

Economics

2. Сущность, цели и принципы коммерческо-посреднической деятельности [Электронный ресурс] // Библиотека. – Режим доступа: <http://bibl.tikva.ru/base/B778/B778Part32-134.php>. – Дата доступа: 25.10.2014.
3. Основные принципы логистики [Электронный ресурс] // Учебно-методический проект. Транспортная логистика, коммерческая логистика. – Режим доступа: <http://learnlogistic.ru/osnovnyue-principy-logistiki/>. – Дата доступа: 25.10.2014.
4. Методы логистики [Электронный ресурс] // Бизнес портал: все о бизнесе и заработках. – Режим доступа: <http://biznestoday.ru/log/236-metodylogistiki.html>. – Дата доступа: 25.10.2014.

UDC 330.3

**THE THEORETICAL MODEL OF REGIONAL COOPERATION
BETWEEN LITHUANIA AND BELARUS**

NIKOLAJUS MARKEVIČIUS
Mykolas Romeris University, Lithuania

The article discusses the theoretical issues of possible economic cooperation of Lithuanian border regions and Belarus, belonging to different economic associations of the EU and the Eurasian Union (EAU). Each economic system and proven ways of managing it has its advantages and features, which can provide a synergistic effect in improving the welfare of neighboring regions, to increase their relative share of the national budget, while maintaining "ceteris paribus" on many other parameters.

Lithuania and Belarus are two states, which have been close geographically for centuries. By the will of God in different periods of time and in different political configurations, the two territories that merge into one state, then again divided into two, came at the present time of spring 2015 to the following parameters:

A) geographically – the countries share a common border at 677 km, that makes about 39% of all Lithuanian border and about 23% of all Belarusian border, the Belarusian area is larger than that of Lithuania about 3,2 times, population approximately by 3,5 times. Border regions of Lithuania with Belarus are its nine eastern regions of Zarasai, Ignalina, Švenčionys, Vilnius, Šalčininkai, Varėna, Druskininkai and Lazdijai. Totally they make up 18.6% (12,132 square kilometers) of the territory of Lithuania, and by number of population 8,7 % of the total population of Lithuania or 255,1 thousand people at the beginning of 2014 (Lithuanian Department of Statistics, 2014);

B) politically - relate to the EU and the Eurasian Union;

C) economically - to countries with a market and partly controlled economy.

Optimization issues of regional cross-border cooperation at the junction of different economic unions and comparative evolution of the Baltic States welfare in the EU

We know that the greatest breakthroughs occur in interdisciplinary sciences or at their junction from the natural and social sciences. Thus, Lithuania and Belarus have a unique opportunity to test in practice the synthesis of state regulation and the free market to achieve breakthrough solutions and patterns of interaction in regional cooperation to improve competitiveness, employment rate and welfare of the population.

Each party can use positive sides – Belarusian – first of all an administrative resource through lending, in energy resources and enterprise creation focused at sales markets in the Eurasian Union – Lithuanian regional administrative power in the establishment of city core enterprises, aiming at markets sales within the country and the EU. In fact, the model of creating joint ventures is offered. This model has state-private capital for the purpose of diversifying markets by obtaining customs preferences and ensuring the increased employment of the population of border regions as well as reducing its migration and emigration. Regional and central Lithuanian authorities will have to challenge themselves and answer a simple question – what is better – or by use of the target program of regional cooperation with Belarus to create in the foreseeable future – for 5–10 years “n” number of jobs or to spend and continue to receive from the central authorities transfers for payment of social and other types of benefits to residents.

Why do these questions appear? Tables given below show that as separately taken regions on border with Belarus lag behind the average Lithuanian indicators. Cumulative figures of all the Baltic countries are close to those of our selected countries only on percentage. This gap is only increased during the 8-year period, except for the index GNI per capita PPP with the Benelux countries, Sweden and Finland.

Table 1 – The main economic indicators of the two border counties to Belarus – Utena and Alytus. (Lithuanian Department of Statistics, 2014)

Municipalities	Year	Year	Year	Year
	2000	2004	2010	2013/2014
Utenos County				
Population compared to Lithuania, %	5,4	5,3	5,0	4,9/4,8
Unemployment rate, (in Lithuania), %	<15,4(16,4)	>12,3(11,4)	>21,3(17,8)	>22,6(13,2)/16,8(11,8)
Employment rate (aged 15-64), (in LT), %	<54,9(58,7)	<57,8(61,1)	<53,9(57,8)	<55,6(62,2)/58,1(63,7)
GDP per capita compared to average, %	87,8	86,8	77,5	74,9/64,9
Share of GDP created by county, %	4,7	4,5	3,9	3,7/3,2
Export of goods produced in Utenos county compared to Lithuania, %	2,9	2,5	2,0	1,8/2,0
Alytus County				
Population compared to Lithuania, %	5,4	5,4	5,2	5,1/5,1
Unemployment rate, (in Lithuania), %	>18,4(16,4)	>16,0(11,4)	<17,2(17,8)	>14,7(13,2)/16,8(11,8)
Employment rate (aged 15-64), (in LT), %	<55,5(58,7)	<55,0(61,1)	<57,1(57,8)	<59,4(62,2)/59,2(63,7)
GDP per capita compared to average, %	81,4	69,1	65,6	65,8/64,5
Share of GDP created by county, %	4,4	3,7	3,4	3,4/3,3
Export of goods produced in Alytus county compared to Lithuania, %	4,9	3,4	2,3	2,2/2,2

Note: > over the country average, < less the country average. Calculated and composed by author.

