



VILNIUS UNIVERSITY
KAUNAS FACULTY OF HUMANITIES

DEVELOPMENT IN ECONOMICS: THEORY AND PRACTICE

12th International Prof. Vladas Gronska Young Researchers Scientific Conference

Reviewed Selected Papers



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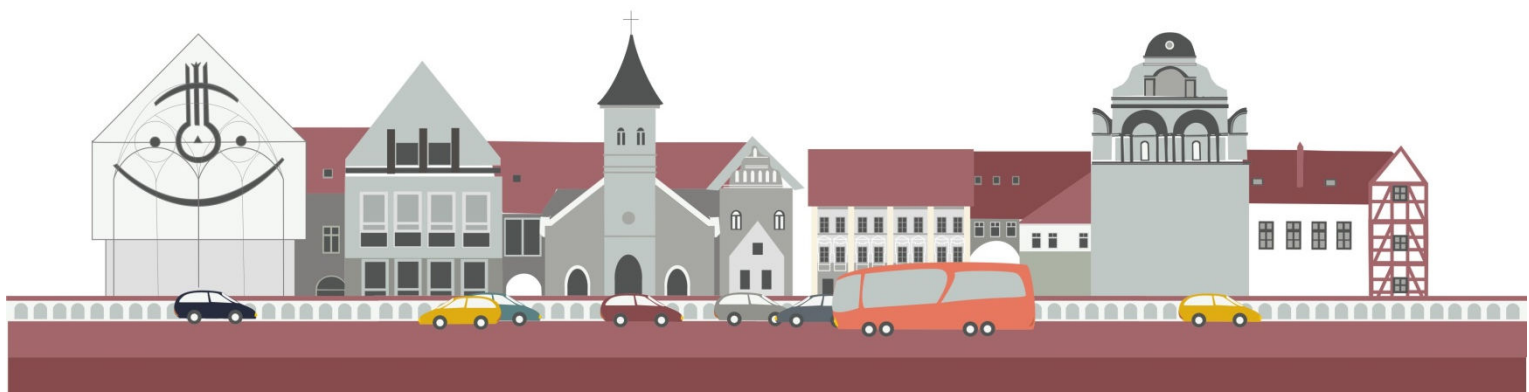


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FOREWORD

In keeping with the scholarly traditions of Vilnius University Kaunas Faculty of Humanities, the 12th “Prof. Vladas Gronskas Young Researchers Scientific Conference on Development in Economics: Theory and Practice” was held on December 2015. This year the event has become an international arena for cooperation and scholarly fellowship, with junior researchers, master and doctoral students from Lithuanian as well as Latvia, Poland, Estonia, Turkey, Mongolia, Belarus and Bulgaria actively participated in the different conference sections: Economic challenges in a modern society, Global finance issues, Innovative managerial solutions, Marketing trends in 21st century, Issues in culture management.

The main goal of this scientific gathering has always been to contribute to the reliable, safe, effective and sustainable economy and business development. Thus, the organizing committee strives to create a suitable platform for well-grounded and open discussion where young researches and scholars have the opportunity to present and share their insights.

Encouraging entrepreneurship is a crucial condition for economic growth and this puts forward a new approach to business, creativity, value creation, and the implementation of innovations. It is precisely in this context where business and science should interact. To reinforce this relevant bond, the guest speakers of the plenary session were selected amongst experienced practitioners and well-known scholars. Dr Marius Akulavičius, sales director of Joint Stock Company “Bidvest Baltics. Dr. Akulavičius made a presentation on the threatening growth of digital piracy and presented some of the latest managerial solutions applied to face the economic problems it poses. Vilnius university professor Dalia Krikščiūnienė (Information Technologies Department) made a presentation on creativity and the implementation of creative ideas through the H2020 platform, encouraging young researches to apply for EU financial support of scientific projects. The director of private company ‘Marketing pulsas’ Artūras Svirskis acquainted the participants with the newest marketing trends and tools to address modern consumers and match the pace of technological developments.

We believe that this conference encourages internationalization and a closer cooperation between science and business. Hopefully, there has been some useful take-away for both academia and business conference participants: new insights and inspirations for further scientific research and possible solutions to boost Lithuanian economy.

On behalf of the scientific committee

Assoc. Prof. Ingrida Šarkiūnaitė

JAPANESE ASSET PRICE BUBBLE IN LATE 1980S AND LESSONS FROM IT

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ABSTRACT. Purpose of this paper is to identify best possible measures for foreseeing and minimizing crisis, by analyzing reasons for Japanese price bubble in the late 1980s. Methodology. Grouping, detailing, comparing and summarizing information. Systemic and graphic analysis of data. Results. As my analysis in the article shows, excessive monetary easing and deregulation were the main drivers for the pop of the Japanese asset bubble in the late 1980s. My research shows a lot more of bad examples exhibited on credit management, economic policies and timing. The result of that was that Japan was a perfect example of a country, which became a hostage of the monetary easing and deregulation policy, it started and could not contain in time. A lot of governments in the world right now, can be linked to a similar situation. All of this lead Japan to a “lost decade” — a time frame of well over a decade, where the country experienced a significant shrinkage in its economy and a general decline in wealth. The paper contains in-depth analysis of reasons that boosted Japanese economy leading up to, but also resulted in fatal consequences in the aftermath of the asset price bubble in late 1980s. Possible reasons for the crisis and solutions for them are identified.

KEYWORDS: Japan, stocks, monetary easing, asset bubble, inflation.

INTRODUCTION

By most, macroeconomic indicators in the early 1980s Japan was perfectly positioned to be the leading global force for the next couple of decades. But one of the greatest examples of asset bubble phenomena emerged. Bubbles are defined as an upward price movement over a period of time which is unexplainable based on fundamentals, and which subsequently implodes (Siegel, 2003). Other researchers (Evanoff, Kaufman, Malliaris, 2012) put more emphasis on duration while describing bubbles: “a bubble exists when the market price of an asset exceeds its price determined by fundamental factors by a significant amount for a prolonged period”. Asset bubbles have been burdening the economic development in the world for ages and usually cause a severe downturn in economy.

The relevancy and analysis of the bubble are discussed in publications by B.G. Malkiel (2010), C. Borio (2012), D.K. Nanto (2009), P. Lebel (2000) and many others. Every central bank around the world, is pressured by the public and the government, into pursuing growth. Too many times growth is strived for by any means necessary and lessons from Japanese asset price bubble are forgotten in the history books. However, Japanese example is extraordinary because of two reasons:

- 1) Asset prices reached were never again replicated,
- 2) Japan till this day has not recovered from some of the disastrous consequences of the bubble.

As the great recession, has proven us not long ago authorities still do not know how to avoid crisis and as lackluster growth has proven us afterwards, they have started to fail ignite growth after crisis as well. As a result, Japanese example draws many parallels to recent crashes and even current macro developments around the world and therefore key aspects of the Japanese bubble, may hold some clues for the future. Some of the mistakes made by Japanese authorities can still be avoided by authorities around the world and lessons from Japanese example are as relevant as ever. I will identify these lessons by analyzing reasons for the asset bubble and possible solutions to them.

THE SIZE OF THE BUBBLE

It can be hard for the younger generation to comprehend, but in the 1980s Japan was the envy of the world. Major macroeconomic indicators seemed to prove Japanese superior economy and preserve its

dominance for the decades to come. Japan was the leading nation in gross domestic product (GDP) per capita by 1988 and maintained excellent growth rates (Figure 1). And all of this achieved, just four decades after complete annihilation in WWII and not long after oil crisis in the 1970s shocked the world.

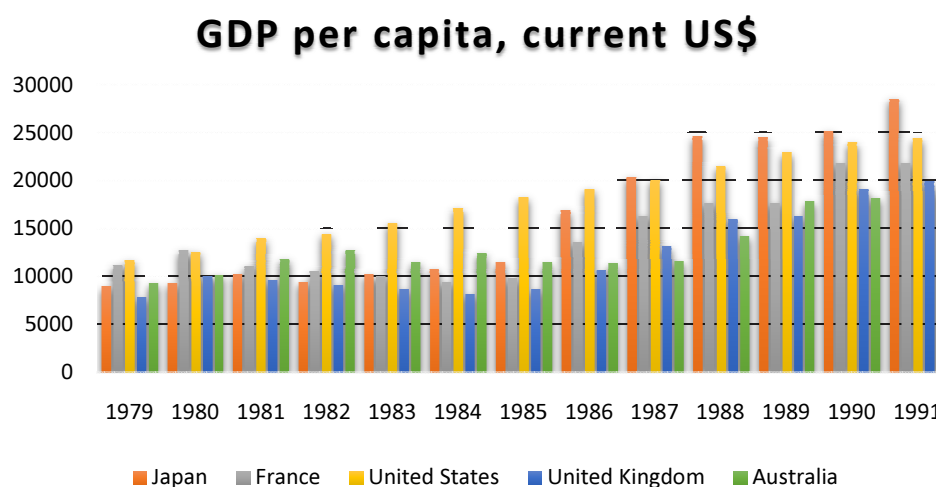


Figure 1. GDP per capita of leading countries in the world, 1979-1991. Source: World Bank.

At that time, one of the great researchers of Japanese success — Ezra F. Vogel, claimed that “given its limited resources, Japan has dealt more successfully with more of the basic problems of postindustrial society than any other country” and that “it is a matter of urgent national interest for Americans to confront Japanese successes”. A lot of academics were in agreement with him at the time, as Japanese lifetime employment, on-the-job training, strong relationships between banks and companies, as well as “near-supernatural” corporate guidance provided by Japan’s Ministry of International Trade and Industry (MITI), were named as the pillars for their success (Boyer, Yamada, 2000). Lifetime employment and on-the-job training were hailed as great initiatives for developing loyalty, keeping workers engaged and Japan’s unemployment low. In addition, MITI has especially contributed to the recovery in Japan’s industry, as their policies assisted with licensing or obtaining foreign technologies, but limiting the risk of imports. They also were accurate at placing their focus and investments to industries with most potential and worked with companies on the matters of investments and mergers. Lifetime employment and on-the-job training were hailed as great initiatives for developing loyalty, keeping workers engaged and Japan’s unemployment low.

Moreover, with Japan’s economy seemingly in a great shape, its assets were valued at never before seen highs. When Japanese stock market index Nikkei 225 peaked in December 1989 at 38 916, Japanese stocks had a total market value of about \$4 trillion, or almost 1.5 times the value of all U.S. equities and close to 45 percent of the world’s equity-market capitalization (Malkiel, 2010). The valuation for real estate was not far off, as the garden surrounding the Imperial Palace in downtown Tokyo, was valued equally to the entire state of California in United States of America (USA) (Werner, 2003). Also, the Japanese did not keep their rising wealth domestically, as it is estimated, that in 1987 Japan accounted for 86% of world’s capital exports (Werner, 2003).

However, soon after the peak, Japanese equity market collapsed and Nikkei 225, by September 1990, was worth almost half the value of what it was worth at its peak (Figure 2). In June 1992 the index was worth nearly 40% of its peak value. After peaking in 1991 and 1993, respectively, housing and land prices began a substantial decline as well. Depending on the area residential land lost as much as 45% of its value, while commercial land lost as much as 75% (Krainer, Spiegel, Yamori, 2005).

Nikkei 225 1984-2016

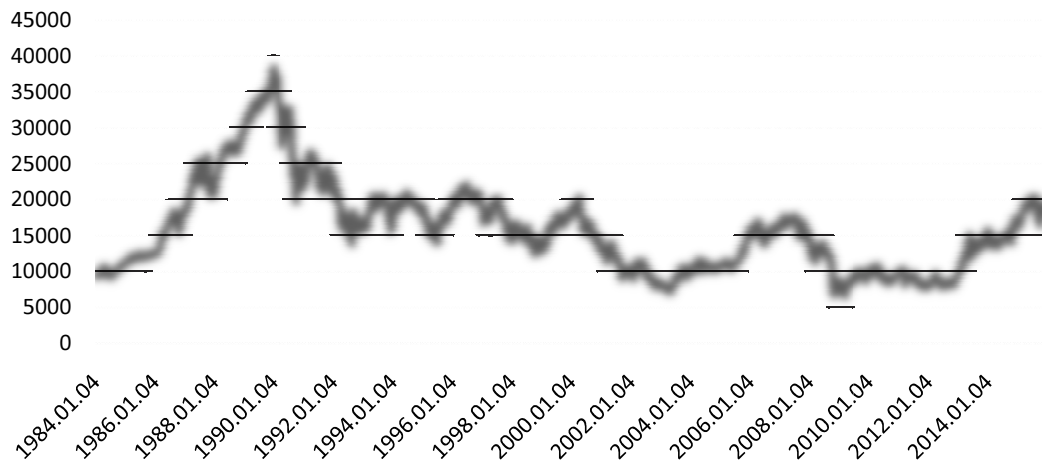


Figure 2. Nikkei 225 closing price graph, 1984-2016. Source: Yahoo! Finance.

Therefore, following the pop of the asset bubble analysts were quick to blame the wild speculation or monetary policy by the Bank of Japan (BoJ). As in most cases, it was a combination of those factors and others, but during my research several most important factors emerged. In further detail, I present two most influential reasons leading to the build-up and then the collapse of the bubble.

EXCESSIVE MONETARY EASING

When Japan displayed tremendous growth and its future seem bright, a natural result of that was currency appreciation. As showed in Figure 3, Japanese yen started a sudden appreciation and was valued at below 150 USD/JPY for much of the 1980s, from its recent top of around 260 yen to dollar in February 1985. This hurt Japanese export driven economy and BoJ decided to act swiftly to try to depreciate yen. D. Nanto (2009) concludes this in his report: "During the latter half of the 1980s, Japan's monetary authorities flooded the market with liquidity (money) in order to enable businesses to cope with the rising value of the yen".



Figure 3. USD/JPY currency rate, 1979-2016. Source: tradingeconomics.com

Consequently, one of the ways BoJ tried to accomplish that is by lowering the interest rates 5 times between 1986 and 1987 (Figure 4). The interest rates have already been significantly lowered from their recent high of 8% in 1981. Further, an additional stimulus for such drastic interest rates cuts was inflation. Japan was far away from central bank target of 2% and was even getting closer to deflation. BoJ was successful in achieving inflationary conditions, as after about two years from the first interest rate cut,

inflation started rising again. However, looking back, inflation probably should not have been the main concern of BoJ. There is rising evidence in the world that, by targeting only inflation with their interest rates policy central banks risk of actually destabilizing asset markets and the macroeconomics [3]. Had the central bank paid more attention to asset prices and credit indicators it may have considered taking more time to cut their interest rates and doing that to a lesser extent. It may have resulted in a longer wait for inflation, but probably would have avoided "overshooting" inflation, which reached almost 4% by 1991. As covered previously, increase in most investment vehicles prices, like real estate or stocks, was much steeper. When, BoJ noticed asset prices were spiraling out of control, they started increasing interest rates almost every meeting, but this happened too late and too recklessly, and only contributed to popping the bubble sooner. Additional monetary tightening measures were taken in fiscal form by other institutions. New taxes, on new cars, savings, capital gains, securities transfers and others were implemented, real estate capital gains tax was increased from 17 to 57% in 1990 (Lebel, 2000). Measures meant directly towards the real estate sector were a lower limit on the value of loans to be used for housing and by banishing lending to used housing of more than ten years in age. After the asset prices started collapsing and panic ensued, BoJ was forced to again very quickly cut interest rates and stopped at zero, but could not raise them again until almost a decade later.

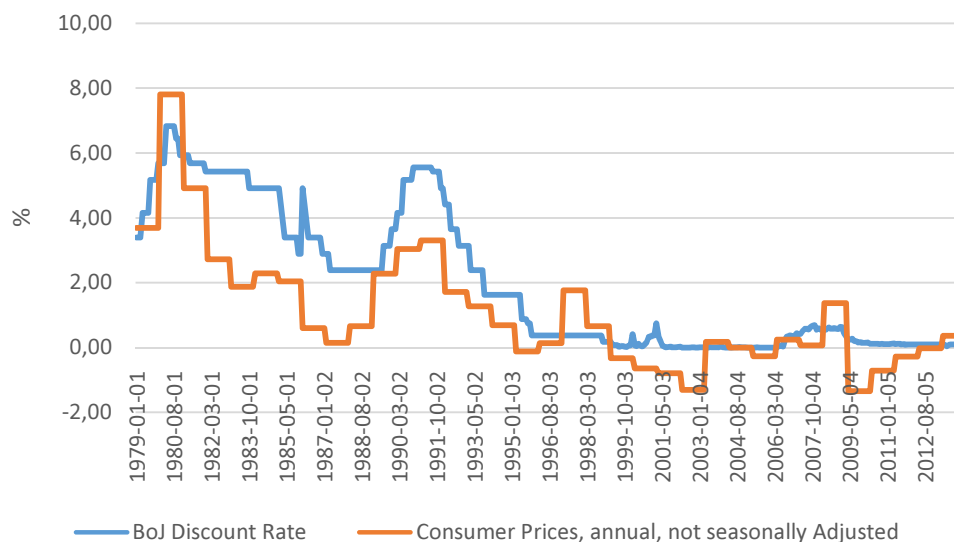


Figure 4. BoJ discount rate and consumer prices (inflation), 1979-2013. Source: Federal Reserve Bank of St. Louis

Similarly, one other mechanism that can be attributed to BoJ monetary easing instruments is window guidance. It has gained much less coverage in the mainstream press, but can be capable of very powerful effect. Praised as a big contributor for post-war swift Japanese economic recovery, it is described by Werner in his famous book "Princes of the Yen" as a mechanism: "whereby the Japanese central bank would dictate the number and value of loans that banks issued, and which industrial sectors these loans should be allocated to". Werner continues, to say window guidance was the main contributor for the asset bubble in the 1980s, because BoJ kept increasing the quotas banks in Japan had to issue and banks would be penalized if they fail to reach the required lending target.

DEREGULATION

During the 1980s a lot of financial systems have seen a series of moves promoting deregulation by the central banks. One of the main beneficiaries of this were financial institutions. Nevertheless, Japan financial system had more restrictions than its counterparties in developed countries and it was general consensus, that in order to develop more quickly Japan should have more competitive banks and market reflecting interest rates. This was evident, when savings started exceeding investments in Japan and the old system,

based on interest rate controls and wide spreads between deposit and loan rates was put to blame (Hugh, 1998). H. Monzur and F. Rafiq describe Japanese post-war financial system as a: "highly regulated and banks were heavily dependent on Bank of Japan's (BOJ) subsidies (window guidance) and borrowings of enterprise groups". The country faced pressure from international community as well, because foreigners were very limited in Japan. One other reason mentioned, was the sharp increase in government deficits in the late 1970s, which resulted in a need of financing that was obtained by allowing banks to participate in the bond market (Monzur, Rafiq, 2011).

Indeed, deregulation was executed gradually, but fiercely. Among the first major changes was the introduction of Certificates of Deposits in 1979. As noted by H. Monzur and F. Rafiq, one other factor that influenced the explosion in money supply in the mid-1980s was the deregulation of large-amount time deposits, which allowed banks to pay interest rates for deposits and increased the share of these deposits. Also, lowering the minimum amount for money market certificates in 1987 introduced a new infusion of money, when those became more popular. Also, the limitations to Japanese individuals for foreign-denominated financial assets, the restrictions on dividends corporations could pay to investors and use of bonds were loosened. This only boosted the monetary easing provided by the BoJ and eroded the grip it had on Japanese financial system.

Although, all new measures impacted the banking sector, but some were more influential than others. One quite unique practice to Japan's banks was keiretsu. As defined by P. Lebel: "Under keiretsu practices, Japanese banks can own common stock in firms to whom they may issue loans, though a single bank's ownership of a stock is limited to 5 % of a single firm's outstanding shares". Banks were allowed to own up to 10% before 1987, but in exchange for the decrease to 5%, the limit for the amount of different stocks a bank could hold was removed. Because of this, the purchase price of stocks owned and a 100% of its unrealized capital gain, could be used by the bank to exceed its total capital and expand its lending. Hence, this developed a system where the banks would be incentivized to loan, as long as that results in companies, they borrow to, stock appreciation and therefore more capital. The real estate boom, which soon followed, was escalated even more with demand and supply gap caused by: "lower tax on holding of land and higher tax on transaction of land", as well as the inheritance tax (Monzur, Rafiq, 2011). Since real estate was used as collateral for loans, it expanded capital of banks even more and had the same effect. Banks increasing profitability can be seen from main financial liberalization reform year of 1985, in figure 5.

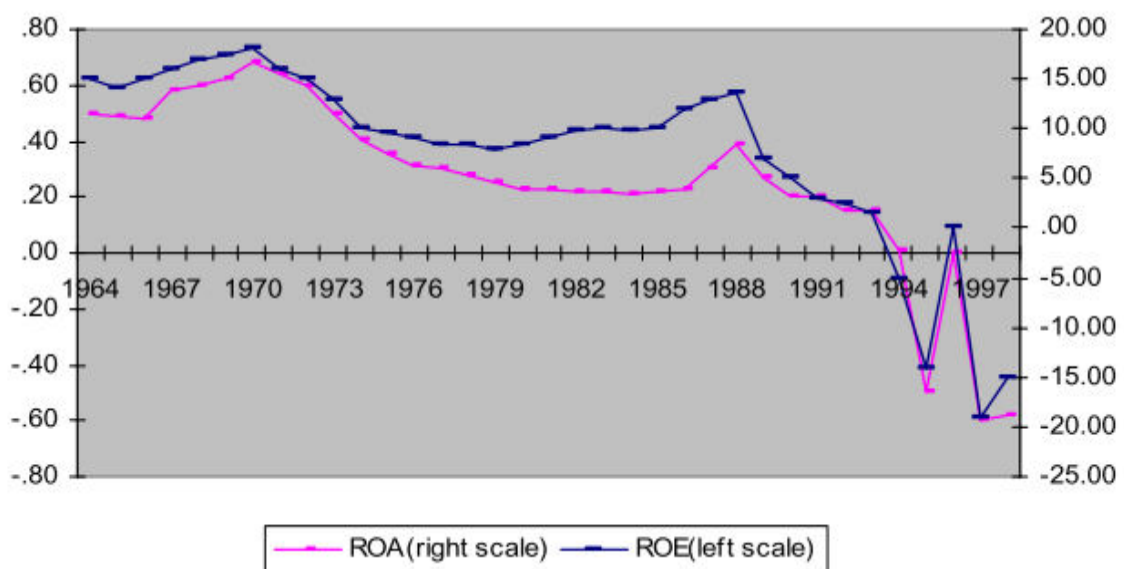


Figure 5. Japanese banks profitability based by return on assets (ROA) and return on equity (ROE), 1964-1998. Source: D. K. Nanto, 2009

Thus, the bubble that followed lead P. Lebel to conclude that: “the process of deregulation took place without an adequate supervisory body, and the Ministry of Finance failed to apply proper capital controls on banks”. Along with this, the new structure lead to, long called for, competitiveness amongst banks, at a time where they had increased incentive for this already, because the big corporate clients were less dependent on banks with new financing methods at their hand (like bonds or international markets). On the other hand, increased competitiveness side effect is more risk, which started to be perceived differently by banks and they took a lot more of it. Increased risk tolerance is clear, when you consider that Japanese banks doubled their loans to companies in the real estate sector between 1983 and 1989 (Posen, 2001). H. Monzur and F. Rafiq claim that such foolish rush to take risk, was a consequence of: “undirected liberalization that led to frustration for the banks, along with downward pressure of profit”. Hoshi attributes the rise in highly volatile real estate sector to similar reasons: “to a decline in alternative lending opportunities due to deregulation in the financial sector which allowed traditional borrowers, such as corporate clients, to issue their own commercial paper and reduce their bank borrowing”. Furthermore, risk lead to more risk, as banks started competing for market share rather than profit (Yoshino, Sakakibara, 2002). Another groundbreaking law may have tried to contain all this risk, but contributed to abolishing the bubble sooner. The Basle Accords in 1988 purpose was to design a proper evaluation system for different types of bank investments, which now were divided into Tier I and Tier II. These capital classes included private money invested (calculated by the book value of the common stock issued by a bank), subordinated debt, loan loss reserves, preferred stock issued by a bank, and the book value of now up to 45 percent of the unrealized appreciation of common stock owned by a bank (Lebel, 2000). Changes were done by phases and were in full effect in 1993. Soon it was evident, that under these new laws Japanese banks were undercapitalized and they started converting their currently owned stocks and property to oblige.

The right question to raise is why Japanese banks were so late to cut back on their risky assets and, accordingly, slow down the lending to make up for the downsizing of the balance sheet. The answer may dwell in historic keiretsu practice mentioned before. It played a major role in maintaining strong relationships between banks and corporations and opened plenty of pathways for them to engage in various financial and non-financial arrangements. Therefore, as D.K. Nanto examines: “particularly commercial lending, often was relational (based on connections and relations) rather than being purely market based”. Hence, many corporate debt was extended despite banks best long-term interests in mind. In addition, after the asset prices started crashing and defaults started, banks extended small loans in default, to receive payments of interest and keep the loan from becoming bad debt (Nanto, 2009). Besides, banks were just concerned with extending their profit as long as possible.

RESULTS AND IDENTIFIED LESSONS

Analysis results show, that if the Federal Reserve (the “Fed”) in USA had done a better job of learning from Japanese example, the housing bubble and the massive misuse of mortgage related securities would have been stopped before their peaks and the disastrous consequences could have been weakened. By one estimation in early 2009, the global losses in capital valuation resulting from financial crisis may total 50 trillion dollars or about the equivalent of the combined GDP of the entire world (Nanto, 2009). It is worth remembering that not everything was bad in Japan at that time. For example, windows guidance proved to be an effective tool to stimulate lending and also gives the central bank flexibility to provide enough financing for industries with most potential and not the most problematic ones. Nonetheless, after thorough analysis of academic work and economic data concerning the Japanese asset bubble in the late 1980s and early 1990s, I differentiated a lot more negative lessons to the world and possible solutions for them:

Lesson 1. Cautious deregulation. When done properly deregulation can help contribute to stronger growth and more flexibility for financial system participants, but the way it was done in Japan it lacked a supervisory institution that would investigate and then make sure banks were ready to deal with their new powers in a proper manner. Solution: establishing a supervisory institution to overlook financial institutions

as deregulation takes place, to prevent any frauds, unfair or too risky use of consumers' funds and wild speculation.

Lesson 2. Push towards bank sector consolidation in a time of crisis. When Japan's banks started collapsing in the aftermath of the bubble, Japanese government decided to respond by subsidizing them. Along with that money, the government was pressuring the banks to extend credits to firm with not much prospect of return. Because of this, in the words of T. Hoshi and A.K. Kashyap: “Japanese banks are today both dependent and paralyzed by these subsidies”. Solution: after the collapse of “Lehman brothers” in 2008, instead of concentrating on subsidizing every bank that was soon going to follow, the “Fed” pushed for industry consolidation. That seems to have been more effective than what BoJ did, as the main USA banks are still with the elite of the world.

Lesson 3. Quick responses at the time of crisis. According to study by International Monetary Fund (IMF), countries that made best progress after financial crisis took less than 10 months on average before starting a systemic bank restructuring, while the ones with the worst results took about 4 years (Amyx, 2006). By J. Amyx estimates, more than 8 years passed after the crisis in Japan, before such restructuring started to happen. Solution: central banks and governments need to start taking measures immediately after asset bubbles have crashed, because consequences can be prolonged and enlarged, when delaying.

Lesson 4. Extended use of macro prudential tools to make monetary policy decisions. As mentioned before, too often do central banks make their decisions based narrowly on inflation data. Inflation is subject to manipulations and is far from accurately painting the picture of countries economy. Looking mainly at inflation, may have resulted in BoJ needlessly lowering interest rates in the mid- 1980s. Solution: alongside inflation and other highlight macro data, look at statistics connected to countercyclical capital requirements, credit constraints, credit-to-GDP ratio monitoring, and margin requirements (Borio, 2012).

Lesson 5. Prioritizing open market operations. As mentioned before, in the midst of financial crisis, Japan started subsidizing its banks, to not only keep them solvent, but to also maintain lending activity. However, it was not as effective as expected, because besides companies and people that needed loans to stay solvent, other corporations and people were hesitant to loan. It was, what is regarded as “balance-sheet recession”, where companies and households tend to hold off lending, because they are trying to rebalance their assets and liabilities (Nanto, 2009). Banks were also concerned with maintaining their capital adequacy requirements and were not as loose as before, even with the government funding. Solution: once monetary policy has reached its limit (zero interest rates) it is more effect to remove debt by direct government purchases (Nanto, 2009).

Lesson 6. Gradual change to any major accounting laws. The Basle Accords in 1988 had the right idea of lessening the risk banks were taking at the time, but it made the bubble crash harder than it had to be, because banks started to worry about it too late and all at the same time. Solution: any new major accounting changes need to be done gradually over time with strong supervising whether, the compliance is in order.

Lesson 7. Strict capital requirements for banks. Very loose banks capital formation laws in Japan helped to form a situation, where the banks were eager to lend more, because of all of this capital that was growing, on paper, with collateral and stock holdings' appreciation. If they needed to lend more, they took more risk than necessary. Solution: it is far more effective to have lower capital adequacy requirements, but make sure that only a very limited amount of asset appreciation adds to that capital.

CONCLUSION

One of the greatest asset bubbles of all time can be roughly described as a series of changes that created not only excessive, but also mismanaged supply of money. The result of that was, that in 1990 nine of the world's top ten banks were in Japan, but only a decade later, none of them have remained in the top ten and two of them have completely collapsed (Hugh, 1998). Most asset classes prices that peaked during the asset bubble, were never reached again. The losses from property and equity crash in prices is talked to total \$14 trillion or about three times the GDP of Japan at the time. Japanese economy experienced a

recession and a general decline in wealth. Even after the recession, Japan failed to capture the growth it had during and before the asset bubble, despite \$495 billion worth of banks rescue packages (Nanto, 2009). The amount of bad debt held by the banks was told to be even more than that and be equal to about 1 trillion dollars [Amyx, 2006]. Japan was an important market for its regional neighbors, so the 1997 Asian crisis, was in very large part, a consequence of Japan's crisis earlier in the decade. Though the situation is less talked about, it is worse than ever, with Japanese government debt currently standing at 230% of GDP, compared to 1991 when it was about 70% [trading economics].

All in all, Japanese situation in the early 1980s can be somewhat related to a lot of situations around the globe right now. Even though, countries like USA underwent deregulation even earlier than Japan, but the monetary easing and the extension of government debt that followed the crisis in 2008, are similar to Japanese situation in 1990s. Because, most governments are in a worse condition than Japan was in 1980s it makes them even more vulnerable to any bubbles that may come. It also makes me fearful that any consequences that may follow these bubbles, can be more harmful, when governments have already used most of its weapons in the forms of interest rates cuts, open market operations, fiscal stimulus packages and so on. Nonetheless, there are some promising signs around the world already and I hope that, eventually, the lessons I identified from Japanese example, will be implemented and balance sheets around the world would get closer to normalizing.

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IDENTIFICATION OF CONTRIBUTION OF CLUSTERS TO ECONOMIC GROWTH IN THE BALTIC STATES: DOES GROSS VALUE ADDED MATTER?

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ABSTRACT. This paper examines the impact of clusters to the economic growth in the Baltic States over a period of 2004-2012. The performance of the Baltic States' economies is being investigated using the size of employed persons as a factor of strong clusters in regions having an impact on the economic performance output that was measured as a size of gross value added of each economic activity. Thus, the paper aims to find out whether the Baltic States are homogeneous in the composition of gross value added of their economic activities and economic development trends. The research was carried out into the size and structure of the gross value added of economic activities and the analysis of the relationships of the employment share and the gross value added share of economic activities. All of these issues are relevant to the research into the economic impact of clusters. The paper argues that the composition of the gross value added of economic activities across the Baltic States is observed to be similar in those whose share is above 10 percent of the gross value added of all the economic activities. Also, the analysis indicates that the impact of labor input on the gross value added share of the economic activity differs across the Baltic States. The authors believe that the findings of the study add value in cross-country comparison of the Baltic economies and promote discussions on the formation and sustainable development of clusters in the Baltic States.

KEYWORDS: clusters, gross value added, economic growth, regions, the Baltic States

INTRODUCTION

The cluster concept became one of the key strategies of the national and supranational industry policies as the significant growth of linkages across locations became the feature of the global economy. Cluster-based strategies and policies aim at increasing the economy's competitiveness and productivity (Ketels, 2013, p. 271; Dijkstra et al., 2011, p. 3; Doussard et al., 2015, p. 151). Cluster policies have been widely used to promote a local development by Germany, Japan, South Korea, Spain (Kiese et al., 2011, p. 1692; Martin et al., 2011, p. 108), Brazil (Pires et al., 2013, p. 5), European Union (EC, 2010). The ongoing debates are visible on the cluster concept policy and scientific levels seeking to attract foreign partners to regions by going beyond low factor costs (Ketels et al., 2008, p. 377, Córcoles, D., 2015, p. 1527). A cluster concept is also used to implement Smart Specialization Strategy for regions all over Europe (Ketels, 2013, p. 280). When discussing the regional economy there is always a dilemma of how to define the region. What similarities observed in economic, social, political development could allow us to assume that they are attributable to one region. Should the region be homogeneous in resources and the phase of economic development or should the region have some other important characteristics like similar political systems, common currency, the same social systems, similar cultural values or other relevant features. The object of this study was the Baltic States (NUTS, level 2). The Baltic States share a similar history, common political systems, the economy development stages, have access to common resources (labor market, supplier base, etc.). The Baltic countries are part of the larger EU macro region, i.e. the Baltic Sea Region. The Baltic Sea Region includes the Baltic countries (Estonia, Latvia and Lithuania), the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden), northern Germany (Hansestadt Hamburg, Mecklenburg-Vorpommern and Schleswig-Holstein), northern Poland (Pomorskie, Warminsko-Mazurskie and Zachodnio-

Pomorskie) as well as the major parts of Russia's Northwestern Federal District (excluding the four regions least connected to the Baltic Sea Region: the Republic of Komi Arkhangelskaya oblast, Nenetsky AO, and Vologodskaya oblast) according to the report “The State of the Region. The Top of Europe - Striving for Direction in a Complex Environment” by Ch. Ketels and H. Pedersen (Ketels et al., 2015, p. 5). Other researchers assume that the Baltic countries is a part of Central and Eastern Europe which consists of the Czech Republic, Estonia, Lithuania, Latvia, Poland, Romania, Slovakia, Hungary (Blajer-Golebiewska, 2014, p. 48). From a conceptual view, the Baltic States are three different nations and have their own national public administration. From the empirical viewpoint, the Baltic States are part of the European Union and have access to common labor, capital or other market resources. The question is whether it can be assumed that all three Baltic States could be claimed as one region in terms of the same composition of economic activities and the same trends in the development of economic activities.

Thus, the aim of the research is to find out whether the Baltic countries are homogeneous in the composition of gross value added of economic activities and the economic development trends. The research was carried out into the size and structure of gross value added of economic activities and the relationships of the employment share and gross value added share of economic activities were examined thoroughly bearing in mind that all these issues are relevant to the evaluation of the economic impact of clusters. The selection of these factors will be explained hereafter.

This paper starts with an overview of scientific literature on the economic performance of clusters as well as its measurement. Next, the assumptions and the research steps are presented. Section 3 discusses the composition of economic activities in the Baltic countries. The empirical core of this paper with regard to the labor input impact on the gross value added share is presented in Section 4. The last section concludes with a discussion on the implications of the key findings relevant for theory and policy.

CLUSTER MAPPING AND ECONOMIC PERFORMANCE

M. Porter who introduced the definition of a cluster at the end of the 20th century defined clusters as groups of companies and institutions co-located in a specific geographic region and linked by interdependencies in providing a related group of products and/or services (Porter, 1990, p. 85; Porter, 1998, p. 4). The definition of a cluster was used for mapping clusters in the USA (Porter, 2003, p. 550). The cluster definition focuses on a few factors: geography, linkages of economic activities and relatedness of a specific set of economic activities (Porter, 1990, p. 86; Porter, 1998, p. 4; Ketels, 2013, p. 270). A discussion by scholars is being carried out on what matters most: specific sets of industries in a region or a strong cluster in a region (Porter, 2003, p. 571; Cumbers et al., 2004, p. 960; de Vor, F., 2008, p.410; Hausman et al., 2012, 13; Woodward, 2012, p. 6; Ketels, 2013, p. 271, Felzensztein et al., 2012, p. 393). Clusters existence matters to innovation (Porter, 2003, p.) and there is an evidence of that higher levels of innovation an impact on wages (Breau et al., 2014, p. 269).

The definition was also used to map clusters in Sweden (Sölvell et al., 2008, p. 108) and the European Union (Sölvell et al., 2008, p. 106; Ketels et al., 2012, p. 7). Though Porter's definition of clusters is the most frequent one, there are other researchers who define clusters from the perspective of linkages in value adding production chain (Roelandt et al., 1999, p. 15). In Germany, the cluster mapping was performed using concentration measures and the input-output analysis for industrial clusters (Brachert et al., 2011, p. 421).

The economic performance of clusters could be measured at different levels: the firm level, the level of a few interdependent companies, the level of the chain for producing a final product/service, the level of a specific economic activity, the level of a group of economic activities. A different research scope level requires a different research method to be used. The factor to identify clusters and measure their size and impact on the economic performance of the region is employment in a specific economic activity (Porter, 2003, p. 550; Delgado et al., 2011; Kubis et al., 2010, p. 217; Brachert et al., 2011 p. 423; Pires et al., 2013, p. 4).

The research findings that enable to evaluate the economic performance of clusters differ in different geographic locations. While the research on clusters within the USA identified that the strength of a cluster matters despite its specialization (Porter, 2003, p. 551), the research in other geographic areas revealed that specific sets of clusters (economic activities) are characteristic to the location (Hausman et al., 2012, p. 15; Lin, 2011; Ketels, 2013, p. 275; Antonioli et al., 2015, p. 315).

Svell, Ch. Ketels and G. Lindqvist were the first scholars to use Porter's definition for the identification of clusters in the Baltic countries in carrying out the analysis of regional concentration patterns within ten new European Union member states – Cyprus, Slovenia, Malta, Hungary, The Czech Republic, Slovakia, Poland, Estonia, Latvia, Lithuania (Sölvell et al., 2008, p. 110). Their main findings highlighted the regional concentration in those countries as much lower than that in the USA and “slightly lower than that in the old EU member states” (Sölvell et al., 2008, p. 104). The correlation of employment by economic activities across locations is used to identify clusters and cluster categories (Porter, 2003, p. 553; Sölvell et al., 2008, p. 129). Ch. Ketels and S. Protsiv conducted the analysis to answer “whether the presence of clusters makes it more likely that the broader welfare objectives of the New Growth Path are going to be achieved” (Ketels et al., 2013, p. 269). The results of this study, confirm Porter's empirical findings (Porter, 2003, p. 572) that the presence of clusters have a positive and significant impact on average wages (Ketels et al., 2013, p. 17).

ASSUMPTIONS AND RESEARCH STEPS

This study on the possible impact of employment on gross value added of industry relies on a few assumptions. First, the employment size in the industry identifies capacity of the industry in a given location. Also, the research confirmed that clusters have an impact on the average wage size in the region. On the other hand, the compensation of employees is one of the components of the gross value added. Moreover, the capability of workforce to create a larger value in the group of economic activities could be an indicator that this group of economic activities includes cluster groups. The employment distribution through economic activities is an indicator of the region's capacity in a specialized industry. The gross value added generated by industry is the factor which is an indicator of the impact on the economic development of the region.

The analysis was carried out on the basis of the employment data and the gross value added data provided by the EUROSTAT database. The data period was 2004-2012. The data were collected from the three Baltic States: Estonia, Latvia, Lithuania (NUTS, level 2). The following economic activities were analyzed (according to NACE Rev.2): (1) Agriculture, Forestry and fishing, (2) Industry (except construction), (3) Construction, (4) Manufacturing, (5) Wholesale and retail trade, transport, accommodation and food service activities (6) Information and communication, (7) Financial and insurance activities, (8) Real estate activities, (9) Professional, scientific and technical activities; administrative and support service activities, (10) Arts, entertainment and recreation, (11) Public administration, defence, education, human health and social work activities. The last activity is mainly used for the calculations of share in percentage of the economic activity in the country as the main goal of the research was to perform an analysis of economic activities that could be involved in service delivery and production chains.

The first step was to analyze the composition of economic activities by an employment factor in three Baltic countries: Estonia, Latvia, Lithuania. The first attempt to analyze the composition of economic activities in the Baltic countries, Finland and Poland was done earlier using the data of a shorter time period (Rubčinskaitė, 2014, p. 274). It revealed that countries have similarities by employment distribution across the economic activities but there could be a lack of geographical links in the specific economic activity (Rubčinskaitė, 2014, p. 283). This research was done with a purpose to see gross value added composition of economic activities by country. To avoid fluctuations of various natures, the share in percentage of employment in economic activity and the share in percentage of gross value added of the same economic activity were used.

The second step of the research was to test the main hypothesis: the share (%) of employed persons in the economic activity “X” correlates with the share (%) of the output of economic activity – i.e. gross value

added. There were some limitations to use other analytical tools. There was an attempt to retrieve the data for the longer period from the National Statistics Institutions of the Baltic Countries but there was no possibility to obtain all the needed data for all the three NUT 2 regions.

The choice of the Kendall correlation was made because of data limitations: the period of the data is shorter to allow the use of other analysis methods. Kendall's tau was used because the distribution of Kendall's tau has better statistical properties: it is insensitive to error and α values are more accurate with smaller sample sizes. The Kendall correlation method was used in the analysis. A significant correlation was assumed when Kendall's coefficient is > 0.3 or < -0.3 ($\alpha=0.05$).

A COMPOSITION OF ECONOMIC ACTIVITIES IN THE BALTIC COUNTRIES

The Baltic countries are similar in composition of gross value added share of economic activities (see Table 1). The data of the share of gross value added is presented by country in the Appendix (A2, A4, A6). The economic activities are grouped by the share of gross value added. The economic activities of “Industry”, “Manufacturing”, “Wholesale and retail trade, transport, accommodation and food service activities”, “Public administration, defence, education, human health and social work activities” share the largest part of gross value added in all three Baltic countries and the each mentioned economic activity shares more than 10 % of the whole gross value added of the country.

Table 1. Composition of gross value added of economic activities' groups by country*

Share of Gross value added (average of 3 past years)	LITHUANIA	LATVIA	ESTONIA
$\leq 10 \%$	Industry, Manufacturing, (Wholesale and retail trade, transport, accommodation and food service activities), (Public administration, defence, education, human health and social work activities)	Industry, Manufacturing, (Wholesale and retail trade, transport, accommodation and food service activities), (Public administration, defence, education, human health and social work activities)	Industry, Manufacturing, (Wholesale and retail trade, transport, accommodation and food service activities), (Public administration, Defence, Education, human health and social work activities)
$\leq 5 \% < 10 \%$	Construction, (Real estate activities)	(Real estate activities), (Professional, scientific and technical activities; administrative and support service activities)	Construction, (Real estate activities), (Professional, scientific and technical activities; administrative and support service activities)
$< 5 \%$	(Information and communication), (Financial and insurance activities), (Agriculture, forestry and fishing), (Professional, scientific and technical activities; administrative and support service activities), (Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies)	Construction, (Information and communication), (Financial and insurance activities), (Agriculture, forestry and fishing), (Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies)	(Information and communication), (Financial and insurance activities), (Agriculture, forestry and fishing), (Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies)

Source: composed by authors using 2010-2012 Eurostat data.

It should be mentioned that the shares of GVA of the economic activities mentioned above are very different in each country. It contributes to the discussion on the heterogeneity of the Baltic Sea Region and

the European Union members as well as the random clusters distribution through the Baltic countries (Ketels et al., 2015, p. 6; Sölvell, Ö, 2008, p.104).

Some of the clusters that are identified with the highest value added by an average wage in Europe, for example "Pharmaceuticals", "Chemical products", fall in the economic activity category "Manufacturing" that have the highest value added share in Lithuania. The highest value added share in all three Baltic countries is observed in the economic activity "Wholesale and retail trade, transport, accommodation and food service activities". Other clusters like "Financial services", "Information technology" that also recorded the highest wage average in Europe fall in economic activities that have a share of gross value added of less than 5 %. This fact contributes to the fact that small open economies not only rely on trade but are also strongly influenced by a global trade (Ketels et al., 2015, p. 11). Though the composition of economic activities with the share of gross value added between 5 % and 10 % differs in all three countries, the activity of "Real estate activities" is part of this group of economic activities in all three countries.

The fact that Lithuania's gross value added share of economic activity "Professional, scientific and technical activities; administrative and support service activities" is less than 5 % and that Estonia and Latvia show a significant correlation between the input of labor (i.e. a share of persons employed) and the output (i.e. a share of gross value added) contributes to the fact of heterogeneity of the Baltic countries. From the point of the composition of GVA, the share of economic activities all three Baltic countries are similar to the activities with shares $\leq 10\%$ of GVA. The countries with the share of GVA of economic activity smaller than 10 % differ in the composition of this factor.

A geographical concentration of economic activities in the related fields is connected through different types of linkages and became a feature of a modern regional economy. Its impact on economic performance will be discussed further through the labor factor being one of the most used factors for analyzing clustered influence on the outcome of economic activities.

THE IMPACT OF LABOUR INPUT ON GROSS VALUE ADDED SHARE

The question about the impact implies that higher quality input will produce the output of higher value which could be assumed as generated gross value added of the economic activity. The input in this case is persons employed in the economic activity. To carry out the analysis of the main hypothesis, the factors were taken as the share in percentage. In this case, the question arises on how much of labor input is needed for this economic activity to produce a larger gross value added. Does the gross value added rely only on the labor input factor? The differences of the share of the input and output are presented in Table 2. The difference is calculated using the three-year average value (share in percentage, 2010-2012).

Table 2. The difference in the share (GVA % - Persons employed %)

	AGR	IND	MANF	CONSTR	WHO-RET	ICT	FIN-INS	RES	PROF	ARTS
EE	-0.48	0.15	-2.37	-0.58	-1.09	2.07	1.92	6.91	1.71	-1.70
LV	-3.38	1.52	-0.75	-1.35	-1.35	1.76	1.64	7.79	0.44	-1.42
LT	-4.30	4.76	3.17	-0.93	2.41	1.00	0.82	4.41	-1.23	-1.92

Source: calculated by authors using 2010-2012 Eurostat data.

The similarity could be assumed only in the sector "Real estate activities" which requires less labor input to generate a larger share of gross value added. In terms of the economic activity, the countries differ too. Lithuania is the most positive example as the share of labor input by persons employed is less than the generated gross value added by more than 2 % in four economic activities "Industry", "Real Estate activities", "Manufacturing" and "Wholesale and retail trade, transport, accommodation and food service activities". Estonia is the most successful in "Real Estate activities" and "Information and communication" activities. Latvia reaches this result only in the "Real Estate activities". The findings of the analysis within the shares of persons employed and GVA of each economic activity should be discussed broadly and in depth. To measure the likelihood of a correlation between the size of the input and the output, it was

assumed that in this case, the share of the employed persons of all economic activities is the input and GVA of the economic activity is the output of the economic activity. The main hypothesis was tested by applying the Kendall correlation method. A significant correlation was assumed when the coefficient is > 0.3 or < -0.3 ($\alpha=0.05$). The results of all the economic activities by country are presented in the Appendix (Table A1). A significant correlation between the two factors was presented hereafter (Table 3).

Table 3. A correlation between the share (%) of the industry GVA and the share (%) of persons employed by the industry at $\alpha=0.05$.

Country	Industry		τ at $\alpha 0.05$
	Name	Share of GVA (%)	
Estonia	Wholesale and retail trade, transport, accommodation and food service activities	19.56	-0.56
Lithuania		26.14	0.72
Estonia	Manufacturing	13.85	0.50
Estonia	Construction	6.98	0.72
Lithuania		5.06	0.72
Latvia		4.82	0.83
Estonia	Professional, scientific and technical activities; administrative and support service activities	7.63	0.72
Latvia		6.65	0.83
Estonia	Information and communication	4.38	0.33
Lithuania		2.73	-0.67
Estonia	Agriculture, forestry and fishing	3.16	0.39
Latvia		3.53	0.44
Lithuania		3.23	0.44

Source: calculated by authors using Eurostat data of 2004-2012.

The "Construction" economic activity appears the one where the labor input by the share of persons employed has a significant correlation with the generated size of GVA in all three Baltic countries. All other results do not confirm an assumption that all three Baltic countries could be assumed as one region. Estonia and Latvia has a significant correlation ($\tau=0.72$ and $\tau=0.83$ at $\alpha=0.05$) in "Professional, scientific and technical activities; administrative and support service activities" activity. An interesting finding is a significant negative correlation of the share of persons employed with the share of GVA in the activity of "Information and communication" in Lithuania. A meaningful negative correlation between the two factors is observed in "Wholesale and retail trade, transport, accommodation and food service activities" of Estonia.

Figure 1 (a) below displays negatively correlated factors of the activity "Wholesale and retail trade, transport, accommodation and food service activities" of Estonia where Kendall $\tau = -0.56$ at $\alpha=0.05$ which reveals a meaningful negative correlation. Figure 1 (b) displays factors of "Wholesale and retail trade, transport, accommodation and food service activities" of Latvia where Kendall $\tau = -0.28$ at $\alpha=0.05$ which shows no meaningful correlation. Figure 1 (c) displays factors of "Wholesale and retail trade, transport, accommodation and food service activities" of Lithuania where Kendall $\tau = 0.72$ at $\alpha=0.05$ which reveals a strong positive meaningful correlation.

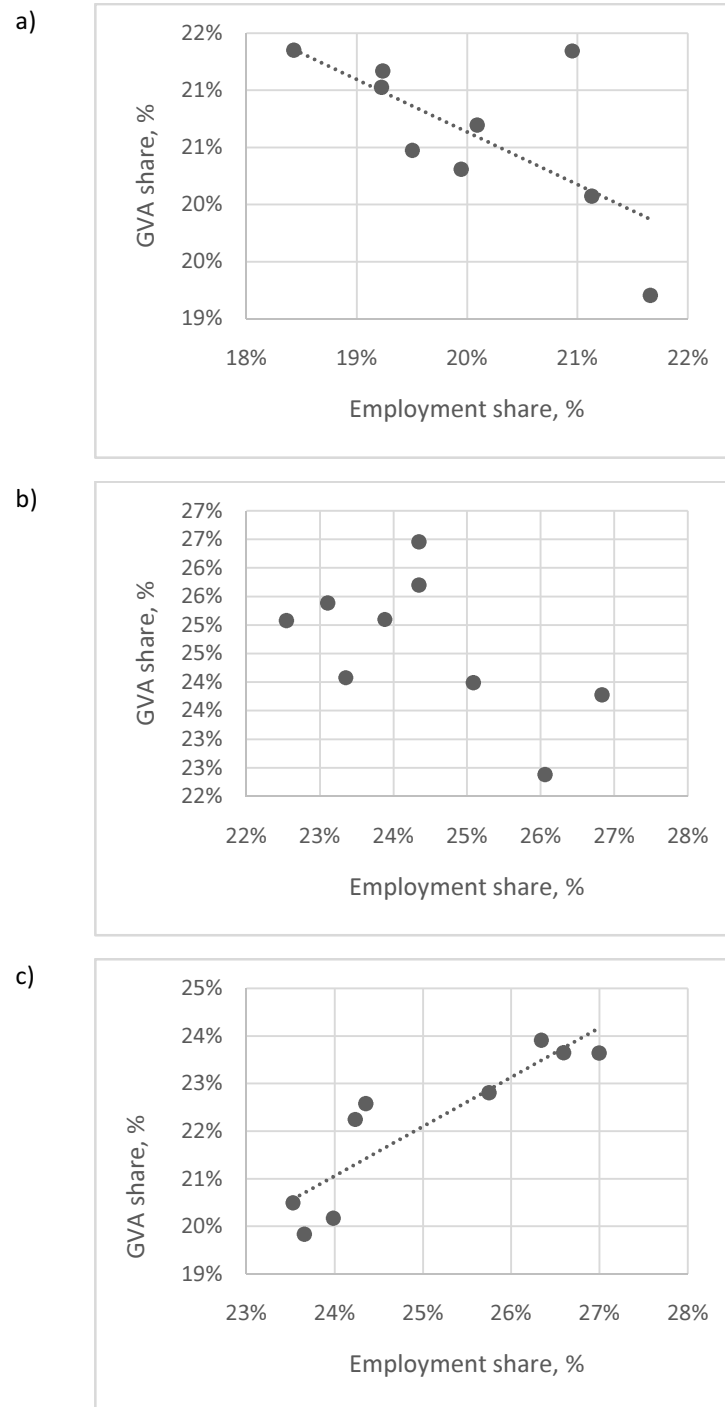


Figure 1. Wholesale and retail trade, transport, accommodation and food service activities, (a) Estonia, (b) Latvia, (c) Lithuania. Source: calculated by authors using Eurostat data of 2004-2012.

Even the Kendall correlation τ could be assumed meaningful in the cases of Estonia and Lithuania, the data lacks of longer period data to make strong conclusions, except for the fact that one of the largest economic activity groups (share in % is from 20% to 26% of employment) generates the largest share of gross value added in all three countries and the impact of the employment factor differs from negative to strong positive across the Baltic countries.

Despite the fact the economic activities “Industry” and “Manufacturing” employ 12-19 % of the labor force, the analysis does not show the impact of this factor on the size of the gross value added of these sectors. Nonetheless, the “Construction” economic activity shows a strong correlation of the employment size on the generated GVA. Figure 2 (a, b, c) displays the factors of the activity in Estonia, Latvia and Lithuania.

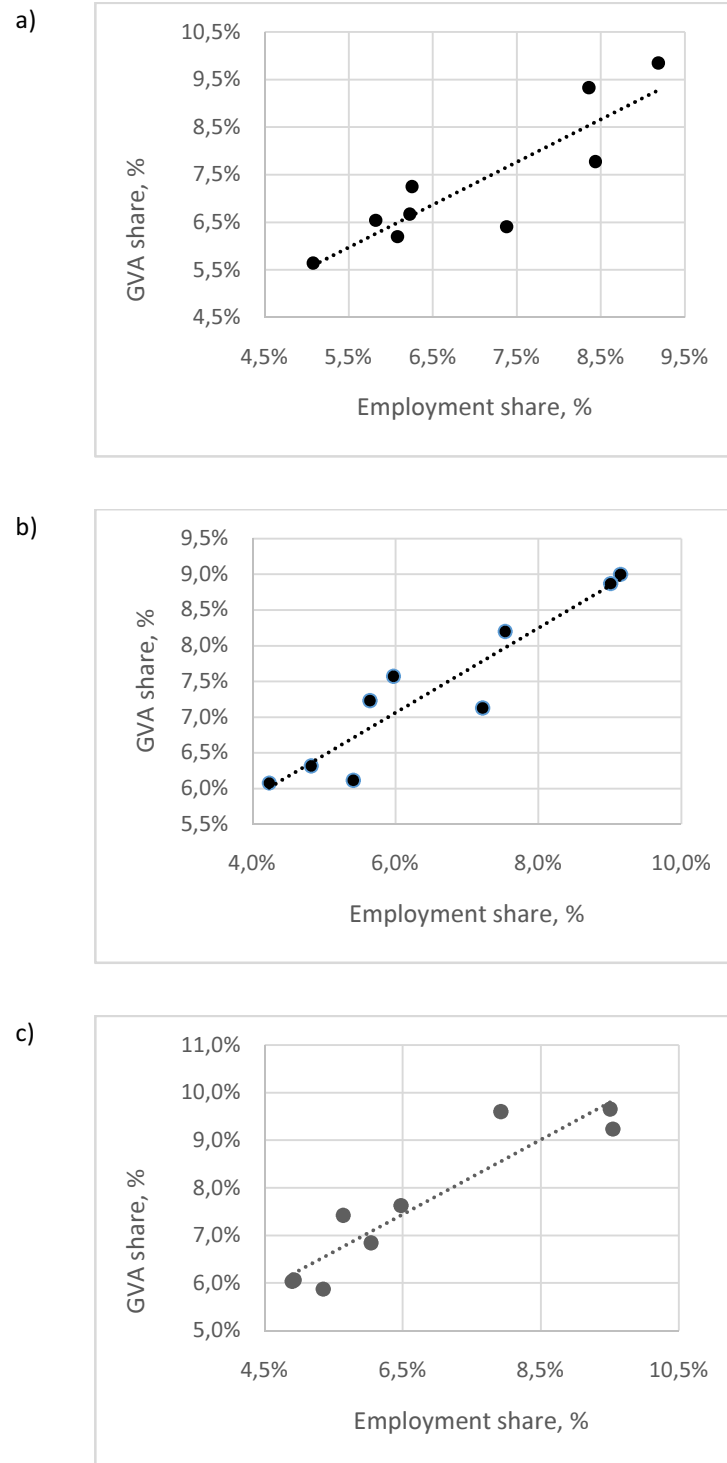


Figure 2. Construction economic activity, (a) Estonia, (b) Latvia, (c) Lithuania. Source: calculated by authors using Eurostat data of 2004-2012.

Though a positive correlation of the “Construction” economic activity is a sign of a similarity of this sector in all three Baltic States, the fact that should be considered is that this sector requires a larger share of the input. The explanation why this happens could be diverse and ranges from the old technology to other specific characteristics of the sector.

The analysis of the two sectors such as “Professional, scientific and technical activities; administrative and support service activities” and “Information and communication” shows the results for further discussion.

The sector “Professional, scientific and technical activities; administrative and support service activities” shows strong Kendall’s tau correlation in Estonia and Latvia (EE $\tau=0.72$; LV $\tau=0.83$ at $\alpha=0.05$) what means that in this sector labor input has a strong impact on the generated GVA. Yet, this is not the case of Lithuania. Therefore, no assumption could be made that this sector is homogeneous in all three Baltic Countries.

The “Information and communication” economic activity group identifies a slight correlation of the labor input impact on the GVA in Estonia ($\tau=0.33$ at $\alpha=0.05$). There is no correlation between these factors observed in Latvia. A meaningful negative correlation ($\tau= -0.67$ at $\alpha=0.05$) between the factors in “Information and communication” of Lithuania could be interpreted as a fact that a larger share of employment in the ICT activity reduces its GVA share. However, the IT sector’s wage average is larger in Latvia and Lithuania, according to the report “Clusters and the New Growth Path for Europe” (Ketels et al., 2013). To understand the causes of this negative association, it is necessary to carry out a further and in-depth research on the GVA composition in this sector or on the characteristics of the sector.

In Estonia, the labor input impact on economic performance was identified in the following economic activities: positive - in “Manufacturing” (the share of GVA $\geq 10\%$), negative - in “Wholesale and retail trade, transport, accommodation and food service activities” (the share of GVA $\geq 10\%$), positive - in “Construction” and “Professional, scientific and technical activities; administrative and support service activities” ($\leq 5\%$ share of GVA $< 10\%$), a slight positive - in “Agriculture, forestry and fishing”, “Information and communication” (the share of GVA $< 5\%$).

In Latvia, the labor input impact on economic performance was identified in the following economic activities: positive - in “Professional, scientific and technical activities; administrative and support service activities” ($\leq 5\%$ share of GVA $< 10\%$), positive - in “Construction” and small positive in “Agriculture, forestry and fishing” (share of GVA $< 5\%$).

In Lithuania, the labor input impact on economic performance was identified in the following economic activities: positive - in “Wholesale and retail trade, transport, accommodation and food service activities” (the share of GVA $\geq 10\%$), positive - in “Construction” ($\leq 5\%$ share of GVA $< 10\%$), a slight positive impact - in “Agriculture” and a significant negative impact - in “Information and communication” (the share of GVA $< 5\%$). Lithuania’s economic activities “Industry” and “Manufacturing” – require less human resources, i.e. the share of persons employed is less by 3-4 % than GVA.

Even though the Baltic States are similar in composition by GVA, in the cases of larger GVA economic activities, the economic performance differs to a great extent. The labor input impact on economic performance is similar only in one economic activity - “Construction”. The same relationship in the same economic activity was identified once throughout the Baltic countries. This fact contributes to the heterogeneity of the Baltic States as well as of whole Baltic Sea Region countries (Ketels, 2015, p. 5).

