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ECONOMIC DIPLOMACY IN UKRAINE: STATE AND TASKS

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Economic diplomacy as a specific area of the modern diplomatic activity is connected with the current economic problems of state and is used by means of an object and has some sense according to the problem and strategy contest and cooperation within the international relations. The economic diplomacy presupposes diplomatic actions, oriented to increase export, to involve foreign investments and to participate in the work of the international economic organizations, i.e. actions, concentrated to confirm economic interests of the country at the international level. Economic diplomacy is many sided and includes several types of components, strategies and tools which are different by specialized spheres of application in policy and content of solving nation`s tasks, specific nature of diplomatic impact means and methods, another economic features and peculiarities [1; 2; 3].

Today, economic diplomacy becomes an area of activities, that unites understanding of the dynamics of international interactions in political and economic spheres, it determines the development of their mutual relations and interdependence of each other. The functional capabilities of integrated diplomacy are multifaceted, because each specific diplomatic activity is connected at the political or economic level. This approach appears in the bilateral and multilateral relations of states. A vivid example of this is the recent "gas crisis" between Russia and Ukraine. So economic diplomacy is intended to use of traditional diplomacy opportunities and business-community structures to achieve the economic purposes. Therefore advancing the proper economic interests inside the country and abroad, the state uses its native resources, traditional diplomacy methods, its infrastructure and tools, and also the modern informational means through the publications and speeches.

All known fact that Ukraine is independent and sovereign country, which need to realize own economic strategy. In the conditions of Ukraine, economic diplomacy is aimed at finding a new place in the European economic space.

A lot of agreements can explain that nations, which situated in center of Europe reach some elements of "healthy economy". The main important agreement are The European Union's Partnership and Cooperation Agreement, the most active member of the Partnership for Peace, North Atlantic Cooperation Council, World Trade Organization and the latest is "European integration". As for European Union is so difficult question do not only Western politician and more hardest for Ukraine.

In order to be a participant of European society Ukraine should realize a lot of

activities. It started from people, who can understand own accessory to Europe, because just europeans renowned high culture, education and manners.

The second problem, which can solve, is budget, a lot of critics exist in this side not only from ukrainians, but even people, who do not live in Ukraine. First of all is not enough money for develop education system, Research and Development, heavy industry, improve tourism system and others. And the third is a big gap between poor and rich people. The state reach this negatively effect due to increase cost on goods and services, but is a little part of this side, more take high taxes. Taxes also a block to make small-medium business and new companies and firms.

The good practice from EU that for example Germany support some business in state thereby expand own market, that have double positive effect on nation economy: do not buy commodities from abroad (decrease import) and sell it abroad (increase export), in conclusion export is cover import hence positive balance. As for Ukraine, import cover export, because own industry still standing and the economy is “ill”.

Promoting innovation in the economy of the state and external openness promotes the creation of a positive image of the country, and this entails attracting foreign tourism to the country, which is also a decisive factor in economic growth and attraction of foreign investments.

In the list of mistake also can add attraction of investments. Unity of investors abroad agreed to work with country, which have fluctuation economy, floating dollar and euro exchange rate and hostilities. The bad example is Cyprus, which invested in Ukraine more than Germany, but this invests have benefit only for Cyprus, the language of term “laundering of money”.

Globalization in the world economy increases the role of economic diplomacy, raising it to a new quantitative and qualitative level, involving the national productive forces of individual states to obtain the final product in the process of its creation in the interests of all countries of the world economy, and prevents the monopolization of the advantages of globalization by individual countries.

So, economic diplomacy is the main mechanism of chieving fruitful trade and economic ties at bilateral and multilateral levels - it is a key tool for developing effective cooperation between countries and regions at the global level.

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THE MARKET AND ITS FUNCTIONS

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The modern market economy is a complex organism consisting of a large number of diverse industrial, commercial, financial and information structures, interacting on the background of an extensive system of law business, and united only concept – market.

By definition, the market – a set of economic relations emerging between producers and consumers in the free exchange of equivalent produced goods (services) organized under the laws of commodity production and circulation of money [1]. Important conditions of the emergence and successful operation of the market are social division of labor and specialization; economic isolation of market economy allowing private property; free exchange of resources; the magnitude of transaction costs.

Developed market by definition is based on the differentiation of rates on a complex system of discounts and bonuses, alternative value for money, the differences in basic trim levels – describes expert fund "Heritage" James Hattuso.

As international experience shows, the current level of development of the productive forces for constructive functioning of the market mechanism and economic context is necessary thoughtful and related legal regulations, competent and effective state regulation of a social consciousness, morality and culture.

Achieving the goals of market economy is possible through a number of market functions (such as information, regulating, stimulating, integrating, control) and its mechanism including supply and demand.

The phrase “supply and demand” was first used by James Denham-Steuart in the Principles of Political Economy (1767). Later Adam Smith investigated the definitions in The Wealth of Nations (1776) and David Ricardo titled the chapter of his work Principles of Political Economy and Taxation (1817).

Demand refers to how much a product or service is desired by buyers. Supply represents how much the market can offer. The quantity demanded is the amount of a product people are willing to buy at a certain price. The quantity supplied refers to the amount of a certain good producers are willing to supply when receiving a certain price. The relationship between price and quantity demanded or supplied to the market is known as the demand relationship or supply relationship consistently [2].