	128
GUIDELINES FOR SMALL AND MEDIUM-SIZED BUSINESSES' DEVELOPMENT IN THE REPUBLIC OF KAZAKHSTAN Demidov A.	132
LINGUISTICS AND LEARNING ISSUES	
CREATIVE APPROACH TO ORGANIZATION OF PRACTICAL WORK ON SPECIAL EDUCATION METHODS OF TEACHING A FOREIGN LANGUAGE Oskolkova A.	E 139
ENGLISH GRAMMAR EXERCISES FOR ESL STUDENTS Kamzina Zh.	144

## ON THE ANALYSIS OF MEGA-TREND FOUNDATIONS OF MODERN WORLD DEVELOPMENT: METHODOLOGICAL ASPECT<sup>1</sup>

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The analysis of foundations, that give raise to certain trends, has a methodological nature as it has to reflect the logic of development processes or, contrariwise, the logic of society degradation. Mega-trends are global processes covering the entire world community, which have already passed through their establishment stage and have a significant influence on everything that is happening in the world.

Modern global development and identification of its trends as the subject matter requires initial determination of what development is, especially regarding the whole world. Development is commonly understood as existence of certain changes. But obviously, just changes cannot be considered as development. If development is viewed in the dialectical tradition, then we must admit that its nature is expressed through understanding that changes can be considered development, first of all, only when there emerges something qualitatively new compared with already existing in a process under revision. Besides, secondly, the emergence of something qualitatively new shouldn't be neutral against the "positivity" scale for the community reviewing the development phenomena. Thus, if there emerges something qualitatively which is characterized by attributes of decreasing "positivity", then, in this case we are to talk not about the development, but about a counter-process, i.e. degradation.

The determination of world development and the trends arising in it as forms of its certain concretization makes sense only when there is a question of clarifying the possible perspectives for qualitative changes in the world which should have a positive status. In the modern world fundamental characteristics of its qualitative changes are related to the processes that are implemented by humans who link their mental and material power to deal with life's challenges. Different types of human activity in a society, the depth of this joint activity, its focus on understanding the natural and institutional being, etc., are the contextual conditions due to which it is possible to consider a question of positive and negative mega-trends in the modern world development.

The appeal of a man and a human community to the world always preserves the features and structure of activity. It is this activity that is the procedural basis of any conditions in society and an individual human life. The methods for its implementation determine the nature of the upcoming changes and their positive or negative nature. The main options for such methods are always options for holistic and shared activities. The former becomes the basis of real cooperation, the establishment of mutual understanding and respect in the human community. The former, on the contrary, is the basis for placing interests at the poles, on the one hand, of those who dictate and, on the other hand, those who are dictated certain positions. Let us explain what was said.

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<sup>&</sup>lt;sup>1</sup> The materials of this article were presented at the XVI International Scientific Conference "Modernization of Russia: Priorities, Problems, Solutions".

Every activity in its structure always has, as is well known, its following main "structural and functional blocks", that is, structural elements that determine its certain functions in the process of activity. These include: AIM - SELECTION OF MEANS - EXECUTION - OBTAINING RESULTS. In a holistic activity, the human community or a certain group of the community carries out all these "structurally functional blocks" independently or together. That is, the GOAL is worked out together, then: the MEANS of achieving the goal are determined together, the goal is achieved together, that is, EXECUTION is realized together. The result obtained also turns out to be a shared result, that is, it bears directly the shared or, in this case, social character. People who have completed a holistic activity turn out to be creators equally related both to the process of this activity and to its result. On the basis of the holistic activity, there is no differentiation or polarization in the statuses of the people, which then express their social inequality.

In a divided activity, each of the "structural and functional blocks" (goal, choice of means, execution, obtaining a result) is assigned to different people or groups of people. As a result, the divided activity from the very beginning becomes the initial basis for the separation of not only the interests of people in accordance with the part of the divided activity, but also becomes the basis that serves not the development of society, but creates deadlocks and causes a serious deformation of social relations that impede development. The loss of the characteristics of integrity by an activity on the scale of the society means the beginning of a process of deep social differentiation.

The initial division of activity took place already in ancient times. In the modern world, it characterizes the substantial majority of activity processes. Speaking of the division of activity, one should not associate it with specialization, although the use of this term in relation to various types of activities according to their nature (cattle breeding, tillage, handicraft, etc.) is historically quite common. In ancient times, this division of activity characterized the differentiation of large primitive communities. In the modern world, the division of activity means, as you know, the fact that within the same sphere of activity, some people are engaged in goal-setting, form their interests in the framework of this activity, which is limited precisely to the goal setting and everything connected with it. Others, engaged in choosing the means for its implementation, form their own interests, which differs from the interest of goal-setting agents. Still others, being performers, also form their own interests, which again do not coincide with the interests of both the first and second groups<sup>1</sup>.

The division of activity at all levels of society leads to the atomization of individuals, and the entire social process begins to simulate Brownian motion in its form. The leading attribute of human existence is the disagreement of interests, turning into their antagonism.

In his "German ideology" K. Marx noted that the separation of activities and private property are one and the same.<sup>2</sup> In one case, it is a process, and in the other, it is a result.

The atomization of individuals through a tendency to consolidate the embodied results of divided activities leads to a serious confrontation between social groups be-

<sup>&</sup>lt;sup>1</sup> The classical example is when the executor is not interested in the goal of the activity, since he is completely absorbed by his own executive goals and objectives.

<sup>&</sup>lt;sup>2</sup> See: Marx, K,, Engels, F. German Ideology. The words, as is known, belong to K. Marx.

longing to different, or, more precisely, opposite "structural-functional blocks" of activity. This is most clearly manifested in the belonging of some people to the group of goal-makers, and others to the group of executors of goals that they did not set. The embodied results of divided activities are expressed in a socially significant form - in the form of private ownership of the means of production, which further acts as a matrix of the prospects for the development of social relations. This prospect is built on even greater differentiation and the accompanying polarization of people's interests. This is what K. Marx called the atomization of individuals.

Public interests are becoming a matter of concern to social institutions. Moreover, the structure of social institutions expressing public interests, that is, the interests of the whole society, neither in its form nor in its content coincides and cannot coincide with the immediate interests of a person who carries out his life activities. Institutions manifest their influence in the form and status of contexts in which the functioning of atomized individuals takes place. As such contexts, institutions play the role of adaptive, balancing, etc. authorities, which although located outside of each individual, at the same time are able to influence their behavior, the choice made, decision making, preferences, etc. This indicates that institutions have the role of a kind of regulators that ensure the direction of movement of the masses of atomized individuals. The importance of social institutions in this case is becoming more and more decisive in the organization of public life. It is about the parameters of civilizational existence. These parameters distinguish civilization from culture. If culture, in fact, expresses the processes and results of holistic socially significant, creative activities of people, then civilization, on the contrary, expresses the processes of organizing replication, application, use, implementation, etc. of what is created in the culture.

In the context of a social state in which atomization of individuals predominates, cultural parameters exist and are implemented with great difficulties. The parameters referring to civilization, on the contrary, turn out to be the same as the parameters for realizing the partial interests of atomized individuals, although these interests in this case are no longer the interests of people capable of creativity or seriously oriented towards creative activity. In this case - the case of a social state in an atomized form people's interests are focused on application, use, implementation, etc. as part of their private needs and preferences. The question of creative making becomes in some sense transcendental, that is, it turns out to be unconnected with the logic of everyday existence. Within the framework of the civilizational parameters of social being, the logic of people's everyday existence is what is called functioning, and not creative making. The functioning of people is always regulated. The regulation is contained in the instructions for the execution of various systems of actions for each employee at each workplace. Job descriptions describe the sequence of application and the requirements for implementation of methods, the responsibility, etc. of each employee for the performance of his functional duties. Functional existence is predominant under conditions of the leading role of civilizational organization of human life and the entire human community in the modern period.

The orientation and prevalence of functional existence on a global scale leads to the gradual degradation of what is associated with the possibilities of preserving and developing a creative attitude to life, realizing the creative potential of people and, therefore, with the existence and development of culture itself. It is not accidental that the theme of cultural death is one of the leading topics in the world philosophical thought over the last one and a half to two centuries.

The absolutization of civilizational parameters, coupled with the characteristics of the consequences of atomization of individuals, is the basis of significant transformations of all forms of social life and corresponds to the formation of negative prospects in the future. This applies not only to the material foundations of social existence, but also to those related to the sphere of human relations proper, which are traditionally considered to belong to the spiritual world of a person. For material reasons, the atomization of individuals, entrenched in a civilizational form of organization of social life, turns out to form difficulties in achieving technological renewal and development of production. Since private interests do not contribute to this. They can reach the level of major social tasks only if their own satisfaction is ensured, expressed in certain profits and financial gains. But even in this case, private interests in no way begin to coincide in their essence with the interests of society. In this case, there is only a formal concomitance with the public interest, which takes place until the action satisfying the particular interest conditions is completed. Here we will not point out the numerous facts and revelations that clearly speak about this, which take place in the modern history of various countries and states.

In the spiritual sphere, there is also a significant transformation of both meanings and conditions that characterize the modern existence of the human community. This can be seen if we turn to well-known situations concerning understanding and appreciation of important phenomena for a person and society. Thus, for example, one can compare the understanding of what is considered fair under conditions when the relations of people develop in the situations of share activity and when they develop under conditions of divided activity, where private interest predominates. Justice in the conditions of shared activity cannot but characterize the equal situation of all those who carry it out. Justice in a divided activity, on the contrary, characterizes the priority of those who set goals in contrast to the position of the performers. As an example of this we can consider a widespread situation when the leader in the field environment of divided activities allows considering it possible to establish a reward for his activity hundreds or thousands of times greater than that of the performers. In the political sphere, those transformations of meanings that affect the essential for modern ideology understanding of the characteristics and possibilities of democracy are significant.

The "matrix" of understanding the fundamental role of activity (divided or shared) for the process of and prospects for the development of society "works" when we consider it in relation to other phenomena, and not just in relation to the moral or ethical definitions of human life. These include political, scientific, and art phenomena, law, religion, and philosophy itself. Consideration of this can be a subject of more than one monograph, the conclusions of which, as well as in this article, will focus on the understanding that positive perspectives and trends in social life can and should be associated only with the implementation of the logic of shared activity across the whole society. Otherwise, the prospects will be negative, and they will affect all spheres of human existence.

#### ON THE DEVELOPMENT OF THE THINKING SUBJECT

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In case we assume that a new notion in science results from a resolved contradiction, or the answer to previously set problems, it appears relevant to look into the problem of how the cognizing subject develops their ability to settle existing contradictions in science throughout the cognizing process in society. Since the development of personality is inseparable from the development of thinking and the ability to reason, the development of the thinking subject becomes particularly topical.

What encourages the development of the thinking capacity of a person? What causes education in the 21<sup>st</sup> century to lose its fundamentality? When does the cognizing person become a thinking subject? Why does the key contradiction of the cognizing process (between the nature of the content and ways in which it is explored by the learners) require turning to the ideas of Classical Philosophy where the development of thinking is viewed in its connection with scientific methods of cognition and the principle of contradiction?

According to Evald Ilyenkov, a notion develops in relation to understanding the contradictions that it reflects, which requires certain logical culture of mind and conscious application of logical categories in research of the objective reality [5. 142], as basically those logical categories represent cognized forms of development and ways in which the thought-of material is bound and that are identical to its global interrelations in the process of activity. A smart person is one who can think, reason, make independent judgments about things, people, events, and facts, however "make judgments based on the highest norms and criteria of the human spiritual culture"! Immanuel Kant dubs this ability "execution of the power of judgment"!

How does the thinking subject, the acting subject, evolve? As Marx puts it, "the subject is reality unfolding through its inherent contradictions". While elaborating on dialectic as logic, Ilyenkov considers the thinking subject to be an individual "in the midst of social relations, a socially determined individual with forms of vital activity that are not predetermined by nature but are a product of history and the process of emergence of human culture" [4. 185]. Based on these statements, the emergence of a thinking subject is derived from the realization of the principle of contradiction, evolution of thinking culture, and establishment of social relations in which a cognizing subject acquires forms of thinking and becomes able to resolve problems. Transferring readily available knowledge from the teacher to learners without challenging their thinking leads to the appearance of "impersonal" education process, on the one hand, which in its turn forms a "subject" who is unable to think independently, a "subject" who cannot make independent judgments.

The cognizing process is supposed to unfold in parallel to the development of the ability to think that leads to discovery of a new notion as a result of the thinking activity. In *Phenomenology of Spirit*, G. W. F. Hegel noted that if the path leading to the result is left aside, it is too bad because the result without the path leading to it is nothing but a corpse that left the tendency behind itself. The distinguishing feature of analytical cognition was seen by Hegel in that it is not characterized by mediation, as it implies

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immediate transfer of notions in their relation to the object. A thinker identifies the mechanism of passing from analytical to synthetic cognition: the necessity to transit from the form of immediacy to mediation, from the abstract equation to distinction [1. 896-897].

Considering the *instants of synthetic cognition*, Hegel specifies three of its interconnected components: definition, division and scientific proposition. *Definition* brings an object to its notion, with the instants of learning the notion being universal (nearest genus), particular (specific distinction as a definite kind) and individual (the object itself as an immediate representation; with genus and kind proposed as one). *Division* of the universal into particulars is a necessary condition for a concept to unfold (be explored), which lays the "foundation and possibility of synthetic science, a certain system and systematic cognition" [1. 905]. And since the task of dividing is to cognize, it requires a path in accordance with the logic of cognition.

As definition does not yet constitute a fully-fledged notion and only relies on certain identifications of the perceived objective reality or reflections, the task of cognition at the stage of division is to "sort out the particulars found in the empirical material, on the one hand, and, on the other, apply comparison to find its universal definitions as well," which suggests the necessity to find different grounds for division into various kinds that will allow us to exhaust the definitiveness of the notion. This mechanism elicits problems inherent in the cognizing process, in which neglected division allows for enormous numbers of kinds, which does not affect the definitiveness of the notion and only suggests a "game of arbitrariness," as Hegel believed.

According to the studies that we carried out, eliciting the grounds for division proves to be a rather sophisticated cognitive operation and, thus, whichever way the features get identified (grounds for division) affects the classification and definitiveness of a given notion. This approach makes it possible to handle the notion sensibly, which implies it has been realized and comprehended - only then the cognizing subject is able to generalize and change the object.

Scientific proposition, as the third stage of synthetic cognition, primarily constitutes the transition of particularity into singleness which coincides with the content of the scientific proposition - "definitiveness corresponding to itself. While a definition contains one definitiveness, and division is definitiveness in relation to other instances of definitiveness, a scientific proposition implies that "the object is known in its reality, in conditions and forms of its existence. That is why a scientific proposition taken together with the definition represent an *idea* that is a unity of notion and reality" [1, 911]. A scientific proposition has to be proven. Also, mediation allows for construction of connections between the mediated components.

"Synthetic cognition aims to comprehend what is contained in notions, i.e. to grasp the diversity of identifications in their unity," concludes the thinker in his treatise *Science of Logic* (1812-1816). Thinking, the thinking ability of a person, determines their existence, however at the same time, the opposite is also true. "As is notion, so is labor," Hegel concludes as a result of the conducted study. Interpreting the absolute idea as the oneness of theoretical and practical ideas, Hegel points out their one-sidedness alongside incoherence when they are considered separately. The notion as the goal of our knowledge, and the method as a means and this knowledge itself, "for which the notion is given both as an object and own subjective action, as a tool and instrument of the cognizing activity not identical with it" [1. 934-935]. The cognizing subject who can operate the notion possesses "all the essence of the objective reality".

In case analytical cognition is realized - a path in concordance with nature - with the neglect of synthetic cognition - a path in concordance with the logic of cognition - the thinking ability only develops one-sidedly. Moreover, the current situation in the education process concerns neither the logic of cognition nor the nature of the learner that is intrinsically characterized by the curiosity of their intellectual power, which implies interest in problems, thinking competitiveness and subjective activity.

How does the cognizing subject evolve in the course of the cognizing process? Exploring the idea of cognition, Hegel makes the following conclusion: "the cognizing subject in their notion possesses all the essence of the objective reality; the process consists of assuming particular content of this reality for oneself as identical to the notion and, the other way round, assuming the notion to be identical to the objective reality" [1. 885]. Nevertheless, in case the learner does not fully operate the notion, the objective reality is inaccessible to them - they are unable to establish relations between the object in interest and other objects. The ability to only operate at the level of assumptions of sensorial nature cannot lead to understanding the essence of things. According to Evald Ilyenkov, thinking, as an active ability to transform objects in a peculiar way (without bringing any actual changes to them or performing tangible actions with them), namely the ideal activity of thinking, is prerequisite to the functional existence of social structures, reproduction of social relations, as well as preservation and development of culture. Therefore, the culture of thought stipulates the development of culture and relations within society. The most powerful means to develop the cognizing subject along this path is the principle of contradiction, exploration of which triggers the process of cognition predominantly moved by the intrinsic impetus. By solving the contradiction, identifying the essential characteristics of the studied entity from its preconditions to the mature form, the cognizing subject develops conscious activity manifesting the forms of human active existence. Given the conditions, discovery of a notion coincides with the process of understanding, the process of thinking ability development and exploration of the thinking subject by the subject herself.

While tackling the problem of contradiction in logic, the philosopher Evald Ilyenkov points out that "to develop a notion means to develop understanding of contradictions that are found in its core", and it is done "by exploring how the said contradictions are actually resolved throughout the movement of the notion's foreshadow, and which "intermediary links" connect the poles of the discovered contradiction" [5. 142]. Viewing the theory of dialectic as logic, Ilyenkov believed that it is basically the theory of cognition itself, and "scientific worldview that has no philosophy, logic and theory of cognition in its foundation is just as nonsensical as "pure" philosophy that considers itself to be the worldview, placing a task upon its shoulders that is only possible to be carried out by the whole body of sciences" [3, 319]. In his analysis of cognition problems, the philosopher noted, "Without spiritual health in our modern time, it is too easy to choke and drown in the avalanche-like flow of information that is daily and hourly dumped onto people from all directions" [3. 21]. In his view, spiritual health is interpreted as a need to think and make sense of what is going on. If we assume that problems of cognition are related to problems of the development of thinking abilities, the ability to make judgements, as well as problems of creativity, we may conclude that the process of cognition not only determines the development of a given person but the entire society as well.

In his studies of the problems of active cognition, the philosopher G.V. Lobastov considers cognition to be a form of activity attributed to the subject, which reflects the

ways various entities are transformed in human practice rather than the entity in its immobility, or general abstract properties present in all entities of the same kind at once [8, 9]. In such a context, cognition is a means by which common practice is transformed and it allows to view practice as realized theory. That said, it brings up the challenge concerning logical and didactic tools that encourage learners to become cognizing subjects. Didactic reflects the interconnection between psychology (direct connection) and philosophy (feedback connection) as well as issues of formation of thinking culture.

One powerful way to encourage the thinking ability in a learner is through contradiction that urges them to pursue truth once it is discovered. The ability to withstand the so-called "pressure of contradictions" that are ingrained in the studied material is what demonstrates the culture of mind attributed not only to the learner but the teacher too, as well as their ability to think dialectically. In case the learning process is reproductionbased, which suggests that it does not entail specifically arranged pedagogical conditions that are aimed to bring about the subject of activity, or develop subjectivity, such conditions are likely to be immoral. By contrast, the productive variant requires the cognitive process to be founded on the key principles of contradiction, action-based mediation, feedback connection, consistency, etc. Taking dialectic as development of the thinking ability of a person through identification and resolution of contradictions stemming from the unity of its contradictive parts, we may just as well conclude that school that is "supposed to teach how to think" does not involve the logic of cognition, the very nature of the learner and, thus, the potential of dialectic as a method of scientific cognition and means of consciousness transformation. On the one hand, the method is immanent in the studied content (according to Lev Vygotsky), but, on the other hand, the scientific method of cognition results from this content.

It follows from the abovementioned that the present-day didactic system is changing in terms of resolving the tasks of cognition by its intrinsic means. In case the process of cognition manifests dissonance between the content and the form of knowledge, a mismatch between the method and the studied content, it leads to diminished relations both to the logical nature of knowledge and development of the universal ability of the cognizing subject - their thinking. It suggests that throughout the process of cognition thinking does not function as a person's mediated and generalized cognition of entities and phenomena of reality in its essential properties, connections and relations. Therefore, scientific knowledge and theory are left impenetrable to the learner, and transformation of the objective reality and the learner herself is hampered as well.

Transformation of consciousness as a sort of movement from the subjective notion and subjective goal to the objective truth is supposed to involve the following in the process of cognition: levels of generalization (languages - sciences - philosophy); interdisciplinary connections (at the levels of science and philosophy); development of the ability to analyze and synthesize notions as a unity of contradictions; unity of formal logic, dialectical logic and theory of cognition [2, 40]. This approach is aimed at the identification of cognitive means that encourage transformation of a learner's consciousness. Keeping in mind that labor is a purposeful, mediated and transformational activity done by a person, in such conditions the cognizing subject, while exploring a notion, applies tools that are related to the theory of cognition, formal and dialectical logic. The philosophical (methodological) context of this statement not only lies in the foundation of how the process of cognition is arranged and how the tools of cognition are passed over but also in the description of patterns in accordance to which this process is evolving. And that is where we leave the realm of pedagogical activity which is

only focused on its own specific properties, because in order to transform both consciousness and relationships we have to deal with the development of culture and economic processes, since the nature of educational activity and the nature of the education process are both stipulated by them. On the one hand, the crisis in education reveals the imperfection of methodical forms, on the other, though, it necessitates bringing about the forms that would comply with the needs for the development of scientific knowledge and human, and respond to the challenges of the current time [6].

In the work *Dialectical Logic*, Evald Ilyenkov analyzes the path towards creation of dialectical logic and underscores the process of spiritual evolution marked by the names of representatives of German Classical Philosophy of the late 18<sup>th</sup> and early 19<sup>th</sup> centuries: Kant, Fichte, Schelling, and Hegel. Namely, based on the analysis of the previous theories, Kant reached the conclusion that "dialectic is a necessary form of intellectual activity typical of the mind that occupies itself with resolving higher synthetic tasks, or constructing theories... Therefore, Kant, as Hegel put it, stripped dialectic off its apparent arbitrariness and exposed its absolute necessity for theoretical thinking" [4. 78].

In the situation of crisis in ethics, spirituality and economic havoc, contradictions of the education process are impossible to approach exclusively by pedagogical or psychological means. It requires reaching beyond the sphere of education, as problems in education are deeply rooted in the universal problems of humanity. Ideas of Classical Philosophy, on the one hand, shed light onto the ways of how education is to develop on the basis of introspection of thinking forms and scientific methods of cognition but, on the other hand, it allows to see the limitations of pedagogical activity as it is applied to resolve the key contradictions inherent in the process of cognition.

When considering the substantive component of the process of cognition, the identified problems found in the development of the thinking subject require application of the analytical-synthetic way of cognition, as well as identification of a methodical form that would correspond to the content of the studied material and, therefore, expose the key contradictions inherent in the evolution of the system of notions in question, while preserving historical and logical aspects of the essential knowledge. The cognitive and operational component is aimed at handling the notion: its analysis and synthesis, i.e. exploration in terms of its content and volume; formulation of statements and assumptions in the process of resolving tasks; eliciting new knowledge by way of settling contradictions; construction of problem questions [7]. The realization of functions of intellectual labor will stipulate the development of the thinking subject, with the primary function being the logical one, otherwise called theoretical, that triggers the thinking process. The second function is practical (executive), it performs what has been marked out by the thinking. The supervisory function combines theoretical and practical components. The organizational and communicative component foresees an optimal combination of organizational formats in the process of cognition and forms of communication. Involvement of various labor forms (as those found in economy) will provide meaningful communication and comprehension of essential characteristic of the entity under study. The forms of labor - individual labor, simple cooperation, complex cooperation - will keep the learner involved in the cooperation with others on the basis of their individually performed tasks and generated assumptions. This stage puts a start to formation of the external and internal motivation of cognitive activity. Implementation of these components in the process of cognition will encourage the appearance of cognitive competitiveness, and the transit from the subject-object relations to the subject-

object type. In such conditions, the teacher is a subject of the pedagogical activity who professionally makes use of scientific methods of cognition, patterns and logical means of cognition and who is able to consciously determine the right conditions for other thinking subjects to develop in. Evald Ilyenkov provided conclusive proof based on conducted research that as long as dialectic is viewed as a tool to prove a previously accepted thesis, it is bound to remain something "insufficient," - it is exactly where a pedantic teacher shows up who was given quite a critical view of in his texts. Logical means of cognition based on formal and dialectical logic, scientific methods of cognition that are complaint with the content under study, as well as problem questions will all be able to improve the situation in case Logic is appointed its deserved role in education, and if Classical Philosophy and its exploration stimulate the process of development of the thought itself, as well as the evolution of notions from their very appearance. If mundane assumptions are processed into a form of notion in the process of cognition, the matter under study proves to be owned by the learner and by way of handling it consciously (the subject matter) the learner exposes their own potential, becoming able to carry out intellectual labor as a purposeful, mediated, and transformational activity. In such conditions, knowledge becomes derivable. Given these conditions, one can speak of a cognizing subject - thinking subject - able to grasp both the real and ideal content of their activity, involved in the process of cognition, and able to retrieve subjectively new results. It is when dialectic becomes a pivot in the process of cognition, its "active form" [9].

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## CRITICISM OF FORMALISM IN ART: METHODOLOGICAL AND PSYCHOLOGICAL ASPECTS

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In the early period of his creativity, the outstanding Soviet psychologist L.S. Vygotsky criticized *formalism* in art, as it was presented in the theory and artistic practice of the early XX century. Formalists, he wrote in the work "The Psychology of Art" of 1925, assigned the decisive role in the work of art to the form. "Depending on this change of view," he clarifies, "formalists should have abandoned the usual categories of the form and the substance and replace them with two new concepts - the form and the matter".

Dialectics knows two categorical pairs: form - matter and form - substance. The essence of the difference between them was described by Hegel in "The Science of Logic". It is difficult to say whether Vygotsky read Hegel. But dialectical instinct allows him to formulate this distinction as follows: "Whereas previously the science understood form as something close to the philistine use of the word, that is, the exclusively external, sensually perceived appearance of the work, its external shell, attributing to the form purely sound elements of poetry, colorful combinations of painting, *etc.*, - a new understanding expands this word to the universal principle of the artistic creativity".

In other words, in formalism we deal with a common idea of a form as something *external* in relation to the material that is confused with *substance*. This is an *external* form in relation to which substance is just an *innage*. When the water in the vessel takes the form of this vessel, then it is only the innage of this vessel.

If we consider from the point of view of the form and the substance of a work of art the notorious "Black Square", then the form here is precisely the external square form. And the substance is the black color, the blackness. But the square in this case can be of any color, and therefore the color here is indifferent to the shape of the square, unless, of course, it carries a semantic load, say, indicates the emptiness of the artist's soul. And in its indifference to the form, the color again turns out to be only matter inside this form, and not its substance.

The color can be so indifferent to the shape that the Negro can be sculpted from white marble. Vygotsky writes about such an opportunity in his "Psychology of Art". In this case we are talking about the peculiarity of sculpting in art. But color is of particular importance in painting. Therefore, if the Greeks painted their statues, it was a mixture of genres, with all due respect to the ancient Greeks - our teachers in art and philosophy.

So, the form of the black square in this work of formalistic art is *external* to the color, which therefore only acts as *matter* here. A rougher analogy of the relation of the substance and the static form, as Vygotsky also calls it, is the relation of a glass to wine. But if, in addition to the external form, there is an *internal* form, then how is it related to its substance? In Hegel's "Science of Logic", it is said that the internal form is not a

<sup>&</sup>lt;sup>1</sup>Vygotsky, L.S. (2001). The Analysis of the Aesthetic Reaction (Collection of Works). M. Labirint. p. 209.

<sup>&</sup>lt;sup>2</sup> *Ibid*.

form of the substance, but a form that pervades the substance, organizing it *from the inside*. And thanks to this, matter is dialectically *removed*, turning into the substance that is impossible without its internal organization, which is called *the internal form* in dialectics. But Vygotsky in his work "The Psychology of Art" does not speak Hegelian categories freely, and when it comes to the substitution of the matter with the form (German: *Aufheben*), he speaks about the "destruction" of matter by the form, and sometimes about the "overcoming" of the matter by the form, which expresses the essence of the matter more adequately.

We must say that even Aristotle defined the form as the *principle of difference*: all things differ in their form. His example with a copper ball and a copper statue is widely known. Their form is different, but the matter is identical. However, copper as the matter is different from other matter - iron, clay, *etc.*, which means that the matter itself can vary in its *form*. But now we are talking not about the *external* form, but about the form as the internal structure of the matter, which in relation to copper and iron means their different atomic-molecular structure. The same can be said about water in its liquid state of aggregation. Water does not have its own external form, and therefore takes the form of a vessel into which it is poured. But the internal form of water is the physical and chemical *structure* of this substance, which is denoted by the *structural* formula H2O for liquid, vapor, and ice. And only in the latter state of aggregation does the water acquire a static external form. Thus, we can speak of three variants of the form with respect to water - the actual external geometric form, the form as an aggregate state, and the internal form as the physical and chemical structure of this substance.

But let us go back to the question of the nature of the art form. "The external side or the foundation of beauty," according to F.V.Y. Schelling's work "On the Relation of Fine Arts to Nature" - is the beauty of the form. But since there is no form without substance, wherever there is a form, there is also its visible or only tangible characteristic. Therefore, characteristic beauty is the beauty at its root, from which beauty can only rise as a fruit; the substance, though, outgrows the form, but even then the characteristic remains the effective foundation of the beautiful". Vygotsky interprets the same question differently. "We consider as the central idea of the psychology of art," he writes, "the recognition of overcoming the material with the art form or, which is the same, recognition of the art as a social technique of feeling". So what is the essence of the art: in preeminence of the essence of the depicted above the art form of the or in overcoming the matter by the same art form?

In fact, there is no contradiction, but to justify this, let us turn again to the duality of the form, but in relation to the *ideal* essence of a work of art. So Hegel writes that the duality of the formal "finds recognition already in our everyday consciousness: we speak, for example, of a book or of a speech, that they are full of content when we find thoughts, universal conclusions, *etc.*; and, on the contrary, we will not say that a book, or a novel, is informative, has content because there are a lot of disparate events, situations, etc., piled up in it"<sup>3</sup>.

We can say this not only about a novel, but also about a philosophical and scien-

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<sup>&</sup>lt;sup>1</sup> Shelling, F.V.Y. (1989). Collection of Works in 2 Volumes. M.: Mysl.V.2, p. 66.

<sup>&</sup>lt;sup>2</sup> Vygotsky, L.S. (2001) Analysis of the Aesthetic Reaction (Collection of works). M.: Labirint. p. 166.

<sup>&</sup>lt;sup>3</sup> Hegel, G.W.F. (1974). Encyclopedia of Philosophy in 3 volumes. M.: Mysl, V.1. p. 119.

tific book, although some believe that a simple set of facts already makes the work meaningful and full of content. But a man with a taste does not find great joy in this. "This," writes Hegel, "therefore, is the proof that the ordinary consciousness also definitely recognizes that in order to have content, there should be *more* than just sensory material, and this more is nothing other but thoughts <...>"1.

When Schelling emphasizes that the essence, the truth in art outgrows the form, he speaks exactly about the ideal content of art. And the artist is looking for a suitable artistic form of expression for him. You may know what you want to say, but finding the right words is not so simple. The art critic V. Weidle writes that poets, and here he means poets of the late nineteenth and early twentieth centuries, "first of all want craftsmanship and perfection of the form", but at the same time he remarks in brackets: "as if the perfect form is not the one whose every bend is filled with the content".<sup>2</sup> Therefore, the ideal content of art is always looking for organic unity with it. What is most difficult to understand is the dialectical unity and identity of the art form and the ideal content in art, while they retain their difference. This difference can reveal itself, however, in such a way that the form appears on its own, and the content on its own. But then we have an imperfect work, which under certain circumstances can turn its one-sidedness into an artistic direction. "The destruction of the general style", writes Weidle about the art that began dominating in Russia in the Silver Age, "everywhere became a threat of destroying the artistic unity of each individual work. After all, style does not only relate to the form, it also concerns the content - not the content in the sense of the plot, theme, ideological material, but the spiritual content, spiritual essence, which cannot be expressed in an abstract language; more precisely, style is a certain predestination of their connection and, in this sense, a guarantee of artistic integrity. In its absence, the form gradually turns into a formula, and the content into a dead material, and this transformation does not occur somewhere in the outside world, it penetrates into the very idea of the work of art and from there into the creative soul that intended it"<sup>3</sup>.

The principle of animality is the matter. The principle of humanity is the form. A man gives birth to the world of culture, transforming the external and internal form of a natural matter. An animal, on the contrary, is "indifferent" to the form and it is "interested" mostly in the substance, the contents of things. Even a simple heat treatment of food by humans is a change of the form. But one thing is changing the structure of the matter and another thing is the aesthetic design of this food. The transformation of a shapeless silicon nodule into a stone ax is also a change in its shape. The transformation of a block of marble into Nika of Samothrace is also a change of the form. But it is one thing to change the material form, the form of the material, and it is another thing to give birth to the spiritual form that organizes the ideal content of the work.

Both Vygotsky and Schelling are right, because in one case it is about removing or changing the material in an art form, and in the other - about finding the ideal content in the form, which turns it into an ideal image of the truth of life. The artistic work combines the vectors of removal of the material and finding the ideal. The Matter and the spirit in creating a work of art meet each other, coinciding in the artistic form.

In the material sense, the form of a copper ball and that of a copper statue is an ex-

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<sup>&</sup>lt;sup>1</sup> Hegel, G.W.F. *Ibid*.

<sup>&</sup>lt;sup>2</sup>Weidle, V. (2001). Dying of Arts. M.: Respublika, p. 29.

<sup>&</sup>lt;sup>3</sup> *Ibid.* p. 43.

ternal form with respect to copper, and no more. But if we say that the form of the statue is purely external in relation to us, who admire this statue, then this will be wrong. It is the movement of the eye along this form that turns out to be the basis - material and physical, like the sight itself - physiological, for our aesthetic experience. Then the material itself is not so important. The Romans copied bronze Greek statues in marble, which did not reduce their artistic value. The material in art can be an absolutely indifferent "carrier" of the content. This is what Vygotsky called the "annihilation" of the matter by the form. But for a geometer studying a spherical shape, a spherical surface, it also constitutes an ideal subject and the content of his science. And he can tell us a lot about this thing, which seems quite commonplace.

It is worth noting that even Kant, in the spirit of formalism, understands content as a kind of external objectivity reflected in a work of art. Although the nature of the substance, from which the work of art is formed, has a subordinate technical significance; so do the formal technical techniques of the artistic activity. The material retains its meaning in art, but precisely as a *means* of expressing the spiritual content. It is not in the same way in the nature, where the internal form and the content organized by it are always material, although not tangible. Here, one cannot agree with A.F. Lossev, who argued that the immateriality of the laws of nature means their ideality<sup>1</sup>. The very difference between the material and spiritual form, content and material is a product of the world of culture.

A man *stylizes* nature with his work. This alone can cause a poetic feeling: "When a yellowing cornfield breathes...". And along with the exciting breathing of the "yellowing cornfield" our soul gets excited too. Style in the art - this is the art form. When a person processes nature, this "style" inevitably gets filled with adequate spiritual content. This is not the place to talk about the separation of the form and the content in practice caused by the development of industrial society. As for the art, here stylization can metamorphose into mannerism. "Every element of style," according to V. Weidle, "can metamorphose into an effect, into a method," this is what in the theory of literature formalism, *i.e.* poetics of the method is responsible for, The choice of words, their combination, rhythm - everything can turn into a rational formula. Moreover: ease and sincerity itself can become a manner; even inarticulate cry and a death moan can become a manner. There is only one step from hysteria to schematism (and, perhaps, from schematism to hysteria), as can be seen in the example of the rhythmic prose of Andrei Bely"<sup>2</sup>.

Andrei Bely, the author of the so-called "rhythmology", tried in this way to bridge the gap between the form and the content of the work of art. Contemporary art and philosophy, he believed, split the integrity of the human "Self" into a perceptible sensualist and methodological rationalist. But Bely is trying to reconcile feelings and reason, again on the basis of a formal means. A pagan ritual is impossible without rhythm. Rhythm, as it is believed, once gave birth to art - a dance, a song, a verse. But the rhythm in itself is able to bring a person to hysteria, and thereby again bring us back to the animal state.

Thus, formalism in art decomposes the organic identity of the artistic form that organizes the spiritual content of a work of art. And then from the disintegrated whole only its carrier, means, "sensory material" remains, and, on the other hand, its form, which in this case turns out to be an external form, a form *on* the content. In relation to

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<sup>&</sup>lt;sup>1</sup>Lossev A.F., Takho-Godi A.A. (1993) Plato. Aristotle. M.: Molodaya Gvardiya, p. 89.

<sup>&</sup>lt;sup>2</sup> Weidle, V. (2001). Dying of Arts. M.: Respublika, p. 37.

this, Vygotsky quotes V.B. Shklovsky: "A literary work is a pure form, it is not a thing, but a relation of materials, and like any relation, this is a relation of zero dimension. Therefore, the scale of the work, the arithmetic values of its numerator and denominator are indifferent; what is important is their relation. Joking, tragic, worldly, local works of arts, contrasting the world to a world or a cat to a stone - are equal to one another".

The formalists decided that they put an end to naturalism and psychologism in art, declaring that the art depicts not a feeling, but an "attitude". As if the human feeling, the humanity of the feeling, manifests itself in a different way than in the relation of one person to another. The feeling, according to Vygotsky, "is only a part of the art machine, a drive belt of the art form". But depicting an ideal attitude, the artist portrays an ideal feeling. As for the mathematical relations, since a specific numerical value does not really matter here, they are expressed using, say, variables, x, y, z, etc. But if we say that x loves y, then this attitude is not the same as when Romeo loves Juliet and when Pierre Bezukhov loves Natasha Rostova. It is the special character of the relationship in each case that is the content of the works "about love". And such is the content of a good half, if not more, of the works of world art. But this spiritual content of art is clothed each time in the corresponding art form. Take away the special poetic form of Shakespeare's "Romeo and Juliet", and you will get just a "material" remains, the plot about how an Italian young man Romeo fell in love with young Juliet.

The artist really deals with the material. But this is the material for subsequent *artistic processing*. According to Vygotsky, "everything that the artist finds ready, whether it be words, sounds, walking fables, ordinary images, *etc.*, all these compose the material of the work of art including the thoughts that are contained in the work". The method of arrangement and structuring of this material is designated as the form of this work, again, regardless of whether this concept is applied to the arrangement of sounds in a verse or to the arrangement of events in a story or remarks in a monologue. Thus, "from the psychological point of view, the usual concept of the form was substantially expanded"<sup>2</sup>.

The theorists of formalism, according to Vygotsky, do not look for its ideal content in an art form, but consider it only as a formal device. The formalists' formula "art as a technique", he writes, naturally raises the question: "what kind of a technique?", since the technique for the sake of the technique, the technique, taken for just for itself, not directed at anything, is not a technique, but a focus. At the same time, Vygotsky notes that the theoreticians of formalism fall into a surprising contradiction with themselves, when they first assert that in art it is not things, not the material or content that matter, and then say that the goal of the art form is to "feel the thing", "make a stone stony", that is, to live through the very material with the negation of which they began. Thereby, the principle of "exclusion" they found loses its meaning<sup>3</sup>.

As a result, in formalistic art, the spiritual content is reduced to the material that the form opposes to. The paradox of formalistic art is that, relying on the form, it comes down to experimenting precisely with the external form of the material (color, line, sound, word, etc.). Formalist art of the early XX century had its peaks. But this was an attempt to carve new meanings from the very form of the material, and they turned out

<sup>&</sup>lt;sup>1</sup> Vygotsky, L.S. (2001). Analysis of the Aesthetic Reaction (Collection of Works). M.: Labirint. P. 209.