DISCUSSION AND CONCLUSIONS

The Report “Clusters and the New Growth Path for Europe” (Ketels et al, 2013, p. 39) presents the findings on the new growth path performance characteristic to all the European Union regions and includes following indicators: economic prosperity, social inclusion, environmental sustainability. The indicator of economic prosperity includes a few other indicators: GDP per capita, disposable income per capita, gross value added per hour of work and a long-term unemployment rate. To achieve the goals of the New Growth Path of Europe, the regions will have to compete on value, invest in knowledge and skills (Ketels et al., 2013, p. 4). A Low Road could be characterized by a competition on price, maximizing returns from existing capital stocks, pressure on wages and input prices (Ketels et al., 2013, p. 4). The Baltic States generated 4.5 % GDP of the Baltic Sea Region (Ketels, 2015, p. 6), although all three Baltic States score at the lowest rate of economic prosperity while their neighbors in the North score at the highest. According to the report, the scores of social inclusion and environmental sustainability are also different in all three Baltic States (Ketels et al, 2013, p. 28). The Regional Competitiveness Index (RCI) revealed that Eastern and Central Europe regions have lower scores than the northwest Europe regions (Dijkstra et al., 2011, p.14).

Even though the clusters are related to geography, business environment and value creation, our research has a target to answer the questions about the homogeneity of the Baltic States and a possible impact of the clusters identified by former researchers on value creation in economic activities that are concentrated in the region. We have identified that the GVA composition in Lithuania, Latvia and Estonia is similar: the largest economic activities that contributed most to GVA are the same in all three Baltic States (“Industry”, “Manufacturing”, “Wholesale and retail trade, transport, accommodation and food service activities”). There are only a few sectors in all three Baltic States that are of the similar % share of GVA and the correlation between GVA and persons employed is strong (i.e. “Construction”, “Agriculture, forestry, fishing”). These sectors fall into the category that generates less than 10% of the total GVA. An interesting fact is that some of the economic activities create a larger share of GVA across the country economy using less labor input measured by share of employment in the sector, for example, the share in percentage of persons employed is less by 4.4 – 7.7 % of GVA in “Real Estate activity”. Based on our own calculations, the economic activities that include such clusters as “Financial services”, “Information and communication” do not show a strong correlation between the employed human resources and GVA on the macro level of economic activity.

Our research contributes to the fact of heterogeneity of the Baltic States and the Baltic Sea Region in general. We should stress that some of the economic activities are similar in composition and development trends. Nevertheless, the ones that were under a huge support of the Industrial Policy of the Baltic States, for example “Information and communication” economic activity, demonstrates the results that will require a further deeper analysis. Bearing in mind that not all economic activities are needed to organize into clusters in the same geographic location (Porter, 2003, p. 570), the results of our research could be interpreted as the ones that will require a deeper analysis of each economic activity that could be the one that could help to develop the higher value added creation in the region. The heterogeneity is also an issue to the policy makers - what is more important to the region: convergence in economic activities or convergence in economic prosperity and how to achieve it. The heterogeneity could also be an added value of the region if the economic activities have strong relations to participate in global value chains. Also, the concentration of economic activities and the strength of clusters in the region depend on business environment in the region and could be the cause of heterogeneity. The authors of this research would recommend the Industrial Policy makers to evaluate all the factors to create a supportive environment for the clusters to be strong in the region: the capability of the economic activity or a cluster to generate higher added value, the business environment, the needed resources. It is obvious that to be successful is not enough to have only the national goals for every Baltic State. There is a strong need to cooperate the policies of all the Baltic States to overcome the poor economic prosperity. The issue of what the region belongs to – the Baltic Sea Region or Central and Eastern Europe – also requires a deeper analysis. The goal to be part of the Baltic Sea Region could be the one to help but also could be an obstacle because of the geographic proximity, especially if the Baltic States are strong in industries that require their geographic proximity to be successful.

The recommendation to policy makers would be first to answer the question about which industry or cluster of economic activities could help to achieve higher economic prosperity and whether the countries possess the needed environment and resources. The big share of the economic activity of “Wholesale and retail trade, transport, accommodation and food service” adds to the statement that small nations of the Baltic Sea Region depend on a global trade which could be the weakness as dependence as well as the strength as the traded industries require a higher development of the related activities to trade globally. The economic activities where the input of labor matters to the economic performance is of a further research interest to look for interdependence throughout the Baltic States. The results of our research that not all macro-economic activities demonstrate a correlation with the labor input also require a deeper future analysis. For the further research, the aim would be to include other indicators of resources or economic prosperity or other dimensions that could help to increase the competitiveness of the regional economy.

A cluster success is strongly correlated with the value creation and good business environment in the region, thus some of our research results identify the correlation between the resources in the region and the gross value added development. In the future clusters should find ways to combine their strengths and join their forces in order to increase the competitiveness of the region's economy. This would be an interesting topic for our future research.

APPENDIXES

A1. Kendall tau meaning at $\alpha = 0.05$ for correlation between the share (%) of employed persons in the industry and the share (%) of gross value added of the industry.

The full name of the economic activity	A short name of the economic activity (industry)	Estonia	Latvia	Lithuania
Agriculture, forestry and fishing	AGR	0.39	0.44	0.44
Industry	IND	0.11	(-0.17)	0.11
Manufacturing	MANF	0.5	0.17	0.06
Construction	CONSTR	0.72	0.83	0.72
Wholesale and retail trade, transport, accommodation and food service activities	WHORET	(-0.56)	(-0.28)	0.72
Information and communication	ICT	0.33	0	(-0.67)
Financial and insurance activities	FININS	0	(-0.11)	0.22
Real estate activities	RES	0.22	0.22	0
Professional, scientific and technical activities; administrative and support service activities	PROF	0.72	0.83	0.28
Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies	ARTS	0.22	(-0.17)	0

Source: calculated by authors using Eurostat data of 2004-2012.

A2. A composition of gross value added by the economic activity in Estonia in the period of 2004-2012.

	AGR. Share, %	IND. Share, %	MANF. Share, %	CONST R. Share, %	WHO- RET. Share, %	ICT. Share, %	FIN- INS. Share, %	RES. Share, %	PROF. Share, %	ARTS. Share, %	PUB- ADM. Share, %
2004	3.3%	18.5%	14.4%	6.1%	21.7%	4.2%	3.3%	8.4%	6.1%	2.4%	11.7%
2005	3.0%	18.1%	14.2%	7.4%	21.1%	4.0%	3.4%	8.4%	6.6%	2.4%	11.4%
2006	2.7%	17.9%	14.1%	8.4%	21.0%	3.9%	3.8%	8.4%	6.7%	2.3%	10.9%
2007	3.0%	17.4%	13.7%	9.2%	20.1%	3.9%	4.1%	8.2%	6.9%	2.3%	11.2%
2008	2.4%	17.2%	13.4%	8.4%	19.2%	4.3%	4.7%	8.3%	7.2%	2.1%	12.8%
2009	2.1%	17.4%	12.4%	6.3%	18.4%	4.8%	3.8%	9.3%	8.0%	2.1%	15.4%
2010	2.7%	19.0%	13.5%	5.1%	19.2%	4.5%	3.5%	8.6%	7.7%	2.0%	14.1%
2011	3.3%	19.1%	14.2%	5.8%	19.5%	4.3%	3.3%	8.3%	7.5%	1.9%	12.7%
2012	3.4%	18.6%	13.9%	6.2%	19.9%	4.3%	3.3%	8.5%	7.6%	2.0%	12.3%

Source: calculated by authors using Eurostat data of 2004-2012

A3. A composition of employment by the economic activity in Estonia in the period of 2004-2012.

	AGR. Share, %	IND. Share, %	MANF. Share, %	CONST R. Share, %	WHO- RET. Share, %	ICT. Share, %	FIN- INS. Share, %	RES. Share, %	PROF. Share, %	ARTS. Share, %	PUB- ADM. Share, %
2004	4.7%	21.4%	18.4%	6.2%	19.2%	1.8%	1.1%	1.4%	3.8%	3.5%	18.5%
2005	4.1%	21.0%	18.2%	6.4%	20.1%	2.1%	0.9%	1.3%	4.4%	3.9%	17.6%
2006	4.0%	19.5%	17.1%	7.8%	21.3%	1.9%	1.0%	1.3%	4.3%	4.2%	17.7%
2007	3.9%	18.8%	16.7%	9.8%	20.7%	1.8%	1.2%	1.3%	4.6%	4.3%	16.9%
2008	3.2%	19.2%	17.1%	9.3%	21.0%	2.0%	1.3%	1.3%	4.9%	3.8%	16.8%
2009	3.3%	18.4%	16.1%	7.2%	21.4%	2.1%	1.7%	1.3%	5.4%	3.7%	19.5%
2010	3.5%	18.7%	16.0%	5.6%	21.2%	1.9%	1.4%	1.6%	6.0%	4.0%	20.2%
2011	3.7%	19.2%	16.7%	6.5%	20.5%	2.4%	1.5%	1.5%	5.7%	3.4%	18.8%
2012	3.8%	18.4%	15.9%	6.7%	20.3%	2.6%	1.5%	1.5%	6.1%	3.6%	19.7%

Source: calculated by authors using Eurostat data of 2004-2012

A4. A composition of gross value added by the economic activity in Latvia in the period of 2004-2012.

	AGR. Share, %	IND. Share, %	MANF. Share, %	CONST R. Share, %	WHO- RET. Share, %	ICT. Share, %	FIN- INS. Share, %	RES. Share, %	PROF. Share, %	ARTS. Share, %	PUB- ADM. Share, %
2004	4.2%	15.5%	12.2%	5.6%	26.1%	4.3%	3.3%	8.0%	4.6%	2.4%	13.7%
2005	3.8%	14.3%	11.5%	6.0%	26.8%	4.0%	3.9%	8.4%	5.3%	2.5%	13.4%
2006	3.3%	13.5%	10.8%	7.5%	25.1%	3.7%	4.6%	10.1%	5.2%	2.6%	13.7%
2007	3.3%	13.0%	10.3%	9.0%	23.1%	3.2%	4.7%	10.8%	5.8%	2.7%	14.0%
2008	3.0%	13.0%	9.7%	9.1%	22.5%	3.5%	5.0%	9.9%	6.3%	2.6%	15.2%
2009	3.3%	14.3%	9.8%	7.2%	24.3%	3.8%	3.2%	10.1%	6.3%	2.4%	15.2%
2010	3.9%	16.6%	11.8%	4.2%	24.3%	4.1%	3.0%	9.0%	6.4%	2.4%	14.1%
2011	3.4%	16.0%	11.6%	4.8%	23.9%	3.8%	3.6%	9.8%	6.8%	2.6%	13.7%
2012	3.3%	15.7%	11.5%	5.4%	23.4%	3.9%	3.7%	10.5%	6.7%	2.7%	13.3%

Source: calculated by authors using Eurostat data of 2004-2012.

A5. A composition of employment by the economic activity in Latvia in period of 2004-2012.

	AGR. share, %	IND. share, %	MANF. Share, %	CONST R. share, %	WHO- RET. Share, %	ICT. Share, %	FIN- INS. Share, %	RES. Share, %	PROF. Share, %	ARTS. Share, %	PUB- ADM. Share, %
2004	11.1%	16.1%	14.1%	7.2%	22.4%	1.5%	1.4%	1.8%	3.9%	3.7%	16.7%
2005	9.6%	15.9%	13.9%	7.6%	23.8%	1.6%	1.5%	1.7%	4.0%	3.8%	16.7%
2006	8.9%	15.4%	13.5%	8.2%	24.0%	1.5%	1.6%	1.8%	4.4%	3.6%	17.1%
2007	7.1%	14.6%	12.7%	8.9%	25.4%	1.8%	1.7%	1.9%	5.4%	3.6%	16.9%
2008	6.6%	14.7%	12.6%	9.0%	25.1%	1.8%	1.8%	2.0%	5.4%	3.9%	17.1%
2009	7.5%	13.9%	11.5%	7.1%	25.7%	1.9%	1.9%	2.1%	5.7%	4.0%	18.7%
2010	6.9%	14.4%	12.2%	6.1%	26.5%	2.1%	1.8%	2.0%	5.6%	4.0%	18.6%
2011	7.0%	14.6%	12.3%	6.3%	25.1%	2.2%	1.8%	2.0%	6.0%	4.0%	18.7%
2012	6.8%	14.9%	12.7%	6.1%	24.1%	2.2%	1.7%	2.0%	7.1%	3.9%	18.5%

Source: calculated by authors using Eurostat data of 2004-2012.

A6. A composition of gross value added by the economic activity in Lithuania in the period of 2004-2012.

	AGR. Share, %	IND. Share, %	MANF. Share, %	CONST R. Share, %	WHO- RET. Share, %	ICT. Share, %	FIN- INS. Share, %	RES. Share, %	PROF. Share, %	ARTS. Share, %	PUB- ADM. Share, %
2004	3.9%	21.1%	16.7%	6.0%	23.2%	3.7%	1.6%	5.2%	4.1%	1.9%	12.6%
2005	4.0%	20.8%	16.8%	6.5%	23.5%	3.4%	1.8%	5.3%	4.3%	1.9%	11.9%
2006	3.5%	19.9%	16.3%	7.9%	23.0%	3.3%	2.4%	5.5%	4.4%	1.7%	12.0%
2007	3.2%	18.5%	15.1%	9.5%	23.7%	3.2%	3.0%	5.7%	5.0%	1.5%	11.6%
2008	3.2%	18.1%	14.8%	9.5%	23.9%	2.9%	2.9%	6.0%	4.9%	1.4%	12.4%
2009	2.4%	18.2%	14.3%	5.6%	25.2%	3.4%	2.2%	6.4%	5.5%	1.8%	15.0%
2010	2.8%	19.6%	15.8%	4.9%	26.1%	3.1%	2.4%	5.6%	4.9%	1.6%	13.2%
2011	3.2%	20.4%	16.9%	5.4%	25.8%	2.6%	2.2%	5.2%	4.6%	1.5%	12.2%
2012	3.7%	20.5%	17.1%	4.9%	26.5%	2.5%	1.7%	5.1%	4.8%	1.5%	11.7%

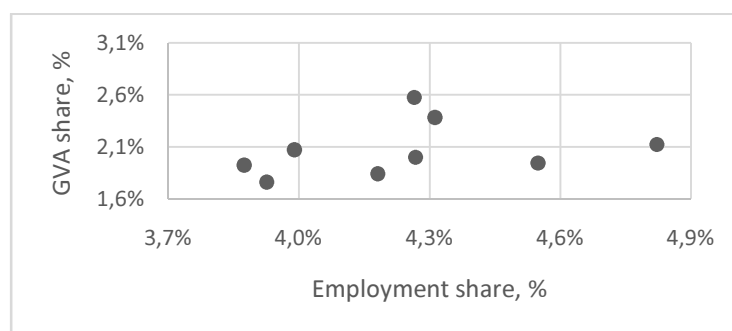
Source: calculated by authors using Eurostat data of 2004-2012.

A7. A composition of employment by the economic activity in Lithuania in the period of 2004-2012.

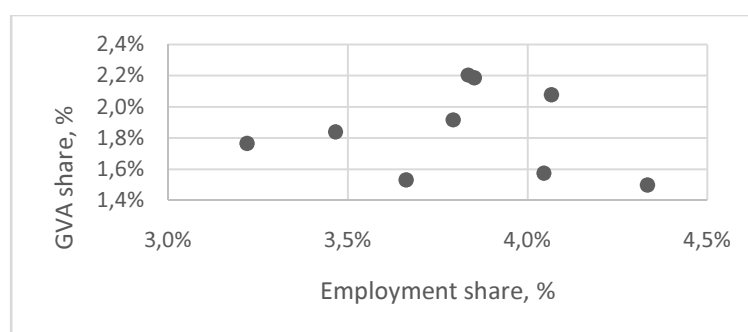
	AGR. Share, %	IND. Share, %	MANF. Share, %	CONST R. Share, %	WHO- RET. Share, %	ICT. Share, %	FIN- INS. Share, %	RES. Share, %	PROF. Share, %	ARTS. Share, %	PUB- ADM. Share, %
2004	13.3%	17.1%	14.7%	6.8%	19.8%	1.1%	0.9%	0.5%	3.0%	3.5%	19.3%
2005	11.9%	17.3%	15.2%	7.6%	20.2%	1.2%	1.0%	0.6%	3.4%	2.4%	19.2%
2006	11.8%	16.5%	14.7%	9.6%	20.5%	1.1%	1.0%	0.7%	3.8%	2.7%	17.7%
2007	8.7%	16.6%	14.4%	9.7%	22.2%	1.3%	1.3%	0.6%	4.1%	2.3%	18.9%
2008	6.9%	16.8%	14.6%	9.2%	22.6%	1.5%	1.1%	0.7%	4.8%	3.1%	18.8%
2009	7.7%	15.7%	13.7%	7.4%	22.8%	1.5%	1.3%	0.7%	5.3%	3.4%	20.3%
2010	7.6%	15.2%	13.3%	6.0%	23.6%	1.5%	1.4%	0.9%	5.9%	3.3%	21.1%
2011	7.3%	15.4%	13.5%	5.9%	23.9%	1.8%	1.2%	0.9%	6.0%	3.5%	20.7%
2012	7.6%	15.6%	13.6%	6.1%	23.6%	1.9%	1.2%	0.9%	6.0%	3.6%	19.9%

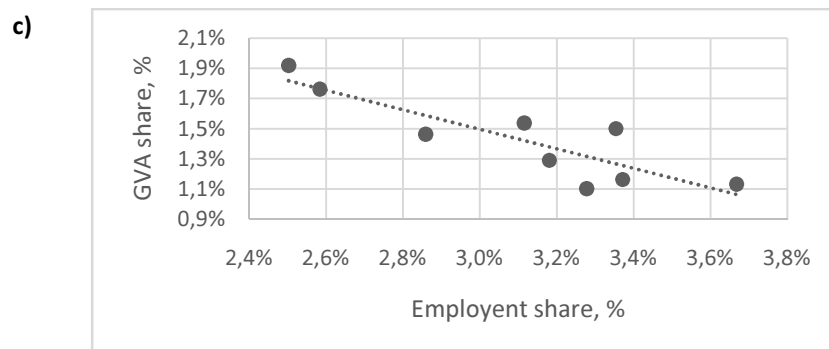
Source: calculated by authors using Eurostat data of 2004-2012.

a)



b)





A8. Figure. Information and communication, (a) Estonia, (b) Latvia, (c) Lithuania. Source: calculated by authors using Eurostat data of 2004-2012.

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FINANCIAL CONTAGION AMONG NEW MEMBER STATES OF THE EUROPEAN UNION: GRANGER CAUSALITY APPROACH

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ABSTRACT. This paper examines the contagion effect on the sovereign debt markets of new member states (NMS) of the European Union, PIIGS and three core EMU economies (France, Germany, the United Kingdom) from May 2004 to December 2014. The analysis investigates interdependence by utilizing Granger causality method to estimate the connectivity as mutual relationship between NMS and some EMU countries. Furthermore, the dynamic approach to assess the degree of Granger causality within the 81 pairs of government bond yields, in order to define periods of strengthening interaction among the countries, which associated with contagion. The estimations confirm that the contagion effect is not influential in the risk-off period throughout all the analyzed countries but significantly strengthen during the crisis. Therefore, findings of time-varying nature of causal relationships underline that government bond yields were much more triggered by PIIGS than 3 core EMU countries assessing the full analysis period.

KEYWORDS: Government bond yields, Contagion, Granger-causality, time-varying approach, European Union

INTRODUCTION

The recent European sovereign debt crisis has been distinguished by quick dispersal across borders and large-scale regional spillovers of market volatility. The financial market in Europe became strongly distressed after the huge difficulties in the Greek government debt service that culminated in the rescue of May 2010. However, this financial distress has been spread differently throughout European countries. Thus, some countries, particularly those that are included in the PIIGS group, encountered a transmission of shocks whereas the impact on other countries (like Germany or the UK) has transmitted at a less severe rate. Moreover, as V. Constancio (2012) noted, one of the most significant inducements and justifications for providing financial support to Greece was precisely the "fear" of financial turmoil contagion. In fact, policy-makers were faced with the task of developing effective mechanisms to prevent the diffusion of such market turbulences. These issues require the improvement of empirical studies on the spillover effect and contagion in EU countries. The financial contagion effect of government bond yields between EMU countries has already been analyzed quite extensively, but still little is known about government bond yields issued by new member states (hereinafter abbreviated NMS) of the European Union and their connectivity. To overcome this deficiency and to contribute to a better comprehension of the development in this region, this study focuses on measuring the contagion effect of NMS government bond yields as well as their relationship with 3 core EMU economies (i.e. Germany, France, and the UK) and PIIGS countries. The aim of this study is to investigate the occurrence of the financial contagion effect between NMS (mutual relationship) and some EMU countries. The main tasks to realize the objective are the following - to analyze theoretical approach of the contagion effect and view the studies related to NMS issues than assess the connectivity as mutual relationship between NMS and some EMU countries. In order to explain the long-term dynamics of the sovereign debt markets, an analysis has been carried out on the time period spanning from May 2004, after the accession to the EU and well before the global financial crisis, until December 2014 when the market turmoil sufficiently subsided. Moreover, the analyzed period suited this purpose because since the start of EU membership, NMS economies were making genuine progress towards improving macroeconomic fundamentals as well as implementing structural reforms. Thereafter, these countries faced shockwaves emanating largely from advanced economies, notably the 2008 credit

crisis. However, the sample period excludes times when analyzed countries suffered home-grown difficulties or crises before 2004.

In this paper, the Granger causality econometric method is used to capture the connectivity between NMS (mutual relationship) and some EMU countries as applied to the monthly sovereign bond yields. Furthermore, by definition, the Granger causality test method incorporates a time dimension that is defined as a predictive relationship between past values of one variable and the future values of another.

The paper is structured as follows. Section 2 reviews the related academic literature on describing the definition of contagion and reviews the studies related to the NMS context; Section 3 describes the data employed in the estimation; Section 4 discusses the econometric methodology related to Granger causality test estimation; Section 5 reports and discusses the estimation results of the model; Section 7 summarizes the main findings and discusses the implications of the overall results for CEE countries.

LITERATURE REVIEW

The literature reveals a considerable amount of ambiguity concerning an accurate definition of contagion, but there is no generalized theoretical or empirical definition on which researchers commonly rely. Furthermore, there is no unanimous agreement on the econometric methodology to be used. The most frequently used and analyzed definitions of contagion are summarized in the following table.

Table 1. Definitions of contagion

	Definition	Author
1.	<p><i>Broad Definition:</i> Contagion is the cross-country transmission of shocks or the general cross-country spillover effect.</p> <p><i>Restrictive Definition:</i> Contagion is the transmission of shocks to other countries or the cross-country correlation, beyond any fundamental link among the countries and beyond common shocks. This definition is usually referred to as excess co-movement, commonly explained by herding behavior.</p> <p><i>Very Restrictive Definition:</i> Contagion occurs when cross-country correlations increase during "crisis times" relative to correlations during "tranquil times."</p>	World Bank - Definitions of Contagion
2.	Contagion sees a significant increase in cross-market linkages after a shock to one country (or group of countries). Moreover, contagion is over-accepted if one ignores the changes that occur in the variance when measuring for changes in correlation.	Forbes and Rigobon, (2002)
3.	Contagion arises when common shocks and all channels of potential interconnection are either not present or have been controlled for. "Pure" or "true" contagion should be distinguished from "fundamentals-based" contagion, which is caused by "monsoonal effects" and "linkages".	Masson, (1999); Kaminsky and Reinhart, (2000)
4.	<p>Contagion is a significant increase in the probability of a crisis in one country, conditional on a crisis occurring in another country.</p> <p>Contagion occurs when volatility spills over from the crisis country to the financial markets of other countries.</p> <p>Contagion sees a significant increase in co-movements of prices and quantities across markets, conditional on a crisis occurring in one market or group of markets.</p> <p>(Shift-) contagion occurs when the transmission channel is different after a shock in one market.</p> <p>Contagion occurs when co-movements cannot be explained by fundamentals.</p>	Pericoli and Sbracia, (2003)
5.	Contagion is defined as the transmission of unanticipated local shocks to another country or market.	Dungey (2005),
6.	Contagion is the co-movement in excess of that implied by the empirical model, i.e. above and beyond what can be explained by fundamentals taking into account their natural evolution over time.	Bekaert et al., (2011)

Source: Author's analysis

The definition derived by Dungey (2005) is consistent with Masson (1998, 1999a, b), who categorizes shocks to asset markets as either common, spillovers that result from some identifiable channel, locale or contagion, and Forbes and Rigobon (2002), who describe contagion as being represented by an increase in correlation during periods of crisis. In some cases, the contagion is related to the situation that crises can be identified with peaks in volatility, and then it is interpreted as volatility spillovers from one market to another. Hence, the contagion occurs when volatility spillover from the risk-on economy happens to the financial markets in other countries (Alter et al., 2014).

Moreover, Pericoli and Sbracia (2003) described five different definitions of contagion mostly used in the literature, while The World Bank noted three different categories of fundamental links (financial, real and political dimensions) within contagion. However, in order to measure the phenomenon of contagion quantitatively for this paper, the broad definition suggested by the World Bank is used.

In addition, the literature distinguishes two different concepts of crisis transmission mechanisms. One of the concepts explains that after the beginning of a crisis in one particular country, the interdependence of the economies via real and financial linkages may transmit market tensions. Moreover, the proponents of this concept specify that the economic fundamentals of different countries can be interpreted as interconnected by their cross-border flows of capital as well as goods and services. In some cases, these effects of crisis transmission mechanisms are called spillovers (Masson, 1999; Alter, 2014) or fundamentals-based contagion (Kaminsky et al., 2000). The other concept explains that changes related to investors' risk aversion and market imperfection are the most significant for the extension of financial turmoil. Due to information asymmetries, the financial uncertainty in one country can create a chain reaction where such instability attaches itself to other countries because uninformed or less informed investors may have a tendency to follow the behavior of other investors instead of interpreting an informed signal from the falling price and making a substantive decision. According to Puig et al. (2014), the degree of non-anticipation of a crisis by investors or sudden shifts in market confidence and expectations have been identified as important factors causing "pure" contagion.

There is very little systematic analysis regarding the contagion effect related to government borrowing costs in NMS. A range of previous papers has focus on long-run relationships and sensitivity of NMS countries to other European countries. Among such studies, Voronkova (2004) identified the interdependence of the Hungary, Poland, and Czech Republic and UK, German, French stock markets and provided that structural changes are properly accounted for (used daily data for the period 1993–2002). These conclusions were confirmed by Syriopoulos (2007) after the estimation of Johansen's co-integration methodology over the period 1997–2003. Furthermore, there is noted that analyzed Hungary, Poland, Czech Republic and Slovakia markets tend to display stronger linkages with their mature counterparts (US or German) rather than their neighbors

More recently there were a number of studies based on Dynamic Conditional Correlation multivariate GARCH model or with slight its modifications. Syllignakis et al. (2011) provided substantial evidence of the existence of contagion effects due to herding behavior during the period of the 2007–2009 market turmoil, especially in the second half of 2008 between NMS countries and German stock market. The authors make a conclusion, that the transmission of the European debt crisis is related to the increased participation of foreign investors in the CEE markets, and the developed financial liberalization, particularly after the accession of the CEE to the EU in 2004. Furthermore, Li and Majerowska (2008) have used the same method of calculation, analyzed transmission process between from the United States and Germany to the Polish and Hungarian stock markets during 1998–2005 period and found sufficiently limited contagion from the core markets. The research of Horvath and Petrovski (2013) investigated the relationships of the Central European (Poland and Czech Republic) and South Eastern European economies (Croatia, Macedonia and Serbia) with EMU markets through the period 2006–2011, the integration of CEE-3 markets with international markets was far deeper. They defined that the correlation remaining relatively stable at around 0.6, even during the recent crisis.

All in all, previous research gives somewhat mixed results in reference to several NMS. Some papers find a long-term relationship between some NMS and EMU markets. Nevertheless, it seems that the current

study does not provide a detailed analysis that covers all the NMS and investigate financial contagion effect between NMS (mutual relationship) and EMU countries.

ECONOMETRIC METHODOLOGY

In reference to the euro area sovereign debt markets, the methodologies used to evaluate the contagion process mostly vary among correlation-based measures, conditional value-at-risk methods or the Granger causality approach (Constancio [2012], Kalbaska et al. [2012], Metiu [2012], Caporin et al. [2013], Beirne et al. [2013], Gorea et al. [2014], Ludwig [2014], Claeys et al. [2014] and Puig et al. [2014]). One of the most detailed reviews of the different measures proposed in the literature to estimate the linkages is presented by Pericoli et al. (2003), Dungey et al. (2005) and Billio (2012).

The starting point of this empirical analysis was the Augmented Dickey-Fuller Test that failed to reject the null hypothesis of the government bonds yield data. Whereas it made them stationary by using first differences $\Delta X_t^i = (x_t^i) - (x_{t-1}^i)$, where x_t^i is the government bonds yield, expressed as the per cent per annum, of the country i , $i = 1, \dots, 9$ in the period t and X_t^i represents returns in first differences.

The starting point of the analysis is the following p -order, N -variable Vector Autoregressive (VAR) model:

$$X_t = \sum_{i=1}^p \Phi_i X_{t-i} + \varepsilon_t \quad (1)$$

where ε_t is a vector of independently distributed errors?

The key of the dynamics of the system is the moving average representation of equation (1), which is given by

$$X_t = \sum_{i=1}^{\infty} A_i \varepsilon_{t-i} \quad (2)$$

where the $N \times N$ coefficient matrices A_i are calculated by the recursion $A_i = \Phi_1 A_{i-1} + \Phi_2 A_{i-2} + \dots + \Phi_p A_{i-p}$, with A_0 being the $N \times N$ identity matrix and with $A_i = 0$ for $i < 0$.

The main principals of Granger causality were described by Granger (1969) and Hamilton (1994) and are generally used to identify the significance of the interaction between two series.

Moreover, the estimation of Granger causality as the methodology to assess connectedness between financial markets was applied by Puig et al. (2014), Kalbaska (2012), Galesi et al. (2009), Gray (2009), Khalid et al. (2003) and Sander et al. (2003). The main purpose for calculating the Granger causality test was to evaluate the impact strength of the shock introduced into the financial system and what influence it had on the countries that were not directly affected by the source of distress. In general, the Granger causality test indicates that, if past values of a variable Y significantly contribute to the future value of another variable X_{t+1} , then Y is said to Granger-cause X and vice versa. Additionally, information of the evolution of the variable Y lessens the forecast errors of the variable X , suggesting that X does not evolve independently of Y . As Engle and Granger (1987) noted, the test is valid if the variables are not co-integrated.

If X_t and Y_t are stationary variables, then the starting point of the analysis for the test is based on the following equations:

$$X_t = \alpha_0 + \sum_{i=1}^m \gamma_i X_{t-i} + \varepsilon_t \quad (3)$$

$$X_t = \alpha_0 + \sum_{i=1}^m \gamma_i X_{t-i} + \sum_{k=1}^n \delta_k Y_{t-k} + \varepsilon_t \quad (4)$$

as well as

$$Y_t = \alpha_0 + \sum_{i=1}^m \beta_i Y_{t-i} + \varepsilon_t \quad (5)$$

$$Y_t = \beta_0 + \sum_{i=1}^m \beta_i X_{t-i} + \sum_{k=1}^n \gamma_k Y_{t-k} + u_t \quad (6)$$

where u_t and ε_t are mutually uncorrelated white noise errors, t defines the time period. The null hypothesis is $\delta_k = \gamma_k = 0$ for all k 's versus the alternative hypothesis that $\delta_k \neq 0$ and $\gamma_k \neq 0$ for at least some k 's. If the coefficient δ_k is statistically significant but γ_k is not, then X causes Y . In the reverse case, Y causes X as well; if both γ_k and δ_k are significant, then causality mutually exists.

The credibility of the Granger causality test is responsive to the selection of lag length. Furthermore, another feature of the model is that usually the same lags are applied for all variables. This causes possible inaccuracies in the results, because if the number of used lag length is less than the true lag length, the omission of relevant lags can cause bias. Otherwise, larger lags may lead to inefficiency. To deal with this issue, Hsiao (1981) defined a sequential method to evaluate the causality that combines Granger causality and Akaike's Final Prediction Error (FPE), defined as the (asymptotic) mean square prediction error.

According to specifications presented by Puig et al. (2014), the procedure to involve the Hsiao development for testing Granger causality involves four steps. First of all, interpret X_t as a one-dimensional autoregressive process (like the equation 1 describes) and quantify its FPE with the order of lags m which may vary from 1 to m . Define the order which has the lowest m value and denote as $FPE_X(0, m)$, i.e. $FPE_X(0, m_i) = \frac{T+m_i+1}{T-m_i-1} \times \frac{SSR}{T}$, where T is the total number of observations and SSR is the sum of squared residuals of OLS regression.

Secondly, interpret X_t as a controlled variable with m number of lags, and interpret Y_t as a manipulated variable like the equation 2 describes. Quantify the FPE of equation 2 by varying the order of lags of variable X_t which may change from 1 to n , and choose the order with the lowest n , and denote the corresponding FPE as $FPE_X(m, n)$, i.e. $FPE_X(m_i, n_i) = \frac{T+m_i+n_i+1}{T-m_i-n_i-1} \times \frac{SSR}{T}$.

Thirdly, assess the results of $FPE_X(0, m_i)$ and $FPE_X(m_i, n_i)$. X_t is caused by Y_t , when $FPE_X(0, m_i) - FPE_X(m_i, n_i) > 0$ and/or Y_t is an independent process when $FPE_X(0, m_i) - FPE_X(m_i, n_i) < 0$. Finally, continue to calculate $FPE_X(0, m_i)$ and $FPE_X(m_i, n_i)$ for the variable X_t and treating Y_t like the manipulated variable.

For the results of the Augmented Dickey-Fuller test that indicated that the levels of 10-year government bond yield data are not stationary variables, the Granger causality test is performed for variables at first-difference (i.e., they are $I(1)$ variables). Granger-causal relationships between ΔX_t and ΔY_t are estimated by the following error correction models (Puig et al., 2014):

$$\Delta X_t = \alpha_0 + \sum_{i=1}^m \gamma_i \Delta X_{t-i} + \varepsilon_t \quad (7)$$

$$\Delta X_t = \alpha_0 + \sum_{i=1}^n \delta_i \Delta X_{t-i} + \sum_{k=1}^m \gamma_k \Delta Y_{t-k} + \alpha Z_{t-1} + \varepsilon_t \quad (8)$$

where Z_t is the OLS residual of the cointegrating regression, known as the error-correction term. Note that α equal to zero when ΔX_t and ΔY_t are stationary variables, but are not co-integrated.

DATA AND DESCRIPTIVE STATISTICS

The variables under observation in this empirical analysis are the monthly average 10-year government bond yields. There is decided to count spreads of long-term government bonds between a NMS particular country and risk-free benchmark base (for example, the most commonly used Germany Bund yields), thus leaving the possibility of setting up mutual relationships between variables.

The dataset covers nine NMS countries (Lithuania, Latvia, Poland, Slovakia, the Czech Republic, Slovenia, Bulgaria, Romania and Hungary) using monthly data from May 2004 to December 2014. It spans several significant financial market occurrences in addition to the crisis of 2007–2008 – in particular, the euro-area sovereign debt crisis from 2009 onward. Note that Bulgarian statistics start from May 2012.

Due to low debt level and different debt structure, Estonia is not included in the NMS countries analysis. Moreover, the main reason for Croatia's exclusion is the lack of statistical information. For the connectedness comparison base of the empirical estimation aggregates of PIIGS countries (Portugal, Italy, Greece and Spain) and 3 core countries (Germany, France, UK) are chosen. Appendix 1 contains a more detailed description of the whole dataset.

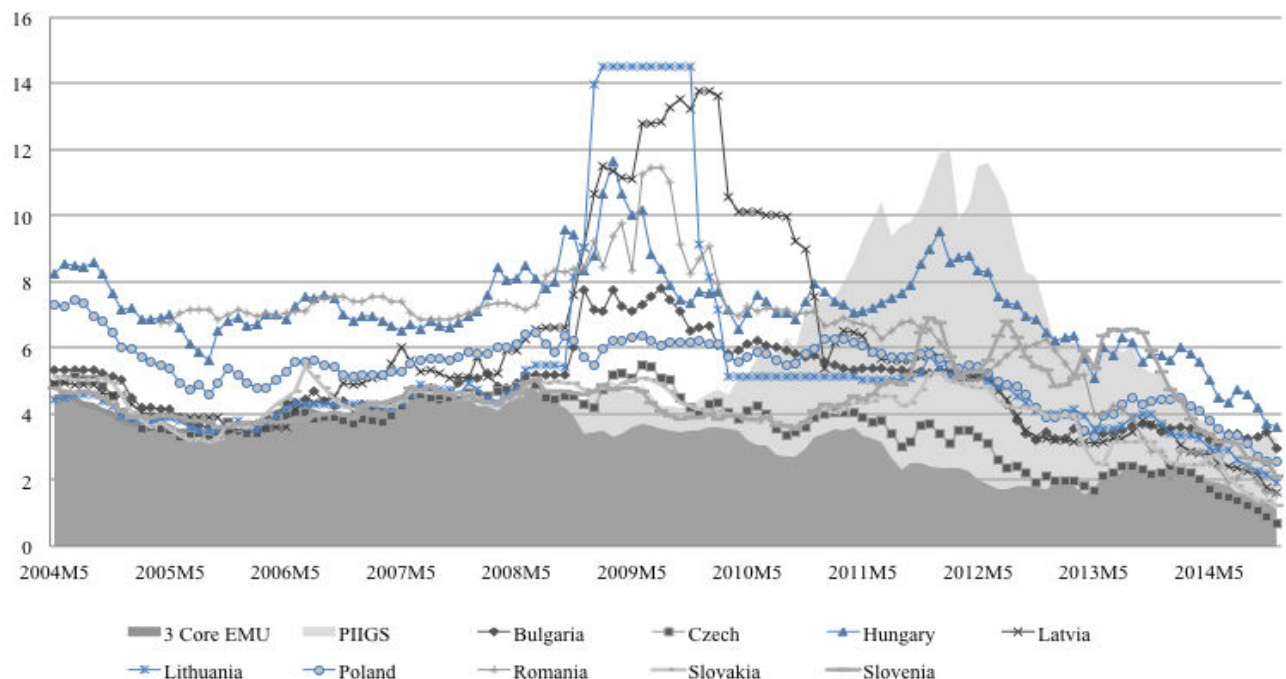


Figure 1. Monthly 10-year government bond yields, 2004-2014. Source: ECB

Figure 1 plots the dynamics of monthly 10-year government bond yields for each country or aggregate group in the sample. A simple look at this figure indicates a considerable amount of heterogeneity between analyzed NMS countries, i.e. the differences in the yield behavior before and after the outbreak of the financial turmoil from the mid-2008.

Since mid-2004 the descending trend of NMS countries' 10-year government bond yields were reinforced by the external causes related to favorable international liquidity conditions, changes in global risk aversion, internal causes affiliated with the accession to the European Union and positive economic developments influenced by the EU integration process. The largest drop within one year of accession to the EU was seen by Poland and Hungary, where government bond yields declined approximately 30 per cent. Note that, following Central and Eastern European countries' entry into the EU, four of these

countries adopted the euro during the analysis period: Slovenia joined the euro area in 2007, Slovakia in 2009, Estonia in 2011 and Latvia in 2014.

Since the time when the U.S. economy had officially slipped into a recession in 2007, NMS 10-year government bond yields started rising, but the biggest price rise acceleration began from mid-2008 as the financial turmoil became more widespread. These changes led to such factors as changes in sovereign risk among neighboring countries, rapidly shrinking capital flows, worsening macroeconomic imbalances or unobservable, such as soaring global risk aversion during the crisis period. Moreover, at the end of Romania, Lithuania, Hungary, Latvia, and Bulgaria have observed their historical maximum levels end of the crisis period.

After the first quarter in 2010 a diminishing bond yield period for NMS for which the deepening euro zone debt crisis had only a partial impact was recorded. Moreover, yields experienced a downward trend from the end of 2011 to the first half of 2012 when the PIIGS countries reached the highest results of the yields. Hungary stands out in the context of other NMS during this period, because there was a sudden jump in the yields. Thus this rise in the yields was related to the political changes, more precisely the alteration of new central bank regulations, as a result of which all three major credit rating agencies downgraded the Hungarian debt to a non-investment speculative grade from November 2011 to January 2012. Finally, at the end of the analyzed period, 10-year government bond yields of NMS and the 3 core EMU countries displayed in the past low and considerably volatile levels.

In order to evaluate the contagion changes under different risk conditions, the data are divided into two groups – the first group covers the risk-off period from the May 2005 till August 2008, and the second group involves the risk-on period and the span after the peak of the euro zone debt crisis from September 2008 to December 2014.

GRANGER CAUSALITY ESTIMATION RESULTS

Before the estimation of Granger causality between NMS and 3 core EMU economies (i.e. Germany, France, and the UK) or PIIGS countries, there were estimated some obligatory procedures to define the stationary and to identify optimal lag length and to evaluate the co-integration between each of the 81 pair combinations.

Firstly, there were estimated the order of integration of the 10-year bond yields of NMS by means of the Augmented Dickey-Fuller (ADF) tests and these results verified using the Kwiatkowski et al. (1992) (KPSS) tests. The null hypothesis that it is a stationary process against the alternative of a unit root, where rejected for the levels, but confirmed in first differences.

Secondly, it was determined the optimal lag because, as mentioned above, one of the important issues in calculating Granger causality test is a proper choice of the lag length. In this case there was used two different procedures such as the Akaike information criteria (AIC), the Schwartz information criteria (SIC). Thus, AIC and SIC tests found similar optimal lag lengths, i.e. two lags may be enough to investigate the causal relationship for both periods separately.

Thirdly, Johansen co-integration test (Johansen 1991, 1995) results do not indicate the existence of co-integration at least the 0.05 level. Consequently, Granger-causality would be estimated in first differences of the variables, with no error-correction term added i. e., equations (6) and (7) with $\beta=0$.

The results of the Granger causality estimation are divided into two groups; first, the cross-country causations among NMS under risk-off and risk-on periods (Figure 2) and then, separately, standing relationships between NMS and 3 core countries or PIIGS for the same periods (Figure 3) are presented.

In the pre-crisis period 10 significant cross-country causations among NMS are identified, where four interesting aspects can be distinguished. First, Hungary is the most influential country, i.e. changes in government bond yields of this country significantly cause changes in the borrowing costs for Slovenia, Poland, Bulgaria, Slovakia and Latvia, whereas the government bond yields of Hungary are Granger-caused only by Bulgaria. It can be suggested that the instability of Hungary could be the source of the problems for other NMS even during a non-crisis period. Secondly, the borrowing cost of Slovakia and Slovenia is the

Figure 1 consists of two network diagrams, Part A and Part B, illustrating the structure of the data. Both diagrams use nodes to represent countries and directed edges to represent relationships between them.

Part A: This diagram shows a sparse network with 8 nodes: Hungary, Poland, Slovenia, Czech, Romania, Slovakia, Bulgaria, and Lithuania. The edges are as follows: Hungary to Poland, Czech, Slovakia, and Lithuania; Poland to Slovenia; Czech to Poland; Slovenia to Slovakia; Romania to Slovakia; Bulgaria to Hungary; and Lithuania to Slovakia. There are 12 directed edges in total.

Part B: This diagram shows a dense network with the same 8 nodes. In this version, every node is connected to every other node by a directed edge, representing a complete graph. There are 36 directed edges in total.

In the crisis period the cross-country causations among NMS countries enlarged significantly compared with the pre-crisis period, i.e. 33 statistically significant casual relationships (five of which are bidirectional). As shown in part B of figure 2, Slovakia became the mostly affecting country in the region, i.e. 7 influence directions. Only Slovenia did not react to the changes of Slovakia's government bond yields. Moreover, another tendency, which helps to confirm the increase of interdependency between NMS, is related to the fact that 7 countries (Poland, Romania, Bulgaria, Hungary, Latvia, Lithuania and Slovakia) from 9 are influenced by 4 other NMS. The changes in government bond yields in the Czech Republic remain the least influential on other borrowings. In assessing the existence of bidirectional Granger causality relationships between countries, Lithuania has the largest number of such dependencies. i.e. its Granger causality in the relationships run to and return from Latvia, Slovakia, Bulgaria and Poland.

However, during the risk-on period the situation changed substantially, because volatility on government bond yields in PIGGS countries determined bidirectional Granger-causality in all NMS, without exception. Moreover, these results confirm the contagion effect, which resulted in the transmission of debt crises from Southern Europe to Central and Eastern economies. The cross-country causations among NMS and 3 core EMU countries are significant only for 5 cases, i.e. Slovakia, Latvia, Lithuania, Romania and Bulgaria. Besides, in contrast to the pre-crisis period the test did not endorse Granger causality between the Czech Republic and the 3 core EMU. Furthermore, summarizing all calculation results, the Czech Republic was the least affected as well as the least influential country.

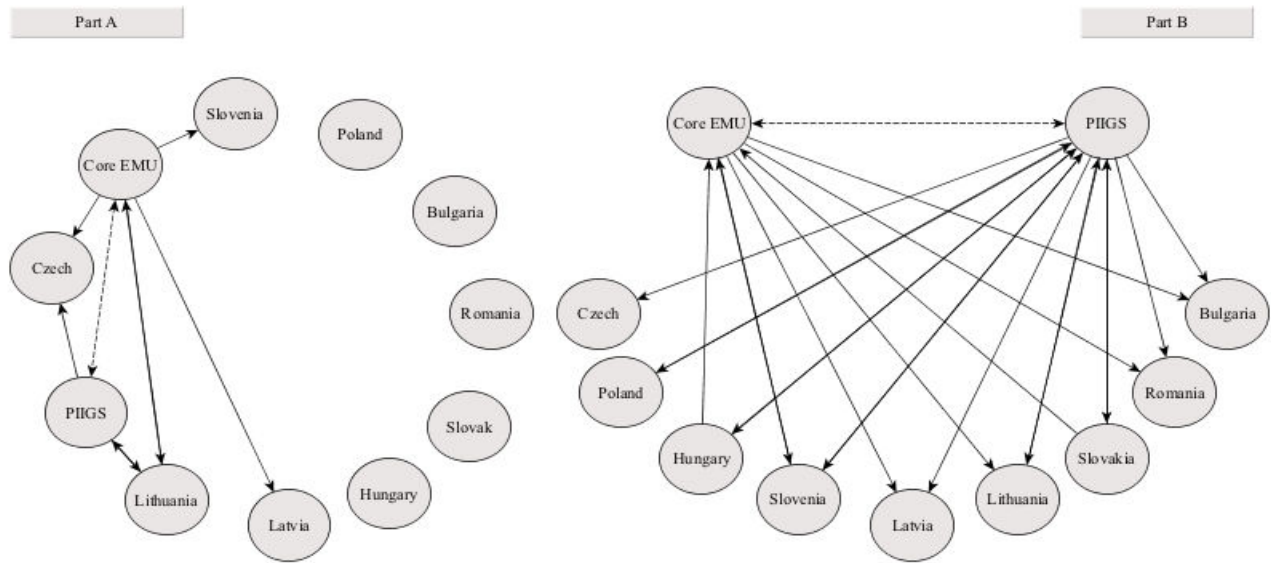


Figure 3. Granger-causality between NMS and 3 core EMU or PIIGS under risk-off and risk-on periods

It is interesting to note that during the crisis there was significant bidirectional Granger causality in the relationships between Slovakia and the 3 core EMU countries as well as between Hungary and the 3 core EMU countries. The impact capacity of Hungarian government bond yields changing to becoming influential over core EMU economics may be related to the fact that the country encountered such difficulties as decreased exports, declined domestic consumption and fixed assets as well as the recession of -6.4%. These financial challenges led the country to apply for financial support, and on 27 October 2008 Hungary signed an agreement with the IMF and the EU for a rescue package of US\$25 billion. The main purpose of this financial aid was to restore financial stability and investors' confidence.

It is much more difficult to identify the factors that may have been behind the Slovakian influencing potentiality on the 3 core EMU countries. At the beginning of the European debt crisis the economy of Slovakia faced high unemployment as well as the highest nominal effective exchange rate among other NMS, which did not decrease till the end of the analyzing period. Moreover, the Slovak borrowing costs fluctuated at a time when the parliament hesitated for ratification of the European Financial Stability Facility (EFSF) plan on 13 of October 2011. By the time Slovakia became the only one of the 17 countries using the euro single currency that had not approved giving the rescue fund more powers.

Analysis of time-varying Granger-causality

Based on the Puigs et al. (2014) and Atukeren (2005) suggested methodic to investigate time-varying nature of causal relationships between countries, there is chosen to calculated rolling Granger causality tests using a window of 52 observations (amounting to a total of 54830 sample pairs). Furthermore, there was used Hsiao (1981) sequential procedure to determine the optimum $FPE_X(0, m_i)$ and $FPE_X(m_i, n_i)$ statistics for each pair of countries to assess the causation. The third step was to define periods of Granger causality intensification i.e., when Granger causality strengthen or weaken during the analysis period. These changes were identified after evaluation whether time-varying Granger causality indicator is greater than its average plus two standard errors. Thus, the episodes of Granger causality intensification are interpreted as contagion strengthening episodes.

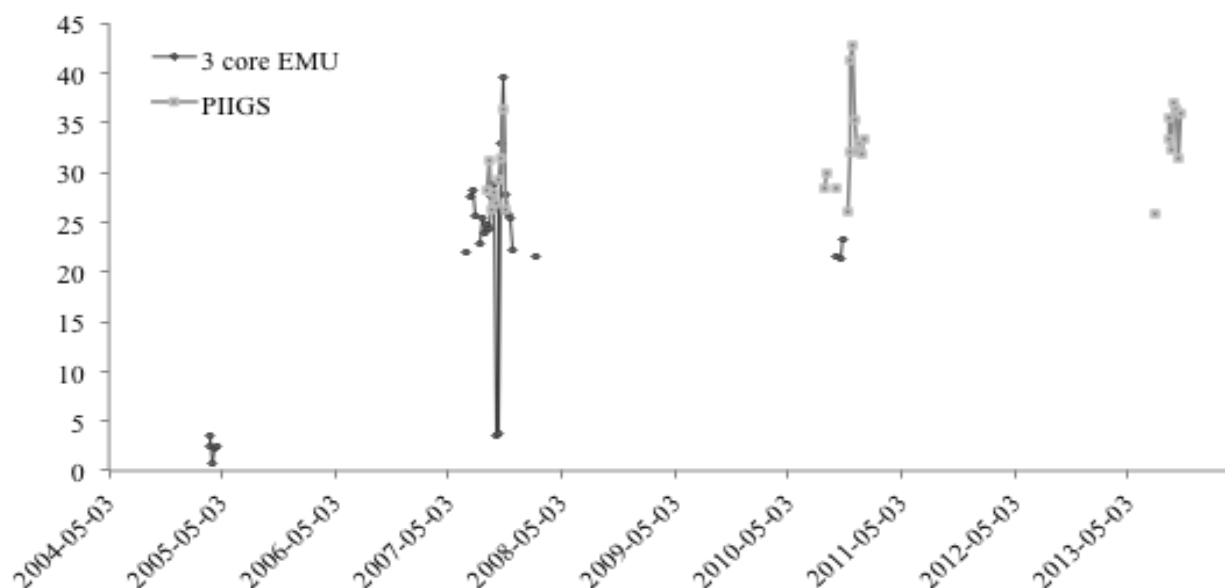


Figure 4. Granger-causality intensification within all countries

Contrary, when the time-varying Granger causality indicator is lower than its average minus two standard errors could be associated with reduction episode (Puigs et al., 2014). However, the analysis of calculation results does not capture significant and sufficient amount of data that can be identified as reduction cases. The main reason is that sample distribution is relatively high during the crisis period that supposes comparatively large standard errors for pre-crisis data. The results of the time-varying nature of causal relationships analysis are presented in Figure 4.

First Granger causality intensification episode are concentrated around the second half of 2007 that is directly associated with the beginning of financial turmoil. The results define that during this period changes of long-term government bond yields in 3 core EMU countries are a significant trigger than PIIGS. Other period of intensification episode started at the first half of 2011 and related with financial vulnerability of PIIGS, when Greece and later Ireland were bailed out. At this period the triggering force of 3 core EMU countries is much less than before.

Finally, last Granger causality intensification period appeared at the end of 2013, which began after some of the signs of possible positive developments in Greece, i.e. the Greek parliament accepted a new reform bill that included a contentious plan for thousands of layoffs and wage cuts for civil service workers (July, 2013); approved bill on the Single Property Tax (December, 2013); Moody's upgraded Greece's credit rating from C to Caa3. During this intensification period the triggering of 3 core EMU countries did not observed. In summary, contagion episodes are more significant and intensive when the triggering forces in the causal relationships are PIIGS countries.

CONCLUSIONS

This paper estimates the occurrence of the financial contagion effect between NMS (mutual relationship), PIIGS and three core EMU economies (France, Germany, the United Kingdom) using weekly data from May 2004 to December 2014. The implementation of Granger causality indicates that mean breaks are common over NMS and analyzed European countries. Furthermore, the application of this paper approach to the recent decade offers insight into the way the market vulnerabilities, especially recent European Debt Crisis, have spread over the region.

The cross-country causations among each other of NMS or PIIGS and 3 core EMU economies are not strong association in the risk-off period. In this context, Hungary stands out because it is the most influential country, when changes in government bond yields significantly cause changes in the borrowing costs for

others. Moreover, Slovakia and Slovenia must be noted as the most affected by others during the pre-crisis period.

This model confirms that during risk-on period the cross-country causations among NMS countries enlarged significantly compared with the pre-crisis period. In this respect Slovakia became the mostly affecting country in the region while the changes in government bond yields in the Czech Republic stands as the most neutral on other borrowings. The model results confirm that changes of government bond yield in PIGGS countries lead to bidirectional Granger-causality in all NMS, without exception. The cross-country causations among NMS and 3 core EMU countries are in lower volume, i.e. significant only for Slovakia, Latvia, Lithuania, Romania and Bulgaria, during the crisis period.

The analysis of time-varying nature of causal relationships in the framework of the present paper leads to two main conclusions. Firstly, The Granger causality is significantly forced coinciding with the recent crisis in sovereign debt markets from 2008, providing evidence of a reinforcement of the interconnection between European debt markets. Secondly, the contagion is much more triggered by PIIGS than 3 core EMU countries assessing the full analysis period.