Table 2 – Absolute and percentage difference between Baltic States and some other countries and countries groups in 2004 and 2012 (The World Bank, 2014).

Indicators	Benelux 2004/2012 (current US\$)	Finland, Sweden 2004/2012 (current US\$)	Germany 2004/2012 (current US\$)
Absolute difference			
GNI per capita, Atlas method	- 28.452/- 32.701	- 29.948/- 38.119	- 24.688/- 29.846
GNI per capita PPP	- 20.950/- 19.574	- 19.086/- 19.077	- 17.408/- 19.412
GDP per capita	- 30.207/- 31.360	- 29.411/- 36.996	- 26.226/- 27.218
Percentage share of the Baltic States from the share of other countries			
Percentage difference	%	%	%
GNI per capita	17,6/30,6	16,8/27,4	19,7/32,6
GNI per capita PPP	37,4/53,8	39,6/54,5	41,8/54,0
GDP per capita	18,4/31,9	18,8/28,4	20,6/35,0

Source: composed and calculated by author.

Definition and motivations of competitiveness.

It is obvious that in a market economy all enterprises must operate under the conditions of competitiveness. Competitiveness in its turn is determined by the availability of opportunities and motivations of its participants.

Competitiveness, however, is a global definition, and the level of preparation of national economies for participation in the global market is different. Therefore those tools which are good for developed economies, aren't always suitable for many sectoral branches of the developing economies or for sectors of the economies producing products with a little added value.

Narrowing the term competitiveness for individuals, all other invariable requirements for goods, which in a certain price corridor will be purchased only while maintaining its quality parameters, the main emphasis has to be put on its price competitiveness or ratios of the price of goods in a national and international context.

In such a way price competitiveness, i.e. the level of the exchange rate and the cost of labor and the role of authorities in creating the optimizing conditions for receiving higher value-added by legal entities and individuals in the area are considered as the determining factors of competitiveness at an output of products and

Economics

services on a local, regional and global markets, because in the case of failure will be an outflow of national and foreign currencies with the same markets (Markevičius, N., Podviezko, A., 2014).

The main factors in raising or lowering the foundations of the entire spectrum of competitiveness are the state, individuals and legal entities. Let us consider motivation of each of these participants.

The first motivation of the state is increase of well-being of the population as in this trend it strengthens belief of the population in the state professed economic ideology based on different degrees of state intervention in daily economic life.

The second motivation of the state is to fulfill social obligations in each region, which is associated with a certain level of availability and regional infrastructure development.

The third motivation of the state is to collect taxes and payments to the budget. And here the state has more choice and levers of influence establishing various mechanisms replenishment of the budget. The fundamental fact is that the more affluent areas with all other things being equal pay higher absolute amounts.

There may be found more motivations. Fundamental fact is that to maximize the profitability of the region for the state correlates with its political and social stability. As a rule aggravation of social stability is the result of tactical or strategic setbacks or failures in the political and economic doctrine.

Motivation for individuals is the real income from their labor activity which in the short and long term allows them to link their fate with this region. By this motivation the proportion of labor and rest relates, the opportunity to earn more than the average and additionally, the quality of health care, the availability of childcare facilities, schools and institutions of higher education, opportunities to improve their living conditions as a result of fiscal and monetary policy of the state.

Motivation of legal entities is to maximize profits or the income of the enterprise under the partnership with the state in the solution of social issues.

Social responsibility of business along with profit maximization more often becomes the subject of research in the XX-XXI centuries. Some enterprises have already paid more attention to this phenomenon, such as „The Nobel Brothers Oil Production Partnership company“ (Bessolitsin A., 2012) which pursued such policy in Russia already beginning with turns of 19-20 centuries.

The enterprises can work on local, regional and international markets. Their motivation should be to increase the competitiveness of both in order to expand into new regional and international markets, as well as increasing the share of sales in the local market, including by minimizing costs. In other words, the motivation of local entities should be to increase marginal profit and marginal revenue, which will synergize both the income of legal persons and local budgets.

Monitoring theoretical reflections

Synthesizing everything it is possible to make the following generalizations.

The role of the state for the developing economies is defining. The policy of deregulation and a non-interference policy like *laissez-faire* is good, speaking in images from the level when "spacecraft", in our case the enterprise, already took to the competitive orbit. In this regard the government can maintain the motivation of individuals and entities by selling their shares in their own companies or to stimulate the creation of new businesses and related workers the same state-owned enterprises. In other words to create clusters based on large state-owned enterprises, suggesting that their marginal costs will be minimized, and the marginal profit will be maximized, because marginal motivation will be increased for new legal entities and individuals. Thus the state will be able to release them in "free floating" reducing its paternalism through budget transfers in the process of formation of more and more competitive regions. Such a mechanism is more efficient for economies with greater state regulation, because for more liberal economies the state has less leverage.