<sup>&</sup>lt;sup>2</sup> *Ibid*.

<sup>&</sup>lt;sup>3</sup>*ibid.* P. 213

to be a substitute for the ideal content of art. The practice of Russian futurism, Vygotsky notes, became a "natural experiment" for formalistic principles, which showed how, having initially relied on a "transcendentalism" that does not offend us in any special way, and purely formal exercises with the language, the futurists eventually brought a semantic element in art to his unprecedented dominance. And here Vygotsky cites Vladimir Mayakovsky as an example with his poetic advertising for Mosselprom¹. We should note the elite art of the second half of the XX century did the same trick, giving rise to pop art.

So, formalists were right in the primacy of form in art, which Vygotsky agreed with. However, Vygotsky calls this, as already mentioned, the "annihilation" of the matter by the form. The expression of formalists "estrangement" is even more appropriate here. But an adequate definition of this essential connection in a work of art is the dialectical removal of the material in an artistic form, the ideal content of which is the truth of life and human relations. The matter in a work of art in fact undergoes a kind of annihilation, ceases to be heavy and becomes so light and airy that it ceases to be perceived as something material, and turns into something *ideal*. Tatyana's love for Onegin is no longer just a feeling, but an *ideal* of a feeling. This is the Platonism that is characteristic of every true work of art.

### DOES MODERN PHILOSOPHY HAVE ANY FUTURE? PHILOSOPHICAL ESSAY

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It is true that modern philosophy is in decline. There are no meaningful philosophic approaches, let alone philosophic systems. All these are a thing of the past. Why? Perhaps, it has always been so. Philosophic systems have always been much to seek while we believe there were lots of them just because a great deal had been worked out for four thousand years and given to us as an output? In other words, much had been done because of long time. However, if you break down this much by time you will see that philosophy's "productivity" has always been quite low. This idea is attractive, yet wrong. Over the span of antiquity, the greatest philosophers had worked almost at the same time. So they did in the German classics epoch. The same can be said about late 19<sup>th</sup> through early 20<sup>th</sup> century. They had worked hard and performed well, while nowadays there is nearly nothing.

There is no philosophy today in its classical meaning. No big philosophic systems. There is just "philosophising" on this or that occasion. Such "philosophising" makes philosophy small and insignificant. This is not philosophy as such already, but rather some idle speculations that may use certain philosophers' phrases. Degradation of philosophy was preceded by degradation of human, which is quite natural, for it is human's real life, his/her problems, and means of resolving those problems that, to a large extent, represent philosophy's subject matter. Therefore, as human life degraded, philosophy

<sup>&</sup>lt;sup>1</sup>*Ibid*. P. 218.

degraded as well. That did not happen at once: there was some inertia in philosophy's evolution, but it almost lost the right to be named philosophy pretty soon.

Philosophy lost its substantive unity. It became now philosophy of policy, now philosophy of culture, now philosophy of religion, and after all started attending upon the specific sciences. This fact improves those sciences' theoretical component and methodological content. However, philosophy as such loses its own intrinsic content. Of course, philosophy had been a servant before as well: for instance, it attended upon theology, but that service was raising philosophy, while currently its being a servant implies losing its grounds, giving up on its position in culture and on worldview fundamentals of human's being. Philosophy may not be a "philosophy of policy", although there were big philosophers (for instance, A. Panarin) who made policy the subject for philosophical analysis, with political science having greatly benefitted from that. Yet it must be admitted that this is not philosophy as such any longer.

Nowadays, philosophic reflection over being has grown weaker. Some might think this is characteristic of life in post-Soviet countries: hard times, time to survive not to live, that's why there is no philosophy, as the latter is allegedly an excessive being, a glamour of being. Nothing of the kind. There is no philosophy today in the West either. It turns out that the problem is universal, not ours only. Previously, philosophers were trying to explain to people how they should live, how they need to rise above everyday routine. Today, everyday routine prevails. It is nearly only routine left, with nothing more around. Everyday routine has oppressed everything around us, including philosophy. Being's energy has exhausted. Being is becoming thin like a spider web, as the well-known saying goes. Modern world does not need any justification of its existence. It just exists and it is as good for itself as it is. What the world must be - this issue is of interest for very few people. There are no ideal projects for being. There is no philosophy therefore.

What ideas derived from summarizing the modern reality can be suggested by philosophy today so that to formulate them as essential for human? We ask this question because it would be possible to restore philosophy's significance right this way. It should be admitted that modern reality in its mass forms is not comprehended by philosophy. Why? Because philosophy, for its own existence, should refer to rather universal real-life processes that need to be philosophically conceptualized. However, the modern mass processes can fairly well get along without some even remotely conscious attitude thereto. Today, "real life" does not need philosophy, and the latter is too far from life's priorities and values. This proves that the importance of sense of purpose of life has been lost. Historically, mankind has always, down to our days, been striving to comprehend life purpose - much in history is because of just such aspiration. Nowadays, in contrast, there can be seen the abandonment of human meaningful existence. People at large live in a haphazard way, very few of them having a meaningful purpose of life, moreover, a purpose worthy for a human.

It is known that in antiquity, people used to argue on philosophical subject matters in the town squares. It would be too much to say that philosophy constituted people's whole existence, but it was one of their true-life priorities. The philosophers had been then teachers of life (this situation is depicted in a concentrated way in Socrates' Life). Currently, hardly anybody is interested in philosophy. It is a bad omen for modern civilization. To speak of modern civilization conceptually, we need to admit that "most likely, mankind will keep evolving this way: its every step will be controversial; non-obviousness of successes and failures will become customary; instability will be taken

as something inevitable, inconsistency of intents and results becoming a norm. This is sad, and proves the loss of sense of due, but it is true. If people lose human essential characteristics - freedom understood as responsibility; conscience as voice of God in a human; imperative of moral attitude to all what's happening; willingness to make sacrifices, compassion - if they lose human virtues such as faith, hope and charity(all these have, no doubt, been lost), lose everything human, they must not expect that everything would be all right with no problem and that they can achieve their aims without properly setting them and with no effort. As the ancients used to say in such cases, "fortune leads the willing one and drags the one who does not have will". Therefore, if mankind has come to moral degradation, lost its sound historic sense and ability to meaningful self-actualization of the future, well, then it will have to be "dragged" yoked by circumstances, against its will" [1].

Today, there is no need to implement the concept stating that "an idea becomes a force once it takes control over the masses", which necessitated generating meaningful ideas as such. Masses can be driven anywhere without any big ideas, just through manipulative social technologies. Therefore, there is no need to put forward the ideas, including of philosophic nature, but it is better to work out some technologies to exercise control over masses using people's most primitive and even base longings. Philosophy might be needed to that end, yet in its basest forms. Perhaps, the end of time is coming, and people should do all necessary and most important, and philosophy is neither most important nor most necessary. It is not improbable. In any case, the philosophy that exists today is surely not needed. But what is most important and most necessary? The most important thing is to attain salvation. Does philosophy help save soul? Previously, people believed it does. Now they doubt it. And many are sure it does not, and even hinders: it fouls up, deceives, misleads. Very likely so. Lots of false problems, ideas, including those generated by modern pseudo-philosophy.

It appears that philosophy will only become really needed (needed, it's clear, not in pragmatic sense, but in noble, authentic sense), when it becomes just what a human needs for - the last shelter, last hope. A human needs to rely upon something, and here it is - philosophy: last shelter, last hope. If philosophy can be that, then it will keep existing, if not - well, then as the word is, *c'est la via*. How can philosophy turn into that? N. Berdyayev believed that, to be vitally important, philosophy would have to abandon the refined and extremely rational forms and make use of some other methods to explain the essence of being, such as religion. "Religion can get along without philosophy; its sources are absolute and self-sufficient, while philosophy can not do without religion: it needs religion like food, like source of living water. Religion is philosophy's vital basis; religion feeds philosophy with real existence" [2].

And it was N. Berdyayev who did such work: he took from theology some concepts that were few but extremely informative (freedom, for instance) and introduced those concepts into philosophy, having partly re-formulated them philosophically. As a result, philosophy, no doubt, was enriched, yet it fell away from a number of its criteria, for instance, from rationality. N. Berdyayev thus brought into philosophy the temptation of giving up on strict logic for the sake of deepness in understanding the problems even to the disadvantage of argumentativeness of resolving thereof. N. Berdyayev pretended he did not see any difference between human's existence ontology dealt with by philosophy and human's existence ontology seen by religion. While in religion human's timeless essence traces its origin to the idea that God created a human, thus having predetermined his essence, in philosophy human ascends to his essence in the process of

evolution. Therefore, you may not just take from theology some most important theological concepts and put them into philosophy: this will replace one existential reality for another. Yet such reality is fairly different in philosophy *vs* theology.

However, N. Berdyayev was absolutely right saying that philosophy should change cardinally so that to remain in mankind's arsenal as a meaningful phenomenon. Religion should be born in mind, too, as philosophy's "vital force", because there is some essential unity of philosophy and theology. This unity dates back to the indiscrete unity of antique thought when myths encompassed both philosophy and science and theology. Therefore, when philosophy looks into its other sources (non-philosophic ones) of evolution, it implicitly appeals exactly to the syncretism that had existed in ancient times. And when philosophy makes use of theology it partly returns to that period of syncretism. To what extent such making use is reasonable - that is another story. Very likely, philosophy has lost the right to appeal to the indiscrete unity of representing being in thinking. Too long distance from that unity has been covered by philosophy, with too specific content having been accumulated for the time that has passed since then. Nevertheless, philosophy is trying to gain insight into the "last fundamentals", the essence of things, the internal regularities of being. Philosophy as love of wisdom cannot settle upon the successes made by human mind; wisdom integrates both mind and spirituality. Philosophy aspires to go beyond just cognitive attitude to reality and touch upon the spiritual issues. That is, in its intention philosophy is close to theology which, by definition, speaks of God who is not cognizable at all. To the extent that philosophy tries to perceive the "last fundamentals", it gets closer to theology, since the last fundamental is God. Therefore, the issues concerning the relationship between philosophy and theology should be explored deeper.

Here we will look into the way of future evolution that is more natural for philosophy. Philosophy should stop being philosophy in its former meaning. It needs to die, disappear in its usual sense that has already become mediocre for people who are in despair and therefore clearly seeing. Philosophy should become a different thing. It is the more so because there is no other way out - it is not needed as it is now. It taught that if a seed does not die then a spike will not upspring, so it needs to change radically. Philosophy must teach, but not to the sublime, since there is no positive result. It must teach to some other thing, and do it with taking responsibility like Guru or Christian saints: an apprentice confides in the saint and the saint leads him through life. This is possible. Indeed, all people suspect or feel or even know that the meaning exists, that it cannot be missing, that existence is not meaningless, not casual. Reaching this meaningfulness, comprehending it, streamlining somehow - this is something that could be offered to people. In this way philosophy can become teacher similar to those from the East or to the saints, which is hard but not impossible. Philosophy will have to do its best - this is obvious, but there is no other way. Indeed, guru of the East did not emerge easily and at once, to say nothing about saints. A saint does spiritual work beyond all reason. It is even not work, nothing can be reached with work. Then what is it? Some other status, other tension? No, not tension - it must be something light, happy, heavenly, non-burdening. Jesus Christ used to say: "my yoke is good and my burden is light" - but is it light with tears of blood? In a word, joyfully, easily and having given oneself up - this is the way to success, the absolute, authentic, the last success. Can philosophy do so, and what's the main, does it need this? If not (and it is very likely that not), then "go ahead, you're your own boss". But, actually, philosophy needs to do its best. It is the more so because otherwise the end will come. Of course it will, but because it will

we need to do our best. It may seem that this logic leads to pessimism. If so, and if the end will surely come, then what's the use of making efforts? But, as was said above, no need for tension just is joyful and merry, and even jump with exaltation like Prophet and King David was jumping in front of the ark of the covenant, - is this pessimism? On the contrary, this is optimism, and it is a real optimism, ontological one. Surely, philosophy can do it, who else can be imposed that hope on?

More than likely, today's crisis of philosophy, like the crisis of anything else, is a crisis leading to rehabilitation. Crisis like judgment, and judgment like implementation of truth - such is the motion vector, including for philosophy. Otherwise what was the purpose for such a long and hard road it has passed both over the body of history and over the space of meanings? Indeed, if there is no time but there is eternity, if there is no absurd but there is meaning, if there are no losses but there are only gains, then who should deal with this, foresee this and exhaust this if not philosophy? Now that it has started dealing with wisdom, then it must go higher. It is this "high" material that the already former philosophy was made of in its authentic form and content - we mean right this when we say "there was philosophy indeed". There was and will be. Yet now there is not somehow... But the crisis as a perception of the future, like joy and light, the crisis gives hope.

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# PECULIARITIES OF UNDERSTANDING THE RIGHT TO EDUCATION IN THE ERA OF ANTIQUITY

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The right to education is one of the inalienable human rights related to second-generation human rights. Its history is traditionally counted from 1793, when in the Declaration of Human Rights and the Citizen of the Jacobin Constitution of the Year I, the public was given the task of ensuring access to education for everyone.

At the same time, issues of the right to education are discussed throughout the entire history of the existence of mankind, not to mention the fact that certain ideas about the accessibility and necessity of education for various segments of the population, and justice in the field of education are expressed in a real social historical practice.

The purpose of this article is to consider the views of ancient Greek thinkers on educational and legal problems and their social conditioning.

First of all, it is necessary to determine what we mean by the concept of education. For us, education is, first of all, a synonym for the development of a person in accordance with the social ideal, which an individual tries to achieve making all possible efforts. In different epochs, one or another ideal image becomes relevant, brought to life by a specific way of human social activity.

The right to education in this case is a historically concrete opportunity that an individual has to achieve this ideal image and lead a life, a worthy of a man. The highest degree of realization of such an opportunity is provided by higher education.

As you can see, this view differs significantly from the generally accepted one, reflected, for example, in the definition of M. Zadorina: "The right to education is a constitutional right to receive a certain amount of knowledge, creating the prerequisite for socio-economic and legal progress of society, the development of each person, its culture and well-being" [1, p. 93].

The above definition cannot be called universal in any way, since the right to education does not come down to a certain array of available legal acts, and it is not limited to the possibility of obtaining a certain amount of knowledge. Understanding the right to education that we offer is focused not on nominal-quantitative, but on substantial, substantive foundations and has great heuristic potential.

A man in the era of antiquity is thought of as a microcosm, a smaller cosmos, embodying all the characteristics of a macrocosm, a larger cosmos. The cosmos, which seemed to be a living creature in the era of antiquity, was seen as harmonious, intelligent, beautiful, orderly, non-hectic, and wholesome. Therefore, such is the ideal person.

Orientation to the image of the cosmos as a basis has features of the organization of social and natural life activities of that time. According to Gusseva: "In the structure of practical activity in the antiquity, a special emphasis was placed on the function of goal-setting, which reflected the embodiment of the subjective characteristic as the prerogative of the slave owner, a free citizen in relation to a slave, who was entrusted with only the function of fulfilling the order of the slave owner. Such a division of activity and emphasis were reflected in natural-philosophical systems in a special form, in the form of a hypertrophied idea of the functions of goal-setting, which is expressed in an ontologized image of the beginning. The image of the beginning, of the cosmos, thus arises as a result of the human world order" [2, p. 45].

Approaching the image of the beginning, the self-realization of a man as such, as a special being, that is equally powerful and equal to the whole, universal, in the representation of ancient thinkers is possible through knowledge. For Socrates, knowledge is divine in its origins and status. The task of a man is to obtain this knowledge through understanding the universals. The degree and depth of this understanding, the natural predisposition to comprehend the basics and the beginning of being become the basis and condition for a person to take a particular position in the organization of public space and ideas about the justice of this organization. Speaking about the specifics of the legal consciousness of the ancient era, V.S. Nersesyants writes: "The degree of mastery of knowledge means a measure of people's involvement in the divine principles and, therefore, the level of justice and legality in public, political and private life" [3, p. 408].

For Plato, true education is a comprehension of the eternal disembodied world of eidos, which are the prototypes of all bodies, things and phenomena existing in the empirical world. The knowledge of this eternal world is accessible to a few chosen ones only philosophers, and education worthy of a man, which can be called a truly higher education for representatives of the era of antiquity, is a philosophical education. For whom is it accessible and necessary?

In his works, Plato distinguishes three classes: rulers, guardians, artisans and landowners, which reflect the social structure of the ancient Greek polis. This structure is a hierarchical pyramid. At the top of the social pyramid there are rulers who are capa-

ble of understanding universals and organizing social life in accordance with them; below there are guards characterized by a certain spirituality, manifested in devotion to the state; at the base of this pyramid there is the bulk of the citizens - artisans and farmers, who, according to Plato, do not rise above material interests and are guided only by drives and sensuality.

Philosophical education is the prerogative of the governing estate. In his "Laws" Plato writes that it is the philosophers who should be at the head of the state. The formation of a philosopher is a matter of almost the entire life. Philosophy "is allowed to be studied only after reaching 30 years of age, when the mind has taken root in its orientation towards stability, maintaining the status quo and obedience to the teacher philosopher who transmits absolute truths distilled from the eternal world of ideas" [4, p. 51]. It is only by the age of fifty, that individuals who have received a philosophical education can begin to manage the state [5, p. 88]. The long term of the preparation of the philosopher ruler is determined by their responsibility for the organization of social life in the image and likeness of the cosmic world order, for establishing harmony and order in the state where the main valor should not be wealth and nobility, but wisdom, courage and justice.

The remaining two classes, according to Plato, must also be educated. In the "Laws", he calls to educate all citizens, proclaiming the principle of universal compulsory education: "One and all should receive education to the best of their ability". Later in the "State" he writes that only two classes should be trained: philosophers and guardians.

However, the core of the Plato's position on education has not changed. In his works he speaks about two types and levels of education: philosophical-theoretical and empirical. The former is necessary for the governing class in order to manage public life on reasonable, fair grounds; the latter for the rest of free citizens, so that they could navigate in the empirically perceived reality and learn to obey the laws of social structure. Plato believed that it was not possible to find a philosopher in the crowd. The most important thing is that the crowd doesn't need a philosophical education.

Education for the slaves was out of the question, since they were not given the status of people.

Similar views on education are expressed by Aristotle. Claiming that all people naturally aspire to knowledge, he divides all sciences into two groups - philosophy, the science of "certain causes and principles", which is the highest form of cognition, and all others which deal with cognizing empirically observed things. A person Engaged in philosophy, "knows everything, although he does not have knowledge of each subject individually"; "he is capable of knowing complicated ideas that are difficult to comprehend for a person [after all, perception by feelings is common to everyone, and therefore it is easy and there is nothing wise in this)" [6, p. 68].

If all sciences are studied for the sake of a pragmatic goal lying outside of it, then the goal of studying philosophy is in philosophy itself. Philosophical knowledge is a continuous, endless path of self-creation of a person, their approach to the eternal and perfect cosmic Mind and thereby gaining higher pleasure and happiness.

For Plato, studies of philosophy are necessary, first of all, for a rational arrangement of social reality, while Aristotle is more interested in issues of self-improvement and the welfare of an individual. The purpose of the philosopher is to become a mentor for those who are less advanced on this path. "A wise man should not receive instruction, but instruct, and this is not he, who should not obey another, but he who is less

wise" [6, p. 68].

Only he, who is free and freed from the necessity to earn one's living, can be successful in studying philosophy, since philosophical studies are a process that lasts a lifetime.

Of course, the possibility of continuous study of philosophy is available only to a very wealthy slave owner. Aristotle does not at all exclude this possibility for less affluent people engaged in physical labor, saying that people can do fine and be virtuous even with moderate wealth. Nevertheless, quite rightly, he believes that the work that is performed for a fee "deprives people of the necessary leisure and belittles them" [7, p. 629].

As we see, both Plato and Aristotle speak of the right to education in accordance with the ideal image of a man belonging only to large slave owners. How fair is this from the point of view of great thinkers?

The understanding of the issue of justice in the field of law takes place within the framework of natural law.

For Plato, justice consists in "the fact that each beginning (each social class, each member of the state) should go about their business and not interfere in other people's affairs. In addition, according to Plato, justice requires the corresponding hierarchical subordination in the name of the whole. Thus, characterizing justice in an ideal state, Plato writes: "it will probably be justice if everyone minds his own business"; "justice consists in the fact that everyone has his own purpose and also fulfills his own purpose" [8, p. 205-206]. Justice, according to Plato, also consists in "not taking possession of something which doesn't belong to you and not being deprived of something that belongs to you" [8, p. 206].

Justice, according to Plato, implies a "proper measure", certain equality. He distinguishes between two types of equality: "geometric equality" (equality in virtue and features) and "arithmetic equality" ("equality of measure, weight and number"). "Geometric equality" is "the most true and best equality": "it pays more attention to bigger things and ideas and less attention to smaller things, which is proportional to their nature" [9, p. 208]. For Plato, the right to education lies precisely within the framework of "geometric equality".

Aristotle distinguishes distributive justice and equalizing justice.

"Distributive justice is a manifestation of justice in the distribution of everything that can be shared between members of society (power, honor, payments, *etc.*). Here it is possible both equal and unequal endowment of various persons with the corresponding benefits" [3, p. 413].

"Equalizing justice acts in the sphere of exchange and "manifests itself in equalizing everything that constitutes the subject of exchange" [3, p. 413]. This type of justice is applied in the field of civil transactions, compensation for harm, crime and punishment" [3, p. 413].

It is quite obvious that the field of educational activity is the sphere of operation of distributive justice.

As a result of studying the views of ancient philosophers on the problems of the right to education, we came to the following conclusions.

The highest, most worthy for a person education for both Plato and Aristotle is a philosophical education.

The purpose of philosophy, its irreplaceable specificity, is in understanding the world as a whole. Such an understanding helps to understand the laws of the world de-

velopment, the basis and prospects of the formation of any particular, special phenomenon. Thus, the boundaries of the human "Self" widen infinitely, embracing the entire universe, in contrast to the space of the individual, limited by a flat picture of empirically observed reality.

For Plato, philosophical education has as its immediate goal a rational, harmonious structure of human life, as harmonious as the structure of the world, of the cosmos. For Aristotle, it is the path to the personal happiness, understood not as the continuous enjoyment of things, food, travel, *etc.*, characteristic of our contemporaries, but as a state of conformity, likening to a beautiful cosmos as a result of continuous selfless self-improvement of a person.

In the view of ancient thinkers, the possibility of philosophical reflection on reality is a huge privilege, the right to which belongs only to a few select people - slave owners, spared of the need to work for a fee and be engaged in physical labor. This state of affairs for both Plato and Aristotle seems very fair and corresponds to the laws of the cosmos. The views of ancient thinkers on justice in the field of education are explained by natural and social prerequisites - the structure of available social reality and, thus, the act as its reflection.

The relevance of the views of the philosophers of antiquity for today is associated with an understanding of the highest status of philosophy. The inalienable right of any developing person is the right to form a space of the individual, commensurate with the space of the whole, providing the ability to correlate itself with this whole, to comprehend its own existence in its context. Only a complete philosophical education is the basis for the realization of this right.

As stated in the Message of the President of the International Federation of Philosophical Societies Luke Maria Scarantino, dedicated to the celebration of World Philosophy Day in 2019, it is philosophy that allows us to understand the social and cultural complexity of our world. It gives us "the opportunity to learn to feel being an integral part of a wider world than the one that directly surrounds us; try to approach human conflicts dialogically and understand the contradictions in their human and cultural complexity, and not in simplified one-sidedness" [10].

L.M. Scarantino notes that many of the leading countries of the world are currently investing significant resources in philosophical education and research. He especially notes "the successful efforts of the Mexican philosophical community to include philosophical and gender education into the constitutional rights of their country" [10]. Thus, the right to philosophical education for the first time in the world history receives legislative basis.

In the modern world, the branch of law called educational law is rapidly developing. The author of the article is convinced that in the near future the right to philosophical education will receive the status of one of its most important issues.

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# BASIC EXISTENCE OF SCIENTIFIC PHILOSOPHY BECAME THE MAIN QUESTION OF PHILOSOPHY

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#### Dedicated to the 200th anniversary of F. Engels

Will there be a scientific philosophy in the 21st century: «to be or not to be» of philosophy in the 21st century? And if so, in what form should the fundamental question of philosophy be and is it relevant? After reading the programmatic article A.S. Chuprov's, "The Problem of Cognizability of the World in the Light of the Dialectic of Being and Existence" [13] and against the background of the boring works of Russian philosophers, whose highest joy is the joy of mutual quoting and getting into international databases, the question arose: «Could mocking have penetrated the sphere of philosophical reasoning?» Perhaps, this question was in the faces of rare readers of philosophical journals? Readers are rare, since the political edition of the book series «What they are working on, what philosophers argue about» was popular in Soviet civilization, where mass philosophical education encompassed everyone. Professional philosophers 70 years ago this book series was ironically called among themselves: "How philosophers went crazy".

Article Chuprov's, in which the basic question of philosophy is denied, is provocative in content and journalistic in form, and restores the Soviet tradition of philosophical discussions. On the eve of the 200th anniversary of F. Engels and a year after the anniversary of K. Marx, the author, denying the very possibility of the basic issue of philosophy, nevertheless puts forward his own main opposition to being and existence. This opposition is important as a way to uncover the question of the cognizability of the world, to create a new dialectic of being and existence, in which the categories of subject and object begin to work differently. And the author is inclined to recognize the unknowability of the world, like the science fiction writer S. Lem, for whom the cosmic

and the alien are unknowable. And adaptation of film by A. Tarkovsky according to S. Lem to the ethical issues and human choice in the film "Solaris" can be done by "just a fool".

S. Lem spoke: "I have very fundamental complaints about this film adaptation. Firstly, I would like to see the planet Solaris, but, unfortunately, the director deprived me of this opportunity, since he shot a chamber film. And secondly (and this I told Tarkovsky during one of the quarrels), he did not make a movie "Solaris" at all, but "Crime and Punishment". Indeed, from the film it follows only that this foul Kelvin brought poor Hari to suicide, and then for this reason he was tormented by remorses, which was intensified by her appearance, and the appearance in the circumstances of strange and incomprehensible. This phenomenon of Hari's next appearances was used by me to implement a certain concept that goes back almost to Kant. After all, there is Ding an sich, the unknowable, Thing in itself, the second side, on which is impossible to break through to. And this in my prose was embodied and arranged in a completely different way ... But it was absolutely terrible that Tarkovsky introduced Kelvin's parents into the film, and even one of his aunts. But first of all, it's mother, and "mother" is "Russia", "Motherland", "Earth". I was already angry with it" [15, s. 133].

The fiction was entitled to the recognition of Ding an sich. But what is allowed to the writer in interpretations of the picture of the world is not allowed to the philosopher. The latter has such a right, but only as a writer, and not as a representative of scientific philosophy. However, if the author claims that Marxism, like positivism, has lost being and remained without philosophy, we can conclude about the position of the author: obviously, this is not a scientific philosophy in the union of materialistic philosophers and naturalists-scientists. D.A. Salynsky writes: "The concept of God, tragically experiencing the imperfection of his creations, is not expressed in words in the film, but is given through a visual image that animates the parable. For some people, there is God, for others it is not, but it seems to me that Lem belonged to the first category and, at heart, was not the atheist he claimed to be. I think Tarkovsky revealed the real Lem to the world. The properties of Solaris - omniscience and omnipotence, good and conscience are traditional attributes of God. If God is impossible in atheistic discourse, then the plot of the novel is also impossible. This is the main contradiction in the interpretation of the novel by Lem, which Tarkovsky revealed in the most cardinal way: he made Lemovsky "as if God" simply God" [11, p. 20]. And further: "It seems to me that a certain psychological attitude has also arisen, an unspoken conviction of the absoluteness of one's own knowledge, in published conversations with him it is noticeable as the absence of a critical assessment of one's immense superiority, which may have affected his conflict with Tarkovsky. Only a sense of humor saved him..." [11, p. 21]. And the author of the article, without humor, seriously creates a new philosophical system, or rather, with his new system, destroys the tradition that comes from F. Engels and all of ancient philosophy.

### In sensory contemplation, only the singular things are given?

We are told that sensation and experience are opposed to being: and this is correct, but not true. Being is opposed by an undeveloped sensation: sensations are points, sensations are systems, sensations are purely individual. In the words of the hero of the novel by I. S. Turgenev, "Fathers and children" by Bazarov: "There are no principles at all - you haven't guessed this yet! - but there are sensations. Everything depends on them ... People will never penetrate deeper than this. Not everyone will tell you this, and

I will not tell you this another time".

Perfectly in the spirit of Bazarov, for thousands of years, philosophers have taught the simple Aristotelian idea that sensed things are individual and external. In the argument of Plato and Aristotle A.S. Chuprov takes a position over the clash between the "almost materialist" Aristotle and the idealist Plato. The author writes: "this is a dispute between those who are convinced that it is relations, that is, ideas, that form "things (there are no relations - there are no things), and those who claim that material things alone lead to the existence of relations among themselves (there are no things - there are no relations between them)" [13, p. 83]. The philosopher claims that the history of classical philosophy with its opposites has ended: "this is the whole essence of the opposition of idealism and materialism, and not the opposition between the bourgeoisie and workers. Everything else is "ideological foam" [13, p. 83]. It turns out that "people will never penetrate deeper than this," but in reality it is a liberal ideology's myth, individualism, and sociological nominalism. And Marxism writes about the future as overcoming private property - about the developed sensation of a collective, person and group, class. Then it is not sensation and experience that matters, but the consciousness and ideology of the advanced class. The world is known not by one person in a certain unique moment of it, but all of humanity. Just as the brain does not think, but a man with the help of the brain, and not even man, but humanity through man, because the essence of man is social. And since humanity has been living for millions of years, it obtain sensual experience for millions of years. People in a dream and designing the future use systemic higher dialectic logic - the logic of the Russian dream, the Chinese dream, the American dream. It is fundamentally wrong to reduce sensations and experiences to the reflection of individual parties of things and to a sensed point.

Meanwhile, in the West, three breakthroughs have already been made in understanding sensations and experiences, which people usually do not notice, since sensations are understood in the spirit of metaphysical materialism, in the spirit of Aristotle, in the time when an experience is understood in the spirit of a subjective-idealistic inner world outlook. Three breakthroughs or three steps from Aristotle were the right steps. So, F. Bacon stopped considering sensations as points, which allowed him to discover the logic of scientific knowledge. K. Marx proved that the "collective worker" is systematic and omnipresent with his senses, captures not only the instantaneous properties of things, but also builds a system of dialectical logic that reproduces the process of production of surplus value and class struggle. B. Russell showed the danger of Aristotle's logic, which slowed down the development of mankind for two thousand years. In Russia, on the contrary, there were not three breakthroughs, but three kickbacks from the scientific understanding of sensation.

In 1935, Aristotle's logic was introduced into educating. S.L. Rubinstein wrote then: "From no description, no matter how bright it may be, a blind man does not recognize the colorful world, and a deaf man does not know the musicality of his sounds as if he directly perceived them; no psychological treatise can replace a person who himself has not experienced love, the passion of struggle and the joy of creativity, what he would experience if he himself experienced them. My experiences are given to me differently, as if in a different perspective, than they are given to another. The experiences, thoughts, feelings of the subject are his thoughts, his feelings, these are his experiences a piece of his own life, in his flesh and blood" [10, p. 6]. In another text: "If belonging to the individual, to the subject is the first essential sign of the psychic, then his attitude to an object independent of the psyche, from consciousness is another no less essential

feature of the psychic. Every psychic phenomenon is differentiated from others and is defined as such and such an experience due to the fact that it is an experience of such and such; his inner nature is revealed through his relation to the outer. The psyche, consciousness reflects an objective reality that exists outside and independently of it; consciousness is a conscious being" [9, p. 6].

S.L. Rubinstein argued that sensory contemplation cognizes only the directly given. Directly in sensory contemplation, only a single is given - separate, isolated ideas and only random, external connections. He wrote: "However, sensory contemplation is also cognitive, and it reflects objective reality. But sensory contemplation cognizes only the direct. Directly in sensory contemplation, only a single is given - separate, isolated ideas and only random, external connections. Visually, we are always given a segment or a scrap of the world limited by the subjective conditions of our perception. But the world is not ragged, it does not consist of a simple sum of independent direct realities from each other. Objectively, they depend on each other and are determined by each other. When, in perception, in sensory contemplation, we reflect, outside their connection, the individual sides of the object, which are objectively, in itself, inextricably linked internally, we not only incompletely, but also not quite adequately reflect its content" [10, p. 47]. All this is an anti-Hegelian understanding of the comprehension of the world by man. G. Hegel has three methods of comprehension: the fantasies with help that religion comprehends in the world. The images with which the world comprehends art. The concepts with which science allows you to achieve the fullness of knowledge and convey unique and personal understanding to others.

Two Soviet philosophical journals called the ideas of Aristotle-Rubinstein Marxist-Leninist. Aristotle's libel on sensory cognition was given out as a scientific philosophy, and after the war it was presented for study in schools and universities of the country. The views of slave owners are attributed to Lenin. And today, in textbooks, they say that the world is not the way we perceive it. And knowledge is formed from knowledge. Here we are behind the West. One must understand the sensual differently. The author takes traditional materialism and compares it with modern idealism, and this is a childishly monstrous representation. The author describes the existence "that is given to us in two ways: 1) in sensations, which became the basis of traditional materialism, the essence of which is the identification of Being and matter given to us in sensations; 2) in the human experience of himself, on the basis of which all existentialism is built. And not only. In essence, any kind of idealism (subjective or objective, including religious) is an extrapolation of a person's experience of his existence on everything that exists, the identification of being and thinking, being and sensuality, being and will" [13, p. 82]. He writes further: "In contrast to the Marxists, phenomenologists (Edmund Husserl and his followers, including existentialists, for example, early M. Heidegger and J.-P. Sartre) focused their efforts on this issue, developing principle of intentionality of consciousness, that is, the orientation of consciousness on an object, in essence, its tendency towards a "pure" being ... In my opinion, thinkers like Auguste Comte or Karl Popper are outstanding logicians, science experts, sociologists, but people who can only be called philosophers conditionally since tions without metaphysics - is the same nonsense as "dry water"" [13, p. 85].

#### Subject and his sensations: are collective sensations possible?

Let's move on to "dry water": it is obvious that a non-isolated and inactive individual feels the world. As noted by Marx, bourgeois science loves robinsonades. Not

the individual is the carrier of knowledge, but a sensations subject. Dean of the Faculty of Philosophy of Moscow State University V.V. Mironov writes: "The subject is a source of cognitive activity. Typically, the subject refers to the individual. This is not entirely true. The subject, of course, is primarily an individual with all his cognitive abilities. But the subject is a microgroup, a social group, a class, and a society" [6, p. 163].

At the level of an individual, we are dealing with sensations of the first order (sensations-points) or individual sensations which described in works S.L. Rubinstein, reflect the individual properties of things and phenomena. This feeling is superficial. The acting individual receives sensations-chains, or sensations of the process, which reflect the processes, and therefore already general, essential and necessary. A microgroup, community or a united acting group of people includes sensations of a system that reflect the system of connections of an object. In Russia, a group of previously poorly known with each other people in a region will organize and easily liquidate an emergency. The same thing happens in a foreign resort, where our tourists who do not want to communicate with their compatriots suddenly connect to an active collective entity.

An individual using informational means receives systems of disparate sensationspoints, that is, second-order sensations. An individual uses ready-made reflections of processes transmitted through information tools by other people. This is a phenomenon of selfie in unusual conditions. A social group, groups, class, and society, people and humanity deal with collective sensations that reflect the endless wealth of the developing world. And organized groups of deceivers and terrorists, fake producers, acting to deceive people and groups, in a systematic deception create and disseminate third-order deceptive sensations, both individual and systemic, in order to stupefy, introducing individuals and groups into deception. Finally, fourth-order sensations exposing deception and systematic lies. In these sensations, an individual acts who has discovered falsehood and began to reveal something hidden. A difference is found between what was affirmed and what is actually. A group of individuals verifies the utterance system using a causal relationship system similar to the Nuremberg Tribunal. All enlightened people and humanity, armed with knowledge of the falsehoods in the world, feel all the information on this object - that which has been felt so far and that which can be known today [7, p. 167-168].

It is clear that the question is not about saving thinking and the convenience of distinguishing materialism and idealism. The author, simplifying, writes: "It is impossible not to admit that the division of philosophers proposed by Engels into materialists and idealists is a rather convenient classification of philosophers from the educational and methodological point of view..." [13, p. 83]. The question that arouze is actually about the survival of mankind, its freedom and mastery of the elemental forces of nature and society. But does Being disappear? Being remains the social reality of a united humanity.

And here not being determines consciousness, but social being determines social consciousness. That is the absolute truth. However, all of those who have undergone a university course of philosophy, for some reason, believe that being determines human consciousness. They are asked, where did You read this? They do not say, just easier to consider that Being determines consciousness. The person himself determines the upbringing and circumstances of life. Otherwise, why would the bourgeois intelligent K. Marx become the ideologist of the proletariat, the capitalist F. Engels moved to the position of those whom he exploited, and the nobleman V.I. Lenin became the leader of

the factory working class and proclaimed the State of the dictatorship of the proletariat? And why did the Russian reenactor, an adorer of Napoleon, become a deconstructor-dismemberer, why did the psychiatric departments of the clinics clogged with "Napoleons" for two centuries?

#### Change in social being and the question of existence

Today, the popularity of the ideas of Marxism is refuted by the forecast of F. Fukuyama about the "end of history" and the establishment of global capitalist domination. However, other forecasts are adjusted. R. Vakhitov wrote in an article in memory of the Marxist I. Wallerstein: "Wallerstein, by the way, was keenly interested in the fate of post-Soviet Russia. He predicted that by 2050, none other than Vladimir Ilyich Lenin would become the most popular national hero in Russia. Because it was Lenin who showed the countries of the semi-periphery and periphery the path to liberation from the fetters of world capitalism, into which Russia fell for the second time in its history. Wallerstein made a mistake only in terms - now, on the threshold of the 2020s, the popularity of Lenin and Stalin among ordinary Russians is breaking all records..." [1].

Real life can bring down any predictions, because the baton of the world revolution is transmitted from one country to another. And the USSR is not the leader of the world revolutionary process, but there is the PRC - red China. And not 300 million people are members of the World Socialist System, CMEA and the Warsaw Treaty, as before, but one and a half billion people, that is, five times as many. If we compare the territories and economic power of the renewed World Socialist System, the picture is more impressive.

The Lenins call at the Third Congress of the RKSM is well-known: "to study, study and study". This refers to learning communism, since one can become a communist only by enriching one's memory with knowledge of all the wealth developed by mankind. I.V. Stalin subsequently at the VIII Congress of the Komsomol specified that it is especially important to learn from enemies. He said: "To build, you need to know, you need to master science. And in order to know, we must learn. Learn hard, patiently. Learn from everyone - from enemies and friends, especially from enemies. "Learning, gritting your teeth, not afraid that the enemies will laugh at us, at our ignorance, at our backwardness" [12, p. 76]. Thus, history repeats itself: the question is about training new personnel for the updated world socialist system, about the philosophy necessary for the world to learn and transform the progressive class and its civilization.

In these conditions of humanity development, is there no difference between being and non-being? Is it not clear that the secrets of being are knowable and will be known? What If an existence for a materialist does not situated at the level of being? It's impossible. Since the philosophy of Marxism, according to V.I. Lenin, there is materialism, the author avoids Marxism and avoids consistent materialism, avoids even the formulation of historical materialism or historical idealism. This suggests that there are only two options, and that the author ultimately is idealist and he is ashamed to admit it. He is looking for a third line, and yet everyone who is looking for a third line in philosophy is muddler and opportunist, and also a supporter of metaphysical mess instead of philosophy.