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APPENDIX. DESCRIPTIVE STATISTICS BY THE PERIODS

Part A: Descriptive statistics by risk-off period

Bulgaria					Czech				
	Percentiles	Smallest				Percentiles	Smallest		
1%	3,490	3,470			1%	3,238	3,204		
5%	3,490	3,482			5%	3,328	3,206		
10%	3,660	3,490	Obs	242	10%	3,448	3,238	Obs	242
25%	4,160	3,490	Sum of Wgt.	242	25%	3,782	3,242	Sum of Wgt.	242
50%	4,514		Mean	4,567	50%	4,062		Mean	4,203
		Largest	Std. Dev.	0,631			Largest	Std. Dev.	0,564
75%	5,170	6,06			75%	4,678	5,192		
90%	5,300	6,06	Variance	0,398	90%	4,990	5,194	Variance	0,318
95%	5,480	6,06	Skewness	0,052	95%	5,108	5,204	Skewness	0,052
99%	6,060	6,06	Kurtosis	2,185	99%	5,194	5,216	Kurtosis	1,792
Hungary					Latvia				
	Percentiles	Smallest				Percentiles	Smallest		
1%	5,518	5,444			1%	3,530	3,530		
5%	6,252	5,498			5%	3,600	3,530		
10%	6,546	5,518	Obs	242	10%	3,600	3,530	Obs	242
25%	6,714	5,716	Sum of Wgt.	242	25%	3,870	3,558	Sum of Wgt.	242
50%	7,013		Mean	7,261461	50%	4,89		Mean	4,710
		Largest	Std. Dev.	0,7508688			Largest	Std. Dev.	0,775
75%	7,914	8,706			75%	5,120	6,600		
90%	8,412	8,706	Variance	0,563804	90%	5,922	6,600	Variance	0,600
95%	8,570	8,718	Skewness	0,3008575	95%	6,000	6,600	Skewness	0,310
99%	8,706	8,738	Kurtosis	2,346605	99%	6,600	6,650	Kurtosis	2,584

Lithuania					Poland				
	Percentiles	Smallest				Percentiles	Smallest		
1%	3,500	3,500			1%	4,604	4,444		
5%	3,500	3,500			5%	4,770	4,576		
10%	3,614	3,500	Obs	242	10%	4,910	4,604	Obs	242
25%	3,850	3,500	Sum of Wgt.	242	25%	5,202	4,610	Sum of Wgt.	242
50%	4,28		Mean	4,290	50%	5,608		Mean	5,759
		Largest	Std. Dev.	0,473			Largest	Std. Dev.	0,743
75%	4,580	5,484			75%	6,132	7,492		
90%	4,810	5,520	Variance	0,224	90%	6,896	7,506	Variance	0,551
95%	4,960	5,550	Skewness	0,161	95%	7,282	7,532	Skewness	0,698
99%	5,520	5,550	Kurtosis	2,698	99%	7,506	7,566	Kurtosis	2,672

Romania					Slovakia				
	Percentiles	Smallest				Percentiles	Smallest		
1%	6,554	6,460			1%	3,140	3,100		
5%	6,750	6,554			5%	3,240	3,120		
10%	6,800	6,720	Obs	174	10%	3,490	3,140	Obs	242
25%	6,914	6,724	Sum of Wgt.	174	25%	4,032	3,150	Sum of Wgt.	242
50%	7,132		Mean	7,157	50%	4,507		Mean	4,405
		Largest	Std. Dev.	0,261			Largest	Std. Dev.	0,598
75%	7,390	7,588			75%	4,998	5,460		
90%	7,508	7,604	Variance	0,068	90%	5,084	5,460	Variance	0,358
95%	7,580	7,610	Skewness	-0,160	95%	5,142	5,492	Skewness	-0,488
99%	7,610	7,618	Kurtosis	2,129	99%	5,460	5,494	Kurtosis	2,331

Slovenia					CoreEMU				
	Percentiles	Smallest				Percentiles	Smallest		
1%	3,586	3,574			1%	3,483	3,456		
5%	3,720	3,580			5%	3,553	3,459		
10%	3,730	3,586	Obs	242	10%	3,648	3,483	Obs	242
25%	3,866	3,596	Sum of Wgt.	242	25%	3,927	3,489	Sum of Wgt.	242
50%	4,298		Mean	4,267729	50%	4,18		Mean	4,182
		Largest	Std. Dev.	0,4437628			Largest	Std. Dev.	0,364
75%	4,650	5,160			75%	4,451	4,907		
90%	4,876	5,162	Variance	0,1969254	90%	4,637	4,923	Variance	0,132
95%	5,000	5,200	Skewness	0,2437581	95%	4,723	4,945	Skewness	-0,099
99%	5,162	5,204	Kurtosis	1,812529	99%	4,923	4,955	Kurtosis	2,264

PIIGS				
	Percentiles	Smallest		
1%	3,206	3,160		
5%	3,318	3,169		
10%	3,424	3,206	Obs	242
25%	3,735	3,213	Sum of Wgt.	242
50%	4,130		Mean	4,063
		Largest	Std. Dev.	0,438
75%	4,357	5,041		
90%	4,557	5,072	Variance	0,192
95%	4,737	5,073	Skewness	-0,128
99%	5,072	5,083	Kurtosis	2,422

Part B: Descriptive statistics by risk-on period

Bulgaria					Czech				
	Percentiles	Smallest				Percentiles	Smallest		
1%	2,990	2,860			1%	0,704	0,545		
5%	3,173	2,877			5%	1,234	0,570		
10%	3,326	2,884	Obs	340	10%	1,664	0,620	Obs	340
25%	3,526	2,990	Sum of Wgt.	340	25%	2,211	0,704	Sum of Wgt.	340
50%	5,26225		Mean	5,037	50%	3,416		Mean	3,230
		Largest	Std. Dev.	1,437			Largest	Std. Dev.	1,203
75%	5,972	7,820			75%	4,124	5,460		
90%	7,080	7,940	Variance	2,064	90%	4,814	5,464	Variance	1,448
95%	7,520	7,940	Skewness	0,219	95%	5,14	5,466	Skewness	-0,136
99%	7,820	7,940	Kurtosis	1,924	99%	5,46	5,472	Kurtosis	2,066

Hungary					Latvia				
	Percentiles	Smallest				Percentiles	Smallest		
1%	3,600	3,534			1%	1,652	1,580		
5%	4,393	3,568			5%	2,280	1,606		
10%	5,005	3,582	Obs	340	10%	2,770	1,630	Obs	340
25%	6,095	3,600	Sum of Wgt.	340	25%	3,250	1,652	Sum of Wgt.	340
50%	7,284		Mean	7,196	50%	5,6		Mean	6,555
		Largest	Std. Dev.	1,630			Largest	Std. Dev.	3,650
75%	8,078	11,548			75%	10	13,770		
90%	9,124	11,562	Variance	2,656	90%	12,75	13,850	Variance	13,323
95%	10,122	11,752	Skewness	0,138	95%	13,65	13,850	Skewness	0,625
99%	11,548	11,808	Kurtosis	3,197	99%	13,77	13,850	Kurtosis	2,101

Lithuania					Poland				
	Percentiles	Smallest				Percentiles	Smallest		
1%	1,910	1,900			1%	2,530	2,432		
5%	2,420	1,900			5%	3,152	2,505		
10%	2,980	1,906	Obs	340	10%	3,497	2,510	Obs	340
25%	4,000	1,910	Sum of Wgt.	340	25%	4,260	2,530	Sum of Wgt.	340
50%	5,15		Mean	6,051	50%	5,524		Mean	5,125
		Largest	Std. Dev.	3,652			Largest	Std. Dev.	1,075
75%	5,400	14,500			75%	6,033	6,386		
90%	14,500	14,500	Variance	13,340	90%	6,228	6,428	Variance	1,156
95%	14,500	14,500	Skewness	1,569	95%	6,271	6,672	Skewness	-0,741
99%	14,500	14,500	Kurtosis	4,124	99%	6,386	6,950	Kurtosis	2,388

Romania					Slovakia				
	Percentiles	Smallest				Percentiles	Smallest		
1%	3,657	3,618			1%	1,250	1,115		
5%	4,114	3,638			5%	1,611	1,184		
10%	4,766	3,656	Obs	340	10%	2,470	1,213	Obs	340
25%	5,448	3,657	Sum of Wgt.	340	25%	3,150	1,250	Sum of Wgt.	340
50%	7,049		Mean	6,923	50%	4,189		Mean	3,872
		Largest	Std. Dev.	1,777			Largest	Std. Dev.	1,019
75%	7,740	11,460			75%	4,73	5,220		
90%	9,178	11,460	Variance	3,156	90%	4,994	5,220	Variance	1,038
95%	10,691	11,460	Skewness	0,534	95%	5,06	5,220	Skewness	-0,925
99%	11,460	11,500	Kurtosis	3,384	99%	5,22	5,222	Kurtosis	3,024

Slovenia					CoreEMU				
	Percentiles	Smallest				Percentiles	Smallest		
1%	2,100	2,020			1%	1,039	0,929		
5%	2,826	2,093			5%	1,435	0,967		
10%	3,415	2,096	Obs	340	10%	1,607	0,970	Obs	340
25%	3,898	2,100	Sum of Wgt.	340	25%	1,876	1,039	Sum of Wgt.	340
50%	4,615		Mean	4,670	50%	2,403		Mean	2,588
		Largest	Std. Dev.	1,100			Largest	Std. Dev.	0,828
75%	5,322	6,940			75%	3,356333	4,373		
90%	6,438	6,960	Variance	1,210	90%	3,558667	4,427	Variance	0,686
95%	6,669	6,990	Skewness	0,176	95%	3,735333	4,449	Skewness	0,175
99%	6,940	7,120	Kurtosis	2,704	99%	4,372667	4,524	Kurtosis	1,972

PIIGS				
	Percentiles	Smallest		
1%	3,086	3,028		
5%	3,448	3,042		
10%	3,755	3,063	Obs	340
25%	4,562	3,086	Sum of Wgt.	340
50%	5,64925		Mean	6,410
		Largest	Std. Dev.	2,512
75%	8,079	12,165		
90%	10,403	12,180	Variance	6,308
95%	11,567	12,312	Skewness	0,813
99%	12,165	12,346	Kurtosis	2,469

THE ASSESSMENT OF LITHUANIAN ECONOMISTS'-FINANCIERS' EMPLOYMENT CONDITIONS

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ABSTRACT. The aim of this research is to analyze theoretical aspects of labor market and to investigate Lithuanian economists'-financiers' employment conditions. The main theoretical aspects are found out from scientific literature analyze: labor market, labor supply, labor demand definitions, the factors which affect labor supply, labor demand and create respective employment conditions. The research was carried out of using scientific literature analyze, statistical databases systematization, comparative analysis, survey, individual semi-structured interview and ranking methods. Furthermore, similarities, differences and the main problems of Lithuania economists'-financiers' by employment conditions aspects are presented in empirical research. The main Lithuanian economists'-financiers' employment conditions are assessed according these aspects: the perception of career perspectives, the time of getting a job, the time of becoming an expert of economist-financier, the main difficulties of looking for a job, the beliefs of demand by employee's nationality and country, criteria of receiving a job.

KEYWORDS: Economists'-financiers' labor market, potential and present labor supply, labor demand, employment conditions, mixed empirical research.

INTRODUCTION

The situation in labor market which defines adequate proportion between labor supply and labor demand (Stulgienė et al., 2009) can be described by country (generally) or individually by most professions, education or etc. In this way there can be identified perspective or less perspective professions. It is clear that the specific educational attainment does not guarantee a job. The employment conditions have impact on how quickly the job will be found, how much efforts will need for this, the changes of wage, tension between labor supply and labor demand and etc. So, the employment conditions can be analyzed not only by country but of course it can be analyzed by specific profession. It is necessary to say that the analysis can also be made by profession of economist-financier. According to „Lietuvos darbo biržos prie Socialinės apsaugos ir darbo ministerijos įsitarbinimo galimybių barometras 2015 Lietuvoje (2014)“, the employment conditions of economists are small and of financiers are medium. For this reason, it is actual to analyze Lithuanian economists'-financiers' labor market by aspect of employment conditions.

The problem of article: what are Lithuanian economists'-financiers' employment conditions according to present, potential labor supply and present labor demand? The object of article – employment conditions. The aim of this research is to analyze theoretical aspects of labor market and to investigate Lithuanian economists'-financiers' employment conditions. In order to respond to the aim of this research, the main differences, similarities and problems of Lithuania economists'-financiers' employment conditions are identified. The methods of research: scientific literature analyze, statistical databases systematization, comparative analysis, survey, individual semi-structured interview and ranking methods. The article consists of three parts. Firstly, the theoretical background of the employment conditions of labor market is presented. Also, the researches of other scientists are presented in the first part of this article. Secondly, the empirical research methodology is described. Thirdly, the main empirical research results are

presented. Finally, the conclusions of the research and recommendations are provided in the end of this article.

THE THEORETICAL BACKGROUND OF THE EMPLOYMENT CONDITIONS AND THE BACKGROUND OF EMPIRICAL RESEARCHES

Scientists (e.g., Šileika et al., 2007; Barynienė et al., 2009 and others) often analyze the labor market and emphasize that the specific exchange between employee and employer must be satisfied the interests of employee and employer. In other words, the adequate proportion stabilizes between labor supply and labor demand. As a result, the adequate wage forms (Šileika et al., 2007; Black et al., 2012; Vainienė, 2005 and others). According to Navickas (2013), „Ekonominių ir teisinių konsultacijų centras“ (ETKC, 2007) and others, labor supply is understood like the number of persons who want, can and look forward to the opportunities to realize their knowledge, experience and skills for certain compensation, choosing work conditions, place and time. Labor demand represents the opposite position and means the number of persons who is necessary for employers (in industrial, service and other sectors). Of course this condition is satisfied if employer's opportunity to pay for human resources coincides with employer's wishes and possibilities. So, the wage can be interpreted differently by employers and employees. Employee's point of view it is income of work but employer's point of view it is costs. The definition of labor market can be summarized as four elements: labor demand, labor supply, specific exchange and adequate wage which is costs for employer but income for employee.

Unfortunately, employee's requirements for desirable wage can be different from employer's understanding about the acceptable wage. In this case there is the difference between labor supply and labor demand, so, labor market is unbalanced. Then there can be the oversupply in labor market and this situation is known as surplus labor market (Mai et al., 2012). Otherwise, when the deficit of labor supply is noticed in labor market, so, then exists the competition between employers due to potential employees, wage tends to increase and there usually forms shortage labor market (Vainienė, 2005; in some cases, there can be opposite relationship). Also, there can be balanced labor market, when labor demand coincides with labor supply and wage stabilizes. It should be noted that this type of labor market exists rarely in reality. To sum up the types of labor market is necessary to say that the situation in labor market usually can be described one of three definitions: surplus, shortage or balanced labor market.

It is clear that the certain employment conditions usually have the impact on the formation of the certain situation in labor market. When certain employment conditions are better for labor supply, then it causes the increasing of wage and of potential labor supply. Also, there is labor demand's competition due to labor supply. Finally, it is expected that there will be shortage labor market (in some cases there can be opposite relationship). Otherwise, when employment conditions are better for labor demand, then it usually causes surplus labor market. In this case labor supply and wage are decreasing (in some cases there can be opposite relationship). So, the employment conditions are described as interaction of factors of labor demand and labor supply. This interaction has an impact on the formation of employment conditions between the entrance into labor market by present, potential labor supply and the acceptance on labor market by labor demand. Specific employment conditions can be assessed according these criteria: the perception of career perspectives, the time of getting a job, the time of becoming an expert of economist-financier, the main difficulties of looking for a job, the beliefs of demand by employee's nationality and country, criteria of receiving a job. The certain factors which cause certain employment conditions in labor market have an impact on the formation of mentioned criteria in labor market. In this article are identified 9 factors and their impact on the formation of employment conditions (the impact for labor supply – S, labor demand – D, potential labor supply – Sp and the impact's direction: ↑ – the employment conditions become better; ↓ – the employment conditions become worse are given in brackets):

Employer's pays recourses (S ↑; D ↑; Sp ↑) – the increasing of employer's pays recourses (when labor force is employed; Švambaris, 2005) makes the better employment conditions for labor supply in labor market (potential labor supply too). Then new persons are employed and therefore, there are employed

relatively more persons so the unemployment rate is decreasing. This situation is favorable for labor demand too. This can be proved by these reasons: the potential productions and competition are increasing, when employer has a relatively larger number of employees.

Labor productivity ($S \uparrow$; $D \downarrow$; $Sp \uparrow$)– this factor has a positive effect on labor supply (on potential labor supply too) but negative effect on labor demand. In other words, when labor productivity is increasing usually the company's profit is also increasing it means that the labor demand is increasing too. On the other hand, it causes that the costs for wages are increasing so it decreases labor demand (Šileika et al., 2010; Beržinskienė et al., 2012 and others).

Labor force ($S \downarrow$; $D \uparrow$; $Sp \downarrow$)– scientists (Raškinis, 2008; Daniel-Kagbare, 2014 and others) emphasize that positive relationship exists between labor supply and labor force (the demographic situation). It can be described as situation, when demographic situation is becoming better, labor force is becoming better too. It means that labor supply is increasing so, the employment conditions by labor supply's view relatively is becoming worse due to competition which is increasing between present and potential employees. On the other hand, it causes the situation then the employment conditions are better for labor demand because employers have the opportunity to choose employee from many potential candidates.

The qualification of labor force ($S \uparrow$; $D \uparrow$; $Sp \uparrow$)– there is a provision that person who has master's degree can quicker to find a job than a person who has bachelor's degree (Roxana et al., 2014). In other words, the employment conditions are better for employee who has a higher academic degree. Of course the increasing of labor supply by qualification aspect has a positive effect on labor demand because it causes the better conditions to do more effective work, to create added value, to compete in the market and etc.

The perception of career perspectives ($S \uparrow$; $D \uparrow$; $Sp \uparrow$)– Navickas (2013) argues that the perception of career perspectives has an impact on labor supply. It is understood that Government or other executive, where person lives should confer possibility to pursue a career for present and potential employees. On the other hand, the ensuring of this condition does not guarantee the perfect career although it has an impact on the better employment conditions for labor supply and labor demand. In this case employee has an opportunity to become an expert in that field where he or she is good at and wants it while employer has an opportunity to employ a person who has a clear vision for the future career's perspectives.

Labor demand ($S \uparrow$; $D \downarrow$; $Sp \uparrow$)– according to Simanavičienė et al. (2009), if labor demand is relatively increasing (when other factors are *ceteris paribus*), then the employment conditions for employers become worse. It is so because competition between employers is increasing for present, potential employees. As a result, it has an effect on the increasing of wage. It shows that costs are relatively increasing for employer. On the other hand, the employment conditions are better for employees.

Wage ($S \uparrow$; $D \downarrow$; $Sp \uparrow$)– Rubštaitienė et al. (2007), Bartelienė (2010) and others emphasize the importance of wage when person is choosing a profession. In this case higher wage of certain profession stimulates more employees to engage in work exactly according to that profession. The increasing of wage definitely forms positive impact on employment conditions for present and potential labor supply. On the other hand, wage has a negative impact on labor demand, because it can be described as the costs of labor supply. So, when wage is increasing, the employment condition for labor demand is becoming worse (ETKC 2007; Navickas, 2013 and others).

The phase of economic (business) cycle ($S \uparrow$; $D \uparrow$; $Sp \uparrow$)– according to Aaronson et al. (2006), Raškinis (2008), Lydienė et al. (2013), Daniel-Kagbare (2014) and others, labor demand is relatively small in recession but it is relatively big in economic peak. It is logical that when economic is growing the employment conditions for labor supply and labor demand also is becoming better.

The policy of state (by the aspect of labor market flexibility; $S \downarrow$; $D \uparrow$; $Sp \downarrow$)– according to Vetlovet al. (2006), the decisions which are related with flexibility of labor market and are taken by state usually have a positive effect on labor demand. So it causes better employment conditions for labor demand. But when flexibility of labor market is increasing then labor supply can relatively lose their guarantees which are guaranteed by the state. In this case, during short term the employment conditions become relatively worse for present and potential labor supply. However, later employees will adapt to the policy of state

and the employment conditions could become relatively better for labor supply (e.g., flexible work hours, easier recruitment and etc.).

Other factors –other factors also have an impact on certain formation of employment conditions for labor supply and labor demand. For example, science and technology (Nausėda et al., 2006), changes in personal income (Rubškaitienė et al., 2007) and others.

To sum up the factors and their impact on the formation of the employment conditions, it is necessary to say that discussed factors (and other factors) definitely have an impact on formation of the employment conditions. It is found out that at the same time the changes of some factors have the same effect (by direction's change of employment conditions) on the employment conditions by labor supply and labor demand (e.g., the qualification of labor force, the perception of career perspectives and etc.). On the other hand, at the same time the changes of some factors can have different impact on labor supply and labor demand (e.g., labor productivity, labor demand, wage and etc.).

In fact, there have not enough been done individual and detailed researches about the assessment of labor market according to professions (Okunevičiūtė-Neverauskienė et al., 2010). So, this research is relevant in Lithuania. It is necessary to emphasize the researches where the employment conditions of labor market are analyzed by general aspect or by specific profession aspect. Daugalaitė (2013) investigated the labor supply's preparation and its conformity to labor market's needs. Researcher found out that although relatively the largest number of potential employees were prepared for the social science, employers felt the lack of not only for employees of technological but also of social science specialists. This fact shows that there was unbalance between labor supply and labor demand. One of the reasons can be unbalance employment conditions. Ranonytė et al. (2007) made a qualitative and quantitative labor market's research (business management and administration specialists) and emphasized potential (students) and present (graduates) labor supply and labor demand. Scholars found out that there was the main difference of cooperation among the institutions which were prepared potential participants of labor market and employers. High schools were focused on education while employers were focused on economic aspects. This difference also can be due to unbalance of employment conditions between labor supply and labor demand. It is necessary to say, that „Darbo socialinių tyrimų institutas“ (DSTI, 2002) carried out a research about the competition of high school graduates in labor market. There were questioned the 4th course students of business administration and a lot of others study programs', including economics, graduates. The results included such aspects as the time of getting a job (after studies), the number of graduates employed by specialty (by universities, fields of study) and etc. Scientists detailed the employment conditions by study fields and emphasized that the employment conditions for economists are very good.

Of course the researches of labor market were carried out abroad too. Roxana et al. (2014) analyzed integration into labor market of students of Romania of Oradea University. Scholars found out that more successful integration into labor market was between employees who had master's degree than bachelor's degree. So, the employment conditions (by aspect of labor supply) were better for persons who had master's degree. Balan (2014) analyzed young labor market in Romania during 2008–2013. Scientist found out that there were problems in young labor market: unemployment rate was increasing in this segment. So, the employment conditions became worse for labor supply. Other scientists, i.e., Chung et al. (2014), made a detailed analysis about US labor market in different aspects. Researches specified the labour market conditions index (consisted several indicators of labour market) like alternative to unemployment rate in order to assess the situation in labour market.

In conclusion, despite the fact that scholars often and extensively analyse the employment conditions the researches where would be analysed specific Lithuanian economists'-financiers' labour market by aspect of employment conditions were not found. So, the theoretical background of the employment conditions of labor market includes labor market conception which consists of specific exchange between labor supply and labor demand. It is found out that according to situation in labour market there the certain employment conditions formed. Of course the factors of labor supply and labor demand have an impact on the formation of the employment conditions.

METHODOLOGY

After analysis of the scientific literature, there was decided to investigate the employment conditions of Lithuania economists'-financiers'. The research plan was based on seven stages which Kumar (2011) specifies. The methods in empirical research: statistical databases systematization, comparative analysis, survey, individual semi-structured interview (interview) and ranking methods. Types of data analysis were primary data (survey for students of schools, students of universities; interview for employees and employers) and secondary data (information was received by personal communication and „LR Statistikos departamentas “). Lithuanian economists'-financiers' employment conditions were analyzed by three sections: present (employees in economic-financial sector) and potential (11th–12th class students of schools and students of universities who were planning to study or were studying economics or finance) labor supply and present demand (employers). Empirical research period: 2014–2015. Type of research was mixed empirical research which quantitative research advantages are compensated by qualitative research disadvantages and vice versa. In order to achieve the aim of this research and more precisely to investigate population, there was a research made by mixed type. The research object (i.e., the employment conditions) is investigated by these criteria: the perception of career perspectives, the time of getting a job, the time of becoming an expert of economist-financier, the main difficulties of looking for a job, the beliefs of demand by employee 's nationality and country, criteria of receiving a job (the program of education, type of education institution, type of study level, employee's nationality and country). Selected labor market variables fully represent Lithuanian economists'-financiers' labor market (when other factors are ceteris paribus). The definition of employment conditions by labor supply is equivalent to the employment conditions by labor demand, i.e., there is using one definition – employment conditions.

The survey and interview were carried out from 2014 November until 2015 February. Generally empirical research was carried out in 6 Lithuanian gymnasiums, 5 Lithuanian universities and 9 Lithuanian cities: Kaunas, Klaipėda, Kretinga, Marijampolė, Palanga, Plungė, Skuodas, Šiauliai, Vilnius. The actual empirical research structure: 102 students of schools (significance level 9,7 %), 273 students of schools (significance level 5,5 %), 26 employees (significance level 19,5 %), 8 employers (significance level 35,2 %). Research samples of students of schools, students of universities and employees were coordinated by gender. Students of universities were coordinated by universities too. Data was analyzed using Microsoft Excel and SPSS statistical package.

THE MAIN EMPIRICAL RESEARCH RESULTS

This part is structured as follows: firstly, Lithuania economists 'labor market is identified during 2014 (the newer data was not received, so 2014 year is chosen for analysis). Secondly, the assessment of Lithuania economists'-financiers' employment conditions is analyzed by aspect of labor supply. Thirdly, the assessment of Lithuania economists'-financiers' employment conditions is analyzed by aspect of labor demand. Furthermore, the overall assessment of Lithuania economists'-financiers' employment conditions is provided. Fourthly, the main problems of Lithuania economists-financiers by employment conditions aspects are presented.

Lithuanian economists '-financiers 'labor market

The present labor market situation of Lithuania economists'-financiers' (during 2014) shows that there were about 4,8 times surplus Lithuania economists'-financiers' labor market (potential supply – 4536 persons; supply – 3674 persons; demand – 758 persons; Pokvytis 2014; Liugienė, 2014; 2015; Darulis, 2014; Šontienė, 2014; „LR Statistikos departamentas “, 2014 and others). Surplus economists'-financiers' labor market causes the decreasing of wage for present labor supply. Also it is noticed the decreasing of the attraction of specialty (for labor supply) and costs of wage for labor demand. This situation has the different effect on the employment conditions. The employment conditions for potential, present labor

supply are relatively becoming worse, while the employment conditions for labor demand are relatively becoming better.

According to potential labor supply, there is expected that labor supply should increase about 1,2 times (compared with present labor supply) in the future. Although in the future a part of labor supply may emigrate or may not belong to employees or employers in economic-financial sector. However, in the future the needs of economists-financiers should increase (due to growing economic in Lithuania) but slower than labor supply. It is believed that one of the reasons which had an impact on surplus Lithuanian economists'-financiers' labor market in 2014 and in the future could be the employment conditions which might be worse to labor supply than labor demand.

To sum up Lithuanian economists'-financiers' labor market, the conclusion can be made that it is expected that in 2014 year the surplus of labor supply has an impact on the unbalance of employment conditions between present, potential labor supply and labor demand. According to increasing of potential labor supply it can be assumed that in the future the unbalance (relatively decreasing) between the employment conditions of labor supply and labor demand should be maintained. In fact, there should be made deeper research in order to find out when employment conditions would be balanced in Lithuania economists'-financiers' labor market.

The assessment of the employment conditions by point of labor supply's view

This subsection is designed for 5 criteria which were used to investigate the employment conditions by aspect of labor supply. So, in order to objectively assess Lithuanian economists'-financiers' employment conditions, the main attention is focused to these criteria:

1) The perception of career perspectives – potential labor supply is unanimously believed that when person completed studies of economics-finance he or she could find a job in economic-financial sector (students of schools 84,3 %, students of universities 79,9 %; Table 1).

Table 1. The perception of career perspectives by potential and present labor supply

Factor	Labour supply	Students of schools	Students of universities	Employees
The opportunity to find a job after studies of economics-finance in economic- financial sector		84,3%	79,9%	–
The intention to work after studies of economics-finance in economic-financial sector		88,2%	86,4%	95,5%
More perspective is to get an education of economics-finance abroad and to work by specialty abroad than to get an education of economics-finance in Lithuania and to work by specialty in Lithuania		74,5%	76,6%	80,8%

It is believed that students of university due to greater social experience are less confident than students of schools. The results of this research comparing with DSTI (2002) results the conclusion can be made that 65,9 % graduates of economics employed by specialty, i.e., 18,4 percentage points (students of schools) and 14,0 percentage points (students of universities) less than Lithuanian economists'-financiers' potential labor supply is believed about the employment conditions in economic-financial sector. So, potential labor supply overestimates its opportunities in the context of the employment conditions.

Moreover, Lithuanian economics'-financiers' potential and present labor supply is relatively optimistic due to the intention to work after studies of economics-finance in economic-financial sector (students of schools 88,2 %, students of universities 86,4 %, employees 95,5 %; Table 2). In fact, present and potential labor supply is too optimistic, according to Martinavičius (2011), of 800 students of universities were employed about 70,0 % by specialty. However, there is negative economist's-financier's career's perspectives assessment by aspect of Lithuania (Table 1). There is the increasing belief of potential and present labor supply that more perspective is to get an education of economics-finance abroad and to work by specialty abroad than to get an education of economics-finance in Lithuania and to work by specialty in Lithuania (students of schools 74,5 %, students of universities 76,6 %, employees 80,8 %).

In conclusion, there are relatively optimistic Lithuanian economists'-financiers' career perspectives (according to proportion 2:1). So, it causes that the employment conditions are better for potential, present labor supply and demand.

2) The beliefs of demand by employee 's nationality and country (point of view of labor supply). Potential labor supply beliefs that priority to the acceptance on labor market is given to Lithuanian who studied abroad (students of schools 48,0 %, students of universities 63,4 %; Figure 1).

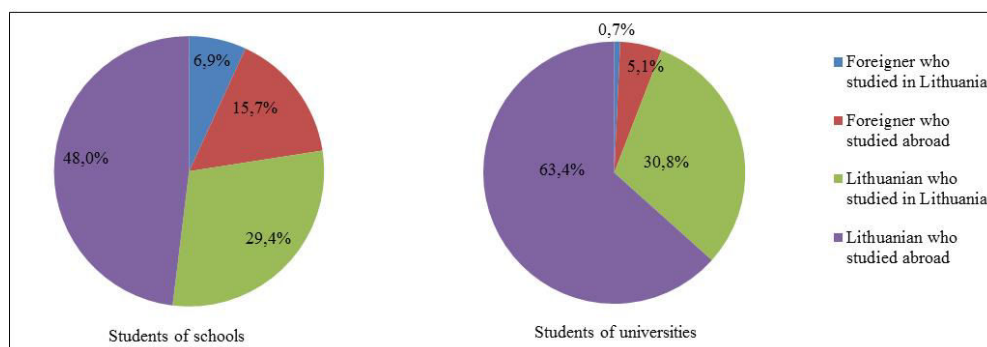


Figure 1. The selection of employers by the acceptance of economist-financier in economic-financial sector

It is noticed the aspects of discrimination, when potential labor supply differentiates the employment conditions by employee nationality and country, where he or she got the education. In this case the priority is given to Lithuanian (students of schools 77,4 %, students of universities 94,2 %). The assessment of this criterion is complicated because it can cause both better and worse employment conditions for labor supply and labor demand. In fact, the employment conditions are becoming better for labor supply due to the wage which is increasing when labor supply is formed only from Lithuanian labor force (labor supply and competition are relatively lower). But also it can cause the worse employment condition for labor supply because the part of labor supply is lost due to studies, which was not completed abroad. On the other hand, this criterion can cause better employment conditions for labor demand because employer can choose an employee who complies with his requirements. But also it can cause worse employment condition for labor demand due to the wage which is increasing when supply is formed only from Lithuanian labor force. So, the labor costs are increasing to employer. In conclusion, this criterion can cause better and worse employment conditions for labor demand and labor supply.

3) The time of getting a job. Potential labor supply usually gets a job in economic-financial sector at study time (30,8 %) or immediately after graduation (designation; 15,4 %; Figure 2).

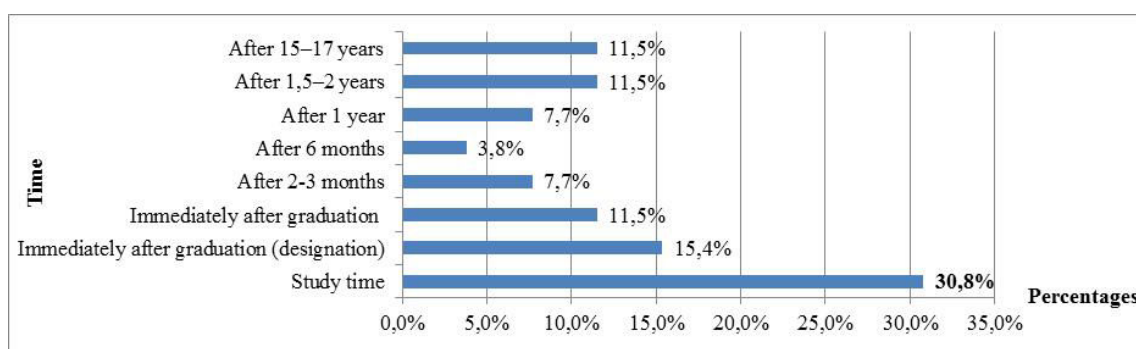


Figure 2. The time of getting a job in economic-financial sector (present labor supply)

It is clear that this situation is favorable to labor supply and labor demand too. Potential, present labor supply can relatively quickly enter to labor market and labor demand can relatively quickly find and employ economist-financier. The empirical research results can be compared with DSTI (2002) results: it is found out that relatively the most part of students of universities (men and women) believed that they could get a job immediately after studies. Although potential labor supply overestimates its opportunities due to getting a job in economic-financial sector but, according to Lithuanian present labor supply, it is found out

that usually person gets a job in economic-financial sector at study time. For this reason, the empirical research results represent better employment condition for potential, present labor supply and labor demand. Because the time period of getting a job is quite short and it is good for both parties of labor market.

4) The main difficulties of looking for a job. The lack of work experience is the main difficulty of looking for a job to potential and present labor supply in economic-financial sector (students of schools 88,2 %, students of universities 97,4 %, employees 42,3 %; total of ranks are maximum; Table 2).

Table 2. The main difficulties of looking for a job in economic-financial sector

Difficulties	Labour supply	Students of schools	Ranks	Students of universities	Ranks	Employees	Ranks	Total of ranks
Pointless specialty		11,8%	3,0	5,5%	2,0	-	2,5	7,5
Too small net wage		10,8%	2,0	9,9%	3,0	-	2,5	7,5
Other difficulties		-	1,0	0,4%	1,0	57,7%	8,0	10,0
The decrease of economists-financiers demand		35,3%	5,0	27,5%	5,0	-	2,5	12,5
The lack of motivation, personal ambitions		21,6%	4,0	25,6%	4,0	3,8%	5,0	13,0
The knowledge (from university) doesn't match with needs of labour market		55,9%	6,5	50,9%	6,0	-	2,5	15,0
Intense competition among specialists		55,9%	6,5	68,9%	7,0	7,7%	6,0	19,5
The lack of work experience		88,2%	8,0	97,4%	8,0	42,3%	7,0	23,0
Total		279,4%	-	286,1%	-	111,5%	-	-

Note: total sum of percentages is more than 100 % because respondents, informants could choose more than one answer.

On the other hand, students of universities the most are convinced (comparing with students of schools and employees) that the integration into labor market is difficult due to lack of work experience. Potential labor supply emphasizes intense competition among specialists of economists-financiers which are especially felt when person is looking for a job in economic-financial sector (students of schools 55,9 %, students of universities 68,9 %). Furthermore, there are identified the other difficulties of looking for a job in economic-financial sector: there were not difficulties (73,3 %), work relations (13,3 %), the lack of theoretic knowledge (13,3 %), other difficulties (13,3 %).

In conclusion the lack of work experience is the main difficulty of looking for a job of potential and present labor supply in economic-financial sector. Finally, the assessment of this criterion shows that the employment conditions become worse for potential, present labor supply and labor demand. The lack of work experience is the problem which is actual not only for employee but also for employer who takes a decision on acceptance on labor market.

Table 3. The time of becoming an expert of economist-financier (labor supply)

Labour supply	Students of schools	Students of universities	Employees
Work year			
1st work year	3,9%	2,2%	-
2nd work years	3,9%	7,7%	11,5%
3rd work years	17,6%	27,5%	11,5%
5th work years	55,9%	46,5%	42,3%
10th work years	16,7%	12,5%	3,8%
Other	2,0%	3,7%	30,8%
Total	100,0%	100,0%	100,0%

5) The time of becoming an expert of economist-financier. It is found out that the 5th work years dominate among present and potential labor supply as a period of time to become an expert of economist-financier (students of schools 55,9 %; students of universities 46,5 %, employees 42,3 %; Table 3).

On the other hand, the potential laborsupply 's perception of expert of economist-financier is changing by the aspect of time: the perception of the 5th work years are relatively decreasing but the perception of the

3rd work years are relatively increasing. It is noticed that present labor supply does not choose the 1st work year as the sufficient period of time to become an expert of economist-financier. Potential labor supply also relatively agrees with this opinion. The results of this research represent that the employment conditions become better for potential, present labor supply because the 5 work years are sufficient period of time to become an expert of economist-financier. On the other hand, the 5 work years are quite long period for labor demand and it causes that the employment conditions become worse for labor demand. In conclusion, despite the fact that Lithuanian economists'-financiers' potential and present labor supply is not homogeneous, but it is noticed that Lithuanian economists'-financiers' labor supply is not distorted by the beliefs which are usually coincided. It is necessary to say that identified criteria of employment conditions (by aspect of labor supply) can be classified into 4 groups: 1) criteria which have positive effect on labor supply and labor demand (e.g., the perception of career perspectives, the time of getting a job); 2) criteria which have both positive and negative effects on labor supply and labor demand (e.g., the beliefs of demand by employee's nationality and country); 3) criteria which have negative effect on labor supply and labor demand (e.g., the main difficulties of looking for a job); 4) criteria which have positive effect on labor supply but negative effect on labor demand (e.g., the time of becoming an expert of economist-financier). So, according to 5 criteria by point of view of labor supply, which assessment is presented in this subsection, the conclusion can be made that the employment conditions are relatively better for present and potential labor supply (4:2) than labor demand (3:3; Table 4).

Table 4. The assessment of Lithuania economists'-financiers' employment conditions (point of view of labor supply)

Criteria	Labour market		Labour supply		Labour demand	
			↑	↓	↑	↓
1) The perception of career perspectives			1	0	1	0
2) The beliefs of demand by employee's nationality and country			1	1	1	1
3) The time of getting a job			1	0	1	0
4) The main difficulties of looking for a job			0	1	0	1
5) The time of becoming an expert of economist-financier			1	0	0	1
Total			4	2	3	3

Note: ↑ – the employment conditions become better; ↓ – the employment conditions become worse.

On the other hand, there cannot be made the unambiguous and strict conclusion about the employment conditions by point of view of labor supply because there is only minimum difference between labor supply and labor demand. It is assumed that this situation has an impact on the increasing of unbalance in Lithuania economists'-financiers' labor market: present, potential labor supply should relatively increase, labor demand should be the same or relatively decrease, wage and costs of wage should relatively decrease. It is clear that it should have the effect on the increasing of surplus Lithuania economists'-financiers' labor market. So, the employment conditions by aspect of labor supply are relatively favorable (labor supply is optimistic) but finally it has a negative effect on Lithuanian economists'-financiers' labor market.

The assessment of the employment conditions by point of labor demand's view

This subsection is designed for 5 criteria which were used to investigate the employment conditions by aspect of labor demand. So, in order to objectively assess Lithuanian economists'-financiers' employment conditions, the main attention is focused to these criteria:

1) The program of education. The results of this research represent that the economic-financial education is important for employers for recruitment of person in economic-financial position (75,0 %; Figure 3).

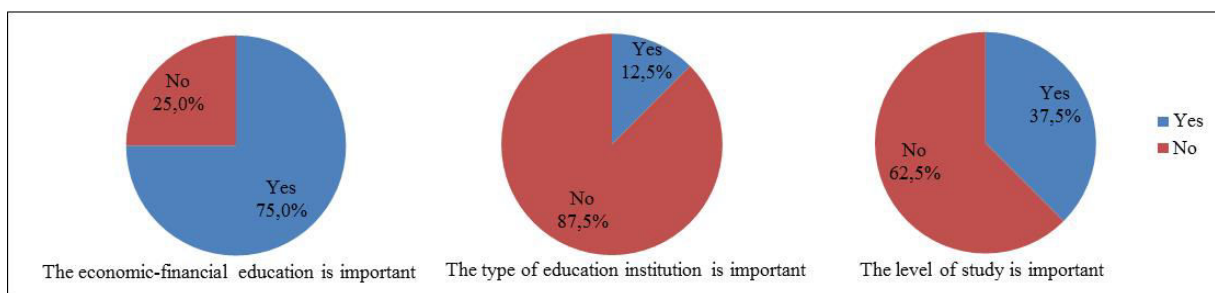


Figure 3. The criteria of receiving a job: education program, education institution, study level

Empirical research results coincide with the research of Levišauskaitė et al. (2005). However, during the interview it is noticed that employers also employed persons who have a similar education program to economic-financial or have excellent recommendations. The importance of recommendations for recruitment was also emphasized in researches of Raškinis (2008), Daugalaitė (2013). So, the qualification of labor force (by education program) is important for employers for recruitment of economists-financiers. It causes that the employment conditions become better for labor demand because employer can choose an employee who has sufficient qualification. Also the employment conditions become better for potential and present labor supply due to the reasonable differentiation among labor force.

2) The type of education institution: college, university. This criterion is not important for employer for recruitment of person in economic-financial position (87,5 %; Figure 3). These results do not coincide with the research of Daugalaitė (2013): employers gave the priority to employee who was studied in university. Empirical research results show that discrimination (by the type of education institution) is not noticed among employers. So, it causes that the employment conditions become better for labor demand because there is relatively higher labor supply and the costs of wage is decreasing. However, reasonable differentiation does not exist among labor force (also labor supply is increasing, wage is decreasing). So, it causes that the employment conditions become worse for potential, present labor supply.

3) The type of study level. This criterion also is not important for employers for recruitment of person in economic-financial position (62,5 %; Figure 3). These results coincide with the research of Daugalaitė (2013): employee's academic degree is not important for majority of employers. During the interview employers emphasize that the opportunity to get a job depends on personal characteristics, practical knowledge. On the other hand, employers emphasize that master's degree shows the higher motivation, of employee to be in higher position at work. So, the type of study level is not important for labor demand and it causes that the employment conditions become worse for labor demand and present, potential labor supply. The main reason is that the reasonable differentiation (by study level) does not exist among labor force.

4) Employee's nationality and country. The results of research represent that employee's nationality and country are not important for 50,0 % of employers for recruitment of person in economic-financial position (The selection of employers by the acceptance of economist-financier in economic-financial sector: "No matter" – 50,0 %; "Lithuanian who studied in Lithuania" – 37,5%; "Lithuanian who studied abroad" – 12,5 %). So, discrimination is not noticed among majority of employers by employee's nationality and country, where person got education. For this reason, the employment conditions become better for labor demand and potential, present labor supply. However, 50,0 % of labor demand differences labor supply by nationality. It is found out that the priority is given to Lithuanian for recruitment of labor supply in economic-financial position. It can be assumed, that labor demand relatively more appreciates the economists'-financiers' training in Lithuania than abroad. Patriotism is the main reason for the selection Lithuanian who studied in Lithuania (66,7 %).

In fact, the assessment of this criterion is complicated because it can cause better employment conditions for potential, present labor supply and labor demand but also it can cause worse employment conditions for potential, present labor supply and labor demand. When employers do not difference employees by

nationality and country it causes better employment condition for present, potential labor supply and labor demand. However, when employers difference employees by nationality and country it causes that the employment conditions become better for employees who studied in Lithuania (less competition, relatively higher wage), but the employment conditions become worse for employees who studied abroad. A similar situation is noticed in labor demand: the employment conditions become worse because the costs for wage is increasing when supply relatively is decreasing but also employment conditions can become better because employer can choose an employee who complies with his requirements. In conclusion, this criterion can cause better and worse employment conditions for labor demand and labor supply.

5) The time of becoming an expert of economist-financier. It is found out that the 3rd work years are sufficient period of time to become an expert of economist-financier (by aspect of labor demand; 37,5%; Figure 4). This information will be right if employee is constantly improving itself and always is interested in innovation.

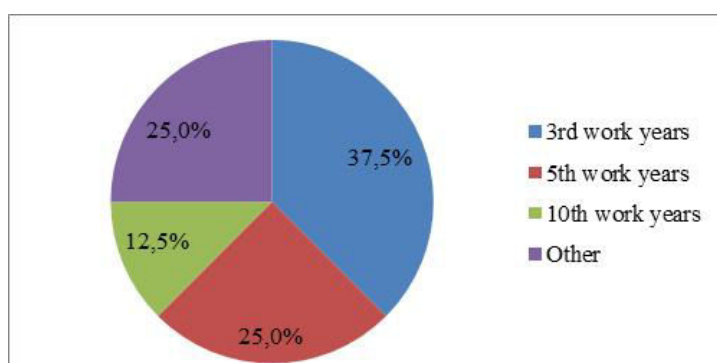


Figure 4. The time of becoming an expert of economist-financier (labor demand)

Note: answers "1st work year" and "2nd work years" were not chosen.

The results of research are similar to Levišauskaitė et al. (2005). Scholars identified the work experience which was necessary for labor demand for requirement to financier in 1997-2004. In this case, the average time of experience can be equivalent to the time of becoming an expert. The calculation shows that the perception of time, when person becomes an expert, is the same like in this empirical research results – the 3rd work years. In this case it causes that the employment conditions become better for labor demand because it is a sufficient period of time to become an expert of economist-financier. However, it is quite short period for labor supply and it causes that the employment conditions become worse for present, potential labor supply.

In conclusion, identified criteria of employment conditions (by aspect of labor demand) can be classified into 4 groups: 1) criteria which have positive effect on labor supply and labor demand (e.g., the program of education); 2) criteria which have negative effect on labor supply but positive effect on labor demand (e.g., the type of education institution, the time of becoming an expert of economist-financier); 3) criteria which have negative effect on labor supply and labor demand (e.g., the level of study); 4) criteria which have both positive and negative effects on labor supply and labor demand (e.g., the employee's nationality and country). To sum up the 5 criteria results by point of view of labor demand, the conclusion can be made that there are relatively better employment conditions for labor demand (4:2) than present, potential labor supply (2:4; Table 5).

It is assumed that this situation has an impact on the decreasing of unbalance in Lithuania economists'-financiers' labor market: present, potential labor supply should be the same or relatively decrease, labor demand should relatively increase, wage and costs of wage should relatively increase. In this case the surplus should decrease in Lithuania economists'-financiers' labor market. So, the employment conditions by aspect of labor demand are relatively favorable. Finally, it has a positive effect on Lithuanian economists'-financiers' labor market.

Table 5. The assessment of Lithuania economists'-financiers' employment conditions (point of view of labor demand)

Criteria \ Labour market	Labour supply		Labour demand	
	↑	↓	↑	↓
1) The program of education	1	0	1	0
2) The type of education institution	0	1	1	0
3) The level of study	0	1	0	1
4) The employee's nationality and country	1	1	1	1
5) The time of becoming an expert of economist-financier	0	1	1	0
Total	2	4	4	2

Note: ↑ – the employment conditions become better; ↓ – the employment conditions become worse.

To sum up the results of empirical results, it is necessary to say that although 2014 years the surplus Lithuanian economists'-financiers' labor market existed but both labor supply and labor demand are optimistic by aspect of employment conditions. Conclusion is controversial: the optimism of potential, present labor supply has an impact on the increasing of surplus but the optimism of labor demand has an impact on the decreasing of surplus in Lithuania economists'-financiers' labor market. It can be assumed that in the future Lithuania economists'-financiers' labor market should balance. More accurate conclusion about the assessment of Lithuania economists'-financiers' employment conditions can be made based on aggregate results. In this case the overall Lithuanian economists' -financiers' assessment of employment conditions is that the employment conditions are better for labor demand (7:5) than present, potential labor supply in Lithuania (6:6; Table 6).

Table 6. The overall assessment of Lithuania economists'-financiers' employment conditions

Criteria \ Labour market	Labour supply		Labour demand	
	↑	↓	↑	↓
The employment conditions by point of view of labour supply	4	2	3	3
The employment conditions by point of view of labour demand	2	4	4	2
Total	6	6	7	5

Note: ↑ – the employment conditions become better; ↓ – the employment conditions become worse.

On the other hand, there cannot be made the unambiguous and strict conclusion about the employment conditions by point of view of labor supply and demand due to difference which is minimum between labor supply and labor demand. In this case Lithuanian economists'-financiers' labor market should move towards equilibration: potential, present labor supply should be the same or relatively decrease, labor demand should relatively increase, wage and costs of wage should relatively increase. Finally, the surplus of Lithuania economists'-financiers' labor market should decrease. To sum up total empirical results, the conclusion can be made that there are positive forecasts to Lithuanian economists'-financiers' labor market.

The main problems of Lithuania economists'-financiers' labor market by aspect of employment conditions

According to total empirical research results that the employment conditions are better for labor demand than labor supply, there can be identified the main problems in Lithuania economists' , -financiers' labor market.

It was found out that labor demand overestimates economists' -financiers' abilities of becoming an expert of economist-financier. Labor demand specified the 3rd work years but labor supply indicated the 5th work years. It is likely that labor demand relatively expects faster efficient and productivity labor results than labor supply realistically could achieve it. In this case, different beliefs between labor supply and labor demand respectively can form different employment conditions for labor supply and labor demand.

It is noticed that the criteria of receiving a job is different between Lithuanian economists' -financiers' labor supply and labor demand. It is known that 50,0 % of labor demand differenced economists'-financiers'

employees according to nationality and country where the education was got. In this case the priority was given to Lithuanian who studied in Lithuania. However, potential labor supply was convinced that the priority was given to Lithuanian who studied abroad. On the other hand, economists'-financiers' nationality and country, where the education was got, were not important for 50,0 % of labor demand. So, incorrect perception of potential labor supply due to employer's selection for recruitment of economist-financier distorts economists'-financiers' labor market. For this reason, potential labor supply can temporarily emigrate from Lithuania (to get an education abroad and then come back to Lithuania) or the emigration can be in perpetuity. The formation of this employment conditions is negative for labor supply and labor demand.

It was found out that there was relatively optimistic Lithuanian economists'-financiers' labor supply (according to perception of career perspectives). It could be one of the reasons due to surplus economists'-financiers' labor market in Lithuania 2014. Of course it could cause the employment conditions differences between labor demand and labor supply. It is clear that the higher number of Lithuania economists'-financiers' improves the employment conditions for labor demand: labor supply is increasing, wage and costs of wage are decreasing. On the other hand, there cannot be made the unambiguous and strict conclusion about the employment conditions by point of view of labor supply and labor demand due to difference which is minimum between labor supply and labor demand. But it can be assumed that at long term the employment conditions between Lithuanian economists'-financiers' labor supply and labor demand are expected to balance. As a result, the surplus Lithuanian economists'-financiers' labor market also should be balanced among labor supply and labor demand. In fact, the deeper research should be done if it is necessary to get more detailed research about Lithuanian economists'-financiers' employment conditions based on larger number of criteria and informants, respondents.

CONCLUSIONS

The employment conditions are described as interaction of factors of labor demand and labor supply (e.g., employer's pay recourses, labor productivity, labor force, the qualification of labor force, the perception of career perspectives, wage and etc.). This interaction has an impact on the formation of employment conditions between the entrance into labor market by present, potential labor supply and the acceptance on labor market by labor demand. The assessment of Lithuania economists'-financiers' employment conditions is relevant due to the identical researches were not be found.

Mixed empirical research was presented in this article. Moreover, Lithuanian economists'-financiers' labor market was classified into 3 elements: present (employees), potential (students of schools, students of universities) labor supply and labor demand (employers). Potential labor supply is important because it shows the perspectives of Lithuanian economists'-financiers' labor market. The main Lithuanian economists'-financiers' employment conditions were assessed according these aspects: the perception of career perspectives, the time of getting a job, the time of becoming an expert of economist-financier, the main difficulties of looking for a job, the beliefs of demand by employee 's nationality and country, criteria of receiving a job (the program of education, type of education institution, type of study level, employee's nationality and country).

Research showed, that there is relatively optimistic Lithuanian economists ' -financiers ' labor supply. The employment conditions are better for potential, present labor supply (4:2) than labor demand (3:3) by point of labor supply 's view. In contrast, the employment conditions are better for labor demand (4:2) than labor supply (2:4) by point of labor demand 's view. According to total of research results, Lithuanian economists ' -financiers ' employment conditions are better for labor demand (7:5) than labor supply (6:6). On the other hand, there cannot be made the unambiguous and strict conclusion about the employment conditions due to difference which is minimum between labor supply and labor demand. In fact, the research should be made in wider context in order to make precise conclusions. The conclusion can be made that at long-term employment conditions should be balanced in Lithuania economists'-financiers'

labor market. As a result, at long-term (when other factors are *ceteris paribus*) Lithuanian economists'-financiers' market should move to equilibrium in the future.

It is recommended to reduce the discrimination (by employer's nationality and country where education is got) for recruitment of economist-financier. In this case, it is important to give equal opportunities to foreigners to integrate into Lithuanian economists'-financiers' labor market. One of the tools could be the financial support to employers (by Lithuania Government) to promote the reduction of discrimination to foreigners. This tool would be used until the discrimination of foreigners were significantly reduced or eliminated. Also, it is recommended to promote the rational discrimination by the institution of education where the education is got. Moreover, it should be noted that the reform of Lithuania education system is necessary. One of tools could be the reinforcement of acceptance conditions to the programs of economics, finance for potential students. As a result, the importance and value of academic degree would be higher in labor market.

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ANALYSIS OF RESEARCH AND DEVELOPMENT IN THE CONTEXT OF LITHUANIA AND EUROPEAN UNION

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ABSTRACT. Analysis of Research and Development in the Context of Lithuania and European Union is prepared using statistics and numbers from MOSTA, Statistics Lithuania and Eurostat shows the situation of R&D in Lithuania. According to R&D statistics made conclusions about Lithuanian technological level and attention is paid to sources and intensity of investments to R&D development. All collected data and research findings can be used to further research in R&D field are essential for institutions which should evaluate themselves in a general context to ensure effectiveness and development in the future and to use good practice examples.

KEYWORDS: public sector, R&D, Research and Development, European Union

INTRODUCTION

Purpose. Disclose R&D situation in Lithuania and compare it with European Union.

Methodology. The paper summarizes and analyses Research and Higher Education Monitoring and Analysis Centre (MOSTA), Statistics Lithuania, Eurostat and other data and various authors' studies in the R&D field. Used methods are analysis of scientific articles, correlation analysis, comparative analysis and graphical analysis.

Research and Development in Lithuania has started it's the most intensive developing after 2012 when Lithuanian Government adopted the resolution about R&D Development Program for 2013 - 2020. After the analysis it was found out that the majority of R&D employees, creating additional value, is in a higher education sector while the quickest growth of occupation was found in business sector. When analyzing data of Statistics Lithuania, tendency of increasing expenditures for R&D was found. According the fact that the amount of investments to R&D area is increasing it is possible to claim that Lithuania is a State of high technological development and seek to find solutions and make processes more effective by using R&D infrastructure. Despite the fact that Lithuania is investing more and more to this area, the numbers and level is not as high as in other modern and highly developed European Union's members. The most visible difference between Lithuanian and European Union is in types of sources of investment to the area - Lithuanian business should follow more developed EU countries, be more orientated in R&D and invest in it by itself instead of using Governmental sources. Seeking to approach a EU level it is important to make right strategic decisions: inform and encourage society about EU investments in R&D, involve private sector in innovative projects, make business investments in science area more intensive and invest in a qualification of human resources working in R&D.

All collected data and research findings can be used to further research in R&D field or as starting point to more detailed analysis comparing Lithuania and EU R&D situation.

Practical implications. Evaluating the situation of R&D activities in Lithuania and comparing it with European Union level is essential for institutions working in R&D. They should evaluate itself in a general context to ensure an effectiveness and development in the future and to use good practice examples.

R&D IN PUBLIC SECTOR IN LITHUANIA

Public sector is usually described as public administration, public policy or public management (Dumpytė, Valackienė, 2015, p.344). The concept of public sector covers all institutions that are maintained by budgets of states and municipalities. Public sector differs from private sector by these ownership rights. It means that public sector institutions are managed by political institutions and are limited by political factors (Morkevičius, 2013, p.418). The main functions of the public sector are:

1. Tax revenues collection to national budget (Giriūnienė, 2013, p.37);
2. Creation of public institutions (Lane, 2001, p.26);
3. Resources distribution (Lowi, 2009, p.159).

To be competitive in international market it is essential to invest to R&D of every key a country's sector (Sueyoshi, 2013). In this paper it is concentrated on the last function of public sector that is distribution of resources. The government tries to influence and empower the distribution of resources in order to take into account the needs of society as a whole (Dumpytė, Valackienė, 2015, p.344). Most of the main questions are orientated on what and how to produce because the market by its limitations is not able to allocate resources in the most efficient manner. Therefore, the role of government is especially important when it is talked about provision of public goods to residents (Gaulė, 2014, p.374). The government usually sets priorities for the goods and services that have direct benefit for the public R&D is defined as systematic creative activity of work, including of man, culture and society and use this knowledge for practical purposes. R&D covers three activities: basic research, applied research and experimental development (Statistics Lithuania, 2014, p.1). Analyzing Lithuanian legislation made clear that Lithuanian government has adopted resolutions to help develop R&D area. One of them is the Article 17 of Law on Corporate Income Tax of the Republic of Lithuania which approves that the expenditures of activity of R&D can be deducted three times from company's revenue (State Tax Inspectorate, 2015). This condition enables companies to save up to 30 percent of R&D project costs. It is important to note that companies can also save their corporation taxes that were paid in the past. Even though, society still thinks that these conditions are dedicated just to high technology companies while all companies can use it (IT, manufacturing, etc.).

Government of the Republic of Lithuania in 2012 issued a decree of 2013-2020 R&D program approval. The program's main strategic aim is to promote sustainable human and social development, strengthening the country's competitiveness and enable innovation, development studies and R&D. Lithuania's investment in R&D area was 0.92 per cent in 2011. In order to increase R&D capacity and promote innovation in all sectors of the economy, Lithuania is committed to increase investment in R&D to 1.9 per cent of GDP until 2020. It is expected that the strategic and smart specialization, which is focused on R&D policy, will contribute to the country's competitiveness, promote job creation, help to solve major social challenges and improve quality of life.

The Government of the Republic of Lithuania resumed the integrated science, studies and business centers (valleys) based on the above-mentioned program in 2014. The main objectives of this was to create conditions for high-level research, to promote development of science-intensive sectors, to promote creation of new products and services and their commercialization (Lietuvos Respublikos Vyriausybė, 2012). Because of that a few valleys were created (Sunrise Valley, Santara Valley, Santaka Valley, Nemunas Valley, Baltic Valley). There scientists and other researchers at national and international levels are encouraged to corporate (Fizinių ir technologinių mokslų institutų asociacija, 2010). Lithuania is also involved in the international R&D programs, for example, 'Horizon 2020' (Agency for Science, Innovation and Technology, 2015, p.12). The main goal of it is to develop knowledge and innovation society, to contribute the implementation and development of the European Research Area 'Europe 2020'. This

program will contribute to the new scientific discoveries and global level of innovation, realization of ideas and the transfer from the laboratory to the market. During the 2014 - 2020 period it is planned to absorb more than €80 billion (Agency for Science, Innovation and Technology, 2015, p.12). Funding will be based on criteria such as high-quality research, competitive industry and benefit to the public (Europos parlamento ir tarybos reglamentas, 2013, p.7). MITA's data (2015) shows that the majority of applying organizations were universities (23 applications) and research institutes (10 applications).

It is important to mention that Lithuania is promoting R&D activities and trying to attract more investment by participating in international programs such as 'Eureka'. The main goal of 'Eureka' is to support market-oriented R&D in all fields of modern technology (Ministry of Economy of the Republic of Lithuania, 2015). Lithuania is also signed a lot of international agreements in science and technology. Lithuania is closely collaborating or still maintain diplomatic relations on science and technology development and improvement with countries such as Belarus, Belgium, Estonia, United States, etc.

RESEARCH AND DEVELOPMENT INDICATORS IN LITHUANIA

In the paper there are emphasized the most important indicators that talk about R&D area. The first indicator is a number of employees working in R&D area in Lithuania. According official data of Lithuanian Statistical Department, during 2010 - 2014 a number of the employees (including all genders and all ages) was growing. It lets us make a hypothesis that working in the area is becoming more and more popular. Czarnitzki (2013) in his paper found that the increase in the number of R&D employees can be impacted by public sector subsidies. An absolute number cannot show a real situation - it is needed to find out relative indicator and find reasons and tendencies. As the most important indicator showing the situation of Lithuanian economy is chosen Gross Domestic Product (GDP) so a part of calculated relative numbers will be compared with the indicator. While an absolute number of R&D employees does not show a real economic situation, there relative numbers of employees in the area in Lithuania per capita is compared with Gross Domestic Product (GDP) per capita (EUR). It is visible (graphic 1) that the biggest amount of R&D employees is in higher education institutions and it shows that the sector keeps traditions to be the birthplace of the biggest amount of different innovations and the place where is it usual to solve problems using R&D tools and methods. As the graphic shows, the amount of R&D employees per capita has a tendency to grow similarly to GDP per capita. It can be interpreted as a signal that these times more intensive activities in the area help to grow country's economy.

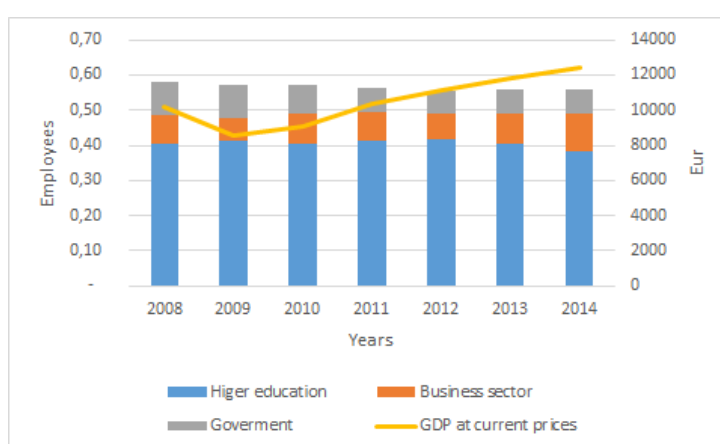


Figure 1. Employees participating in R & D and GDP at current prices (per capita) on 2008 - 2014. Source: developed by the authors according to the Lithuanian Statistics Department

The most intensive growing of the number is noticed in business sector. It shows that entrepreneurs pay more and more attention to installation of innovations and applying of high technologies in processes for making activities more effective and Hottenrott (2014) in her research found that governmental subsidies cause R&D omission in the private sector. The most stable and smallest number working in R&D is in a

public sector. It can be affected by one of two reasons: firstly, R&D area in public sector has been implementing effectively and it is not necessary to increase the number in the sector; secondly, the government decided to follow good examples of developed countries, keep a stable number in public sector and stimulate a growing of Lithuanian economy by more intensive investments to business and higher education sectors. It means that Lithuanian economy's growth would be depended not on more modern public sector but on big additional value creating entrepreneurship and more and more commercialized higher education's sector.

Table No.1 shows how much it was spend on scientific researches on R&D activities and how much public finances it is dedicated for R&D while evaluating it in cross-border level. Qu and Huang (2013) noticed the importance for local and regional governments to join the central unit and implement R&D policy centralized. The one of the reasons was specified a boosting of R&D only in domestic firms. According data of Lithuanian Statistics Department, it is possible to claim that these expenditures are increasing every year and the peak is reached in 2014 - even 109,33 bln. Eur (approx. 0,30 proc. GDP while in 2010 (first analyzed year) it was just 0,23 proc GDP). The biggest part is dedicated by Lithuanian Government and these expenditures have been increasing as well.

1 table. Expenditures and national public funding for research and development on 2010 - 2014.

	2010	2011	2012	2013	2014
Expenditures for R & D, mln. EUR	64,55	74,11	80,34	84,63	109,33
National public financing of cross-border coordinates R & D activities, mln. EUR	1,04	0,98	1,04	1,46	1,71
R & D expenditure and national public funding for cross-border coordinates R & D ratio in percent.	1,61	1,32	1,29	1,73	1,56

Source: Lithuanian Statistics Department

In comparison with expenditures, that exceed funding, covering of expenditures fluctuates between 1,29 and 1,73 proc. Funding for R&D from government is relatively small. This suggests that R&D in Lithuania is funded not by Government Budget but by other alternative ways. Figure no.2 shows dynamics of expenditures on R&D (at all for science sector) and Lithuania GDP (based on prices of the appropriate year) during 2008 - 2014. It is visible, that monetarily both science sector and governmental expenditures for R&D increased in parallel with GDP per year.