In this context, theoretical and pragmatic steps to promote such cooperation between Lithuania and Belarus could become a pioneering example of cooperation on the European continent of the countries with different economic systems conventionally and establish synergistic effects to eliminate the large gap in GDP per capita both between the old and new member countries EU as between the EU and the EAC regions.

1. Lithuania like any other economy operating on modern market constantly faces the dilemma: to cooperate or to compete with other countries. Lithuanian economy convergence into an integrated economic space of the EU based on the classical theory *laissez-faire* seems exhausted as separately because of small economy in the country does not have real tools to overcome and reduce the absolute gap with developed countries. Sharing the close geographic area, common history and similar problems, it faces this problem on a steady basis and has to decide how to solve every new challenge: in cooperation for example with Belarus, or competing with it.

2. By the definition of the EU, if the basic parameters of this or that region make less than 75% of the average, then this region needs intervention.

3. It can be concluded that within 14 years, the regional economic policy in the border regions located between the border with the country not a member of the European Union (with Belarus) aimed at improving the welfare of the local population is undergoing collapse and is absolutely not effective.

4. The basic economic problem facing these regions in such locations with similar economic development and of similar size to Lithuania is that their economies can not compete qualitatively and quantitatively neither in the EU market nor the markets of other developed economies and therefore require access to markets with less competition.

5. The comprehension of that fact that without manufacturing, the generated added value of the enterprises there cannot be any growth of well-being of the nation should push the governments and local authorities towards the creation of such conditions, which could be able to adopt the theory of cross-border competitiveness.

REFERENCES

1. Bessolitsin, A.A. Social responsibility of business, as an indication of economic culture of capitalism in Russia in the end 19th-early 20th century (Case study of "Nobel Brothers' Oil Production Partnership") / A.A. Bessolitsin // Economic culture of modern capitalism : international scientific conference, St. Petersburg, June 29-30 2012 / St. Petersburg University. – St. Petersburg, 2012. – P.17–19.
2. Markevičius, N. Trademarks, trade names and brands as a measure of local, regional and global competition / N. Markevičius, A. Podviezko // The 8th international days of statistics and economics : conference proceedings, September 11–13 2014. – ed. T. Löster, T. Pavelka, L. Macáková. –Prague, 2014. – P. 1006–1015.
3. Lithuanian Department of Statistics [Electronic resource]. – Mode of access: <http://db1.stat.gov.lt/statbank/default.asp?w=1176>. – Date of access: 15.12.2014.
4. The World Bank, 2014 [Electronic resource]. – Mode of access: <http://data.worldbank.org/indicator>. – Date of access: 20.12.2014.

UDC 658

THE STREAMS OF THE SUPPLY CHAINS IN THE CONSTRUCTION SPHERE

ELENA ZHDANOVA

Polotsk State University, Belarus

PALINA LAPKOUSKAYA, RAMAN IVUTS

Belarusian National Technical University, Belarus

Supply chain management is one of the concepts taken from other industries and interpreted to suit the construction industry in order to bring improvements within the industry. A recent emphasis is laid on the integration of the whole supply chain because of the fragmented nature of the industry, and the large number of participants involved in a project development process.

This paper presents further analysis of economic flows existing in the construction supply chains and having their own specific nature.

The construction industry covers all aspects of building, civil engineering and the process plant industry and encompasses the planning, design, construction and maintenance of building and other physical structures (Cox, Ireland, Townsend, 2006). Besides, the construction field of national economy promotes activation of real sector work stimulating the work of metallurgical, machine-building, agro industrial sector, transport and etc.

But diversified modern hi-tech construction industry cannot anymore be successfully organized by means of traditional management and marketing principles. In postindustrial economy inconsistency of customers, builders and investors' interests leads to considerable social and economic losses. To avoid these losses or at least to minimize them, the supply chain management (SCM) in construction industry is conceived as an essentially new direction in the management organization of economic flow systems.

The supply chain (SC) is the network of organizations that are involved, through upstream and downstream linkages, in the different processes and activities that produce value in the form of products and services in the hands of consumer (Christopher. 2005). Each stage in a supply chain is connected through the flow of products, information and funds (Chopra, Meindl, 2010). Universal character of SC toolkit allows receiving effect from all economic resources. Today methodological bases of SCM are used for optimization of cargo transportation, rationalization of products flows, financial cooperation, information coordination and many other things in economy spheres. The SCM should also be used and implemented in construction sphere.

The formation of construction SC within the limits of uniform flow process of materials and information movement between all participants of construction complex according to technology of building manufacture, taking into account mutual relations between suppliers of resources, customers, builders and investors and as much as possible approached to industrial consumption is the main idea of SC activity in construction industry.

The process flows management has particular complexity and variety of commercial communications between customers, general constructors, subcontractors, designers, logistical providers, investors, as well as large quantity of product positions of building materials and completing equipment. The absence of highly-skilled personnel strongly affects the results of the construction industry activity. All the above lead to numerous idle times, failures to meet terms and conditions and poor quality of executed work.