The philosophy of Marxism back in the 19th century outlived formal logic and philosophical metaphysical materialism, which since then began to be perceived as backwardness. The philosophy of Marxism has gone forward and is awaiting advanced thinkers, scientists, and natural scientists. Marxism in the twentieth century has justified

itself - the dictatorship of the proletariat or Soviet power as its second historical form has shown that without class dictatorship there is no socialism. "We thought dialectics not according to Hegel", wrote the Soviet poet, but it was necessary to study dialectics exactly according to Hegel.

#### A modest and immodest assumption of world and spirit

After entering the Faculty of Philosophy, the author of this article received the first task of the supervisor to translate the works of the XIV World Philosophical Congress just held in 1968 in Vienna. The first article-report from the plenary session was so amazing that it became a guide to the world of Western thinking. Western philosophy and made the author a historian of philosophy. This article is "A Modest Proposal concerning Spirit and the World" by American John Lax of Vanderbilt University. D. Lax writes in his "humble assumption" that only an inveterate materialist will deny the existence of spirit. There are those who deny the existence of the world or recognize its existence as a sequence of thoughts in one's mind. It is interesting to study dialectically the consequences of such a view, since in this "verbal feat" of idealistic reduction nothing changes except the name. Therefore, as a prerequisite for research, we should take the natural confidence of an animal and a living being in the existence of the real world and the conviction of self-contemplating and a cognizing person in the real flow of his feelings and thoughts. In light of the foregoing, a model of the relation of the world to the spirit, accepted in Western philosophical tradition, is subject to criticism. According to this theory, the world is a created, but not creative prerequisite for spiritual action. It is argued that matter is incapable of movement and self-development, and therefore needs consciousness as a source of development.

In the form of this hypothesis, which D. Lax accepts as "our paradigm", a parallel can be traced between the cosmic creation of matter from the side of the supreme personality - God and the microsmic control activity of the spirit at the personality level. Both acts through the human mind. God creates the world, just as the human mind creates the body. However, unlike man, God does not need material for his activity - he creates ex nihilo [16, p. 92].

D. Lax proceeds from the attitude that the world exists and that it is real. V.I. Lenin counted this is naive realism and even spontaneous materialism at the level of the ancient Greeks. Idealism is rejected here, but only subjective idealism. D. Lax is perhaps an objective idealist who rejects primitive materialism not recognizing spirit and consciousness as a whole. But then he criticizes metaphysical materialism, which believes that matter does not move and is inert, and therefore assumes the existence of God as a driving force. Lenin's phrase about G. Hegel "He feels sorry for God!! Idealistic bastard!!" in this case refers not so much to idealists, but primarily to metaphysical materialists [3, p. 267].

After all, Lenin quotes Hegel's phrase about Epicurus: "Epicurus does not have... the ultimate goal of peace, the wisdom of the creator. There is nothing but incidents that are determined by a random (??) external (??) collision of combinations of atoms"... [3, p. 267] Let us recall the theme of K. Marx's doctoral dissertation "On the difference between the natural philosophy of Democritus and Epicurus". Lenin understands Hegel according to F. Engels: "Engels was right that Hegel's system was inverted materialism" [3, p. 215]. Before that, Lenin writes that "a more consistent idealist clutches at God!" [3, p. 152]. And he explains: "In general, I try to read Hegel in a materialist sence: Hegel is materialism stating on head (according to Engels) - that is, I mostly

throw away God, the absolute, the pure idea etc." [3, p. 93].

D. Lax, thus, demonstrates the whole paradigm layout of the Basic Question of Philosophy (BQPh) in the Western tradition. How he will continue to solve the problem he poses does not currently concern us. It is only clear that the paradigm of the Basic Question of Philosophy by default continues to exist in the Western philosophical tradition.

In contrast to the Western tradition A.S. Chuprov's insist on opposing of being not to consciousness, but to certain existence. F. Engels in his pamphlet "Ludwig Feuerbach and the End of Classical German Philosophy" indicates that, in the language of old philosophy, thinking is opposed to being. He offers a pair of being and consciousness. And the young K. Marx writes about the same thing - social being determines social consciousness. But already in Lenin's works appears matter and consciousness: objective reality and subjective reality. And, based on the Leninist theory of reflection, M.N. Rutkevich formulates - there is an objective reality outside the audience's window and a subjective reality in our head, and cognition is a reflection of one in the other. There is objective being and subjective being, and as V.V. Orlov writes - what precedes what, what reflects what, and what is the carrier of what?

Three components of phase conjugation are recorded by V.V. Orlov: "The first, or main, question of philosophy, according to F. Engels, is the question of the relation of consciousness to matter, or, in somewhat outdated terms, spirit to nature, thinking to being. The main content and meaning of this question was described by Engels in the brochure Ludwig Feuerbach and the End of Classical German Philosophy (1886). The main issue of philosophy (BQPh) has a complex structure, which leads to a wide variety of levels or sides.

Considering the first, most fundamental level of phase conjugation, Engels distinguished two sides in it. The first side of the question of the relation of consciousness to matter is the question of what is primary - matter or consciousness, and, accordingly, which of them acts as secondary, derivative, dependent. The concept of primacy has three interconnected meanings in philosophy: 1) what exists first, i.e. what precedes what, 2) what is a property or manifestation of another: consciousness belongs to highly organized matter, or, conversely, the latter is a manifestation of consciousness, 3) what reflects another', consciousness reflects the material world external to it, or matter is a reflection of some spirit. Often a different formulation of the question of primary-secondary is used: what is the basis of the world: matter or consciousness" [8, p. 8].

It is known that every philosopher solves his personal problems by choosing a particular topic. If we ignore each author as a person, then we should come to an understanding of the situation of the broad masses, who, due to idealism and religion, also solve their personal and social issues. A. Gramsci wrote about this: "Awareness by the broad masses of their material impotence in the face of few oppressors leads to the exaltation of purely spiritual values, etc., to passivity, to non-resistance, to non-cooperation, which nevertheless are protection, but protection weak and difficult, like protecting by a mattress from bullets" [2, p. 312].

#### **Ten Questions to Philosophers**

It remains to ask ten questions to any philosopher who wants to be modern. These questions will be asked in the style of Lenin's "Ten Questions to the Referent." Professional philosophers should remember these one and a half pages of text sent to Geneva at a critical moment in the party discussion on the definition of philosophical principles

for the new century.

A positive (correct, in our opinion) answer to these questions will return philosophy to minds and social reality; negative answers to the test will reliably determine the degree to which representatives of the philosophical community fall to zero. Call it the level in the range from 1 to 10.

- 1. Does the author recognize the basic monistic division of philosophical systems into materialism and idealism?
- 2. Does the author acknowledge that the middle fluctuating line between materialism and idealism is agnosticism based on solipsism and subjective idealism, and versions of neo-Kantianism (including sociology and phenomenological sociology of cognition) are a form of agnosticism?
- 3. Does the author acknowledge that the existing external world is reflected in the human head, and the correctness of this reflection is verified and achieved through socio-historical practice?
- 4. Does the author acknowledge that the world is fundamentally cognizable for man and humanity and that there are only differences between what is known and what is not yet known?
- 5. Does the author recognize that the real unity of the world lies in its materiality and that there is nothing supranaturalistic and, therefore, the so-called "artificial intelligence" is impossible?
- 6. Does the author acknowledge that matter without motion is as unthinkable as motion without matter, and space and time are attributes of matter?
- 7. Does the author recognize that truth is the correspondence of scientific knowledge to an object as a result of the reflection of the laws of nature and the real world in the minds of people and in the public consciousness?
- 8. Does the author recognize that social matter, or objective social relations, determines the public consciousness of people, or vice versa do social representations define the metric of social heterology?
- 9. Does the author acknowledge that existing classes and class interests form human cognition and, therefore, the doctrine of pluralism and tolerance, idealism and religion are reactionary in nature and mask the interests of classes that are disappearing? 10. Does the author acknowledge that the theories of post-industrialism are conceptually and practically untenable, since they require a reduction in the world's population, sustainable development, income from nature and redistribution of income in favor of rich countries and the international financial oligarchy, and not from science and social production?

# How exist a scientific philosophy?

Philosophy today exists in a special reality, which we will designate as the "ideological apparatus of the state" (IAS). It would seem that philosophy exists outside the state repressive apparatus, but the philosophy of postmodernity (using the ideas of the French Marxist L. Althusser is presented in the religious IAS (a system of various churches); educational IAS (system of public and private "schools"); family IAS; legal IAS; political IAS (political system with parties); trade union IAS; Information IAS (media cartels); cultural IAS (literature, art, sports). We are talking about many bourgeois ideological apparatus if the unified state suppression apparatus entirely belongs to the public sphere, while most of the ideological apparatuses of the state belong to the private sphere. This is the terminology we borrowed from the French Marxist L. Al-

thusser from an article we published [14].

Obviously, the main difference between state apparatus (of suppression) and IAS is as follows: the state apparatus (of suppression) "operates through violence", while the state ideological apparatus operates "through ideology". Postmodern philosophy exists in the interval between science and ideology, and therefore acts as a politics and hides the political origin of the heuristic quest for truth. However, the identification of this fact suggests the inevitability of the formation of an up-to-date philosophy, which stands on the positions of militant materialism and expresses the interests of the opposite side in the IAS - the side of the oppressed people, their self-governing organizations and the natural emancipators of humanity.

The request for a new scientific philosophy becomes again relevant, within the framework of which philosophy finds material weapons in the aggregate proletariat, and the proletariat discovers spiritual weapons in philosophy. The true development of philosophy begins as an antagonist of the ideological mystified products of the ideological apparatuses of the late bourgeois state, which arose as a result of a series of counter-revolutionary coups. From this point on, engaging in philosophy means carrying out a revolution in the minds, preparing for the return of the revolutionary tide in society, smashing the mold of the post-modernist project in culture, overcoming the remnants of the bourgeois-humanist storm of the first socialist society in history. For the working people of the planet, in the face of the Western model of globalization, the demand for philosophy becomes absolute in the conditions of the domination of the mystification curtain over the prospects for the development of society hanged by the manipulators of the ideological apparatuses of the bourgeois state.

In the "German ideology", K. Marx demetaphorizes the concept of "world spirit", under this is the "world market": "In the preceding history, it is also an unconditional empirical fact that certain individuals, as their activities expand to world-historical activities, more and more fell under the power of an alien force (in this oppression they saw the machinations of the so-called world spirit, etc.) - under the power of power, which is becoming increasingly widespread and ultimately manifests itself as a world market" [5, p. 36]. And further: "Comprehensive dependence, this spontaneously formed form of world-historical joint activity of individuals, is transformed, thanks to the communist revolution, into control and conscious domination of forces that, being generated by the influence of people on each other, still seemed to them completely alien forces and as such dominated them. Again, this view can be interpreted speculatively idealistic, that is, fantastically, as "self-generation of the genus" ("society as a subject"), imagining the whole series of consecutive and interconnected individuals as a single individual committing the sacrament of procreation of oneself. It is found here that although individuals both physically and spiritually create each other, they, however, do not create themselves either in the spirit of the nonsense of St. Bruno, or in the sense of the "One", "created" person. Thus, this understanding of history consists in considering, proceeding from the material production of direct life, the actual process of production..." [5, p. 36].

The French Marxist S. Mercier-José in her book "To read Hegel and Marx" writes that history is not a history of people, it is a history of production methods. [17, p. 31] Therefore, one should never forget about the class struggle, as Chairman Mao Zedong urged. Back in 1937, he wrote in the work "Regarding Practice. About the connection between knowledge and practice - the connection between knowledge and action", that "pre-Marxist materialism considered the issues of knowledge in isolation from the so-

cial nature of people, in isolation from the historical development of mankind and therefore could not understand the dependence of knowledge on social practice, that is, the dependence of knowledge on production and class struggle" [4, p. 379].

V.I. Lenin in the abstract of G. Hegel's book "Lectures on the History of Philosophy" especially emphasizes the comparison of the history of philosophy with the circle and quotes: "this circle has a great many circles around its edges." V.I. Lenin in the margins remarks: "A very deep, true comparison!! Every shade of thought = a circle on a great circle (spiral) of the development of human thought in general"[3, p. 221]. The foregoing means that all new circles on the great circle are useful, since they allow us to rethink the main issue, which has become, ultimately, the main issue and the imperative of the existence of scientific philosophy.

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# PERSONALITY IN THE CONTEXT OF ILYENKOV'S PHILOSOPHICAL AND PEDAGOGICAL IDEAS

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Recently, the science of psychology has been increasingly paying attention to the concept of activity. So has the science of pedagogy. There is even such a course in colleges: "Fundamentals of educational research activity". But it seems that long conversations about activity only complicate the matter. Why is it so? It is simply because in their conversations and teaching aids, scientists bypass such a science as philosophy. Therefore, they cannot understand what activity is in its purest form, on its own, and without solving this general question, researchers will always stumble over particulars. The development of philosophical thought from Parmenides to Hegel was the search for this pure form. In Hegel's "Science of Logic", this form acquires its concrete content, logic becomes meaningful, since it fully reflects the real subject-transforming activity of a man - labor.

Let us examine the historical origin of activity in the context of Hegel's Logic. This point is the birth of a man, in which a pre-man breaks the established pattern of animal behavior determined by instincts for millions of years and begins to create a new pattern of matching himself with objective reality. This transformation is carried out through a collective tool-subject activity. Considered as activities, the processes of training, education, research (which are undoubtedly also inherent in the animal world) acquire a new quality. But in order to understand it, one contemplative view of the world is not enough. Activity is known only through activity. Here, of course, there is a tautology, but there is no other way – trying to comprehend activity not from within, not according to its laws, will be false.

Therefore, before starting the analysis of activity as such, let us take a closer look at the behavior of animals with a still contemplative look. With this approach, animals are very close to us. Being in the position of contemplation, we will not see the singularity of an animal as its attributive characteristic. On the contrary, we can envy the skill of a lynx teaching its cubs to hunt, admire the wisdom of the she-wolf's "pedagogical talent", who refuses to recognize its wolf cubs a year after their birth and thereby teaches them to be independent, and the case of a white bear training a jump at a seal has already become the psychological and pedagogical classics. "P.Ya. Halperin gives a curious example from the notes of one polar traveler, which tells how a young bear cub, having missed a seal, began to practice this jump in the absence of a real goal, i.e. to measure the strength of the shock and the length of the distance" [1, p. 131].

But, despite this observed wisdom of animals, if we talk about their "activity", we always use quotation marks. Why? After all, an animal is capable of complying with its behavior with categories that Immanuel Kant considered a priori inherent in the subject - space and time. These are the categoriesthat help the predator to catch up with the prey. In predator hunting, "the result is achieved through extrapolating activity. Here, the subjective image of the situation maintains the certainty of the spatial and temporal changes and, due to this, goes beyond the limits of the given perception, expands this perception in terms of time and space. This expansion is the subjective retention of the spatial and temporal image of reality as a condition for the feasibility of a productive action" [ibid., p. 132].

In the above passage, the word "activity" could be used without quotes, since the

animal acts as a subject here, is the master of the situation and acquires freedom in the form of the productivity of the action. But it does not gain freedom in its own form, freedom as such. What is a new attribute, unknown to animals, that introduces activity to an emerging human society? This attribute is mutual assistance. And the core of this attribute is a tool of labor, which also embodies both the subjective factor, since it is the subject that uses the tool, and objective factor, since with the help of the tool the surrounding human nature is transformed in accordance with the interests of a man.

Naturally, at first these interests are not much different from the needs of animals - they are completely organic. But thanks to the emergence of a tool, the manufacture of new tools, a man develops new interests, which are more and more different from the desires of his ancestors, up to the needs in the ideal and spiritual, which are unknown to the animal world.

Separation of the ideal from tool-sensitive practice into a special sphere was a necessary step in the development of a man, a step in knowing himself, the goals and meanings of his being in the world around him. Naturally, the first myths about the origin of a man differ significantly from the scientific understanding of reality, but both the first religions ascribing human qualities to nature (animism) and the movement of activity in a pure logical form belong to this sphere.

Recognition of the moment of separation of real and ideal activities is very important in the context of understanding the development of personality. After all, this very point is the generic principle of determining a historical person. How true will the judgment be that the same point marks the beginning of a man in the process of ontogenesis? Do phylogenesis and ontogenesis coincide in this moment?

To what degree can we say that a one-year-old child who has learned the empty names of surrounding objects has become a man? Is this the beginning of a man's personal form? In the context of these questions, it is quite appropriate to recall Hegel's "Science of Logic". According to Hegel, the logical beginning is "the absence of definitions", where "pure being and pure nothing are ... identical notions" [2, p. 69]. But, nevertheless, this is the beginning. The beginning in itself, is not yet laid. "Nothing has not yet been formed in the being, although the being is essentially nothing, and vice versa" [ibid., p. 88].

But in the context of personality development, this Hegel's idea requires clarification. To realize himself as a man, a child must completely enter the area of the universal, transfer completely "from a *separate finite* being to being, as such, taken in its completely abstract universality" [*Ibid.*, p. 75]. That is, mere words are not yet the beginning of a man in the ontogenesis. Here, the baby is still firmly connected with his "*separate finite* being". "*The definition of finite things* consists in separating the concepts of the idea and being, the idea and reality, the soul and body are separable from each other, and therefore they are transient and mortal" [*Ibid.*, p. 75-76].

A personality as an infinite "thing" must begin with a "completely abstract universality". And this will be possible only when the baby is given the opportunity to create his own "language" universe. And the more direct it will be, the greater the potential for personal unfolding in it. It is impossible to bypass the language in personality development.

It turns out from early childhood, from tender nails, the child must be taught not only to read, but also to write books! To write a story (draw a picture) about their own conscience and its sister - the bare truth (the real events of the upbringing of the grand-daughter of G.V. Lobastov - Anya are reproduced) [3, p. 160-161], *etc.* And this should

be done without any prior discussion of the plot!

But what's the danger of the predetermined plot, which, incidentally, is actively used by child psychologists at the Russian State Humanitarian University [4]. Doesn't the imagining of the adventures of a snowman in the seasons develop the mind, doesn't a child "learn dialectics" (as psychologists say) when a snowman goes from winter to spring, and then into summer and autumn?

Imagination here may be developing, but not in its logical understanding. Only a man himself can put himself inside the image. It's like a character of the Soviet movie "A Main Recess", an "adult bully" Ganzha writing in the composition "Who I want to be like" that he wanted to be like himself only. And a young and talented teacher gave him an unsatisfactory mark.

Do we have a lot of such "bullies" at school now? Any desire to stand out, "show off" is always a desire "to be like". The film shows where the roots of such an unusual bullying of Ganzha come from - the evening school is located at a chemical factory where Ganzha is respected for its skillful hands. His square shoulders and a confident smile seem to confirm that all the knowledge the "bully" can get in school he is able to get himself with his own hands. And he is absolutely right, that's why he does not complain about the unsatisfactory mark to Nestor Petrovich, but rather, he himself becomes a teacher to a teacher. And not only him - all students of the wonderful 9 "A" class.

Of course, the film looks like a fairy tale. And fairy tale is not life. Especially our life, modern, where everything has become a commodity: the soul, the heart, the knowledge, and the working hands. But after all, the child hasn't seen Vassilissa the Beautiful or Gorynych Snake in his life. And he hasn't travelled to Kon-Tiki. And he hasn't travelled for 80 leagues under water with Jules Verne. But however, the child was there. By himself.

Therefore, *a fairy tale* is so important in early childhood - the child is so passionate about the plot that he acquires a self through this illusion. For a brief moment of fairy tale narration, the childs tries on the armor of a hero and fights with Kashchei, the Serpent and Baba Yaga (Old Witch). Is this an illusion? It is. But it makes it possible for the child to create "his own fairy tale", create his ideal world, express his Word.

But does the child have no self with smart, joint and shared activities in mastering the finite things of the real world? Doesn't the child himself hammer in nails when the wise teacher "takes away his hand in time" (Ilyenkov)? Then what is the difference between the "self" of hammering nails from the "self" of creativity in the area of the ideal? The difference is in the universality of its coverage. "The universal is the truth of sensory certainty, and the language expresses only *this* true" [5, p. 53].

This is where exactly pedagogy "slips", when it is trying to build its work on materialistic principles without knowing the dialectics. Despite the fact that universal toolsensory activity is primary in the formation of the human spirit, culture, only language can single out and fix this universality. Therefore, if the child does not get the conditions created for the expression of universal sensual things, he will never be able to take a step from causality to self-determination in his development. He cannot become a substance that creates itself.

But do all educators understand this? The task of understanding the transformation of a child into a substance is not an easy task. It really requires serious philosophical preparation, because it is necessary to keep at one point the Marxist understanding of free labor, the Kantian a priori of the categories of space and time and the Hegelian removal of being in essence. Such "retention" also leads to Fichte's philosophy as the

key to pedagogy [1].

As an aid to the teacher, we will try to expand the point of identity of the positions of Marx, Kant, Hegel into the notion of educational research activity. And at the same time, we will also clarify for ourselves the essential details without which actual interaction with the child is impossible. Let us start with Marx.

In his "Theses on Feuerbach", Marx gives the following definition of the essence of a man: "The essence of man is not an abstract thing inherent in an individual person. In its reality, it is the totality of all social relations" [6, p. 265]. Here Marx contrasts his understanding of the essence of a man with Feuerbach's understanding. In Feuerbach, "a human essence can only be regarded as a "genus", as an internal, mute universality, connecting many individuals only by natural ties" [Ibid., p. 266]. But what is the reason for this position of Feuerbach? Marx explains that Feuerbach, in spite of the fact that he "wants to deal with sensory objects, really different from mental objects, ... takes human activity itself not as objective activity" [Ibid., p. 264], and, accordingly, he is compelled to "abstract from the course of history, consider the religious feeling [Gemüt] separately and assume an abstract - isolated - human individual" [Ibid., p. 266]. Such is the position of contemplative materialism. And here, of course, there can be no talk of any essence in its Hegelian understanding. Here is only the contemplation of immediate being. And therefore, the reflection as the main principle of action in its essence is only external, formal. And, accordingly, the essence of a man "according to Feuerbach" is only a "kind", "dumb universality".

This is not the case with Marx. Marx proposes to realize the reflection of the contemplated being in activity. And at the same time he learns from idealists, first of all, from Hegel, since Hegel ingeniously guesses (Lenin) in the shift of the categories of "Science of Logic" the shift of historical human practice. It is in the real transformation of being in the process of objective-sensory activity that Marx sees the identification and manifestation of a human being. It is in this kind of "reflection" that Marx gives the definition of human essence - "the totality of all social relations".

But any thesis requires disclosure, which, in fact, Marx implements in his "Capital" and not only in this work. Already in his early works, primarily in the "Philosophical and Economic Manuscripts of 1844", Marx reveals the essence of a man, which exists in the present being of capitalism. In Marx, the totality of social relations represented in the individual is not a "mute universality". The universality of Marx speaks in the language of the main Hegelian category - the category of contradiction. The individual of Marx is not the abstract "half" of Feuerbach, outside of which lies his essence in the form of a religious essence. Marx presents the contradiction of the thesis as the identity of the different: on the one hand, there is human self with its material and spiritual needs, on the other hand, there is the ensemble of all social relations. In the context of such a division of a single, Marx carries out its theoretical activities.

In fact, this is the main contradiction of Marxism, in the resolution of which the developing thought of Marx and Engels moves. In the context of the development of social relations in the direction of its absolute totality, the contradiction is being shaped on the one hand, from the point of view of consistent materialism, there is nothing in the world except the moving matter, on the other hand, the ideal of Marxism is the personality - a free individuality, not limited by predetermined stamps. Or in a different way: on the one hand, there is a human I, on the other hand, there is all objective reality. Bearing in mind Hegel's Logic, one may ask - what is an intermediate element, a connection between I (the individual) and the objective reality (the universal)? Obviously, activity is

such a special element that includes both I and reality. But the logical formula I - O - U is merely the simplest formula of inference, which corresponds to the beginning of the development of a historical person. The individual thing here is "in-itself". It defines itself through activity as "a kind", therefore the role of the individual in the second formula of inference is played by the universal: U - I - O. Now the universal, the kind determined by singularity - means the activity. As a result, there is a third formula of inference: O - U - I. Activity becomes an individual activity, but since it is completely determined by the universal, the individual is identified with the human race and is already able to maintain the contradiction of himself as an individual and himself as a representative of the kind. It is here that the individual becomes the subject. But this is a subject "in itself". It becomes a subject "for itself" when the singularity presented as the universality reveals this universality, that is, it finds objectivity in this "being-for-oneself" understanding the objectivity of one's essence.

In real practice, objectivity appears earlier, not as a result of the development of logical formulas of inference, as in Hegel. The real practice cannot do without objective reality and its active transformation in accordance with human needs. But activity and understanding of activity are, although related, but nonetheless different. Objectivity is not born from inferences, but objective reality can be understood only at a sufficiently high level of the theoretical development of a man. In the history of human culture, this is the level of Socrates. It was Socrates who was the first in the history of philosophy who was able to identify his Self with the universality of the race. The Self of Socrates exists, and at the same time it does not. Socrates does not dissemble when he says, "I know that I know nothing".

The Athenian thinker is "completely empty" not because he does not think. He is not a Hindu lama at all, who looks at his navel and keeps repeating: "Ohmm." No! Socrates has already mentally gone all the way to the development of Hegel's logical formulas of inference. Starting with the fact that in his activity he seeks a universal ethical norm of the polis, the philosopher, in his dialogue, putting an abstract definition of the universal, defines, like a gadfly, this universal with questions to clarify certain features of the universal and, as a result, the features are determined by the universal, but not abstract universal, but concrete, enriched by the specific issues of Socrates. What does Socrates come to? The philosopher does not give a positive answer to the questions of what is knowledge, good and beautiful in itself. In his endless search he only makes the interlocutors doubt the abstract understanding of the universal, fills his individuality and the interlocutors' individuality with the universal, as if dissolving in it. In fact, the trial of Socrates is the trial of the rebellious abstract universal of the individuality of the Athenian "gadfly", presented as the human race.

It is as if Socrates teaches us that in such "absolutely empty" way, one should approach the understanding of the objective world. In the form of wax, absolute plasticity, as Aristotle subsequently determines the understanding ability, the form of the forms.

But Socrates' "emptiness" and Aristotle's form of the forms are not John Locke's "tabula rasa". It is the unity that holds the universal. And only in this space one should seek the truth of the objective. The first to understand this in modern times was Kant. And it is no coincidence that modern scholars say that "Marx is inverted Kant" [7, p. 9]. Everything is absolutely accurate here – Kant's truth is a phenomenon defined by the categories of reason in the transcendental unity of self-consciousness. The truth according to Marx is in a man acquiring his own form, in "clever" action with a real "thing". Kant seeks within the human Self, Marx – within the objective reality, enriched by an

understanding of the concept, which is impossible without Kant.

Hegel also conducts his research in an area closely related to Marx's ideas. If the finding of the objective world in cognition within a single image of self-consciousness in Kant is only supposed to be in the form of categories of reason, Hegel, develops in his "Science of Logic" logical categories from direct being into an absolute idea and takes the position about which Lenin notes in his abstract: "In this *most idealistic* work of Hegel, there is *very little* idealism, and *plenty* of materialism. "It is contradictory," but it is true!" [8, p. 215].

Indeed, where is idealism here? "A concept is not only a *soul*, but also a free concept, which exists for itself and therefore has a personality – thus, it is a practical, defined in itself and for itself, objective concept, which as a person is an impenetrable, indivisible (atome) subjectivity, but which is also not an exclusive singularity, but *universality* and *cognition* for itself and in its other form has its *own* objectivity as an object" [9, p. 288]. How can one not recall "The Theses on Feuerbach" again, which only Lenin could fully grasp, not any other Marxist of his time. "The active side, in contrast to materialism, was developed by idealism, but only abstractly, since idealism, of course, does not know real, sensory activity as such" [6, p. 264].

But to what extent are we ourselves capable of understanding Marx in the era of the global crisis of capitalism, when the world is on the edge of the abyss? Not in the construction of science-like phrases, not in any "action", but in the Hegelian-Marxist identification of concept and reality? How smart are we ourselves to read "The Science of Logic?"

Anyone who has taken notes if "The Science of Logic" at least once, even if he skidded in places where Hegel is "especially confusing" (Lenin), must have noticed that Hegel has been conducting an in-depth dialogue with Kant for almost all three volumes. But Hegel knew Kant "far and wide"! And how well do we know Kant in order to scold the Koenigsberg thinker, together with Hegel, for his affection to the world in which Kant does not allow contradictions, and to praise one of the main "inventions" of the "Critique of Pure Reason" - the transcendental unity of apperception? It turns out that we need to know Kant not just superficially. And not only Kant. Doesn't Hegel appeal to Parmenides, Plato, Aristotle, Anselm, Spinoza? It turns out that in order to really understand "The Science of Logic", one needs to delve into the entire chain of philosophical thought leading up to Hegel.

And here, of course, no school is your assistant. Here you are the very educator (again, "Theses on Feuerbach"!), who should be brought up. And here, of course, there is a contradiction, which self-education always rests on. In shaping yourself as a personality, one needs to know the logic of the development of subjectivity, the very logic that you have yet to master. After all, even after reading "the Science of Logic", you have not yet become smart. Hegel only helps a man find their origin, only directs the search to the point where Self begins as Self. But where do we start thinking about the beginning of Selves?

First of all, knowing that the logic of Hegel is the logic of the advancement of activity, it would be quite worthwhile to recall again - where in the advancement of the real historical human practice is the point from which Hegel suggests starting science in his main work? Where is the onset of phylogenesis? According to Hegel, it is where the activity is absolutely insignificant, where being is identical to nothing. But according to Marx, activity is a tool-objective activity, that is, you need to find a point in the development of a historical person, where there are no tools at all, and at the same time the

tools exist. But is the existence of such absolutely non-existent tool possible - the "invisible instrument"?

In the real world there are no such tools, since all the objects of nature have dimensions. So it turns out that the beginning of human history is the moment when a man first person learned to create "empty" tools - words denoting objects of activity. Therefore, the child, in the process of ontogenesis, first gains simply the names of objects, without any meaning. And this does not contradict Hegel at all, Another thing is where to move on from here? How to develop meaning from mere item names? Shall we improve the verbal sphere? Or the subject sphere? Or their interaction? After all, acting with a real subject called a "spoon" (chair, table, mom, dad), the child comprehends the meaning of known objects and determines oneself qualitatively. But even finding his ways of action with objects does not yet give the baby his personal beginning. A personality emerges in the moment of realizing oneself as a free being, as a man who creates himself through activities with objects of human culture. And this requires reflection on what you have created.

In his self-determination movement, the child must eliminate causality. That is, he is to learn to be dependent only on himself. A wise parent, even without reading Hegel, may be extremely attentive to the endless "why" of his child, and vice versa, a professional philosopher may remain deaf to the curiosity of a little man who wants to know "why the grass is green". But, nevertheless, it is important to know Hegel, for the sake of the discipline the teacher himself, since the transition from causality to unconditionally is a key moment in the advancement of the individual. After all, if one is careless, inattentive and doesn't know the logic of the child's development, then it may turn out that all subsequent filling the child's soul with the knowledge will turn out to be a complete profanity, a parody of personality development.

The natural course of personal development is entering a position of a substance the point where being and essence of a man are identified as identical. Here, too, is the origin of the personality - the acquisition of an absolute attitude, that is, a state where, in his action with any object, the child sees an attitude to himself. The immediacy of this attitude gives birth to a concept. Hegel calls this beginning "supersensible, *inner contemplation*" [9, p. 292]. He further explains. "The directness of sensory contemplation is *diverse* and *individual*. But cognition is conceptual thinking; therefore, its beginning is also found only in the elements of *thinking*; it is something *simple* and *universal*" [*Ibid.*]. In his initial internal contemplation, the child is freed from the singularity of objects - he does not contemplate them at all in his beginning, although he already has the possibility of understanding them at that beginning. So what does the child contemplate at the point of the birth of his personality?

The point of onset of phylogenesis and the point of the birth of a personality during ontogenesis do not coincide. The historical person, as noted above, begins with the separation of real and ideal moments of activity. A personality begins with the free contemplation of being. The pre-existence of a personality is the genesis of concept according to Hegel.

A personality begins with an active entry into being. Up to the state of reflection, and further, to the comprehensive identification of the essence and fixation of the contradiction, the resolution of which establishes the basis of personality.

But how do we move from being to reflection? This question is the most difficult to understand, because the way of entering the being is seemingly known to parents and professional educators – it's in mastering objects of human culture - a spoon, a chair,

clothes, toys, a hammer, nails, plasticine, paper, a brush for painting, paints - the list can be continued on and on, but in the above-mentioned subjects there is a difference in functions, both insignificant and cardinal. For example, a spoon, a chair, clothes involve the specifics of meeting the most basic needs; plasticine, brushes, paints are designed to develop a child's imagination; a hammer and nails make it possible to combine a developed imagination with primary skills of action with material objects and create independently (through a joint and shared activity with an adult) the very object of the basic necessity, for example, a stool that the child has simply consumed previously. So where is the exit to reflection here? If the child baked pies with his grandmother, and then also fried pancakes, can we say that the reflection has already taken place? If the pancakes are tasty – that's great and that means the child has already reached the base of personality, if the pies got burnt – the child is yet immature, "weak at the knees", so he needs to work hard and reach the beginning in order to go on a path from which he can't take a turn... After all, labor created a man, and that's why you need to teach the child to act with the greatest number of objects of human culture, and in some cases to create them by himself. It is necessary to educate children, and not to speculate, especially about reflection...

But if we approach the issue without irony, then isn't the creation of a thing with one's own hands a reflection? After all, the layman of Nikolas of Cusa also shaped spoons as opposed to the philosopher-scribes [10, p. 391-392]. But one can argue - the layman had already had "spoonness" in his imagination before creative work. And he knew where it came from. The child creates what he sees. A layman sees God and creates. In layman's creative work the notion and the reality are identical. In child's creative work there is the identity of representation and sensory reality, but not the one that Hegel deduced from the concept, but only the pre-existing, given in sensation, in Hegel's categories, but existing exactly where the child takes his first steps in knowing himself - in present being.

The "stoolness" of the child is not yet the "spoonness" of the Layman. The character of the dialogues of Nicolas of Cusa seems to anticipate Hegel's words: "Since knowledge wants to know the true, to know what Being *in itself* and *for itself* is, it is not limited to the direct and its definitions, but penetrates through it, on the assumption that behind this Being there is something else than Being itself, and that this background constitutes the truth of Being" [11, p. 7]. Unconsciously, the child also penetrates through being, as if anticipating that the truth of a thing is not in its immediacy, and asks endless "why". But even if we answer the child's endless "why", we still can't bring him to the concept of God. God as the totality of all negations, not God, as the totality of all realities. "If ... we take reality in its certainty, then in view of the fact that it contains a moment of negativity as something very essential, the totality of all realities also becomes the totality of all negations, the totality of all contradictions" [2, p. 96-97].

The child needs to see the world as a whole. And for this he needs to make a total denial of his activities. But how can he do this? Break all the toys? Trample all the pies? Burn all the stools?

Anyway, some toy will remain unbroken, and some stool unburned. And the child needs to make a total denial to create his beginning.

If you carefully read Kant, you can find that the Koenigsberg thinker is on the path of the child. After all, how does Kant offer the reader to see the space to the reader of "The Critique of Pure Reason"? "Gradually take away from your empirical understanding of the object everything which is empirical in it: color, hardness or softness, weight, impermeability; then, however, the *space* isn't gone, the space which has been

previously taken by the object (which has now already completely ceased to exist) and which you can't throw away "[12, p. 44]. Kant's space here is something passive, created by the activity of the researcher - a certain emptiness as a result of activity. But does this emptiness really exist? And in his further works, Kant removes his previous statement – he now treats the space as a category, a pure contemplation, a condition of experience, the only possibility of experience that does not contain anything. The very category that Hegel subsequently defines as *nothing*. Nothing that can exist only in the transition to Being. Nothing as an active formative principle. Kant paves the way for such a Hegelian understanding - there is no space in things as such - this category manifests itself only in the activity of the researcher, but at the same time it is already primary, in contrast to the initial premise. Nothing (space) passing into being (the activity of contemplation) gives rise to the present being of the phenomenon.

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# APPLICATION OF INTERPERSONAL NEUROBIOLOGY TO THE KAFU CLASSROOM

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Participating as a colleague with the faculty of Kazakh-American Free University on an annual basis since 2014 has provided me with a deep appreciation for the dedicated efforts of KAFU instructors to present a thorough and precise learning experience for their students. The faculty works extremely hard, investing great amounts of time and effort in course preparation, class presentation, and student evaluation. Their dedication to the task of teaching finds its reward in witnessing the changed lives of the graduating students.

## "INSTRUCTION" IN SUBJECT MATTER AND THE "EDUCATION" OF STUDENT LIVES

The KAFU faculty, as do all teachers, find themselves facilitating two separate tasks with their students: "instruction" and "education". These words are frequently used interchangeably; with little attention paid to any significant difference in the processes to which they refer. While the common and casual application of these terms rarely causes confusion, there is value in distinguishing their use to identify different sets of classroom objectives and learning experiences. What is asked of KAFU teachers and their students in these two categories gains greater appreciation when the difference is recognized. Once is identified, the faculty's charge to remain up to date on research addressing their particular academic subject is viewed separate but linked to their equally significant charge to remain current on research regarding the nature of the learner.

#### THE TECHNICAL SKILL OF "INSTRUCTION": BEGINNING WITH THE SUBJECT

The term "Instruction" shares the Latin root: "structus" -t o build - with the English word "structure". In the same way that a building or a bridge is con-structed, in the process of instruction a body of interconnected concepts is transferred to the cognitive structure or psychomotor development of the student. Formative and summative instructional success is commonly measured through the students' thoroughness of concept retrieval or motor task correctness, and often by their facility in interrelating cognitive concepts (or motor techniques) in multiple permutations. Frequently measured as well is the student's capability to generate novel products. Overall success among the student body in meeting evidence-based "instructional" outcomes is one of the primary measures of the worth of the university itself.

Taxonomies for targeting and evaluating instructional success are many in number. They provide a valuable guide for directing student manipulation of the identified course topic. One useful and well-known configuration commonly employed is the Taxonomy for Learning and Teaching (Anderson, L.W., Krathwohl, D.R. 2001). For psychomotor skills, Gentile's Taxonomy of Motor Skills (Gentile A.M. 1972) is one of many examples presenting maps for designing courses and lessons. These taxonomies assist the curriculum designer in clarifying the cognitive and or motor processes expected in student summative performance.

Therefore, pure "instruction" may be considered, in a sense, a technical skill

which is practiced by the "instructor"; requiring the teacher's expertise in the dissembling of a body of contemporary understanding within a designated subject or in the identifying and sequencing of a set of motor movements, compartmentalizing them into ingestible components, and transferring them to the student in a systematic order which facilitates the learner's "scaffolding" (Vygotsky, L. 1962) of a cognitive structure or of a progression of motor skills. "Instruction" begins its focus with the structure of the subject matter and then goes forward to strategize a complete and accurate transfer into the mind and life of the learner. Measures of ultimate success are mostly external and held by agreed-upon structures within the society: employer qualifications and legal statutes being two. Can they do the job well and not break the rules/law? However, the teacher's technical ability necessary to instruct the student represents only one segment of the classroom task. Besides practicing the technical skill of "in-struction", the KAFU teacher must also practice the art form of "education".

### THE ART FORM OF "EDUCATION": BEGINNING WITH THE STUDENT

The term "education" is derived from the Latin word "Educare"- to draw out. Education does not focus upon the subject matter, but upon the abilities and life history of the student. The educator assists the student in drawing out the value of their own life and applying their experience of personal meaning to the pedagogical encounter with the assigned academic subject. Education places the classroom experience into the learner's expanding recognition of individual and corporate purpose, inserts the student's personal interaction with the material into individually-held and group values, and clarifies the student's metacognition of their overall ethical practice.

The "instruction" of subject matter demands a conformity of understanding and skill of practice which meets external mandates. But simultaneously, the personalization of the curriculum, and the classroom experience itself, allows the "educator" to be a choreographer; inviting the student into an intimate dance with the course material and coaching the development of a unique relationship with the skills acquired.