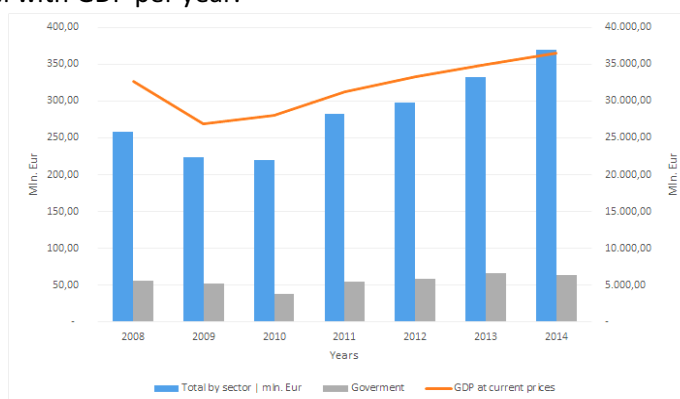


Figure 2. Total R & D expenses of the sector and GDP at current prices on 2008 - 2014. Source: developed by the authors according to the Lithuanian Statistics Department

The tendency shows that R&D is an area that attracts bigger and bigger investments every year. It shows that Lithuania is a country of high technologies and has been trying consistently to solve economics

problems and make working methods more efficient by using R&D. Otherwise, McCann and Ortega-Argiles (2015) claims that R&D not always has to be a priority of a country - in key sectors (like tourism) it is necessary to concentrate more non-R&D innovation. Non decreasing and even increasing intensity of investments' flow let's start new enterprises, monitor it and improve. Direct dependence with GDP let's make a conclusion that increasing investments to R&D contribute to growth of Lithuanian economics.

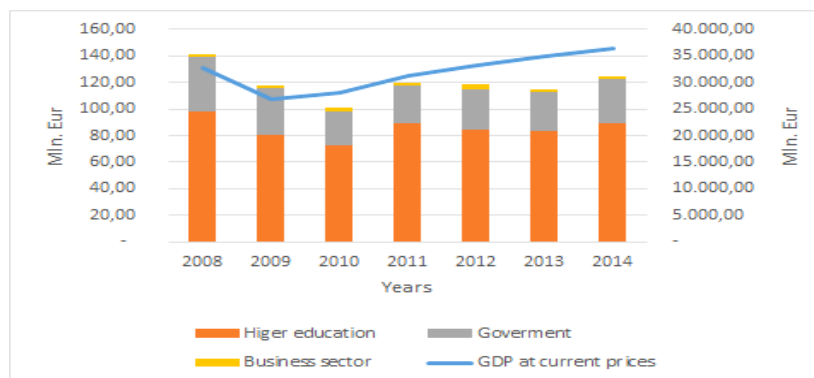


Figure 3. Governmental expenditures on R&D and GDP at current prices on 2008 - 2014. Source: developed by the authors according to the Lithuanian Statistics Department

The figure No 3 shows dynamics of Governmental expenditures on R&D and GDP on 2008 - 2014. Decreasing expenditure (bln. Eur) is noticed during financial crisis. After the crisis the area was supported and the amount of expenditure increased again. It is visible that the biggest part of investments of Government for R&D is for higher education sector (integrated science and innovations centres, open access centers, innovative activities of institutions etc). The minority was dedicated for business sector. According facts that a number of employees working on R&D is growing but funding from Government remains stable, it is possible to make a conclusion that Government tries to support itself and encourages business, as a unit that seeks to get benefit, reinvest it to its activities and make it more innovative and more effective. Silaghi (2014) found that meaningful impact of R&D business on economic growth is noticed while public R&D does not displace the positive impact of private R&D in the estimations. The most stable amount of investments is dedicated for the public sector. It means that Government is more for consistent, creating long-term value and stable development while business is more dynamic, like taking risk and seeking for the best profitability rates. It is interesting that while GDP is growing, public expenditures for R&D is not increased. It can mean or public sector absorbs the investments very well and it is not necessary to increase it for continuing projects nor R&D is effective and accumulate additional finances that help to save the Budget and that can be used in new period for starting new R&D projects and supporting working ones.

RESEARCH AND DEVELOPMENT INDICATORS OF LITHUANIA IN A CONTEXT OF EUROPEAN UNION

One of the most representative rates that let's evaluate an effectiveness of science sector is a ratio between expenditures on R&D and GDP. The rate shows how much it is spent on R&D in sectors of government, education and private business. In the figure No 4 it is showed how Lithuania looks in a context of EU-28 average. The numbers are compared using not only historical data but predictions for 2020 as well.

Lithuania dedicates smaller part of GDP for R&D than EU-28 average and the difference is fluctuating around 1 proc. The goal for EU-28 average for 2020 is to reach a level of 3 proc of GDP. But it is expected to reach a level of only 2,31 proc GDP so it can be difficult to reach the goal. Despite the fact, EU is trying to do the best and by a help of EU investments' projects and programs emphasizes a cooperation between science and business and innovativeness. The goal of Lithuania is to reach a level of 1,9 proc GDP. But for Lithuania it is quite difficult if it does not start big changes in the politics and will not exceed statistical forecasting that for now shows the rate going to reach a level of 1,17 proc GDP.

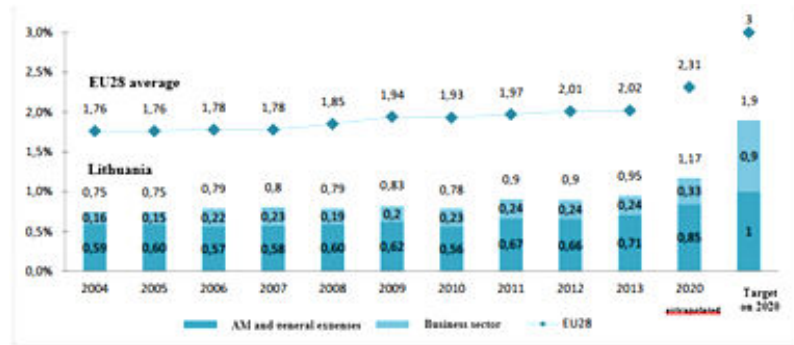


Figure 4. Total R&D spending as a part of GDP change. Source: MOSTA.

In Lithuania R&D mostly is funded by public funds. The funds are invested in processes of making the country more modern and available to apply the newest and most effective technological, innovative and scientific solutions in practice. The main goal is to reach and support a high level of R&D in comparison with developed EU members and world countries. It is worth mentioning that big enough part is funded by EU investment projects' funds.

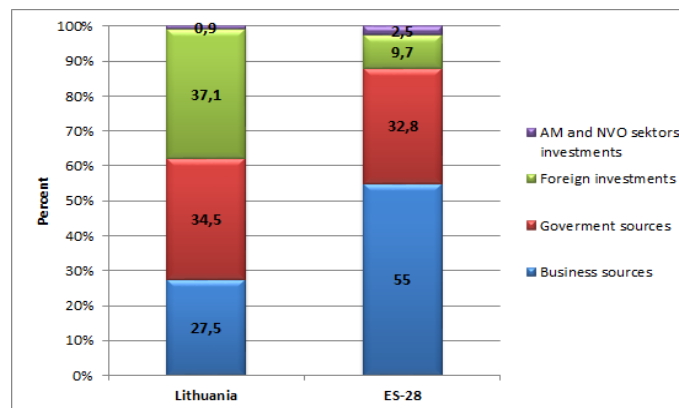


Figure 5. Funding for R & D sources between EU-28 and Lithuania. Source: developed by the authors according to the European Statistics Department

5 figure shows that there is a meaningful difference in funding for R&D sources between EU-28 and Lithuania. In EU majority is dedicated from private business sources (55 proc) while in Lithuania the relative number is only 27,5 proc. The meaningful difference is noticed in sources related with foreign investors. In Lithuania almost one third all investments are from foreign investors while EU-28 average does not reach a level of 10 proc. Considerable difference exists in higher education's sector investments to R&D is not so intensive as it is in EU-28 average. In Lithuania the number is 0,9 proc while in EU-28 - even 2,5 proc of all investments. So, it is important in Lithuanian development strategy to include an encouragement for business sector to fund R&D by its own funds. That would help for Lithuania to support and make R&D stronger.

2014 European Commission did a research about an effectiveness of exemption for R&D. The research involved 33 countries (EU-28, US, Japan, Israel and Norway) that was evaluated by three criteria's: circumstances of applying the exemption; recipient of benefit; technical process of applying for the exemption. Lithuania takes 19th place and outstrips neighboring countries like Latvia and Poland. It means that the country is well aware about the exemption for R&D and can apply it inside but it is not as effective as it can be.

CONCLUSIONS

R&D became very intensive in Lithuanian level when development strategy for R&D 2014-2020 was accepted.

In Lithuania the biggest amount of employees working in R&D is in higher education's sector. The most intensive growing of these employees is noticed in business sector what shows and entrepreneurs pay attention to innovations and more effective methods.

Tax exemption for R&D enterprises has a tendency of decreasing because of a fair or National Tax Inspection and uncertainty feeling.

Despite growing expenditures on R&D, growing number of employees in the area and more intensive innovativeness, Lithuania is a country that effectiveness on R&D is weaker than modern and strong EU countries.

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PROBLEMS OF PERSONAL FINANCIAL SAFETY ASSURANCE

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ABSTRACT. This research analysis the personal financial safety assurance probabilities, different authors' studies related to personal finances. The aim of this article is to disclose main personal financial safety problems and criteria which should be evaluated in financial planning process. All individual financial decisions and activities, including insurance, savings, investment, mortgage, debt and many other choices are components of personal finances. Paper provides generalized conclusions relating to the personal financial management problems. Used methods are systematic scientific articles analysis, comparative analysis and graphical analysis. One of the main personal financial security problems can be attributed to the use of passive security services. Every person wants to be assured both his and his family's safety and well-being. But in life unpredictable events could occur which can undermine financial security of family life. For this reason, persons are seeking to insure themselves and their family members in the event of an emergency to ensure their financial safety.

KEYWORDS: financial security, personal safety, financial situation.

INTRODUCTION. THE CONCEPT OF PERSONAL FINANCIAL SECURITY

Personal finance management topic is not widely analyzed in the scientific literature. A couple of decades this topic was examined more, but the changes in living conditions, the emergence of new financial instruments, amending the statutory base, the personal financial security is no longer widely discussed. Forgetting the importance of personal financial security, the public is not educated how to ensure their financial security.

An integral part of every human life is a personal finance. Any person faces to finances every day it is the most basic essential consumer goods acquisition, or in the long-term investment projects. Each state primary goal is to increase its prosperity, given to people safe living environment and ensuring social and economic progress. In order to secure these objectives implementation, the various measures are done in order to accelerate economic growth and development of the country. Zajec (2012) points out that the personal finances topic became very important for most of the residents, but personal finance and personal investment of researchers are still rarely analyzed. Therefore, it is essential for people to learn how to effectively manage personal finances. Personal finances cover all individual financial decisions and activities, including insurance, savings, investment, mortgage, debt and many other choices. Personal financial management is tied to effective income distribution and minimizes the cost level which allows not only to balance the personal income and spending budget, but to find ways to preserve and increase the value of the assets managed by the people. The material quality of life is due to the financial resources or lack of them (Daffe, 2011). Jurevičienė (2008) argues that, unlike in Lithuania, abroad countries are given more attention to personal financial management, problem analysis, they publish books, designs article to educate and create awareness of the need to ensure the financial security of the people. According to Monkevičius (2011) people's financial security is one of the most important factors for happiness.

Klimavičienė and Jurevičienė (2007) points out that the term of personal finances must take into account the following main characteristics: income, household expenses, the person's age, and family structure, the need to have sufficient liquid assets, cash and cash equivalents. Also, in order to evaluate the personal

financial literacy, the ability to ensure the financial security it is need to assess each person's understanding of inflation and interest rates, the available experience in the financial markets, the level of tax planning, perception of the future, the state pension assessment, career and the potential earned income loss issues. Personal financial security is associated with each person manages with personal finances, seeking to maintain unchanged level of consumption in the event of unpleasant changes and changes in ability to work. Josee and Louise (2011) worried about personal financial security issues carried out comparative studies related with small businesses operating in various business sectors. The results showed that there are three main reasons for defining professional skills, career expansion: the desire to be rich, to meet the challenges ahead the aims, to create and guarantee long-term financial security for him and family. The results showed that the desire to ensure the financial security of many people is an important factor in promoting development. Mockus and Žukaitė (2012) notes that population aging affects the entire national economy, social policy, and each person's financial security in their pension time. Iwamasa, Iwasaki (2011) study showed that for older people it is essential to maintain a lifetime earned capital. They want to save the accumulated capital to help financially support for their children and grandchildren. As well as capital preservation desire to be associated with the objective of securing a guaranteed sourcing in retirement period, have the capability to meet emerging needs, maintain health. Otero-López et al. (2011) research showed that interfaces between subjective well-being and materialism revealed that materialists felt less satisfaction with their family life and their income. Cancellor and Lyubomirsky (2011) notes that such people especially evaluates the financial security.

It was found that for greater financial security are interested older persons, persons having a family. As well as having a higher standard of living are more interested in maintaining the current level of consumption in the future, so gather a wider range, greater financial security guarantees measures. Summarizing different authors' opinions personal financial security could be defined as a desire to maintain a constant level of consumption in the future, when the changes in generating earnings occur.

THE REASONS DETERMINING PERSONAL FINANCIAL SECURITY INSTABILITY

Changing personal living conditions, age, experience, family structure, changes the attitude of person financial security, the need of it and assurance measures. As pointed out Logfina (2010) there is no doubt that in the physical life, there are certain stages that inevitably experienced by every person. This is the birth, growth, development, maturity and aging stages which can still be described as infancy, childhood, youth, maturity, and the last - the retirement age. Natural personal development often does not coincide with his mental and particularly financial, development stages (see. Table 1).

Table 1. Stages of personal financial development

Personal financial life cycle	Description
Financial infancy	The stage at which a person is financially totally dependent on others, defending people (parents, guardians) will.
Financial childhood	This stage includes the situation where a person starts to earn a minimum income, but this income is insufficient to cover the incurred costs.
Financial youth	Personal income is sufficient to meet its needs and to balance revenues and expenditures budget. Also part of the funds can be set aside to carry out financial investments, financial assets purchase.
Financial maturity	Stage, when income earned from financial youthful stage of acquired financial instruments asset begins to exceed the income derived from operating activities.
A complete financial life	At this stage, the revenue flow from financial investments is sufficient not only to ensure the free movement of life, but real goals and dreams.
Financial pension	This stage starts when the lack of financial resources has to start limiting the natural human needs. Also, there is a need to sell out over time stockpiles to be able to meet the minimum needs. Taking advantage of personal financial security measures intended to avoid this step.

Source: structured by the authors according to Logfina (2010).

Andriukaitis, et. al. (2009) provides sufficiently good advices related to personal finance management. In their financial services guide people could find advices related to personal finance, savings and investment vehicles, pension funds, insurance and loans. Andriukaitis, et. al. (2009) also emphasize that it is important to know at what stage of life people live. If people know at what stage of life they are, and take into consideration certain factors - income, age, education, family size - it is easier to identify the needs at specific moment, the distribution of monetary resources, how to plan for further economic decisions. The author also states that people should try to provide not only current but also future needs - what can happen in a week, after six months, after several years, and to prepare for them in advance. This is one of the most basic rules of personal finance management. There are also other principles related to personal finances management (Andriukaitis, et. al., 2009):

- people need to have savings for emergencies;
- people need to plan their future costs;
- not plump into debt;
- protect accumulated assets.

Nobel laureate Franco Modigliani also analyzed changes in personal financial position and presented it reflects in the life-cycle theory (Backhouse, Boianovsky, 2012). This theory has emphasized that human income is not stable, but changes in a person's lifetime. For lack of qualification, or in the absence of even a little experience, in the absence of high achievements in the field of career living and working, at the start working the income is lower. Later, increasing know-how and professionalism, length of service the income also increases. However, in the end of cycle of life and work, reduced opportunities for employment the income decreases again.

According to Robert, et. al. (2014) the investor's entire estate consists of two parts. One of them is easily marketable financial assets and the other - human capital. Robert, et. al. (2014) human capital defined as the present value of future operating income of the investor. Economic theory predicts that investor's asset allocation and life insurance decisions are taken in order to increase or maintain the existing level of consumption in the future. Both of these solutions are closely related to human capital. Although human capital is not easily sold, it is often the single largest investor assets (Robert et al., 2014; Chen et al., 2006). It is understood that, generally, younger investors have much more human capital than financial capital. This is because younger investors have more employable years and the time during which they could already save and accumulate financial assets is still short (Sunny, 2012). Conversely, older investors are more likely to have greater financial capital, accumulated over long careers, or human capital, because they are able to work shortest remaining time in the future.

The first picture presents the financial capital and human capital amount of the investor through the years from 25 years to 65 years. When an investor is young, its human capital significantly exceeds its available financial capital. If the investor is committed to continuously saves, over time, it managed financial amount of capital increases (see Fig. 1).

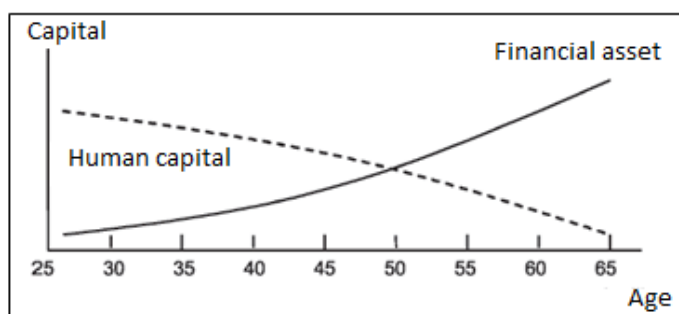


Figure 1. Possible financial assets and human capital during working life time. Source: structured by the authors according to Robert et al. (2014).

Financial asset allocation is changing when changes the life-cycle phases – changes the financial capital and human capital mix proportions. In the analyzed Robert et al. (2014) model people should strive to maintain a constant optimal portfolio weight throughout their life cycle. When the operating income is included in the portfolio, people can change the optimal model of financial assets associated with the life cycle. In other words, the optimal asset allocation depends on the risk and return arising from the operating income of flexibility (Robert et al., 2014, Sunny, 2012). However, both the previous conducted empirical studies by Benartzi and Thaler (2001) and current researches by Sunny (2012), Robert et al. (2014) showed that most investors do not effectively diversify their portfolio. In view of the risk of human capital it was found that many investors use primitive methods to determine the asset allocation level. In addition, the study showed that many people are investing very heavily in shares of companies in which they work or feel another indirect connection with the acquisition of shares in the issuing company. So it shows that after the irrational investment decisions the reduction in personal financial security options.

Life-cycle and savings model was also analyzed by Cronqvist bei Siegel (2011). According to the authors, the person must provide for pending changes in income after retirement or incapacity for work and estimate how much they need to set aside money to make it possible to ensure that the standard of living would remain unchanged for different periods of life. Whereas Cruiksen, et. al. (2011) notes that this should have acquired skills that will help determine the appropriate level of savings in the design of future indicators, the calculation of the discounted present value of money and the evaluation of the different variables, such as changes in income, inflation, pension and others that will affect the level of consumption in the future.

PERSONAL FINANCIAL SECURITY MEASURES

In order to correctly assess the desired size of the financial collateral, it should take into account not only the current macroeconomic environment conditions, but also the subjective, personal criteria. Surplienė (2010) distinguishes these personal criterions: the average monthly expenses, assets and profession, education, age, marital status, dependents and persons earning income number. Also the evaluation of necessary financial security should take into account diseases, injuries, accidents probability of inheritance, hobbies, business travel frequency and travel distances. Surplienė (2010) argues that assessing the likely reserve fund to be used distinguishes three stockpiling components: protection guaranteed by the insurance instruments, cash and other liquid assets. Hanudin, et. al. (2011) considering the personal financial security measures to self-determination and choice to use defines following factors: attitude, social influence, the religious duty of state support.

According to Banionytė and Dagilienė (2011) if a person owns a rational benefit of finances, he did not lose it, but keep their money. In order to ensure financial stability, the mandatory condition that the person should be the goal and create a personalized plan to achieve the objective of assessing all possible risks. Financial planning is carried out in the following stages: assessment, goal setting, detailed plan, plan, execution, monitoring and re-evaluation. According to the authors, if all these activities are carried out personal finance will achieve good results.

According to the Financial Planning Standards Board (FPSB) Directive (2011) in order to properly assess the risks and expected benefits, financial planning should include 11 different categories (see Fig. 2).

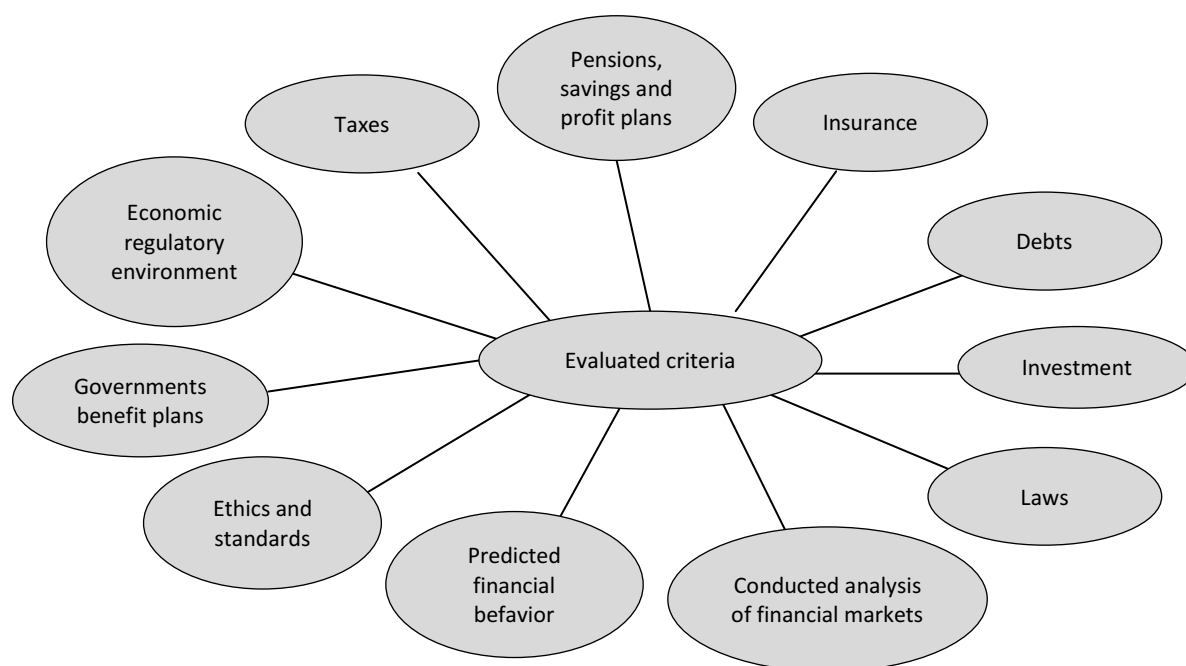


Figure 2. Evaluated criteria for identifying financial security instrument selection Source: structured by the authors according to Financial Planning Standards Board (FPSB) Directive (2011)

It is understood that for the same person analyze all areas, to understand them properly and see all the nuances are too complicated, it is engaged in ensuring the financial stability of companies. In assessing the financial security of the alternatives according to FPSB (2011) it is worth to take into account the principles and experience in financial planning, to assess the financial, asset and risk management capabilities. Also to carry out the tax, pension, property, and integrated financial planning. Vassalou and Xing (2004), Saltelli, Tarantola and Campolongo (2000) agree that one of the riskiest ways to ensure financial security, but generates greater benefits is investments. The authors note that the risk resulting from the fund performance deviation from the expected result options. Applying the sensitivity and scenario analyzes can investigate fund operational risk elements which characterize and evaluate them. Scenario analysis allows simulation of 3 possible project scenarios (pessimistic, baseline and optimistic) to identify a number of factors impact the project to the net current value (NPV). During variables affect the qualitative analysis of selected key parameters that change effects of fund performance variation of efficiency compared to baseline performance.

Skučienė (2011) argues that residents without good understanding of system works not only to passively engage in it, but inertia and invests in breach of their choice and efficiency potential risks. Lavigne and Legros (2006) added that when choosing investment alternatives guided by his beliefs, expectations, however, does not take into rational calculations. But according to Herve (2003), Hinz, et. al. (2010) investments in equity funds are more appropriate as soon as possible in order to get high returns, while bond fund performance is felt over a longer period of time.

The main way to guarantee financial stability at any stage of life is a constant financial planning. According to Gitman, Joehnk and Billingsley (2013) financial planning is a process consisting of financial information gathering, goal-setting, the current financial situation assessment and strategies for the development or planning. Strategy related to plans, ideas possession on how to implement the objectives set out in the present situation. Also financial planning related to future plans and set targets for attaining the objectives through different means of guaranteeing financial security. However, the choice of financial instruments to help create a sense of financial stability, it is necessary to take into account the economic situation to be able to feel safe exchange of the country's economic situation.

CONCLUSIONS

Personal financial security could be defined as a desire to keep a same level of consumption in the future, when the changes in generating earnings occur. One of the most important aspects of personal finance management - it is a financial planning application. As one of the main instruments to ensure financial security is usually indicated as the investment life insurance or endowment insurance, participation in the activities of pension funds, individual investment to long-term investment in order to ensure incomes which will allow to cover the resulting reduction in the level of wages and to maintain the level of consumption in the future. Many scientists' personal financial situation and financial security needs relates to the human life cycle. It is important that each person analyses, plan and properly manage the available financial resources, especially in the economic downturn. There is a tendency that in economy growth stage, people are less concerned with their financial security protection and the use of protective equipment demand is growing at a slower speed, but that is a wrong perception. Because when people have good earnings they should think about their financial security in the future and try to use money properly. One of the main personal financial security problems can be attributed to the use of passive security services. Every person wants to be assured both his and his family's safety and well-being. But in life unpredictable events could occur which can undermine financial security of family life. For this reason, persons are seeking to insure themselves and their family members in the event of an emergency to ensure their financial safety. That is why each person should understand that the increase of financial security is important not only at the state level, but also independently of each human initiative. Assessing the stages of personal financial management each person should choose the proper financial management way, try to ensure their personal financial safety in future and always have personal financial safeguards.

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STABILITY AFTER CRISIS: CHANGES IN DEBT HOLDERS

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ABSTRACT In this paper author finds links among changes in private and public debt during and after economic downturn. Financial deepening in years before economic downturn resulted in growth of indebtedness among agents within the economy that sustained afterwards. The European Union has not become less indebted during and after economic meltdown, but the structure of debt holders has changed. The growth of private debt in upturn phase resulted in qualitatively new level of economy. However, in order to sustain the same level after economic downturn public sector was forced to increase its debt. As a result, interactions among financial stability and fiscal sustainability have become more pronounced as monetary financial institutions experienced deleveraging from private sector and increase of leverage from public sector. In this paper financial stability and fiscal sustainability are analyzed by employing flow-of-funds data that shows balanced interlinkages among real and financial flows. Recent discussions on sovereign debt instability and suggestions to diminish public debt whatever it costs lack appropriate answer who will replace it as flow-of-funds in economy is always in balance.

KEYWORDS: Financial stability, fiscal sustainability, flow-of-funds analysis, interconnectedness, balance sheet approach.

INTRODUCTION

The significant transformation of financial markets, institutions and infrastructures over the last few decades has substantially enhanced the role of finance in the economy. In majority of countries the increase in financial assets and (or) liabilities was several times faster than the growth rate of countries' income (gross domestic product, GDP). Along with the evident advantages of financial deepening, however, a number of disadvantages emerged as well. Notably, during economic, financial or other types of crises, the financial burden built-up earlier greatly aggravates the position of indebted economic agents, resulting in slower output growth afterwards. Additionally, the substitution of debt holders occurs within the economy. Deleveraging by private and financial sectors' is substituted by increase of public sector leverage because economy is adjusted to new level (new normal). On the one hand this is a result of expansionary fiscal policy and growth of need for resources especially for countries with lack of reserves in down-turn phase. On the other hand, this is result of substantially higher national income level that was previously supported by strong increase in private leverage.

Level of indebtedness is one of the core measures by discussing financial stability and fiscal sustainability issues both in a local and a global context. Taking into account its complexity, safeguarding financial stability and fiscal sustainability has become a challenging task for policy makers. The rising interconnectedness between sectors and economies has made the analysis even more complicated. Demand for comprehensive and consistent data sources which could be of help in assessing interconnectedness and spill-over effects has increased. The role of national and financial accounts' (real and financial flow-of-funds) data could play important role here.

The aim of this paper is to discuss interconnections among financial stability and fiscal sustainability by showing the real structural reasons of public sector debt growth after economic down turn. National and financial accounts of European Union countries are used in order to support the idea that public debt is a result of former build-up of other sectors' debt rather than a cause of economic downturn. Original balance sheet approach is used in order to disclose debt holder change issue within the economy. The paper is organized as follows: Section 2 presents the interaction between finance, economy and government,

Section 3 observes demand for stability and reasons for instability, Section 4 defines the correlation among financial stability and fiscal sustainability, Section 5 highlights assessment issues, Section 6 discusses the case of European Union, Section 7 concludes.

In some extent the material provided in this paper was already published by the author in a scientific journal “Economics” (Vilnius university) and in international conference All China Economy (City University of Hong Kong). However, in this paper author discusses balance sheet approach in considerably different manner by connecting financial stability and fiscal sustainability and raises questions regarding debt behavior among sectors after economic downturn. In addition, crisis and main ideas standing behind them are observed in this paper as well.

MACRO ECONOMY, FINANCE AND GOVERNMENT

As a result of liberalization and deregulation, financial markets have experienced a significant transformation over the last few decades. The evolution of financial instruments ensured a rapid advancement in terms of a financial system’s main goals, namely the transformation and allocation of different types of financial assets in time and place, mobilizing savings and diversifying risks, thereby creating a financial environment that supports general economic performance. Real economic and financial activities have increasingly overstepped state borders (see Fig. 1) – as reflected in the sharp increase in the cross-border flow-of-funds – and made the achievement of these financial system goals even more effective. However, domestic and international financial funds not only provide support for the real economy (broadly speaking in satisfying its borrowing / lending needs), but at the same time they create some vulnerabilities due to the fragile and interconnected nature of finance.

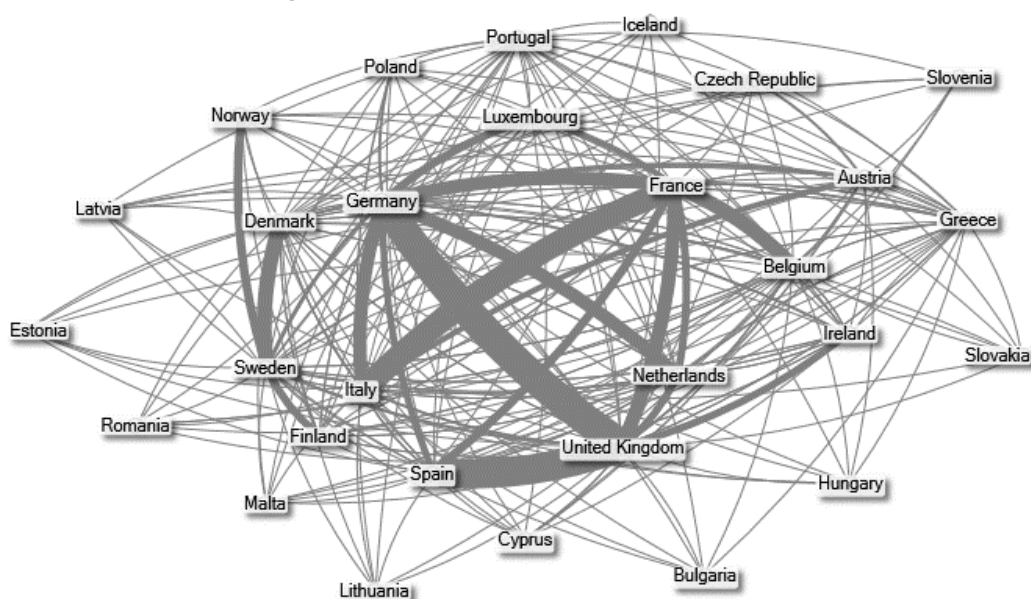


Figure 1. Interconnectedness of European banking sector at the end of 2014. Sources: Bank for International Settlements and author’s calculations.

A number of factors could provoke a sudden stop or even withdrawal of financial funds from one economic sector or other or even a whole country. This in turn could have damaging consequences and without additional financial support (most probably from government, other countries or international institutions) the financial system could become unstable and harm the real economy, finance and savings in the same effective way as it has supported it previously. Knowing this risk, the topic of financial stability found its place in number of international initiatives, policies and agendas. However, due to the complexity, rapid development and sudden changes of the financial system, the evaluation of its instruments, participants, infrastructure and systemic features, have become challenging, thus creating additional uncertainties for policy makers in their decision making processes.

The contribution of finance to the performance of the real economy could be assessed in number of ways: starting with simple ratios and ending with sophisticated models. The latter could be a more precise instrument of assessment and propose deeper insights; however, this paper has no intention to make such evaluation. Instead, this paper evaluates the role of finance in the real economy in simple manner by examining financial deepening ratios (e.g. gross debt to GDP ratio) or national accounts data on net lending / net borrowing basis and their dynamics. In some cases gross debt could be replaced by the net financial position (i.e. financial assets minus financial liabilities) in order to arrive at net debt outstanding as a more proper variable to evaluate indebtedness. In turn indebtedness was (and in some extend remain) the central point by assessing vulnerabilities among private as well as public sector. However, such data should be taken with caution. This is especially important in financial stability assessment and risk evaluation for the following reason. Financial assets and financial liabilities of one sector could be, and usually they are, different by their nature (maturity, currency, holder, etc.) and the ability to use assets to meet liabilities in order to mitigate negative shocks could be overestimated, limiting the value of such analysis.

From 2004 until 2013 the financial liabilities of the 28 European Union Member States (EU28), according to Eurostat, has almost doubled. Meanwhile, the growth rate of GDP in real as well as in nominal terms was by comparison substantially lower in the corresponding period. This has resulted in an increase of general indebtedness measured as debt (financial liabilities) or net financial assets to GDP ratio. Total financial liabilities of the EU28 economy in 2013 were 11 times higher than its nominal GDP (in the year 2000 the ratio was equal to eight (or 797 per cent)). The role of finance in the EU28 economy has thus increased substantially over the last decade. The heterogeneity in developments across EU countries can be related to the structural position of some countries (Luxemburg) as well as the catching-up process (EU enlargement in 2004) that was frequently mentioned as justification for rapid credit expansion in some cases.

Still, the increase in debt hardly could be assessed as a measure of risk in itself. Existing liabilities (or in risk assessment case exposure at default) have risk potential which evolves when the debtors' abilities to repay financial liabilities are deteriorating (similarly – probability of default). The situation becomes even worse when there are no suitable assets (financial and/or real) which could be used in order to meet obligations. In turn, a deterioration of a debtor's financial standing through direct and indirect channels will make the financial standing of creditors worse due to expected losses. The consequences of one debtor's default on its obligations will affect a number of participants in the whole economy dragging financial stability and fiscal sustainability down.

However, in today's world stronger economic performance is inconceivable without the financial sector injecting money into the economy. As can be seen in national accounts data, net borrowing has increased in EU since 2006. Heterogeneity across countries is evident in this case as well as, for example, Germany for years remained a net lender and Spain in turn a net borrower. After the economic downturn in 2009, the number of EU countries that is able to perform without absorbing additional financial debt has increased and the number of net lenders has risen. However, the holder of the have changed if compared before and after crisis. Thus, a healthy and sound financial system is essential in generating economic development, but the price for an over-indebted economy and increasing risks arising from this in a volatile economic environment can be high.

DEMAND FOR STABILITY AND REASONS FOR INSTABILITY

Division of manufacturing and services fields unified world's economy and attendant financial system thus more enhancing mutual connection. It is obvious that difficulties in one field will proximately impact another one and this will create basis for systemic risk to appear. In other words, increasing correlation of real sector and financial markets on one hand strengthens the effect of interaction, on the other hand it can boost the volume of losses. It is especially relevant in markets based on capital movement and for which the cyclical fluctuations are inherent. The nature of last one mentioned is explained variously (Leika, 2008): cycle can emerge from behavior of rational participants of the market, asymmetry of information,

economic policy implemented by state, excessively optimistic expectations, combination of mentioned cycles. Therefore, the objective to ensure stable functioning of financial system – or simply the financial stability – becomes a sphere of priority of state institutions, supervisory agencies, and market participants as well.

Financial stability is an integrated factor: not only substantial proceeding of financial institutions, but also the prosperity of real sector and policy implemented by authority determine the stability of financial system. For the last mentioned ensuring of financial stability in a broad sense is a concurrent of economic security. Asymmetric economic dependence is one of the crucial threats for contemporary state. Two fundamental assumptions indicate the new basis of economic security's definition: a) economy means more than source or instrument of state's power (Kirshner, 1997) and b) all states are converted into small states by powers of global market (Goldfisher, 2002). In a broad sense economic security could be defined as retained independence of subjects to adjust to intermittent economic conditions and stability of essential elements of economic development and ensuring of evolution while avoiding of asymmetric economic dependence regarding state's external and internal players. Thus in a state scale financial stability gathers qualitatively new meaning while estimating the significance of financial stability in context of economic security and its meaning, especially when military security decreased relatively more in a framework of national security.

While participating in activity of financial markets, households and non-financial corporations become an integrated part of a whole financial system and make significant influence to overall development of country's economy. When country's economy is growing the cohesion between financial sector and real sector is deepening, because of increased demand for financial resources. Financial integration is mutually beneficial, because for major part of households and non-financial corporations it increases possibility to access financial resources by borrowing for consumption and investment purposes. Credit supply allows for the corporations to obtain modern technologies and ensures high quality of manufactured goods or provided services, as well as creates more favorable conditions to compete in international market together ensuring consistent development of country's economy and growth of welfare.

Liberalization of financial market gives more opportunities for households to use financial instruments. Excess financial resources of private sector in form of savings or investment provide financial benefit as well and diminish devaluation of financial assets. However, interaction of real sector and financial sector should be evaluated carefully, because of potential financial constraints: undesirable changes in corporations' activity or weakened position of households can elicit not only deceleration of economy, but also significantly influence the quality and stability of financial institutions and entire financial system. So, correlation of private sector and financial system increases demand for financial stability, which asserts use of interventional instruments.

In literature there are relatively broadly described consequences of rapid liberalization of financial markets, when increased supply determines the growth of prices of separate assets, what hardly can be explained by fundamental factors. As an example of it could be capital markets' value enlargement that could be explained by optimistic expectations, phenomenon of real estate market as an object for safe investment. Instability is elicited by limited contribution of mentioned factors to creation of strategically important competitive ability and greater materialization in short-term changes without consideration of activities oriented to export. Prompt growth of value of real and financial sectors' assets, when rapid economic growth is recorded, determines the expansion of collateral risk and strongly correlates with destabilization in financial markets.

Periodic change of economic processes is usually described by phases: crisis, upturn, peak (boom) and downturn (recession). Thus crises are inherent for economy's and finance's nature, therefore hardly could be spoken about avoidance of them and should be concentrated on objective of cost minimization. It is important to notice, that economic cycles are not identical, i.e. they differ in overall duration, length of separate phases, depth of downturns and upturns. It is determined not only by uneven economic development, but also by changes of structure of entire economy and financial system. While estimating

development of economy and every stage of it separately it is significant to consider remarks stated before and interpret the results thoughtfully.

Type of crisis is defined by causes that have determined a change of cycle. These could be not only variation of exchange rate, collapse of banking system, but also sudden and unexpected correction of prices of real estate and other real assets, their loss (e.g. “withdrawal” of foreign investment from the country). It is essential that every crisis has its own “unique code”, thus comparability of economic environment’s changes in different countries in order to reveal possible tendencies of development of analyzed object is relatively difficult to implement. However, while indicating a downturn of economy, N. Roubini and B. Sester (2004) offer to consider factors that enhance turmoil:

- Great macroeconomic imbalances (deficit of current account, fiscal deficit);
- Financing of these deficits by borrowing (especially short-term in foreign currency);
- Uncertainty about political will to take measures for management of long-term debt;
- Fixed and semi-fixed exchange rate (imbalances of deficit of current account);
- Weak supervision of banks, subnormal guaranties of government, other macro economical distortions that allow borrow much easier;
- Political shocks – caused by elections, failing governments, scandals, political violence (this increases political uncertainty and encourages irresponsibility of investors);
- External shocks (decline of prices of country’s main products, increase of interest rates, changes of expectations of investors)

According to I. J. Macfarlane the nature of crises is changing (Macfarlane, 1997), and this strengthens their importance even more. Mentioned author states that crisis usually arise in emerging countries, although developed countries are not protected from them as well. I. J. Macfarlane distinguishes two main types of crises. Crises of first type (old type) are caused by inappropriate fiscal and monetary policy of country’s government (macroeconomic policy). It asserts in great and inadequately financed budget deficit, low interest rate and raising supply of money, increasing inflation and thus descending competitive ability of a country, which creates deficit of current account and weakening of currency. Economic crises of second type (new type) emerge not because of inappropriate fiscal or monetary policy. These crises are financial in their nature. The basis of them is credit, and main related institutions – nonfinancial corporations, banks and other financial institutions. Beginning of second type of crises is in times of economy growth when country is attractive for investors and lenders. Hence it is extremely difficult to trace crises of second type. If compared to crises of first type, financial crises indicate more difficulties in private and banking sectors (although country’s government influences environment where private business and banks operate). Currency and banking system crises are assigned to this category – financial crises.

Exclusiveness of crises is seen in their different nature of beginning, i.e. factors that could materialize in shape of other crises before and thus complicate proposition of objective estimations and assessment of very fact of crisis. Therefore, it becomes important to define these crises and propose explanations of them:

- Currency crisis appears when currency is devaluated or depreciates. As well in order to protect its currency from speculative attacks country might spend great amount of official currency reserves or rapidly raise interest rates;
- Banking crisis proceeds when loss of deposits and default of commitment of liabilities induce banks to stop undertaking of liabilities or government to interfere;
- Debt crisis – situation when country has no capability to maintain liabilities of its own debt;
- Financial crisis is perceived as collapse of financial markets, when dissatisfaction grows and moral hazard arises, and financial markets cannot efficiently allocate financial resources for those participants of the market that have best opportunities to invest, therefore have best potential of return and financial stability.

G. Kancerevyčius summarizing main crises’ types distinguished by different authors appoints these key causes of them (G. Kancerevyčius, 2004): crisis generated by macroeconomic policy, finance panic,

explosion of bubble of assets prices, moral speculations and compulsory withdrawal. Thus the origins of crises can be various, although they usually arise because of disbalance of economy, deviation of prices of assets and currency from fundamental value, structural imperfections of financial system, decline of reliance on country. Economic theories explain the causes of economic crises differently:

- Classical liberal school – opinion was motivated by static concept of economic equilibrium, not examining the dynamics of system’s development.
- Neoliberal theories have modified standpoint classic liberals and explained the causes of crises by dynamic analysis. They have related reasons of crises to objectively existing factors that violate economic equilibrium. John Stuart Mill stated, that in periods of commercial crises it is “practically faced excess of all products compared with monetary demand, i.e. with shortage of money supply”.
- Marxist analysis – Karl Marx contrasted pre-capitalistic crises, arising because of overproduction of commodities.

In consideration to estimations mentioned above it could be stated, that crisis can be foreseen in beforehand, while observing dynamics of certain macroeconomic factors and comparing it with tendencies appointed in theories. G. Kaminsky and C. Reinhart (1999) examined data 76 currency and 26 banking system crises in different developed and emerging countries. They have found, that financial and macroeconomic factors give signals about threatening embarrassments beforehand. Hence crises afflicting country’s economy are systemic factor and while talking about economic, financial, banking or any other type of crises they hardly could be isolated. It is essential that nature of risk is a driving element of further development and if it is not adequately evaluated the materialization of crisis could be awaited, when every crisis have its own origins that could be estimated and the phase of current state indicated.

INTERACTION OF FINANCIAL STABILITY AND FISCAL SUSTAINABILITY

While the consequences of earlier economic and financial crises were not yet forgotten in the world (for example Mexico (1994-95), Asia (1997-98), Russia (1998-99) and Argentina (2001-02)), the new shocks hit world financial markets and economies in 2007-08 in a fashion not seen since the Great Depression. Deeper international integration of finance had strengthened the channels of undesirable impact and complicated safeguarding financial stability among financial market participants and society as a whole. The question how to secure financial stability was renewed and put on top of the agenda of high level state officials. However, as Schinasi (2005a) argues in one of his many works on financial stability, financial stability means more than the mere absence of crisis.

A financial system can be considered stable if it (1) facilitates the efficient allocation of economic resources, geographically and over time, as well as other financial and economic processes (...); (2) assesses, prices, allocates, and manages financial risks; and (3) maintains its stability to perform these key functions even when faced with external shocks or a build-up of imbalances. By implication, because the financial system encompasses a number of different but interrelated components – infrastructure (...), institutions (...), and markets (...) – a disturbance in one of the components could undermine the stability of the entire system.

Taking into account the many factors which the term financial stability encompasses, the building of its definition is a challenging task. In his book “Safeguarding financial stability: theory and practice” Schinasi (2005b) defines financial stability as follows: financial stability is a situation in which the financial system is capable of satisfactory performing its three key functions simultaneously. First, the financial system is efficiently and smoothly facilitating the intertemporal allocation of resources from savers to investors and the allocation of economic resources generally. Second, forward-looking financial risks are being assessed and priced reasonably accurately and are being relatively well managed. Third, the financial system is in such condition that it can comfortably if not smoothly absorb financial and real economic surprises and shocks. However, in the same book, the author suggested a more compact way of defining financial stability which can also be found in his 2004 paper ‘dedicated’ only to discuss this issue. Schinasi (2004) argued that the financial system is in a range of stability whenever it is capable of facilitating (rather than

impending) the performance of an economy, and of dissipating financial imbalances that arise endogenously or as a result of significant adverse and unanticipated events.

This normative approach of financial stability requires estimation how efficiently the financial system accomplishes three functions mentioned above: (1) reallocate resources, (2) evaluate risk, and (3) withstand shocks. The need to take measures for ensuring financial stability *ex ante* refers to the assumption that financial markets cannot ensure stability by themselves and in turn operate efficiently. However, in this case it should not be forgotten that some financial crises were determined by incomplete regulation of financial markets while using measures that were distorting market effectiveness. Therefore, in order to ensure financial stability it is important to find a balance between creation of market distortions and minimization of the impact of market imperfections (Leika, 2008).

Financial stability has strong links with fiscal sustainability and it is well observed by number of authors' works. Sustainability is defined in a rather standard way: fiscal policy is said to be sustainable if the present value of future primary surpluses equals the current level of debt (Krejdli, 2006). This means that the concept of fiscal sustainability is basically associated with the fiscal policy (surplus or deficit) or the dynamics of public debt (need to repay it). In scientific literature there are three approaches on distinction of fiscal sustainability (see for instance literature review made by Keliuotytė-Staniulėnienė, 2015). First, fiscal sustainability is related to solvency (or ability to service debt). Second approach suggests that the sustainable fiscal policy ensures that the ratio of debt to GDP converges back towards its initial level. At the end third approach takes into account both – solvency and limitation of debt growth.

The linkage between government finances and financial stability is symmetric through the cycle (Das et al, 2010). In an upswing, the quality of financial institutions' exposure to the government is high, as public bonds carry low default, extension, and liquidity risk. Moreover, the ease of issuance facilitates establishment of government securities as a benchmark for efficient pricing of private sector credit, often at a low spread during a boom. During a downswing, especially in the case of a recession triggered by a financial sector dislocation, maintenance of the asset quality of the government's liabilities, although far more elusive, is much more critical in containing adverse developments in the real and financial sectors.

Government is one major macroeconomic agent. Government's income, expenditure, deficit and accumulated debt are four major indicators of its activities and have strong links with each other. Fiscal policy (i. e. income and expenditure) makes direct impact to surplus (in case income is greater than expenditure) or deficit (in case expenditure is greater than income) of public finance and this in turn could be observed in changes of public debt. Growth of public debt (exposure in terms of risk) makes government more vulnerable to any unexpected shock (e. g. economic downturn) as its debt repayment abilities becomes comparatively higher than otherwise and could be source of government's insolvency (see for instance Reinhart and Rogoff, 2009). Without direct effect an indirect effect could be observed as well. For instance, higher debt burden results in lower abilities of the government to increase expenditure or investment (thus support economic growth) and this in turn suspends in some extent future economic performance.

Low risk appetite by the financial agents made them more interlinked with public sector (see Fig2). After economic downturn due to demand and supply nexus financial sector has decreased their exposure to private sector and increased it to the public. Changes in assets structure made financial intermediaries more vulnerable to the sudden changes in fiscal sustainability (notwithstanding diversification of their portfolios). At the end one of the main sources of financial instability became fiscal fragility when run-out of debt repayment abilities by the government (sovereign debt crisis) may result in insolvency of main debt holders due to lack of capital to cover losses.

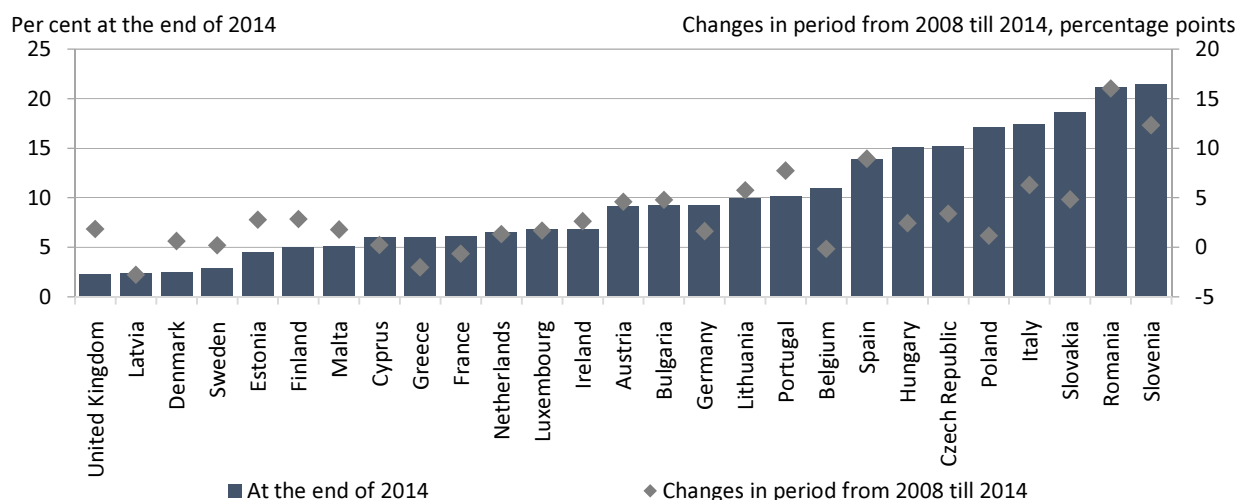


Figure 2. Public debt (loans and securities) as a share of monetary financial institutions' assets. Sources: ECB and author's calculations.

As Gnan (Gnan, E.; 2013) argues, financial, economic and fiscal crisis is among other things characterized by complex interrelations between financial, fiscal, macroeconomic and political instability. One instability breeds another, with feedback loops generating self-reinforcing adverse cycles. The financial crisis triggered the 'Great Recession'. Countermeasures by governments – to save banks and bolster up aggregate demand – ultimately jeopardized fiscal sustainability and bred the fiscal crisis. The latter in turn has destabilized sovereign bond markets and banking systems in several countries. Political instability resulted from the substantial fiscal consolidations forced upon governments in the light of threatening or actual loss of access to financial market financing, and the accompanying deep recessions and sharp increase in unemployment. Political instability in turn further erodes economic and financial market confidence, thus worsening short and long-term economic and fiscal prospects, and further aggravating financial instability.

Notwithstanding the fact that in several sources quite different definitions concerning financial stability or fiscal sustainability can be found, this in turn does not mean that there is some misunderstanding. As mentioned above the financial system as a whole has undergone a deep evolution process and become increasingly complex. Financial stability should not be conceived as being ensured when there is no crisis or in general no threat of a crisis for a country's financial system. Emphasizing the static position is not sufficient as a definition of financial stability when dynamic changes are observed in markets or economies. Furthermore, it is important to have in mind the existence of inter-linkages between financial, macroeconomic and fiscal stability and sustainability, as a stable financial system cannot exist in absence of a stable macro economy and vice versa (Hollo, 2007).

FINANCIAL STABILITY AND FISCAL SUSTAINABILITY ANALYSIS

Descriptions of financial stability and fiscal sustainability suggest in advance that analysis is complex. This complexity increases when financial stability assessment is undertaken in parallel with economic stability or fiscal sustainability evaluation where both interact to a great extent. As Schinasi (Schinasi 2005b) puts it, to prevent problems from occurring or becoming significant enough to pose a risk to financial stability, the approach taken should be a continuous process of information gathering, technical analysis, monitoring, and assessment (...) Ongoing and more fundamental research into the changing structure of the financial system and its changing links to the real economy, as well as the further development of measurement techniques for detecting growing imbalances and calibrating risks and vulnerabilities, are vital for keeping the critical monitoring function up to date. Houben, Kakes and Schinasi (Houben et al., 2004) suggests a framework for maintaining financial system stability (see Fig.3).

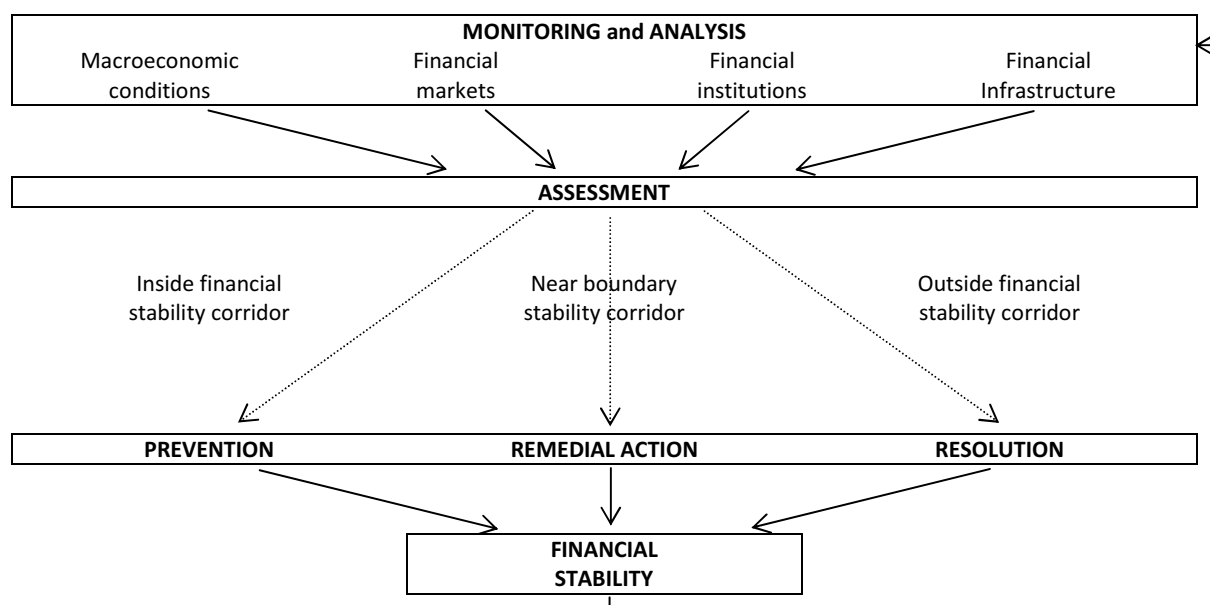


Figure 3. Framework for maintaining financial system stability

As can be seen in Fig. 3, in order to maintain financial stability several steps should be made. For appropriate policy actions (e. g. to employ proper macro-prudential instrument) an accurate assessment of current financial stability conditions should be made. As Fig.3 suggests and as could be expected, monitoring and analysis of the financial system’s main parts together with macroeconomic conditions is a core function of the further process aimed at maintaining financial system stability. In this extend fiscal sustainability should be treated as a part of macroeconomic conditions. Additionally, as mentioned when discussing the financial stability definition, maintaining financial system stability is a dynamic process.

General government constitutes a very important institutional sector of the total economy (among non-financial corporates, households, financial intermediaries and the rest of the world sector). In terms of national accounts, it is divided into central government, local authorities and social security funds. General government sector has two main functions: the production of non-market goods and the redistribution of income. To finance the cost of these functions, general government levies taxes and social contributions. Four main indicators to assess performance of general government are as follow: 1) the public deficit; 2) the public debt; 3) public expenditure; and 4) total taxes and social contributions. First two indicators have been used as Maastricht treaty criteria (Lequiller and Blades, 2014).

The process of safeguarding stability and sustainability deals with a number of risks that could threaten the proper functioning of the financial system (in performing core functions), public sector and the economy as a whole. Houben et al. (Houben, 2004) separate the sources of risk to financial stability into two main categories: endogenous (institutions, market, or infrastructure based) and exogenous (macroeconomic disturbances or event risk). When dealing with risks, the scope of particular vulnerabilities and their impact on the financial system (for a single entity as well as for the whole system) in case of unfavorable developments are essential.

Due to the changing nature of risks, demand for comprehensive and consistent data on interconnectedness within the economy, public sector and the financial system has also risen. On the one hand, such data could be obtained from participants in the financial system or the economy, but it could be hard to ensure appropriate quality and the process will be time consuming. On the other hand, the flow-of-funds (in continental Europe perspective this term stands for financial accounts) offer a systemic view of interconnectedness and is a useful tool in the analysis of financial stability. However, the main shortcoming of these data should also be taken into account: they are lagging one quarter or even more (so, when the crisis hits they could be of less value). Many countries also have financial assets and liabilities divided by sector (sub-sector) and financial instrument, but a few of them could provide information about interconnectedness or so-called who-to-whom data. The latter feature of financial accounts data is

especially important for assessing contagion within the system and possible outcomes if risks materialize. For the moment European central bank provides interconnectedness among all economic agents but only in terms of one financial instrument – loans.

The suggestion by Mink et al. (Mink, 2005) to use quarterly financial and non-financial accounts for monitoring financial stability in combination with other data sets is seen as a major step forward in improving the overall framework for stability and sustainability assessment. Bê Duc and Le Breton (Bê Duc, 2009) continue that the flow-of-funds framework could also be useful to monitor developments over time in financial patterns, which can potentially have a bearing on financial system stability by laying the foundations for future vulnerabilities. They also point out that the flow-of-funds framework can be used to assess the vulnerability of the financial sector to large shocks and the degree of systemic risk. However, such use of the flow-of-funds framework for financial stability assessment would require further who-to-whom information. As explained by Mink et al. (Mink, 2005), from-who-to-whom accounts allow tracing the debtor/creditor relationships between institutional sectors. (...) This presentation allows for the analysis of who is financing whom, in what amount, and using which instrument.

CHANGES OF DEBT HOLDERS AND INTERCONNECTEDNESS

Balance sheet approach of economic accounting suggests that in every moment taken all economic aggregates should counterweight each other. I. e. expenses (uses) by one economic agent are income (resources) by other economic agent and so assets and/or liabilities builds up in balanced way. A general example could be as follows. First, economic agent receives incomes from their production. Than agents are experiencing expenses by providing above mentioned production (actually these two goes in line). The difference among above mentioned factors (usually it is called savings) gives net result that could be used for further investment. In case of new investment exceeds savings, economic agent is forced to borrower to make insurance of net financial liabilities (or acquisition of negative financial assets). Negative net financial assets mean that during certain period of time economic agent has increased financial liabilities in greater extent than was the growth of financial assets. At the end net acquisition of financial assets becomes stock position of several economic sectors and means growth of debt repayment burden in the future. This example describes the essence of real and financial macroeconomic accounting and how they interact to each other.

Up to the start of financial crisis the changes in balances of various economic agents followed expected pattern. Net acquisition of financial assets (or net lending (+) / net borrowing (-)) of financial corporations and rest of the world entities till the start of unbalanced growth were comparatively small. Starting from 2005 first changes in transactions were observed: non-financial companies have increased their net indebtedness, households have reduced gradually their net saving (net acquisition of financial assets) and rest of the world entities together with financial corporations have increased lending to the EU economy (see Fig. 4). In year 2006 and 2007 general government managed to decrease the net incurrence of financial liabilities. However, assets and liabilities exploded starting from 2009. Private sector increased their net assets as did financial companies and situation continued till last available observation in 2014.

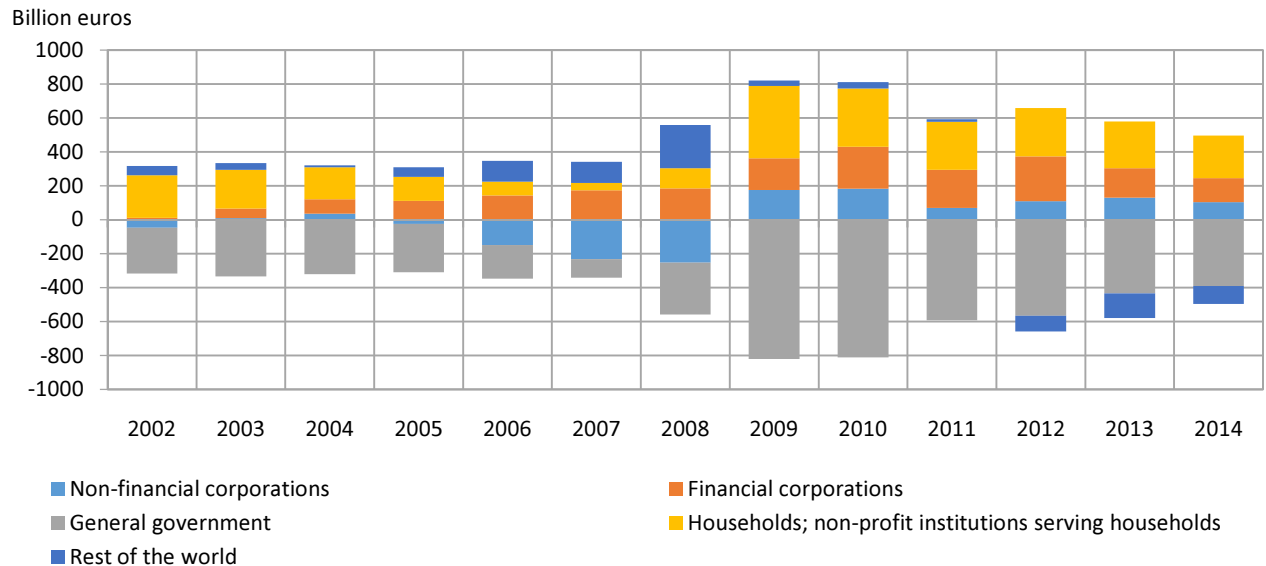


Figure 4. Net lending (+) /net borrowing (-) of EU economic agents'. Source: Eurostat.

As it is mentioned above, acquisition of assets should be followed by incurrence of liabilities. In aftermath of the crisis public sector was forced to run deficit and increase debt. As it is mentioned above flow-of-funds statistics should be in balance all time, thus acquisition of net financial assets of private sector resulted in incurrence of public debt (see Fig. 5 and 6). For example, net financial assets among private sector doubled (2.5 trillion Euros) in period from 2008 till 2013 whereas public sector was forced to increase their net liabilities by nearly 60% (3.0 trillion Euros). Heterogeneity among countries persists as in terms of flows as well as in terms of indebtedness. Fig. 5 and 6 supports main idea of this paper that incurrence of financial liabilities before economic downturn by private sector will result incurrence of liabilities by the public sector afterwards.

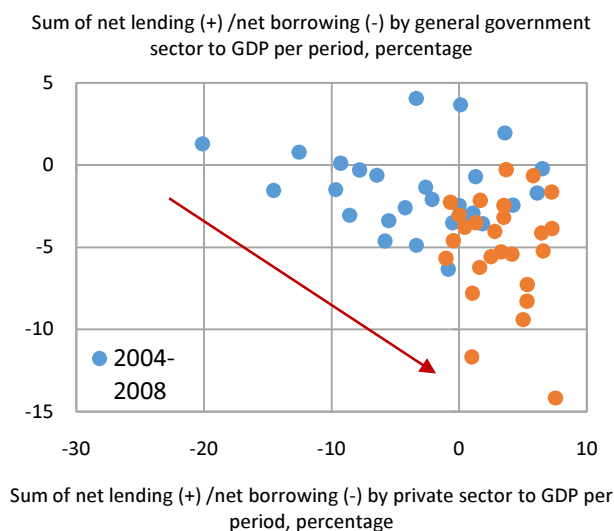


Figure 5. Net lending / net borrowing of economic agents in some EU countries. Sources: Eurostat and author's calculations.

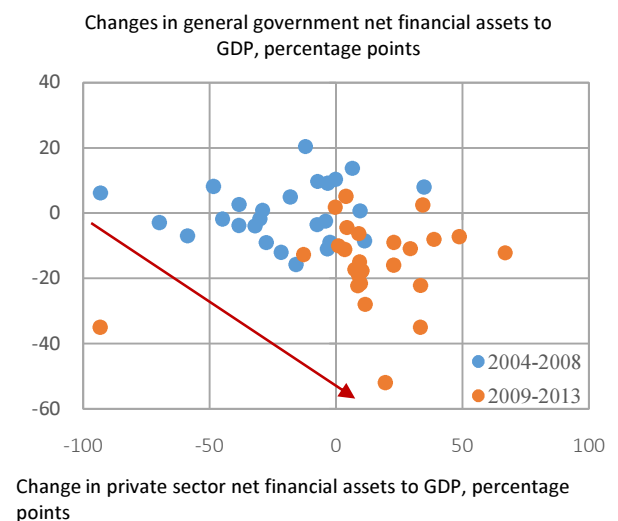


Figure 6. Changes of economic agents' indebtedness in some EU countries. Sources: Eurostat and author's calculations.

Sum of balances inevitably adds up to zero, so that every change in one of the balances must have a reactive equivalent change in another one (Tichy, 2013). If households are not willing to reduce their net saving and/or non-financial companies or rest of the world are not prepared to incur higher debt, lower government expenditure necessarily triggers a spiral of shrinking demand. Thus exploding public debt in recent years was a result rather than a cause of financial crisis. As Tichy (Tichy, 2013) suggests, private sector demand, not government deficits, fueled undesirable upward as well as downward developments.

To add, higher debt by private sector incurred before financial crisis leads to higher public debt afterwards because economy has already adjusted itself to the higher financial flows (and holder of the debt is not important).

In case government will reduce its net indebtedness, households should decrease in their net savings and non-financial companies increase in net indebtedness to support general economic performance. However, it is not clear whether private sector and the rest of the world will behave adequately to the prescribed government changes. As Tichy (Tichy, 2013) argues, this has to be viewed as highly unlikely. Uncertainty, the normal companion of severe long-lasting recession, typically raises households' desire for security and consequently for savings. Non-financial corporations will also hesitate to act as counterparty to government debt by incurring additional liabilities in line with subdued expectations on future. Financial companies or rest of the world entities (usually they are also financial intermediaries) will be reluctant to provide funds to economy on the one hand due to stricter prudential requirements, on the other due to weak confidence on the economy.

In aftermath of crisis other than public sector within the economy will behave cautiously and general government (un)willingly will deteriorate in its financial stance in order to keep economy performing. Traditional countercyclical fiscal measures (especially in downturn phase) will deal with consequences rather than with reasons. As it is shown in paragraphs above the main concern of policy makers before economic downturn should be changes (increase) in indebtedness of other economic agents as this is the main reason for concern afterwards talking about fiscal sustainability. The evaluation of adequate indebtedness of economy should be based on the fact that after economic downturn other than public debt in great extent will become general government's debt. Thus financial stability issues regarding private debt will become more interlinked with fiscal sustainability and government's abilities to repay much higher debts.

Flow-of-funds data provide the most comprehensive and consistent set of macro-financial information for all sectors in the economy and this is the main reason why they should be employed in broad financial stability and fiscal sustainability assessment. In time of economic turbulence, the main threat for financial stability could emerge from sectors that are main holders of financial liabilities, because a default on payments due to a poor financial situation (e. g. sovereign debt crisis) could harm other participants in financial transactions and domino effects could follow.

CONCLUSIONS

The fact that financial assets / liabilities are several times larger than whole economy well describes the financial system's importance in the contemporary world. The last few decades saw rapid liberalization in financial markets and globalization of the world economy. The importance of financial instruments in contributing to economic developments is obvious in upturn as well as in downturn phases. Thus, the analysis of financial stability (comprising both the financial system and the macro economy) and fiscal sustainability has become increasingly important in order to mitigate fluctuations and negative outcomes. Taking into account the high degree of interconnectedness between sectors, the evaluation of financial interrelations is especially important for a better assessment of financial stability and possible materialization of system-wide risks.

In recent past financial and public sector has become more interlinked suggesting that financial stability issues should be assessed in line with fiscal sustainability. Due to demand and supply nexus in new credit market and subdued economic performance globally, financial sector has become risk averse and increased their holdings within public sector. This is usually perceived as consequence of expansionary fiscal policy during economic downturns. However general government was forced to fuel economy with borrowed funds by keeping economy performing near the same level because previous increase of private debt picked it up to new normal. Thus financial deepening fostered by private financial and non-financial sector before the crises in great extent predicts growth of financial liabilities by public sector afterwards. Growth of public debt leads to fiscal deficit and raises concerns due to sustainability of whole finances.

Additionally, recent discussions regarding forced decrease in public debt – as instability source – are lacking an answer who will in economy incur this decrease in liabilities by public sector?

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FACTORS DETERMINING THE PROFITABILITY OF LITHUANIAN COMMERCIAL BANKS

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ABSTRACT. The stability of the banking system has become one of the most pressing economic challenges, especially in the light of recent collapses in the context of Lithuanian banking, thus bank profitability has become a particularly relevant topic. Given the relevance of the theme the article analyses the essential theories of banking profitability. The various empirical researches based on these theories are further analyzed using the bank profitability determinants divided into three main groups: specific to the bank activities, to those of the whole banking sector and macroeconomic. Finally, on the basis of scientific expertise analyzed, an econometric model of Lithuanian banks' profitability is created to determine the impact of the factors examined to the profitability of Lithuanian banking system.

KEYWORDS: bank 's profitability theories, bank's profitability determinants, bank profitability, banking sector.

INTRODUCTION

Article relevance and testing of the topic level. In recent years, changing market factors and the unstable macro-economic climate had a significant impact on the global banking sector. Due to decades of regulatory shrinking, globalization and financial innovation the banking sector flourished, up until a few years ago when financial markets collapsed, which made it evident that it has become necessary to have a different look at the very essence of the entire banking sector. The chain of events known as the greatest financial crisis of modern time resulted in the stability of the banking system becoming one of the major challenges of today's economy, thus bank 's profitability issue has attracted the attention of many kinds of different stakeholders: heads of banks, state institutions and scientific researchers, as well, as profitable and well-run banks are highly contributing to the financial sector and the overall stability of the country. And given the fact that both in the past and in recent years, Lithuania have gone through more than one bank collapse, stable and profitable banking sector in this turbulent context is particularly relevant.

The analysis of scientific literature revealed that bank profitability is tried to be explained by a heavy bundle of different theories, but there seems to be no exclusive theory, which could provide the basis for unified commercial banking sector profitability determinants research, as such. In addition, the lack of unified approach is highlighted by the fact that the majority of the empirical banking profitability studies conducted by foreign authors have attempted to examine the banking profitability in different aspects and ways, such as on individual country basis (Dietrich and Wanzenried, 2011; Athanasoglou et al, 2008; Trujillo-Ponce, 2013) or covering several countries at once (Demirgüç-Kunt and Huizinga, 1999; Pasiouras and Kosmidou, 2007), and in Lithuanian context there has only been a handle of attempts to conduct research of this kind registered. The profitability determinants analyzed tend to differ from research to research as well. Usually they are divided into groups of factors specific to banks (Bourke, 1989; Molyneux and Thornton, 1992), specific to the banking sector (Berger et al. 2005, Rinkevičiūtė and Martinkutė-Kaulienė, 2014) and macroeconomic (Goddard et. al., 2004; Naruševičius, 2013; Jurevičienė and Doftartaitė, 2013).

The article analyzes the scientific problem– which factors influence the Lithuanian commercial bank profitability?

Article object–factors affecting the Lithuanian commercial banks' profitability.

The article aims–to identify the factors affecting the Lithuanian commercial banks' profitability.

Article objectives:

- To review the core theories on the profitability of banks;
- To define the main groups of factors affecting the banks' profitability;
- To provide methodology for further empirical research.

Article methods: To reveal the topic the interdisciplinary research method was used - scientific literature analysis, information systematization and generalization.

THEORIES ON BANK PROFITABILITY

In modern literature there is no single theory of profitability that provides a unifying framework for research on factors affecting financial performance of the commercial banking sector. For this reason, this article attempts to review several theories on banks' profitability determinants, which can be divided into two main branches – researching the banks' internal and external factors.

The first branch of bank profitability theories includes various theories on the capital of banks. According to the capital structure theory by Modigliani and Miller (1958), the banking sector due to the nature of the business itself prevails all value maximizing behavior, thus any increase in banks' capital, would be immediately converted into loans which would lead to market saturation and eventually a point would be reached where increasing amount of the loans would decrease the expected return, which suggests a negative relationship between bank profitability and capital ratios. However, according to Bourke (1989) due to naturally occurring market imperfections between the banks' capital ratios and profitability banks behavior results in positive relationship, assuming that the banks have enough capital to have access to cheaper and less risky sources of financing and better quality asset markets.

According to researchers, there are two theories explaining the positive relationship between bank profitability and capital. First theory - expected bankruptcy cost hypothesis, which states that due to external factors increases in expected bankruptcy costs results in the increase of optimal quantity of bank's capital in order to reduce the increased costs (Berger 1995; Athanasoglou, et al., 2006). Berger (1995) verified this hypothesis and found a negative relationship between the capital and the return on equity and bases the findings on the fact that due to the increase in the expected bankruptcy costs, banks are faced with the risk of non-compliance with the minimum capital ratio requirements, thereby increasing the capital stock as result, which in turn determines the return on equity increases, due to lower costs associated with borrowed capital, such as deposit insurance.

Second theory – signaling hypothesis, tries to explain the positive relationship between bank capital and income (Bourke, 1989; Berger, 1995; Trujillo-Ponce, 2012). It states that information about the future cash flows of the bank available to banking management may affect the decisions of the board and/or other management organs. Bourke (1989) tested this hypothesis by investigating the European, Australian and North American banks and found evidence of positive empirical relationship between the capital and the profitability of banks. Basically, the ability of banks to absorb unexpected losses is determined by their level of risk. Theoretically, excessive capital ratio may indicate that the bank is conservative and ignore potentially lucrative investment opportunities. A large amount of capital means that it is unlikely that the bank will earn larger than average profits, but it also means that it is less risky. These two theories are based on a positive relationship between capital and profitability.

Meanwhile, the risk-return hypothesis argues that banks that are expecting a higher return (profitability) bear more risk by increasing leverage, resulting in lower capital and assets ratios, which in turn shows a negative relationship between capital and profitability (Dietrich and Wanzenried, 2011).

Agency theory, according to Jensen and Meckling (1976) claims that the main explanation of the theoretical link between ownership structure and profitability is based on the different activities of managers (agents) in entities with different capital structures. The authors point out that at low leverage (high equity ratio), increased liabilities motivate the managers to reduce the costs of their agency to cover liabilities which in turn increases profitability. However, at some point in time, when bankruptcy and financial crisis becomes more likely, agency costs for various commitments will exceed the cost of capital, and then to continue

increasing leverage (decreasing equity ratio), would result in the total agency costs increase and in turn – declining profitability.

Authors Berger and Udell (1994) attempt to explain a possible inverse relationship between capital structure and profitability with two arguments. First argument is that on the basis of efficiency and risk hypothesis, which states that efficient firms tend to keep a relatively low equity content as through borrowed capital they expect to get higher profits. They claim that profits will eventually increase the total balance of the company and in a certain sense replace the equity and thus would protect the company from financial difficulties or bankruptcy acting as a financial moat.

Second argument is constructed according to the franchise-value hypothesis, which states that efficient firms by contrast, tend to immediately use a relatively high amount of equity, in order to protect future revenues from their high-yielding activities, despite the fact that in this way the capital is not used efficiently. Therefore, based on these considerations, it can be stated that it is likely that there is an existent non-monotonous linear relationship between profitability and capital.

The second branch of bank profitability theories is prevailed by market forces hypothesis and the efficient market structure hypothesis. Market forces hypothesis states that there is a positive relationship between bank concentration and profitability, as higher market power enables companies to make monopolistic profits (Bourke, 1989; Molyneux and Thornton, 1992). The Efficient Market Structure Hypothesis also refers to a positive relationship between bank concentration and profitability. It argues that in a market with smaller number of banks, they may arrange price-setting agreements with each other, which in a conclusive cartel environment would lead to higher lending rates and lower deposit interest rates and thus result in increased profitability whole market-wide. According to Goddard et al. (2004), though, where a larger number of banks are present in a market, arranging a cartel agreement becomes very difficult. However, Efficient Market Structure Hypothesis also states that banks with better management systems and technologic advantages tend to experience lower costs and in result on average get better returns. As a result, these banks should take a greater share of the market naturally, which leads to higher market concentration levels and at the same time making the banks' mutual price-setting and other agreements more likely (Demsetz, 1973; Smirlock, 1985).

Generally, it can be stated that a number of different theories are trying to explain the profitability of the banks, but they are not unified in their approach and profitability issues are tackled from different angles, both external and internal.

BANK PROFITABILITY FACTORS

The first modern empirical studies on bank profitability were carried out by Short (1979) and Bourke (1989). After them, various researchers conducted a plethora of studies to explain the profitability of banks in individual countries (Berger, 1995; Athanasoglou et al., 2006; Athanasoglou et al., 2008; Dietrich and Wanzenried, 2011; Trujillo-Ponce, 2012). Other researchers' studies aim to analyze the profitability of banks in several countries at once (Molyneux and Thornton, 1992; Demirgüç-Kunt and Huizinga, 1999; Goddard, et al., 2004; Pasiouras and Kosmidou, 2007; Micco et al. 2007). As it could be anticipated, these empirical studies vary greatly in both scope and findings, due to the different countries analyzed, different time periods and various other data limitations. However, a number of quite similar results were obtained in these studies and thus some profitability factors can be grouped. Classic scientific literature on bank profitability factors classifies them into two main groups - internal and external. Internal factors depend on the bank's management and control of other internal processes. And external factors depend on the overall macroeconomic and the banking sector environment. However, based on the latest scientific research analysis on the factors of bank profitability, these determinants can be divided into three groups: specific to individual banks, specific to the banking sector and macro.

Bank-specific actors in both single country and grouped-country empirical studies of banks' profitability, several key internal bank-specific factors can be identified as shared in most of the studies - capital structure, risk size, performance efficiency and cost of capital.

Capital structure. The capital structure impact on the bank profitability is examined by several conflicting theories, therefore, empirical studies on the subject and their findings vary. Some authors argue that profitable banks are those that maintain relatively high equity to assets ratio (Athanasoglou et al., 2008; Pasiouras and Kosmidou, 2007; Demirgüç-Kunt and Huizinga, 1999; Kořak and Ćok, 2008). However, Curak, Poposki and Pepur (2012) argue, that greater equity to assets ratio means over-reserved bank operations and thus lower profitability.

Credit risk. Almost all empirical studies tend to examine credit risk impact on banks' profitability, since it is one of the main risks faced by banks in general. The findings tend to vary as well, as with higher credit risk beared by banks; the higher rate of return is expected and thus higher profitability as well. However, many researchers found that oftentimes, the relationship between credit risk and profitability happens to be negative, because with the growth of subprime loan portfolio, level of defaults increases as well, in turn forcing banks to increase their reserves as well, stopping issuance of new loans and thereby eventually decreasing the profitability (Trujillo-Ponce, 2012; Kořak and Ćok, 2008; Athanasoglou et al., 2008; Demirgüç-Kunt and Huizinga, 1999).

Liquidity risk. Historically, lack of liquidity is one of the main reasons for various collapses of different banks. But on the other hand when a large proportion of the bank's balance sheet is held as liquid assets, it increases the opportunity costs, as liquid assets are not effectively used to generate higher profits. Bourke (1989) found a significant negative relationship between the bank's liquidity and profitability, while other authors came to the conclusion that the liquidity and profitability have a negative correlation (Molyneux and Thornton, 1992; Iannotta et al., 2007; Pasiouras and Kosmidou, 2007).

Operational efficiency. Appropriate costs management at the bank shows its operational efficiency - reducing the costs while increasing profitability. Many researchers indicate a strong negative relationship between operational efficiency and profitability indicators (Pasiouras and Kosmidou, 2007; Athanasoglou et al., 2008; Kořak and Ćok, 2008; Curak et al., 2012).

Cost of capital. Macroeconomic theory suggests that the cost of capital and profitability will be negatively correlated, because lower cost of capital means higher profits for banks, which it receives by converting deposits (capital) into loans. The results of empirical study by Dietrich and Wanzenried (2011) coincide with the theory and show a negative relationship, but Curak et al. (2012) found no statistically significant relationship and tries to explain such findings by the fact that banks do not get any direct benefit from lower cost of capital as they transfer it to borrowers and thus only higher margins would have any effect on profitability.

Banking sector-specific factors. Various studies on banks profitability have usually analyzed several banking sector-specific factors - the bank's size, concentration and structure of ownership (Short, 1979; Bourke, 1989; Molyneux and Thornton, 1992).

Bank size. In the scientific literature it is unanimously agreed that due to the economies of scale bank size, to a certain extent, has a positive impact on profitability, but beyond the limit, the bank becomes too large to be effectively controlled, so profitability starts to fall, indicating a non-linear dependence. Accordingly, some authors in their studies found a positive correlation between size and profitability (Short, 1979; Smirlock, 1985; Demirgüç-Kunt and Huizinga, 1999; Goddard et al., 2004), other authors argue they have found a negative relationship (Pasiouras and Kosmidou, 2007; Dietrich and Wanzenried, 2011), and some others argue they have found no statistical link between bank size and profitability whatsoever (Athanasoglou et al., 2008; Curak et al., 2012).

Concentration. High concentrations in the banking sector based on market forces and effective structure theories, should increase the profitability of banks, thus most recent empirical studies assess the impact of this factor. Some authors in their empirical research find a strong relationship between concentration and bank profitability (Dietrich and Wanzenried, 2011; Pasiouras and Kosmidou, 2007; Curak et al., 2012; Trujillo-Ponce, 2013), while other authors have found no relationship between concentration and profitability at all (Athanasoglou et al., 2008; Rinkevičiūtė and Martinkutė-Kaulienė, 2014).

Ownership structure. Ownership structure on bank profitability was greatly emphasized in numerous studies dealing with earlier research periods. Some authors argue that the ownership structure does not

create a significant impact on banks' profitability (KořakandČok, 2008; Athanasoglou et al., 2008), others argue that private banks are more profitable (Iannotta et al., 2007; Micco et al., 2007; Laevenand Levine, 2009; Dietrich and Wanzenried, 2011), yet others, that the most profitable are state-owned banks (Molyneuxand Thornton, 1992; Berger et al. 2005).

Macroeconomic factors. Banks are sensitive to macroeconomic conditions, thus a number of empirical studies on how macroeconomic factors affect the profitability of banks are performed, examining such factors as - inflation, GDP growth, interest rates, tax environment (Demirgüç-Kuntand Huizinga, 1999; Dietrich and Wanzenried, 2011; Naruševičius, 2013; Jurevičienė and Doftartaitė, 2013).

GDP growth. Some authors argue that the real GDP growth is a good indicator of the business cycle, since the changes affect the demand for borrowing (Demirgüç-Kuntand Huizinga, 1999; Athanasoglou et al., 2008; Dietrich and Wanzenried, 2011; Curak et al., 2012).

Inflation. Inflation is often cited as a significant factor for the profitability of banks, since if banks 'operating expenses are increasing at a rate faster than inflation, a reduction in profits is consequent (Bourke, 1989; Molyneux and Thornton, 1992).

Interest rates. Empirical studies have shown that key changes in long-term interest rates may have a negative impact on the bank's profitability, especially if banks use the short-term interest rate curve to finance long-term loans (Demirgüç-Kuntand Huizinga, 1999; Dietrich and Wanzenried, 2011).

Tax environment. Despite the fact that banks can move a large part of the taxes paid to depositors and borrowers by introducing additional charges for services, but according to Demirgüç-Kunt and Huizinga (1999) increased taxation of banks reduces their profitability, as also shown by their study results.

The analysis of scientific literature and research indicates that there are considerable bank profitability studies conducted for foreign countries and banks, but it is also evident that there are very little empirical studies of this kind being done Lithuania, and they are quite incomplete as well –there are studies on concentration (Rinkevičiūtė and Martinkutė-Kaulienė, 2014) and some macroeconomic factors (Naruševičius, 2013; Jurevičienė and Doftartaitė, 2013) influence on Lithuanian banking sector profitability.

METHODOLOGY OF EMPIRICAL STUDY ON LITHUANIAN BANKS PROFITABILITY

In order to assess the factors influencing Lithuanian commercial bank profitability, based on recent studies of foreign scientists a detailed empirical econometric model was developed, involving internal factors on banking activities and external - specific to the banking sector and other macroeconomic factors. For the model one dependent and 12 independent variables were selected and respectively encrypted.

Dependent variable. The variable chosen as a profit indicator – return on assets (ROA).

Independent variables. These variables were divided into three groups:

- First set of variables. Within this group, five variables (as proxies for different factors) inherent to the internal banks structure and their activities will be used to assess the profitability. Capital structure will be evaluated using the bank's Equity to Assets (EA) ratio. Credit risk will be evaluated using the bank's Provisions to Loans (PL) ratio. Liquidity risk will be evaluated using the bank's Short-Term solvency (ST)ratio. Operational efficiency will be evaluated using the bank's Costs of Income (CI) ratio. Cost of capital will be evaluated using the bank's Capital Cost (CC) indicator.
- Second set of variables. Within this group, three variables representing values specific to the banking sector and the factors affecting the bank 's profitability will be used. Banksize will be evaluated using the logarithm of total banks assets (LOG). Bank concentration will be evaluated using Herfindahl-Hirschman Index (HHI). Ownership structure will be evaluated using a dummy variable (DV), which given different values will reflect the different ownership structures of banks.
- Third set of variables. This group will use indicators reflecting the impact of four macroeconomic factors affecting bank profitability. Gross Domestic Product will be represented by values of real GDP growth ratio as a percentage (GDP). Inflation will be asses by Consumer Price Index (CPI) data. Interest rates will be analyzed by using data of EURIBOR Base Interest Rates (BIR) ratio. Tax Environment will be asses by using constant of Effective Profit Tax (EPT) data values.

After the appropriate variables have been selected and coded, they were used to form an econometric model expressed as a multiple correlation regression equation (see 1 formula).

Formula 1

$$ROA_t = \beta_0 + \beta_1 EA_t + \beta_2 PL_t + \beta_3 ST_3 + \beta_4 CI_t + \beta_5 CC_t + \beta_6 LOG_t + \beta_7 HHI_t + \beta_8 DV_t + \beta_9 GDP_t \\ + \beta_{10} CPI_t + \beta_{11} BIR_t + \beta_{12} EPT_t + \mu_t$$

It is proposed to conduct an empirical research on factors affecting Lithuanian commercial banks' profitability using this formula.

Research aim is to identify the factors affecting the Lithuanian commercial banks' profitability.

Research tasks:

- To examine the internal, bank-specific factors affecting bank profitability;
- To investigate the banking sector-specific factors affecting bank profitability;
- To analyze the macroeconomic factors affecting the profitability of banks.

Research methods: The data is planned to be processed with statistical data processing tools, perform an initial analysis using descriptive statistical methods, as well as perform multinomial correlation and regression analysis using an ordinary least squares (OLS) technique.

Research sample: The study is planned to be performed using various data on Lithuanian commercial banking activities and the overall macroeconomic climate available from the Bank of Lithuania, Lithuanian Banking Association, Lithuanian Department of Statistics, the European Central Bank, the World Bank and other statistical databases. The study will use quarterly data of 12 variables during the time range from 2005 to 2015, a total of 480 data observations.

The research is expected to clarify which factors have the greatest influence on Lithuanian commercial banks' profitability. The obtained results will allow bank managers to quantify which factors, the bank-specific, banking sector specific or macroeconomic, should be given more attention in day to day activities of the banking business, thus allowing to reduce the negative impact of these factors to a minimum.

CONCLUSIONS

Current literature does not hold a single theory on profitability that would provide a unifying framework for research on financial performance factors in the commercial banking sector. Various theories try to explain profitability in different angles: expected bankruptcy costs, signaling, risk-return, agency, performance-risk, market forces, efficient market structure and other hypotheses.

The analysis of different research on factors affecting the bank 's profitability suggested that such factors can be divided into internal, which depend on bank 's management of specific controllable issues and external, depending on the macroeconomic environment and banking sector-specific activities. It was also noted that there is very little research of this kind being conducted in Lithuania - only several macroeconomic and concentration factors were used in research on influence of Lithuanian banking sector profitability.

Based on recent foreign researchers studies a detailed empirical econometric model was developed that involves variables representing internal, bank-specific factors, and external, inherent to the banking sector and macroeconomic specific factors. Results are expected to help quantify the factors affecting the Lithuanian commercial banks' profitability.

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THE ROLE OF INNOVATION IN SOCIAL ENTREPRENEURSHIP

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ABSTRACT. In the article the role of innovation in social entrepreneurship is analyzed theoretically and verified by research results. Paper is based on theoretical background of literature analysis on innovation and social entrepreneurship and research – 8 experts’ interviews and quantitative research of 34 social entrepreneurship initiative representatives online survey. Many authors agree that social entrepreneurship is related to innovation and vice versa. This paper explores and extends the view particularly on perspective of such countries where social entrepreneurship is a new phenomenon like in Lithuania, as situation of social entrepreneurship in Lithuania is seen by experts as innovation at national level.

KEYWORDS: innovation, social entrepreneurship, social innovation.

INTRODUCTION

The main purpose of the article is to identify the role of innovation in social entrepreneurship. To achieve it first objective was to conduct a scientific literature analysis of existing theories related to social entrepreneurship and innovation. Second objective was to prepare methodology and conduct empirical research seeking to identify answers to main question raised in the work. Third objective – to make contribution by conclusions from research results to existing scientific literature in field of social entrepreneurship. Social entrepreneurship by gaining a greater focus from all around the world each day offers variety of innovative solutions and according to Chowdhury, Santos (2010) number of socially oriented entrepreneurs is also increasing. Innovation is critically important for social entrepreneurship and as Zahra, Gedajlovic, Neubaum, Shulman (2009) claims individuals or organizations that are not actively involved with innovations fall out of social entrepreneurship concept. Dzemyda, Šalkauskas (2013) in their study found that innovation should not be identified as a key characteristic of the organization, but should be perceived as the uniqueness of activity at national level.

THEORETICAL BACKGROUND

Pol, Ville (2009) in their work while identifying and examining the different concepts of social innovation saw that some concepts replicate and that there are common elements related with social innovation as institutional change, social purpose, and public good so authors link social innovation with any innovation that improves the quality of life.

Looking with broader view at innovation - West, Farr (1990) defines innovation as a conscious new (relevant for certain unit) ideas, processes, products or procedures, presentation and application through roles, groups or organizations seeking to provide substantial benefits to person, group, or organization or wider public. So from the definition it might be understood that innovation should be created deliberately, not happen suddenly, by chance. It is also important to note that innovations may be new for a particular organization or unit, not for the whole world, and third that innovations should have effects that might be different level.

Some social innovations are spreading faster than others and are easier to expand, increase in the geographic market coverage and Young (2011) in his research project specifically examines the dynamics of social innovation. Author provides mathematically proven dependency that level of rationality and the existence of independent groups are important to ensure stability and significant progress of social innovation development. In Pol, Ville (2009) model of social innovation a significant contribution is given to government and private capital, as authors claim that in free market public good, simply cannot exist without sustainable contribution of these components. However, Jindřichovská (2012) believes that repeated government initiative mechanisms that are seeking to reduce costs of social innovation implementation can cause irreparable damage.

Definitely social entrepreneurship is inseparable from innovation and even in definition of social entrepreneurship by Said Business School (2015) it is seen: Social entrepreneurship refers to the practice of combining innovation, resourcefulness and opportunity to address critical social and environmental challenges. Innovation transfer model in social entrepreneurship differs from the traditional business - Chowdhury, Santos (2010) notes that social entrepreneurship mainly due to its mission is usually open to share innovation, because it aims to provide benefit, create value for whole society. However, a question is raised by Pol, Ville (2009) that maybe not all innovations (social or not) must be transferred to meet broader needs and that not all innovations are pursued by public, not all are necessary needed.

Kirkman (2012) analysis how non-profit organizations organize the innovation process moving towards social entrepreneurship. Such transformation for most non-profit organizations is a complex and new process in which different challenges occurs. Kirkman (2012) states that in such case the coherence between what leader thinks that organization will do and what members think that the organization is able to do is very important. To avoid such mismatch, it is suggested to pay attention to three key points, which often cause these discrepancies:

- Evaluation. The discussion on financial stability is raised. Social entrepreneurship mission, which should be assessed together with the financial resources, assets and income generated thus avoiding potential conflicts while harnessing innovation is also emphasized.
- Planning. The discussion is raised about any resistance from organization members caused by innovation, explaining that new social entrepreneurship initiative development causes no such problems as a transfer from non-profit organization to social entrepreneurship. As a solution might be early planning, that helps to understand organizations culture better.
- Support. The discussion of human resources - often even proper planning of innovation adaptation steps lacks lack of support from the side and Kirkman (2012) presents several authors view about the importance of networking, finding the right specialists for the innovation implementation.

Importance of human resources for innovation development process is highlighted also by Szczepańska-Woszczyna (2014) in his studies synthesis of Polish organizations, where he provides an explanation that resistance for innovation arises from organizations members for a variety of reasons.

Weerawardena, Mort (2012) notes the inverse relationship - socially entrepreneurial non-profit organizations come up with new ways how to carry out value-creation activities, in particular, to secure much-needed capital and seek creating new, innovative services. However, authors also note that it is necessary to ensure a continuous process of innovation adaptation, as innovations are usually easily copied by competitors and only organizations that have strong relationships with customers may maintain a competitive advantage.

METHODOLOGY

Paper is based on first of all by theoretical background of previous other scientist literature analysis on innovation and social entrepreneurship (first paper part). Research methodology is based on two pillars – 8 experts' interviews and quantitative research of 34 social entrepreneurship initiative representatives in Lithuania online survey.

According to Greblikaitė (2012) there are only few experts of social entrepreneurship in Lithuania and social entrepreneurship phenomenon in the context of Lithuania is almost unexamined. That is why it was hard to find participants for interviews. There were 16 experts identified and contacted personally asking to participate in research. Only 8 respondents accepted to participate - 50%. Interview was done with all 8 of them.

Expert selection criteria that were used for research:

- Higher university education.
- At least 2 years of academic or practical work, project experience with social entrepreneurship, social responsibility.
- Participation in social business and social entrepreneurship-themed conferences or forums.

RESULTS

From interview with experts' results about innovation and its relation to social entrepreneurship fact that they see these two phenomena as very close or even equal can be highlighted. One of the experts noted that it is something new generally that business takes care of social problems. Another expert pointed out that not only social entrepreneurship, but entrepreneurship in general is very close to innovation or innovation management, because even in the very beginning of process, when an entrepreneurial idea is born innovations occurs.

Two experts noted that model itself, how social entrepreneurship initiatives work is innovative and points out those initiatives have different logic than traditional business, and by this confirms several other experts view that social entrepreneurship is different from traditional business. One expert emphasizes risk-taking and that social field is innovative for business to be carried out in as unusual environment.

Experts linked innovation also with the solution of social problems. One expert believes social entrepreneurship initiatives use non-traditional ways in order to solve social problems, combining standard business methods and tools in social sphere. Another expert claims that such initiatives discover innovative ways to solve social problems, that government failed to solve. In order to achieve this, business model promiscuity and social entrepreneur characteristic – to give priority given to the public interests, rather than his own, is emphasized.

Experts associate innovations in social entrepreneurship with better solutions, more efficient ones and optimization. However, these solutions are done in order to create wealth for society and again experts emphasize the importance of impact for public created by such initiatives.

In order to know how innovative initiatives are the representatives of social entrepreneurship initiatives were asked to evaluate in Likert scale from 1 to 10 (question - how innovative is your initiative in Lithuania). Analysis of the responses indicated that average is only 6.92. The distribution of answers is interesting because only 3 respondents stated that the initiative is very innovative in Lithuania. Most - 8 representatives said that their initiative is innovative on average, which means they allocated 5-points in Likert scale from 1 to 10. Also even 7 respondents allocated 7 points for innovation of their initiative in Lithuania. Meanwhile, the lowest score, that is, 2 points were allocated by only by one respondent.

For more detailed analysis of the importance of innovation management, respondents were asked what elements / factors were important for managing their social initiatives innovations. Some of them pointed out that social entrepreneurship is a new phenomenon, a new concept in general in Lithuania. Summing up their answers it can be said that respondents consider these factors as important ones for managing social entrepreneurship initiatives innovations:

- Understanding social entrepreneurship concept and model;
- Reviewing literature;
- Partnership and cooperation with other organizations;
- The same factors as those important for any business;
- Public support;
- Believing the idea;

- Professional organization personnel;
- Human resource management;
- Financial.

Social entrepreneurship initiative respondents were also asked about the challenges they faced while developing social entrepreneurship initiative as an innovative idea and summing up main challenges are the following:

- Indifference;
- Funding;
- Lack (or inadequate) awareness of the term;
- Unfavorable treatment;
- Lack of support from government;
- Inappropriate legislations;
- Bureaucracy.

It should be noted that as experts likened social entrepreneurship with innovation, as well several respondents also - they mentioned that it is a new concept, innovative one in general. That's why factors mentioned by experts and representative's repeats.

CONCLUSIONS

Generally, it can be said that there are innovations of different level, innovations can be attributed both to the social and traditional business and therefore developed differently, expanded in different ways. For innovation development and its assessment there are different characteristics and dimensions identified by authors. There is also a difference between themes analyzed by authors and elements marked out - ones that examine social innovation define the process in one way; others, who examine adaptation process of innovation in non-profit organizations define it differently and provide other important elements for the successful implementation of this process. Finally, there are authors who say that social innovation is integral with government contribution and claim that only socially desirable innovations by society combined with business innovation are relevant.

From interview with experts' and social entrepreneurship initiative representatives survey results it is clear that both see innovation and social entrepreneurship as very close or even equal things. Results show that social entrepreneurship is innovative phenomenon in Lithuania and even though it might have some attributes related with traditional business, it requires more attention to innovation management and handling challenges that might occur while developing such initiatives. Support from government (legal and financial) was mentioned and also the fact that public awareness has to be raised in order to have fewer challenges and more opportunities for social entrepreneurship initiatives.

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THE PROFILE OF GENERATION Z CUSTOMER TOWARDS LUXURY FASHION BRANDS: CASE STUDY OF ASIAN COUNTRIES

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ABSTRACT. Asian countries, such as Japan, South Korea, Mainland China and Hong Kong are primary markets for fast growing luxury fashion brands, where trendiness and newness are the key elements. Luxury customers in this area are younger and they are frequent buyers. Some wealthy teenagers in East Asia can rent a private jet or a yacht and buy handbags made of exotic skins, costing tens - sometimes hundreds - of thousands of Euros without any consideration. That's why it is very important to understand the rules how to “win” these young luxury-loving Asian customers, because the Generation Z acts, thinks and works differently than any previous generations. The fundamental objective of this paper is to identify the profile of Generation Z customer of luxury fashion brands in Asia. This research also aims at disclosing the Asian customers' profile of luxury fashion brands; describing the essence of the Generation Z and revealing this generation customers' approach towards luxury fashion brands.

KEYWORDS: Generation Z, Luxury Fashion Brands, Asian Countries, Customer Trends

INTRODUCTION

Generation Z is the most disruptive generation in modern history. Instead of waiting for ideas to filter through the generations that came before them, Generation Z is go-getters and trendsetters. This generation also called the Digital natives. They are born in the Digital world with complete technology of PCs, Mobile, Gaming Devices and Internet (Westlund, 2010). Social media has demolished all barriers to communicating with virtual friends and hang out with them virtually over the mobile phones, social networking sites and messages. Generation Z is collaborative, creative, multi-taskers and thrives for instant gratification (Jain et al., 2014).

Asians Generation Z have big interest in luxury products that is why marketers are becoming interested at this segment in expanding their market share, while the educator would like to understand more about this particular segment in their perception of wealth and luxury consumption. This statement was confirmed by Zhou (2012). In his opinion young Asian people will become the dominant luxury costumer group in China in the next three to five years. That is why it is very important to get to know these growing young fans of luxury fashion brands, to understand their attitudes, and to paint their profile.

The recent emergence of luxury brand market leads to a new era of luxury consumption marked by a shift in the dominant consumers moving away from the western countries to Asian countries. That is why Asian Generation Z is highly fashion conscious and demands for high-end luxury products. And this is the result of the growing consumer market and increasing disposable income of the middle class. McKinsey & Company the latest survey on Global Wealth Management (2014) reports, that Asia (excluding Japan) forecast to double net millionaire wealth to USD 17.7 trillion by 2018, the region will account for around 23% of millionaire wealth by that year – trailing only North America.

Regarding to Fuochi (2011), Asia is becoming a luxury consumption hub and the world's biggest market driven by China. This region is the world's biggest market for luxury goods. Mark Walsh in International Luxury Travel Market 'Leaders Forum' (2012) revealed that there is significant development of a new middle class, and this is helping to drive the consumption of luxury goods and experiences.

And Generation Z as a significant luxury products consumptive group is very interesting and necessary to be studied about their behaviors, attitudes and profiles.

Object of Paper: The Profile of Generation Z Asian Customer towards luxury fashion brands.

Purpose of Paper: Identifying the profile of Generation Z Asian customer towards luxury fashion brands.

Objectives:

- Disclose the customers of luxury fashion brands in Asia;
- Describe the essence of Generation Z;
- Reveal Generation Z Consumers' approach towards luxury fashion brands;
- Identify the profile of Generation Z customers towards luxury fashion brands.

Methodology: Descriptive and comparative analysis of scientific literature examined and compared the research papers and articles of experts.

CUSTOMERS OF LUXURY FASHION BRANDS IN ASIA

In economic terms, luxury objects are those price/quality relationship is the highest of the market. In other words, luxury brands can be described by the nature of high price and rarity. According to Kapferer and Bastien (2009), luxury is a social maker which leads to a need of brands - “the DNA of luxury is the symbolic desire to belong to a superior class”. Clark (2014) forecast that, by the end of this decade, the global luxury customers' base will probably reach 400 million people and climb to 500 million by 2030. Most of that growth will be fueled by steady economic growth in emerging markets, particularly in Asia, as well as the proliferation of digital and mobile technologies that enable consumers and brands to connect with one another in new and different ways.

Man & Stella (2012) think that Chinese culture has played an important role in the consumption of luxury brands. They noted that, traditionally, Confucius' face concept explains why Chinese consumers value luxury brands which they believe will bring respects and prestige. China is regarded as a collectivistic that 'we-identity' symbolizes success and wealth (Hofstede 1991; Triandis 1998). 'Face' or 'Mianzi' is the important concern in a Chinese society which refers to the social status of a person. Comparing with the American customers, Chinese are more influenced by face and peer group (Li and Su 2006). Their consumption is regarded more as a tool to serve higher-order social needs. This can explain the reasons of high demand of Louis Vuitton bags and Gucci bags among Asian consumers (Strategic Direction 2005).

However, Asian customers are now seeking out more exclusive but less visible labelling. In Jones' (2015) opinion, China's maturing luxury customers' care most about quality and exclusivity, while in other areas, such as Hong Kong and Singapore, luxury is more defined by a lofty price point. Moreover, same author noted, that the difference between customers in China and other mature markets is a preference for personalized goods. Chinese want to get exclusive products and they care about one-to-one service when they go to luxury brand stores (PwC report, 2015).

Clark (2014) states that worldwide, luxury customers are increasingly emerging from a class that is accumulating wealth at a younger age than their parents or grandparents did. To put this into context, a typically Chinese individual worth USD 150 million or more is about 50 years old — about 15 years younger than someone in that category in Britain or the United States. The average age of someone with USD 15 million, is 43. In short, the approximately 825,000 Chinese with personal wealth of USD 1.6 million are on average as young as 39, about 15 years younger than their counterparts in America or Europe. Those young Asians especially Chinese are very well educated. They absorb modern western Philosophies as well as inherit the traditional eastern mind-set.

After the discussion we can see that Chinese culture is important in the consumption of luxury brands because it refers to the social status of a person and affects aggravate people's materialism. It is the influence of fast growth of Asian region economics. And customers of luxury fashion brands in Asia are averagely 15-25 years younger compared with other areas.

THE ESSENCE OF GENERATION Z

Generation Z is commonly defined as "people born between the 1990s and 2010". According to United Nations, Department of Economic and Social Affairs, Population Division (2012), Generation Z represents about 372.7 million or 8.5% of the Asian population in 2015. They are also known as a 'Digital Natives'. Tudományegyetem (2013) states, the most of this generation associated names come from the way they use social media such as "Facebook" or "Weibo". According to Euromonitor International report "Make Way for Generation Z: Marketing to Today's Tweens and Teens" (2011) describes Generation Z as (1) independent and individualistic, (2) digital natives, (3) impatient, (4) materialistic, (5) open, (6) family-orientated, (7) older than their years, (8) brand-aware and (9) possess a sense of fairness.

The study of Cheung (2007) also mentioned the characteristic of this generation which is so called "tweens" or young teens that they have power since they are able to influent purchasing habits of their parents. This generation has access to the credit cards of their parents and also receives high amount of allowances and gifts from their parents. To put this into the context, Asian parents did not enjoy life during the establishing of their entrepreneurship. So they spend a great deal of money on their children to remedy the regret. According to Zhou (2012), a major factor that luxury consumers become younger and younger is the psychology of comparison of the "second-generation rich." Luxury first is the symbol of identity and then the household wealth and social status. In Europe and the United States, fewer parents buy luxury consumer goods for their children, but China's rich of first generation want their children to enjoy these luxury goods.

Regarding to Snodgrass (2010), Generation Z has lifelong use of communications and media technologies such as DVDs, the World Wide Web, instant messaging, text messaging, iPods and cellular phones etc. They have grown up in a world with widespread equality of the sexes and where single parent and same-sex parent families are common place. Beswick (2014) indicated that 94% of those young people's communication time is spent on social networking or instant communications at the expense of e-mail and voice calls.

Generation Z begins to develop thinking process as almost adult level. They are independent thinkers who try to find answers in everything. They are confident and optimistic (Williams & Page, 2010). The young teenagers in this generation are older than their age and smarter than the previous generation. This generation is highly brand conscious and materialistic as they do not like to be compromised on the coolest product in comparison with their Mends and peers (Jain et al., 2014). Also they do not believe in discrimination and have a realistic attitude as compared with the previous generation. Moreover, the rise of Western popular media culture is having a profound impact on the tastes of young Chinese in terms of dress, music, sports, recreational and eating habits. For teenagers, image is key, as this age group imagine themselves as part of modern China and are keen to exert the new-found freedoms afforded them by the open market.

As we discussed above, it is obvious that the Generation Z could be described as more mature generation compared with previous generations. We can characterize them as multi-taskers with realistic, materialistic and responsible attitude. Also, they are the pioneers of the new digital China, and will propel consumerism to new heights. Smart phones and digital devices are particularly important to this group, as socializing takes place largely over the digital medium in China today; especially via WeChat, Weibo and text-chat applications. Furthermore, their access to the credit cards of their parents gives them ability to enjoy luxury products easier than ever before. That is why it is very important of understanding their approaches to luxury fashion brands.

GENERATION Z APPROACH TOWARDS LUXURY FASHION BRANDS

According to Zhou (2012), more than half of Chinese luxury consumers are between 25 and 28 years old. The lowest age of China's mainstream luxury consumer group dropped from 35 years old in 2007 and to 25 years old in 2010. And it is obvious that young people will become the dominant luxury customer group in

China soon. China's Luxury Generation (2011) indicates that the average age of Chinese consumers of luxury goods is 15 years younger than those in Europe and 25 years younger than those in the United States. There is also deep-seated competition in the UK amongst overseas students for whom it is important to appear wealthy.

From a cultural prospective, Chadha and Husband (2006) has studied the spread of luxury culture in Asian countries and discovered a five-stage process classification. It varies from “subjugation” to “way of life”. According to Man & Stella (2012), China is situated at the stage of “show off” that people are tripping over each other trying to acquire the symbols of wealth and displaying them in the most conspicuous manner. Regarding to Zhou (2012), showing off and comparison have been widely regarded as the biggest reason for young people to buy luxuries in Asia. Same author also states that the luxury brands have a social attribute, or a philosophical symbol, which called class distinction. In short, the class distinction can make people compare with each other.

Saxena (2012) thinks that youth Asian customers need for uniqueness and to define oneself through luxury purchasing, each resonate with pre-established consumer motivations as to what luxury is and why people buy it. China's Luxury Generation (2011) states, that Chinese people are passionate about luxury whether they are rich or not. Some young people may use 40% or more of their income to purchase a designer bag. And it seems that there is a tendency to blindly follow current trends and fashions. For instance, once someone is seen using a popular product, others will want to own it. Even those not necessarily in the consumer group that most luxury goods are targeted at, may still be inclined to buy such goods.

Edward Helmore (2014) referred that Chinese customers' can not necessarily impressed by a luxury label alone. Raw material quality can be seen as a more important attribute than branding or fancy designs. Also Helmore states that Chinese consumers have developed sophisticated sensibilities more rapidly than western brand managers anticipated. According to Lincoln (2015), Chinese consumers are more and more like their Western counterparts – they see consumption not as a badge of honor, but a source of value. Lincoln highlighted that for Chinese youth born in the 1990s, a life of good quality is not simply about possession of some items. It includes both the material consumption and a growing cultural consumption. More importantly, quality life must be built around personal choices and filled with one's individual traits.

Today's youth are more sophisticated than their predecessors. They've travelled and they've lived away from their parents. By the age of 24, they've experienced more of the world than their parents ever had or will. They having grown up in a consumption society, these young people not only see through the shallowness of luxury consumption, but they even view luxury consumers as the true adolescents.

According to Goudeneche (2012) research, for young South-Korean consumers, some product attributes hold an important role for decision making. Quality is the most important one (97%), followed by product aesthetics (88%). Price is the third most important factor (64%). Moreover, the individual brand is more important than the corporate brand. They acknowledge buying luxury goods for self-satisfaction purposes. Jain et al. (2014) study shows that the key drives of Generation Z for purchasing luxury apparels were fabric, quality, fit, and exclusivity, trendy, stylish and brand recognition. Same research referred that the Generation Z likes interactive communication and hence brand managers can develop interactive tools such as online games stimulations to connect with the consumer by giving them the opportunity though it to customize and use their creativity for their choice of product.

According to discussion above, it is clear that Generation Z in Asia has more sophisticated attitude to luxury fashion brands compared with their predecessors and they are looking uniqueness, quality, and aesthetics. However, materialism, showing off and comparison could be called the main factors for young people to buy luxuries in Asia.

PROFILING THE GENERATION Z CUSTOMERS

In order to set up an accurate profile of Asian Generation Z customers' profile towards luxury fashion brands, it is necessary (1) to specify the data of demographics, (2) to identify the main characteristics of personality, (3) to summarize the values of Generation Z, (4) to itemize the target aspects which have an

impact on these young customers, and (5) to indicate the attributes which influence their decision-making regarding to buying luxury fashion brands. Based on H. Lincoln (2015), Jain, Reshma, Jagani (2014), D., E. Helmore (2014), S. Goudeneche (2012), Euromonitor International (2011) and other authors' theoretical and empirical research results, a theoretical model of Asian customers' profile of Generation Z towards luxury fashion brands was created (see Fig. 1). Theoretical model is organized into 5 parts (demographics, features, values, impact and attributes). Every part has from 2 to 4 dimensions that represent most common cases of every single part and give an orientation for managers to create a complex of marketing actions directly linked to the Generation Z customers.

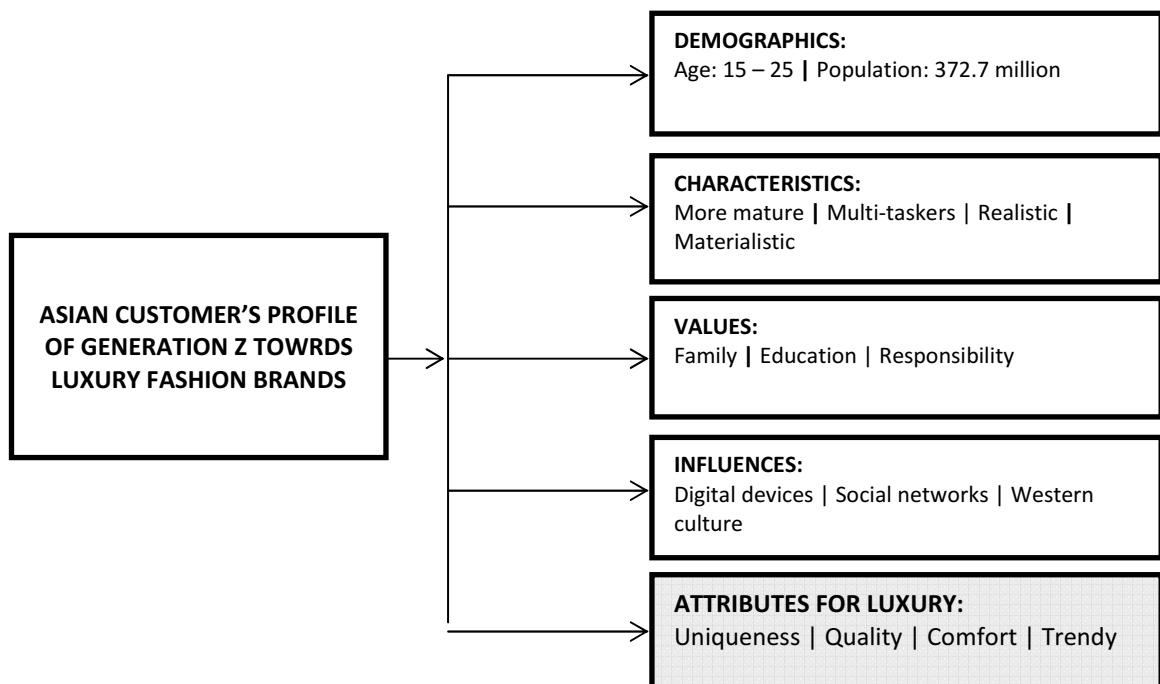


Figure 1: Theoretical model of Asian Generation Z customers' profile towards luxury fashion brands

CONCLUSIONS

The purpose of this paper is to identify the Asian Generation Z customers' profile towards luxury fashion brands. It is clear, based on this initial study that it is a critical new and huge segment of customers. For luxury fashion business it is necessary to identify their profile, get knowledge how to manage them and drive sales growth. After four parts of discussion, the research questions were answered as following:

Chinese culture is important in the consumption of luxury brands because it refers to the social status of a person and affects people's materialism aggressively. Customers of luxury fashion brands in Asia are averagely younger 15-25 years compared with other areas. And it is the influence of fast growth of Asian region economics. However, Chinese consumers have an immature psychology of consumption and it does not match the growth rate of wealth because luxury goods have not entered in China for too long. They are lack of rational thinking and planning.

Generation Z in Asia is influenced by social media, technologies, as well as western cultures. Living in the consumption and digital era makes them more sophisticated. It is obvious that Asian youth could be described as more mature generation compared with previous generations. They are multi-taskers with realistic, materialistic and responsible attitudes. Also the pioneers of the new digital China, and will propel consumerism to new heights. Their access to the credit cards of their parents plays an important role in the luxury brands consumerism.

Today's Asian youth are more sophisticated than their predecessors. They need for uniqueness and to define one-self through luxury purchasing. Quality, aesthetics and price are the main factors affecting their decision-making process. However, showing off and comparison have been widely regarded as the biggest

reason for young people to buy luxuries in Asia, especially between the middle class people. Some young people may use almost half of their income to purchase a luxury item and it is the influence of Chinese culture and materialism.

After literature review and an analysis of the latest articles, it was found that in order to create an accurate profile of Asian Generation Z customers, the following steps must be done: (1) to specify the data of demographics, (2) to identify the main characteristics of personality, (3) to summarize the values of Generation Z, (4) to itemize the target aspects which have an impact on these young customers, and (5) to indicate the attributes which influence their decision-making regarding to buying luxury fashion brands. According to these 5 criteria, a theoretical model was built for Asian Generation Z customers' profile towards luxury fashion brands.

The review of the literature indicates that researchers mostly have explored the attitudes of Generation Z to their work, education technologies and etc. But almost none of the works focused on luxury fashion business and marketing, especially about the Asia market. Future work should be narrowed because the region of Asia is too wide to absorb representative results of research. Moreover, in future study should be accomplished an empirical research because there is no any completed research on this topic and area.

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ONLINE TOOLS FOR LOYALTY INCREASING

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ABSTRACT. Majority of means for increasing loyalty in XXI century moved to internet. In this article author reviews what impact on customer's loyalty have such internet solutions like brand websites and social networks fan pages. Brand website and it's meaning to the brand was started to be studied straight after explosion of dot-com bubble. Only brand website cannot help for organization to fully reach its goals related with increasing brand value. After rise of social networks, the importance of brand websites has decreased. This became especially visible after Facebook appearance. In recent years the importance of social networks in society and business has expanded. Both ordinary persons and business organizations cannot imagine their daily life without account in any social network. Many years' organizations communicated with target audiences through TV, radio, outdoor or printed ads, i.e. through traditional medias. After appearance of internet and rising of its importance advertising also moved to this channel.

KEYWORDS: loyalty, social networks, Facebook, brand website

INTRODUCTION

Relevance of the topic and motives for choosing it

For ages people are used to joining to various interest groups in order to survive easier or to share information and experience. Nowadays the groundwork for such groups is mutual likes, lifestyle or even business. All these different groups can be called social networks. Demailly and Silman (2008) in review of importance of social networks for business described it as social structure which is formed from individuals (or organizations), which are called "nods" and they are related together with few specific relations, such as friendship, kinship, common interests, financial exchange, unlike, sexual relationship, beliefs, knowledge or prestige.

In XXI century majority of casual life fields moved to internet. Social networks and brand website are no exclusion. One of first social networks was Classmates.com, created in 1995. It was for communication with classmates, university friends, colleagues or soldiers. At the moment the most popular social networks are Facebook, Twitter, LinkedIn, Pinterest, Instagram and others (eBizBMA, 2015). More than 2 billion people all over the world are using social networks (Bullas, 2011). Yet in 2007 famous American journalist and comedian Daniel Tynan claimed that "if you don't belong to any social network it's the same like you don't belong anywhere". Seems that humor becomes reality nowadays.

One more means of joining customers together to one place and giving information is brand websites. Websites help to communicate together for various interest groups despite that they are related by some business goals, education, mutual likes or not (Pavan and Viswanath, 2010). Moreover, usually it is the first channel where people are looking for some information related with brand.

Not only personal customer's life moved to websites or social networks but business also did it. Lots of organizations have their websites and social networks accounts where they have thousands of fans and followers. Social networks give the opportunity to not only increase business results by reaching more potential clients or investors but also to increase brand visibility, awareness and brand loyalty. Marketing professor Kevin Lane Keller claims, that brand is the set of associations which help to better understand value of product or service (2001). For this reason, loyalty becomes very important in order for its products or services to be bought compared with other products from the same category. Social networks and brand websites help for this to happen.