Where assessment of "instruction" is objective and must be standardized, assessment of "education", by its very nature, limits the value of standardization and calls upon subjective and personal perspectives of satisfaction. The learner's value of living a "good life", and appreciating the KAFU educational experience, is a teacher's goal which does not lend itself to objectivity.

#### "INSTRUCTIONAL" IN-SERVICE OPPORTUNITIES

It must have been a battle-scarred and wise professor who once said: "Teachers can only be teachers when students want to be students." It would be negligent to rest still and comfortable in the subject matter when the curiosity of students is thereby equally stilled.

It is critical that the university professor be able to "instruct" students- i.e., to effectively take apart and parcel out the current body of knowledge in their discipline and then to be able to thread it in sequence into the welcoming cognitive structure of the pupil. A university "instructor" must be thoroughly familiar with contemporary material in his/her field and well-practiced in de-constructing subject matter for scaffolding into a lesson plan.

Instruction begins with concern for the particular dynamics and contemporary status of the subject matter. While instruction is brought into the classroom by the instructor, education comes into the classroom through the unique history and cognitive orientation of each student. And the teacher's blending of these two skills- the techniques of instruction with the art of education- is the gift to the student found at Kazakh-American Free University.

The perpetual intake of contemporary research is the oxygen which sustains life for the university professor. Adequate opportunity is to be provided for acquiring an understanding of, and for practice with, the ever-increasing body of knowledge which is geometrically expanding. This rapid development is experienced in both the teacher's academic subject and, also, in the comprehension of the neuro-biological/emotional makeup of the learner. On-going refinement with both "instructional" material and "educational" understanding is critical to maintenance of the university. Contemporary instructional ability without up-to-date familiarity with the psychology of the learner would lead to professional blind sight (technical term) and student alienation. Contemporary understanding of the learning process without currently relevant course material would lead to a student's naïve illusion of professional efficacy and demonstration of incompetence.

Adequate in-service training for KAFU faculty in their separate academic subjects will continue to require unique expenditure in each department. Keeping current in the discipline requires subscriptions to many subject-specific research journals and websites as well as faculty participation with topic-related seminars and workshops- either by travel or by electronic dialogue. This considerable expense is an essential investment in student career success.

#### "EDUCATIONAL" IN-SERVICE OPPORTUNITIES

In-service training for KAFU faculty in "education"- addressing developments in student cognitive processing and emotional disposition- may be an easier task to sustain. The texts and journals concerning social dynamics and interpersonal neurobiology can be utilized by all KAFU faculty. On-site workshop and symposium experiences with theories of learning generate cross-institutional dialogue and deepen faculty interpersonal relationships; generating guided collaboration across disciplines.

KAFU teachers, as "educators", are gardeners working in step with the educational philosophy of Fredrich Froebel (Froebel, F. 1887). They cultivate a learning environment in which students are able to awaken to their own unique identity. Self-understanding can become increasingly clear through the pursuit of the university curriculum to develop professional self-certainty and interpersonal skills which appreciate and utilize the uniqueness of their own personality, family histories, and their Kazakh and Russian cultures.

In this role, the KAFU "educator" must be given the opportunity to acquire the skills essential to nurturing student self-awareness, emotional safety, and intellectual curiosity. Research in the area of interpersonal neurobiology rapidly provides new understandings into emotional and cognitive growth patterns, as well as identifying road-blocks found in individual development. KAFU faculty continue to be provided workshops to refine professional skills which recognize student affective dispositions as well as various levels of mental sophistication. This ability facilitates the construction of a safe learning environment and the diminishment of student counter-productive behaviors.

ONE PARTICULAR SERIES OF ON-GOING "EDUCATIONAL" WORKSHOPS
There are four areas of articulated research which have been presented to the

KAFU faculty in seminar form over the past four years to increase understanding of what is happening inside the mental and emotional environments of their students. The topics of these seminars do not address the subject matter of the participating academic departments, but rather the mental, emotional, and environmental circumstances found with all KAFU students. Continuation of these seminars over the next several years will provide faculty with increasing insight into the mental processes (emotional first, cognitive second) which students exhibit during a lesson. Faculty understanding of interpersonal neurobiology will also offer a more effective process for curriculum design and implementation.

Informal interviews with KAFU faculty completing at least some portions of past seminars has informed the re-structuring of future offerings. An updated and modified series of four seminars is proposed, possibly one per year to be held on the KAFU campus with invitations to colleagues at neighboring educational institutions. This set parallels topics which were introduced, one per year over five years, at Lily Conferences on University and College Teaching in the United States. The sequence begins with an introduction to an appreciation of life-long brain development and progresses to investigate the mental and emotional elements found in cultural and social structures.

Below is a suggestion for development and support of a four-seminar series providing KAFU "educators" with an experience investigating the influence of "interpersonal neurobiology" in their own classroom:

#### 1. BASIC WIRING: HOW THE BRAIN SHAPES ITSELF BY EXPERIENCE

Diamond, M. C. (1988), Eagleman, D. (2011), McGilchrist, I. (2009), Pally, R. (2018), Seung, S. (2012), Zull, J. E. (2011)

- The influences of family dynamics and sensory exposure by home and school upon the structure and function of the brain.
  - The brain as a symphony.
  - The necessity of movement and sleep.
  - The value of boredom.
- Brain chemical setpoints and the challenge given by two-dimensional screens and sound volume.
  - The detriment of multi-tasking.

# 2. THE PRIMACY OF WIRED EMOTIONS: THE DISTINCT PATHWAYS FOR EMOTIONAL RESPONSE AND THE DIFFERENCES IN THEIR EXPRESSION

Cozolino, L. J. (2006), Dweck, C. (2007), Kabat-Zinn, J. (2011), Panksepp, J., Bivens, L. (2012), Porges. S. (2017), Siegel, D. J. (2019)

- Neural pathways of sub-conscious emotional disposition formed through progressive or traumatic encounters in life history.
  - The value of play and its contrast with the process of searching.
  - Subtle expressions of rage.
  - Conditional emotional acceptance.
  - Growth mindset.
  - Identity development.
  - Expressions of fear vs. psychic numbing.
  - Designing a subconsciously safe classroom environment.

3. THE SEQUENCE OF MENTAL / EMOTIONAL SOPHISTICATION IN DEVELOPING THE ABILITY TO PERFORM SIMULTANEOUS COGNITIVE PROCESSING

Bruner, J. (1996), Gardner, H. (2011), Goleman, D. (1997), Morra, S. (2008). Newberg, A.B.; Waldman, M. (2017), Piaget (2011),

- Indicators of student ability to engage in increasing levels of sophisticated thought.
  - The limited set of identifiable mental operations.
  - Roadblocks to sophisticated thought.
- Genetic predisposition toward specific learning preferences and forms of resistance in activity engagement.
  - The role of affect in generating curiosity.

# 4. THE INFLUENCE OF CULTURAL AND SOCIAL SYSTEMS BROUGHT INTO AND GENERATED BY THE CLASSROOM SETTING

Kerr, M. (2019), Erikson, E. H. (1993; 1950), Havighurst, R. (1972), Minuchin, S., Fishman C. (1981),

- The role played in the family system and its contribution to the dynamic of the classroom environment.
  - The manifestation of self-protective behavior.
- Effective choreography of interpersonal relations within the classroom and the lesson.
- Recognition of variation in signifiers between students in subconscious and conscious (verbal and ineffable) interpretation of meaning.

Kazakh-American Free University faculty demonstrates a dedication to student learning which must be continually applauded and supported. As both instructors of challenging subject matter and educators of pliable students, their mission continues to be refreshed through in-service opportunities- on-line, off-campus, and at the university. Continuing interaction with the ever-expanding knowledge of the processes of mental and emotional development will empower the KAFU faculty to provide impactful learning experiences in their classrooms. Hopefully, seminars such as proposed above will contribute to that empowerment.

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# TEACHING ACADEMIC LISTENING USING A VIRTUAL LEARNING ENVIRONMENT

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#### Introduction

In recent decades, the world has been rapidly moving towards a new type of economy, where digital technologies have become the main instrument of its formation. The terms electronic, informational and computer technology are synonymous and have the general term as "digital technology". The term "digital technologies" used to describe the process of digitization. Djusubalieva D. et al. (2019) points that a feature of modern digital technologies in foreign language education is to prepare the user for

work with various types of information: text, graphic, audio and video.

Digital literacy of students and the ability to access, manage, analyze, integrate, evaluate and create information in a variety of ways is a priority of education in general (Nazarbayev, 2010).

The term "digital content" used as a term to describe three segments of the multimedia products market:

- 1) production of content in a digital format;
- 2) the multimedia products distribution in digital environment;
- 3) consumption by users of the content produced and transmitted in digital format (Kashtanov, 2012).

According to CEFR, students with level B1, B2 should understand the main points of clear standard speech on familiar regularly encountered in work, school, leisure topics, and the main point of many radio or TV, current affairs or topics of personal short or professional interest.

The following types of listening activities should be followed by students with level B1, B2:

- listening to public announcements;
- listening to media (radio, TV, recordings, cinema);
- watching TV, video, or a film with subtitles;
- listening as a member of a live audience (public meetings, public lectures, entertainments, etc.);
  - listening to overheard conversations, etc.

In each case, the user should develop the skills of listening for gist; specific information; detailed understanding; implications, etc.

#### Discussions and results

Video/audio is a form of multimedia that conveys information through two simultaneous sensory channels: *aural and visual*. The richness of these forms of information (images, motion, sound, and, at times, text) benefits learners, by enabling them "... to learn through both verbal and visual means, to view actual objects and realistic scenes, to see sequences in motion, and to view perspectives that are difficult or impossible to observe in real life" (Wetzel, 1994). In addition, Marshall (2002) details three theories that explain how learning may occur via well-selected video / audio "based on the ability of the entertaining media to engage the learner, activate emotional states, initiate interest in a topic, and allow for absorption and processing of information".

Authentic audio texts allow students to hear the speech of native speakers, which reflects the living reality and peculiarities of the national culture. Audio contributes to a significant improvement in the perception of English speech (Kareva, 2014). Unlike audio or printed text, which can certainly have a high informative, educational, and developmental value, video text has the advantage of combining different aspects of the act of speech interaction. In addition to the content of the communication, the video contains visual information about the place and the event, the appearance and non-verbal behavior of the participants in the communication in a particular situation, often due to the specifics of age, sex and psychological characteristics of the speaking individuals. Visual material allows better understanding and consolidation of both information and purely linguistic peculiarities of speech in a particular context (Barmenkova, 2010). Thus, audiovisual communication technology (including educational) allows talented people around the world to become known due to the availability of their digitized crea-

tive product, worthy of imitation and inspiring others to similar acts.

Video/audio use is an effective educational tool for all students, but its positive effect on special populations of students is gaining greater attention all the time. According to a survey by the Corporation for Public Broadcasting, these media are "highly valued as teaching tools" and "seen as especially effective for reaching visual learners and special populations" (CBP, 1997). More than half of teachers surveyed describe video/audio as "very effective" for teaching students. Academic listening may help to promote learning in students with high aural/visual orientation in their learning styles; it can also provide important learning opportunities to students working in a second language.

There are numerous advantages for such students when instruction supplemented by the use of video / audio:

First, [video-based contexts] provide rich sources of information with opportunities to notice sensory images, dynamic features, relevant issues, and inherent problems. Second, they give students the ability to perceive dynamic moving events and easily form rich mental models. This advantage is particularly important for lower achieving students and for students with low knowledge in the domain of interest. Third, video allows students to develop skills of pattern recognition, which are related to visual and auditory cues rather than to events labeled by the teacher. In sum, video images are ideal for creating a common experience for the teacher and learner that can be used for 'anchoring' new knowledge (Bransford et al. cited in Barron, 1989, p. 3).

For students learning English as a second language, video / film / TV / audio demonstrates communicative language within a language environment and cultural context (Wood, cited in Aiex, 1999). Video, especially film, provides a social context for English language learners; it can be played with the sound on, so that students hear the language being spoken, or alternatively, with the sound off, so that learners can use their own language skills to provide the dialog or narrative.

#### Methods

As with all educational technologies, the value of video/audio relies on how it is implemented in the classroom. Reviews and meta-analysis of the research indicates that positive learning and affective outcomes are greatly enhanced and extended when the video is integrated into the rest of the lesson (CPB, 2004; Mares, 1996). Effectively integrating video into classroom instruction involves preparation and activities before, during and after viewing.

Teachers can prepare for using video/audio by previewing the content, establishing clear purposes for viewing and deciding what selections will best support that purpose. The value of video "is highly correlated to its integration within the curriculum in other words, how closely the content fits into the overall instructional sequence" (CPB, 2004, p. 11). For instance, video may use at the beginning of a unit to pique interest, during a unit or lesson to bring demonstrations into the classroom that might not otherwise be possible, or as a means of reviewing or reinforcing content.

Supporting students to engage with listening as active learners requires creating the right setting for such learning to occur. Setting expectations for students and providing a context for the activity, beneficial with any learning tasks, may be especially crucial for viewing of video with content that is highly emotionally charged. Denning fears that without proper instructional context and guidance, "video, like television, may condition viewers to be insensitive or to feel helpless in the context" of events being

watched (p. 1).

Selecting effective video/audio is an essential component of integrating this medium into practice and realizing the promise of multimedia in the classroom. In reviewing the historical, political and economic contexts of each major classroom technology over the past century, Fabos (2001) concludes that one of the most significant factors in the success or failure of an educational technology is the quality of the content, rather than the technology itself. Selecting video that has strong, visually rich educational content is a critical element for maximizing the effectiveness of video.

Video is a visual medium, and optimal use capitalizes on the strengths of its visual material. This includes providing visual demonstrations or evidence, dramatizing events and concepts, and appealing to the emotions. Educational video with instructional strategies and cognitive modeling traits embedded in the video itself can aid in student comprehension. Examples range from zooming in on details, to providing titles and other attention-drawing graphics, to animations. Videos with closed captioning can further promote learners' reading fluency and motivation to read (Lin, 2003).

Analyzing different points of researchers' views on using educational video/audio in the classroom, we suggest a methodical model of academic listening in the formation of intercultural communicative skills (subcompetences) for non-linguistic specialties on the levels B1, B2.

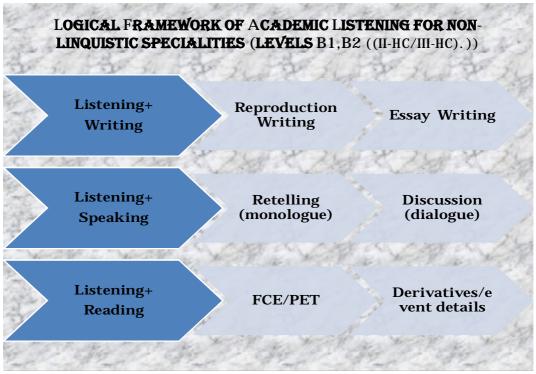


Figure 1. Logical framework of academic listening for non-linguistic specialties

This logical framework suggests developing listening skills in tandem with reading, writing and speaking activities (Fig.1). Combination of four skills in one framework guarantees the students' better perception of information and formation of intercultural communicative competences in the easiest way, as if it follows the stages, that are shown in the figure 2.

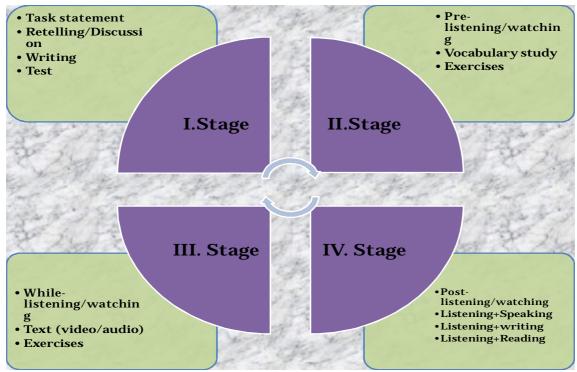


Figure 2. Instructional planning of academic listening, including three main skills

Modern multimedia technologies as well can help students to form their intercultural communicative skills. Strokan (2017) justifies the relevance of the use of these Internet resources/web resources in teaching foreign languages, examines their types and characteristics, as well as proves the productivity of their use for better assimilation of basic knowledge.

The latest multimedia technologies help to quickly and effectively master oral forms of communication, correct pronunciation, learn the grammatical rules, master fluent reading and deep understanding of authentic texts, create real situations of communication, remove psychological barriers and increase interest in the language. In the context of foreign language education, Internet technologies allow to create a technological learning language environment for the formation of foreign language competence of students (Bogomolov, 2008).

Web resources provide teachers and students a special program of teaching foreign languages, cross-cultural material, news about economy and politics, culture, authentic literature, the selection of which teacher can conduct independently and adapt to specific learning goals. Students, in turn, with the right choice of material, programs, resources have the opportunity to participate in Internet conferences, webinars, competitions, create multimedia presentations in the process of working on projects.

Today, video continues to have "significant staying power" in classrooms, although with new technology, "video is finding its way into schools through different paths," according to market research by Grunwald Associates (**Branigan**, 2005). One of the most exciting of those new paths is Video-on-Demand (VOD) systems, tools that make unprecedented numbers of videos available to classroom teachers exactly when and as they want them. The videos are digitized, and then stored on a computer server, where teachers or students can access them at any time.

### **Video-based learning:**

**Vialogues.com** is a tool for creating a video-based discussion. Language teachers can use this tool to create lessons around video. Teachers can also add polls and quizzes and comment on the video lesson. Students can post comments related with the video.

**Magisto** – create a video with up to 25 clips or 30 photos, choose a theme and soundtrack, and add text, images, and video clips.

**ZimmerTwins** – choose from various characters, type in the dialogue, choose your background scene, and create a fun movie.

The next innovative digital Web 2.0 tool for language learning is podcast. Podcast is an audio or video recording made by any person and available for listening or viewing on the World Wide Web. Podcast is a type of Web 2.0 social service that lets you listen to, view, create, and distribute audio and video recordings. On the Internet you can find both authentic podcasts created for native speakers (for example, BBC news) and educational (for educational purposes). For English language learners, the podcast directory is available at <a href="https://www.podomatic.com/www.bbc.co.uk">www.podomatic.com/www.bbc.co.uk</a>. This service of podcasts allows students to listen to and view online podcasts, record and place on one of the podcast servers own podcasts on any topic. Most prominent podcast server is YouTube. On YouTube, every registered user can post his/her video podcast, view others, as well as participate in discussion / commenting podcasts in microblogs (Sysoev, 2012).

Sysoev (2012) identifies the following didactic properties of a podcast:

- 1) the ability to place personal podcasts of users on the Internet;
- 2) the ability to create personal area of the user on the service of podcasts (personal user area necessary for organizing a network discussion of a podcast);
- 3) the ability to organize online discussion of podcast in the personal area of the user in the microblog;
- 4) the creation of the user's personal zone and its moderation are carried out by the podcast author;
  - 5) posting comments in network discussion of a podcast is made chronologically;
  - 6) accessibility of podcast to view all registered users of the service.

Since podcasts develop listening skills, it should be based on the type of texts, which students will meet in real life. A number of studies show that the use of podcasts in the development of speaking skills significantly increases the motivation of students and brings diversity in the process of language learning at school and university (Solomatina, 2011). In addition, Solomatina (2011) in her research work defines range of linguistic skills developed through podcasts (listening and speaking skills). The high-lighted language skills (speaking and listening) match the skills identified in the requirements to the level of teaching students at all three stages of education (primary, secondary and senior) in secondary school and university. This means that the use of podcasts in teaching a foreign language can occur on a daily basis.

#### **Podcast and audio recordings:**

Vocalremover.ru-record audio, add music and sound effects

**Vocaroo** – easily record audio then email to students who can record audio back. No registration is required. You can also send a link or download the clip.

**Spreaker** – record 10 hours of audio total and add music and sound effects.

www.podomatic.com

www.bbc.co.uk

#### Conclusion

As a result of the research we present series of interactive exercises, tests, games on academic listening on university MOODLE, designed to develop independent learning skills of students, especially those operating in large teaching group settings. The manual covers various spheres, topics, subtopics, real-based situations (Kunanbayeva S., 2010) and presents digital educational resources for academic listening that are innovative in the market research and appropriate for use in higher education.

Digital video/TV/film/audio/podcast will be produced into a series of interactive exercises, each deals with a particular topic on General English, based on levels B1, B2. Associated interactive exercises will be included on the DVDs or via hardware DVD player. Students can download the media clips and associated exercises over the university network as MOODLE. Interactive exercises presented as dynamic, interactive PDF forms that produced using Adobe Acrobat and Designer. Students do interactive exercises, tests and play games based on the content of the video / audio / podcasts / film / TV. The listening sources taken from Youtube, Vimeo, Voscreen, Puzzle-english, VOA and BBC digital resources etc.

It is clear that these digital resources for academic listening open many new opportunities for learning that are just beginning to be explored. As the documented strengths of film, television and video are made more and more available and accessible through these resources and it opens the potential for learning and exploration.

#### **Abbreviations:**

CEFR- Common European Framework of Reference for Languages

MOODLE - open source course management system

DVD - digital versatile disc

PDF - the portable document format

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# THE ROLE OF MANAGEMENT AND LEADERSHIP IN THE DEVELOPING OF THE EDUCATIONAL SYSTEM OF KAZAKHSTAN

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As we look ahead into the next century, Leaders will be those who empower others. Bill Gates

We are currently documenting everything we know and have learned. These lists include useful summaries of the knowledge we have gathered, even though they all do not provide the inspiration we want. Furthermore, there are limitless lists of education and leadership, and the main thing for us is to find the one that we really need. We have to ask ourselves what is important for development and be more creative? In matters of improving the training of managers in education plays an enormous role personality focused on intellectual self-development and has a high level of management culture. This is due to the modern requirements for the degree of professionalism of the manager in education.

In the context of globalization, the education system in most countries is in a state of constant modernization and reform. Currently, management and leadership have become a relatively recent area of research among scientists, researchers. It should not be forgotten that management and leadership have traditionally been in business, trade, politics and economics. Today we can see them in any field of study. It is well known that management and leadership have just studied in Kazakhstan's education system. New trends in the economy, politics, social sphere of the Republic of Kazakhstan, the main vectors of state policy in the field of education, innovation in modern society have identified the need for highly qualified managers of the education system and the increasing role of their managerial competencies.

At present in pedagogical science, the first thing to note is that the path of development of education begins with the education of students from the position of the science of management. According to many experts, management is necessary not only in the economic or industrial sphere, but also in the field of complex social phenomena, which are pedagogical management, since the emergence of new specialists and professionals depends on the management of educational activities, as well as the formation of the human person, one or another of its qualities.

The role of management and leadership in the development of the educational system of Kazakhstan. First of all, let's clarify the differences between management and leadership in the education system.

### Educational management

"Education management is the theory and practice of organizing and managing existing educational institutions and systems" [1].

Management implies an ordered way of thinking. It describes in operator terms what should be done, how it should be done and how we know when it is done. Management is not a mystery. This method work lead to the orderly integration of education and society. For example, "school management, as a set of educational doctrines, includes a number of principles and commandments related primarily to the technique of school, and are largely based on the practice of successful teachers. The authors in this

area have interpreted these principles and commandments in different ways, usually with reference to longer and more fundamental principles of psychology, sociology, and ethics. [2].

# Leadership in education

The definition of "Leadership" is mainly related to the army, as well as to the economy and politics. Most of us hear the concepts of military leadership, economic leadership, national leadership, or political leadership. Kissinger, one of the greatest American statesmen, said the leader's mission is to bring his people from where they are to a place that has never been. So let's take a closer look at each of these processes and try to give a scientific assessment in the development of education of the Republic of Kazakhstan [3].

#### The essence of management activities in the education system

One of the goals of the State program of education development of the Republic of Kazakhstan for 2011-2020 is the formation of the state - public system of education management. This program solves such problems as improving the mechanism in education, as well as the formation of a system of public-private partnership in education, the introduction of corporate governance principles, improving the system of monitoring of education development, including the creation of national educational statistics, taking into account international requirements, etc. [4].

At present, the time of technology and technology, based on the economy is education, in our country there is an active search for humane ways of positive changes in the professional educational space of Kazakhstan. For this purpose, there is a national doctrine of vocational education, where the final result of training, education and development is directly related to the correct plan, management method.

In the pedagogical sphere of education, the desire to comprehend the pedagogical process from the standpoint of the science of management, to give it a strict science-based character is increasingly rising. There is a statement of many researchers that management is real and necessary not only in the field of technical, production processes, but also in the field of complex social systems, including pedagogical.

Summarizing all the above definitions, the general concept is that management is a special kind of activity performed by the subject of management in order to ensure the movement of the object on a certain strict plan. Management in the educational sphere is not an easy task, which is a set of systems that includes interrelated components. This hierarchy allows you to define a control object for a specific situation. As in all management areas, the main subject of management theory is the law, and the process depends on its objectives, principles, methods, functions, industry specifics, and the level of this body in the overall management system, as well as structure.

Education management system is built as follows: the subject of activity; the purpose of training; object and subject of management. These elements interact with each other and are related to each other and the main of them distinguish the subject and the object, as any participant has the full right to act as a subject of management and its object, regardless of its belonging to the hierarchical level. In addition, the transformation of the object into a subject promotes everyone to actively develop as a person, to be independent and improve the skills of self-government. A common example can be a teacher, being the object of control at the same time to some extent plays the role of the subject, for instant, leads the management of behavior and action of others.

By managing and containing systems, the educational process does not develop spontaneously and orderly way. Basically, the method of interaction of methods with a particular environment can be implemented by local education authorities and in other words, the pedagogical system of functioning in each territorial administration may be different but has the same goal.

In management plays an important role not only the implementation of a given plan, but also must take into account the morality, ethical and psychological aspects of this important activity. Since the main subject, acting in the functioning of any system, is the person himself.

The categories of system components of pedagogical management include the following basic definitions.

Pedagogical management – a set of principles, methods, organizational forms and technological methods of management of educational and educational process, aimed at improving its efficiency.

Management of educational process (as an integral part of pedagogical management) - purposeful influence of the head on pedagogical collective and trained by scientifically proved planning, the organization and control of their activity.

Educational process is a purposeful activity on training, education and development of the personality by the organized educational and educational and cognitive processes in unity with self-education of this personality providing mastering of knowledge, abilities and skills at the level not lower than the state educational standard.

Information - the subject and product of the work of the Manager of the educational or educational process.

Monitoring of the educational process-continuous monitoring of the progress, results and effectiveness of the educational process through the use of computer technology, the collection and processing of information about it [5].

According to the study, students' academic performance mainly depends on the action of teachers, on the method and process of learning, as students cannot get a decent education in a class where there is no good management and leadership. Therefore, it is very important to maintain a balance between the teacher and each student.

As well as studies have shown that in the classroom where teachers and students had a quality relationship, there were fewer problems with behavior and discipline. Overall, about 20% of students in each class suffer from mental and emotional disorders. They in turn need special approaches and it is directly connected with the teaching method. And the most effective teachers didn't treat everyone equally, in many cases they used different strategies for different character of students. The approach of teachers to students is very diverse, and given that people cannot have the same character and thoughts, this kind of relationship between teacher and student cannot be determined and it is only necessary to prepare future teachers for self-government. For these purposes, many countries already have so-called leadership for teachers (USA and EU countries) [6].

What does the word "leader" mean? We need to know more about the history and origin of the word. According to the etymological dictionary of the leader in the old English language "lædere" the one who leads, from "lædan" [7].

Leaders are people to be followed. It follows that the secret of leadership is that they do not defend their opinions only, but look for a solution in each situation based on the interests of all their subordinates, as well as the ability to predict given the current situation and act in minimal risks. This and it is different from the management where

law and order has a major role. In a word, we can say that leadership is one of the ways of management, the process of which depends on the performer.

The leader acts regardless of the state of Affairs, in the economic sphere, and even at the time of crisis. This is not a certain position and it cannot be taught, each has its own approach, which requires a lot of time and experience. This quality should have a leader. A striking example is Bill Gates, despite early failures, led to the success of Microsoft [8].

According to the study, in addition to the daily training of students, the teacher-leader takes a leading role in improving the practice of teaching, regardless of the school in which they study. In addition, collective leadership has a greater impact on student achievement than individual leadership. So that you can draw from this the conclusion that it is necessary in schools shared leadership among teachers.

Before each teacher needs three important tasks: outplay trust, acts as the leader and gives a professional education. One of the factors affecting the performance of students is respect between colleagues and between the student and the teacher. For these purposes, events, greetings, awards, etc. As a result of the trusting relationships that inspire teacher leaders, they boldly speak out to ask difficult questions, reach out and push their directors and colleagues on issues that require solutions, listen without judgment and respect everyone's voice.

### Take on the qualities of effective leaders

The same qualities that make any leader effective apply to teacher leaders. They are knowledgeable in their field, be it literacy, special education or specific content or area of specialization. They have high hopes for their colleagues and students and are kind and encouraging to all. They know and apply the latest and most relevant research and generously share information and resources with others. They are humble experts in what they do, and willing mentors, coaches, and collaborative educators with colleagues. At the same time, they are students who are open to change and constantly strive to become better at their craft.

#### Facilitate vocational training

Providing continuing professional education at a high level is probably the most important role of the teacher manager. Together with the Director, the leading teachers plan and conduct vocational training at the school. Vocational training is to establish belief school wide that corresponds to the "best" methods of learning and assessment. professional reading, viewing and discussing how authentic, purposeful practices look and sound, conversations with colleagues about the application of these methods in the classroom and, with leadership support, improving daily learning and assessment so that students can learn more, after all, it is the quality and depth of professional learning in the school that determines the learning outcomes of students and teachers.

Often, those who wish to engage in education often have certain qualities of leadership, because we are rarely people who want to play a passive role in the world around us. According to John Quincy Adams, "If your actions inspire others to dream more, learn more, do more, and become more, you are a leader." By applying this definition of leadership to teachers, we will see that the concept of "teacher Leader" is becoming increasingly defined and even appointed [9].

Having concluded, we can say that leadership and management in the education system play a major role. Because leadership and management in education do not de-

velop at the appropriate level. Moreover, in accordance with the modern Policy of education in Kazakhstan, it should pay great attention to academic researchers. It is believed that the best practice is the experience that has already been used. The practice of management and leadership qualities in the education system gives good results in your work, and you can use them in your practice. Leadership and management are directly related to development, as it brings positive changes to move forward, the internal development of the human system. Since we are talking about the development of the education system, it is necessary to plan, organize, control, manage. To grow, we need to use some experience, but changes happen when we make transformational changes-something changing completely.

#### Conclusion

Conditions of development of Kazakhstan at the present stage impose on higher education a number of fundamentally new requirements of economic, social and managerial nature. The trend of education in Kazakhstan will be a change in the activities of the top management of the national education system and the transition to new methods of work. Innovative approaches to the management of universities, strategies for effective personnel management, the introduction of corporate governance principles, tools to ensure the quality of higher education, financial management have acquired great relevance today. In the implementation of the State program of education development of the country for the period up to 2020 and effective management of the University plays a huge role in the updating of knowledge in the field of education management.

Thus, management activities in the education system - is an activity to achieve certain goals, aimed at developing solutions, organization, control, which is based on the interaction of people, coordination of their actions. It can be represented as a system of knowledge, as the structure of the control theory is internally different, but a complete system of knowledge, which is characterized by the logical dependence of some elements on others, the deductibility of the theory of the content of a certain set of statements and concepts - the original basis of the theory of certain logical and methodological principles and rules.

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# LEADERSHIP IN THE DEVELOPING OF THE EDUCATIONAL SYSTEM OF KAZAKHSTAN

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The economic and social changes happening in the Kazakhstan society, formation of innovative orientation of economy integration into world economic space put new priorities and tasks among which the most relevant is quality of training of experts before the higher education system of the state.

The invariance of interpretation of the concept "quality" in many respects is explained by a variety of the objects having quality, complexity and feature of the nature of quality of objects of a material world, a context of problems of its research, degree of coverage of difficult interrelation and relationship of this category with other categories (economic, sociological, etc.). It caused existence of a large number of determinations of content of quality from positions of such aspects as economic, administrative, social, organizational and technical and technological, psychological, legal, ecological, personal, cost, system, etc. [1, p. 17-23.].

The Bologna declaration and the Prague communique mark out three major results defining quality of the training program (service in the educational program) [2]:

- the academic quality which is understood as skill in the sphere of researches, teaching and dissemination of knowledge and a contribution to personal development;
- ability of university graduates to find work in the international labor market during all life;
- mobility in every sense: spatial, temporary, program (affecting such aspects as recognition of unacademic education and granting opportunities of repeated access to education) and personal flexibility.

Development of higher education in the republic is closely connected with problems and social and economic regularities of development of society and, first of all, transition of economy of the state to the system of the market relations owing to what there is a need for experts of market orientation, requirements to the content of their preparation change.

In the Republic of Kazakhstan since 2004 in the state RK educational standards the model of training of specialists has personally focused character. The quality of result of training in programs of preparation is defined by two blocks of the parameters characterizing knowledge accumulated in a certain academic area, and the acquired competences (possession of methodology and terminology in a certain field of knowledge, understanding of the system interrelations operating in it, skills of social interaction, etc.), including personal development of students (an outlook, thinking, the general development) [3]. Thus, knowledge and abilities are considered as one of quality assessment parameters, but not as the only and major purpose of training that is now a subject of discussions in discussion of separate sides of the concept "result of training" and assessment of its quality.

The higher education of the 21st century differs in a number of features and demands certain changes of contents and the organization of training. One of objectively existing factors stimulating changes in the system of high school education is promptly increasing flow of information. This growth happens such rates that former methods of communications and an education system cannot cope with it any more. Changes which at the same time are observed in high school activity can carry multidimensional mani-

festation, including new technologies of training, a technique of teaching, means of technical support of the organization, management and service of educational process etc. that demands from a control system of higher education institution of high flexibility and mobility.

One more important factor influencing today acceptance by higher education institutions of the decisions connected with determination of structure and the maintenance of a control system of quality and its providing is the global nature of this problem and universal trends in approaches to its decision. At the same time it is important to note that the system of quality assurance has broader interpretation, than a control system of quality [2].

The interrelation and inclusiveness of these concepts schematically looks as follows: quality assessment – quality management – quality assurance.

As models of management were widely adopted a quality management system. In the world there are 10 most widespread models of systems of quality management in higher education institutions among which: models of national and regional awards on quality, for example, model of a national American award on quality of "Baldrige National Quality Award" in the field of education [4] or the model of the European fund for quality management (EFQM) used at award of the European award on quality "Perfection in business "(EQA) [5]; the model constructed according to the principles of General quality management (TQM), requirements and the recommendations of the international standards of the ISO 9000:2000 [6] series and some other.

Now in higher education institutions of Kazakhstan and Russia when developing model of quality management of training of specialists, the following methods and approaches are used:

- estimated method of management of quality of activity of higher education institution;
  - the concept based on the principles of General quality management, TQM;
- the approach based on requirements of the international quality standards of ISO 9000:2000.

The estimated method is based on comprehensive inspection of functional zones of higher education institution, a self-assessment of activity and acceptance by their results of certain measures.

Today the level and quality of education make direct impact on economic development of any country. Modern production imposes the increasing requirements not only to hardware, but also to "arms" of workers' necessary knowledge on both their systematic expansion, and updating.

Management evolution, development of school of the human relations, production consideration as a system, approach to management on the basis of quality management caused formation of the new administrative paradigm based on understanding of the predominating role in production of a human factor.

The majority of researches on studying of the relations between education and macroeconomic growth is conducted within the neoclassical theory. In these researches it is often claimed that productivity of economy depends on the invested capital and the number of busy workers and also on inflow of new technologies. Usually education directly does not join in schemes, but it is supposed that it affects both quality of work, and on engineering procedures [7].

In the conditions of the market ensuring sufficient investment into education is considered one of the most important problems of policy of support of educational capacity of the country. Through the higher education system and its quality, the vital objectives of the individual, the economic interests of employers and the purposes of the state and society connected with development of human resources are achieved [8].

In the context of global trends in ensuring competitiveness of national economy in the Republic of Kazakhstan qualitatively new reconsideration of a role of the higher education in social and economic development of the state is observed. "The concept "education" is transformed and extends". "There is a transition from the concept of functional preparation for the concept of personal development". "The increasing value gets continuous education and education of adults". The listed trends define the main directions of the present stage in development of science and an education system of Kazakhstan [9, p. 2].

Education in the countries with the developed market economy is one of the most highly profitable directions of investment of means. Besides the educational sphere has rather low degree of risk of losses of investments and income on them. By estimates of the American economists, one dollar invested in educational development makes from three to six dollars for profit.

Education as the social phenomenon as social process and, at last, as the social institute, being an element of society, is influenced practically by all changes happening in it. It is twice fair in relation to education in the society enduring deep, high-quality transformations. It also is the Kazakhstan society today.

As positive process should consider granting in the Republic of Kazakhstan higher education institutions of all forms of ownership of the equal rights for conducting educational activity and creation of conditions of development of competitive education market.

Statistics shows that in Kazakhstan, as well as in many other countries, there is a glut of labor market experts to the higher education at a shortcoming of experts with secondary vocational education and the existing need for working professions.

Providing the branches of economy with qualified personnel is one of the main objectives of institutions of education. For this purpose, in the Republic of Kazakhstan the State educational order on formation of the student's contingent in a section of specialties is annually specified. Up to 2010/2015 academic years the state order was formed through providing the state educational grants and the state educational credits and from 2015/2016 academic years - only according to state grants.

The analysis of processes of reforming of an education system of the Republic of Kazakhstan and the changes happening in it shows that the main positive acquisition of sovereign Kazakhstan is the realized policy of "human development" and maintaining social unity of the Kazakhstan society.

Among the top positive trends of development of a system of the higher school of Kazakhstan at the present stage of its reforming:

- modernization of a national education system on the basis of harmonization of national traditions and global trends in the field of education;
- transition from the "education for the rest of life" model to "education throughout all life" model [10]. Content of higher education of RK is characterized by unity of its elements and requirements, continuous structure of education with continuity of all steps of training and equality of access to them that creates conditions to a possibility of training during all life;
- in an education system of the Republic of Kazakhstan, on equal terms, the non-state sector of educational services gained development;

- training financing sources are diversified. Access for citizens of RK to the higher education, is generally carried out through the system of paid education which on a parity basis is implemented by higher education institutions of all forms of ownership and is focused on a requirements satisfaction and social needs of the personality [11];
- the state order for preparation is the main instrument of regulation of compliance of the offer of educational services to demand for experts existing in branches of economy of the republic and the mechanism of realization of the principle of free education for socially unprotected segments of the population and the population with the low level of income. Through the state order selection of the most gifted youth is provided, conditions for increase in access to education for graduates of rural schools are created;
  - significantly the independence of educational institutions extends [12].

At the same time, reforming of higher education brought a number of problems which did not lose the relevance and now to life. The most significant of them are: imperfection of a regulatory framework of regulation of dynamic transformations in the system of the higher school of RK, an imbalance of specific, industry and territorial structure of supply and demand of shots with the higher education and decrease, in general on the republic, level of quality of training of the top skills [6].

Educational development in the republic is closely connected with problems and social and economic regularities of development of society. The main concept of development of the higher education of RK is the refusal of the state monopoly for education therefore in the republic competitive education market where on equal terms with state non-state higher educational institutions which specific weight in the total number of higher education institutions of RK is about 72% function was created. Availability of the higher education to the population of the republic is implemented generally at the expense of a paid form to which share over 86% of the cumulative contingent of students of higher education institutions of Kazakhstan fall. The state order for preparation is the main instrument of regulation of compliance of the offer of educational services to demand for experts existing in branches of economy of the republic. Its share in the total number of the contingent does not exceed 20%. As a result, demand for educational services (specialties) is formed spontaneously, causing disproportions in labor markets.