At the moment of the most popular social networks is Facebook (both for ordinary people and business organizations) (Kunz and Hackworth, 2011; Qin, Kim, Hsu and Tan, 2011). According to statistics, Facebook

is used by 31,93 % of Lithuanian population. For this reason, social network Facebook has been chosen as environment in which customer's loyalty will be researched.

Brand websites also has a huge impact for increasing internet loyalty for brand. Thanks to them customers can get more information for about brand, view ads, order products, download information, communicate with other customers or talk with product manager online – this is long term cooperation with customer platform (Voorveld, Neijens ir Smit, 2009).

After strong growth of impact of social networks for business majority of organizations have rushed to create their social network's accounts for communicating with their customers in various ways (Qin, Kim, Hsu ir Tan, 2011) and in this way to increase loyalty. Unfortunately, a lot of organizations do that without any clear communication plan or strategy. Usually such kind of experimenting ends up with dramatic consequences. It was noticed that means of communication in various fan pages are different and frequency differs – some of fan pages “attack” fans with tons of messages, other, contrary, contact users very rarely. At the same time messages differ quite a lot – it can be informational messages, contests, advertising, discussions and other kinds of messages.

The purpose of this paper is to identify, what means can be used for increasing internet brand loyalty using social network Facebook or brand website.

This purpose was set up because majority of authors have analyzed only Facebook or brand website. Moreover, usually picked up topic is advertising but not content based communication. So, such means of communication, for example, like status updates or videos were not analyzed at all.

Objectives:

- To present information about customer's loyalty for brands and its impact on business results.
- To analyze theoretical literature and to provide information about social networks, their importance for business.
- To identify main activities on social network Facebook, which have the main impact on customer's loyalty.
- To identify main activities on brand websites, which have the main impact on customer's loyalty.

MEANS FOR INCREASING INTERNET LOYALTY

In XXI age majority of decisions for increasing loyalty moved to internet. For example, special discounts are only for those, who have signed up on brand's website or are following brand on their social network account.

Brand website's importance for loyalty

Brand website and its importance for loyalty was started to discuss right after “dot-com explosion”. Majority of authors describe brand website differently. The author of this article uses the one described by Voorveld, Neijens and Smit (2009) – “brand website is integral part of organization's communication and promotion, which purpose is to create value for brand”. Website alone cannot fully reach all goals of organization, related with increasing brand's value. Website must comply together with other means of communication (Sehmel, 2002).

The main purpose of brand website – to fulfil brand customer's needs (Pavan ir Viswanath, 2010). But it cannot be forgotten that customers and their needs are different. The difference of needs is very important aspect for planning communication though website in order to increase loyalty.

In scientific literature there are a lot of classifications of website attributes. Dholakis and Zhao (2010) marked out 8 attributes, which in author's opinion are most accurate. Content, attractiveness, easy usage, personalization, interactivity, community involvement, security and maintenance are the attributes without which website could not fulfil customer's needs. These attributes are significant for increasing loyalty.

Before creating any website, organization needs to know 3 things (Sharp, 2010):

- Understand its customers.

- Understand what are stakeholder's expectations.
- Find out how to fulfil stakeholder's needs in technical way.

Technical implementation of all mentioned above attributes determines website quality. But for full customer's satisfaction not only technological solution should be in quality but product/service itself (Rocha, 2012).

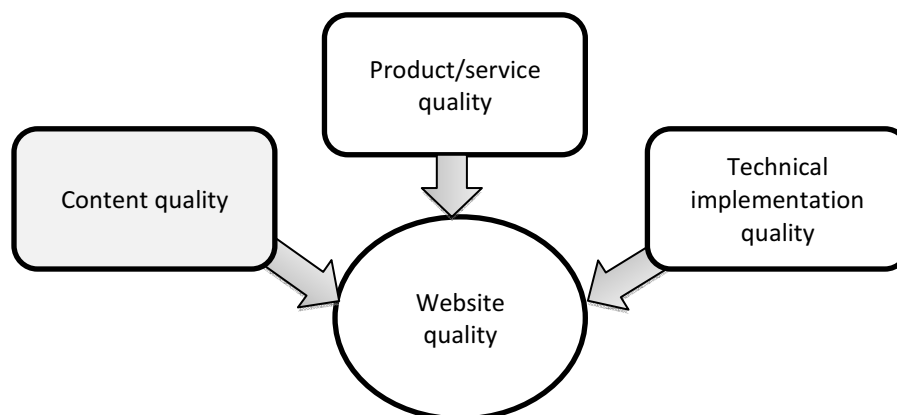


Figure 1. Elements of website quality. Source: prepared by author according Rocha, 2012

After social networks boom the importance of website as means to increase loyalty has decreased. Despite that, brand website is still very important channel for communication with customers.

Conception of social networks

In recent years the importance of social networks for society and business has increased a lot. Both individuals and organizations cannot imagine their life without accounts on any social networks.

For contemporary social networks are inherent these characteristics.

Orientation to customer. Before era of social networks, it was inherent that communication with brand customer is one way (organization is preparing content and customer is getting it). On social networks it's contrary – content can be created not only by organization but at the same time created and spread by its customers in various directions. Such kind of dynamics attracts customers to brand more.

Interactivity. Social networks are not the same like forums or chat rooms. There are a lot of applications and games where customers can challenge others and win online. This is very popular to connect and have fun together.

Sociability promotion. Social networks are created the same way as real communities. Either communities or social groups are sharing similar thoughts and likes. Social networks help people to find link minded people easier. Moreover, they help to recreate previous relationships more easily than in real life.

Relationship. The bigger group is to which person belongs the more relationship he/she has and can spread information for bigger circle.

Emotions vs. content. It is characteristic to social networks that they give priority to emotions not content (for example, if something bad happens it is easier to get help and support via social networks than in real life).

The growth of importance of social networks is extremely visible in business organization's activities. Social networks are giving the opportunity to contact with customers on real time, for them not even leaving home is very effective way to communicate (Steinman and Hawkins, 2010). Members of virtual communities can get information from organizations, which they need for solving their problems (Porter, Donthu, MacElroy and Wydra, 2011). Majority of organizations uses them as easy accessible, effective and contemporary means of marketing communications.

Social networks as means for increasing loyalty

For many years' organizations have communicated their brands through traditional media. After increased importance of internet advertising moved there. 22 % of customers say that they rely more on advertising on social networks (Taylor, Lewin and Strutton, 2011).

In changing situation in economy, i.e. changing ways how customers shop, how they spend their money, one thing hasn't changed – customers still rely on opinion of their family, friends and sometimes even of unknown people more than seller says about his/her product (Kunz and Hackworth, 2011). The more person spends time on social network, the more he/she is influenced by opinion by others (Chappuis, Gaffey and Parvizi, 2011).

Social networks give the opportunity to connect to various social groups (Lakshminarasimha and Vijayan, 2007) in which customers can share their experiences related with brand on real time (Steinman and Hawkins, 2010). Social groups, to which customer belongs, can have a huge impact for customer's evaluation (Ali, 2011) because in these groups customer can go through all stages typical for buying: understanding of the problem, search of information, considering alternatives and finally evaluation after buying. In social groups customers usually take over each other's opinions, it's called social contagion (Bowler, Dahlstrom, Seevers and Skinner, 2011).

One of already described ways how to communicate with brand customers is advertising. But there is one much more effective way – it's fan pages on social networks. Nowadays it is more important for organizations how customers interact with the brand not what they think about it (Metcalf, 2010) that's why organization brand's fan pages help to get closer with customers because they can comment organization's activities, related with popularizing brand (Maldonado, 2010).

Loyalty solutions on Facebook platform

During few past years, when importance of social networks has increased, more and more people sign up to Facebook and checking their accounts becomes part of their daily routine (Friends in Online Spaces, 2011). Facebook became leading social network. According to Facebook statistics, at the moment they have more than 1440 million active users (Facebook, 2015).

Not only people moved online but organizations also did it. Organization must be there where it's customers are (Pattison, 2009). Involvement to social networks is very fast so organizations also need to hurry up (Newton, 2011). According to literature more than 59 % of organizations have already joined Facebook (Kunz, Hackworth, 2011), where they have their fan pages in which people are able to know brand better, to become fans or followers.

According to Facebook statistics (2015) everyday organizations create more than 900 million objects, where customers can interact with brand (pages, groups, events and community pages). One customer has joined about 80 of such kind objects. This number shows that customers are related to really a lot brands. If organization wants to stand out in such a competitive environment, they need to overthink their communication on Facebook very well because this can have huge impact on loyalty.

Brand is the value, which is being created for customers. It shows organization's experience, main values, reached results and professionalism which customers need (Horton, 2009), that's why appropriate communication on Facebook becomes so important. Shih claims that organization always needs to understand what they are seeking on Facebook (2009). Customer is always the most important (Everyone's Getting the Online Habit, 2011), that's why communication on Facebook needs to be oriented to that.

Facebook can be useful because of these reasons:

- this is a way to get closer with customers (Baird and Parasnis, 2011) and to perform direct analysis what customers are saying and to set goals how to act in market in order to understand customer needs better, their likes and dislikes (Major, 2010);
- Facebook doesn't limit number of fans so there is the possibility to spread information for bigger amount of people than via traditional media (Taylor, Lewin and Strutton, 2011);

- even 85 % of customers want that organizations would communicate with them via social networks (Kunz ir Hackwoth, 2011);
- customer is allowed to become brand's advocate (Klemchuk and Sullivan, 2010);
- small organizations are able to communicate effectively without big financial investments (Churchill, 2010);
- being on Facebook increases sales and revenue (Galeotti ir Goyal, 2009).

Social network Facebook increases loyalty because it allows to get closer to customers, to connect more and easier and deepen relationship.

BRAND COMMUNITIES ON SOCIAL NETWORKS

Social networks are the fastest growing Web 2.0 activity. Nowadays it is very fashionable and even prestigious to belong to any social network. Now there are a lot of talk about what impact social networks have on marketing activities (Zeisser, 2010).

If organizations want to survive and grow it becomes very important to communicate with customers via social networks because customers are exactly here (Taylor, Lewin ir Strutton, 2011). Being on social networks helps for brand to be more accessible for customers and they become more attractive in their point of view (Stephen and Toubia, 2010).

Organizations should be careful and not “fall” straight away to sign up on social networks. First of all, the analysis, if the customers are really on social networks, needs to be performed. Kumar and Nagpal (2011) suggest to identify first, what will be the purpose of being on social networks, how they are going to segment customers and then collect all the information related with social network and its users.

After choosing customer segments it's important to understand how they are interacting with each other and the organization. Traditionally exists 2 types of customer interaction: customer and brand, customer and organization (McAlexander, Schouten and Koenig, 2002) (figure 2). Growing impact of social networks helps for organization to create not dialog but trialog with customers (McAlexander, Schouten and Koenig, 2002; Porter, Donthu, MacElroy and Wydra, 2011) (figure 3) social networks allow not only to optimize relationship organization-customer but to optimize whole relationship network (Gulati, Nohria and Zaheer, 2000).

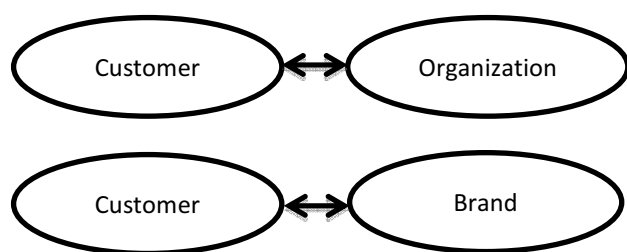


Figure 2. Customer's interaction with organization or brand. Source: prepared by author according to McAlexander, Schouten and Koenig, 2002

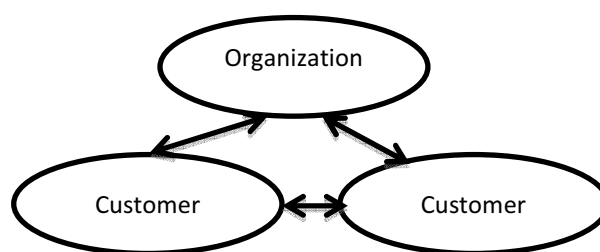


Figure 3. Organization's trialog. Source: prepared by author according to Porter, Donthu, MacElroy and Wydra, 2011

In traditional value measurements it is often noticed that it's measured only value created by customer to organization by buying products with its brand but the fact that one customer can have impact on other customer's buying decisions is often ignored (Staab, 2005). That's why trailing model should be corrected by making customer a central figure (figure 4).

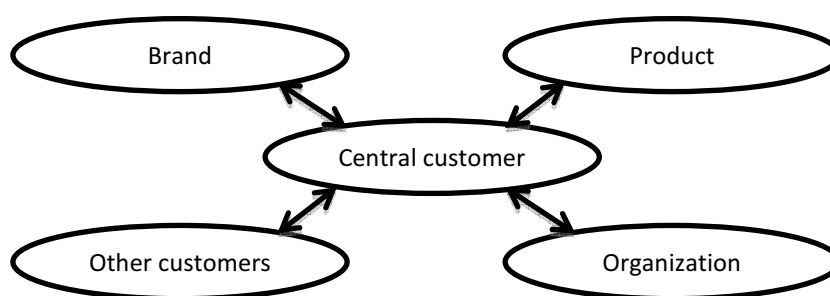


Figure 4. Model of central customer. Source: prepared by author according McAlexander, Schouten and Koenig, 2002

Often customers are irritated by various online ads, but in this way customers create content about brand themselves that's why by other customers it's being accepted not like advertising but like useful information which is not being ignored (Ashton, 2011).

The most often reason for signing up on social networks is to make impact on others. It was already mentioned, that on social networks not organization makes impact on customers but other customers (Bowler, Dahlstrom, Seevers and Skinner, 2011). If two customers have similar points of view, beliefs or they have similar behavioral norms, it is possible that if one becomes loyal to brand another one can also become loyal because of structural equivalent model (Bowler, Dahlstrom, Seevers and Skinner, 2011).

Social networks provide opportunity to join various groups, for which liking some kind of brand is characteristic. In this case individual is influenced by group. Individual is encouraged directly to accept group norms or he/she can be forced to act in one or another way, according to group rules (Bruning, 1997).

When customers join brand communities on social networks they are hoping that they will fulfil some of his/her needs. In this case, interaction between group members becomes more important the interaction between organization and customer. In table 1 you can see generalized customer needs on brand communities.

Table 1. Customer needs on brand communities on social networks

<i>Information</i>	<i>Customers appreciate such communities where they can get information, which helps them to learn, solve problems or make decisions.</i>
<i>Creation of relationship</i>	<i>Customers seek to create meaningful relationships through brand communities.</i>
<i>Social identity/self-expression</i>	<i>Customers want to feel like part of the community and be related with other members of community through emotional and experiential connections, also to express themselves in that community.</i>
<i>Help for others</i>	<i>Customers want to help others, especially for those, with whom they have personal relationship.</i>
<i>Joy</i>	<i>Customers feel joy while interacting with others and being able to share their experiences.</i>
<i>Membership</i>	<i>Customers desire to be part of the community, to be respected by others and being able to contribute to survival of the community.</i>
<i>Status/influence</i>	<i>Every member of the community tries to earn some status and to influence others.</i>

Source: prepared by author according to Porter, Donthu, MacElroy and Wydra, 2011

Summarizing table the conclusion can be made that customers want to belong to brand community not only because they are loyal to the brand but they want to realize their personal (sometimes selfish) needs. In first case, the already existing loyalty is being increased, and in second case new customers can become loyal through already loyal ones.

Knowing customer needs on brand social communities on social networks helps for organization to organize its activities in purposeful way for increasing loyalty. It can be done in 3 stages (Figure 5).

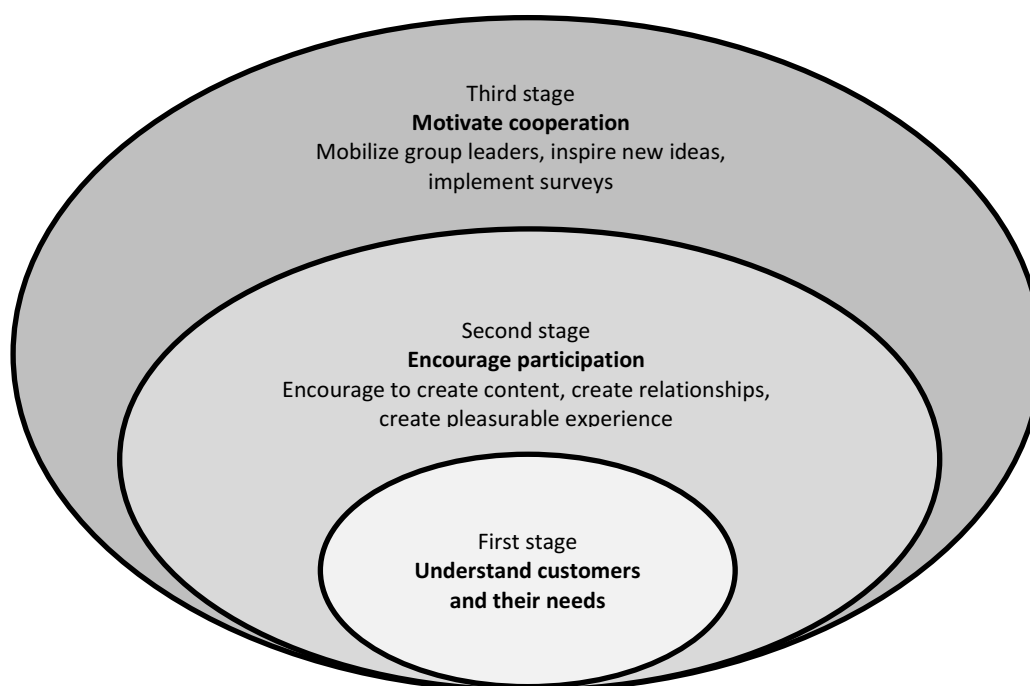


Figure 5. Organizations activities on brand communities on social networks to increase customer loyalty. Source: prepared by author according to Porter, Donthu, MacElroy and Wydra, 2011

Being on social networks means creating only high quality interactions with customers (Zeisser, 2010). It should not be forgotten, that social networks are accessible for everyone, even competitors, that's why leader will be the one who will manage to take advantage of them as original as possible (Building a Firm for Now and the Future, 2011).

ACTIVITIES FOR INCREASING LOYALTY

Either Facebook platform or brand website gives the opportunity for organizations to communicate in various ways, i.e. implement some kind of activities.

Status updates. Organization can post questions for discussions, quotes by specialists or famous people related with brand or product/service category, announce important information or articles, or other kinds of messages. This is very useful for getting customers opinion or simply reminding about itself.

Links. Writing interesting or useful external links, related with brand or product/service category. It can be articles, blog posts, movies, etc. this activity can be useful for two reasons: the newest information can be announced and customers can get acquainted more with brand and its activities.

Movies/photos. It can be moments from brand creation process, organizations daily routine or similar content. This increases visibility. Furthermore, people have better visual memory than auditory memory, so the movie or photo seen can “stuck” better on customers’ memory and to impact brand’s notoriety and recollection.

Games/applications. Games or applications is good way of primary attraction, i.e. to stimulate curiosity and later, step by step, to increase loyalty. But this is kind of risky activity. After playing customer might not become loyal because the game is only what he/she cares about and not all brands can be playful.

Contests. Often organizations use contests as means for increasing loyalty. To attend at the contest, you can tag friends, share content, register on online form, to vote for someone, etc. Such kind of activity attracts a lot of people. There are two minuses of this activity: some people are just “prize hunters” and usually it attracts younger people, so if the brand is for older people, this activity won't fit.

It's important to mark, that these activities can be implemented either on Facebook or on brand websites thanks to modern solutions of IT integration.

CONCLUSIONS

Contemporary business is unimaginable without ability to reach its customers via internet. Brand representatives actively communicate with customers with various means. In this article the main attention is for brand website and social network Facebook. These two means are usually chosen by marketing specialists. The literature analysis was implemented to analyze with what particular means marketers can reach best results in increasing customer's loyalty.

After literature analysis these conclusions were found out.

- The main finding after literature analysis is that customer loyalty is very important for brand. It is financially cheaper to keep customer loyal than to attract new customers.
- Theoretical analysis revealed that contemporary social networks are interactive, encourages society building, help to create relationship both between brand and customer and among all customers. In this case emotions are more important than content. Social networks allow to create social groups where people can share experiences related with brand and its usage. Creating brand social groups is very important for business. Moreover, Facebook is very beneficial means of getting closer to customer. Customers want to be contacted by brand via Facebook. This tool is easy accessible and affordable even for smaller organizations. All the actions by brand on Facebook should be customer oriented. All these features of this social network are very useful for brand loyalty. But loyalty can be increased via Facebook only when brand exactly knows what is its purpose on social network, how it is planning to segment customers and to plan actions carefully. Important to understand, that customer is the central figure in this kind of communication.
- While communicating with customers via brand websites or Facebook usually are used status updates, links, photos/videos games and apps.
- Means for increasing loyalty via brand website are very similar to those used on Facebook but differ because of the platform. These means are articles, links to offsite articles or blog posts, videos, integrated apps/games or in some cases contests could be organized.

So the purpose of this paper was reached by identifying what means could be used for increasing internet loyalty via social network Facebook or brand website.

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SOCIALLY RESPONSIBLE MARKETING EFFECT ON SOCIAL BUSINESS

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ABSTRACT. Academic research shows that the active involvement of social problems is becoming increasingly important in Lithuania and throughout the world. It has dealt with social business (social enterprises and social business concept of enterprises) support. Socially responsible marketing through appropriate marketing communications elements can have a positive effect on social business. Object of this paper is socially responsible marketing effect on social business, and the aim of this paper is to analyze theoretically socially responsible marketing effect on social business and then to develop socially responsible marketing effect on social business theoretical model. Theoretical study review has shown that socially responsible marketing effect on social business occurs in two ways - a positive effect on society in reducing crime, reducing the target groups of social exclusion, respectful of nature, reducing pollution, and so on) and a positive effect on the company, when improving the company's image, increase brand awareness, increase sales and reducing the company incurred costs. Fundamental theoretical model result is that socially responsible marketing effect on social business stimulate new social business (as many social enterprises as social business concept of the companies) founding.

KEYWORDS: marketing, socially responsible marketing, social business, social enterprise, social problems, Lithuania.

INTRODUCTION

The traditional business has been preferred method of business development both in Lithuania and abroad. However, the traditional business model took into account only the needs of entrepreneurs and tried to sell the product or service in any way. Nowadays business is focused not only on customers and their needs, but also on the public welfare research and development. Thus the concept of social business had appeared, ensuring the welfare of the society of social business concept of the company and social enterprise development and operation support.

Constantly growing competition is driving companies to look for new ways to attract new consumers and retain the loyal ones. In order to attract new customers and retain the old ones the importance of social needs and public welfare must be properly targeted and communicated. For this reason, there is the start of socially responsible marketing communications needs.

Lately socially responsible marketing is very relevant to traditional and social business. For this reason, it is important to look into the specifics of this kind of marketing. The importance of socially responsible marketing is proved by scientific theoretical and practical studies and sometimes it is still synonymous with social marketing.

Socially responsible marketing and social business usually exists as a separate subject in Lithuanian academic literature for research as socially responsible marketing and social business. Objects of research for foreign scientific publications become socially responsible marketing and social business attracts more attention of scientists. There was no socially responsible marketing effect on social business research found neither in foreign nor in Lithuanian academic works.

The object of this paper is socially responsible marketing effect on social business and the aim of this paper in the first place is to analyze theoretically socially responsible marketing effect on social business and then to develop socially responsible marketing effect on social business theoretical model which could be tested empirically in the future.

CONCEPT OF SOCIALLY RESPONSIBLE MARKETING

N. Malik (2006) emphasizes that socially responsible marketing is a concept that includes marketing techniques which respond to the ethical, environmental, social and cultural values of society and targets the problems of marketing (op. cit.: DeWitt and Dahlin, 2009, p.69-70). Social responsibility should be

integrated in every campaign and should be complex of marketing and advertising plans. As indicated by N. Malik (2006) in order to successfully penetrate the target markets it is important to target their marketing activities to the country's political, social and moral values (op. cit.: DeWitt and Dahlin, 2009, p. 70).

Socially responsible marketing is marketing philosophy, which says that companies should take into account the best interests of nowadays public and perspective of the long run (DeWitt and Dahlin, 2009, p. 69).

According to I. Andersone and E. Gaile-Sarkane (2010) concept of socially responsible marketing which is widely used and sometimes difficult in understanding. This says that a modern approach to attract attention of customers and/or the necessity is dictated by market. Socially responsible marketing is defined as an ethical approach to corporate customer and the general public.

A. Grubor et al (2014) considers that socially responsible marketing needs three types of implementation activities: legal, ethical and socially responsible. Legal activities called activities and behavior which is based on legal regulations and in compliance with all relevant laws. Ethical behavior and traditions shape the staff responsible for the legal and ethical compliance. Socially responsible behavior is based on social inclusion of integrity in dealing with customers and other stakeholders

Socially responsible marketing is a necessity in nowadays. Modern business should be concerned not only to profit, but also to take care of environment and broader social interests without it business could not be longer developed (Paužuolienė and Viningienė, 2014, p. 621). There are several approaches to socially responsible marketing (Fig. 1).

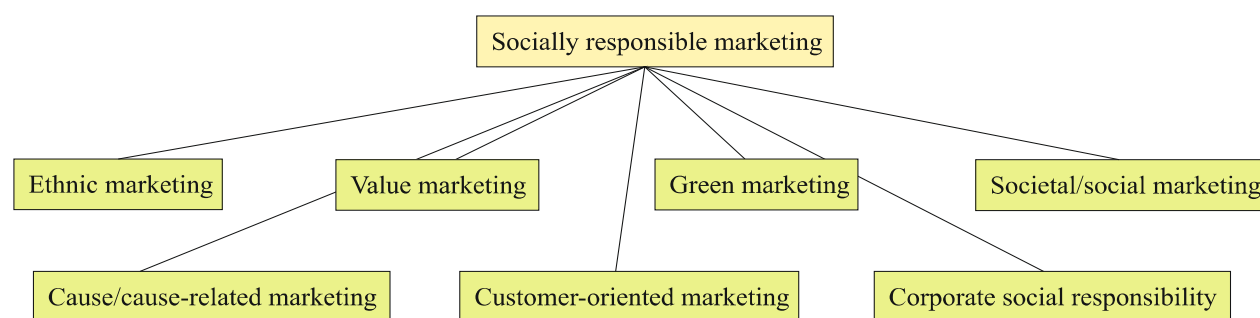


Figure 1. Socially responsible marketing definition. Source: created by author according to DeWitt, A.o. and Dahlin, L.A. (2009), "Socially Responsible Marketing", Northeast Business and Economics Association Proceedings, pp. 70; Andersone, I. and Gaile-Sarkane, E. (2010), "Socially Responsible Marketing for Sustainable Development", Human Resources: The Main Factor of Regional Development, Vol. 3, pp. 199.

For example, the company can focus on marketing, which focuses on customers, for this case company organizes its marketing activities more from the customers' side. On the other case, there is the value of marketing, when the company most of the resources for investment in value of creation. When company adopts marketing solutions and taking into account the customer 's needs, company requirements, long-term interests of customers and the long- term interests of society is called public marketing. Furthermore, there is social marketing, when the company promotes positive social behavior. Green marketing, when the company most of resources gives to investments of ecology and environmental development. Ethnic marketing focuses on the care of the national heritage and national traditions. Cause-related marketing mostly covers business organizations and non- profit organizations in the areas of corporate social responsibility, some companies voluntarily take into account the environmental and social needs.

As N. Malik (2006) indicates socially responsible marketing helps companies to increase the prestige of the company, to create brand awareness, to socialize company's messages and ultimately increase the sales (op. cit.: DeWitt and Dahlin, 2009, p. 70). Companies that sell products and services without regard to social welfare and responsibility normally do not reach the broad market and does not have a distinct advantage over competition. For this reason, companies operating in the international level, part of its profits give on social welfare development.

J. Rimševič (2014) had analyzed the academic literature and described concepts of socially responsible marketing and divided them into two groups. The first group of authors argues that socially responsible marketing is the application of commercial marketing mix for achieving social goals. Another group of authors argue that socially responsible marketing is philosophy of an independent marketing or the concept which social objectives have different disciplines, not only in marketing but also as tools or techniques (Rimševič, 2014, p. 53).

In the academic literature social marketing and socially responsible marketing is directed to improve the social environment, but also these two types of marketing are not identical. Social marketing associated more with the company's solutions and achievement of social goals (social exclusion, marginalized groups in recruitment, etc.) and implementation in making positive effect on the environment and reducing the negative effect on customer and society as a whole. Socially responsible marketing is a marketing philosophy which states that companies must take into account the public interest and improve it in long-term. Socially responsible marketing according to researchers is a broader definition, covering social marketing, ethnic marketing, value marketing, green marketing, cause-related marketing and customer-oriented marketing and corporate social responsibility.

MARKETING COMMUNICATIONS EFFECT

Dissemination of information is an integral part of today's life, for this reason, marketing professionals gave one of the main tasks to communicate with their customers. Marketing communications is one of the management tasks when the target audience are selected and presented as target tool for marketing communications. It is also as a play key for marketing function to affect customers.

Importance of marketing communications has increased especially in the last year (Gabrielli and Balboni, 2009, p. 276). According to scientists marketing communications activities can vary your message content about the brand or the company. The lines of communications integration of activities show that they must be considered as a whole.

V. Praude (2011) states that marketing communications can be defined as the direct and indirect means of information which designed to persuade people and/or recall them (op. cit.: Praude and Bormane, 2012, p. 111). He said marketing communications transmission means may be indirect (sales promotion, advertising, company image promotion and financing) and direct (personal selling, direct marketing, interactive/web or e-marketing and customers verbal communication) information.

There are highlighted marketing communications in the literature. Nevertheless, some items such as advertising is divided into sub- categories- such as TV, radio, print, outdoor advertising and so on. As it can be seen from the data in Table 1, all the scientists analyze distinguished four basic elements of marketing communications that is advertising, personal selling, public relations and sales promotion.

Table 1. Marketing communications mix

	Advertising	Personal selling	Public relations	Direct marketing	Sales promotion	Interactive/ web/ e- marketing	Company image	Customers verbal communication	Events, fairs	Promotion, funding
<i>Pickton and Broderick, 2004</i>	+	+	+		+					
<i>Mirbagheri and Hejazinia, 2010</i>	+	+	+	+	+	+		+	+	
<i>Mishra and Muralie, 2010</i>	+	+	+	+	+	+	+			
<i>Bakanauskas, 2012</i>	+	+	+	+	+	+				
<i>Šalkovska, 2012</i>	+	+	+		+					
<i>Praude and Bormane, 2012</i>	+	+	+	+	+					+
<i>Racolta-Paina and Luncasu, 2014</i>	+	+	+	+	+	+		+	+	
<i>Grybs, 2014</i>	+	+	+		+	+				+

Source: Created by author

There two other very important elements of marketing communications the copyright to name a direct and interactive marketing, web and e-marketing. For this reason, it can be assumed that these elements are the most important components of marketing communications.

It is noted that the marketing communications elements intended to influence potential buyers to purchase goods or services (to increase sales), to form a positive image of the company or the public opinion about it, either directly or in person communicating with customers or by transferring needed information.

In summary, marketing communications is to be transferred to the target audience (information about the product, the service characteristics, goodwill, ongoing social responsibility, and care for customers, special offers, discounts, sales organization, etc.). For this process conveying the means of information through direct (personal selling, direct marketing, interactive/ web or e-marketing and customers verbal communication) and indirect (sales promotion, advertising, company image promotion and financing) marketing communications. The integration of new elements help companies ensure that the important and relevant information by any means of communication would reach the loyal customers of the company and attract new ones.

THE CONCEPT OF SOCIAL BUSINESS

Global economy for more than a century has been promoted industrial profits and rise of international organizations took advantage of all possible opportunities of profit making, prompting new social-purpose business models (Byerly, 2014, p. 340).

Article of Worldwatch Institute (2015) highlights the significance of various sizes companies whose activities are using the newer business models to actively address social and sustainability issues and to share a positive effect on society, which is a common purpose.

Until 2015 social business in Lithuania was defined as the concept of social enterprise. On April 3, 2015 as Minister of Economy sign an order for the approval of the concept of social business which covers three main aspects: entrepreneurship (regular commercial activity), social (social objectives) and control (limited profit distribution and transparent management) (LR ūkio ministro įsakymas). This resolution states that social business can be profit and non-profit companies. Thus, the social business concept is widened in Lithuania, until then; there were only two types of social business. Social business working as social enterprise operation in accordance with the law (de jure) and meets the company's social business concept (de facto), but not recognized for social enterprises. Foreign authors the term social enterprise do not always use by the term social enterprises in Lithuania. For this reason, this paper will distinguish two types of social business that is a social enterprise and a social business concept of the companies (some foreign author's social business call as social sales).

Я. В. Щетинська (2014) distinguishes social advantages of business; this method solves existing social problems without the intervention of government. Social businesses help in dealing more acute problems in nowadays with a positive effect on society. By this way company creates its positive image.

In the context of analyzing social business concept of the company importance of intensification of social innovation I. Kostetska and I. Berzyak (2014) formulated the following definition that social business concept of the company activities are designed to solve or mitigate the problems of social support of the population. It depends on independence, innovation and financial conditions of independence, by this means that social business is a social mission and commercially feasible combination.

M. Yunus (2011) suggest a modern business model, which author calls “social business concept of the company” when business units operate with the aim of addressing social needs. This type of business allows solving problems, combining business of desired quality of life.

R. T. Byerly (2013) emphasizes that social business concept of the company is a new business model in the society, which pays attention to social justice issues and their solutions. It also promotes the objectives and has developed as having a positive effect. New forms of social purpose model with economic goals and

market- based methods traditionally associated with profit-oriented enterprises (Urich, 2013; Wilson and Post, 2013).

According to M. Zimmerman (2013) social business concept of the company employees are motivated and encourage business objectives and social business concept of the company movement which promotes networking with other companies. It follows the same business model.

R. M. Kantner (2011) innovation in terms of the effect is much greater when the persons of organizations can use the opportunities provided by the use of company resources and devote time to serve the public (creativity and volunteering through harmonization) in receiving social benefits; as the staff is included they are motivated, and they get in return; for this reason, social issues become better known and understood; the values of the company are protected and promoted.

So social business concept of the company is a form of business innovation, which involves successfully social goals and commercial practices. Social business concept of the company has emerged as a response to chronic social problems: unemployment, poverty, community fragmentation and etc. Social business concept of the company works in places where the government cannot work (due to lack of funding) and businesses do not want to work (because of low profitability) (Kostetska and Berzyak, 2014, p. 571).

The role of social business concept of the company in the social sector is (Jackson and Jackson, 2014, p. 153):

1. The mission is to create and sustain the assumption of social value (not just private value);
2. The fulfillment of the mission with new opportunities;
3. Enforcement with innovations, adaptations and continuous learning processes;
4. Brave operation with limited resources;
5. Greater accountability to stakeholders.

Social business concept of the company must pursue social values by creating mission which successful implementation of continuous innovation and learning processes, to act boldly with limited resources and showing stakeholders the greater responsibility.

In summary, social business concept of the company is a combination of a voluntary business and promotion of quality of life. Thus, social business concept of the company is a form of business innovation, covering social objectives and commercial practices. Social business concept of the company have emerged as a response to chronic social problems, where the government cannot work due to lack of funding and business (companies) cannot work due to the low profitability. Volunteering and creativity has made the greatest effect on the emergence of social business concept of the company and social business concept of the company is as the main engines. Also, these business exchanges or volunteering helps to involve all stakeholders.

In 2004 social enterprise law proposed the following definition of social enterprise: social enterprise is any form of legal entity (individual enterprise, limited liability company, public institution), which meets the following conditions (Dobele and Dobele, 2014, p. 33):

- Target groups of workers of at least 40 per cent of all employees the number is not less than 4;
- It is implemented in a professional and social skills development and social integration.
- Social enterprise earnings from such indirect activity are not more than 20 percent.

Social Enterprise UK (2011) report states that social enterprise is not designed to create value for shareholders: they exist in order to create social and environmental value, which is accomplished through marketing activities and the development of well-being communities as well as any other company seeking profits.

Social enterprises represent the business or private activity, which has a social purpose (such as the fight against social exclusion and unemployment), which is based on the production of public goods and services and investment in these activities. Such kind of enterprises has a high level of social responsibility and a certain level of stakeholder involvement (Sandu and Haines, 2014, p. 212).

As J. Moizer and P. Tracey (2010) suggest of social enterprises is based on organizations, which include social objectives with the business methods of creation. Social enterprises represent the private sector including social and public sector (Shuayto and Miklovich, 2014, p. 109).

Over the past twenty year, the social enterprise has become a major social phenomenon particularly in Europe, providing social services (Defourny and Nyssens, 2008; Nicholls, 2009) mainly social-sanitary, according to local and central authorities (Agranoff and McGuire, 2004, p. 126).

Social enterprise is defined variously. According to M. F. Doeringer (2010) definition, he offers a combination of individual definitions ("social" and "the company"), which lead to a generalization: any type of organization, which includes society of humans or welfare of human society (Doeringer, 2010, p. 292).

J. A. Kerlin (2010) social enterprise defined in a broader sense, as a non-governmental, applying market-based methods to help solve social problems, social enterprises often provide "business,, income source for many socially oriented organizations and their activities.

Social enterprises must demonstrate the link between the economic and financial performance, social performance and institutional justice (Bagnoli and Megali, 2011, p. 150). In order to address three main challenges, social enterprises are forced to operate as a business, because receives the same pressure as a profit-making organization (Shuayto and Miklovich, 2014, p. 110).

According to J. Pearce (2003) social enterprise is defined as the concept including six most important characteristics (Fig. 2).

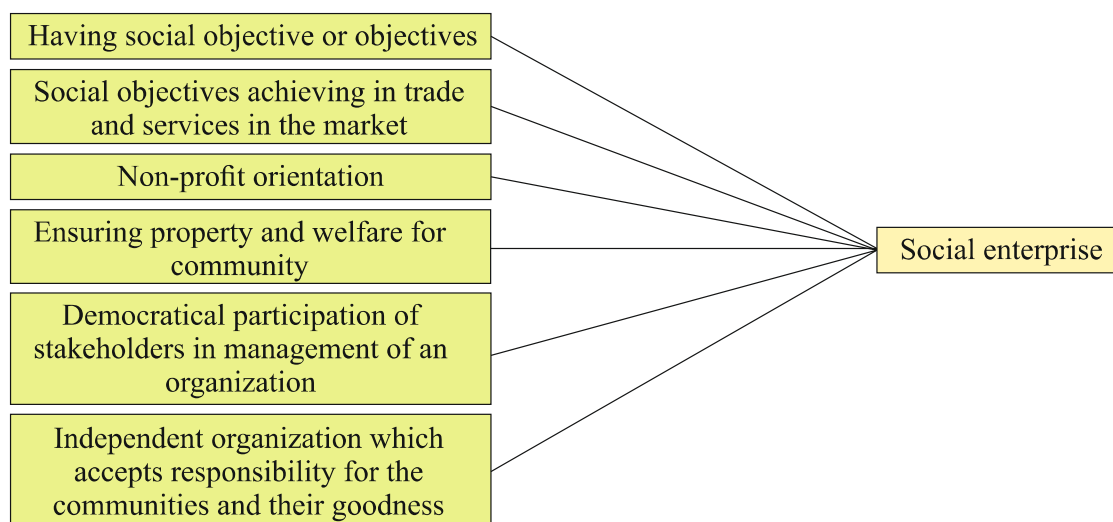


Figure 2. Social enterprise characteristics. Source: Pearce, J. (2003), *Social Enterprise in Anytown*, London: Calouste Gulbenkian Foundation, p. 105.

It is noted that social enterprise defined as a company with social objective or objectives to be achieved in trade and services in the market. It emphasizes non-profit orientation, because it is not divided to shareholders and to isolated community of property and wealth, participation of stakeholders in management of an organization. According to scientist social enterprise should be an independent organization which accepts responsibility for the communities and their goodness.

In summary, the social enterprise is a company that solves various of social problems (such as vulnerable groups with disabilities, serious social problems with unemployment, hard- employed and the long-term unemployed, young unskilled, vulnerable minority groups and unemployed women in employment). For solving such problems companies are using innovative techniques and methods as traditional methods do no help to solve the problems. Social enterprises motivated by ideals and values, rather than the pursuit of profit. Thus, the social business concept includes theoretical studies of social entrepreneurship and social enterprises. The differences of general social business concept of the company and social enterprise are presented in Table 2.

Table 2. Social business forms differences

<i>Social business concept of the company</i>	<i>Social enterprise</i>
<i>Solving social problems in the long term.</i>	<i>Solving social problems in the short term.</i>
<i>Usage of commercial practices and development of innovation.</i>	<i>Innovative ways of dealing with problems</i>
<i>Focusing on profit.</i>	<i>Not oriented to the profit, it is leaving for reinvestment of the company</i>
<i>Public well-being by voluntary means (taking care of the environment, large families, children, etc.)</i>	<i>Recruitment of the most common disabilities, marginalized groups of people (criminals who are dependent on psychotropic substances)</i>
<i>Excluded support</i>	<i>Dedicated support</i>

Source: Created by author.

It is noted that social business concept of the company does not receive direct support from neither state nor from the European Union structural funds, as social enterprise developers. Social business concept of the company is developed by voluntary basis to public welfare development, whereas social enterprises in employing people with disabilities or other marginalized groups.

Advantage of social business concept of the company is that you can focus on profits and receipt, which are not in social enterprises. A profit can invest in the workers themselves (by increasing salaries, providing additional motivation for them) or increasing the welfare of the society (by allocating more money to environmental protection, supporting an orphanage or charity events, helping large families, etc.) Another difference between the companies, that is long term social problems (social enterprise) perspective. There is some social business concept of the company available for commercial practices to innovation development and social enterprises as innovative problem solving methods, commercial application and so on. For this reason, social business can be divided into two types- de jure (acting according to the law, it is a social enterprise, defined by law), and de facto (acting voluntarily and with social missions, it is call social business concept of the company).

THEORETICAL SOCIALLY RESPONSIBLE MARKETING EFFECT ON SOCIAL BUSINESS MODEL

The analysis of scientific theoretical studies about social business concept of the company (Byerly, 2014; Kostetska and Berzyak, 2014; Yunus, 2011; Byerly, 2013; Zimmerman, 2013; etc.) and social enterprise (Kostetska and Berzyak, 2014; Dobeles and Dobeles, 2014; Sandu and Haines, 2014; Moizer and Tracey, 2010; Shuayoto and Miklovich, 2014; Defourny and Nyssens, 2008; Doeringer, 2010; etc.) definition is noted that these companies may be affected in two ways for company or business and society.

As in any company as A. Bakanauskas (2004) suggest it is very important to communicate with existing and potential customers by informing them about emerging or provision about new goods and services, where you can buy it, what price, what kind of discounts and etc. For this reason, it is assumed that the effect made undertaking of business and society is achieved through marketing communications elements.

In the theoretical studies by scientists of isolated socially responsible marketing effect on social business concept of the company and social enterprise through improving the company's image, brand awareness, increase in sales, market share, attracting the best qualified employees, cost reduction, attracting loyal customers and maintenance of company prestige development, increasing brand awareness and increase of sales (DeWitt and Dahlin, 2009; Paužuolienė and Viningienė, 2014). It can be assumed that the effect on social enterprise or social business concept of the company to promote new social business transition and development. There is the effect of socially responsible marketing in social business concept of the company and social enterprise through positive externalities (Worldwatch Institute, 2015; Щетинська, 2014; Byerly, 2013), public awareness (Kazokienė and Virvilaitė, 2006), social and environmental problems in the identification and resolution (DeWitt and Dahlin, 2009). Thus, it can be assumed that the impact on the public as was as encourage new social business creation and development. On the basis of theoretical

studies, it could be suggested socially responsible marketing effect on social business theoretical model (Fig. 3).

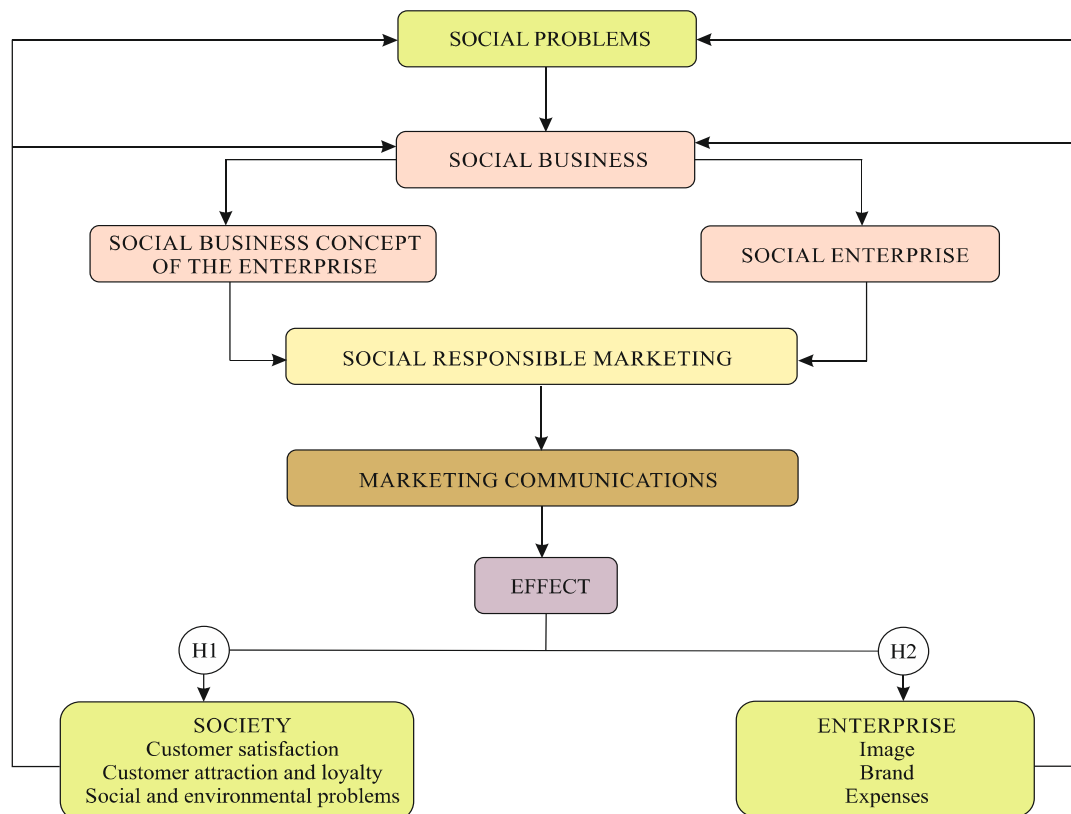


Figure 3. Socially responsible marketing effect on social business theoretical model. Source: created by author

In the create image it reflects graphically in a socially responsible marketing exposure of the society (H1) and the enterprise or business (H2) links the two hypothesis assistance. Thus, socially responsible marketing effect on society affects customer satisfaction, attraction and retention, besides the dimension of social and environmental problems. Socially responsible marketing effect of the company or business gets image building, increases brand notoriety and cost dimensions (savings or expenses). Summarizing theoretical socially responsible marketing effect on social business model can be argued that social business, which consists of a social enterprise and social business concept of the company through socially responsible marketing communications elements (such as personal selling, various means of advertising, such as advertising by mail, email, mobile means of communication, television, radio, etc. Also by public relations, e-marketing- social media, paid advertising on the internet and so on). Have an effect on society (H1) and enterprise/business (H2), what results creation of new social business incentive and existing development. It is also important to emphasize that social business concept of the company/social enterprise impact on society solves social problems, thereby increasing the general well-being (e.g. reducing crime, unemployment, social exclusion and respectful of nature that is not trashed).

EMPIRICAL STUDIES ON THIS TOPIC

In order to find socially responsible marketing effect on social business, it is appropriate to examine previous scientific research conducted in this area. Hereafter the studies are related to the effect on socially responsible marketing business, since there was no single socially responsible marketing found that analyzes social business. The analysis will help to create appropriate and reasonable quantitative and qualitative research methods.

The first study concerns the effect of socially responsible marketing companies, conducted in 2009. A.O. DeWitt and L.A. Dahlin (2009) wrote a paper “Socially responsible marketing”. The aim of the paper is to discuss and analyze corporate social responsibility, focusing on socially responsible marketing and its effect

on the company's decisions and joint marketing strategies. The authors analyzed one company called “Coca-Cola” as a special case, which is considered to be a socially responsible company. According to the authors, this company is one of the best examples of companies than engage in socially responsible marketing in their community and around the world.

The main results and conclusions made by the authors are: 1) socially responsible marketing attracts and retains loyal customers; 2) socially responsible marketing identify and manage the potential reputational risks and the company's established image; 3) socially responsible marketing attracts the best qualified employees; 4) the socially responsible marketing helps identify and solve environmental and social problems; 5) socially responsible marketing reduce costs.

The second study concerns the impact of socially responsible marketing companies was conducted in 2014. As J. Paužuolienė and D. Vinigienė (2014) wrote in the paper “Socially responsible marketing impact on organizations implementing social responsibility”, it aims at the analysis of the effect of socially responsible marketing organizations to provide socially responsible companies implementing social responsibility, demonstrating its usefulness and importance. The authors analyzed the five socially responsible companies operating in Lithuania that is Coca-Cola, “Utenos Alus”, “Dow Corning”, “City Service”, “Marks and Spencer”. The paper analyzed the annual corporate social responsibility reports.

The authors have found that organizations implementing on socially responsible marketing to improve the company's image, increased the prestige of the company, creating notoriety of brand and credibility. Socially responsible marketing firms became more competitive and revealed the new role of business in society when contributing to a comprehensive social welfare. The author points out that the company benefits from socially responsible marketing. The benefit of a better company image in the society increased in company's attractiveness to investors became higher in sales and larger in market shares.

In summary, it is noted that studies of socially responsible marketing effect on social business was not found. It was only found two papers who analyzed socially responsible marketing effect on business. These papers shows that effect provides for both dimensions – for enterprise/business (improvement of company's image, raising of brand, sales growth, market share growth, high-qualified recruits, cost reduction for loyal customers, attracting and retaining) and society (social and environmental problems and decision).

CONCLUSIONS

1. Socially responsible marketing is a marketing philosophy, referring to the business interests of society for improving long-term importance. Socially responsible marketing can be as complex adaptation of commercial marketing to achieve social goals or can be regarded as independent marketing philosophy in which social goals of different disciplines were achieved and it is not just marketing tools and techniques. This marketing philosophy includes social, ethical, value, green, cause-related, consumer-oriented type of marketing and corporation of social responsibility.
2. Social business concept of the company is a form of business innovation, covering social objectives and commercial practices. Social business concept of the company according to scientists is based on voluntary quality of life and public serving combination. Thus, volunteering and creativity has become a major social business establishment of the grounds, which involve stakeholders and address chronic social problems. Social enterprises are also regarded as institutions that solve several of social problems. Some of the major social enterprise is driving the ideals and values, but social problems are solved by using innovative methods and techniques. The exclusiveness of main social enterprise is the target groups (such as people with disabilities, serious social problems with unemployment, hard- employed, young unskilled unemployment, vulnerable minority groups and unemployed women) employment and integration into society.
3. The majority of authors equalize social business concept of the company and social enterprises, as they do not emit the differences of these companies, such as for example public support, volunteerism and solution of the problems in the long and short terms. Innovation and innovative

methods for problems and commercial applications, and so on. For this reason, social business can be divided into two types: a de jure (acting according to the law, it is a social enterprise, defined by law and de facto (acting voluntarily and with social missions that are being in social business concept of the company).

4. Socially responsible marketing effect on social business theoretical model shows that socially responsible marketing affects both ways for social enterprises and social business concept of the company – society (H1) and enterprise / business (H2) by elements of marketing communications support. The main result of the theoretical model that socially responsible marketing effect promotes the creation of new social businesses. It should be noted that social enterprises / social business concept of the company solve various social problems thereby improving public welfare (e.g. reduced crime, reduced social benefits recipients) and to meet the needs of society (e.g. reduced unemployment, reduced social exclusion, respectful of nature, does not burden the environment).

LIMITATIONS

This paper is only theoretical paper by proposing a theoretical model developed with hypotheses. Soon planned to carry out an empirical study to examine whether these relationships actually exist and it is planned to complement this theoretical model. Empirical research and expanded theoretical model analyzes had revealed more areas related to socially responsible marketing effect on social business.

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THE IMPORTANCE OF "SOFT SECURITY" ON NATIONAL SECURITY OF THE REPUBLIC OF LITHUANIA

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ABSTRACT. Purpose of the research is to study the importance of "soft security" on National Security of the Republic of Lithuania. Culture as the main tool of soft power affects every states existence. In Lithuania there is not given enough attention to soft security. Even by being aware about major threats it is focused on military armament and army building. The current geopolitical situation prompts to protect Lithuanian citizens from propaganda, cultural assimilation and educate valuable countries' society that is conscious to select and evaluate the information.

KEYWORDS: soft security, national security, soft power.

NATIONAL SECURITY

Each state is distinctively aware of what security is, how it should be ensured and why it is important. On Lithuania's law on the Basics of National Security is written that:

1. Ensuring the national security of Lithuania shall mean the provision of conditions for a free and democratic development of the Nation and the State, protection and defence of the independence of the State of Lithuania, territorial integrity and constitutional order thereof.
2. Lithuania's national security system shall comprise a totality of the basic regulations, principles and ways of activities of the State and citizens approved for this purpose, instruments of membership in the European Union and in the trans-Atlantic alliance, laws and other legal acts, the institutions established by the State for this purpose, principles of activities as well as ways of mutual interaction thereof (LRS, 2009, p.1).

The scientific literature distinguishes various national security concepts, which are mentioned in table 1.

Table 1. National security concepts

Ref. no.	Conception	Source
1.	National security - it is countries' ability to preserve their independent identity and functional integrity against of the changes that are considered as hostile.	B. Buzan, J. Baylis and S. Smith <i>The globalization of world politics: an introduction to international relations</i> , 2001, 255 p.
2.	National security - a policy area where an independent state protects itself from foreign military attack or from such perspective.	M. Saward. <i>The encyclopedia of democracy</i> . Volume III. Routledge, London, 1995, 870 p.
3.	National security can be defined as the ability to resist aggression from abroad.	G. Luiciani, B. Buzan. <i>Žmonės, valstybė ir baimė</i> . Eugrimas, Vilnius, 1997, 50 p.

Source: Senulis 2014, p. 32.

State's National Security strategies are an integral part of the existing political system. National Security priorities are set by people or groups, according to their values or by taking into the consideration on threats to one or the other value of nature (Markelienės, 2011, p.238). Meanwhile, the values are security tool assigned to soft power.

National security is important and relevant not only to a specific group of population, but also for people as individuals, as the inhabitants of the Earth. Every person should have a possibility to preserve their identity,

physical and psychological security and if there is a need, to understand and be able to defend themselves and to defend the country, their homes, a system of values and have a full life.

SOFT SECURITY

Influence of globalization and its ways of operating are relevant by trying to ensure country's soft security. Exactly because of the globalization a variety of things are in a change: the cultural decline or prosperity, loss of identities, diversity development. It is easy to recognize cultural globalization by the spread of cultures and rivalries through migration, trades and wars, development of public and private media, tourism, transport and communication corporations or others (Gudzinevičiūtė, 2010, p.70-71).

By understanding the impact of globalization, its factors and predicting potential threats it is possible to properly organize state's soft security. Also it is important to pay attention to the difference between the soft security and defence. Security means trying to reduce or prevent threats, while defence is oriented to defend a certain group of people against threats (Go-EuroMed, 2006, p.3).

The terms "soft security" and "soft power" are dependent on each other. However, at scientific literature the concept of soft power is used more often, which means the ability, to influence others to do so, as otherwise they wouldn't, through the values, culture and goals. It is a tool which helps to form an image of the state inside and outside the country, and it is used to achieve aims, results in international politics (Isoda, in 2014, p.39-44). In other words, through soft power tools it is possible to create a space with cultural, ideological provisions, where disseminated information forms values. By analyzing the importance and tools of soft power on national security, that are designed to make an influence, the power – might be converted into a security strategy that protects Lithuanian's citizens.

In Lithuania there is no soft security law, which could protect country from negative influence. According to A. Paulauskas: *"There was a consideration about the Concept of Information Security. Because those countries that are the most interested to spread their ideology, propaganda, lies, they have it, like Russia. It has Information Security strategy, and it is updated <...> in Lithuania Information Security Concept could be prepared by the Ministry of Culture or the Government together with a number of other ministries, but it should be"*.

Of course, to ensure country's security soft power alone is not enough. Hard power is well known as a military action involving the state army, citizens, via the use of heavy artillery. There is a comparison of power types in table 2.

Table 2. Power Types

	Behaviour	Key measures	Government policy
Hard power	Violence, deterrence, defence.	Threats, force.	Coercive diplomacy, war, union.
Economic power	Promotion, violence.	Payment, penalties.	Economic aid, bribery, sanctions.
Soft power	Bending on its side, dictation of the agenda.	Values, culture, politics, institutions.	Public diplomacy, bilateral and multilateral diplomacy.

Source: Isoda, 2010, p.99.

The table shows the main differences between economic, soft and hard power. Main resources of hard power are force, payment, sanctions, bribery; these are the tools that are strictly controlled by the Government. Resources of soft power: institutions, values, culture, behavior, these determinates by people, country's citizens and in order to control it or do influence the Government should prepare a comprehensive and well thought strategic plan.

According to the soft power concept author J. S. Nye, soft power has three main sources: the country's culture, political values and foreign policy.

CULTURE THE MAIN TOOL OF SOFT POWER

Culture is a set of various values and habits that are important to the society. Culture has various manifestations and at the same time separates high culture, which includes literature, art, education for the elite, from the popular culture, which is oriented to the mass.

When country's culture includes general values and its policies is to promote sharing of values and interests, culture increase the likelihood of achieving the desired results, because of created relationship obligations.

Also popular culture should not be underestimated, it is important to note the context in which it operates. For example, American fast-food restaurant chain McDonald's is visited all around the world; movies that are produced by Hollywood are making the United States an attractive, exotic, powerful and modern. 62 out of 100 of the most famous brands in the world are American companies. Corporations such as Apple, Microsoft products have become leaders with no alternatives on international standard for the IT market (Isoda, 2010, p.104).

With the help of film industry is formed an image that American way of life is appropriate and accessible to everyone. Commerce is just one of the ways how to operate within the culture. It may also take place through personal contact, visits and international exchanges.

Values, which the government reveals through its behavior in the country (such as democracy), international organizations (in cooperation) and foreign policy (the promotion of peace and human rights) seriously affects the priorities. The government might attract or repel by showing their example. But government is not capable of doing such a big influence on soft power as on the hard power (Nye, 2004, p.11-14).

To provide cultural dissemination the funding from Government is very important, which is an important indicator showing that their activities are consistent with the objectives of foreign policy. Successful public diplomacy strategy includes not only public relations sphere, but also an education system and the management of culture. Appearance of public diplomacy basically means purposeful Government's efforts to increase their country's soft power resources instead of leaving the process for itself (Isoda, 2010, p.100).

On the table 3 is a list of public diplomacy dimensions and their features.

Table 3. Public diplomacy dimensions

Communication	Features
Everyday	Internal and external communication with journalists.
Strategic	Thematic public relations campaign.
Long-term relationship	Communication with individuals in other countries.

Source: Isoda, 2010, p.101.

According to J. S. Nye: "effective public diplomacy - it's a two-way traffic, which includes not only speaking but also listening to the others", that is why it is important to give enough attention and financial resources for foreign societies public opinion researches. At least one specific sociological survey captures present time of foreign public mood and does not accurately reflect the state soft power condition, but by making such surveys systematically over a long period of time it is possible to track certain trends, and estimate foreign residents' preferences (Isoda, 2010, p.102).

According to J. S. Nye, when country's culture includes the government policy promotes universal values, which are recognized by other countries, it has a much greater potential to achieve the desired results in foreign policy, that means it disposes more of soft power (Isoda, 2010, p.97).

Soft and hard security is inseparable, each has specific functions and tasks and might be differently affected. A. Paulauskas points out some of national security threats: *"If you look at the National Security Strategy, you will see that threats to the national security are such as ex. uneven social and economic*

development, corruption, high migration of population. These are our internal threats, cultural, social, economic, and they cannot be ignored, it is simply just impossible".

To protect society from threats, it is important to pay attention the most relevant, existing threats for a present time, and anticipate, predict what might occur. In this way it is possible not only to solve existing problems, but also to stop ones in the future. Of course, their identification should be assigned to the various state institutions or responsible persons.

According to A. Paulauskas, on the army soft security elements are also important: *"Undoubtedly defence funding, capacity building, military preparation, all of that should be together, but if the majority of the public will be unhappy and say that we do not want to defend our country, we do not see the purpose of defending it, it will not be defended by any army <...> I want to say that crimes, a crisis of values, are the internal risk factors that are directly harmful to our National Security. Therefore, to say that only the military security should be increased or improved, it wouldn't be right, it is the whole body <...> and today it is important to look what threats are stronger, the information security risks today should be elevated to a priority list".*

By analyzing the Lithuanian Minister of National Defence management areas of 2016-2018-year strategic action plan noted that there is included the Information and cyber-security building, whose main works: install Cyber Security Information Network, to hold a national cyber security exercises to raise public resistance to the negative influence of the information (MND 2015, p.4). Increasingly, there is a talk about propaganda through social networks and the media, the problem was seen, but not taken quick and effective measures of stopping it. On planning National Defence budget for 2016-2018 are focused on combat training.

On a failure to comply soft security the consequences could be irreversible. A. Paulauskas isolated an example of damaged soft security: *"In Crimea, stood a number of soldiers, about 20 thousand marines, Ukrainians. But at the beginning of occupation, they have neither fired, they didn't rebel. Because they have been already affected, ideologically, culturally, they were not a part of the Ukraine anymore. And then, without even a shot, they were occupied".* On The National Security Strategy is stressed that national security is state's prosperity and that only on secure environment is possible democratic system functioning, sustainable economic growth, and human rights, protection freedoms and civil society viability. To ensure National Security is important to raise awareness of citizens, contribution of to the security and prosperity, preparedness in a case of emergency by contributing to national defence.

Culture is associated with each individual, starting by consumer habits, education and a system of values formed by environment. In a democracy, people are free to choose and are responsible for their decisions, but not always those decisions are the best for them. A number of state residents can be influenced by interested persons with their own goals. Human identity, consciousness can already be damaged and some decisions might be taken for someone else's benefit. It is important to understand that successive strategic plan of soft security can ensure country's National security.

CONCLUSIONS AND RECOMMENDATIONS

National security for legal and scientific literature is defined in different ways, but its purpose is the same - to defend, protect the country from negative effects of developing a society and cherish their own values, traditions, and to ensure free and democratic life.

Soft power is an integral part of national security operating through human value system, politics, culture, different institutions. The main principle is to influence others to do so, as otherwise they wouldn't, through the values, culture.

Culture as the main tool of soft power affects every states existence. It creates an opportunity to use it as a tool for developing humans' consciousness, creating image of the state (both inside and outside) and maintenance of a stable society.

In Lithuania there is not given enough attention to soft security. Even by being aware about major threats it is focused on military armament and army building. The current geopolitical situation prompts to protect

Lithuanian citizens from propaganda, cultural assimilation and educate valuable countries' society that is conscious to select and evaluate the information.

To improve Lithuania's national security can be used white propaganda in the media by creating a positive image of Lithuanian culture and adapting it to different age groups. As well it is important to promote innovation and business development, export by trying to popular Lithuanian culture abroad. It is important to maintain long-term relationships with Lithuanian emigrants, to promote the use of Lithuanian language and foster Lithuanian culture. And encourage Ministries and other state institutions to initiate strategic plans of national security.

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NACIONALINIO KAUNO DRAMOS TEATRO KOMUNIKACIJA SU VARTOTOJU SOCIALINIUIOSE TINKLUOSE

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ABSTRACT. The Internet has become inseparable from people's day life and more and more people have started using various social networks. People are looking for information about products online. Various organizations have already noticed this fact and started creating accounts on social networks where they put information about their products, activities or news. In turn, users follow and actively respond to published information. Such feedback is useful for organizations because analyzing it they can reveal consumers' attitude towards their products and activities. Properly chosen social network helps not only to reach their audience, but also to learn more about people's expectations, consumption habits and other important information. Various cultural organizations have also created their accounts on social networks. National Kaunas Drama Theatre is no exception either. According to National Kaunas Drama Theatre, it is important not only to develop critical thinking of a user, but also to communicate with him directly. This kind of communication does not require a lot of time, financial or human resources. The aim of this paper is to analyze the communication of National Kaunas Drama Theatre with the Audience on Social Networks. The research has shown that the audience of the National Drama Theatre Kaunas is more responsive to the news that contain both text and visual information. Reactions also depend on the type of news and topic. What is more, the audience mostly reacts to news about premieres and theatre awards.

KEYWORDS: culture, theatre, costumers, networks, products.

PAPER LANGUAGE – Lithuanian

IVADAS

Socialiniai tinklai vis labiau įsigalėja žmonių gyvenime ir keičia jų socialinius bei vartojimo įpročius. Vis dažniau ir dažniau žmonės ieško informacijos apie perkamą produktą internetinėje erdvėje. Jau spėjusios tai pastebėti organizacijos susikuria savo paskyras socialiniuose tinkluose, ten pateikia informaciją apie savo veiklą, produktus ir vartotojui aktualias naujienas. Savo ruožtu vartotojai seka ir aktyviai reaguoja į tai, ką paskelbia jų pamėgta organizacija. Toks grįžtamasis ryšys naudingas organizacijai, nes jį analizuojant atskleidžiamas vartotojų požiūris į organizacijos veiklą ir kuriamus produktus. Socialiniuose tinkluose savo paskyras susikūrusios ir kultūrinės organizacijos, teatrai taip pat ne išimtis.

Teatrams svarbu palaikyti ryšį su savo žiūrovais, ugdyti jų kritišką mąstymą teatro meno atžvilgiu. Būtent socialiniuose tinkluose iš savo auditorijos galima sulaukti grįžtamojo ryšio. Tą sunku pasiekti naudojant kitas masinės komunikacijos priemones, tokias kaip televizija, laikraščiai ar radijas.

Siekiant didesnio vartotojų susidomėjimo socialiniuose tinkluose paskelbtais įrašais, reikia išsiaiškinti, kokia informacijos pateikimo forma sulaukia daugiausia vartotojų reakcijų. Išsiaiškinus vartotojų reakcijų dėsninumus galima nustatyti, kaip pateikti informaciją, kad ja susidomėtų kuo daugiau vartotojų.

Straipsnio tikslas – išanalizuoti Nacionalinio Kauno dramos teatro ir jo vartotojų komunikaciją socialiniuose tinkluose.

Tyrimui pasirinktas dokumentų analizės metodas. „Dokumentų analizė – atspindėtų dokumentuose socialinių procesų ir reiškinių rekonstrukcija (atgaivinimas), jų teorinė analizė ir palyginimas su kitais dokumentais“ (Matulionis, 2001:194). Nagrinėjama Nacionalinio Kauno dramos teatro (toliau – NKDT) ir jo vartotojų komunikacija socialiniame tinkle „Facebook“. Iš visų socialinių tinklų šis pasirinktas todėl, kad NKDT su savo vartotojais daugiausia komunikuoja būtent šiame socialiniame tinkle, NKDT paskyroje. Analizuoti dokumentai – tai NKDT paskyroje paskelbti įrašai bei NKDT ir jo vartotojų komentarai. Duomenys

tiriami tradiciniu analizės ir struktūrintosios turinio (*content*) analizės metodais (Valackienė, Mikėnė 2010:90).

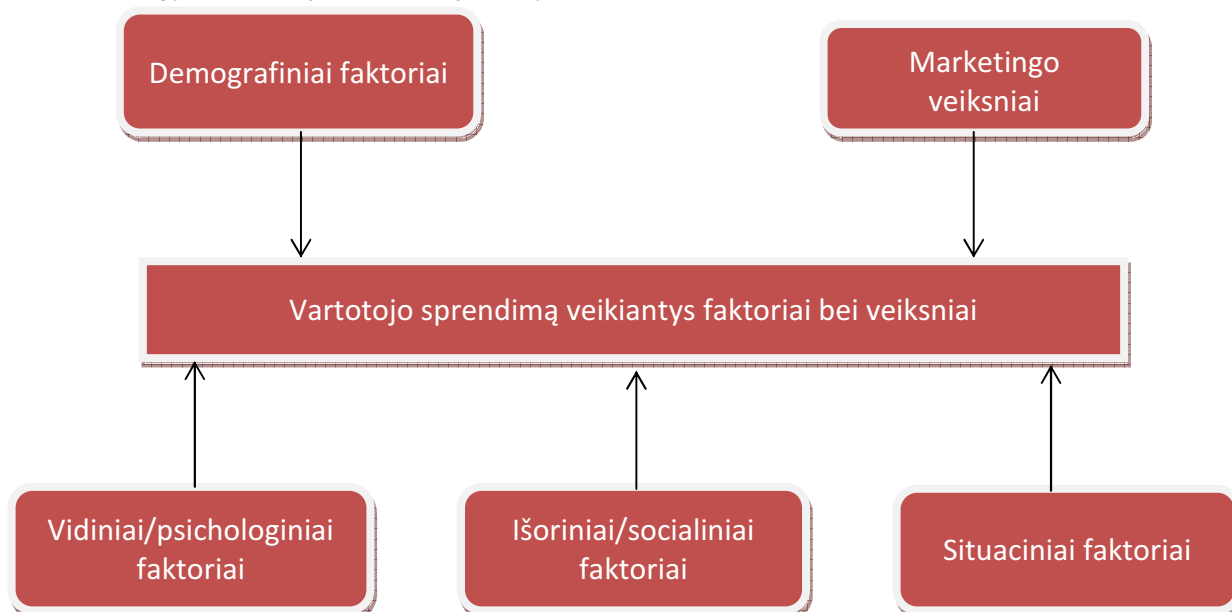
VARTOTOJŲ SPRENDIMO PRIĖMIMO PROCESAS IR JĮ LEMIANTYS VEIKSNIAI

Visi žmonės kasdien priima tam tikro pobūdžio jiems patiems tuo metu galbūt nelabai reikšmingus sprendimus visai apie tai nesusimąstydami. Vartotojo sprendimas pirkti yra viena iš vartotojo elgsenos sudedamųjų dalių. Pirkdami vieną ar kitą prekę vartotojai dažnai nelaiko to labai reikšmingu sprendimu, tačiau vis dėlto, kodėl pasirinkta būtent ši prekė ar paslauga, o ne jos alternatyva yra reikšminga informacija organizacijoms, norinčioms pritraukti naujus ar išlaikyti senus vartotojus. Didelę įtaką sprendimui pirkti daro vartotojo lūkesčiai.

R. Stašys ir A. Malikovas išskiria septynis veiksnys, darančius poveikį vartotojų lūkesčiams:

- vartotojo pirkimo patirtis praeityje – ne tik bendraujant su konkrečiu tiekėju, bet ir jo konkurentais, įmonėmis, teikiančiomis kitokio pobūdžio paslaugas. Paslaugos kokybės nagrinėjimo atveju, formuojant lūkesčius šis veiksnys yra vienas svarbiausių;
- neformali rekomendacija – pavyzdžiui, žodinė komunikacija. Šis veiksnys turi didžiausią įtaką lūkesčiams;
- formali rekomendacija – pavyzdžiui, pardavimo agentų rekomendacijos, kokybės vertinimai straipsniuose spaudoje;
- paslaugos kaina – šis veiksnys vartotojo sąmonėje nustato paslaugos kokybės lygį;
- komunikacija – vartotojui suteikiama informacija, daranti poveikį lūkesčiams;
- vartotojo asmeniniai poreikiai – vartotojas pats sprendžia, kas jam yra svarbu, o kas – ne;
- teikėjo įvaizdis – svarbus elementas, padedantis nukreipti vartotojų lūkesčius teigiama linkme (Stašys, Malikovas, 2010:6).

Suformavus vartotojo lūkestį įsigyti prekę ar paslaugą galima tikėtis, kad jis priims sprendimą ją pirkti. „Vartotojo sprendimas – tam tikrų veiksmų procesas, kai vartotojas pasirenka prekę, galinčią išspręsti problemą arba patenkinti iškilusį poreikį.“ (Urbanskienė ir kt., 2000:171.) Vartotojo sprendimų priėmimui įtakos turi daugybė faktorių bei veiksnų (žr. 1 pav.).



1 pav. Supaprastinta vartotojo tyrimo schema, atsižvelgiant į faktorius. Šaltinis: Urbanskienė ir kt., 2000: 171.

O štai K. H. Jobanputra'os nuomone, problema ir sprendimas yra dvi tarpusavyje sąveikaujantys reiškiniai. Autoriaus manymu, vartotojai dažnai lygina esamą situaciją su norima, taip iškyla problemų, kurias išspręsti padeda sprendimo vartoti priėmimas. Skiriami keli problemų tipai:

- aktyvios problemos – ištinka problema ir siekiama kuo greičiau ją išspręsti, pavyzdžiui, skauda galvą ir norėtusi, kad tai greičiau praeitų;
- neaktyvios problemos – žmogus nežino, kad jis turi problemų, pavyzdžiui, vartodamas vitaminus jaustųsi geriau;
- pripažintos – pavyzdžiui, žmogus žino, kad jo automobilio valytuvai yra sugedę;
- nepripažintos – pavyzdžiui, žmogus nepripažįsta, kad vartoja per daug alkoholio (Jobanputra, 2009:45).

Nes visos problemos atsiranda pačios, kai kurios yra aiškiai kuriamos su akivaizdžiais jų sprendimo būdais. Problemos ir jų sprendimai kuriami, nes norima padidinti pardavimą.

P. Christ'as teigia, kad vartotojai gali priimti keturių rūšių sprendimus:

1. Šalutinis naujas pirkimas – tai yra visiškai naujas pirkimas, tačiau vartotojas mano, kad dėl tam tikrų priežasčių (poreikio, pinigų) jis jam nėra labai reikalingas.
2. Šalutinis pakartotinis pirkimas – populiariausias iš visų pirkimų – dažnai vartotojas grįžta pirkti to paties produkto ir nesirenka iš kitų alternatyvų (lojalumas prekės ženklui).
3. Pagrindinis naujas pirkimas – sudėtingiausias pirkimas – produktas yra svarbus vartotojui, tačiau vartotojas turi labai mažai patirties priimant tokį sprendimą, todėl jis nepasitiki savimi priimdamas tokio pobūdžio sprendimą.
4. Pagrindinis pakartotinis pirkimas – dėl ankstesnės patirties perkant produktą, vartotojas labai pasitiki savimi priimdamas tokio pobūdžio sprendimus (Christ, 2008:105).

Sprendimo pirkti rūšis gali daryti didelę įtaką prekės ar paslaugos pasirinkimui. Tai turėtų numatyti ir organizacija. Svarbu padaryti gerą įspūdį vartotojui, kai jis prekę ar paslaugą įsigyja pirmą kartą, jei liks patenkintas, sugrįš ir dar kartą.

KOMUNIKACIJOS SAMPRATA

Komunikacija yra daugiareikšmis studijų objektas, todėl ši sąvoka mokslinėje literatūroje apibrėžiama įvairiai (žr. 1 lentelę). Komunikacijos procesui įvykti reikia siuntėjo ir gavėjo, kad būtų galima apsikeisti informacija, taip pat informacijos turinio, nes be jo komunikacija tiesiog netektų prasmės, ir kanalo, kitaip informacija nebūtų perduota.

1 lentelė. Komunikacijos apibrėžimai

Autorius	Komunikacijos apibrėžimas
Bakanauskas A. (2012)	Komunikacija: bendravimas, keitimasis patyrimu, mintimis, išgyvenimais. <...> Komunikacija yra informacijos siuntimo, gavimo, interpretavimo procesas.
Butkus F. S. (2007)	Komunikacija – tai pranešimo perdavimas ir priėmimas.
Uznienė R. (2011)	Komunikacija – tai keitimasis reikšmėmis.
Stoškus S., Beržinskienė D. (2005)	Komunikacija – tai dviejų ar daugiau žmonių pasikeitimas informacija, žiniomis, nuomonėmis, idėjomis.

Šaltinis: sudaryta autorės.

Taigi apibendrinant galima teigti, kad komunikacijai būdingi tokie požymiai:

- perteikiama informacija;
- reikalingi mažiausiai du komponentai – siuntėjas ir gavėjas;
- apima verbalinę ir neverbalinę signalų raišką;
- reikalingas grįžtamasis ryšys.

Tai bendri apibrėžimų komponentai, kurie labai plačiai nusako komunikacijos sąvokos reikšmę, tačiau svarbūs ne tik panašumai, bet ir skirtumai.

Kuo vartotojas tampa sąmoningesnis ir globalesnis, tuo labiau kreipia dėmesį į organizacijos, kurios produktus įsigyja, vidaus politiką, verslo modelį, produkto kūrimo procesą ir kitus su organizacija bei jos veikimu susijusius dalykus, tačiau tai dar ne viskas. Šiuolaikiniam vartotojui labai svarbu nuoširdus bendravimas, jo nuomonės paaiskinimas ir poreikių patenkinimas. Taigi, organizacijos, norinčios turėti gerą įvaizdį ir stiprinti tarpusavio ryšius su vartotojais, privalo ne tik užmegzti kokybišką komunikaciją, bet ir ją išlaikyti.

KOMUNIKACIJOS KANALAI

Šiuolaikinėje visuomenėje labai svarbu pasirinkti tinkamą komunikacijos kanalą. Kanalas – tai fizinė priemonė, kuria perduodama informacija (Fiske, 1990:34). Dažniausi kanalai yra interneto ar telefono ryšys, nervų sistema, radijo bangos ir pan. Kanalo parinkimą lemia auditorija, kurią tikimės pasiekti, informacijos pobūdis ir siuntėjo bei gavėjo tarpusavio ryšys. Taip pat labai svarbu informaciją tinkamai paruošti tam tikram kanalui. Tarkim, jei informacija transliuojama tik garsiniais kanalais, pavyzdžiui, radiju, vadinasi, garsas turi būti išraiškingas, įsimenantis, galima panaudoti specialiuosius efektus. Jei pasirinkamas garsinis ir vaizdinis kanalas (televizija), didelį vaidmenį vaidina ir vizualinis pateikimas, jį reikia derinti su garsu, tinkamomis intonacijomis ir pan. Kiek kitokia yra interneto kanalo specifika. Jei informaciją norima perduoti internetinėje svetainėje ar socialiniame tinkle, dažniausiai ji bus vizuali, tačiau didelį vaidmenį vaidins ir tekstas, informaciją įgarsinti galima tik reportažuose, tačiau informacijos gavėjas gali rinktis – reportažą žiūrėti ar pasitenkinti tik teksto skaitymu ir fotografijų žiūrėjimu. 2 lentelėje pateikiama komunikacijos kanalų perdavimo išraiška.

2 lentelė. Komunikacijos kanalų perdavimo išraiška

Komunikacijos kanalai	Komunikacijos perdavimo išraiška	Efektyvesnė komunikacijos perdavimo išraiška
Radijas	Garsas	Garsas
Televizija	Garsas ir vaizdas	Garsas
Internetas	Garsas ir vaizdas	Vaizdas

Šaltinis: sudaryta autorės pagal Fiske J., 1998.

Informacijai perduoti yra svarbios jos pateikimo priemonės, kuriomis informacija yra pritaikoma tam tikram kanalui. „Priemonės pagrindas yra techniniai ar fiziniai būdai, kuriais pranešimas konvertuojamas į tinkamą perduoti kanalu signalą.“ (Fiske, 1998:34.) Fizinė priemonė gali būti žmogaus balsas, technologinės transliavimo priemonės – televizija, radijas, internetas ir telefonas. Technologines transliavimo priemones galima suskirstyti į tris grupes (žr. 3 lentelę).

3 lentelė. Technologinės transliavimo priemonės ir jų apibūdinimas

Technologinės transliavimo priemonės	Apibūdinimas
Prezentacinės priemonės	Tai veidas, balsas, drabužiai ir pan. Veidas, balso tembras ar kūnas yra duotybė, šias prezentacines priemones ne visada išsėina kontroliuoti, o makiažas ar drabužiai jau sąmoninga ir kontroliuotina prezentacinė priemonė. Joms reikalingas paties komunikatoriaus dalyvavimas, jas riboja laikas, vieta. Tai yra neverbalinės komunikacijos šaltiniai.
Reprezentacinės priemonės	Tai knygos, paveikslai, interjeras, dainos ir pan. Tai kūrybiškos priemonės, kurioms labai svarbu estetiškas suvokimas. Šios priemonės gali egzistuoti atskirai nuo komunikatoriaus.
Mechaninės priemonės	Tai telefonas, kompiuteris, radijas – jie perduoda pirmosios ir antrosios kategorijų priemones. Mechaninės priemonės skiriasi nuo reprezentacinių tuo, kad mechaninės yra labiau varžomos technologiškai, estetiškas suvokimas didelio vaidmens nevaidina, jslabiau veikiama triukšmo.

Šaltinis: sudaryta autorės pagal Fiske J., 1998: 34–35.

Kadangi dažnai naudojamas šių priemonių kompleksas, griežtai viena nuo kitos jų atskirti nereikia.

Efektyviai komunikacijai gali kliudyti komunikacijos barjerai. Išvengti komunikacijos kliūčių ir efektyviai komunikuoti turi norėti ir pasistengti abu, tiek siuntėjas, tiek gavėjas. Tačiau žmonės ne visada gali objektyviai vertinti visą gaunamą informaciją dėl savo prigimties, patirtiesiremocijų. Komunikacijos efektyvumą mažinančios priežastys, pasak V. Baršauskienės ir B. Januliavičiūtės-Ivaškevičienės, yra tokios:

- esame linkę grupuoti žmones į tam tikras kategorijas;
- dažniausiai vadovaujamės pirmuoju įspūdžiu;
- nepasitikime žmonėmis;
- labai kritiškai vertiname žmones;
- pervertiname tuos, kurie panašūs į mus būdo bruožais, gyvenimo ar veiklos stiliumi;
- neskiriame pakankamai dėmesio tarpusavio santykiams;
- dėl laiko stokos paviršutiniškai vertiname informaciją (Baršauskienė, Januliavičiūtė-Ivaškevičienė, 2005:19).

Visų šių priežasčių reikėtų vengti, tačiau dėl savo požiūrio, mąstymo ar nuostatų, o kartais įpratimo žmonėms sunku tą padaryti. Svarbu ne tik siuntėjui tinkamai užkoduoti pranešimą, bet ir gavėjui tinkamai jį iškoduoti. Jeigu norima, kad abipusė komunikacija būtų maksimaliai efektyvi, patartina stengtis kuo objektyviau priimti teikiamą informaciją ir nesivadovauti išankstinėmis nuostatomis.

Net ir tinkamai užkoduota informacija gali susilaukti ne tokio grįžtamojo ryšio, kokio tikėtasi, tai lemia galimi komunikacijos barjerai. Todėl reikia atkreipti dėmesį ne tik, kokią žinią norima ištransliuoti, bet ir kaip ją pateikti gavėjui, kuriam skirta informacija. Taip komunikacijos procese bus susidurta su mažiau komunikacijos barjerų arba visai jų išvengta. Kitaip tariant, siuntėjui reikėtų atsižvelgti į gavėjo charakteristikas ir stengtis informaciją užkoduoti taip, kad gavėjas ją suvoktų ir vertintų kuo objektyviau.

SOCIALINIŲ TINKLŲ SAMPRATA

Socialiniai tinklai mokslinėje literatūroje apibrėžiami labai įvairiai, vyrauja daug skirtingų koncepcijų, pabrėžiančių skirtingus esminius aspektus. Keli dažnesni apibrėžimai pateikiami 4 lentelėje.

4 lentelė. Socialinio tinklo apibrėžimai

Autorius	Socialinio tinklo apibrėžimas
Moreno, 2001:57	(Socialinis tinklas) „<...> egzistuoja daugiau ar mažiau patvarios struktūros, kurios sujungia individus į didelius tinklus.“
Marshall, 1998:446	„Socialinį tinklą sudaro individai (rečiau individų grupės), kurie susieti tarp savęs socialiniais ryšiais.“

Šaltinis: sudaryta autorės.

Taigi socialiniams tinklams būdingi tokie požymiai:

- socialinis tinklas įvardijamas kaip struktūra;
- socialinį tinklą sudaro individai;
- individai, susieti socialiniais ryšiais, sudaro socialinį tinklą.

Tai apibrėžimų dėmenys, nusakantys bendrąją socialinio tinklo prasmę. B. A. Pescosolido'asišskiriatokius socialinių tinklų požymius:

- Struktūra, kuri nusako tinklinių ryšių architektūrinius aspektus: dydį, tankumą, atvirumą homogeniškumą, intensyvumą, santykių tipus.
- Turinys, kuris atskleidžia, kas yra perduodama tinkliniais ryšiais. Tai gali būti išteklių (materialūs ar nematerialūs), požiūriai ir nuomonės, patirtis, kolektyvinė atmintis ir pan.
- Funkcijos, tokios kaip emocinė ar instrumentinė pagalba, įvertinimas, kontroliavimas ir daugelis kitų.
- Individas gali turėti skirtingų rūšių ryšius savo socialiniame tinkle: tai gali būti santuokiniai ryšiai, verslo ryšiai ir pan.(Pescosolido, 2007:2010.)

Siaurąja prasme socialinis tinklas apibrėžiamas taip: „Socialinis tinklas – internetinė ryšių platforma, leidžianti žmonėms susisiekti arba kurti tų pačių pažiūrų vartotojų tinklus.“ (Mačėnaitė, 2011:14.) Čia socialinis tinklas apibrėžiamas kaip besiformuojantis internetinėje erdvėje.

M. Mačėnaitė nurodo socialinių tinklų paslaugoms būdingus požymius:

- siekiant sukurti vartotojo profilį (aprašą), prašoma pateikti asmeninių duomenų;
- suteikiamos priemonės vartotojams skelbti savo medžiagą (nuotraukas, dienoraščius ir pan.);
- suteikiama galimybė susisiekti ir užmegzti kontaktus su kitais vartotojais pagal jų profilyje pateiktą informaciją.

Socialinių tinklų pavyzdžiai: „Facebook“, „One.lt“, „Draugas.lt“, „Twitter“ ir kt. (Mačėnaitė, 2011:14).

Taigi, socialiniame tinkle vartotojas pirmiausia turi susikurti savo tapatybę ir tik tada gali naudotis socialinio tinklo teikiamais privalumais, skelbti norimą vizualinę ir tekstinę informaciją, užmegzti kontaktus su kitais socialinio tinklo vartotojais, kurti bendras grupes, reikšti savo nuomonę ir kt. Nors visi socialiniai tinklai turi bendrų požymių, kiekvienas socialinis tinklas kuo nors išsiskiria. Tarkime, socialiniame tinkle „Youtube“ pagrindinę informaciją sudaro vaizdo ir garso įrašai, internetinėje enciklopedijoje „Wikipedia“ galima publikuoti savo surinktą informaciją apie tam tikrus reiškinius, socialinis tinklas „Facebook“ orientuotas į pačius vartotojus, jų tarpusavio ryšių palaikymą ir informacijos sklaidą. Čia kiekvienas vartotojas gali dalytis kasdieniais įspūdžiais, kelti nuotraukas ar vaizdo įrašus, gausiai juos komentuoti, susilaukti grįžamojo ryšio. 5 lentelėje pateikiami socialinių tinklų funkcijų apibrėžimai ir reikšmės.

5 lentelė. Socialinių tinklų funkcijų apibrėžimai ir reikšmės

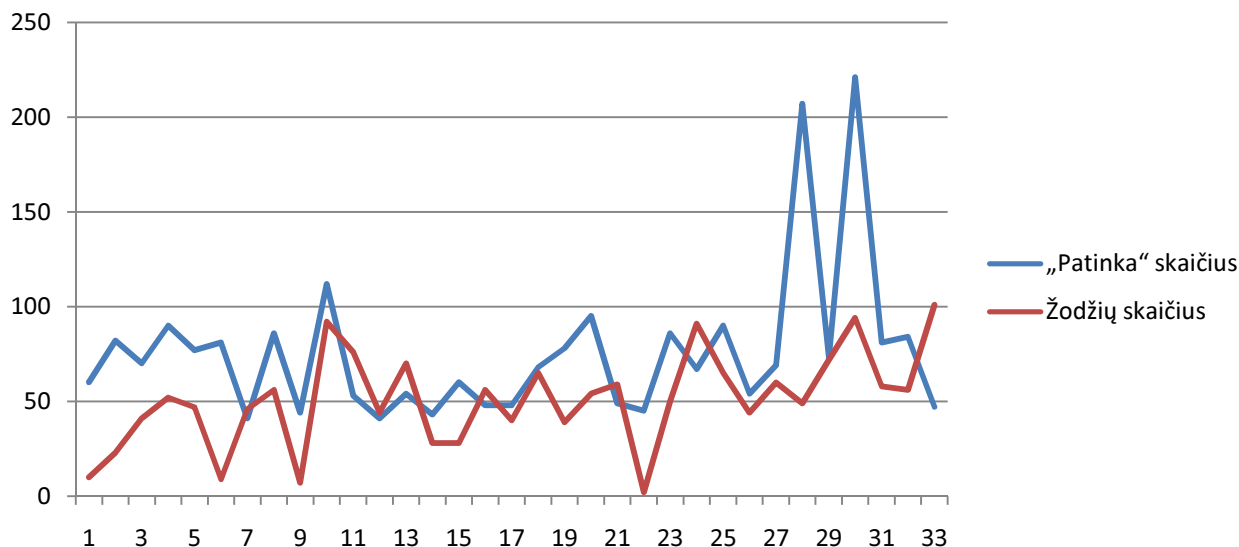
Socialinių tinklų funkcija	Socialinių tinklų funkcijos apibrėžimas	Socialinių tinklų funkcijos reikšmė
Tapatybė	Matmuo, per kurį vartotojai atsiskleidžia.	Duomenų privatumo kontrolė ir savarankiško skatinimo įrankiai vartotojams.
Pokalbis	Matmuo, per kurį vyksta bendravimas.	Pokalbio greitis ir pradžios bei prisijungimo rizika.
Dalijimasis	Matmuo, per kurį vyksta mainai bei turinio vartojimas ir platinimas.	Turinio valdymo sistema ir socialinis grafikas.
Buvimas	Matmuo, dėl kurio vartotojai žino, ar kitas yra pasiekiamas.	Kurti ir valdyti realybę intymumo ir operatyvumo kontekste.
Santykiai	Matmuo, kuriuo vartotojai susiję tarpusavyje.	Valdyti santykių struktūrinės ir srauto savybes tinkle.
Reputacija	Matmuo, dėl kurio vartotojai žino kitų ir turinio socialinę padėtį.	Stiprių bei emocingų požiūrių stebėseną ir vartotojų bei prekės ženklų pasiekiamumą.
Grupės	Matmuo, per kurį pateikiama bendravimo forma.	Narystės taisyklės ir protokolai.

Šaltinis: sudaryta autorės pagal Kietzmann J.H. ir kt., 2011: 24.

Dažnas vartotojas turi paskyrą ne viename socialiniame tinkle, kai kurios organizacijos taip pat susikuria savo paskyras socialiniuose tinkluose ir ten komunikuoja su savo vartotojais. Tokios organizacijos turi labai gerai išmanyti socialinio tinklo specifiką. Taip pat reikėtų žinoti, ar tame socialiniame tinkle susikūrusi paskyrą organizacija pasieks savo tikslinę auditoriją, ir, jei pasieks, tai kaip. Jei organizacija turi aiškų planą ir žino, kaip veikia socialinis tinklas, kuriame ruošiasi susikurti paskyrą, tai per ilgesnį laiką turėtų padėti sėkmingai komunikuoti su vartotojais.

TYRIMO DUOMENŲ APDOROJIMO IR ANALIZĖS METODAI

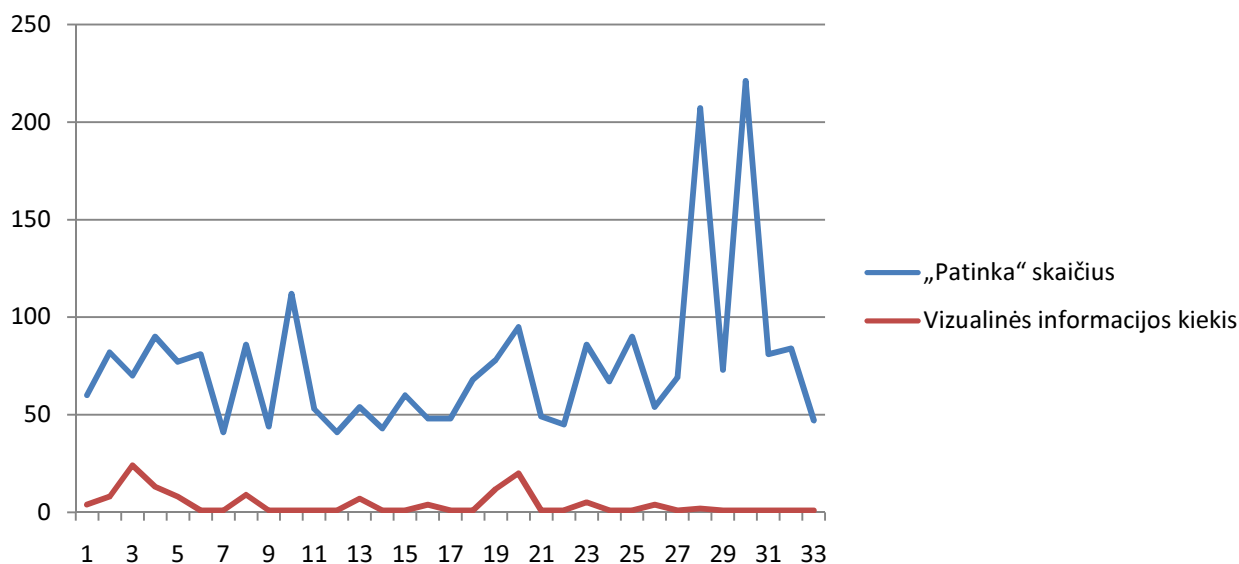
Duomenims apdoroti taikomas koreliacinis metodas, jie pateikiami vizualiai. Tyrime ieškoma sąsajų tarp NKDT įrašų žodžių skaičiaus ir vartotojų reakcijų į įrašus. Pradžioje buvo siekiama nustatyti sąsają tik tarp įrašų žodžių skaičiaus ir reakcijos „Patinka“, nes jos skaičius yra didžiausias ir labiausiai kintantis, tačiau ryškios sąsajos nerasta (žr. 2 pav.).



2 pav. Įrašų žodžių ir reakcijos „Patinka“ skaičiaus sąsaja
 Šaltinis: sudaryta autorės.

Taip pat pasielgta ir su kitomis vartotojų reakcijomis, tačiau sąsajų nerasta.

Toliau pereinama prie vizualinės informacijos kiekio ir reakcijos „Patinka“ skaičiaus sąsajos (žr. 3 pav.).

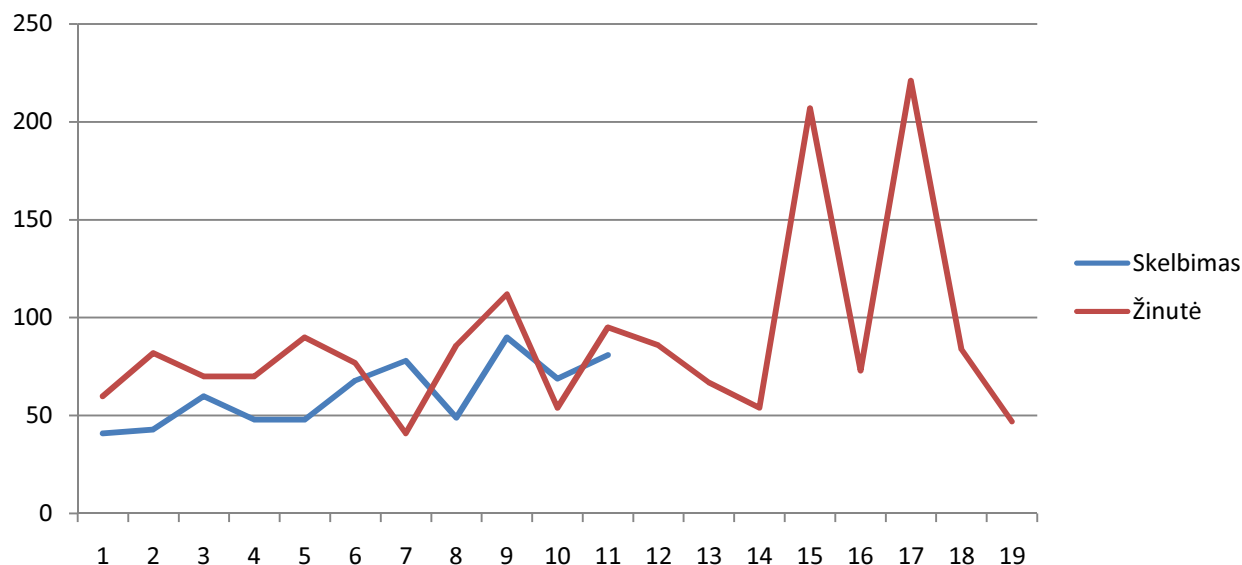


3 pav. Vizualinės informacijos kiekio ir reakcijos „Patinka“ skaičiaus sąsaja
 Šaltinis: sudaryta autorės.

Tas pats padaryta su reakcijų „Dalintis“ ir „Komentuoti“ skaičiumi, tačiau sąsajų taip pat nerasta.

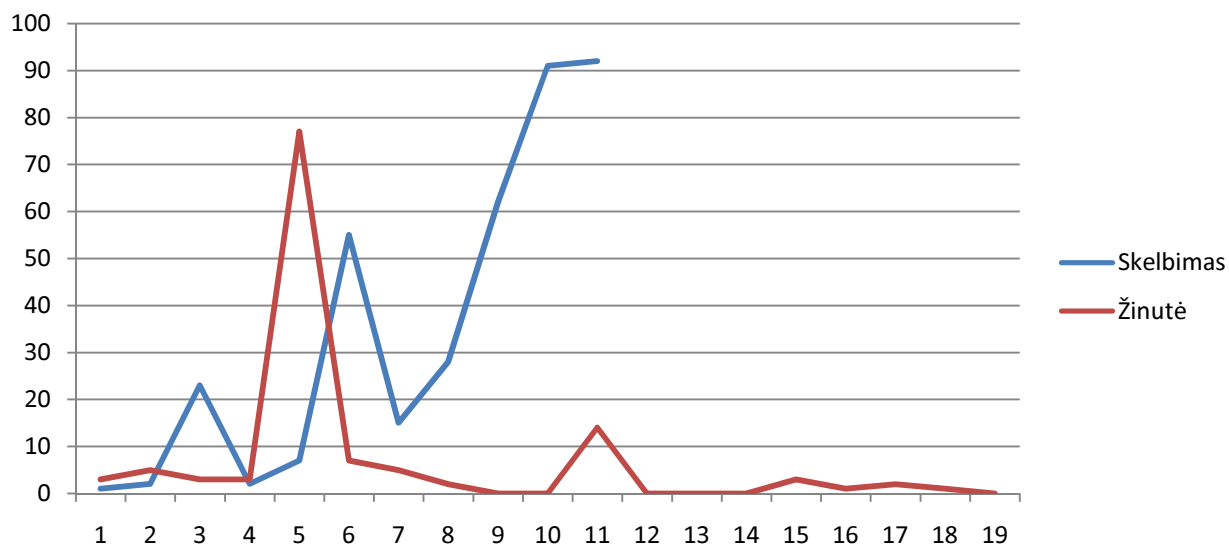
Atliekant tyrimą duomenys buvo grupuojami pagal būsenos atnaujinimo formą: žinutė ir skelbimas. Atmetas „Profilio nuotraukos keitimas“, nes rastos tik trys tokios būsenos, ir „Renginio sukūrimas“, nes ši būseną tarp 33 atrinktų įrašų nepateko. Buvo lyginamas tos pačios reakcijos kitimas pagal būsenos

atnaujinimo formas kitimas, darant prielaidą, kad vartotojų reakcija priklauso nuo būsenos atnaujinimo formos. Pirmosios reakcijos „Patinka“ rezultatai pateikiami 4 pav.



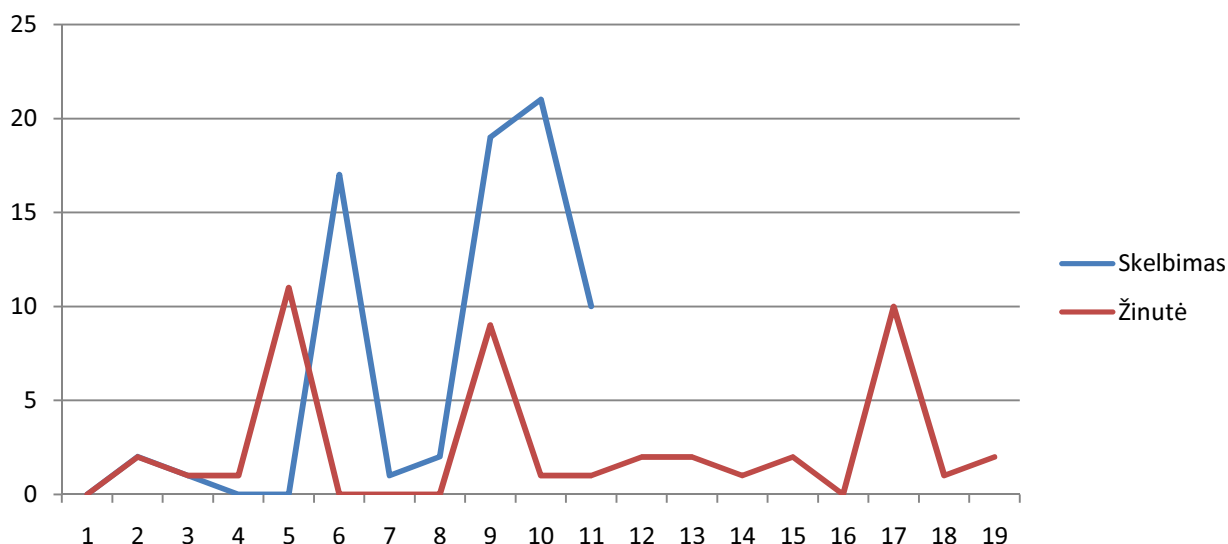
4 pav. Vartotojų reakcijos „Patinka“ skaičiaus palyginimas
 Šaltinis: sudaryta autorės.

Pažymėtina, kad vartotojų reakcijos „Patinka“ daugiau sulaukia žinutės. Antrosios reakcijos „Dalintis“ rezultatai pateikiami 5 pav.



5 pav. Vartotojų reakcijos „Dalintis“ skaičiaus palyginimas
 Šaltinis: sudaryta autorės.

Pažymėtina, kad kur kas daugiau vartotojų reakcijų „Dalintis“ sulaukia skelbimai, nei žinutės. Trečiosios reakcijos „Komentuoti“ rezultatai pateikiami 6 pav. Taigalima daryti prielaidą, kad teatro vartotojams svarbesnė socialiniame tinkle pateikta jiems aktuali informacija.

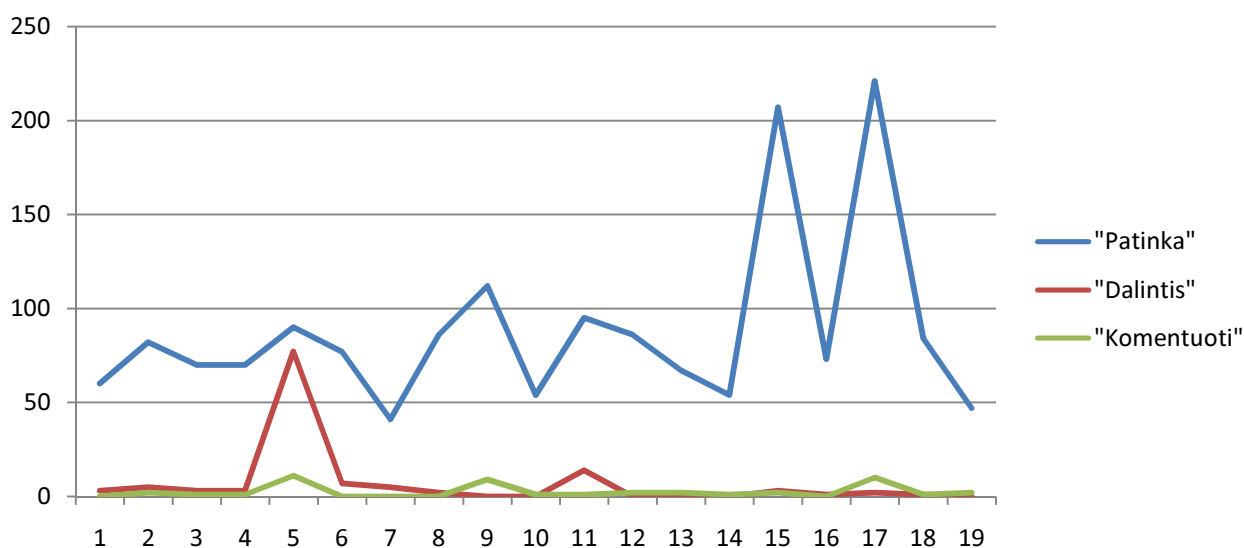


6 pav. Vartotojų reakcijos „Komentuoti“ skaičiaus palyginimas

Šaltinis: sudaryta autorės.

6 pav. matyti, kad aktyviau komentuojamas būsenos atnaujinimas. Taigi, nors skelbimų pateikta mažiau (11), o žinučių daugiau (19), akivaizdu, kad žinutės susilaukia daugiau reakcijų „Patinka“, o „Skelbimai“ daugiau reakcijų „Dalintis“ ir „Komentuoti“. Tikėtina, kad skelbimuose pateikiama informacija skatina vartotojus aktyviau reaguoti, skelbimą „Dalintis“ su kitais, išreikšti savo nuomonę ir įspūdžius.

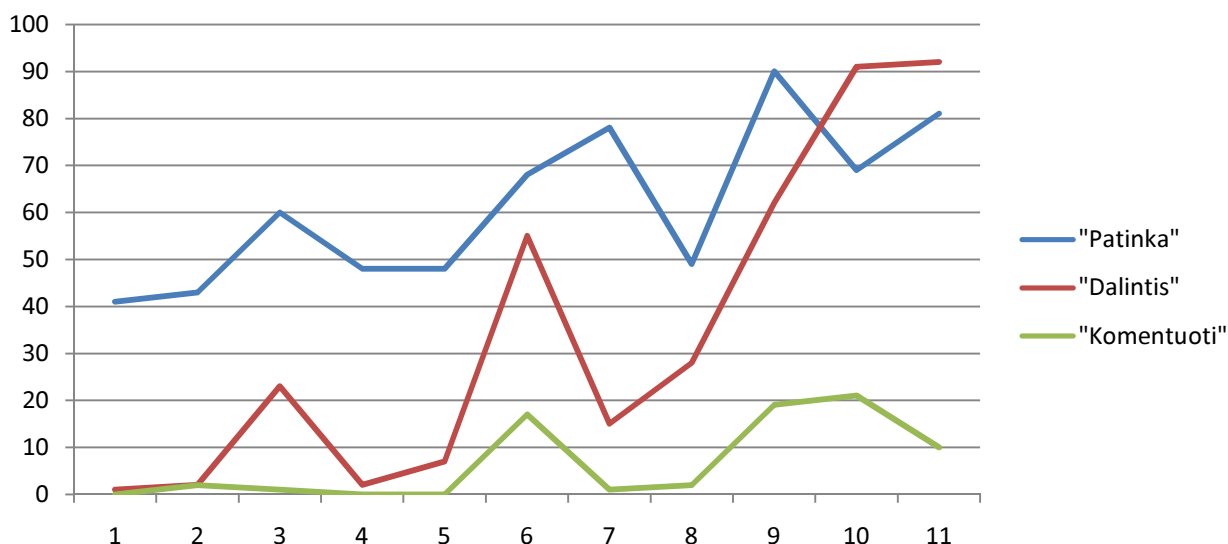
Taip pat lygintos trys būsenos atnaujinimo (žinutės forma) vartotojų reakcijos iš karto (žr. 7 pav.).



7 pav. Vartotojų reakcijų skaičius į būsenos atnaujinimą žinutės forma

Šaltinis: sudaryta autorės.

Vartotojų reakcijos „Patinka“ skaičius į būsenos atnaujinimą žinutės forma yra gerokai didesnis, nei „Dalintis“ ir „Komentuoti“ skaičius.



8 pav. Vartotojų reakcijų skaičius į būsenos atnaujinimą skelbimo forma
 Šaltinis: sudaryta autorės.

8 pav. galima matyti, kad būsenos atnaujinimas skelbimo forma sulaukė didelio reakcijos „Dalintis“ skaičiaus, kai kur jis net lenkia reakcijų „Patinka“ skaičių.

Palyginus 7 ir 8 pav. akivaizdu, kad skelbimus labiau nei žinutes komentuoja ir jais dalijasi. Tai leidžia daryti prielaidą, kad skelbimuose pateikiama informacija skatina didesnę norą žinia pasidalyti ar išreikšti savo nuomonę, o į žinutes reaguojama pasyvesne funkcija „Patinka“.

NKDT KOMUNIKACIJA SU VARTOTOJAIŠ SAVO PASKYROJE SOCIALINIAME TINKLE „FACEBOOK“

Atlikus tyrimą išaiškėjo, kad NKDT savo paskyroje socialiniame tinkle „Facebook“ 95-ojo sezono metu įkėlė 129 įrašus, iš kurių 33 įrašai sulaukė didesnės vartotojų reakcijos.

6 lentelė. NKDT įrašų socialiniame tinkle „Facebook“ būsenos atnaujinimo formos

	Būsenos atnaujinimo formos				Iš viso:
	Skelbimas	Žinutė	Renginio sukūrimas	Profilio nuotraukos keitimas	
Iš viso įrašų:	63	50	6	10	129
Daugiausia grįžtamojo ryšio sulaukusių įrašų:	11	19	0	3	33

Šaltinis: sudaryta autorės.

Didžiausio susidomėjimo sulaukė būsenos atnaujinimo skelbimo (11) ir žinutės (19) formomis. 6 lentelėje pateikiamas visų, ir daugiausia grįžtamojo ryšio sulaukusių būsenos atnaujinimo formų skaičius. Renginiai didelio susidomėjimo nesulaukė, aktyviai sureaguota į trečdalį profilio nuotraukų pakeitimų.

Kai kuriuose įrašuose pateikiama papildoma informacija nuorodų forma. 7 lentelėje pateikiami nuorodų formų duomenys visuose įrašuose ir daugiausia grįžtamojo ryšio sulaukusių įrašuose. Pažymėtina, kad trečdalyje daugiausia dėmesio sulaukusių įrašų pateikiama papildoma informacija. Vadinas, galima teigti, kad papildomos nuorodos didina vartotojų susidomėjimą įrašais.

7 lentelė. NKDT įrašų socialiniame tinkle „Facebook“ nuorodų formos

	Nuorodos forma				
	Internetinė svetainė	Straipsnis	Vaizdo įrašas	Garso įrašas	Iš viso:
Iš viso įrašų:	8	5	18	2	33
Daugiausia grįžtamojo ryšio sulaukusių įrašų:	4	3	4	–	11

Šaltinis: sudaryta autorės.

Pažymėtina, kad visuose daugiausia vartotojų reakcijų sulaukusiųose įrašuose (33) pateikiama ir tekstinė, ir vizualinė informacija. Gausiausia vizualinės informacijos forma yra nuotraukos, jų 33 įrašuose pateikiama net 129, 7 plakatai ir 4 vaizdo įrašai.

8 lentelėje pateikiama, kokios temos sulaukė didžiausio vartotojų susidomėjimo.

8 lentelė. NKDT įrašų temų skaičius socialiniame tinkle „Facebook“

Tema	Skaičius
Premjera „Barbora“	3
Premjera „Aušros pažadas“	1
Premjera „Biografija: vaidinimas“	4
Premjera „Mechaninė širdis“	7
Nominacijos	1
Apdovanojimai	8
Sveikinimai	3
Festivalio „Nerk į teatrą“ renginiai	2
Parodos	1
Nuolaidos	3

Šaltinis: sudaryta autorės.

Taigi, galima teigti, kad daugiausia reakcijų sulaukė įrašai, kuriuose paskelbta apie apdovanojimus, ir įrašai apie premjeras, ypač daug dėmesio susilaukė spektaklis „Mechaninė širdis“. Įrašuose papildomos temos buvo konkursai, jų paskelbta 5, visi sulaukė aktyvaus dėmesio, trys iš jų paskelbti nuolaidų metu, visuose konkursuose buvo prašoma pasidalyti įrašu (žr. 9 lentelę).

9 lentelė. NKDT įrašų temos ir vartotojų reakcijos į jas socialiniame tinkle „Facebook“

Tema:	„Patinka“	„Dalintis“	„Komentuoti“
Koncertas „Beissoul & Einius“, konkursas	68	55	17
Koncertas „No easy way out“, konkursas	49	28	2
Nuolaidos, konkursas	90	62	19
Nuolaidos, konkursas	69	91	21
Nuolaidos, konkursas	81	92	10

Šaltinis: sudaryta autorės.

Kaip matyti, į kai kuriuos įrašus labiau reaguota funkcija „Dalintis“ nei funkcija „Patinka“. Pažymėtina, kad tai priklauso nuo tiesioginio NKDT prašymo pasidalinti įrašu.

Paminėtina, kad NKDT į vartotojus kreipiasi „Bičiuliai“, „Draugai“, vartojamas veiksmažodžio daugiskaitos pirmasis asmuo „mes“, o tai reiškia gretinimą su pačiu teatru. Orientuodamasis į įvykį NKDT pateikia konkrečią vietą, laiką ir įvykio pavadinimą. NKDT pristatoma kaip vieningą, draugišką kolektyvą.

NKDT vartotojų komentarai dažniausiai yra lakoniški (pavyzdžiui, *Dalinuosi!; As labai noriu i spektakli ☺; SVEIKINU!!!¹*), jų įspūdis sustiprinamas skyrybos ženklais, žodžių pakartojimais, žodžių rašymų didžiosiomis raidėmis, šypsenėlėmis. Iš kai kurių komentarų galima suprasti, kad vartotojas jau buvo

¹ Čia ir toliau komentarų kalba netaisyta.

ne viename spektaklyje ir dalijasi įspūdžiais beipastebėjimais, pavyzdžiui: *Ooo namukai kaip Andersene – tik tamsiau ir pilčiau 😊; Labai patiko spektaklis. Ačiū visiems aktoriams. Svobonas ir Sidlauskas, kaip visada, nepakartojami... bravo.* Iš 129 komentarų NKDT atsakė tik į 4: 1. *Čia skatinimas sveikai gyventi įvairiais būdais 😊.* 2. *Irma Rumianceviene, įsikibkite vyrui į parankę ir ryt teatro kasoje atsiimkite Jums priklausantį kvietimą į 20 val. Rūtos salėje vyksiantį koncertą;) Dėkojame už dalyvavimą.* 3. *Simona Antanelytė, mes skelbiame tave auksine žuvele ir kviečiame tave bei tavo du draugus NERTI į BEISSOUL & EINIUS koncertą! :) Pasidalinusiems šia žinia sakome AČIŪ ir kviečiame nepraleisti progos pirmadienio vakarą praleisti kitaip!* 4. *Teatre viskas įmanoma;) Komentaruose jaučiamas vartotojų domėjimasis teatru, kritiškas pateiktos informacijos ar renginių, vykusių teatre, vertinimas.*

Atlikus tyrimą paaiškėjo, kad NKDT vartotojų reakcijos socialiniame tinkle „Facebook“ tiesiogiai priklauso nuo NKDT įrašo būsenos atnaujinimo formos irtemos. Tarp žodžių skaičiaus, vizualinės informacijos kiekio ir vartotojų reakcijų sąsąjį nerasta. Jei vartotojai skatinami pasidalinti įrašu ar dalyvauti konkurse, jų reakcijų „Dalintis“ ir „Komentuoti“ skaičius išauga. NKDT nekviečia savo vartotojų atvirai diskutuoti ir pats tolimesnės komunikacijos nepalaiko.

IŠVADOS

Komunikuojant keičiamasi informacija naudojant kokią nors ženklų sistemą. Esminiaikomunikacijos požymiai yra tokie: perteikiama informacija, reikalingi mažiausiai du komponentai – siuntėjas ir gavėjas, apima verbalinę ir neverbalinę signalų raišką, reikalingas grįžtamasis ryšys.

Socialinis tinklas gali būti apibrėžiamas kaip internetinė platforma, kurioje žmonės gali susipažinti, bendrauti, reikšti savo nuomonę ir pan. Visi socialiniai tinklai turi tapatybės, pokalbio, dalinimosi, buvimo, santykių, reputacijos ir grupės funkcijas. Vienuose socialiniuose tinkluose populiareesnės vienos funkcijos, kituose kitos. Taip socialinis tinklas konstruoja savo savitumą.

Nacionalinio Kauno dramos teatro paskyros 95-ojo sezono įrašų socialiniame tinkle „Facebook“ analizės metu nustatyta, kad NKDT vartotojai dažniausiaireaguoja į įrašus, kuriuose kartu pateikta tekstinė, vizualinė ir papildoma informacija. Komunikacijos aktyvumui įtakos turi ne kiekybiniai įrašų rodikliai, bet jų turinys. Verbalinė komunikacija lakoniška.

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PANEVĖŽIO J. MILTINIO DRAMOS TEATRO VEIKLA PO LIETUVOS NEPRIKLAUSOMYBĖS ATKŪRIMO

AGNĖ BUROVIENĖ

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ABSTRACT. The aim of the article is to reveal the changes that have been taking place after the restoration of the Lithuanian independence. After the restoration of independence, the theatre faced a challenge to compete with the new and developing entertainment industry. Therefore, having decreased grants for national theatres and with emptied out spectator audiences, in fear of the coming reform of the theatre, there was a need to search for particular ways to survive. One of the most reliable ways of survival is standing out from the general context. Within the element of the stage, the exclusivity of theatres is determined by possessing a particular creative touch, otherwise called the face of theatre, which consists of the artists and playwrights working within the theatre collective, and the drama genre choices, directors invited, the general stylistics of plays, advertising material, the representativeness of the theatre building, and, most importantly, the aesthetic conception and tasks of the art manager. Thus, one of the main factors that determine the particular creative face of the theatre and its consistent development is the requirements and aesthetic attitude raised by the art manager (in some theatres, up until the restoration of independence and even now, art managers are still called senior artistic director).

KEYWORDS: culture, drama theatre, activity.

PAPER LANGUAGE – Lithuanian

ĮVADAS

Po Lietuvos nepriklausomybės atkūrimo teatrui buvo mestas iššūkis konkuruoti su atsiradusia ir vis besiplečiančia pramogų industrija. Todėl valstybiniams teatrams, sumažinus dotacijas ir ištuštėjus žiūrovų salėms, baiminantis artėjančios teatro reformos, teko ieškoti savitų būdų išlikti. Vienas patikimiausių išlikimo būdų – išsiskyrimas iš bendro konteksto. Scenos stichijoje teatrų išskirtinumą lemia savito kūrybinio braižo turėjimas, dar kitaip vadinamas teatro veidu, kuris susideda iš teatro kolektyve dirbančių menininkų, dramaturgų bei dramos žanro pasirinkimo, kviečiamų režisierių, bendros spektaklių stilistikos, reklaminės medžiagos, teatro pastato reprezentatyvumo ir, svarbiausia – meno vadovo estetinės sampratos bei keliamų uždavinių. Taigi vienas pagrindinių veiksnių, lemiančių savitą teatro kūrybinį veidą ir nuoseklų jo kūrimą – meno vadovo (iki nepriklausomybės atgavimo ir vis dar dabar kai kuriuose teatruose tebevadinamas vyriausiuoju teatro režisieriumi) keliami reikalavimai irestetinės nuostatos.