Integration of higher education institutions of RK into world educational space, inclusiveness of a national education system into Bologna Process, the entry of Kazakhstan into the World Trade Organization (WTO), objectively dictates need of introduction of practice of accreditation of domestic higher education institutions and adaptation of the national system of ensuring quality of education (NSEQE) to the standard procedures of external control and assessment in world practice.

In the context of this problem in a research the model of restructuring of a system of external assessment of high school activity which purpose to provide competitiveness and adequacy of its mechanisms and procedures to the similar experience standard in world educational space is offered.

The basic principles of restructuring of the existing system of external assessment of quality of high school activity is the principle of continuity of its components based on accounting of their role and the importance as a part of the projected system; adaptation and transformation of maintenance of components of the existing system to contents of foreign procedures analogs; inclusiveness in the system of external control and assessment of procedures, nonconventional for national educational space, which need is dictated by trends of development of the Republic of Kazakhstan and its educational system.

The model of process of restructuring offered in a research includes two stages of consecutive transformation of the existing system of external control and assessment of quality of high school activity in the projected system through its intermediate, transitional model.

Are determined by the main components of the re-structured system of external assessment of higher education institutions of RK in a research: licensing; accreditation on the basis of the national quality standards adapted to the international standards; international accreditation; public rating of higher education institutions and qualification control of knowledge of graduates by the professional agencies.

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# COVENANTS IN LOAN CONTRACTS AS A MEASURE AND AID TO REDUCE RISK

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#### **Abstract**

This article provides a detailed overview of the interpretation of covenants as a means to minimize risk. Due to the fact that companies have to take risks again and again, covenants to control them are of great importance. It is important that these are simple and quantifiable so that they can be understood by all parties involved. If covenants are based on a realistic plan, the risk can certainly be minimized. The parties involved must analyze and accept them.

A distinction is made between the most varied types of risk. In order to work economically, the company must identify and analyze these risks and assess their level. To do this, companies invest enormous amounts of financial resources and call on a risk manager to help them go through a risk management process.

If the risk is minimized through covenants, a comprehensive and prioritized covenant checklist forms the basis. However, their development is difficult and time-consuming. From a financial and legal point of view, covenants are contract promises that specify which activities may and may not be carried out. They are based on a universal legal form and can be of a financial or operational nature. Covenants can cover many different problem areas. The aim is to make contracts more trustworthy and realistic through covenants.

If a company violates a covenant, this can lead to technical failures. A distinction is made between affirmative covenants that allow something and negative covenants that restrict something. The former are clauses in credit agreements that oblige the borrower to take specific measures, such as keeping appropriate accounting and creditworthiness records. Negative covenants prevent the borrower from taking certain measures that worsen the loan portfolio. Financial ratios are an example of this. Borrowers avoid taking additional risks to avoid the cost of covenant breaches.

#### 1. Introduction

In today's economic world everything is bound to a contract. Whether a company buys assets to produce goods or sells these products to its customers. The parties design a contract to protect their values. Of course, every party will ensure that their interests are treated first and that certain clauses are integrated that protect them of losing value.

The importance of creating and negotiating these contracts correctly so that no contractual abuse can happen is depicted by the awarding of the Nobel Prize in Economics 2016 to Bengt Holmström and Oliver Hart for their theoretical contributions to

the contraction theory which improved the meaning of contracts for economy and society.

In this article the contracting of loan agreements is in the main focus. This work examines if covenants are an effective measure and aid to reduce risks in loan agreements<sup>1</sup>. A covenant therefore represents an additional clause in a contract which binds the borrower to fulfil or refrain certain actions. This short definition will be explained further in the following chapter.

Furthermore, this assignment deals with financial covenants which allow the lender to monitor and to control the financial and economic performance of the company. This work will therefore present some typically employed financial indicators for monitoring the loan and will deliver explanatory approaches how financial covenants are a solution to agency problems and information asymmetries.

The last section will deal with the appropriate designing of loan contracts under the usage of financial covenants. Examining how covenants can be designed too tight and restrictive and in when this is could be happening. Also, the authors will depict what happens after a violation of the covenant.

#### 2. Covenants

## 2.1 Definition of covenants

Covenants mean in the broadest sense additive contractual agreements which only take effect in certain conditions. In a more strictly sense covenants are mostly used in international loan contracts and can therefore be determined as an additional contractual loan agreement between a lender and a borrower<sup>2</sup>. The borrower commits himself to fulfil the additional agreed on conditions during the loan period while the lender gets the power to intervene in the financial situation of the borrower<sup>3</sup>. The arranged covenant can therefore restrict the possible actions of the borrower but also force him to fulfil certain actions<sup>4</sup>.

Furthermore, the borrower can be bound to accomplish specified key financial indicators during the credit period. The disregard of the agreed covenants allows the lender to change the conditions of the loan or even to cancel the loan contract before its fulfilment<sup>5</sup>. Also, he has the possibility to renegotiate the contract, implement collaterals or increase the value of the backed collaterals. But the possibilities always depend on the contractual design of the covenants. A covenant thus enables the lender to influence the loan contract when a deterioration occurs, thus these actions might be taken already before an acute threat happens like an insolvency<sup>6</sup>. This shows that the creditors get by means of the loan covenants a higher negotiating power and have a positive but also restrictive influence on business health and recovery<sup>7</sup>.

The aims of covenants for the lenders are to protect themselves against a risk increase and raise the probability that the loan is repaid. Also, the repaid credit amount

<sup>&</sup>lt;sup>1</sup> Cf. H.-Ch. Brauweiler (2016).

<sup>&</sup>lt;sup>2</sup> Cf. G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 242.

<sup>&</sup>lt;sup>3</sup> Cf. R. Prilmeier (2017), p. 560.

<sup>&</sup>lt;sup>4</sup> Cf. G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 242.

<sup>&</sup>lt;sup>5</sup> Cf. A. Robin / Q. Wu / H. Zhang (2017), p. 157.

<sup>&</sup>lt;sup>6</sup> Cf. G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 242.

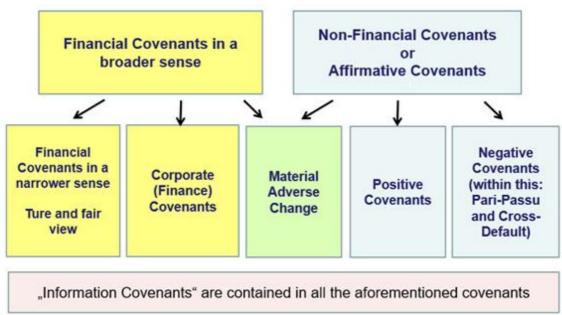
<sup>&</sup>lt;sup>7</sup> Cf. R. Prilmeier (2017), p. 560.

can get higher<sup>8</sup>.

Moreover, loan covenants can be used to protect the lenders against information asymmetries and give them a monitoring device. This is also a benefit for the borrower, which can improve the effectiveness and efficiency of its company because he is bound to certain accounting and performance measures<sup>9</sup>.

## 2.2 Certain types of covenants

Covenants can be distinguished in affirmative (general) covenants and financial covenants (see ill. 2.1). One speaks of affirmative covenants if the borrower has obligated to do certain actions (positive covenants) or to refrain from certain actions (negative covenants)<sup>10</sup>. Positive affirmative loan covenants can be therefore important financial informations which the borrower must transmit regularly in reportings to the creditor. Accordingly, possible financial informations can be consolidated accounting statements or a review of the economic situation of the past financial year. Likewise, monthly or quarterly transmitted financial reports which include an income statement, a statement about the economic and financial development of the company and a confirmation about the compliance of the granted financial covenants might be agreed on. Also, the loan can include covenants which require long and middle term planning calculations (planning balance sheet, planning income statement as well as an investment planning report)<sup>11</sup>.



Ill. 1: Classification of types of covenants according to Brauweiler<sup>12</sup>

Examples for negative covenants are agreements which avoid the additionally collateralizing from assets to other lenders. With this sort of covenants the first lender can

<sup>&</sup>lt;sup>8</sup> Cf. G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 242.

<sup>&</sup>lt;sup>9</sup> Cf. R. Prilmeier (2017), p. 560f.

<sup>&</sup>lt;sup>10</sup> Cf. G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 242.

<sup>&</sup>lt;sup>11</sup> Cf. S. Graml (2014), p. 42.

<sup>&</sup>lt;sup>12</sup> H.-Ch. Brauweiler (2016), p. 6.

complete the loan without negotiating an extra asset security because further loans also cannot include asset securities. This so called "Negative Pledge" prevents, in case of an insolvency, that further collateralized credits are treated first which would mean that the first lender would have a higher risk than the second one <sup>13</sup>.

Furthermore, negative covenants can limit the economic and financial scope of the enterprise. Therefore, the borrower must obtain a permission of the lender to execute certain actions. These can be permissions for investments over a certain amount, the further admission of loan capital, the pledge or sale of assets if it does not relate to the additional purpose of the company and the changing of important contracts or the contracting of new ones<sup>14</sup>.

Financial covenants are the most important group of covenants and are mostly meant when talking about covenants. They are agreements between a lender and a borrower which include financial key figures that the debtor has to achieve. That means by overshooting or undershooting these figures the borrower breaks the covenant and triggers previously agreed actions which e.g. might give the lender the power of a company owner<sup>15</sup>. These actions can be a change of the loan conditions or an acceleration of the debt because of the new risk situation. It could also be a restriction in the amount of possible actions or management decisions like investments which could, in the eyes of the lender, endanger the repayment obligations<sup>16</sup>. In practice most lenders often trigger renegotiation talks to increase their bargaining power. With this newly won power they reduce the credit line, require additional collaterals or increase, as mentioned before, the interest rates of the loan. But in the same way they look for performance improvements which can mean the replacement of current chief executive officers<sup>17</sup>.

Therefore, financial covenants deal with the capital structure, the income situation and the liquidity of the company, but also include conditions to the financial situation. As one can see financial covenants are part of the creditor protection and work also as a risk reporting system and as an early risk detection system because of the agreed financial key figures<sup>18</sup>.

## 2.3 Current situation and financial covenant use

Covenants are often used in international loan contracts and their importance has also increased through the financial crisis in 2008 and subsequent years. However, in Germany most loan contracts include standardised clauses inside of the standardized general terms and conditions of contracts<sup>19</sup>. But at the very latest since the Basel Capital Accord II also domestic banks established covenants in their loan contracts<sup>20</sup>. Especially

<sup>14</sup> Cf. S. Graml (2014), p. 43.

<sup>&</sup>lt;sup>13</sup> Cf. G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 242.

<sup>&</sup>lt;sup>15</sup> Cf. H. Zülch / M. Holzamer / J. Böhm / K. W. Kretzmann (2014), p. 1f.; G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 243.

<sup>&</sup>lt;sup>16</sup> Cf. H. Zülch / M. Holzamer / J. Böhm / K. W. Kretzmann (2014), p. 1f.; G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 243; R. Prilmeier (2017), p. 560.

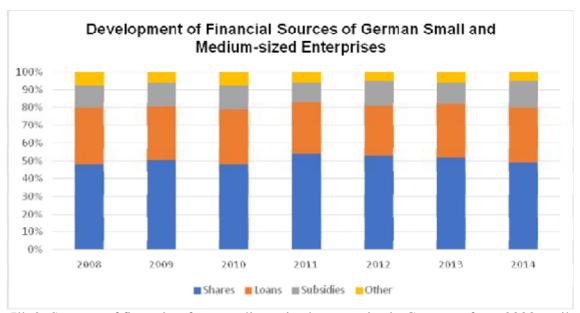
<sup>&</sup>lt;sup>17</sup> Cf. R. Prilmeier (2017), p. 560.

<sup>&</sup>lt;sup>18</sup> Cf. H. Zülch / M. Holzamer / J. Böhm / K. W. Kretzmann (2014), p. 1f.

<sup>&</sup>lt;sup>19</sup> Cf. H. Zülch / M. Holzamer / J. Böhm / K. W. Kretzmann (2014), p. 2; G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 242.

<sup>&</sup>lt;sup>20</sup> Cf. W. Servatius (2013), p. 1f.; B. Zirkler; J. Hofmann; S. Schmolz: (2014); H.-Ch. Brauweiler (2014)

for German companies bank loans are an attractive way of financing as the following illustration shows. It is the second largest method used for financing. Only equity based mezzanine finance methods are used more.



Ill. 2: Sources of financing from medium-sized companies in Germany from 2008 until 2014<sup>21</sup>

As examined before a bank loan is an often-used financial method for German companies. Therefore, typical financial covenants indicators which are use are the company profit (EBITDA) and a calculated dynamic debt ratio (borrowed capital / cashflow). For example, other common indicators are the interest coverage ratio (EBITDA/interest expense), the debt service ratio (debt service covering Cashflow/ repayment and interest), the net debt ratio (net debt/EBITDA) and a limit for investments<sup>22</sup>.

Also possible are static financial indicators like the static debt ratio, the working capital ratio, the three liquidity ratios and the equity or debt ratio. But the usage of static indicators has decreased in practice<sup>23</sup>. The difference between static and dynamic debt ratios is that dynamic debt ratios consider income and finance potentials. But static debt ratios make a statement about the creditworthiness of the company because they compare equity and borrowed capital. So that financial institutions know with which amount external parties participate in the company. On the contrary shows the dynamical debt ratio how long, measured in years, the enterprise will need to repay their loans with their liquid funds. Therefore, gives the dynamical debt ratio a better statement about the debt capacity for the lender as the static one<sup>24</sup>. Another important information for the lender is the profit situation of the borrower which means that the lender is able to see that the operational income of the borrower is high enough to repay the loan in the

<sup>&</sup>lt;sup>21</sup> Cf. in the internet: Statista (2014).

<sup>&</sup>lt;sup>22</sup> Cf. G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 243.

<sup>&</sup>lt;sup>23</sup> Cf. H. Zülch / M. Holzamer / J. Böhm / K. W. Kretzmann (2014), p. 2.

<sup>&</sup>lt;sup>24</sup> Cf. H. Zülch / M. Holzamer / J. Böhm / K. W. Kretzmann (2014), p. 2; S. Graml (2014), p. 46f.; K. Olfert (2013), p. 487.

agreed period. The interest coverage ratio or the debt service ratio therefore shows how many of the operational income has to be invested to repay the interest. For example, is the indicator lower than one, the lender has a warning sign that the borrower is not able to repay the loan. Also, a meaningful indicator is the liquidity of the company. In which amount cover the current assets the current liabilities or the liquidity funds the short term borrowed capital. The debt service ratio is therefore an indicator for the financial solvency and for the default risk. One example of how a covenant could work illustrates the case of Key Energy Services Inc. (KES) in September 1998. The company which offers its clients a wide array of onshore energy production services and solutions had a loan agreement about \$550 million with the PNC Bank. The loan agreement contained, besides other indicators, a maximum debt ratio (debt/EBITDA) which was measured by the quarterly reported debt ratio of KES from the past. As the company's stock lost more than 50%, KES reported a net loss and broke the covenant. The consequence was an increase in the interest rate, the loosening up of some covenants and the adding of new covenants and limits. In this case the firm could recover through the correctly led intervention of the creditor<sup>25</sup>.

#### 3. Covenants in loan contracts

# 3.1 Design of loan contracts

The typical transaction of a loan can be divided in four phases. It starts with the loan application which simply means that the possible borrower makes an application for a credit to the financial institution. These applications often have a standardized form. Based on the loan application the lender makes a credit assessment<sup>26</sup>. With this audit the creditor checks if the debtor can pay the interest and the loan amount back and estimates the risk for the possibility that the loan is not payed back completely, not in time or never. Furthermore, this assessment considers the legal, personal and economic circumstances of the company<sup>27</sup>. Within this audit, the bank prepares already financial covenants which are refined in the phase of the credit commitment. If the borrower is creditable the last negotiations will begin about the components of the loan. The formal design of the agreed terms is the loan contract which includes typical the loan type, the loan amount, the loan period, the interest calculation, the loan collaterals and the termination options. Finally, the creditor will always restrict the credit commitment and will maintain the right to renegotiate the conditions of the loan if certain agreements were not fulfilled. This loan monitoring is a continuous process of the lender and should reveal the economic development of the company and the appropriate usage of the loan funds<sup>28</sup>.

#### 3.2 Reducing risks in loans with financial covenants

When talking about loans the risk which is important for the credit institute is the risk or uncertainty that the credit is not played back. This risk is priced by the interest of the loan. One important part of the interest rate builds the credit spread which represents the costs for contracting and controlling of the credit and the costs for the default risk<sup>29</sup>.

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<sup>&</sup>lt;sup>25</sup> Cf. R. Prilmeier (2017), p. 560.

<sup>&</sup>lt;sup>26</sup> Cf. K. Olfert (2013), p. 324; H.-Ch. Brauweiler (2015).

<sup>&</sup>lt;sup>27</sup> Cf. G. Wöhe / J. Bilstein / D. Ernst / J. Häcker (2013), p. 221f.

<sup>&</sup>lt;sup>28</sup> Cf. K. Olfert (2013), p. 326-332.

<sup>&</sup>lt;sup>29</sup> Cf. M. Situm (2016), p. 85-90.

Keeping this in mind the main reason for a covenant from the bank's point of view is not to price the risk but to control it, to have a warning sign if the default risk is rising and therefore the possibility to renegotiate the conditions of the loan. The main reason for a financial covenant is therefore to monitor the business performance of the borrower and to intervene if a covenant violation or break is in sight. Thus, are financial covenants an aid to reduce agency problems<sup>30</sup>.

Jensen and Meckling set the basis of the principle-agent-theory, explaining that there exists information asymmetries between the principle (company owner) and the agent (management) inside of a company structure. This agency problems can be transferred to all contractual relations and lead to the debt holder-shareholder conflict<sup>31</sup>. This simply means that there also exist information gaps between a lender and the entrepreneur about how future profits are used correctly<sup>32</sup>. The entrepreneur could for example misuse the borrowed capital by paying all the money derived by the loan to the owner in form of dividends. The consequence would be that the shareholder value is rising but the real company value would decrease through the missing liquidity so that the creditor would get an empty shell of the company<sup>33</sup>.

Covenants are therefore an aid to reduce this information asymmetries by giving the lender more power to exercise control rights and secure loan values. Regarding this they can use the ex-ante mechanism of covenants which are the transmitting of financial information from the borrower to the lender through contracted positive affirmative covenants. Also, they can use the function of negative affirmative covenants as a measure to restrict certain actions a priori. Moreover, they can use the ex-post mechanism of financial covenants to mitigate moral hazard problems giving the lender the right to influence corporate decisions or to renegotiate the loan conditions when certain financial indicators are going to be violated<sup>34</sup>. The aim of the lender is to remove agency problems using covenants to reduce the default risk and ensure a risk adequate pricing<sup>35</sup>.

# 3.3 Covenant violation and tightness

As explained in the chapter before, covenants are helpful for credit institutions to have a better risk control and monitoring. But what happens if the borrower violates the covenant. If a so called "breach of covenants" happens the lender can take certain measures to mitigate the risk of default<sup>36</sup>.

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 $<sup>^{30}</sup>$  Cf. H. Zülch / M. Holzamer / J. Böhm / K. W. Kretzmann (2014), p. 2-5.

<sup>&</sup>lt;sup>31</sup> Cf. ibidem, p. 2.

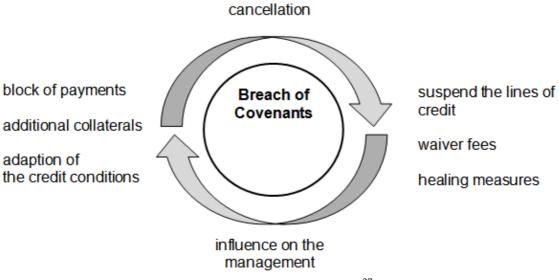
<sup>&</sup>lt;sup>32</sup> Cf. R. Prilmeier (2017), p. 560f.

<sup>&</sup>lt;sup>33</sup> Cf. H. Zülch / M. Holzamer / J. Böhm / K. W. Kretzmann (2014), p. 2.

<sup>&</sup>lt;sup>34</sup> Cf. J. Wang (2017), p. 332.

<sup>&</sup>lt;sup>35</sup> Cf. H. Zülch / M. Holzamer / J. Böhm / K. W. Kretzmann (2014), p. 4f.

<sup>&</sup>lt;sup>36</sup> Cf. W. Servatius (2013), p. 2.



Ill. 3: Breach of Covenants<sup>37</sup>

The right of cancellation is not often used in practice but therefore a renegotiation of the loan conditions especially a new evaluation of the interest rate to adapt the risk to the new circumstances is regularly considered<sup>38</sup>. Furthermore, the cancellation is mostly agreed to only very important covenants. If the cancellation is not used the borrower can apply a waiver from the bank. This covenant waiver is usually in conjunction with so called waiver fees which the borrower must pay otherwise the loan is cancelled. Further measures are also that current credits from other banks are suspended or that the borrower requires an increase of the equity. Also, often additional negotiations for gaining additional collaterals and to take influence on the company's performance will take place between borrower and lender<sup>39</sup>.

Moreover, the intensity and therefore the tightness of the contracted covenants is of some importance. If any covenant is set too tight it can be too restrictive for the borrower, and if set to lax principal-agency problems would occur<sup>40</sup>.

However, covenant tightness depends on the former duration of the relationship and on the extend of information asymmetries between the lender and the borrower. With an increase in the duration of the loan relationship the tightness of covenants decreases because forecasts getting more uncertain and the future improvement is in focus. Under consideration of the information asymmetry theory the lending duration plays a more important role for small unrated borrowers with no access to the stock market on covenant tightness. Therefore, covenants are also formulated tight if the company is big, rated and has access to the stock market. Thus, information asymmetries occur and covenants are set more tightly to strengthen the bargaining position of the lender and limit the misuse of the loan<sup>41</sup>.

On the other side, the quantity of employed financial covenants can have an impact on the relationship. If the relationship intensity is low the covenant intensity is low,

<sup>&</sup>lt;sup>37</sup> Source: own presentation, content related to: S. Graml (2014), p.51.

<sup>&</sup>lt;sup>38</sup> Cf. W. Servatius (2013), p.2.

<sup>&</sup>lt;sup>39</sup> Cf. S. Graml (2014), p.51f.

<sup>&</sup>lt;sup>40</sup> Cf. H. Zülch/M. Holzamer/J. Böhm/K. W. Kretzmann (2014), p.3.

<sup>&</sup>lt;sup>41</sup> Cf. R. Prilmeier (2017), p.563-578.

too. The reasons for this are mainly performance monitoring incentives of the lender which are realized through financial covenants. This means that monitoring incentives and the related benefits of them are increasing with the relationship intensity until the relationship enters an exclusive state so that the borrower uses a lot of services from the lender<sup>42</sup>.

#### Conclusion

As described in this thesis covenants and especially financial covenants are appropriate aids and measures to reduce risks in loan contracts for the lender. Thereby they work as a risk monitoring and controlling tool and reduce the default risk through showing signs that the future repayment of the credit might be in danger, if this is the case. This means that financial covenants function as an early risk reporting and detection system. Those in the contract defined and agreed upon indicators, e.g. typically used is the net debt ratio (net debt/EBITDA), deliver warning signs if the company has problems with its operative performance and more importantly with the repayment of the loan. This can lead or has led to a violation of the covenant, also called a breach of covenants. The lender has than the possibility to intervene through the agreed covenants. Possible actions could be the cancellation of the loan (not used often) but also waiver fees which arise because the lender avoids taking certain actions as requested by the borrower. Furthermore, the creditor can limit investments, restrict the strategical scope and renegotiate the conditions of the loan (often resulting in a raise of the interest rate due to an increased risk premium) from the borrower depending on the arrangement.

The other part of the contract relates to the borrower who must obey to and fulfil the financial covenants. The problem here is that the financial covenants can be to tight, to intensive and thereby restrictive for the debtor.

This underlines the fact that companies think that after a breach of covenant their financial and strategic scope is restricted. Additional work has to be accomplished, as the company must create monthly reports, e.g. about the financial situation or the compliance of the covenants. This means an increase in the costs for external consultants which also lead the negotiations with the credit institution. Anyway, financial covenants are nowadays included in most of standard loan contracts. In practice there is no clear opinion on the borrower's side if the credit costs are really lower by the use of covenants. This is derived by the possible negative effects of further renegotiation processes and the possibility of the violation of the covenant which in turn means higher credit and additional negotiation costs<sup>43</sup>.

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<sup>&</sup>lt;sup>42</sup> Cf. R. Prilmeier (2017), p. 578.

<sup>&</sup>lt;sup>43</sup> Cf. H. Zülch/M. Holzamer/J. Böhm/K. W. Kretzmann (2014), p.4f.

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# EFFECTIVE MODEL OF SPORTS MANAGEMENT IN KAZAKHSTAN: FOREIGN EXPERIENCE

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The development of the national sphere of sport should correspond to modern integration and globalization processes, the requirements of the transition to post-industrial civilization which will ensure further integration into the global sports space. The development of sports characterizes the level and quality of life of the country's population, the formation of sustainable traditions of a healthy lifestyle in everyday life

of citizens, the development of spiritual and intellectual culture. It also determines the country's place in the world sports industry. It is scientifically proven and justified is the fact of the leading role of the sports sector in the education and upbringing of the younger generation, recovering of efficiency and maintaining healthy longevity of citizens, preparing young people for professional activities, organizing healthy leisure activities, prevention of delinquency and deviant behavior of citizens. One of the priority areas for the development of the national sports sector will be to improve the institutional mechanisms of public administration in the field of physical education and sports based on the introduction of progressive foreign experience which led to the choice of the theme for this publication.

Modern sport is diverse. Picture 1 illustrates a complex model for developing sports that include physiotherapy, mass, junior, school, student and professional sports solving the problems of treatment and forming sports culture among the younger generation. Elite sports/the sport of records (Olympic and professional) are aimed at achieving high sports results and victories. These varieties share common functions: spectacular, political and economic (Illustration 1).

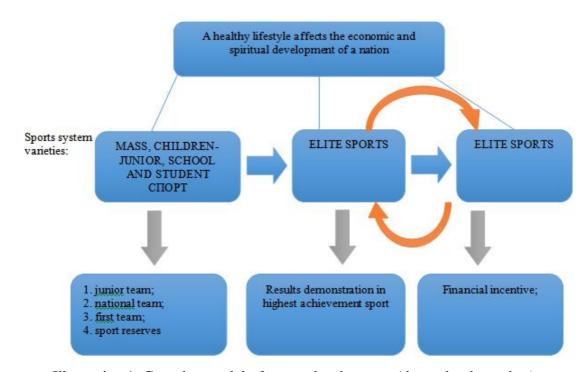


Illustration 1. Complex model of sports development (drawn by the author)

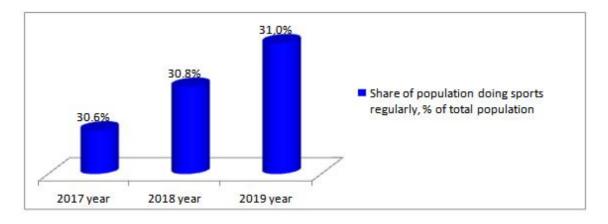
Traditionally, the majority of specialists in the sports consider the degree of state participation in the management and financing of the industry as the main criterion for identifying a particular model. In accordance with this, three main management models are distinguished: American, European and post-Soviet (totalitarian). The American model is characterized by a high insignificant degree of decentralization and state participation in the organization of physical culture and sports. The European model is characterized by a large degree of state involvement. In almost all European countries, the state intervenes in one way or another in the development of mass sports, the sports of records and sometimes even professional sports. The post-Soviet model is characterized by full centralized state administration in the field of physical education and sports.

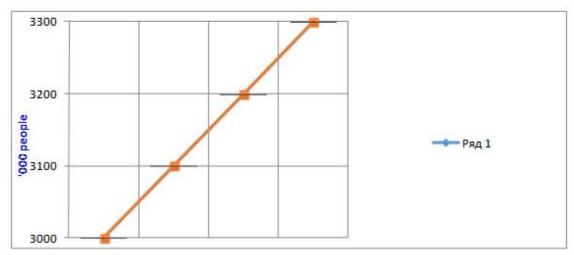
Such a model was in the USSR including Kazakhstan.

The Soviet sports management system was as a good basis for the Kazakhstan model development of sports management. Currently, the sports management system of Kazakhstan has the necessary legislative framework. The regulatory aspects are reflected in the Constitution of the Republic of Kazakhstan, No. 228-V "On Physical Culture and Sport" Law of the Republic of Kazakhstan dated July 3, 2014 [1]. Based on this law, a sports management system has been developed presented by the state governing bodies (Ministry, administrations, departments, committees, departments, etc.) and public governing bodies (sports federations/associations, physical education and sports clubs; National Olympic Committee of Kazakhstan).

There is a network of institutions of additional education in the field of physical education and sports. State bodies and accredited federations regularly promote a healthy lifestyle through the media, East Kazakhstan promotes sports via print media, such as weekly newspapers *Contact Sports* and *Ustinka Plus*; besides the newspapers the region cooperates with the Internet media VKsport.kz, <a href="www.sportvko.gov.kz">www.sportvko.gov.kz</a> where it promotes healthy lifestyle; to add there is national broadcaster *Kazsport* devoted to promoting sports.

The Government of Kazakhstan has developed state programs for the development and support of physical education and sports in Kazakhstan. The programs facilitated an increased interest in sports among population, including people with special needs. According to the statistics from the SD Physical Culture and Sports Department in EKR from 2017 to 2019, Picture 2, Kazakhstani citizens' interest in doing sports has been growing.



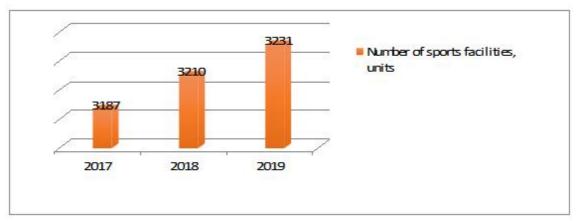


Picture 2. Share of population doing sports (by the author based on statistics provided by the Sports Department)

Holding major sports competitions in the country, both Olympic and non-Olympic, such as Judo Championship, Freestyle Wrestling Championship, Winter Universiade, Kyokushinkaikan Karate Championship contribute a lot to the aforementioned fact. Kazakhstan holds regular Republican tournaments playing traditional sports, Kazakh wrestling Kazakh Kuresi. Athletic performance of Kazakhstani athletes at the Asian, European and World Championships as well as the victory of the National Team of the Republic of Kazakhstan at the Olympic Games serve to promote sports in our state as well.

At the same time, the modern system of sports management in Kazakhstan has certain disadvantages, in particular:

- Insufficient level of financial and technical base development of sports in Kazakhstan nation-wide. Picture 3 illustrates that the share of sports facilities has been growing year to year, yet there is still a shortage of the sports facilities;
- Funding problems among sports federations to ensure development of sports and proper preparation of athletes to compete successfully at various levels in order to be included in the national sports team;
  - Inefficient theoretical development the sphere of physical culture and sports;
- Lack of decent attention on behalf of schools, which deteriorates the overall sports life in the state;
- Lack of professional personnel in the field of training sports experts, despite Kazakhstan having sports colleges and higher schools.



Picture 3. Growth of sports physical infrastructure in EKR (by the author based on statistics provided by the Sports Department)

In this regard, there is a need to study the foreign experience in terms of creating an effective model of sports management. Consider the model of sports management using the example of the United States. The traditional principle of the American model of sports management is an insignificant degree of state intervention and decentralization of managerial functions in relation to various areas of physical education and sports ("sports for all", "the elite sports" and "professional sports"), and within each of the areas, such freedom of action generates positive effect, because sport clubs do compete with one another during meets and tournaments, thus presenting and promoting themselves. In the United States the responsibility for supporting of "sports for all" area have "sports councils" (commissions) which act as private (non-governmental), non-profit organizations and support mass sports in various forms. Usually they are advisory bodies of the municipal government. The main task of these councils is to support the functioning of all existing sports organizations, clubs, teams, as well as the holding of sports competitions. "Sports councils" carry out all their activities on the basis of agreements, including with city authorities [2].

The main functions of the management of amateur sports of "highest achievements" are performed by various public organizations independent from each other. The most important role in this system is played by the US Olympic Committee (USOC), the National Collegiate Athletic Association (NCAA), and the Amateur Athletes Union (AAU). The US Olympic Committee is the most influential organization that coordinates financial and organizational amateur sports in the United States. Its structure includes representatives of all state Olympic committees, national sports federations (over 40), as well as national sports organizations. USOC activities are highly transparent. This is expressed in the publication of annual reports containing information on both organizational measures taken and new results of work and on the means to achieve in such a way (including financial and legal). Each annual report contains an independent audit report consisting of consolidated financial statements for all USOC activities, profit and loss statements.

An equally significant organization in the United States amateur sports system is the National Association of University Sports, the importance of which is due to the fact that student athletes are the dominant group in the total number of participants in sports of the highest achievements of the United States. According to recent reports, the number in the total share is more than 70%.

Traditionally, professional sports play an important role in the American sports

movement, which is being developed by professional sports leagues, associations, unions, as well as clubs. The most famous of them are: National Basketball League, National Hockey League, National Baseball League, National Football League, etc.

In the United States professional sports has a pronounced specificity. Professional sports position is steadily based on the high demand for his product – an entertainment. If a sport becomes unprofitable, then it ceases to exist as a professional. The entertainment is a product of the activity of all league teams. Therefore, waging a tough fight on the site, the clubs are partners in the sports business. One of the main goals of the league is to balance the strength of rivals, since the appearance of a super club can lead to a decrease in the attendance of matches. There are cases when the league owners took drastic measures, up to the dissolution of the strongest team, if it began to win with an advantage. The task of constantly balancing the sports forces and financial opportunities of clubs is decided by the draft system, the essence of which is that the representatives of the teams select the right players according to a certain system, while the team that takes the last place in the championship gets the right to make a choice first.

In the United States with regard to state regulation of physical education and sports it is mainly limited to lawmaking. Some publications on issues of sports management state that in the US sports is not a mere game, it is a show generating immense profits for sports associations and clubs respectively, Table 1.

American sports is well-developed, it is a common fact. The US Governments implements a policy of some indirect regulation of sports and attempts to not interfere with it. Professional sports are commercialized. American Government also encourages private companies to get involved in the sports life in their states and the country overall by creating tax privileges.

Thus, watching the existing sports leagues in the USA (NHL, NFL and NBA) we can see how much money they make.

Proceeds (\$ billion)	Season 2015-2016	Average game attendance
NHL	4,1	Over 17000 ppl
NBA	5,18	Over 17700 ppl
NFL	12,6	Over 68000 ppl

Table 1. Attendance and proceeds collected by the national leagues in a season

So, without taking part in the management of physical culture and sports activities directly, the American government, represented by government bodies at the state and municipal levels, should pursue a policy of indirect regulation and stimulation of the development of sports in the country through the adoption of separate legislative acts (contributing to the development of sponsorship and socially responsible business, sports television and radio broadcasts, the provision of state sports infrastructure for renting to profession clubs). In addition, in some cases, the US government provides direct financial support to the national Olympic team. It should be noted that in recent years, the state's indirect regulation of economic processes (including in the field of sports) has become increasingly widespread in the United States. Moreover, now it is already possible to speak of this phenomenon as a steady tendency, as a result of which in the US sports sector there is a clear shift of management principles towards the European model [2].

An important place in the development of sports is propaganda and self-education; publication of sports magazines (about 300), broadcasts of sports channels;

education in children and junior private clubs. So, since 1986, in addition to physical education lessons, the President's Challenge program has been in place, including 5 exercises: mile running, shuttle running, pulling up, bending the body, and leaning forward. In 27 sports a system of interscholastic competitions has been developed, in which about 20 thousand schools are involved. Professional sports are also developed and uniting people of all ages and represented by 177 clubs in various sports. Universities of the country graduate physical education teachers but everyone can become a coach, no license is required.

Up to 15 thousand sports and health centers operate in the USA and 80% of the populations engage in various types of physical exercises, which is a pretty good indicator [3].

The study of foreign experience in the legal regulation of physical culture and sports allows us to distinguish two classic models of sports legislation: "interventionist" and "non-intervention". The model of the legislation of the interventionist is defined as "one that contains certain legislation of state control in relation to the structure and mandate of the sports movement substantial part". All other models of sports legislation are defined as non-interventive. A similar approach can be used as a theoretical basis in the study of legal regulation; however, one should take into account the previously noted tendency to strengthen the degree of state regulation of the processes of socially significant physical culture and sports activities (convergence of European and American models). Analyzing the fundamentals of legal regulation of physical culture and sports, it is interesting to give an analysis of some general provisions of the legislation on sports in developed countries of the world, carried out by P. A. Rozhkov. First of all, the scientist distinguishes:

- State responsibility for the development of physical education and sports;
- Separation of powers between state bodies and public sports organizations;
- The role of local authorities in the field of sports;
- Goals and objectives of physical education and sports;
- The organizational structure of the sports movement in the country;
- Sports financing;
- Physical education and sport among various groups of the population, and, first of all, in schools and other educational institutions;
  - Training of sports personnel;
  - Construction of sports facilities;
  - Conducting research and information activities [4].

At the same time, analyzing the general provisions of the sports legislation, P.A. Rozhkov notes various approaches and mechanisms for their implementation in different countries, in particular, in the United States, the state traditionally implements indirect legal regulation, which consists of the adoption of certain laws and contributes to the development of the social sphere of physical education and sports (for example, the "Law on the broadcasting of sports competition by national television companies" (1961, 1972, 1984, 1993), as well as in the use of tax policy mechanisms - partial weakening of tax regimes. An example of this the United States Olympic Committee was exempted from taxation for the first time in 1933, when the US Congress exempted the profits from the Olympics (Los Angeles 1932) from taxation. [4] Subsequently, starting in 1950, USOS was completely exempted from the need to pay taxes. An important element of American law is the regulation of labor and economic relations in professional sports.

#### Conclusion

As a result of a study of the foreign experience of state regulation of physical education and sports, we can draw several general conclusions, which later will make it possible to apply in the practical sphere of management in Kazakhstan.

On the one hand, sports authorities attempt to improve the state of sports in the country, and on the other you can tell a mile off that Kazakhstan lacks expertise in managing sports, since many skilled and in-demand sport managers fled the country seeking a better life in early 90ies.

Unfortunately, this is only a smaller part of the information about the American model for managing sports that we would like to tell about, yet we are strongly convinced their experience will serve as an example for our country, an example that Kazakhstani sports need nowadays.

"Sports is turning into the favorite subject for thinking and soon will become the only way of thinking", Vassily Klyuchevsky.

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# INVESTIGATION OF WORLD VISION AFGHANISTAN HRM PRACTICES AND PERCEPTIONS FOR IMPROVING ORGANIZATIONAL MANAGEMENT AND PERFORMANCE

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Effective human resource management is one of the major factors contributing to the effectiveness of the organization. This article summarizes the research aimed at investigating HRM at World Vision Afghanistan in order to find areas for improvement and develop a HRM model based on leadership principles. As today HRM is based on the specific technical criteria rather than on the specific qualities that a person possesses. Also, HRM practices of staff performance, training, reward systems, and recruitments lack proper strategies and tactics to attain specified qualified candidate for the positions. On the other hand, they lack proper staff management in HRM to keep staff onboard that feels engaged, valued and committed to the organization they are

working in and ready to invested their time and effort to have successes in their career. We conducted a survey to assess staff behavior and determine how their goals and beliefs can be used in developing a new model of HRM that would rest on the principles of leadership [1].

The questionnaire was distributed among the WVA staff. The interesting point about WVA is that there is no HR department rather World Vision see the staff as people and their relation with the projects and staff is seen as a culture so the HR department here is called People and Culture. The questions of the survey were developed in a way that staff is not directly asked what they perceive or what they see rather it was designed in a way to evaluate the overall scenario of how they would react to each specific situation; their responses were decoded and the tables and comparison were made.

The population of the study consists of 150 WVA staff working in the WVA in three different zones in a different capacity in Badghis, Herat and Kabul provinces. The main focus of the survey is on the staff working in the Badghis province where a new model of HRM was implemented.

The analysis unit represents the people and culture (P&C) departments of WVA selected for this study. This is new concepts and new terms used in the World Vision organization.

The five-dimensional Likert scale was used for respondents' responses from (1-5) where: (1) not at all important, (2) a slightly important, (3) important, (4) fairly important, (5) very important. The questionnaire was presented to around 150 staff in WVA office. Their responses were to use to design bar graphs, pie charts to compare and contrast the data to evaluate different scenario and cases in order to observe staff behavior and how they are going to react to a different situation.

The survey was divided in four parts: the first one is focused on age, gender, marital status and education and position within the organization. The question of the study was designed in a way to capture the essence of leadership and HRM so that then the comparison is done accordingly and the staff behavior is observed. In addition, questions are translated into Dari language so that the staff who is not fluent in English can fill them easily, then the translation reverts back to English and is used in the analysis of the data [2].

The main aim of this section is to evaluate the difference in staff behavior depending on the age, track their understanding of the success of the projects.

The other consideration of the question about gender is to find out what are the different gender perspectives and determine what value is assigned by the staff to hiring female personnel of different ages. Also, another factor to take into account is the marital status of staff and the dependence of the work performance on employees' marital status.

The second part is mainly focused on the work environment and how the staff behavior can be influenced –through paying a higher salary or through recognition, goal setting and better planning. The main findings of this section could be used to determine motivation leverages for the staff to work more than they are assigned to and be more effective team player.

Section three is aimed at determining the role of an organizational vision and mission statement in shaping personnel behavior and the influence they make on their overall performance.

The final section of the survey contains open-ended questions aimed at finding out what will be the general criteria for a successful HRM system in an organization to

identify the suitable team member.

The major survey findings are presented below in the form of graphs and diagrams.

Like any types of organization, WVA is made of people because this is the people who work there. The people characteristic in the organization is what distinguishes the overall organizational culture and that's how an organization can be formed and the culture of that organization is formed. Without people, there is no organization-just as, without students, a school has no existence as a living and functioning organization. Organizations are strongly influenced by the people that form part of them. Organizations can take in part of the personality of the people within them and their attitudes, perceptions and behaviors affect how an organization will operate [3].

As this survey revealed the staff who are working in the WVA is mainly youth and especially the Community Mobilizers (CMs) who have recently graduated. The rest of the survey participants are also the one who is mainly under 50 so overall the 45% of youth are the main CMs who have been under the study.

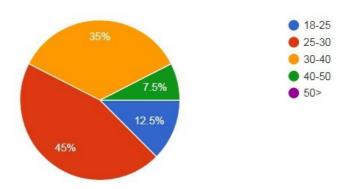


Figure 1. Age range of people who have participated in the survey

Comparing the age range and gender as shown in figure 1, the staff of WVA is also concluded to be male dominant. This result can be authentic as well since the majority of staff who are working in the field are male because the fieldwork especially in the context of Afghanistan it makes more sense that female cannot work in the field and have female staff in the remote areas far from office to work with the community, deal with the male and do overall the operation of the projects. Culturally it is also not acceptable to have female in the districts besides the security concerns. This contrast however on the number of the percentage that female staff should be in any types of organization. As is depicted in Figure 2 77.5% are male and 22.5% are female.

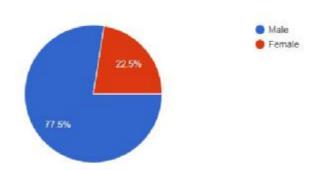


Figure 2. Gender disaggregation of participants of the survey

Now comparing the gender disaggregation and the age range to the question that was asked from participants; "Which of bellow factors improve your work satisfaction?" from this survey it can be concluded as shown in Figure 3 that 85% of participants said they are more motivated and inspired to feel satisfied with their work. Even if these people have been paid less, they would prefer being considered an important people, important team members to achieve the goal of the project. The remaining 15% only replied to the question that they are interested to be paid more because of the following assumptions; first of they are not well acquainted with the goal of the project that they are working in it and or the goal of the organization to them, secondly the staff are not being oriented by the principles of leadership and they are not aware of their part and contribution they are making toward the overall vision of the organization and project. The conclusion in this scenario is that the staff behavior is not changing based on the two principles of management and this paper conclude that the staff behavior these days changes based on the value the staff are getting and based on their importance as a team member not based on the amount of money they are receiving or the reward they might receive as monetary form because according to the survey 85% of the employee has said they will work overtime if they are valued more not being paid more, more analysis while reviewing the data is that almost halfway the survey filled almost 100% people believed they will work more and overtime if they are valued as part of the vision and or the services they are providing.

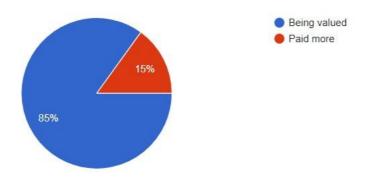


Figure 3. Work satisfaction of staff ratio

Another conclusion from this survey surface is that the staff who are younger are more inclined to be thinking about their career development, not about short-term bene-

fits in terms of salary, extra benefits, or monetary rewards since the majority of the participants of the survey are between ages 25-30 so it means these people are in their middle of career and have some experiences still they are not valuing money rather their concern is building their career and helping others, on top of that being considered as valuable person in their organization.

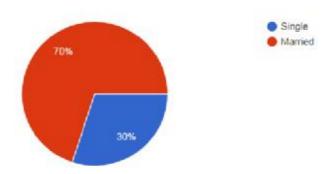


Figure 4. Marital Status of participants

The other analysis of comparing the marital status of participants as shown in Figure 4 to the overall number of people who have responded being valued, it can be inferred that the employee is more concerned with being on the job longer is more important than getting a short-term reward. The reasons behind this analysis is the job insecurity in Afghanistan context which usually staff are working for a very short period of time and then they are unemployed for a longer period of time and since in Afghanistan context usually it is man who has to provide all the support for the family and usually families are extended as well and there is only one man working hence overall as stated in the survey 70% who are married are interested to be valued and have actually job than temporary rewards and still the remaining 30% who also are single assumed to have a parents to take care hence still they are willing to have a sustainable income thus they prefer to have an income rather than just one big income and then stop. The request of such staff assumed is that they are willing to be valued as a team member, as a trusted person whom the P&C department will consider them for hiring with repeating the cumbersome of the recruitment policies. The suggestion in here would be to handle this challenge by having a list of the reserved candidate or a database of those staff who leave or laid off for project completion or some other reasons so that the P&C department can hire time without spending a lot of budget on the advertisement and overall in the recruitment process. This way, the staff caring is actually in practice implemented and those who are already acquainted with the vision, mission, and principles of WVA can be trusted and hired.

Staff is inaccessible in the remote field to be able to assess them and sometimes if possible to rewards such hard-working workforce there is not sufficient budget available to rewards them so how can motivate and inspire such staff in the absence of budget?

Based on the response of participants to the questionnaire of question that asked; "Was there a time that you had an achievement in your projector in a team but your supervisor did not admire your good work?" in this survey as shown in the bellow, Figure 5, only 30.8% said yes so it means overall 69.2% of participant in this survey were appraised and rewarded in one way or another even if there was shortage of budget still there are ways that staff can be motivated and inspired.

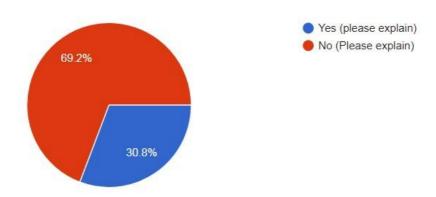


Figure 5. Budget shortage and ways of rewarding staff in the field

Comparing the date with the age range of staff, there is a high chance that staff who are younger can be rewarded in non-monetary ways so the staff satisfaction is more about just saying a thank you or send a simple message. Furthermore, in another analysis of comparing the monetary system and educational level of participants, it can be understood that staff who are actually bachelor degree holder are 77.5% of overall the survey, only 12.5% are master and 10% are high school graduate as shown in Figure 6 below, they are more inclined to be praised and rewarded even by saying a thank you. This analysis also confers with the aforementioned work satisfaction and this also reveals the fact that the staff who are educated they are expecting less of the monetary value and they are even by saying thank you understand the concepts behind just one thank you. In the Afghanistan context, it's rarely the concepts that the people who are uneducated understand what a simple message means. This also can be other reasons that the leadership qualities that participants can be thought in higher education are also valuable in here too. It means that staff if being more inspired and trained they will be more contentment and value the relation and people than only money, thus the HRM model suggested based in the principle of leadership can be very useful in the context where there are many more educated people and or the staff are capacitated as such that they understand they are gratitude and grateful and in nature they value people and relationship than short term rewards.

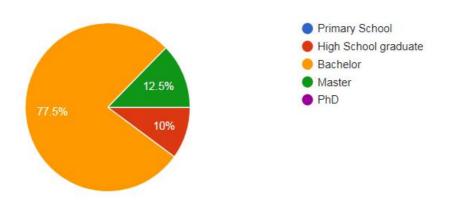


Figure 6. Educational Level of participants

Is there a way to influence field staff and lead them remotely to behave well, have productivity and develop their self-confidence to endorse them to develop their own work environment?

In relation to the above evolution, there is a chance to influence staff and motivate them to feel being parts of the team and actually, they are contributing to the overall project and organization. Refereeing to the Figure 7, participants were asked, "importance of having a personal specific target in mind" the response was a little surprising since worker themselves says if staff have a personal specific goals and career aspiration that relate to the project then there is a high chance that such staff will be motivated and inspired by none monetary forms such as explanation of goals of the project and organization with them. In this survey, 50% of overall participants said that it is very important to them to have a specific goal in life and have a vision to where they want to go. This conclusion is also true since the majority of participants in this survey are young hence they are in their first career stage and if they are given the chance they will for sure be more successful. This section concludes that the HR team should be cautious to recruit those staff that has a career aspiration otherwise the project might fail based on the results of this survey.

In another analysis of the data collected from participants which they were asked, the same as above questions like the figure 10 about rating the importance of having organization goal and explained to the overall people and participants, the responded said almost 52.5%, as reflected in the Figure 8 below, that the organizational should have a specific vision, goal, and mission that portray how the organization want to reach there. This way, as the model suggested, staff who have vision will be joining such organization because they are not valuing the money only rather they value the contribution they make and how they are treated in such organization. If an organization does not have a specific vision then the people who are aimless will join for temporary and they will not for sure be committed as other research revealed also the staff commitment can improve by giving the value and how the importance the staff are making toward the overall vision of the organization. Moreover, the staff who have a specific vision can be by P&C department hired since they are more inspired to be working in their position more passionately than those who do not know what they are doing. A quote from staff from the survey reveals that staff who are actually having a similar vision to the organization they believe they are actually working toward achieving their own personal goals and dreams, just it turns out that they are paid by WVA in order to achieve their personal goals. This also reveals that fact that staff are more inspired and can be more motivated if they are given the chance to be able to contribute toward the overall vision of the organization and how they are valued than being paid more.

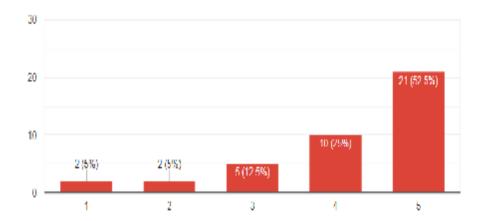


Figure 7. Importance of having organizational goals written and explained to staff

Is the workforce interested in leadership qualities in their team? Or people prefer to be distinguished individually rather than in a team?

Two different questions were asked by staff with slide variations of the wording to identify what will be the behavior of staff in a scenario a. if the staff was kept accountable for the poor performance of overall the team? Figure 9 shows the scenario a that 32.5% of staff believes its less important that if penalty assigned to them, they are seeing themselves as parts of the group and still they are feeling to be accountable. Remaining 12.5% said it is very important that the penalty is assigned only to one person who has performed poorly. This proves that the staff is more parts of a team them for each other should be accountable. Its teamwork the staff response shows so everyone is accountable and if there is a poor performance then all staff are responsible for the poor performance.

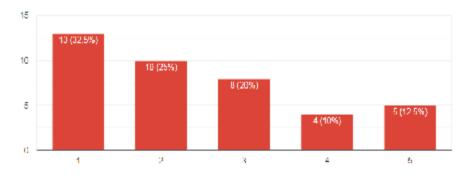


Figure 8. Penalty assign to one specific team member importance

On top of that, staff response to individual work has been compared and this shows it is the same as if the staff is working individually or working in a team. The same staff believes 27.5% of the survey participants believe that its less important if the penalty assigned to them. This gives two conclusions as peer bellow figure 10;

If staff are not rewarded then oppositely they are punished it is not important so again this proves that the two management principles which are rewards and punishment don't work for the 21<sup>st</sup>-century employee.

If staff are performance evaluated and if they found there is a fault in the team

they are not important if been asked for the poor performance because they see themselves part of the team and it is okay if they are accounted no other people.

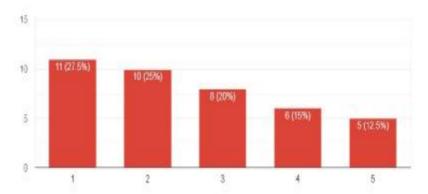


Figure 9. Penalty assigned to individual poor performance

Does the implementation of leadership models in project management of construction projects helps have a major achievement for the project success and organization visibility?

The survey results also show that the staff who are planned their activities can be more successful since they are more focused and their activities are planned. On the other hand, this is a way to help each part of the team understand that they are parts of a bigger picture. The survey results as shown in below figure 11 say that 65% of participants agree that if their activities are planned individually then they will prefer to work on the team. In addition, 35% rest believes if they have general activities then they could be performing well since they can go through the process of norming, forming and performing stages of a team.

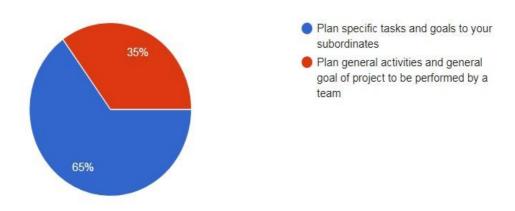


Figure 10. Plans and activities for each staff

Since the employee is motivated and inspired for improvement and development, do supervisors observed major long term impact rather than rewards or punishment in subordinates?

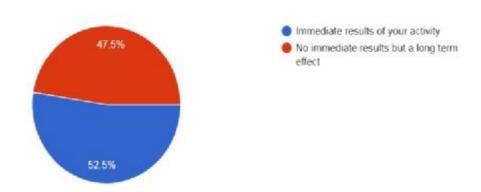


Figure 11. Reasons behind staff motivation

From figure 12 we can conclude that almost half of the participants prefer to work in a team if they can see the immediate results of their activities. Overall this survey shows 52.5% believes the immediate result is important however the remaining 47.5% think they are more convinced if they make a longer-term impact and it is not a problem if they are not rewarded or perceived to be a good worker. Furthermore, this gives another conclusion that almost half of the participants believe they want to see their activities results and they want to be praised or rewarded.

Managing people with the consideration of principles of leadership is not about the bottom line, it's about the people. Without the people there is no bottom line. If we closely examine the core characteristics of great leadership, we will find it's not power, title, authority or even technical competency that distinguishes truly great leaders. Rather it is the ability to both earn and keep the loyalty and trust of those whom they lead. That is why it is very important to hear your employees and that is why the survey results will be used to develop a model of human resource management based on principles of leadership.

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# THE THEORETICAL BASIS FOR THE FUNCTIONING OF THE SYSTEM OF INTERNAL CORPORATE TRAINING OF PERSONNEL IN THE NEW ECONOMIC CONDITIONS

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In modern conditions, the need for an effective investment policy regarding the development and training of personnel is no longer in doubt among management of dynamically developing and successful companies.

Building an effective corporate personnel training system is now becoming a prerequisite for improving business efficiency, an important factor in competition. Companies that approach the learning process from innovative positions get one undoubted advantage - speed, which allows you to quickly adapt personnel training to the company's goals in a changing business environment.

When developing a corporate strategy for staff training, it is necessary to take into account the factors that today determine the specifics of HR-work. First, there is an intellectualization of workplaces - IT-products are widely implemented in all areas of society. The next factor is associated with changes in the labor market - a narrow specialization, high mobility and increased staffing requirements. It is important to note that the quality and level of training in local markets often do not meet very many international requirements [1].

The relevance of the research topic is determined by the importance of the issues of the strategic development of the enterprise, and the staff, in turn, is the organizational resource that is directly involved in the company's development processes and ensures the achievement of its strategic guidelines.

Modern enterprises now face the following questions: how to organize training in these conditions, for which professions to train and retrain, what should be the educational and methodological support, where to find sources of funding, what is the role of the state in supporting training and its regulation. Modern production is becoming increasingly anthropocentric, giving priority to man, his knowledge, competencies, and motivation. Under these conditions, the efficiency of economic activity is not limited only to the receipt of profits by enterprises, but, to an increasing extent, to the formation of an appropriate personnel potential, the humanization of production, the development of the employee's personality, and the satisfaction of its diverse needs. Internal corporate training of an enterprise is largely capable of solving these problems [2].

The formation of a knowledge economy, fierce competition in the market and constantly changing economic conditions increase the need of an industrial enterprise for modernization, which, in turn, requires the management of the enterprise to invest not only in the acquisition of new technology, but also in human capital.

Personnel training is the most important condition for the success of a modern organization. This is due, above all, to the realities of the present: changes in science, technology, economics and society that are taking place today are so rapid that an employee has to constantly pursue his education in order to meet the demands of the times. The concept of lifelong learning has become relevant already half a century ago. It was then, with the beginning of the scientific and technological revolution, that the world over paid attention to the fact that professional knowledge becomes obsolete faster than it can be obtained in the full education cycle. And most importantly, there was a fundamental change and rethinking of the role of man in production. Now, it is the staff that

is the key factor in the long-term and stable operation of the enterprise. A well-trained, qualified and highly motivated staff becomes a competitive advantage.

The current situation indicates the process of formation of an employee of a new type. A successful employee should possess not only high professional competence, but also general erudition, strategic thinking, technical literacy, creative attitude to work, enterprise, master the basics of self-management, be ready to constantly change and develop with the organization. That is why the need to inculcate a culture of continuous staff training in enterprises is obvious [3].

Today, focusing on the needs of a competitive market, it is necessary to learn, confirm and improve your own qualifications continuously. The most promising and acceptable for both employees and enterprises in these circumstances is corporate training.

The catastrophic shortage of qualified personnel, caused by the difficult situation of the vocational education system, the complex socio-demographic situation and a number of other factors, compels modern enterprises in Kazakhstan to independently engage in training and improving their skills. This system, the system of corporate staff training, is increasingly used by many companies.

A personnel training is an essential tool by which management gains the opportunity to increase the potential of human resources and influence the formation of an organizational culture.

In the conditions of rapid changes in the market situation, more than ever, we need bright talents and fresh ideas that can provide a high level of competitiveness.

Organizations that are ready to invest money in the training of their employees can expect that employees who have improved their professional skills will be able to more easily and quickly solve more complex tasks, will be more persistent in finding and more often finding the best answers to emerging questions, and more quickly coping with difficulties in work, they will have a higher level of commitment to their enterprise, a higher willingness to work for it with full dedication.

Modern approaches to the management of organizations are based on the fact that staff is considered as a key factor determining the efficiency of the use of all other resources.

As the experience of the most successful domestic and foreign companies shows, investments in personnel, creation of conditions for the growth of workers and increase of their professional potential give 2–3 times higher returns than means aimed at solving production problems [4].

A serious problem for many organizations is the retention of trained workers.

By investing money in staff training, an organization thereby increases the value of its most important capital, people.

But at the same time, some organizations are faced with the fact that, having spent a lot of money on training, after some time they may not be accounted for by a significant part of the trained workers - they are bought up by other more agile organizations.

Saving on staff training, these companies are willing to pay higher wages, provide a wider range of benefits, better working conditions or greater opportunities for professional growth and promotion of employees [5].

It turns out that we are preparing cadres for others, say the leaders who are faced with this problem, and throw money down the drain. We invest in training, and our employees are repurchased by other organizations.

However, most often blame should not be on competitors who lured trained per-

sonnel, but on themselves for the fact that learning outcomes were not claimed, because trained personnel were not encouraged to achieve a higher level of qualification.

Unfortunately, such a policy has become widespread in the work of many organizations, when workers are sent for training or refresher training, without making any effort to make their work after studying more meaningful, more responsible, to increase the level of their remuneration, to open new perspectives of career growth, career advancement, or the scope of their work responsibility has expanded.

This reduces not only the return that an organization can receive from its staff as a result of training, but also the motivation of employees to learn.

In order to reduce the risk of losing workers, students or improving their skills through the organization, many companies develop and implement a system of legal, organizational and moral and psychological measures aimed at securing and retaining this category of workers in the company [6].

Personnel training plays an important role in conveying to the workers the basic meaning and necessity of the changes, explaining their essence, in order to gain support for innovations not only from the line management and middle managers, but also from the bottom, from the rank and file of the organization.

Training and staff development should not be a matter of personnel service only.

All members of the organization, especially top and middle managers, should understand the goals and objectives of staff training and be aware of its importance for the development of the organization.

Managers who spare money for the training and retraining of employees are faced with the fact that their plans to reorganize and develop the organization are seriously affected by the poorly trained staff.

Personnel training cannot be considered as an activity that has only an auxiliary value for the survival and prosperity of an organization, since its ability to quickly adapt to external and internal changes is a determining condition for an organization's economic health.

The concept of "corporate training" is still not widespread in the theory of organization and personnel management. Behind him has not developed a clear definition. Rather, corporate training is a concept formed by the practice of the work of large organizations, firms and companies, so-called corporations [7].

Corporate training is a special system of training, focused on the personnel of a particular enterprise, based on solving specific problems for a particular organization. Corporate training is conducted both in the enterprise, in corporate training centers, in subordinate educational institutions of professional education, and in third-party educational organizations with the involvement of both its own and external teachers.

This training system is significantly different in orientation from the school or university. Knowledge, skills and abilities are not general (general educational or vocational) in nature, they are directly aimed at improving the efficiency of production activities.

Corporate training occupies a special place in the organization's personnel training system. It acts not only as a technology for developing the personnel potential of an organization, but also as an element of its corporate culture.

Corporate staff training is popular in enterprises, because it has many advantages, the most important of which is that corporate training programs are created specifically for a particular company and are focused on staff development and preparing it for changes in the organization. At the same time, the management of the company has the

opportunity to control the level and volume of employees' knowledge.

Corporate training becomes especially relevant at two stages of the organization's development:

- 1. When the company is actively growing: the market expands, new offices are opened, and as a result, the number of employees increases. At the same time, the company has already accumulated successful experience in the field of management, work with the client, who has ensured this growth, and this experience must be transferred and maintained. Corporate staff training in this situation will allow achieving a standard level of professionalism that will ensure the production of goods and the provision of services of equal high quality in all branches of the company.
- 2. When the company is in a stable position, there is a need to create an active environment within the company, which not only accumulates the existing knowledge and skills, but also allows you to quickly learn a new, advanced experience, enhancing the competitive advantages of the company [8].

The objectives pursued in staff training should be closely aligned with the objectives of the organization.

In order to determine the content and the most effective training methods that will best contribute to achieving the goals of the organization and the goals of training, it is necessary to establish the qualitative and quantitative need for training the main categories of employees.

When determining the content, forms and methods of training, one should first of all proceed from the need of the organization for its staff to acquire new knowledge and skills necessary for effective professional activity in order to successfully achieve the goals of the organization.

The content of training should, above all, flow from the challenges facing the company in the short and long term.

Another requirement is the timely updating of the knowledge of workers and the maintenance of a high level of their professional competence [9].

The choice between own training programs prepared and developed in the organization itself, and external programs is not always easy.

It is clear that the company is much better at controlling the content and format of its own programs; if necessary, they can make changes and additions to programs developed by them.

Such programs can more closely link the process and learning outcomes with the interests of the organization, its goals and strategy.

Today, many large firms conduct education and training on their own.

On the other hand, if employees attend courses or seminars organized outside the organization, this opens up new opportunities for them to look at their work and their company from a broader perspective.

Often, training outside the company gives students the opportunity to establish fairly close contacts with representatives of related organizations, share their own experiences and learn from successful findings and successful experiences of their colleagues.

Training outside the organization gives the maximum effect only when its content is closely linked to the goals and strategy of the customer organization, when its results are in demand.

Due to the relatively high cost of external training, Russian companies make extensive use of training outside the organization mainly to train middle and senior man-

agers [10].

To conduct training, it is necessary to make a choice of two alternatives: look for teachers "on the side" or involve your own teachers in training staff.

If organizations for training and development of personnel do not need training all the time, but from time to time and for a small number of employees, the organization can afford to order this training in specialized organizations working in the field of business education (in some cases, uniting with other organizations).

If the organization is faced with the task of training a large number of workers on a regular basis, it is more expedient to organize the training of our own teachers or invite the relevant specialists (teachers, coaches, instructors) for permanent work.

Many large organizations recruit to work as teachers their own employees with the necessary knowledge and experience.

Modern forms and methods of personnel training will help develop professional knowledge and skills. In the conditions of rapid changes in the production process, highly specialized professional or corporate training has become in demand in organizations that take care of stable development and a prosperous future.

There are a variety of training programs designed for a wide variety of categories of workers - from ordinary staff to senior management.

All the variety of teaching methods used for this can be divided into two large groups:

- methods training outside the workplace;
- training methods in the workplace.

Training outside the workplace is more efficient, but associated with additional financial costs and distraction of the employee from his official duties [11].

At the same time, the environment is consciously changing, and the employee breaks away from daily work.

Training outside the organization, as a rule, concerns managers or highly qualified specialists.

Such training can be accomplished in many directions and in many ways: this is training in specialized centers and institutes for advanced training or through listening to specialized systematic courses.

For many organizations belonging to different fields of activity (trade, services, production, etc.), on-the-job training is the main form of training for new employees.

This method is used to master the necessary skills and familiarize new employees with how to use existing equipment and tools directly in the process of performing professional activities.

On-the-job training is intended not only to transfer to the employee the knowledge necessary for the job, but also to form with him more precise ideas about the content of his professional role, that is, about the requirements that the organization places on his work.

Sometimes on-the-job training takes place in special training areas or in training workshops.

The effectiveness of such training is reduced in the event that the production base on which the training takes place does not correspond to the equipment and tools used in real working conditions [12].

In addition, such training usually does not reproduce some working conditions, such as noise, distraction from other employees and a busy schedule, and the rhythm of work.

On-the-job training as a special training method should be more widely used in cases where:

- workers are trained mainly in the classroom, although the best results could be achieved through on-the-job training;
- in fact, on-the-job training is already carried out spontaneously, it requires only the establishment of order and the documentary and procedural design of this process in accordance with the established requirements for vocational training;
- professional adaptation of new employees can be more effective with a wider use of on-the-job training;
- in organizations, there are already people who, with the appropriate organization of training, can become good teachers (instructors, mentors) for on-the-job training [13].

It should be borne in mind that the analysis of personnel training methods conducted immediately after the completion of a theoretical course does not allow obtaining objective results. Sometimes a new employee needs a long practice in order to apply this knowledge and successfully implement it in production activities. That is why it is so important to assess only after a certain time, and to an employee to secure a mentor who will help to master all the knowledge gained.

Methods of staff training efficiency can be assessed by cumulative effect, when a series of trainings was conducted and employees began to show high production results [14].

For sustainable development, a stable position in the market, industrial enterprises regularly make investments in human capital. The strategic development of the personnel of the enterprise is an integral component of the successful functioning and maintenance of competitiveness. Internal corporate training at an industrial enterprise is a complex system of interrelated elements of personnel training, retraining and advanced training [15].

The system of internal corporate training for enterprises of the industrial complex should be based on information about existing opportunities and an assessment of the future needs of the organization. Regular assessment of corporate training allows you to identify employees with a certain potential, to stimulate the preparation and implementation of personal development plans that meet the interests of employees, as well as the resources and goals of the company. This approach provides the basis for managing the development of an organization's knowledge base. Internal corporate staff training is a reliable guarantee that employees will be loyal to the organization, is the key to personal and professional development of employees, and therefore the company as a whole. Staff development makes employees competitive and forms a higher quality of working life. It is important to note that a well-organized process of evaluating the effectiveness of the system of internal corporate staff training allows you to diagnose the strengths and weaknesses of the company, to see its hidden reserves and potential employees.

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# PROBLEMS AND TRENDS OF MARKETING MANAGEMENT IN DOMESTIC PRACTICE OF THE REPUBLIC OF KAZAKHSTAN

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In 1985 – 1989 in connection with the change in the political course of the USSR, on all of its territory, including in other union republics and autonomies, elements of free market relations began to appear. The leadership of the republics understood that if the system was not reformed, then the USSR, in the form in which it existed before 1985, had no future at all. But all these situations were nevertheless of a unique nature. In the early 90's it became finally clear that the former union republics and autonomies had risen to market direction.

This fact, without special political and historical collisions, can provide a minimal basis for understanding the origin of the modern marketing system in today's sovereign Kazakhstan. The development process of market economy principles in Kazakhstan led to the need to use and study marketing as a science. This fact the author has repeatedly argued in his previous works, citing as an example, at least the true definition of the

marketing process.

Marketing for Kazakhstan enterprises has become an indispensable tool, an «obligatory program» and a means for business development. Step by step came the understanding that it is not enough to only produce products, although it is worth mentioning that quality products are one of the determining factors of long-term and lasting success, personifying a certain "foundation". The marketing tool in this situation acts we can imagine as a specific multiplier. In a situation where the enterprise has a highquality production technology, constantly monitors the quality of products, improves organizational and technological mechanisms, has, as a matter of fact, some successes in business, then a competently built marketing system with promotion, branding, advertising, PR issues, and many others can strengthen effect and lead to a better end result. But if our company - zero in the fundamental issues of market vision, then no matter how many times we will try to multiply by zero, then it will still remain nothing. But, naturally, we are talking about true entrepreneurs who came to the market seriously and for a long time. Indeed, there are situations where certain organizations achieve popularity and recognition in the market for naked marketing. There is a very fine line here, which in the 90s was often violated by various enthusiasts [9]. Until now, with a large part of the population of Kazakhstan, and the entire post-Soviet space, marketing is personified with the network business, «TV Shop», «Herbalife», and outright fraud. Often representatives of domestic television and journalism form a picture in the minds of the masses, telling endless passages on the topic of «marketing tricks», widespread deceptions and much more that eventually grows into all sorts of pearls and folklore. But, such actions are rather temporary and unpromising, because if there is no situation when the product satisfies the client's needs, with which he himself and the product linked, all third-party methods of stimulating sales are not effective. Unfortunately, then, knowledge about marketing was incoherent and inadequate, but in fact marketing activities were conducted at an extremely low level.

Today the study of the basics of marketing and knowledge of its features at the present stage is necessary, especially since the market has now entered a period of development when competition is exacerbated, and the enterprise faces such questions as how to survive and forecast its activities, on what path to develop, how to position yourself in the market, what to have competitive advantages, what tactics and strategy to choose in your activity. Therefore, to resolve these issues, there is a need to study marketing.

Most enterprises have realized the need to create marketing departments, but one of the main reasons restraining this process is the lack of qualified specialists. At the same time, the absence of interstate barriers allows for education in various countries around the world. But this raises another problem - the cost of training, mainly in foreign countries is high, in many respects, therefore, there are few qualified specialists in Kazakhstan. But this is more a problem not of marketing, but of the entire state as a whole, although marketing or, more accurately, PR can solve this problem [4].

Unfortunately, the situation where marketing is perceived only as an advertisement and a way of selling. This can be attributed to the period of the emergence of the production concept in the emerging countries of marketing, this is around the 70s. Today in all countries it is understood that the production concept is replaced by the concept of socially responsible marketing, neuromarketing and innovate features. In Kazakhstan, this is understood theoretically, but can not be applied. The concept of marketing is inherent only to foreign companies - manufacturers. Some domestic companies

first produce certain products and only after producing they may think about how to sell it effectively.

The common most significant problems for the company, when conducting a survey for all types of companies for 2015-2018 were named: the problem of the general aggravation of competition in connection with the crisis - 46.4%, the problem of expanding the market volume - 39.3%, and the need to speedily improve the quality of products - 32.1% of respondents [10].

It is worth noting that, indeed, over the past five years, Kazakhstan marketing is experiencing a stage of rapid development. Already more than 50% of the enterprises, in one way or another, have in their structure marketing departments and marketing specialists. According to the latest data we have, in 36.3% of companies there is a separate dedicated marketing department. One third of the companies (28.6%) have specialists with marketing training. More than 20% of enterprises have distributed marketing functions to other services. Almost 13% of firms use other forms of marketing organization at their enterprise: in most separately separated departments and marketing services, up to 5 people work (Figure 1).

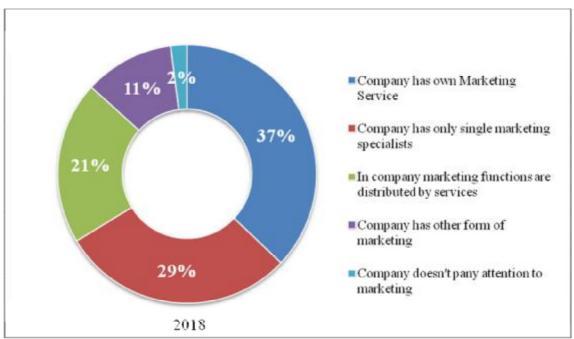


Figure 1. Structure of marketing management at enterprises of the Republic of Kazakh-stan

Among the internal problems in marketing for 2015-2018 were discovered [10]:

- the problem of image formation for a brand, product, company 50% of the total number of respondents;
- the problems of developing new products, expanding or improving customer service and forecasting sales (market volumes), they are 39.3% and 32.1% respectively;
- creation of marketing information systems in the organization and monitoring of sales 10.7%.

Of all components of the marketing mix, the weakest link in most Kazakhstani firms is the commodity policy of firms. Most firms pay attention to such elements of

marketing as consumer preferences and consumer behavior motivations. Kazakhstan firms take into account consumer preferences and motives of consumers' behavior, but they care little about the work for the future and practically do not pay attention to the issues of strategic development. The activity of many firms differs chaotic and the fulfillment of immediate consumer preferences without taking into account the potential demand. Entrepreneurial mentality is focused on the fulfillment of short-term goals, namely, obtaining the maximum profit. At the same time, some firms, mainly in the small business sector, prefer not to invest in the development and expansion of their activities.

Finally the author comes to the conclusion that it is extremely important for enterprises of any type of business today to combine the highest goals of their development with the national interests of the country and its population, this is the peculiar social responsibility of business.

Today's economy is different, and so is our understanding of where growth comes from. And now, all local economists and managers have demonstrated that innovation and new ideas are the more powerful drivers of progress.

Contrary to the popular stereotype, then, management and entrepreneurship are not antithetical roles. However, there are only two different dimensions of the same risk. An entrepreneur who does not learn how to manage won't last long. Nor will a manager last long of he does not learn to innovate. Lone inventors, the creative geniuses working in their garages, will always have a special place in our imagination. But the innovation that fuels the growth of most organizations is the product of joint effort, and of a far more disciplined approach. Although no one can be taught to be a creative genius, we can all learn practice innovation.

Gathering the proper and actual information and knowledge you need to create better final result actually requires active engagement, not just passive listening and participation. It requires you, as a management specialist, to actively suspend your own intuition, to observe how other people behave, and without imposing your own logic, to ask why.

This takes discipline because it goes against the grain in a number of ways. Most people prefer talking to listening. The more successful they have been, the more in danger they are of believing that when it comes to their business, they know best. True curiosity about other people – a passionate interest in understanding why these people do what they do – is rare. Suspending judgment, observation, and curiosity – these are the necessary complements to the promoting of instinct, intuition, and industry lore.

The popular image of market research as a statistical black box that magically answers all questions does not do justice to the art of discovering needs that customers themselves often do not really know that they have. The process of gathering information and developing new insights owes a good deal to the methods of cultural anthropology.

The fact that things can turn out in more ways than one is perhaps the defining characteristics of managerial decision making. You are forced to commit resources to-day toward performance in an uncertain future. And, although the money you plunk down today is hard cash, the future stream is both a hope and a guess. There is no guarantee it will ever materialize.

This conclusion is not groundless, as in general, this idea corresponds to the general world trend of development of marketing activities. Below, the author of this work provided a vision of general trends in the development of the marketing system in the

Republic of Kazakhstan.

- 1) orientation to an understanding of psychology and the hidden motives of clients' behavior;
- 2) from the situation of «to product and sell at any cost» to the situation of «to understand and provide»;
- 3) from the monologue of enterprises to the formation of a dialogue with target groups of consumers, the formation of constant feedback;
- 4) integration of companies into the Internet, as a result, evolutionary development and greater demand for promotion mechanisms through the World Wide Web;
- 5) from targeting exclusively to your product to focus on your customer. Understanding and understanding of the fact that any business is a service industry;
- 6) improvement of marketing tools in connection with globalization and the increasing access to foreign markets;
- 7) the marketing paradigm «Pursuit of profitability + Corporate responsibility» will take the leading place.

Thus, the author of this article identifies the key problems of the development of domestic marketing that take place in modern Kazakhstan, and also identifies the "main" trends in the development of the future marketing system, market thinking and marketing practices in the Republic of Kazakhstan.

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# LIQUIDITY AND SOLVENCY AS KEY PERFORMANCE INDICATORS OF THE ENTERPRISE

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Domestic enterprises are faced with the need to optimize their financial activities during a crisis, devaluation of the national currency, difficulty in accessing foreign capital and falling disposable incomes of the population.

Solvency and liquidity are one of the most important indicators of the financial and economic functioning of an organization in a market economy. If the organization is solvent, then it has several advantages compared with its competitors in this field of activity.

Analysis and evaluation of the solvency and liquidity of the enterprise is becoming increasingly important at the present stage of economic development. Solvency and liquidity indicators determine the overall efficiency of company management. This is due to the fact that the stability of the company directly depends on its solvency.

Analysis and assessment of the solvency and liquidity of the company, carried out in a timely manner, reduces the internal costs of the company, as well as maintain flexibility in making management decisions. An effective system for analyzing and evaluating the solvency of an enterprise makes possible to increase the rate of increase in the sales of goods and services, as well as strengthen its place in the industry.

The high level of solvency contributes not only to the achievement of positive financial results from the functioning of the company, but also to their improvement in the coming period of time.

In the modern economy, enterprises need to form the most optimal system for analyzing and evaluating solvency, which allows determining the effectiveness of managing financial resources, company assets and its structure, as well as existing relationships with partners.

The market system of management significantly expands:

- the choice of alternative financial policy options;
- sources of financing activities;
- as well as possible objects for investing free cash assets of industrial enterprises [1].

At the same time, the risk factor in the activities of enterprises also increases.

Present characteristic features of the Kazakh economy are:

- the lack of working capital;
- low payment discipline;
- high cost of credit resources.

Effective financial management of enterprises in these conditions is of paramount importance.

Thus, the study, analysis and financial regulation of solvency and liquidity indicators for enterprises in the current period is very relevant, significant and important.

Currently, all subjects of market relations are interested in obtaining objective information about the financial condition of their business partners.

Solvency and liquidity are a signal indicator of financial condition. The ability to meet its obligations is the most important factor characterizing a company's financial position.

The most common indicator that quickly signals the financial well-being of an en-

terprise is its solvency, that is, the possibility of repaying its financial obligations in a specific period of time.

The most important signs of solvency are:

- availability of funds in bank accounts;
- no overdue debts;
- ability to cover current liabilities through the mobilization of working capital.

The main purpose of the analysis of the company's solvency is:

- timely detection and elimination of deficiencies in the financial activities of the company;
- search and determination of reserves to increase the overall solvency of the organization.

Solvency analysis is necessary not only for an enterprise to assess and forecast financial activities, but also for external investors (banks). A bank must verify the credit-worthiness of the borrower before issuing a loan [2].

It is not necessary to deny that the solvency is definitely in indivisible dependence with the definition of liquidity.

Liquidity related:

- with the sufficiency of money;
- with the reliability of the performance of debt obligations.

In all cases, when there is a deal with the turnover of value, whether it be a turnover of goods or money, the liquidity problem arises at the final stage of the circuit.

Liquidity is the ability of the company:

- respond quickly to unexpected financial problems and opportunities;
- increase assets while sales increase;
- recover short-term debts by simply converting assets into cash.

Balance liquidity implies the ability of an enterprise to transform its assets into cash and pay current payment obligations.

A block diagram reflecting the relationship between solvency, liquidity of the enterprise and balance sheet liquidity is presented in figure 1.

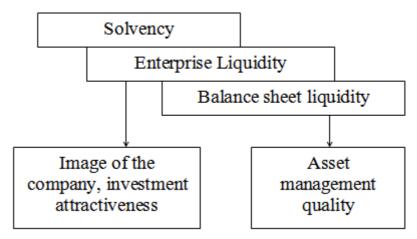


Figure 1. The relationship between solvency, liquidity and balance sheet liquidity

This relationship can be compared with a multi-storey building, where all floors are equivalent, but the second floor can not be built without the first, and the third without the first and second.

Balance sheet liquidity is the basis (foundation) of solvency and liquidity of the

enterprise. In other words, liquidity is a way to maintain solvency.

Company needs to have a sufficiently flexible capital structure, and be able to correctly carry out its movement in order to be considered solvent and liquid.

It follows from the above that solvency and liquidity can be achieved only with:

- sufficient amount of own funds;
- decent quality of company assets;
- the presence of permanent income from the organization;
- satisfactory level of profitability, taking into account financial and operational risks;
  - sufficiently high degree of balance sheet liquidity;
  - availability of wide opportunities for further attraction of borrowed capital [3].

Analysis and evaluation of the solvency and liquidity of the enterprise is particularly important in the overall management system, since its results are the basis and foundation for the use of certain management decisions aimed at obtaining maximum profit.

The method of assessing solvency by indicators requires consistent analytical steps and calculations. As a rule, a general analysis of an enterprise's liquidity consists of two main stages:

- 1) the calculation of absolute indicators of liquidity;
- 2) calculation of relative liquidity indicators.

At the first stage, the grouping of all assets and the corresponding liabilities of the organization's balance sheet is carried out to perform these calculations. Assets are grouped directly according to the degree of liquidity, that is, according to the time they are returned to cash and are divided into the following groups:

- A1 the most liquid assets short-term financial investments and funds of the organization;
- A2 quickly sold assets accounts receivable, payments for which are expected within 12 months after the reporting date;
- A3 slow-moving assets (stocks, receivables), payments for which are expected more than 12 months from the date of the reporting date;
  - A4 illiquid assets (for example, it may be fixed assets, intangible assets).

In accordance with each group of assets, liabilities are formed according to the timing of the payment, in other words, according to the degree of urgency of their payment.

They are divided into the following four groups:

- P1 the most urgent liabilities accounts payable;
- P2 short-term liabilities short-term borrowed funds;
- P3 long-term liabilities long-term liabilities;
- P4 stable (permanent) liabilities articles of the section of the balance sheet liabilities "Capital and reserves".

The organization is fully solvent, and the balance is considered absolutely liquid, subject to the following ratios of groups of assets and liabilities:

- $A1 \ge P1$ ;
- -A2 > P2;
- -A3 > P3;
- $A4 \le P4 [4].$

Under these conditions, it is considered that the company has ideal balance sheet liquidity.

The second step in determining the solvency of a company is the calculation of relative liquidity indicators, that is, the analysis of solvency using financial ratios.

The main liquidity ratios presented in Figure 2 are calculated.

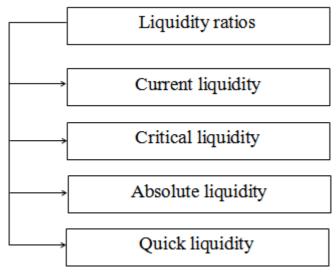


Figure 2. Liquidity ratios

Characteristics and standard values of the above indicators are formed in the general table 1.

Tr - 1-1 - 1	. Relative	1: : 1:4	
I anie i	Relative	1101110113	ratios

Ratio	Characteristic	Standard	
Current	It shows how many current circulating assets	2	
liquidity	fall at 1 tenge of current short-term liabilities	2	
Critical	It shows what part of the short-term debt, the		
liquidity	company will be able to repay, subject to the	0,7-1	
	implementation of receivables		
Absolute	It shows which part of short-term borrowed		
liquidity	funds can be repaid immediately, if it is	От 0,25	
	necessary.		
Quick	It shows how much of short-term liabilities can		
liquidity	be repaid at the expense of marketable assets	От 1	
	[5]		
Note - compiled by the author			

Currently, a rather large percentage of domestic organizations are in a rather difficult economic and overall financial situation. Unsustainable global markets, changing regulatory conditions, and improving new financial products have made the management of liabilities and assets one of the most important tasks of enterprises.

According to some authors, the reasons for insolvency are:

- failure to comply with the plan for the production and sale of goods;
- increase production costs;
- failure to implement a profit plan;
- lack of own working capital of the organization.

If there is a period of payment of credit debts, and there is no money in the organization's account due to the late receipt of payment for previously delivered goods, the company may become insolvent due to the financial lack of discipline of its own debtors.

In the decision-making process regarding financial sustainability, the management of an enterprise should remember the following:

- liquidity and solvency are the most important characteristics of the rhythm and stability of the current activities of the enterprise;
  - any current operations immediately affect the level of solvency and liquidity;
- decisions, made in accordance with the selected policy for managing current assets and the sources of their coverage, directly affect the solvency.

The policy of managing current assets of an enterprise should pursue the main goal - ensuring a balance:

- between the costs of maintaining current assets in the amount, composition and structure, which guarantees against disruptions in the technological process;
  - income from the smooth operation of the enterprise;
  - losses associated with the risk of loss of liquidity;
  - income from the involvement in the economic turnover of working capital [6].

Increasing the solvency and liquidity of a company can be made through integrated solutions aimed at improving the financial condition of the company and reducing debts. The main measures by which company can increase liquidity are:

- the maximum possible reduction in the value of receivables;
- increase profits;
- optimization of the capital structure of the enterprise;
- decrease in the value of tangible assets.

In order to carry out effective work, the management of companies needs to have an accurate and concrete understanding on the basis of which sources of funds they will function, and also to know in which areas of activity they will invest their own funds. As a key factor in the work of any organization, it is the task to provide the company with sufficient financial resources, that is, to ensure liquidity and solvency.

It is necessary to emphasize the factors that can directly affect the decrease in the solvency of the enterprise. These factors include:

- reduction of production volumes, as well as sales of goods and the company's work;
  - increase in production costs and lower profit margins;
- lack of own funds, as sources of financing the work of the company, as well as a significant increase in debts;
  - diversion of funds to receivables:
  - increase in stocks exceeding the normative volume;
  - insolvency of consumers of goods of the company.

Company can increase the rate of cash flow by:

- implementation of investment projects in order to reduce costs or increase output;
  - introducing prepaid goods;
  - reducing the time for granting loans for products;
  - increase of discounts for cash payment for products,
- the lease of the share of fixed assets of enterprises, which in this period of time is not used;

- implementation of non-applicable equipment and mechanisms in the work of the enterprise.

Thus, the main reasons for the possible insolvency and illiquidity of the balance can be identified by increased receivables, lack of working capital, high dependence on borrowed funds. It is necessary to deal with the optimization of stocks and to observe a balance between the volume of inventory items in the warehouse and their turnover. Effective management of receivables consists in optimizing its total volume and ensuring the collection of cash on time.

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# EFFECTIVE USE OF BUDGETARY FUNDS OF THE REPUBLIC OF KAZAKHSTAN

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The relevance of the study of the topic Efficient use of budgetary funds of the Republic of Kazakhstan is due to the need to select priority areas for improving the treasury system of the Republic of Kazakhstan in new economic conditions, according to which economic development should focus on the introduction of innovative technologies, high growth rates of labor productivity and the creation of economic non - primary type models, while one of the key success criteria is to increase the effect budget utilization.

Dependence on exports of raw materials and hydrocarbons puts the economic development of the Republic of Kazakhstan in a vulnerable position due to the fact that the state budget income level depends on fluctuations and jumps in world oil prices, which makes it difficult to implement and sometimes impossible to plan further development and implementation of important state programs. This problem is becoming more urgent as the latest developments in the use of alternative energy sources in the world, when the consumption of traditional energy sources is declining and trends for falling oil prices are outlined.

In this regard, the search for approaches and ways aimed at improving the mechanism of using budget funds, which are able to provide optimal solutions for reallocating state budget funds in accordance with the risks of falling demand and world oil prices, as well as using budget management tools, is highly relevant taking into account the prospects for the development of a high-tech economic model. A smooth transition from the economy based on the raw material model to the high-tech industry of the future with the use of advances in technology based on artificial intelligence and robotics will

provide the Republic of Kazakhstan with a decent future and the possibility of further development and prosperity among the most developed countries in the world.

The mechanism of budget planning and use of budget funds in these conditions can be used as a tool for redistributing revenues to the budget and budget funds, which can be redirected and redistributed to the development of industries and science, the development of which will ensure the independence of the Republic of Kazakhstan of exports and re-export of raw materials, hydrocarbons and other natural resources. Today, an important resource on the way to achieving a higher level of well-being and gaining potential for new breakthroughs in the field of high technologies is to increase the efficiency of using budget funds in the treasury system of the Republic of Kazakhstan.

The functioning of the treasury system in the process of planning, executing and using the funds of the state budget of the Republic of Kazakhstan should be considered in terms of the main modules, each of which includes a set of functions, processes and operations aimed at implementing the budget policy of the Republic of Kazakhstan.

From the point of view of analyzing and evaluating the effectiveness of using budget funds in the context of the functioning of the treasury system, it is necessary to identify and streamline the main processes and operations within the framework of using budget funds. To do this, it is necessary to consider one of the strategic goals of the Government of Kazakhstan and a number of related budget programs that contribute to its implementation, namely, to justify an assessment of the effectiveness of the use of budgetary funds, which was produced on the South-West: Western Transit Corridor road construction project.

The project was financed by financing by the European Bank for Reconstruction and Development, which was created to provide financial resources for projects aimed at transition to an open market economy oriented towards the development of international trade, private and business initiatives in the regions of Central Asia and Eastern Europe.

The project "Western Europe - Western China" is a transnational infrastructure project and is a transport corridor (highway), running from Western China to Northern Europe.

The goal of the project is to strengthen the ties between the European Union and Asia.

Characteristics and parameters of the length of the highway:

- total length of highways of St. Petersburg- Lianyungang: 8445 km;
- length of the highway of the Russian Federation: 2233 km;
- length of the highway of the Republic of Kazakhstan: 2787 km;
- length of the highway of the People's Republic of China: 3425 km.

Construction began in 2008. The section of the highway China - Republic of Kazakhstan has already been commissioned [1].

The Republic of Kazakhstan occupies an extremely favorable geographical position from a geopolitical and economic point of view, which allows it to play the role of a transit bridge between Asia and the European Union, as well as between China and Russia, the largest economic zones of modern civilization. This determines the high transit potential and provides opportunities to use the territory of the country to organize transit traffic in order to ensure high turnover in the scale of continental international trade. In addition, modern Kazakhstan has the necessary potential for a complete reorientation of the foreign trade balance, which also lies in the transit possibilities of the state.

One of the promising ways and directions is the international transit corridor "Western Europe - Western China".

The completion of the construction of the highway in the Republic of Kazakhstan is scheduled for the end of 2019. At the final stage of the construction of the highway, work is underway to lay the roadway between Shymkent and Taraz, as well as from Almaty to the border with the People's Republic of China.

Full completion and commissioning of the highway is planned in 2030, with the main section to be completed located in the central regions of the Russian Federation.

During the negotiations, the European Bank for Reconstruction and Development provides a loan to the Republic of Kazakhstan in the amount of USD 1,800,000,000 or 68.07 billion tenge (the rate is 378.17 tenge for 1 US dollar).

The aim of the project is the reconstruction, restoration and upgrading of the technical category of a 102 km long highway connecting the city of Aktobe with the border of the Russian Federation and running through the village of Martuk [2].

External financing plays a significant role in the budget execution process of the Republic of Kazakhstan. At the same time, the procedure for borrowing, directions of use and methods of repayment of foreign loans are established by the Government of the Republic of Kazakhstan [3].

Figure 1 shows the pattern of spending of external loan funds by the method of direct payment in the framework of the use of budget funds for the implementation of the highway segment of the international transit corridor "Western Europe - Western China".

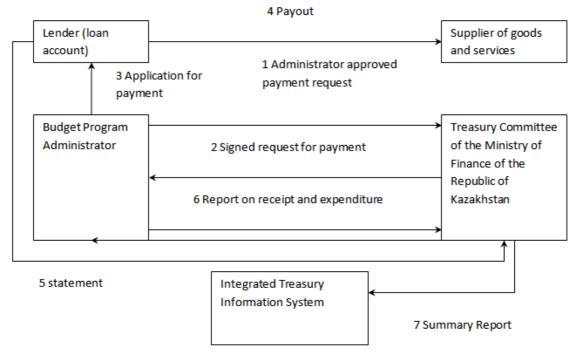


Figure 1 - The scheme of expenditure of external loans by direct payment in the framework of the use of budgetary funds

As executives of budget programs, there may be central executive bodies vested with authority and performing planning functions in the use of budget funds, as well as coordinating and controlling the use of budget funds. In addition, administrators of

budget programs, which are, in particular, the Committee for Roads and the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan, can use budget funds within approved programs independently, and the role of the Treasury Committee is to create Special Accounts for further use of budget funds.

The scheme of using budgetary funds by spending funds from the Special Account is shown in Figure 2.

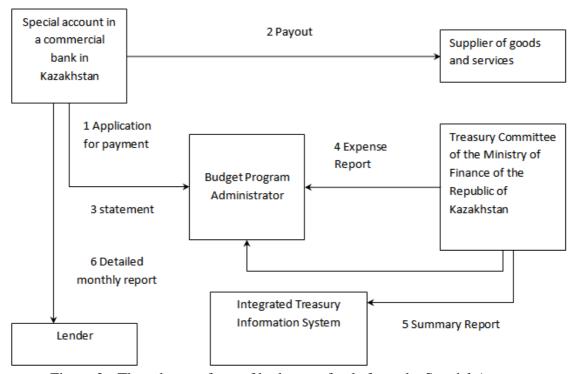


Figure 2 - The scheme of use of budgetary funds from the Special Account

The European Bank for Reconstruction and Development acts as a lender in the framework of project financing. Completion of the project is planned for the end of 2019.

The procedure for repaying the government and state-guaranteed debt of the Republic of Kazakhstan from the republican budget is reflected in the form of a diagram presented visually in Figure 3.

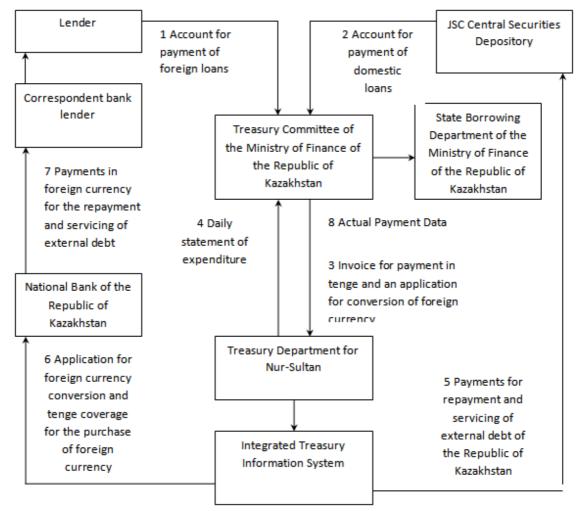


Figure 3 - The procedure for repayment of government and publicly guaranteed debt of the Republic of Kazakhstan from the republican budget

The specifics of accounting and financial reporting in project management at the expense of external financing has its own distinctive features and features.

The procedure for maintaining the budget accounting of execution of the republican and local budgets is determined by the Ministry of Finance of the Republic of Kazakhstan, and budget accounting is the responsibility of the Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan.

The Treasury Committee implements an orderly system of collecting, registering and summarizing information in monetary terms about transactions from a single treasury account, control cash accounts and government institutions, requirements and obligations of the Government of the Republic of Kazakhstan and local executive bodies, regulated by the budget legislation of the Republic of Kazakhstan.

Budget accounting is the accounting of budget execution carried out on a cash basis, in which operations are reflected in the accounts in a double-entry manner in accordance with the chart of accounts.

Budget accounting is conducted in the national currency of the Republic of Kazakhstan.

The scheme for managing the reporting on the republican budget of the Treasury Committee is presented in the form of a diagram, which is clearly shown in Figure 4.

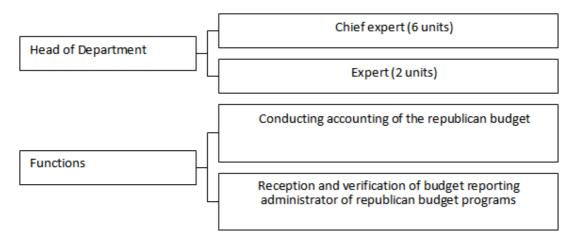


Figure 4 - Report management scheme for the Republican budget of the Treasury

Committee

The financial resources of the European Bank are usually mobilized in the financial market through the issuance of bonds, and the value of EBRD loans can be determined in accordance with the market conditions.

It is important to note that making a profit is not a key priority for the EBRD, and most of the lending and investment programs that a bank makes are always profitable. Interest rates on loans for governments of different countries are usually 0.25 - 0.5%, which is much lower than the loan rates provided for in the framework of the national banking systems of various countries and states. EBRD loans can be granted on repayment terms for a period from 12 months to 20 years, and also provide for preferential terms and periods, which can range from 3 to 6 years, which also exceeds the terms of bank loans. For countries with a developing economy, lending rates of up to 2% per annum are stipulated, which is due to low ratings and high risks of loan default, or delay in repayment of loans by the due date. In particular, the loan received under the project was issued at 2% per annum for a period of 19 years. The length of the loan period is due to delays in the construction of the highway on the territory of the Russian Federation [4].

As the main methodology in the performance assessment of the use of budgetary funds allocated for project implementation, methodologies were used to evaluate the effectiveness of achieving goals, which were approved as part of the order of the Ministry of Finance of the Republic of Kazakhstan No. 706 dated December 30, 2016 "On Approval of the Methodology for Assessing the Efficiency of Goals" (the order is registered in the Ministry of Justice of the Republic of Kazakhstan, February 8, 2017 No. 14781).

The calculation of performance evaluation indicators is made according to the formulas of the above methods of analysis and evaluation.

In order to assess the effectiveness of the use of budgetary funds, indicators are used:

Assessment by criterion «Ai» "Achieving the goal of a strategic plan" is calculated by the following formula (1):

$$A_i = \frac{1}{m} \sum_{j=1}^{m} h_j \tag{1}$$

Where:

hj is the achievement rate of each target indicator provided for in achieving the respective goal of the strategic plan;

m is the number of target indicators envisaged to achieve the corresponding goal of the strategic plan.

Wherein:

- if  $hj \ge 1$ , then hj = 1,
- if hj < 1, then hj = the ratio of the fact to the planned value / the ratio of the planned value to the actual performance;
  - if hj < 0, then hj = 0.

In the case of the indicated facts, the result of reaching the target indicator hj is multiplied by a factor of 0.9 (except for the case of adjustments of the planned values of the indicator to the downside and / or their non-achievement (non-fulfillment of measures and obligations) due to factors independent of the activities of the state body (instructions of the Government, consequences of emergency situations).

Evaluation by the criterion «Bi» "Efficiency of the execution of budget programs in achieving the goal of the strategic plan"

By criterion Bi evaluates the effectiveness of the implementation of the planned results of the budget programs envisaged to achieve the strategic goal. *Criterion Calculation Bi* "The effectiveness of the implementation of budget programs in achieving the goal of the strategic plan" is carried out according to the following formula (2):

$$B_{i} = \frac{1}{t} \sum_{z=1}^{t} r_{z} \tag{2}$$

Where:

 $\ensuremath{r_z}$  - the coefficient of efficiency of execution of each budget program in achieving the goal;

t - the number of budget programs in achieving the goal.

The coefficient of efficiency of execution of each budget program in achieving the goal  $(r_z)$  is calculated by dividing the arithmetic average of the coefficients of achieving indicators of direct and final results by the coefficient of the budget program budget utilization.

In case of over-fulfillment of indicators of achievement of direct and final results, a value not exceeding 100% is taken into account by the indicator.

According to budget programs for which the use of funds was 90% or less, and the achievement of results is higher, the efficiency ratio of execution will be 0.9.

Evaluation of the " $C_i$ " criterion «The relationship of the objectives of the strategic plan with budget programs." The " $C_i$ " criterion assesses the degree of interconnection between the goal of the strategic plan and the indicators of budget programs implemented [5].

The ratio of the goals of the strategic plan with budget programs is determined by an expert, when analyzing each budget program for interconnection and compliance. The ratio of each goal is calculated by the arithmetic mean value of the relationship of all budget programs involved in its achievement.

The results of the calculation of achieving the objectives of the implementation of the strategic plan aimed at the implementation of the project are shown in Table 1.

Table 1. Analysis of the target indicators of achieving the goals of the strategic plan aimed at the implementation of the project for the construction of the motorway segment of the international transit corridor "Western Europe - Western China"

	Period			Change	
The name of the target indicators of the project		2017 year	2018 year	over the pe- riod	
Road readiness (0 - 1)	0.89	0.94	0.99	0.10	
Compliance with regulatory requirements and project documentation (0-1)	0.85	0.91	0.97	0.12	
Compliance with regulatory requirements in the field of ecology and environmental protection (0 - 1)	0.87	0.92	0.97	0.10	
Compliance with the budget construction costs (0 - 1)	0.94	0.95	0.96	0.02	
Compliance with the terms of construction works (0 - 1)	0.96	0.97	0.98	0.02	
Achieving the strategic plan goal (0 - 1)	0.90	0.94	0.97	0.07	

To assess the achievement of the goals of the strategic plan aimed at implementing the construction project, five target indicators were selected, ranging from 0 to 1 depending on the degree of compliance with the planned plan strategy and the degree of achievement of the final goal: the road surface readiness (0.99 in 2018); compliance with regulatory requirements and project documentation (0.97 in 2018); compliance with regulatory requirements in the field of ecology and environmental protection (0.97 in 2018); compliance with the construction budget (0.96 in 2018); meeting construction deadlines (0.98 in 2018). The final value of the indicator, reflecting the degree of achievement of the goal of the strategic plan based on the analysis at the end of 2018, is 0.97. In general, the strategic goals in the framework of the implementation of the strategic plan aimed at the implementation of the project should be considered achieved [6].

Table 2 shows the indicators for evaluating the effectiveness and execution of budget programs in achieving the goal of the strategic plan aimed at implementing the project.

Table 2 - Analysis of indicators for evaluating the effectiveness of the execution of budget programs to achieve the goal of a strategic plan aimed at implementing a project to build a section of a highway of the international transit corridor "Western Europe - Western China"

	Period			Change	
Name of budget programs		2017	2018	over the	
	year	year	year	period	
Ensuring the functioning of information systems and information and technical support of the state body	0.91	0.92	0.93	0.02	
Ensuring the implementation of research projects carried out jointly with international organizations	0.85	0.89	0.93	0.08	
Ensuring the activities of the management apparatus for the effective performance of functions in the field of transport and communications	0.94	0.96	0.98	0.04	
Transport infrastructure development	0.95	0.97	0.99	0.04	
Services for the implementation of state policy at the local level in the field of transport and communications	0.78	0.85	0.92	0.14	
Road maintenance	0.73	0.89	0.96	0.23	
Overhaul and medium repair of regional roads and streets of settlements	0.86	0.92	0.98	0.12	
The effectiveness of the implementation of budget programs in achieving the goals of the strategic plan	0.86	0.91	0.96	0.10	

Thus, the budget programs developed in the field of road construction in 2016 fully activated only three of the seven programs:

- "Ensuring the functioning of information systems and information and technical support of the state body";
  - "Development of transport infrastructure";
- "Ensuring the activities of the management apparatus for the effective performance of functions in the field of transport and communications."

In 2017, out of seven developed programs, 4 budget programs are fully operational, with three programs still at the testing stage:

- "Ensuring the implementation of research projects carried out jointly with international organizations";
  - "Ensuring the functioning of highways";
- "Services for the implementation of state policy at the local level in the field of transport and communications."

At the same time, the indicator of the effectiveness of budget programs is 0.91, which makes it possible to speak about the expediency of further utilization of budget funds that are used for their intended purpose and the use of budget funds within budget programs is effective.

As of the end of 2018, the performance indicator of budget programs in achieving the goal of the strategic plan aimed at implementing the project to build the highway section of the international transit corridor "Western Europe - Western China" is 0.96.

The calculation of the coefficient a of the interrelation of the goal of the strategic plan with budget programs is given in Table 3.

Table 3. Calculation of the coefficient a and the relationship of the objectives of the strategic plan with budget programs

	Period	i		Change	:
Name of budget programs	2016	2017		over	the
	year	year	2018	period	
Ensuring the functioning of information systems					
and information and technical support of the state	8.0	0.86	0.92	0.12	
body					
Ensuring the implementation of research projects	0.8	0.85	0.9	0.10	
carried out jointly with international organizations	0.0	0.05	0.5	0.10	
Ensuring the activities of the management appara-					
tus for the effective performance of functions in	0.85	0.88	0.91	0.06	
the field of transport and communications.					
Transport infrastructure development	0.9	0.92	0.94	0.04	
Services for the implementation of state policy at					
the local level in the field of transport and commu-	0.95	0.97	0.99	0.04	
nications					
Road maintenance	0.97	0.98	0.99	0.02	
Overhaul and medium repair of regional roads and	0.97	0.98	0.99	0.02	
streets of settlements	0.97	0.96	0.99	0.02	
The ratio of the goals of the strategic plan budget	0.89	0.92	0.95	0.06	
programs	0.89	0.92	0.93	0.00	

Thus, the coefficient of the relationship between the goals of the strategic plan and budget programs is 0.89 in 2016; 0.92 in 2017 and 0.95 in 2018. The tendency of changes in the calculated values of the coefficient is positive, on the basis of which it can be concluded that the budget programs correspond to the goals of the strategic development plan aimed at implementing the project

The final calculation of the achievement of the goal of the strategic plan and the effectiveness of the implementation of the budget programs of central state bodies was made on the basis of the formula:

$$R_i = (A_i + B_i) / 2 \times C_i \tag{3}$$

where:

A i - the ratio of achieving the goal of the strategic plan;

B i - coefficient of efficiency of budget program execution in achieving the goals of the strategic plan;

C i - the ratio of the goals of the strategic plan to budget programs.

The results of the calculation are shown in table 4.

riveness of the implementation of budget programs of	or centrar	state bo	uies	
		Period		
The name of indicators				over
The haire of indicators	2016	2017	2018	the pe-
	year	year	year	riod
To achieve the goal of a strategic plan	0.90	0.94	0.97	0.07
To the efficiency ratio of the execution of budget				
programs in achieving the goals of the strategic	0.86	0.91	0.96	0.10
plan				
To the ratio of the budget program in achieving the	0.89	0.92	0.95	0.06
goal	0.03	0.52	0.55	0.00
The final calculation of achieving the goal of the				
strategic plan and the effectiveness of the imple-	0.79	0.85	0.92	0.13
mentation of budget programs of central state bod-	0.79	0.63	0.52	0.13
ies				

Table 4 - The final calculation of achieving the goal of the strategic plan and the effectiveness of the implementation of budget programs of central state bodies

According to the results of the calculations, the final calculation of achieving the goal of the strategic plan and the effectiveness of the execution of budget programs of central state bodies has unacceptably low values in 2016 (0.79) and in 2017 (0.85), while the dynamics of changes is positive and in 2018 the calculated the value of the coefficient is 0.92, which indicates a high efficiency of the execution of budget programs in the implementation of the strategic plan for the development of the project for the construction of a section of the international transit highway Corridor "Western Europe - Western China" [7].

In order to assess the role and importance of the treasury system, the coefficient R K is introduced - the final assessment of the effectiveness of the treasury system in using and assimilating funds from the republican budget in the framework of the implementation of strategic goals.

The calculation is made according to the formula:

$$R K = (0.5 \times D K) + (L + Z + G) - W$$
 (4)

Where:

- R K the final assessment of the effectiveness of the treasury system in the use and assimilation of funds of the republican budget;
- D K achievement of the goals set by the Treasury Committee within a specific project;
- L the absence of violations of budget and other legislation on the basis of audits of budget development programs by state audit and financial control over the period assessed:
- Z K the achievement of direct results of the use of budgetary funds through the treasury system;
- G K the effectiveness of the execution of budget programs within the framework of the planned use of budget funds

W K - penalty points.

The assessment indicator provides the following states and degrees of efficiency of use of budgetary funds:

- 0-1 inefficient use of budget funds;
- 1 2 low efficiency in the use of budgetary funds, which is accompanied by the failure to achieve strategic goals and the incomplete implementation of budget programs;
- 2 3 moderate efficiency: the final results of achieving the strategic goals and the full implementation of budget programs are possible in the medium or long term;
- 3–4 acceptable efficiency: the achievement of strategic goals and the full implementation of budget programs are possible in the near future;
- 4-5 high efficiency: strategic goals and full implementation of budget programs have been achieved;

Thus, the final assessment of the effectiveness of the use of budgetary funds in the process of planning, accounting and management of budgetary processes by the treasury system of the Republic of Kazakhstan is: 2.76 in 2016, 2.91 in 2017 and 3.14 in 2018.

The calculated value of the indicator characterizing the final efficiency of use and assimilation of funds from the republican budget within the framework of the strategic goals of the Government of the Republic of Kazakhstan, which are aimed at implementing the project to build the highway section of the international transit corridor "Western Europe - Western China" through the functioning of the treasury system in the form of a Committee Treasury Department of the Ministry of Finance of the Republic of Kazakhstan and the Treasury Department Nur-Sultan is equal to 3.14, which corresponds to acceptable efficiency: the achievement of strategic goals and the full implementation of budget programs are possible in the near future.

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# IMPROVING BUSINESS PROCESSES OF AN INDUSTRIAL ENTERPRISE

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Effective management of the production site is traditionally regarded as a process based on the use of modern management technologies and more advanced organizational forms. Analysis of theoretical and practical materials of foreign and domestic scientists on the formation of an adequate and adapted management system at industrial enterprises shows that the solution of this problem is most often associated with the development and improvement of business processes.

The theory of business processes appeared not so long ago with the advent of the book by M. Hammer and J. Champi "Corporate Reengineering: A Revolution in Business". In the book the authors describe a business process as a combination of various activities in which one or more resources are used at the entrance and the output activity creates a product that represents value to the consumer" [1]. At present, almost all of the world's leading companies have adopted restructuring based on business processes and it is believed that even a partial improvement in a company's business processes can lead to an increase in the company's business efficiency from 10 to 20% while fundamental while rethinking and a radical business process that provides a fundamental improvement in key performance indicators suggests a dramatic increase in efficiency tenfold.

However in economics a look at business processes is ambiguous. M. Porter and V. Millar consider that business processes are a set of steps (types) of activity that begin with one or several inputs and end with the development of products required for the client which satisfy their value, durability, services and quality. Or - a complete flow of events in the description of how the client begins initiates and terminates the use of the business [2]. The author is close to the point of view of V. Deming who considers business processes as any type of activity in an organization [3].

Management at the level of the industrial enterprise based on the process approach is a continuous implementation of a number of different interrelated activities and general management functions. However it should be noted that the performance of individual working and administrative functions is also considered as a process, i.e. a common process is a series of continuous actions that transform some resources, information, etc. into relevant outputs, results. Management in general is a fundamental value and the essence of the process approach.

The description of business processes in a company may be different but the basis is concentrated on a clear structure of all interrelations of participants in the processes of production activities. For example the composition in an industrial enterprise should include: market research, competitor analysis, demand monitoring, designing new types of products and services, selection and monitoring of suppliers, product placement in production, quality management, marketing, transportation, storage and installation of products, corporate development. All of them can be divided into subprocesses. In addition each business process should have a beginning - an input, sequentially executed workflows and an end - an output.

By improving business processes in industrial enterprises we can build a whole block of strategic advantages and achieve a higher level of competitiveness:

1. Management system based on business processes allows you to quickly respond

to the changes in the external environment;

- 2. Management becomes clear because it is possible to evaluate the effectiveness at each stage of the production and economic activity of the enterprise.
- 3. It allows you to use the process approach in accordance with the requirements of ISO 9000.

All this proves that the process approach leads to a synergistic effect in which the improvement of one of the business processes leads to the improvement of the others.

In the context of a rapid increase in tension and instability of the external environment a variety of market economy processes requires constant adaptation of industrial enterprise management processes to market needs which in turn requires a systematic improvement in management. Management improvement should be aimed at optimizing the organizational structure of the company.

Analysis of economic sources shows that enterprises in Kazakhstan base their work on a functional principle and a bureaucratic hierarchical structure that does not reflect the realities of the time. The organization's transition to a process methodology for building management structures leads to a fundamental improvement in the company's main performance indicators, the creation of a more optimal management system and an increase in its flexibility. A process-oriented management model (i.e., a business-oriented management model) requires that business processes differ at the level of modern requirements: to determine a specific type of work, define a beginning and an end, find a "process owner" (who is responsible for the result) and determine the desired result (including quality and efficiency indicators) [4].

One of the main tasks of the management system is the formation of an organizational management structure or its adaptation to conditions and tasks depending on the size of the enterprise, its goals, technology, personnel, etc. The main elements of an organizational system are processes. A significant part of researchers believes: "If an enterprise successfully carries out activities is present on the market then this means that its processes are sufficiently effective and efficient. The only question is whether the existing management system will ensure a stable to a certain extent profitable functioning of an enterprise in a certain perspective. The process approach in this case is a basic tool in a set of essential tools that a manager can use. At the same time the issues of improving the business processes of an enterprise are focal question" [5].

According to the author the improvement of business processes is a prerequisite for effective management in a dynamically changing external environment since this process allows timely taking corrective and preventive measures to eliminate negative factors as well as smoothing or mitigating cyclical fluctuations in the external environment. The management of the enterprise, the heads of departments and services should first of all take into account changes in the innovation environment, the correlation of product quality with major competitors, the presence of periods of growth or recession in the industry as well as the imbalance in the economy. Process management in a changing market environment requires that the owners of the processes promptly identify and correct underdeveloped processes, breaking up large processes into smaller ones. Conversely, the process owner can flexibly respond to the demands of the time for the development of new adaptive processes that replace old ones if necessary which do not meet the needs of the end user and do not ensure the performance of achievements.

Currently some economists and scientists view the main trends in the development of organizational management structures as a massive transition to organic structures that make hierarchical pyramids flatter, reducing the average level of leadership and developing horizontal links, concentrating on team and target work instead of permanent departments, and autonomization different business centers instead of traditional hierarchies. In addition one of the most important management functions is strategic planning which analyzes the strengths and weaknesses of the company. Based on this the management decisions are developed and can unite the efforts of the entire workforce to achieve the mission and goals of the company. Based on the mission, development strategy and long-term goals you can determine the necessary business processes, information and material flows as well as supporting their organizational structure.

Business processes in modern industrial companies play a central role in building enterprise architecture. The organization management process model has several advantages:

- 1) Allows you to link the activities of all structural areas of the business object, ensuring business integrity and quick response to improving the decision-making process, control, coordination and monitoring of various parts of the organization;
- 2) The process approach facilitates the transition of the management system to managing end-to-end business processes and offers various ways to carry them out;
- 3) Transparency and openness of the process are achieved by the ability to measure each value created (for example, the degree of customer satisfaction).

Mike Robson and Philip Ulla who believe that management based on building business processes is one of the innovations that help exert the greatest influence on wealth creation declare: "There is no standard list of processes and the organizations should develop their own last but not least because it helps a deeper understanding of their own situation when it is described in terms of processes. The description of business processes even at the macro level often leads to remarkable results that allow deeper penetration into phenomena. Relations and relationships that were ignored or not realized suddenly turn out to be key to the effective functioning of the entire organization, not to mention the processes to which they relate" [6].

Industrial enterprises producing various goods and services are considered as production systems that consume resources from the outside world, transform them and get the product at the output. The entire production chain consists of a series of processes that are constantly being modernized and improved through the quality of the final results. The most frequently changed are the following business processes: a quality management system, a personnel management system, a financial management system, an information resources management system, a security management system, a new project management system, an environmental management system and a securities management system.

A process-based approach requires the development of a corporate information system that allows functional units to coordinate their activities more closely and respond to changes more quickly in order to organize business processes more efficiently and to a greater degree be customer-oriented. With the help of electronic document management you can collect information, compile and populate network databases. For permanent external and internal impacts the main task is to ensure the relationship between existing information flows, the organization of work of all departments of an economic entity in the "information space". For example, the use of a common database by the department of the chief designer and the chief technologist of the enterprise simplifies and speeds up the process of pre-production. Modern management system using appropriate technical and software solutions implemented in many industrial compa-

nies. Computer technology allows any user to quickly access the necessary information, bypassing intermediaries which certainly improve the quality of work.

With the introduction of advanced information technologies an enterprise receives a powerful, ultramodern tool that can most effectively solve complex problems in a situation of imbalance and enhance competitiveness and stability in the market.

Changing not linearly but in steps the external environment of an organization requires constant adjustment of management to solve more complex problems in order to be effective which is mainly determined by the rationality of the organizational structure because"... it's no secret that the organizational structure is as a rule a closely guarded trade secret because production technology can be bought or thought out and the management technology of a large organization can only be raised as a living being along with the organization itself" [7].

By building a properly organized organizational structure using a business process approach you can implement your chosen development strategy, improve efficiency and stabilize your current business by reducing risks.

The requirement of high-quality processing of business processes is also set forth in the requirements of the international standard ISO 9000 according to which the desired result is achieved more efficiently if actions are controlled as processes. At the same time the process approach refers to the use in the organization of a system of processes along with their identification and interaction as well as the management of processes which ensures continuity of control throughout the system and between individual processes with their combination and interaction. The above-mentioned complex of international standards brings together the world experience of many successful companies in various industries. A feature of the ISO standard is that first of all there are requirements for the company's management system which must guarantee a high level of product quality.

The construction of a business process management system is based on 8 principles of quality management:

- Customer orientation;
- Leadership;
- Attraction of personnel;
- Process approach;
- Systems approach;
- Continuous improvement;
- Making informed decisions;
- Mutually beneficial relationships with suppliers.

Compliance with these principles will allow industrial enterprises to create a system for effective management of processes and ensure their economic and social effect.

Quality management is a priority in many enterprises in different countries in other areas of management a key component of competitiveness and improving the efficiency of an organization.

Realization of total quality management at an economic facility is possible only with effective management based on the fulfillment of two interrelated requirements:

- Management activities must meet the interests and needs of the enterprise which is possible due to the effective use of all the company's resources and above all human resources.
  - Customer satisfaction in all respects.

These requirements are implemented during the execution of business processes

when each employee as a manufacturer of products and the consumer as the executor of the next operation of the technological process. According to the quality management system the basis of each process is the PDCA cycle: Process Planning  $\rightarrow$  Process Execution  $\rightarrow$  Analysis of Process Indicators  $\rightarrow$  Process Adjustment.

It is also worth noting that each organization has a documented description of key business processes which has been agreed and approved as a standard. Process execution is also described in the form of text, tables, graphics, etc.

The documented location (process map) describes the objectives, scope, key characteristics of each process their criteria and settings, issues of interaction with other departments of the enterprise, rights of the process owner and personal responsibility.

So, the results of our research show that industrial enterprises are developing in accordance with the general logic of development, constantly improving their activities and increasing stability in conditions of unpredictable changes in the external environment. The successful functioning of a business unit is based on the implementation and quality implementation of all components of a business process system whose individual performance should be evaluated for a specific contribution to achieving the goals of the entire organization. Thus the effectiveness of the company is achieved due to the collective effect since the individual processes may vary. Competition. Thus the effectiveness of the enterprise is achieved by a collective effect since individual processes may vary in their effectiveness. In the current situation of a sharp increase in competition the management of the industrial structure is called upon to carry out adequate measures which make it possible to obtain the greatest return.

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# GUIDELINES FOR SMALL AND MEDIUM-SIZED BUSINESSES' DEVELOPMENT IN THE REPUBLIC OF KAZAKHSTAN

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Small and medium-sized enterprises undoubtedly play significant role in the economic sector of any country and the Republic of Kazakhstan is not an exception in this

regard. In accordance with the law, a category of business entity is classified in relation to annual average list of employees and average annual income. Business entities include:

- small enterprises, including micro-enterprises, with annual average list of employees not exceeding 100 people and average annual income up to 300.000 notional monthly units;
- medium-sized enterprises with annual average list of employees ranging from 100 to 250 people and average annual income from 300.000 up to 3.000.000 notional monthly units;
- large enterprises with annual average list of employees of over 250 people and (or) average annual income exceeding 300.000.000 notional monthly units.

Sustainable development of SMEs is a priority to the state bodies of the Republic of Kazakhstan. During the meeting on social and economic development of Shymkent held in August 2018 [1], the President of the Republic of Kazakhstan N.A. Nazarbayev put forward theses on the necessity of increasing the SMEs' share in the economy up to 50%. According to the President this condition is a prerequisite for ensuring the state's stability.

In an extended meeting attended by the President held in January 2019 [2], the government was also mandated to increase the SMEs' share in the national economy to 28,8% by the end of 2019.

Such frequent reference to the given issue by the President implies of its extreme importance.

According to the 2018 results, SMEs' share in Kazakhstan's GDP is expected to be around 27%. Figure 1 below presents a pattern of evolution of SMEs' share in the GDP.

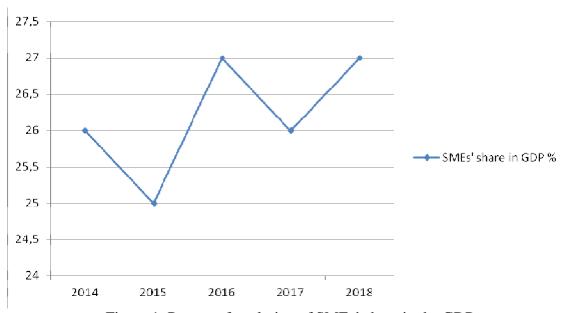


Figure 1. Pattern of evolution of SMEs' share in the GDP

While in developed countries SMEs' share in the GDP exceeds 50%. Table 1 presents structure of SMEs in various countries.

Name	of	the	Kazakhstan	Hungary	Germany	Norway	Greece
country							
Share			27	54	55	71	79
of GDP	0/0						

Table 1. Structure of SMEs in various countries

Such structure indicates that input of the SMEs of the Republic of Kazakhstan significantly lags behinds that of the developed countries.

According to data presented by the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan [3] the biggest number of the SMEs is represented in wholesale and retail trade (35%) and agriculture (19%).

Furthermore, the aforementioned sectors are the ones most dependent on the movements in foreign currency exchange rates. Since United States dollar is predominantly the currency of the external economic affairs, figure 2 presents exchange rate fluctuations of the United States dollar against tenge for the period 2015-2019. The data have been collected from Kazakhstan Stock Exchange Inc. [4].

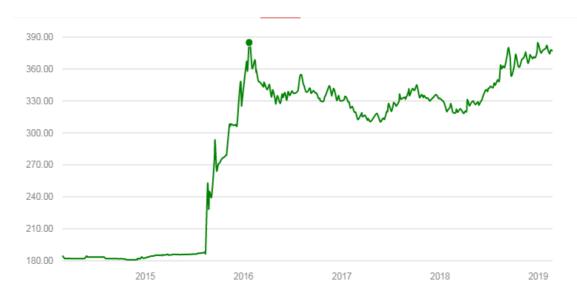


Figure 2. Exchange rate fluctuations of the USD against KZT

Such fluctuations of the exchange rate of the national currency has extremely negative impact on general state of the Republic's SMEs. Since one third of the SMEs are involved in the distributive trade and the majority if the goods sold are of foreign origin, such fluctuations of the exchange rate of the national currency impede development of long-term business strategies.

Apart from qualitative indicators it is necessary to scrutinize historical and moral and ideological components of the SMEs' state in the Republic of Kazakhstan.

Full emergence of the SMEs in the Republic of Kazakhstan commenced upon requisition of independence back in 1991. Furthermore, formation of the business as a sector literally started from scratch. The Soviet Union's development strategy stipulated neither separation of the business as a distinct category nor formation of private entrepreneurship in general. Hence absence of training whatsoever in this area. In actual fact the country lacked qualified experts in administrating SME as they were deemed unnec-

essary. Following the collapse of the Soviet Union and creation of a competitive market, formation of a business community comprising of the most ambitious and assertive workers' representatives proceeded at a rapid pace. Closure of enterprises and lack of employment compelled former workers and farmers to learn a new area of expertise, i.e. entrepreneurship. Moreover, they did not possess any significant business-related knowledge, hence the losses sustained by the majority of the entrepreneurs of that period, which further deteriorated the already severe economic situation in the country.

An ideological component of the matter should be addressed separately. As stated above, the Soviet ideology did not entail any kind of entrepreneurship among the citizens. Moreover, aiming to form negative attitude among the population towards entrepreneurship, the state actively sought exposure of this type of occupation. Furthermore, RSFSR Criminal Code as of 10.27.60 included a section 154 «Profiteering», which provided penalties in the form of imprisonment of up to two years for undertaking business activities.

Thus, first-generation entrepreneurs had to deal not only with economic difficulties but also with moral issues.

Guidelines for formulating strategy based on analysis of the SMEs' current state can be provided in order to rectify the above-mentioned impediments. In our view, principal guidelines of the strategy development are as follows:

- ensuring competence of the SMEs' chiefs;
- increase of Kazakhstan's share:
- SMEs cooperation;
- participation of business in the dialogue with the state.
- 1. Ensuring competence of the SMEs' chiefs:

Over the period of economic development, ordinary entrepreneurs found it difficult to obtain necessary knowledge. There were no special training courses accessible to general public.

However, as the time goes by the situation in the country undergoes changes. An open competitive market has been formed in Kazakhstan. The country is a member of such global associations as the WTO, SCO and the EEU. Thus, completely different business requirements have been issued. At present, to ensure successful competition and rapid development of a company, a manager possessing at least basic expertise in economics, management and forecasting skills is required.

Since the early 2000, training programmes for young people have been implemented at the state level. Various short-term business courses have been run by the DAMU fund; educational institutions provide different business sessions and courses. Nevertheless, measures taken have been efficient only for novice entrepreneurs intending to explore this area.

The range of possibilities for established entrepreneurs is much more limited. The program Employment Roadmap 2020 provides a component Training of senior management of small and medium-sized businesses. Yet, the program provides training only to managers involved in implementation of projects in priority economic sectors.

Moreover, the given programme is not accessible to the entrepreneurs, who implement projects in non-priority domains. We have mentioned in the analysis of the SMEs' number that more than 35% of the SMEs operate in the wholesale and retail trade and provision of various services. Therefore, this group is not a recipient of state support.

Educational training in Business administration which are not supported by the

government are currently in their infancy. Various MBA (master of business administration) available on the Internet have been gaining popularity. The complexity of such courses lies in the fact that they are run completely on-line and in most cases live communication with lecturers is limited to a couple of webinars.

On the other hand, demand breeds supply. It should be noted that the demand for such courses from established entrepreneurs is extremely low. There is a great number of educational institutions in the Republic which are capable of designing training programs and organizing them in relevance to business needs if the demand appears. Yet, the demand for such courses is highly limited.

For the reasons mentioned above, a kind of vicious circle has emerged: business wants to grow but is unable to, due to lack of knowledge, yet it is not willing to gain new knowledge.

In order to break this vicious circle, modernization of consciousness is required. Business needs to realize that in its current state with present competence, it has reached the limit of its development. Any further quantitative changes without qualitative ones will not yield results.

At the same time, as mentioned above, Kazakhstan unfailingly opens its markets through participation in various economic associations, and also reduces administrative obstacles and improves business environment. In the long run it will enhance competition and attract external actors to our market. It is going to be a definitely positive development for consumers, since enhancement of competition will reduce prices, and foreign companies will provide foreign quality standards. However, it remains to be seen whether local companies will be able to meet those standards or not.

On the basis of what has been stated above, qualitative improvement in chief managers' competence should become a strategic development guideline for SMEs.

2 Increase of Kazakhstan's share in procurement.

The issue of raising Kazakhstan's share is mostly brought up when either public procurement or big businesses' procurement is involved. SMEs, however, should not be disassociated from this trend.

Enormous resources for entrepreneurship development lie within the given component. Moreover, the use of this resource requires only transformation of the consumers' consciousness.

In the case of acquisition of Kazakhstani goods, the funds will remain within Kazakhstan's economy and will be used for its further development, and will not be irrevocably withdrawn abroad.

While minimal share of Kazakhstan in procurement, represented by large enterprises and state itself, is regulated by law, the SME are exempted from such obligations.

It should be noted that much effort has been made by the state in the promotion and encouragement of Kazakhstan-made goods' consumption. A promotion Made in KZ has been launched; it requires that all the Kazakhstan-manufactured goods be marked with a special symbol. However, any significant achievements in this strategic field are improbable as long as the population and SMEs do not realize an importance of purchasing Kazakhstani goods.

## 3. SMEs cooperation.

Opening of the Kazakhstan market and digitalization of the economy have significantly increased competition within the market of Kazakhstan. Moreover, currently the competition in the sector has been undergoing qualitative changes. While previously price reduction through reduction of profit margins used to be the main instrument of

competition, by now this tool has been virtually exhausted. The Internet enables direct purchase of goods from a dealer or manufacturer with the minimum mark-up. Therefore, another tool, i.e. cost reduction has acquired relevance in the competition. Moreover, in the current economic situation the reduction is funded due to savings in volume alone.

In other words, the cooperation strategy can be suggested as a development guideline for SMEs; it entails an association of businesses that are similar in activity. If this strategy is implemented, the following results will be achieved:

- 1) Decrease in administrative expenditures;
- 2) Decrease of competition in the sector;
- 3) Emergence of a major actor will enable suppliers to set more favorable terms.

The given strategy is fairly common among Western companies. In addition to traditional mergers, alliances and consortia are built, exchanging technology within themselves and capturing markets of interest.

However, in the case of Kazakhstan business, the implementation of this strategy will face mental difficulties. The problem is that our population is quite averse to any associations carrying threat of a potential loss of control over private property.

On the other hand, the market is not inactive, and while local businessmen compete with each other, a large participant might join the market, successfully capturing its major share. And without much effort, since he will have no real competitors. The capture might be effortless in the absence of effective competitors.

For all the above reasons, strategic direction of cooperation among SMEs should be considered as promising one in the present economic environment and conditions of business.

4. Participation of business in the dialogue with the state.

Taking into account a severe economic condition in the period of the state formation, Kazakhstani business is used to survive on its own. Due to their separate character SMEs avoided entering into any dialogues with the state. Upon gradual recovery from the crisis and stabilizing of the economy, the state itself commenced initiating a dialogue with the business. The start-up phase of this endeavor was the establishment of industry associations, such as the association of trade enterprises, of wood industry and others. Those organizations, having been not full-fledged representatives of the entire business community, could speak only on behalf of their own participants. A subsequently established Chamber of Commerce and Industry came to partially duplicate the associations' functions. Still, this body also failed to become a full-fledged dialogue platform.

The matter of the dialogue platform establishment was brought to a final conclusion on September 9, 2013, when the National Chamber of Entrepreneurs of the Republic of Kazakhstan was established by a joint decision of the Government of the Republic of Kazakhstan and the NECK Atameken Union. Its activity regulates [5]. In accordance with subsection 2 of Article 4, the members of the Chamber of Entrepreneurs are all business entities registered in the Republic of Kazakhstan. Its activities are regulated by [5]. In accordance with subparagraph 2 of section 4, members of the Chamber of Entrepreneurs are all business entities registered in the territory of the Republic of Kazakhstan.

Section 3 states that the aim of the Chamber establishment is a formation of institutional framework for growth and further development of entrepreneurship in the Republic of Kazakhstan.

To date, however, participation of entrepreneurs in operating the Chamber of Entrepreneurs remains relatively mediocre. We believe that it is necessary to consider mobilization of civic engagement of business and full participation in the dialogue with the state as a development guideline for SMEs.

Summing up this article, it should be noted that the country's SMEs possess significant growth potential, moreover it's a quality growth, allowing to assume a worthy position in the regional competition. The key to this potential is held by the business itself, which does not require the launch of additional state programes and allocation of the funds from the budget; implementation is achievable under the ongoing programmes. The business itself must acknowledge the need for changes, new knowledge and adoptiopm of advanced quality standards. Otherwise, the business will fail in being competitive. Modernization of the business representatives' consciousness is to become a principal development guideline for SMEs.

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## CREATIVE APPROACH TO ORGANIZATION OF PRACTICAL WORK ON SPECIAL EDUCATION METHODS OF TEACHING A FOREIGN LANGUAGE

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By 'practical work' we mean tasks in which students observe or manipulate real objects or materials or they witness a teacher demonstration.

Practical work can:

- motivate students, by stimulating interest and enjoyment;
- teach, develop and improve laboratory skills;
- enhance the learning of both language and scientific knowledge;
- give insight into academic work and scientific method and develop expertise in using it develop 'researcher attitudes', such as open-mindedness and objectivity.

An effective teacher plans practical work bearing in mind specific learning objectives. By using different pedagogical approaches the same practical task can be used to achieve different learning outcomes.

For some practical tasks, the learning is about inanimate objects and observables. Students are expected to recall what they have observed. Other tasks involve making connections between observables and research ideas. Students generally find the latter harder, as they involve cognition, vision and physical activity. The task design needs to 'scaffold' students' efforts to create these connections.

Practical work to develop students' research knowledge is likely to be most effective when:

- the learning objectives are clear, and laconic for any given task;
- the task design highlights the main objectives and keeps the class session in order:
- a strategy is used to stimulate the students' cognitive process beforehand, so that the practical task is answering a question the student is already thinking about [1].

Special education classes (SEC) provide a unique service to physically or mentally challenged students. The ideal SEC provides quality instruction to students with disabilities (SWD). While the push in education these days seems to be toward online education and the inclusion of special education students within mainstream classrooms, SEC are still needed for more severely disabled students. The purpose of the SEC setting is to provide more intensive, individualized attention to the students who most need it.

However, even in SEC settings there can be a wide a range of skill levels and abilities. How can teachers provide quality instruction to all students? Here are some strategies that special education teachers can use to benefit all of their students:

- 1. Work in small groups: Forming small groups of two or three students within the class grouped according to their level can help with personalizing and differentiating the teaching while not sacrificing class instruction time. For example, in language class, one group could be working on the basic rules of grammar tense formation while a more advanced group could be working on their reading or listening skills that can help them to work with a text and find the examples of those tenses. Students would be grouped together according to similar skill levels and objectives along their education pathway.
- 2. Create classroom centers: Classroom centers are another effective way students can be grouped. Each center would specialize in one area or level or a part of lesson

content. The centers would be self-contained in terms of instructions and all lesson materials and aids. They would also be somewhat self-explanatory and self-guided to allow the teacher to monitor the work of the different centers and provide appropriate guidance. A teaching assistant could help facilitate the groups. Such centers would strike a balance between being self-explanatory, without totally giving up more direct teacher time.

- 3. Include more specialized tasks in the general instruction: Still another way of instructing multiple levels of students is to teach general concepts to the whole group while pairing it with individual instruction. Since every school subject has some general concepts that could be relevant, individual students can benefit from this no matter what their level of proficiency. Reading comprehension strategies, the basics of math, organizing writing ideas, or even a scientific theory are some examples of general concepts that could be taught to support what each student is learning in that area. Students can then apply this knowledge to their particular individual assignments. However, the teacher could always add some additional content for more advanced students.
- 4. Be flexible: Lessons within the different groups or centers could be rotated so that on any given day the teacher could introduce new material to one group, while only having to check in on others who are doing more independent activities. The teacher assistant could also be of service within such a lesson cycle.
- 5. Try thematic instruction: Thematic instruction is where a single theme is tied into multiple subject areas. This method of teaching has been shown to be very effective in special education classrooms. A "theme" could be anything from a current event, honing the skill of reading comprehension, a writing topic or a historical event. For example, a historical event could be tied into all other subjects. The theme should be attention-getting something that will grab the students' interest and keep them engaged.
- 6. Provide different levels of books and materials: Since there will be a variety of proficiency levels in the classroom, be sure to have different levels of textbooks and other teaching materials available for each subject. Having a range of levels on hand will ensure that each student can learn at the appropriate level. This minimizes frustration and maximizes confidence and forward momentum in the student. As you can see, teaching special education students effectively can be enhanced with some adjustments. Regardless of the severity of their disabilities, classes can be structured in a way that caters to the individual level of functioning.

Doing so does not mean giving up quality personal instruction time. No matter what the content areas or variety of levels your students are working on, harmony and integration are possible. Strategies such as grouping, learning centers, rotating lessons, choosing class themes and having a flexible array of texts and materials can help teachers to provide ideal instruction and support within their special education classes [2].

Creativity is a complex field studied and discussed from many different perspectives. This is one of the reasons why there is no generally accepted definition and we always have to be aware of the point of view we take in defining creativity. The creative approach to language teaching is an approach that presents creativity as one of our many innate skills, a talent that every person, and every language learner has. This approach focuses on the idea that we all can enjoy the potential to be creative under certain conditions; that we all abound with many different forms and levels of creativity and that it is the teacher's task to stimulate the creative potential in students.

Language teachers have three advantages that can help stimulate creativity in students.

First, language is creative in its very nature. We can express or communicate one idea in many different ways. Furthermore, every expressed or communicated idea can provoke many different reactions. Every single sentence, phrase or word we say or write is created in a unique moment of communication and can be re-created, re-formulated, paraphrased or changed according to the goals of the speaker or writer.

Second, language classes are not limited by any specialized subject or knowledge. Language teachers can, therefore, build their lessons on topics related to sport, management, law or philosophy and still focus on language. This is why a community-of-practice setting, where students and teachers share their individual types of expertise and knowledge, can be more easily established.

And third, language classes can easily engage students in creative situations. By creative situations we mean close-to-reality situations in which students do not use well-known and practiced steps that can be applied almost automatically in order to achieve one correct solution to a problem. In creative situations, students have to produce one or more answers to a series of inter-connected problems. They do not know what steps can be used to solve a problem, they may not be sure if the problem has one solution, a wide range of possible solutions or if it has any solution at all. Students simply do not encounter clear-cut situations that can result only in "succeed-fail" or "correct-incorrect" solutions, rather they face unclear situations with unclear and tentative solutions. Sometimes, even the setting of a situation or instructions can require a certain level of interpretation. Since language usage represents a form of communication that can be used in almost every situation, authenticity or reality-close situations can be created more easily than in classes of chemistry or history, for example.

The creative approach to language teaching, which is based on the idea that any student can be creative when they are engaged in creative situations, shows students the complexity of a language by exposing them to close-to-real-life situations in a safe, flexible and dynamic environment by means of a class of learners constituted as a community of practice.

Student-generated sources. Teachers often believe it is their duty to choose texts and activities for students and are sometimes surprised when students are not satisfied with their choice. In order to minimize the danger of spending too much time on preparing materials our students do not find engaging, we can use strategies of the negotiated syllabus method and ask them to find useful materials and decide which activities they would like to try on their own. This activity can improve students' autonomy and cater for individual learning styles.

We can show the principles through the example of reading skills. We can ask students to:

- explore their fields of interest and find texts they consider both interesting and of high quality;
  - send samples of such texts to the course online space;
  - read the text samples before the following session.

At this point, we can choose to take control and decide what activities we are going to do, based on the collected texts. In other words, we have saved our time when looking for texts that could be interesting for the group, and our task then is to find the appropriate sections of the collected samples that can suit our teaching purposes best. Alternatively, we can ask students to identify problematic issues or issues 'of interest' and follow their particular needs. In order to help them identify issues, we may proceed in different ways and ask them to:

- 1) compare their own texts with those of their classmates and see what differences or similarities they find;
  - 2) choose one text and paraphrase it in their own words;
  - 3) identify the main ideas in each text;
  - 4) identify the author's position;
  - 5) discuss their Internet search strategies;
- 6) vote for the most interesting text, the least understandable text, a text with the highest level of past tense use, with widest range of vocabulary, or any other feature the class would like to focus on.

This style of work offers several advantages for both teachers and students. Teachers do not have to look for the 'best' material that would suit a particular group. Instead they obtain a database of texts from their students. Teachers can also move away from their traditional positions of providers of 'one ultimate truth' and can become facilitators of complex processes that form part of language learning. Students, on the other hand, are more actively engaged in the search for the texts; they have to create their own criteria for quality, and they practice reading and critical thinking individually and intensively outside of the class. Each student also works in their own area of interest, so they can develop both their language and non-language related skills at the same time. What is more, students are engaged in situations with unclear solutions: they do not know whether they can find a suitable text; they have to form their opinions, make decisions, present their results to classmates and be ready to respond to their reactions' [3].

"For me, fostering learner creativity is a vital role for any teacher as doing so can help learners to develop predictive, analytical, critical and problem-solving skills, to develop confidence and to develop self-esteem. Fostering creativity is even more important for a teacher of a second or foreign language as it can help to achieve the affective and cognitive engagement vital for language acquisition as well as helping learners to understand language used for natural communication and to use language for effective communication themselves. Teachers of EFL therefore need to be creative in order to encourage their learners to be creative too.

Most language teachers still rely on course-books to provide the activities they will use in the classroom and most course-books do not typically provide activities which foster creativity. It is therefore important that teachers make use of their course-book as a resource rather than follow it as a script and that they develop the confidence, awareness and creativity to adapt course-book activities in ways which can foster creativity. One way of adapting course-books so that they foster creativity is by opening up their closed activities so that they invite a variety of personal responses instead of requiring all the learners to give the same correct answer.

Examples of modifications of course-book activities:

- The teacher acts out a text from the course-book. For example, when reading a passage about a park in China which activates spikes when somebody sits on a bench for too long, the teacher actually acts out going to the park, being tired, sitting down on a bench, falling asleep, being woken up by spikes, screaming with pain, jumping up and running away.
- The students act out a text from the course-book as the teacher reads it aloud as dramatically as possible. For example, before reading aloud a Korean folk tale about a hard-working but poor farmer and his lazy, greedy and rich brother, the teacher divides the class into two halves and tells one half to act out what the hard-working brother

does and the other half to act out what the lazy brother does.

After this dramatization of the text the teacher asks the Yes/No questions from the course-book, as personal questions to the brothers. For example, instead of asking 'Was X lazy?', the teacher asks 'Were you lazy? Why?'

Then, instead of asking the question from the course-book about the lessons to be learned from the story the teacher asks the students in character to think about what they have learned, if anything, from what happened to them. These small changes are easy to make and bring the story to memorable life.

- The teacher writes and performs a bizarre story using the words of a course-book drill. The students in groups then write and perform another bizarre story using the same words. This way the students hear and pronounce the target sounds many times in ways more engaging and memorable than repeating them without context in a drill. For example, the teacher performs the story below which makes use of these words from a drill.

Cycle; cyclist; cycling; thunderstorm; bike; tornado; gym; dog; vacuum; chores; clouds; rainbow.

'It's not been a great week to be a cyclist. On Monday I went cycling in a thunderstorm and was blown off my bike. On Tuesday I went cycling in a tornado and was lifted off my bike. On Wednesday I went cycling in the gym and was knocked off my bike by a dog who was vacuuming the floor. On Thursday, after doing my household chores, I went cycling in the clouds and was washed off my bike by a lion who was cleaning a rainbow.'

- The students perform dialogues in character. For example, in a dialogue in which A is a salesman in a shoe shop and B is the customer, A is told that he is the exhusband of B and has not seen her since the divorce. Or in a dialogue in which A asks B how to operate her new office computer, B is told that he is in love with A but she doesn't know this.
  - The students find ways in which wrong answers could become right.

Example:

'In pairs, decide on the rules for a library. Complete the sentences with: can, can't, have to or don't have to.'

'You	keep quiet in the library.'
Changes to:	
'Use 'can't'	and 'because' to complete each of the sentences.'
'You	keep quiet in the library.'

The examples above of additions and modifications are easy to think of and to apply and yet they make the experience of using a course-book much more creative and potentially much more enjoyable and rewarding for both the teacher and the students. Other creative adaptations to course-books include:

- 1. The students drawing their interpretation of a text rather than answering questions about it.
  - 2. The students interviewing characters from a text.
- 3. The students developing a text by, for example, continuing it, re-writing it from a different perspective or in a different culture or location, responding to it with a letter or e-mail.
- 4. The teacher turning a closed activity into a competition by getting each group to develop an extra question to challenge their peers with.
  - 5. The teacher giving the students the comprehension questions and getting them

to create the text.

6. Groups of students chanting out a drill in different voices (e.g. a very young child; a headmaster; a very old person) [4].

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### ENGLISH GRAMMAR EXERCISES FOR ESL STUDENTS

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Teaching grammar in a way that enables students to use grammatical structures correctly in their active use has always been one of the intricate tasks for most teachers. There have always been many arguments about the best way of teaching grammar. Different methods and strategies have permanently waxed and waned in popularity. Richards and Schmidt defined grammar as a description of the structure of a language and the way in which linguistic units such as words and phrases are combined to produce sentences in a language [1]. It usually takes into account the meanings and functions these sentences have in the overall system of the language.

Nunan distinguished two types of grammar, namely prescriptive grammar, which refers to rules concerned with right and wrong, and descriptive grammar which deals with the ways people actually use language [2].

According to Richards and Schmidt, in the past teaching language in general and teaching grammar were synonymous. A number of methodologies have emerged with regard to teaching grammar, one of which was the audiolingual method replete with usually monotonous and mechanical drills [1].

Two recent trends have emerged: focus on form and consciousness raising. Spada defined form focused instruction as "any pedagogical effort which is used to draw the learners' attention to language form either implicitly or explicitly". Consciousness-raising according to Larsen Freeman does not require students to produce target structures. Instead, students are made aware of the target grammatical item through discovery-oriented tasks [5].

Brown postulated that whether you choose to explain grammatical rules or not depends on your context of teaching. If you are teaching in an EFL context in which students share the same native language elaborating on grammatical minutiae will not be an activity in vain. On the other hand, in an ESL setting explaining grammatical rules might overwhelm students and will not prove an efficacious strategy. The first tech-

nique employed in the present study was dialogue practiced through role-plays. Literally, according to Brown, "Role play minimally involves (a) giving a role to one or the other members of a group and (b) assigning an objective or purpose that participants must accomplish." Brown suggested role play can be conducted with a single person, in pairs or in groups, with each person being assigned a role to accomplish an objective [4].

Also as Larsen-Freeman pointed out, role-plays give students the chance of interacting and practicing communication acts in different contexts and because of this they are of primary importance in language teaching [5]. The second technique experimented in this study is unfocused task. Historically, task-based learning seems to have initiated and to have gained popularity since 1996 by the publication of Willis work: a framework for task-based learning. According to Skehan tasks are a series of activities which concentrate on meaning as a primary focus. He then contrasted between task-based learning and PPP, "a PPP approach looks on the learning process as learning a series of discrete items and then bringing these items together in communication to provide future practice and consolidation. A task-based approach sees the learning process as one of learning through doing-it's by primarily engaging in meaning that the learners' system is encouraged to develop." Elsewhere Prabhu recognized that acquisition of grammatical input isn't an immediate, one step procedure and claimed that language acquisition is a process which is subconscious through "the operation of some internal system of abstract rules and principals". When the primary focus of the learner is on meaning, task completion, not language [6].

Finally, Ellis offered a definition for tasks consisting of four main principals:

- 1) The primary focus should be on meaning (learners should be concerned with processing semantic and pragmatic meaning of utterances);
- 2) There should be some kind of gap (i.e., the need to express your idea about an issue or infer meaning from a given context);
- 3) Learners have to make use of their own linguistic and non-linguistic resources to do an activity;
- 4) There are crystal clear outcomes which are the main focus of the activity other than the use of the language. (The language is a means of achieving your goals which in this case refer to achieving learning outcomes not as an end in its own right).

According to Ellis unfocused tasks provide the learners with the opportunity to use language in general as a means for communication. Focused tasks on the other hand, are designed to provide communication opportunities for the learners while the primary focus is on a linguistic structure, but still in focused tasks the linguistic structure is hidden. In other words, learners aren't told explicitly what the feature is, thus, there are still discrepancies between the focused task and 'situational grammar exercise' because in the latter students are told explicitly what features they are going to be focused on, while in the former, they are not informed about the linguistic feature they are going to work on. The third technique is game. Games have always been used in education to give students motivation [7].

According to Malone there are three main ways through which players are motivated: fantasy, challenge, and curiosity [8]. Many researchers and educators have rendered definitions for games. For example, Crookall, Oxford, & Saunders presented a definition of the games that distinguished them from the other types of the activities such as simulation. They posited that the difference between simulation and games lies in the fact that simulation is a representation of the real world system; they contain rules

and strategies that allow the simulation to evolve. By contrast, according to Crookall, Oxford, and Saunders games do not present any real world system. They are 'real' by their very own nature. As has been postulated in literature, games possess certain types of characteristics which make them efficient. Several studies have been conducted on the three techniques employed in the study. One of them, by Fotos and Ellis's, explored on using tasks for teaching grammar [7]. This study specifically explored the use of a communicative, grammar-based task in the college EFL classroom. They questioned whether the task being experimented successfully contributed to processing linguistic knowledge of a grammatical point and whether it promoted the kind of interaction expected. The grammatical point used in the study was the placement of the indirect object. The teacher's task was to write two different sentences on the board and ask students which type of placement they thought was correct. There are generally three types of placements. For instance, we can have indirect objects either after the verb or as a prepositional unit at the end of the sentence (I gave her a pen; I gave a pen to her). A grammatically judgment test was administered to students as a means of language proficiency the students were required to listen to some sentences and mark them as correct or incorrect. After the treatment students were given a test to measure their long-term learning. The results revealed that EFL learners were able to boost their grammatical knowledge by completing the grammar task. Second, although the grammar task produced a large number of interactional turns, the nature of the exchange was mostly mechanical. That is the answers were enough for accomplishing the tasks only. Like ready? Yes / Alright? /Han / one more time? etc. In another study which was undertaken by Redington and Charter (1992), a guessing game was used to teach students grammar. These researchers believed that in a guessing game, students reconstruct a sequence by surmising each successive element from a set of several but finite alternatives. The game was a simple game of memory; students were presented with some words that consisted of M, R, S, V, and X. they then were asked to choose the most appropriate string for following the sentence in a correct grammatical way. The results confirmed the fact the students exposed to the strings displayed knowledge of letter transitions allowed by grammar. (Students were expected to make transitions in letters as far as the grammar allowed them). In another study undertaken by McQuade, he taught junior and senior students who appeared mainly to be college-bound. The focus was on teaching parts of speech and basic sentence structures to students. The major focus was on "agreement", reference, parallel construction, tense, case, and subordination" and the task of finding errors in sentences. Although the parents and students were deeply satisfied with the program, when students were assessed on mechanics of writing, the results weren't satisfactory. All in all, this method for teaching grammar had no considerable effect on students' writing ability.

The present study was carried out to assess effectiveness of three instructional techniques namely, unfocused tasks, games, and dialogues practiced through role-play. In comparison to the other studies carried out in the past, this study has some new dimensions. First, unlike the other studies which have concentrated on efficaciousness of only one instructional method, this study assessed effectiveness of three methods. Second, this study is focused on two grammatical patterns which share some similarities since; they both refer to the hypothetical situations. (Conditional type 2 and wish structure). Third, there was no use of explicit intentional instruction of grammar in any of the groups. As all of us know, for many decades it was a rampant belief that grammar should be taught using deductive methods in which students' attention was deliberately

drawn to the grammatical structure of the day. Sometimes students dealt with boring kinds of exercises and drills.

One of the grammar exercises are drills. Drill exercises are based on composing sentences or phrases according to a certain model. Drills are preferably used in whole classes when teachers want to practice some grammatical items. Drills are quick and efficient and allow teachers to correct any mistakes straight away. It can help students commit grammar patterns to memory and provide them with practice in pronouncing new patterns, helping them to become comfortable articulating the target language forms.

Drills fall into three categories:

- mechanical;
- meaningful
- communicative [9].

Mechanical drills require minimal comprehension of content on the part of students and serve only to reinforce patterns. In a "backward build up" drill, for instance, the teacher leads and students usually respond as a whole group.

In contrast, meaningful drills require students to understand the language in order to respond correctly, but the activity is tightly controlled because only one answer is possible.

Communicative drills encourage students to connect form, meaning, and use because multiple correct responses are possible. In communicative drills, students respond to a prompt using the grammar point under consideration, but providing their own content. For example, to practice questions and answers in the past tense in English, teacher and students can ask and answer questions about activities the previous evening.

According to G.V. Rogova drill exercises are more completed as they require reproduction on the part of the students. In learning a foreign language, drill exercises are indispensable. The learners cannot assimilate the material if they only hear and see it. They must reproduce it both in outer and inner speech. The more often they say it the better they assimilate the material. Drill exercises are also subdivided into 4 groups:

Repetitive drill;

Substitution;

Completion;

Answering the teachers' questions [9].

In the repetitive drill students pronounce the sentence pattern after the teacher, in imitation of the teacher, both individually and in unison.

For example:

Teacher: They are dancing in the park.

Class: They are dancing in the park.

In such exercises attention is drawn to the correct pronunciation of the sentence pattern as a sense unit, as a statement (sound, melody and stress).

In the substitution drill students substitute the words or phrases in a sentence pattern.

For example:

The children are walking in the street.

The children are walking in the park.

The children are walking in the garden.

In such exercises a student substitutes a phrase, the rest may say unison. Then they may replace the verb in a sentence with another verb. There is one advantage in

performing this type of exercises - students consolidate the grammar item without thinking about it. They think of the words, phrases, but not of the form itself, therefore, involuntary memory is at work. Substitution drills are used to fix grammatical material and develop automaticity in using various grammatical structures in similar situations, this type of exercise is responsible for the formation of very flexible mastering skill all forms of the given grammatical phenomenon.

In the completion drill students complete the sentences the teacher utters looking at the pictures he shows.

Example: Teacher: Look at the picture.

Mike is?..

Student: Mike is getting up.

In this exercises attention should be given to the use of "is".

Answering the teacher's questions is characterized in asking questions by a teacher using active vocabulary or the grammar phenomenon is taught. Example:

Teacher: Is Mike is getting up?

Students: Yes he is.

We have already mentioned that grammar exercises may be done both orally and in written form. Among oral exercises G.V. Rogova suggests recognition and creative exercises. Recognition exercises are the easiest type of exercises for students to perform. They observe the grammar item in structures and sentence patterns when hearing or reading. Since students only observe the new grammar item, the situations should be natural and communicative. Recognition exercises are indispensable, as students retain the grammar material through auditory and visual perception. Auditory and visual memory is at work.

Creative exercises are the most difficult type of exercises as it requires creative work on the part of the learners. These may be:

Making statements either on the picture the teacher shows, or on objects. For example, the teacher hangs up a picture and asks his pupils to say or write three or five statements in the Present Continuous.

Asking questions with a given grammar item. For example, pupils are invited to ask and answer questions in the Past Indefinite.

Speaking about the situation offered by the teacher. For example, one pupil gives commands to perform this or that action, the other comments on the action (actions) his classmate performs.

Speaking on a suggested topic. For example, a pupil tells the class what he did yesterday.

Making dialogues using the grammar item covered orally

Dramatizing the text read. For example students read the text in persons.

Telling the story (read, heard).

Translating into English.

Participating in free conversation in which students are to use the grammar item they have learned. Through these questions students are stimulated to use item they have learnt [9].

All the exercises mentioned above are designed:

to develop students' skills in recognizing grammar forms while auding and reading English texts.

to accumulate correct sentence patterns in the students' memory which they can reproduce whenever they need these patterns for speaking or writing; to help the students to produce sentences of their own using grammar items necessary for speaking about a situation or a topic offered, or writing an essay on the text heard or an annotation on the text read.

Among written exercises sentence transformation exercises are also very helpful. It is an exercise where learners are given one sentence and need to complete a second sentence so that it means the same. The second sentence usually has a prompt.

The following is an example of a transformation question:

Call me immediately he arrives Call me he arrives (soon)

Answer: Call me as soon as he arrives.

In the classroom sentence transformation exercises involve learners in consciously manipulating language patterns, and can raise their awareness of structure. They are a common test item, where they are used to test discrete items of language, usually structural. Sentence transformation exercises help you expand your usage skills through testing various ways of stating the same idea. The ability to rewrite sentences so that they have the same meaning as the original is often required for many English ESL exams such as Cambridge's First Certificate, CAE and Proficiency. This skill can also help you prepare for the TOEFL examination (Test of English as a Foreign Language). It is also an important skill which can help you improve your understanding of similar English expressions and vocabulary.

Transformational exercises provide an opportunity to develop students' skills of combination, substitution, shortening or widening a set of grammatical structures in speech. This training method is actually merges with the method of using the assimilated grammatical material in speech. In practicing these exercises, teacher should keep in mind two interrelated objectives first of all, to provide memorizing the grammatical material is taught and secondly, to provide development of relevant skills and at the same time open to students a clear speech outlook of using these skills. In this relation even the smallest grammatical exercise should be constructed so that students can immediately feel the benefits of the effort, not only in the knowledge of linguistic theory but in practical use of a foreign language [9].

Another written type of grammar exercises are multiple-choice exercises, where the aim of students to choose the answer that they think is right from several possible answers that are listed on the question paper. The role of multiple choice exercises in the formation of knowledge and skills is very high. They form students' ability to differentiate similar but not identical grammar phenomena and make them think motivating by choice of the right variant, intensify the work of students and attract interests not only to teaching material but also to the process of cognitive activity in solving grammar issues. The use of multiple-choice tasks can be effective only in those cases when students are ready for this work, it means that all selected variants should be reviewed and the students need to know the differences.

One of the wide spread written exercises are gap-filling exercises. In language teaching gap filling is an exercise in which students have to replace missing or a suitable words. In the classroom gap-fill exercises are often used to practice specific language point such as items of grammar.

Translation exercises are also widespread type of exercises. Translation may be done from a foreign language into the mother tongue or vice versa. It is important to make students become conscious of the similarities and differences between the mother tongue and a foreign language, since with this knowledge they will be able to acquire the FL in an easier way. The roles of translation exercises in the foreign language class-

room are many: first, it helps students to see the link between language usage and use; secondly, it encourages students to see the similarities and differences between L1 and L2, thirdly, through a comparison of the target language and the students' native language, most language learning difficulties are revealed [9].

Analyzing all possible types of grammar exercises and having considered that grammar exercises may be done both orally and in written form we defined the following oral grammar exercises: role plays, creative and recognition exercises. Written grammar exercises are: sentence transformations, gap-filling and multiple-choice exercises. Drills and translation exercises may be done both orally and in written form.

During recent years there has been focus on pumping students up by teaching them grammar using more innovative ways. With regard to these facts, the present study was an attempt to show usefulness of using different instructional techniques on learning grammar. The last reason behind carrying out such a study was that we usually hear students complaining that although they are familiar with a vast resource of grammatical minutiae, they cannot use them appropriately in their speech; in other words, in the process of making efforts to learn grammar in a good manner students eventually possess what we usually refer to as passive knowledge of rules but, when it comes to transforming this passive knowledge in to active or procedural knowledge that they can use in communication most of them fail to do so.

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