TEATRO VEIKLA ATKURIANT LIETUVOS NEPRIKLAUSOMYBĘ

1988 metais Lietuvos teatrų situacija buvo tiesiogiai veikiamą kardinaliai kintančių politinių tendencijų. Pradėjus aižėti totalitarinei sistemai, prabilta apie Lietuvos nepriklausomybės atkūrimą, tai buvo juntamair Lietuvos scenose: pradėta galvoti apie naują lietuviško teatro sistemą, braižą, kultūrą, kurios išraiška atsispindėjo per lietuviškos dramaturgijos pastatymų gausą. Tačiau didžiausią nerimą kritikams kėlė ne tendencingas dramaturgijos pasirinkimas, o jos traktavimo paviršutiniškumas, režisūros iliustratyvumas, aktorių schematiškumas. Taigi, keičiantis politinei santvarkai, visos Lietuvos teatrą sukrėtėkrizė.

Bendra tuometė Panevėžio dramos teatro situacija, išryškėjusi Donato Banionio vadovavimo pabaigos vertinimuose, nesiskyrė nuo bendro Lietuvos konteksto, tačiau pavieniai spektakliai vis dar sulaukdavo teigiamų kritikų vertinimų. Vienas jų – J. Marcinkevičiaus „Katedra“ (1988), kurį režisavo Saulius Varnas. Šis spektaklis Lietuvos dramaturgijos festivalyje (1988, Šiauliai) išsiskyrė drąsiu dramos pasirinkimu (ši

J. Marcinkevičiaus pjesė buvo pelnusi „lėzėdramos“ reputaciją), interpretacijos savitumu, sąlygiška scenografija ir netradicine aktorių vaidyba (Vasilauskas, 1989).

Kaip jau minėta, Panevėžio dramos teatre buvo išpažįstamos J. Miltinio sukurtos vidinės tradicijos ir pagrindiniai estetiški principai. Į teatrą pagal individualias menines išgales buvo kviečiami režisieriai, darbuose jautriai kalbantys apie žmogiškas vertybes ir kviečiantys žiūrovą į dvasinio apsivalymo apeigas. Kitaip tariant, ateidami į teatrą, režisieriai privalėjo atsižvelgti į Maestro sukurtas, teatre išpažįstamas ir išskirtinai Panevėžio teatrui būdingas tendencijas. Šie estetiški principai buvo Panevėžio dramos teatro savimonės pagrindas.

S. Varno kūrybinėje biografijoje taip pat iškyla J. Miltinio vardas, nes prieš studijas Leningrado (dab. Sankt Peterburgo) teatro, muzikos ir kinematografijos institute jis mokėsi J. Miltinio studijoje, čia pat dirbo ir aktoriumi. Taigi Panevėžio dramos teatras turėjo įtakos šio menininko kūrybinio braižo formavimuisi. Po studijų Leningrade režisierius sėkmingai debiutavo ir dirbo Šiaulių dramos teatre, o 1988 metais, D. Banionio pakviestas, į teatrą grįžo jau kaip profesionalus režisierius. Pasirinkęs J. Marcinkevičiaus „Katedrą“ ir įveikęs šį iššūkį, 1988 metais S. Varnas pakviečiamas į Panevėžio dramos teatro meno vadovo pareigas. Tikėtina, kad apsisprendimą šį menininką pakviesti meno vadovo pareigoms užimtigalėjo sustiprinti ne tik ligtolinė pažintis su teatru ir jo tradicijomis, minėta pergalė, bet ir savitos teatrinės koncepcijos turėjimas, ryškus režisūrinis braižas bei individualios asmeninės savybės (kritikų straipsniuose S. Varnas apibūdinamas kaip inteligentiškas, „šviesus žmogus“).

Nors aiškios teatro programos bei senosios pakeitimų naujasis meno vadovas aiškiai neįvardijo, prioritetus, teatro vertybes ir siekius galima nustatyti iš S. Varno duotų žurnalistams interviu: „Teatre gali būti ir 4000 laipsnių temperatūra. Svarbu, kad ji tarnautų kūrybai“ (Giedraitytė, 1993), „Kitos energijos laikas“ (Jonušienė, 1990) ir „Mes esame slenkstis kitiems“ (Jonušienė, 1990). Apibendrinus minėtus šaltinius, galima išskirti šiuos prioritetus ir siekius:

1. Teatro užduotis – rūpintis žmogaus dvasiniais ieškojimais.
2. Repertuaras turi tenkinti žiūrovų dvasinius poreikius.
3. Spektakliai turi provokuoti žiūrovą, skatinti pažinimo siekimą.
4. Kolaboracija su Lietuvos, užsienio režisieriais.
5. Žiūrovų susigrąžinimas į teatrą.

Pagrindinė S. Varno teatrinė nuostata ir kartu strategija atsiskleidžia pokalbyje su žurnaliste: „Šiandien jau reikia statyti naują, rasti ir pašnekesio su žiūrovu naują kokybę. Temos, kuriomis mes kalbame, turi atsiliepti jo dvasioje.“ (Jonušienė, 1990:2.) Taigi, apibendrinus naujo meno vadovo išsikeltus uždavinius, galima teigti, kad nesiorientuojama į praėjusį teatro etapą, nesistengiama atkartoti J. Miltinio estetikos principų, nes visas dėmesys sutelkiamas į naujumo paieškas, kurias režisierius įgyvendina statydamas klasikinę arba modernią Vakarų Europos dramaturgiją. Tai vienas iš esminių bruožų, prieštaraujantis D. Banionio teatre propaguotai dramaturgijos kryptims, tačiau artimas J. Miltinio teatro repertuarui keliamoms nuostatoms. F. Kafka, P. Klodelis ir A. Strindbergas – S. Varno pasirinkti autoriai, kuriuos teatras vėl po ilgo laiko pristato žiūrovui. Taigi esminiai S. Varno pasirinkimai randa atgarsių J. Miltinio kūryboje, tačiau jie daugiau atsiskleidžia.

Kaip meno vadovas ir vyriausiasis režisierius, S. Varnas debiutuoja su nevienareikšmiškai kritikų vertintu F. Kafkos „Procesu“ (1990), įprasminančiu jo kūrybines nuostatas. E. Jansonas pažymi, kad tai programinis „varniškas“ spektaklis, atskleidžiantis statytojo meno principus, didžia dalimi paaiškinantis režisieriaus teatro sampratą (Jansonas, 1993a:8). Taigi kritikai spektaklyje įžvelgia daugiausia konceptualizmui priklausančius bruožus:

1. Režisūrinės minties išgryninimą: „Statytojas surašo mizanscenas. Gali nubraižyti.“ (Jansonas, 1993a: 8.)
2. Lakonišką, išgrynintą scenos erdvę ir veiksmo vietą: „<...> scenoje „distiliuota“ dramaturgija, išsiurbtas iš spektaklio oras ir sterili erdvė, kurioje nesiveisia gyvybė.“ (Bundzaitė, 1990: 5.)
3. Dramaturginio teksto transformavimą: „Režisierius S. Varnas spraudžia F. Kafką, artimą ekspresionistams, egzistencialistams ir absurdistams, į sau artimą daiktų – ženklų, personažų – kaukių kalbą.“ (Bundzaitė, 1990: 5.)

4. Aktorių, kuris atsisakydamas psychologizuotos vaidybos daugiau atlieka ženklų reikšmę: „Aktoriai įgyvendina sumanymus: iliustruoja statytojo erudiciją, išsilavinimą, enciklopedines žinias, naujausias perskaitytas knygas.“ (Jansonas, 1993a:8.)

Taigi, nors kritikai spektaklį įvertino nevienareikšmiškai dėl režisūrinių naujovių, kita vertus, buvo pastebėtas teatro bandymas abstrahuoti istoriją per žmogui priešiškos sistemos konfliktą ir įvertintas laimėjimas paties režisieriaus kūrybinėje biografijoje: „... S. Varno „byloje“ ši inscenizacija, bene pirmą kartą verta „kietos rankos“ epiteto.“ (Bundzaitė, 1990:5.)

F. Kafkos spektaklyje suformuoto konceptualaus ir intelektualaus teatro modelis atsispindi ir kituose S. Varno spektakliuose: P. Klodelio „Kristupo Kolumbo knyga“ (1992), S. I. Vitkevičiaus „Mažame dvarely“ (1993), A. Suchovo-Kolbylino „Taretkino mirtis“ (1993), S. Strinbergo „Sapnas“ (1994), H. Ibseno „Moteris iš jūros“ (1995), A. Landsbergio „Idioto pasaka“, pagal F. Dostojevskio romano „Nusikaltimas ir bausmė“ motyvus (1996). Šie Lietuvos scenose retai statomų dramaturgų ir mažai žinomų pjesių pasirinkimai sulaukdavo kritikų susidomėjimo ir, žinoma, teigiamų atgarsių, tačiau nuo J. Miltinio laikų teatro skyrėsi bendra konceptualia stilistika, suformuluota F. Kafkos „Procese“. Tai buvo stiprus veiksnys, lėmęs S. Varno spektaklių vertinimus teatro kritikoje. Pradžioje spektakliai buvo įvardijami kaip „varniški“, estetiškai gražūs, taisyklingi, tvarkingi, tačiau ilgainiui šie epitetai įgavo daugiau neigiamą atspalvį, nes S. Varno spektakliuose didžiausias dėmesys buvo skiriamas esminės minties išgryninimui per nugludintą vizualinę formą, taigi spektakliai tapo vienas į kitą panašūs, šalti, „sterilūs“. Prie tokių režisūrinių sprendimų (esmės išryškinimas per išbaigtą spektaklio formą) teatro kritikai nebuvo pratę, tad neretai atkreipę dėmesį į Lietuvos scenoje vyračiusius spektaklio komponentus – režisūrą ar aktorių vaidybą, likdavo suglumę: „Recenzuoti „Kristupo Kolumbo knyga“ būtų beprasmiška – spektaklis pastatytas taisyklingai, aktoriai vaidina irgi profesionaliai, taisyklingai „gestikuliuodami“ žodžius, mintis, jausmus, mizanscenas. <...> Vertinti P. Klodelį, tai, ką su juo (ne – iš jo!) daro S. Varnas, mūsų įprastais kriterijais nėra lengva. Pagaliau egzistuojantys kriterijai (bent tai, ką tais kriterijais laikome) nėra estetiniai, meniniai kriterijai. Jie – racionaliūs, pragmatiniai.“ – teigia E. Jansonas (1992c:9). Jam pritaria V. Savičiūnaitė: „Mažono dvarelio visumos neįmanoma skaidyti į režisūros ir aktorių „nuopelnus“, nes YRA VISUMA.“ (Savičiūnaitė, 1993:5.)

Taigi, pasirinkęs turtingą, mažai statytą Vakarų Europos dramaturgiją ir konceptualia inscenizacija transformuodamas ją į sau artimą, režisūrinę kalbą su siekiamybe išryškinti spektaklio mintį, S. Varnas dažniausiai suglumindavo teatrologus, nes įprasti spektaklių vertinimo kriterijai jo spektakliams nebetiko. Šio režisieriaus darbams analizuoti reikėjo ne struktūrinės analizės, o daugiau interpretacinio pobūdžio įžvalgų, atkleidžiančių kūrinio pagrindinę mintį ir prasmes, užkoduotas išraiškingoje spektaklio formoje. Išraiškingą spektaklių vizualinį vaizdą pastebi bene visi teatrologai, tačiau jį interpretuoja savaip: vieni teigia, kad graži spektaklio forma – tai pataikavimas publikai (Jansonas, 1994:10), kiti įžiūri bandymą užpildyti režisūrinės minties spragas (Girdzijauskaitė, 1994), J. Lozoraitis teigia, kad Panevėžio teatras pagal scenografiją Lietuvos kontekste užima pirmaujančias pozicijas ir priduria: „<...> tai jau nebe J. Miltinio, o Sauliaus Varno teatras“ (Lozoraitis, 1994:18).

Naujoji teatro koncepcija įsitvirtina pakvietus dirbti jauną režisierių L. M. Zaikauską ir pašalinus A. Pociūną. L. M. Zaikauskas Panevėžio teatre debiutuoja su mažosiomis A. Puškino tragedijomis „Puota maro metu“ (1991) ir „Akmeninis svečias“ (1991). Tai pirmą kartą Lietuvos teatre pastatytos A. Puškino „mažafomatės“ tragedijos, režisieriaus dėka realizuojamos, anot E. Jansono, kruopščiai apgalvotame ir pedantiškai įgyvendintame spektaklyje (Jansonas, 1992a:14). Naujojo Panevėžio dramos teatro režisieriaus sėkme apsidžiaugusi I. Aleksaitė pastebi, kad režisierius ne tik savitai interpretavo visą spektaklį, bet ir pasiūlė savo finalą, į pirmą planą iškėlė charakterių psychologizmą, taip pat atkakliai „gramdė“ įsisenėjusius vaidybos šampus, kas, pasak kritikės, yra didžiausias jauno režisieriaus laimėjimas, net misija Panevėžio teatre (Aleksaitė, 1991:11). Taigi teatrologai gana entuziastingai sutiko naujojo Panevėžio dramos teatro režisieriaus debiutą ir labiau išryškino jo teigiamus bruožus, o ne trūkumus. Taigi L. M. Zaikausko esminiai kūrybiniai principai randa atgarsių S. Varno darbuose, todėl po pastarojo režisieriaus režisūrinio debiuto ir darbų tarp teatro kritikų susiformuoja sąvoka, atspindinti naująjį teatro savitumą – tai Varno ir Zaikausko tandemas, formuojantis savitą, neįprastą šio teatro veidą (Jansonas, 1992c:14).

L. M. Zaikauskas pretenduoja į intelektualinį teatrą, o S. Varnas – racionalaus, eruditinio teatro atstovas. Abiejų režisierių bendradarbiavimą apibendrina E. Jansonas: „Jų erudiciją patvirtina repertuaras – aukštos klasės draminė literatūra, kuri mažai pažįstama, retai skaitoma. Akivaizdus nenoras nusileisti iki žiūrovų išsilavinimo, žinojimo, išprusimo lygio.“ (Jansonas, 1992c:14.)

Susiformavus naujam teatro braižui ir toliau įgyvendinant išsikeltus bendradarbiavimo tikslus, S. Varnas į Panevėžį pasikviečia bulgarų kilmės Šveicarijoje gyvenusį režisierių P. Stoičevą, kuris Panevėžyje režisavo mažai žinomas arba nepopuliarias šveicarų ir bulgarų autorių pjeses (F. Diurenmato „Meteoras“ (1992), J. Federšpylio „Brolybė“ (1993), K. Solokovo „Liūdna karvė ir švelnūs jautis“ (1993), U. Vidmero „Žanmeras – amžiaus šnipas“ (1994) ir kt.). Režisieriaus darbai Lietuvos teatro kritikų buvo sutikti nepalankiai. Teatrologai skeptiškai vertino pasirinktas retai Europoje statomas pjeses („Labai normali, kūrinio vertę atitinkanti biografija“ (Jansonas, 1993b:7)), nenuoseklią spektaklių stilistiką (Aleksaitė, 1992:12) ir bendrą režisieriaus kūrybinį braižą, radusį atgarsių anksčiau minėtų menininkų kūryboje: „Ir stato jis tarsi iš įvairių detalių surinkinėdamas tiksliai veikiančią mechanizmą: visos detalės juda, tiki – ir tiek. Atrodo, nėra ko prikišti – gal dinamikos monotoniją, gestikuliacijos gausą, personažų panašumą vieną į kitą.“ (Jansonas, 1992b:14.) Kritikai pastebi, kad dažniausiai režisieriaus spektaklius gelbsti „iš scenos letargo pabudę aktoriai“, kurių svarba S. Varno ir L. M. Zaikausko spektakliuose buvo iš esmės pakitusi.

Aktoriaus asmenybei, vidiniam temperamentui ir augimui režisieriaus S. Varno teatro politika daug dėmesio neskyrė, nes aktorius spektakliuose buvo svarbesnis kaip ženklas, marionetė, dekoracija. Šis aspektas – taip pat vienas iš veiksmų, lėmusių specifinį – „kitokį“ Panevėžio teatro koncepcijos susiformavimą. Ir J. Miltinio teatro „aukso amžiuje“, ir D. Banionio „neišbrendamų krizių“ laikotarpiu buvę bene svarbiausiu teatro epicentru, S. Varno vadovavimo laikotarpiu pasikeičia aktoriaus vaidybos reikalavimai, kurios vertinimus teatro kritikoje būtų galima skelti į dvi dalis. Pirmoji, pozityvioji, pasireiškė debiutavus S. Varnui ir į teatrą priėmus L. M. Zaikauską. Kritikai džiaugėsi, kad režisierius sugriauna aktoriams būtines dramos pagrindus ir taip mėgina juos pakylėti iki filosofinio lygmens, tada aktoriai yra priversti atsikratyti šampų ir ieškoti naujo vaidmens kūrimo būdų. Aktoriai, atpratę nuo intelektualaus, racionalaus teatro, ne visuomet sugeba pakilti iki režisūrinio sumanymo lygio: „Panevėžio dramos teatro aktoriams šiandien turbūt labiausiai reikia atsikratyti apnašų, šampų, „mechaniško“ profesionalumo, vaidybos paviršutiniškumo.“ (Aleksaitė, 1991:11.)

Situacija pasikeičia susiformavus ir „nusistovėjus“ vienalytei teatro koncepcijai. Aktorių vaidybai apibūdinti kritikų straipsniuose vartojamas epitetas „dirbti“: pasak kritikų, aktoriai dirba taisyklingai juokindami, alpdami, karščiuodamiesi, bijodami, pozuodami. Anot A. Girdzijauskaitės, aktoriai juda taip pat tiksliai, kaip dekoracija, jos detalės: „Bet kas iš to, jei konkuruodamas su žmogumi laimi plastinis vaizdas? Negyva dekoracija, dailūs, švarūs kostiumai, ir aktorius čia kaip kareivis, „atlikėjas“, net ne piešinio piešėjas, o pieštukas.“ (Girdzijauskaitė, 1994: 5.) Konceptualūs režisūriniai sumanymai užgožė ne tik jaunųjų, bet ir Panevėžio teatro iškiliausių aktorių, auklėtų J. Miltinio, individualią kūrybinę raišką: „Ir pereina per sceną savo keistais mažais žingsneliais, į nieką nežiūrėdama, nekreipdama dėmesio E. Šulgaitės Uršula – pajauti, kad kažkas turėtų prasidėti... Deja, ir toliau lieka normalus teatras.“ (Jansonas, 1993c:10.)

Taigi aktorių raiškos problemą Panevėžio teatre sustiprino nors ir vientisa, intelektualinė, tačiau monotoniška ir „sterili“ spektaklių stilistika, kurioje vienas į kitą panašūs atrodo ne tik aktoriai, bet ir režisieriai, žanrai, autoriai. Bene taikliausiai Panevėžio dramos teatrą 1993–1996 metais vertinusių kritikų nuomonės apibendrina E. Jansono mintis: „Tragedija ar komedija, drama ar absurdo parabolė – viskas čia virsta normalia „pjeze“. P. Klodelis ir S. I. Vitkevičius, A. Puškinas ir F. Diurenmatas, F. Kafka ir J. Federšpylis, P. Stoičevs, L. M. Zaikauskas, S. Varnas – visi jie susimaišo, susilieja, tampa vieni kitais ar panašiais vienas į kitą. Mandagūs, besišypsantys, ramūs. Gerai pasakojantys gražiai parašytas istorijas. (Jansonas, 1993:7.)

S. Varno vadovavimo laikotarpis kulminaciją ir kartu atomazgą įgauna 1996 metais, kai spaudoje pasirodo straipsnis, kuriame aktoriai savo teatro meno vadovui reiškia nepasitikėjimą. Pagrindinė priežastis – teatro, turinčio galias tradicijas, kūrybinė krizė ir vyriausiojo režisieriaus autokratinis valdymas. Aktoriaus E. Kačinsko nuomone, „S. Varno vadovaujamame teatre nėra ne tik kūrybos, bet ir paprasčiausio darbo, yra tik vykdymas“ (Glodenienė, 1996:3). Taigi ilgą laiką besitaikstę su nepriimtina vaidybos forma ir pakitusiu

teatro kūrybiniu braižu, aktoriai tarytum nusprendžia vėl susigrąžinti buvusias teatro tradicijas ir savo statuso reikšmę. Po šio pranešimo S. Varnas pasitraukia iš teatro.

Apibendrinant S. Varno kadencijos pradžioje išsikeltas siekiamybes, galima pasakyti, kad daugumą jų režisierius įvykdė:

1. S. Varnas, sąmoningai atmesdamas žiūrovų, kritikų, teatralų pasąmonėje įsitvirtinusį Panevėžio dramos teatro „aukso amžių“, teatre įsigalėjusią psichologiškai niuansuotą vaidybą, intensyviai ieškojo naujų formų ir naujos prasmės per nugludintą spektaklio vizualumą. Šiems Panevėžio teatre vyravusiems spektakliams, pasak kritikų, reikėjo savitos, spektaklių stilistiką ir tikslus atitinkančios vertinimų kartelės, nes vertinant įprastai, nesigilinama į prasmę ir akcentuojami tik profesionaliai vaidinantys aktoriai, efektinga scenografija, tikslus mizanscenavimas ir t.t. Taigi, iškilus vertinimo kriterijų trūkumui, dauguma S. Varno ir L. M. Zaikausko spektaklių likdavo įvertinti tik paviršutiniškai, išsamiau nepaliečiant spektaklių esmės – režisierių deklaruojamų dvasinių dėsnių.
2. Nenusižengdami saviems estetiniams principams ir siekiui provokuoti žiūrovą, režisieriai teatre atkakliai kūrė savo intelektualų, „grynakraujį“ teatrą, pasitelkę sceniškai stiprią, dažniausiai Lietuvoje dar nestatytą Vakarų Europos dramaturgiją, kalbančią apie žmogų, būties prasmę. Šis dramaturgijos pasirinkimas dažniausiai kritikus paskatindavo palyginti S. Varno ir J. Miltinio teatrą, o tai dažniausiai baigdavosi pakitusio teatro statuso konstatavimu ir neigiamu požiūriu į naujai susiformavusį teatro braižą: „Buvo intelektas ir filosofija, pagarba minčiai, aistra, skausmas dėl žmogaus gyvenimo, dėl žmogaus egzistencijos pasaulyje laikinumo, netobulumo, buvo kančia – minties ir jausmo kančia, noras pajauti ir suprasti Žmogų ir pasaulį. Erudicijos teatre (S. Varno ir L. M. Zaikausko) daug grožėjimosi savimi, savo žinojimu ir savo išmanymu, galima sakyti, atsiribojama nuo gražiai ir tiksliai užfiksuojamos tikrovės. <...> Eruditai nugali intelektualus, pafilosofavimai – filosofiją.“ (Jansonas, 1993:8.) Šis produktyviausiai Panevėžio teatrą iliustravusio kritiko vertinimas parodo, kad nuo D. Banionio vadovavimo laikų kai kurių teatrologų vertinimo kriterijai (lyginantys praeities teatrą su esamu) nepasikeitė, tad šiuo atveju legenda nugali kritikus, nenorinčius naujai pažvelgti ir įvertinti pakitusį Panevėžio teatro braižą.
3. Žiūrovų reakcijos, spektaklių vertinimai ar teatro lankomumas kritikų straipsniuose neužfiksuoti, tačiau iš kritikos vertinimų gausos galima daryti išvadą, kad pagrindinių Panevėžio teatre stačiusių režisierių spektakliai, jei neprovokavo žiūrovų, tai į teatrą grąžino susidomėjusius kritikus, neatsispiriančius pažiūrėti nors ir panašia stilistika perteikiamų, tačiau retai statomų autorių kūrinių interpretacijų.
4. Nors bendradarbiavimo idėja su Lietuvos režisieriais ir nepavyko, šiuo laikotarpiu užsimezgė ir sutvirtėjo draugystė su Šveicarijoje gyvenusiu režisieriumi P. Stoičevu, kuris Panevėžio mieste atliko savotišką „misiją“ – pristatė retai statomus šveicarų ir bulgarų dramaturgų veikalus.

Taigi šis Panevėžio dramos teatro etapas ligtolinėje teatro istorijoje išsiskiria ieškojimaisir iki tol vyravusių teatro estetinių principų akcentų sukeitimu (režisieriaus ir aktoriaus dialogą keičia režisieriaus ir scenografo pokalbis), Lietuvos teatre ieškant naujų išraiškos formų. Tačiau nelaimingą meno vadovo karjeros baigtį teatre lėmė ne novatoriškumo paieškos, o jau susiformavęs, pripažintas ir savitą braižą (bei istoriją) gerbiantis kolektyvas, kuriam buvo sunku susitaikyti su nauju teatro istorijos lapu.

NAUJOS VEIKLOS PAIEŠKOS 1996–2007 METAIS

„Pučo“ būdu pašalinus S. Varną iš užimamų teatro ir meno vadovo pareigų, pasikartoja panaši situacija, kaip ir 1981 metais, kai buvo nuspręsta nekviesti naujų teatro vadovų iš šalies, o išsirinkti pastarąjį iš saviškių. Naujuoju teatro vadovu išrinktas tuo metu buvusios teatro tarybos pirmininkas, aktorius Rimantas Teresas, kuris ir šiuo metu vis dar atsakingas už Panevėžio J. Miltinio dramos teatro spektaklių meninę kokybę. Naujojo meno vadovo tikslus, nuostatas ir tuometes teatro problemas geriausiai apibūdina šie straipsniai: „Teatras – tai pirmiausia gyvi žmonės“ (Oraitė, 1996a:5), „J. Miltinio teatras nebijo sostinės kritikų (Pocius, 1998:23) ir „Blogiausia – nuobodus teatras“ (Daunytė, 1998:7).

Apibendrinus minėtus straipsnius, galima išskirti šiuos R. Tereso tikslus:

1. Žiūrovų susigrąžinimas į teatrą.
2. Repertuaro politikos „sustygavimas“: pusiausvyros išlaikymas tarp originaliosios europinės, nacionalinės dramaturgijos, vieno spektaklio vaikams ir vieno eksperimentinio spektaklio per sezoną.
3. Naujų režisierių ir aktorių paieška.

Visi tikslai tarpusavyje glaudžiai susiję, nes jų iškėlimas, viena vertus, atspindi tuometes J. Miltinio dramos teatro problemas: vienpusis teatro repertuaras, kuriame didžiausias dėmesys skiriamas konceptualiems S. Varno spektakliams, ir šios stilistikos pasekmė, pasak R. Tereso – nuo teatro atitolusi publika.

Taigi, naujojo meno vadovo uždavinys susigrąžinti publiką atsispindėjo įvairiapusiškame teatro repertuare ir buvo visiškai priešingas S. Varno nuostatai: „Menas turi būti aiškus ir suprantamas paprastam žmogui, ne tik išrinktajam.“ (Pocius, 1996:23.) Su šiuo devizu, gerai pažinodamas teatro situaciją ir problemas, 1996 metais režisierius R. Banionis pastato E. Tompsono melodramą „Prie auksinio ežero“ (1996) ir S. Moemo komediją „Ratas“ (1996). Abiejuose spektakliuose pagrindinis krūvis tenka J. Miltinio ugdytai vyriausiai aktorių kartai ir žiūrovų pamėgtai psichologizuotai vaidybos manierai. Netrukus spektaklių rezultatas atsispindi periodinėje spaudoje, kurioje kritikai vienbalsiai tvirtina į teatrą vėl sugrįžus žiūrovus: „Bilietai išperkami prieš kelias savaites, o stovinčių pasienieis ir sėdinčiųjų ant laiptelių tiek, kad papūgiškai kartoti niekinamus masinės kultūros apibrėžimus nebesiverčia liežuvis.“ (Oraitė, 1996b:5.) Kritikei R. Oraitei pritaria ir N. Kažukauskaitė. Ji teigia, kad žiūrint į D. Banionį ir R. Urvinį spektaklyje „Ratas“ iškyla šlovingų Panevėžio teatro laikų prisiminimai: „Dabar spektaklis atrodo lyg prieš dvidešimt metų – tarsi apskantęs teatro gyvenimo ratą.“ (Kažukauskaitė, 1997:50.) Taigi paprasti, nuoširdūs, lengvo turinio spektakliai, pasak kritikų, vėl pradeda traukti žiūrovus į teatrą. Išsipildymo apogėjų šis teatro meno vadovo suformuluotas uždavinys pasiekia 1997 metais, kai į teatrą antrą kartą sugrįžta J. Dautartas su „Senojo gluosnio pasakojimais“ (1997), inscenuotais pagal rašytojo V. Dautarto romaną „Senojo gluosnio pasaka“. Šis spektaklis iš kitų išsiskyrė monumentalumu (suvaizdinti prireikė beveik viso Panevėžio dramos teatro aktorių kolektyvo pajėgų) ir dideliu teatro kritikų dėmesiu. „Senojo gluosnio pasakojimai“ – bene išsamiausiai kritikų vertintas Panevėžio dramos teatro spektaklis 1996–2007 metais, viršijęs visus teatro lankomumo rekordus.

Taigi, nors spektaklis pasižymi žiūrovų gausa, to negalima pasakyti apie jį lėmusią bendrą teatro kritikų nuomonę. Pripažindami spektaklio svarbą Panevėžio dramos teatrui, režisieriaus gebėjimą dirbti su aktorais, kurti masines mizanscenas, kritikai pasigenda režisūros preciziškumo, jautrumo psichologinei daugiaprasmei tiesai, originalumo, kuriuo menininkas pasižymėjo ligtoliniuose pastatymuose. Recenzijose išryškėja skirtingas kritikų požiūris į monumentalaus spektaklio vientisumą. I. Aleksaitė teigia, kad „scenos ir scenelės taip ir lieka pabirę, pasklidę, viena režisieriaus mintimi nesujungti“ (Aleksaitė, 1997: 7), jai prieštarauja V. Jauniškis: „J. Dautartas gražiai jungia visus personažus į visumą, į bendrą kaimo paveikslą.“ (Jauniškis, 1998: 5.) Tačiau dėl talentingai sukurto Anupro (akt. A. Keleris) personažo, spektaklio nuoširdumo ir viltingo režisieriaus J. Dautarto sugrįžimo į teatrą kritikams ginčytis netenka.

Kad ir netobulo režisūrine ir aktorine prasmėmis, spektaklio privalumus, siedama su grįžusių žiūrovų reiškiniu, įvardija V. Motuzaitė: „Didžiausi spektaklio privalumai, dėl kurių jis, matyt, yra mėgstamas žiūrovų – tai paprastumas, kurio spektaklyje yra daugiau nei nefunkcionalios scenografijos. J. Dautarto kūrinys traukia ir naivumu, gražiu vaikišku gėrio ir grožio teigimu, akivaizdžia priešprieša blogio estetikai, kuri įsivyravusi dabartiniame teatre.“ (Motuzaitė, 1998:4.)

Prie paprastų ir nuoširdžių spektaklių, grąžinusių į sales žiūrovus, būtų galima priskirti ir paties R. Tereso režisuotus darbus. Režisūrinis debiutas – Moljere'o „Miestelėnas bajoras“, J. Miltinio dramos teatre įvyko dar 1992 metais, kai R. Teresas bandė užpildyti psichologinės vaidybos nišą intelektualiam-eruditiniam S. Varno teatre. To paties dramaturgo „Tariamojo ligonio“ premjera pasirodė 1998 metais, į teatro repertuarą įvedus klasikinės komedijos žanrą ir kitais darbais palaipsniui jį įtvirtinus. Kritikai pabrėžia, kad R. Tereso režisūros atspirties taškas yra aktorius: „Gal kiek šlubuoja spektaklio ritmai, gal jis ištęstas, bet R. Tereso „Tariamasis ligonis“ pirmiausia yra aktorių spektaklis, statytas aktoriams kuo gražiau pasirodyti.“ (Jansonas, 1999:21.) Ironišką E. Jansono pastabą iš dalies patvirtina ir R. Vasinauskaitė. Ji teigia, kad spektaklis atrodo kaip aktoriaus R. Urvinio benefisas (Vasinauskaitė, 1998:6). Šie kritikų vertinimai tinka ne

tik „Tariamajam ligoniui“, tačiau ir kitoms R. Tereso režisuotoms komedijoms, kuriuose režisūrinės spragas dažniausiai užpildo daugiau arba mažiau vykusio aktorių vaidyba. Taigi silpnoji R. Tereso spektaklių pusė, kurią išskiria kritikai – režisūra, tačiau anot D. Šabasevičienės: „Režisierių visuose teatruose trūksta, jų vietas užima režisuojantys aktoriai. Tai, kad teatro vadovas aktorius Rimantas Teresas, pasikvietęs vieną ar kitą režisierių ir nesulaukęs stulbinančio rezultato, režisuoja pats, – jokia naujiena.“ (Šabasevičienė, 2002: 6.) Šis kritikės pastebėjimas atskleidžia bendrą profesionalaus, kritikų pripažinto režisūrinio deficito situaciją Panevėžio teatre, randančio atgarsių ir R. Tereso žodžiuose: „Be Juliaus Dautarto, šiandien mieste profesionalaus režisieriaus neturime. <...> Nebent dėl eksperimento Nekrošius arba Tuminas Miltinio teatre norėtų kažką pastatyti.“ (Pocius, 1998:21.)

Po kurio laiko kritikų straipsniuose užfiksuojama jau pakitusi teatro situacija: nuosekliai vykdoma repertuarinė teatro politika ir jos pasekmė – galybė režisierių, pjesių ir atitinkamas kiekis skirtingų vertinimų. Įvairių režisierių darbus teatre galima suskirstyti į dvi grupes: kviestinius (P. Stoičevas, R. Banionis, G. Padegimas, A. Pociūnas, L.M. Zaikauskas, R. Rimeikis) ir režisuojančius teatro aktorius (A. Keleris, V. Jevsejevas, V. Kupšys, prie jų galima priskirti ir teatro meno vadovą R. Teresą). Tačiau skirstymai ir grupavimai nepadės geriau atskleisti dabartinio teatro meninio veido atspindžių kritikoje, nes spektakliai, kuriuos pastatė išvardyti menininkai, nesudaro individualaus vienalyčio teatro braižo, o pavienių pjesių realizavimo vertinimai dažniausiai būna panašūs: „Normalus pastatymas tarp panašių normalių pastatymų.“ (Jansonas, 1999:21.) Kita vertus, nors teatro repertuare afišuojamų dramaturgų ir režisierių gausa atrodo chaotiškai, nuo R. Tereso, kaip meno vadovo, darbo pradžios teatras eina viena kryptimi – tęsia aktoriaus ir spektaklio epicentro tradiciją ir spektakliuose deklaruoja universalias, amžinas tiesas.

Vidutinybę pavyksta pralenksti tik pavieniams, tačiau negausiai kritikų aptartiems spektakliams arba aktoriams. Tarp jų galima paminėti du palankiai įvertintus spektaklius. Tai M. Zalytės spektaklis „Margarita“ (rež. A. Keleris), už kurį 2005 metais aktorė A. Preidytė apdovanota „Auksiniu scenos kryžiumi“ (kritikai šį spektaklį aptaria tik apžvalgine forma), ir B. Brechto „Kaukazo kreidos ratas“, kuriame, pasak N. Šatkauskienės, rizikinga dramaturginė medžiaga suskamba naujai ir žaismingai (Šatkauskienė, 2006: 21). Kritikos straipsniuose taip pat buvo bandymų ieškoti J. Miltinio tradicijų tęsos („Panevėžyje paisoma J. Miltinio mokymų“ (Murauskaitė, 2001:23)) ar apžvelgti naujas teatro tendencijas, lyginant su legendiniais Panevėžio teatro laikais („Kaip gyvena teatras be flagmano“ (Jablonskienė, 2001:18)), tačiau šios apžvalgos virsdavo gana paviršutiniškais interviu su buvusiais J. Miltinio auklėtiniais apie Panevėžio dramos teatro „aukso amžių“ ir taip dar labiau išryškindavo ne į gerą pusę pasikeitusią teatro situaciją. Atsvarą šiems straipsniams sudaro R. Oraitės bandymas objektyviai ir be išankstinės neigiamos nuostatos pažvelgti į tuometę dramos teatro situaciją: „Nežinia, kuo paremtais teiginiais, garsinimais rimtų šalies leidinių puslapiuose, Panevėžyje neva itin prasti reikalai... <...> Taip rašantys nekreipia dėmesio, kad „Senojo gluosnio...“ spektakliuose žiūrovai ploja stovėdami, o bilietai į kai kuriuos pastatymus išperkami prieš mėnesį.“ (Oraitė, 1998: 8.) Taigi, straipsnyje kritikė argumentuotai įrodo, kad Panevėžio J. Miltinio dramos teatro krizė yra tapusi tokia pačia legenda, kaip ir šlovingieji Panevėžio dramos teatro laikai.

Kontrastingi šių straipsnių atspindžiai atskleidžia teatro kritikų ir publikos vertinimo kriterijų takoskyrą. Nors teatro kritikai vis mažiau dėmesio skiria Panevėžio dramos teatro spektakliams, padidėjęs žiūrovų srautas – taip pat įvertinimas.

Apibendrinti R. Tereso, vis dar einančio meno vadovo pareigas, uždavinius nelengva, nes vis dar galimi pokyčiai, tačiau šiuo metu beveik visi išsikelti tikslai įgyvendinti:

1. Teatro repertuaras kritikų vertinamas gana palankiai („Visa paletė, – teigia E. Jansonas, – nacionalinė dramaturgija, šiuolaikinė pjesė, pasaulinė klasika. <...> Visa paletė režisūros požiūriu.“ (Jansonas, 1999:21.)
2. 2002 metais R. Teresui pavyko pritraukti ir naujų aktorių. Naujasis aktorių šešetukas kritikos straipsniuose paminėtas, tačiau jų vaidyba ir sceninis santykis su teatro veteranais dar laukia įvertinimo.
3. Bene svarbiausias uždavinys – publikos susigrąžinimas – paminėtas ir gausiai aptartas teatro kritikų.

4. Nors R. Teresui ir pavyko susigrąžinti į teatrą publiką, teatro kritikoje tendencingai mažėja išsamių spektaklių analizių, tad neigiamas šio laikotarpio aspektas – sumažėjęs Panevėžio J. Miltinio dramos teatro aktualumas ir reikšmė tarp kritikų.

IŠVADOS

S. Varnas, sąmoningai atmesdamas žiūrovų, kritikų ir teatralų pasąmonėje įsitvirtinusių Panevėžio dramos teatro „aukso amžių“, teatre įsigalėjusią psichologiškai niuansuotą vaidybą, intensyviai ieškojo naujų teatro formų ir naujos prasmės per nugludintą spektaklio vizualumą. Nepriekaištingos, tikslios formos spektakliams, pasak pačių kritikų, reikėjo savitų spektaklių stilistiką ir tikslus atitinkančių vertinimo kriterijų, nes vertinant įprastai nesigilinama į spektaklių prasmę ir akcentuojami tik profesionaliai vaidinantys aktoriai, efektinga scenografija, tikslus mizanscenavimas ir t. t. Taigi, iškilus vertinimo kriterijų trūkumui, dauguma S. Varno ir L. M. Zaikausko spektaklių likdavo įvertinti tik paviršutiniškai, išsamiau nepaliečiant spektaklių esmės – režisierių deklaruojamų dvasinių ir estetinių dėsnių. Žiūrovų reakcijos, spektaklių vertinimai ir teatro lankomumas kritikų straipsniuose neužfiksuoti, tačiau iš kritikos vertinimų gausos galima daryti išvadą, kad pagrindinių Panevėžio teatre stačiusių režisierių spektakliai, jei neprovokavo žiūrovų, tai į teatrą vėl grąžino susidomėjusius kritikus, neatsispiriančius pažiūrėti nors ir panašia stilistika perteikiamų, tačiau retai statomų autorių kūrinių interpretacijų.

Nors bendradarbiavimo idėja su Lietuvos režisieriais ir nepavyko, tuo laikotarpiu užsimezgė ir sutvirtėjo draugystė su Šveicarijoje gyvenusiu režisieriumi P. Stoičevu, kuris Panevėžio mieste atliko savotišką „misiją“ – pristatė retai statomus šveicarų ir bulgarų dramaturgų veikalus, kurie teatrologų buvo sutikti nepalankiai. S. Varno teatro etapas ligtolinėje Panevėžio dramos teatro istorijoje išsiskiria ieškojimais ir iki tol teatre vyravusių estetikų principų akcentų sukeitimu (režisieriaus ir aktoriaus dialogą keičia režisieriaus ir scenografo pokalbis), Lietuvos teatre ieškant naujų išraiškos formų. Tačiau nelaimingą meno vadovo karjeros baigtį teatre lėmė ne novatoriškumo paieškos, o jau susiformavęs, pripažintas ir savitą braižą (bei istoriją) gerbiantis kolektyvas, kuriam buvo sunku susitaikyti su nauju teatro istorijos lapu.

S. Varno laikotarpiu vidurinioji teatro kritikų karta „pranyksta“ vyresniosios ir atsiradusios jaunosios kartų gretose. Jaunoji teatro kritikų karta yra daug imlesnė naujovėms, liberalesnė, tačiau esama ir silpnosios teatrologų pusės – tai nenorėjimas, negalėjimas ar nemokėjimas užčiuopti teatro konteksto. Skirtingai nuo vyresniųjų, kritikai vengia vertinti teatro kūrybinius pasiekimus ar kelti sudėtingus reikalavimus, jie renka spektaklio prasmį „šifruotojų“ funkciją per daug negirdami, bet ir nesmerkdamiesi rezultato.

Apibendrinti meno vadovo pareigas tebeeinančio R. Tereso uždavinių įgyvendinimą Panevėžio dramos teatre nelengva, nes vis dar galima sulaukti pokyčių, tačiau šiuo metu beveik visi išsikelti tikslai įgyvendinti. S. Varną pakeitusio R. Tereso esminiai uždaviniai visų pirma atspindėjo teatro repertuare, kuris prieštaravo iki tol vyravusiai S. Varno erudicinei nuostatai ir skelbė teatro raiškos paprastumo ir suprantamumo principą. Pasirodžius paprastiems, nuoširdiems, lengvo turinio spektakliams teatro kritikai akcentuoja vėl į teatrą sugrįžtančius žiūrovus. Repertuare pastebima plati režisierių ir autorių pasirinkimo galimybė, tačiau kaip ir visuose Lietuvos miestuose, iškeliamas profesionalios ir nuosekliai savo idėjas realizuojančios režisūros trūkumas. Nors R. Teresui ir pavyko susigrąžinti į teatrą publiką, teatro kritikoje tendencingai mažėja išsamių spektaklių analizių, tad neigiamas šio laikotarpio aspektas – sumažėjęs Panevėžio J. Miltinio dramos teatro aktualumas ir reikšmė tarp kritikų.

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KULTŪROS PRODUKTO ĮTAKA VERSLO ORGANIZACIJOS ĮVAIZDŽIUI

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ABSTRACT. In new ages, business organizations are facing more and more challenges in a way of maximizing their profit. In a modern society and competitive market a right image is a key to successful activity, but unfortunately the term „right image“ is a relative construct, which is defined by various volatile variables. As a result, process of achieving right image is a complicated task, which demands complex work plan. Lately, it is widely popular to discuss product of culture itself and its relation to a economical benefit. Management of culture, industry of culture is spreading in Lithuania, and the perception of it and its positive outcomes is spreading accordingly to that. The analysis was made by few stages: notionally generalized the most important objects (what generally is organisation and how it can be classified, what is image and from what parts it consists, what is cultural product and what kind of features it has) whereafter were made qualitative and quantitative analysis by which were explored the cultural products of company „Keturi kambariai“. After comparing of the vision of the founder and remarks of consumers we could find the differences between the products which are the most important for the founders and which are the most conspicuous by costumers. The results might be helpful for the company owners to strengthen their relations with loyal costumers and to find more new ones.

KEYWORDS: culture, product, company, costumers.

PAPER LANGUAGE – Lithuanian

ĮVADAS

Globalioje rinkoje vis didėjanti organizacijų konkurencija reikalauja, kad verslo organizacijos susikoncentruotų ne tik ties savo kuriamu produktu ar teikiama paslauga, tačiau plėstų savo veiklą ir rezultatų siektų papildoma, netiesiogine veikla, pavyzdžiui, savo tikslinei auditorijai pasiūlytų kultūros produktą. Nors tai gali būti tiesiogiai nesusiję su organizacijos teikiama preke ar paslauga, kultūros produktas gali jai teikti šalutinę naudą, pavyzdžiui, gerinti įmonės įvaizdį. Organizacijos įvaizdis yra tiesiogiai susijęs su jos pelnu, kitaip tariant, kuo organizacijos įvaizdis geresnis, tuo daugiau klientų rinksis būtent šią, o ne kitą organizaciją rinkdamasis tą patį produktą.

Paskutiniu metu daug diskutuojama ir rašoma apie kultūros produkto ekonominę naudą, ryšį tarp ekonomikos ir kultūros. Lietuvoje plinta kultūros vadyba, kultūrinės industrijos ir vis labiau išreiškiama jų puoselėjimo, kūrimo bei sklaidos nauda visai visuomenei. Paminėtina, kad sukomercinant kultūros produktą ar juo bandant siekti pelno sunku išlaikyti jo kokybę, aukštą nematerialinę naudą. Taigi pabrėžtina, kad kultūros produktai gali būti nesukomercinti, tačiau išlaikę savo vertę, ir duoti organizacijai naudos, pavyzdžiui, gerinti jos įvaizdį, ypač tada, kai jis nėra tiesiogiai susijęs su pagrindiniu organizacijos teikiamu produktu. Dažnai organizacijos teikia visuomenei ne tik pagrindinį, bet ir papildomą produktą, kuris kuria įmonės įvaizdį, tačiau moksliniuose darbuose ir praktikoje nagrinėjama tik įmonės kuriamo pagrindinio produkto įtaka įvaizdžio formavimui. Taigi šio straipsnio objektas – įmonės kuriamo antrinio, t. y. kultūros, produkto reikšmė įmonės įvaizdžiui.

Straipsnio tikslas – atskleisti kultūros produkto daromą įtaką įmonės įvaizdžiui. Siekiant išsikelti tyrimo tikslo pasirinktas mišrus tyrimo pobūdis, apimantis ir kiekybinius, ir kokybinius metodus. Mišraus tyrimo pasirinkimo svarbą pabrėžia M. Gall'as ir kt. Jie teigia, kad kokybiniai tyrimai tinkamiausi ryšiams ir temoms tirti atskirų atvejų lygmenyje, o kiekybiniai tyrimai tinkamesni tiems ryšiams ir temoms patikrinti populiacijose (Gall et al., 1996). Šiame empiriniame tyrime naudojama atvejo strategija.

ĮVAIZDŽIO SAMPRATA

Kiekvienai organizacijai itin svarbu, kokį įvaizdį ji yra su(si)kūrusi visuomenėje, nes tai vienas svarbiausių konkurencinių pranašumų. Įvaizdis padeda tapti pranašesniems prieš konkurentus ir suteikia išskirtinumą santykiuose su įvairiomis įtakos grupėmis. Tad esamajvairių strategijų geram įvaizdžiui susikurti, kadangi tai padeda pasiekti stabilią, ilgalaikę verslo sėkmę, pritraukti naujus klientus, partnerius, skatina pardavimą, didina jo apimtį, didina galimybę pasinaudoti išoriniais finansavimo šaltiniais, kokybiškais organizacijai būtiniais ištekliais ir tokiu būdu sąlygoja jos dinamišką raidą bei plėtrą (Drūteikienė, 2007). Jei organizacija turi teigiamą įvaizdį visuomenėje, tai dar nereiškia, kad jos teikiamas produktas ar siūloma paslauga yra tokia kokybiška ir vertinga, kaip, pavyzdžiui, pati organizacija teigia. Todėl kartais kai kurių organizacijų veikloje galima įžvelgti savotišką paradoksą: organizacija teikia kokybiškesnį produktą ar paslaugą nei jos konkurentai, tačiau nėra tokia pelninga kaip pastarieji, teikiantys ne tokį kokybišką produktą ar paslaugą. Dažniausiai būtent šioje vietoje išryškėja organizacijos (ne)skiriamas dėmesys įvaizdžio formavimui. Tai patvirtina ir D. Ogivly'is: „<...> ištis auksinis atlygis laukia to gamintojo, kuriam pakako proto sukurti palankų įvaizdį ir ilgą laiką jo laikytis“ (cit. Ogivly iš Hopenienė, 1998).

Pasak G. Drūteikienės (2007), „organizacijos įvaizdis – tai idėjų, jausmų, suvokimų ir įsivaizdavimų, kuriuos asmuo ar jų grupė turi organizacijos atžvilgiu, visuma, veikiamą materialių ir nematerialių organizacinių elementų, komunikacijos ir asmeninių bei socialinių vertybių“. Įvaizdžio pagrindinė savybė yra ta, kad jis yra dinamiškas, t.y. kintantis dalykas, juo reikia nuolat rūpintis. Jei sukuriamas kokybiškų prekių teikiamos organizacijos įvaizdis, jį privalu išlaikyti ir įrodyti, kadangi vartotojas, nusivylęs teikiama paslauga ar perkama preke, nusivils ir organizacija, o tai blogins jos įvaizdį. Taip pat sunku nuspręsti, norima susikurti/turėti tam tikrą įvaizdį, ar ne. Pasak A. Pikčiūno (2002), organizacijos įvaizdį galima lyginti su mozaika, jis yra skirtingų organizacijos adresatų įvaizdžių visuma. Taigi įvaizdis yra sudėtingas darinys, kurį bet kada galima koreguoti.

KULTŪROS PRODUKTO SAMPRATA

Palankų verslo organizacijos įvaizdį galima kurti įvairiomis priemonėmis, viena jų – tiekti kultūros produktą. Mokslinėje literatūroje dažniausiai akcentuojama, kad kultūros produktą turėtų teikti kultūrinės organizacijos, tačiau reikia pasakyti, jog tą gali daryti ir verslo organizacijos. Taip naudos turėtų ne tik pati organizacija, bet ir produktą vartojantys klientai.

V. Pranulis ir kt. (2012: 23) teigia, kad „prekė – tai viskas, kas gali tenkinti norus ir poreikius, būti siūloma rinkoje pirkėjų dėmesiui, pirkimui ir vartojimui ar naudojimui“. Tačiau prekė nėra vien fiziniai daiktai, preke taip pat galima laikyti ir teikiamas paslaugas. Pirkėjams pirkti, vartoti ar naudoti gali būti teikiama ne tik matoma ir apčiuopiama išraiška, tačiau ir idėjos išraišką turinčios prekės-paslaugos. V. Pranulio ir kt. (2012: 182) nuomone, „paslauga – tai daiktinės formos neturinti prekė, kurios gamyba ir vartojimas vyksta tuo pačiu metu“. Paslauga išsiskiria tuo, kad ji yra fiziškai neapčiuopiama, jos nuosavybė neperduodama, jai būdingas trumpas galiojimo laikas, neatskiriamumas nuo jų tiekėjų ir gavėjų, ji nekaupiama ir nesandėliuojama. R. Kuvykaitė (2001: 21) teigia, kad „vartojamąją prekę dar galima apibrėžti kaip prekės teikiamą ekonominę, funkcinę bei psichologinę naudą“. Ji paaiškina, kad kaina ir padidėjęs produktyvumas lems ekonominę, prekės savybės – funkcinę, o pasitenkinimas, patogumas, saugumas, ramybė, kontrolė, valdžia ar kt. – psichologinę naudą. Tai ypač svarbu kalbant apie kultūros produkto apibrėžtį, nes jam galima priskirti ir R. Kuvykaitės aprašytą prekės teikiamą naudą. Renginy, paveikslas ar muzikinis kūrinys taip pat gali suteikti, pavyzdžiui, psichologinę naudą, jeigu vartotojas patirs ramybės, pasitenkinimo ar kt. pojūčius.

Ir V. Pranulis ir kt., ir R. Kuvykaitė teigia, kad nėra vien fizinių ar vien paslaugos savybių turinčių prekių, egzistuoja ir tokių prekių, kurios turi tiek fiziniams objektams, tiek paslaugoms būdingų bruožų. 1 lentelėje pateikiama, kaip prekes ir paslaugas pagal jų savybes ir tarpusavio ryšį skirsto V. Pranulis ir kt. bei R. Kuvykaitė.

1 lentelė. Prekių ir paslaugų skirstymas pagal jų savybes ir tarpusavio ryšį

Autorius	Skirstymas	Pavyzdžiai
Pranulis V. ir kt. (2012)	Prekė – vien fiziniai objektai, kuriems nepriskiriama jokių paslaugos savybių.	Muilas, vynys, stalas.
	Paslauga – visiškai neturinti daiktinių savybių.	Konsultavimo paslaugos ar pašto paslaugos.
	Mišri prekė – turinti ir daiktinių, ir paslaugos savybių.	Restorano maistas, automobilio remontas.
Kuvykaitė R. (2001)	Sudėtingas fizinis objektas.	Dantų pasta, druska.
	Fizinis objektas, susijęs su daugybe papildomų paslaugų.	Automobilių gamintojo, parduodančio automobilį, teikiama garantija, automobilio priežiūros ir remonto paslaugos.
	Paslauga, susijusi su fiziniais objektais ar kt. paslaugomis.	Oro transporto kompanijos, siūlančios pervežimo paslaugas, siūlomi šalutiniai gaminiai – maistas, gėrimai, spaudos leidiniai, ir paslaugos – vietų rezervavimas, keleivių registracija ir pan.
	Gryna paslauga.	Advokato, psichologo konsultacija.

Šaltinis: sudaryta autorės pagal Pranulis V ir kt., 2012; Kuvykaitė R., 2001.

Tiek V. Pranulis ir kt., tiek R. Kuvykaitė pritaria, kad ne visos prekės yra vien apčiuopiamos arba vien neapčiuopiamos, jų skirstymas skiriasi tik tuo, kad R. Kuvykaitė skirsto kiek smulkiau. Svarbiausia, kad įvairiai derindama daiktines ir paslaugų savybes įmonė sugebėtų praplėsti įvairesnį savo prekių asortimentą, o vienas svarbiausių rinkodaros klausimų – kaip jį (asortimentą) formuoti ir valdyti (Pranulis ir kt., 2012:183).

Prekes galima skirstyti ir remiantis kiek kitokiais kriterijais, pavyzdžiui, stambiais rinkodarai reikšmingais kriterijais. Toks skirstymas, remiantis R. Kuvykaite (2001), pateikiamas 2 lentelėje. Įvairias prekes galima suklasifikuoti pagal skirtingus požymius ir bruožus.

2 lentelė. Prekių grupavimas rinkodaroje

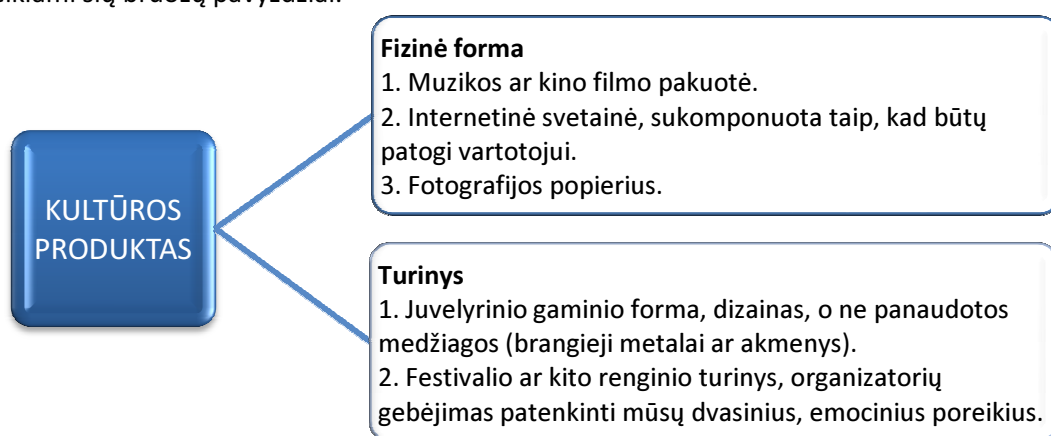
Grupavimo požymis	Prekių grupės	Apibūdinimas
Naudojimo trukmė	Trumpalaikio naudojimo prekės	Suvartojamos per vieną ar kelis vartojimo ciklus.
	Ilgalaikio naudojimo prekės	Skirtos daugkartiniam naudojimui.
Paskirtis	Asmeninio pardavimo prekės	Skirtos nekomerciniams, asmeniniams ar namų poreikiams tenkinti.
	Gamybinio naudojimo prekės	Skirtos įmonėms ir organizacijoms, kurios jas naudos savo tolimesnėje veikloje.
Nuosavybės teisė	Viešojo naudojimo prekės	Priklauso visuomenei, negali būti naudojamos tik vieno asmens.
	Privataus naudojimo prekės	Naudojamos privačių asmenų.
Prekių panašumas	Vienarūšės (homogeninės) prekės	Būtinos pirkėjui prekės; pirkėjai mano, kad panašių dydžių ir tipų viena rūšies prekės yra tos pačios kokybės, ir pageidauja, kad jų kainos būtų panašios.
	Įvairiarūšės (heterogeninės) prekės	Pirkėjai mažiau dėmesio skiria šių prekių kainai, o daugiau – kokybei ir savo poreikių tenkinimui.
Ryšys su kitomis prekėmis	Pakeičiamos prekės	Pirkėjas vieną prekę gali pakeisti kita.
	Viena kitą papildančios prekės	Viena prekė be kitos yra bevertė.
Rinkos prisotinimo prekėmis laipsnis	Laisvai parduodamos prekės	Tokių prekių rinkoje yra pakankamai.
	Deficitinės prekės	Šių prekių rinkoje trūksta.
Materialumas	Materialios (daiktinės) prekės	Apčiuopiamo pavidalo, fiziniai objektai.
	Nematerialios prekės	Neapčiuopiamos, dalis paslaugų ir idėjos.
Prekybos sandorių formos	Nominalios prekės	Kai pinigai arba teisė į juos leidžia įsigyti kitų norimų prekių.
	Realios prekės	Kurias parduodant sudaromi tiesioginiai sandoriai.

Šaltinis: Kuvykaitė R., 2001: 30.

KULTŪROS PRODUKTO SPECIFIKA IR KLASIFIKACIJA

A. Klamer'is teigia, kad kultūros produktai yra „diskursyvūs konstruktai“, o tai reiškia, kad produktas tampa kultūriniu, kai apie jį žmonės pradeda diskutuoti, įvairiai jį vertinti. A. Klamer'is nesutinka su nuomone, kad kultūros produktas gali būti lyginamas su bet koku kitu produktu ir būti panašiai vertinamas. Jis teigia, kad net jei gali būti perkami ar parduodami kaip kiti produktai, net jei gali tarnauti kaip investicijų ar pajamų šaltinis, jie vis tiek yra daugiau nei tiesiog produktai. Kultūros produktai padeda suprasti kultūrinės vertybės. Tai apima ne tik šventyklas, tiltus ar paveikslus, bet ir ritualus, istorijas, muziką ar tradicijas. Jie vertingi todėl, kad turi šiek tiek „daugiau“ nei eilinis produktas, jie suteikia galimybę pajusti baime, nuostabą ar kitus didingus jausmus (Klamer, 2008). Taigi kultūros produktas gali turėti kitų produktų savybių, tačiau visada bus išskirtinis tuo, kad sukels diskusiją, tam tikrus jausmus, atskleis kultūrinės vertybės, t.y. turės papildomų, kitiems produktams nebūdingų požymių.

R. Bartkutė (2009) pabrėžia kultūros produkto esmę išskirdamąją fizinę formą ir turinį. Žemiau pateiktame 1 pav. pateikiami šių bruožų pavyzdžiai.



1 pav. Kultūros produkto bruožai

Šaltinis: sudaryta autorės pagal Bartkutė R., 2008.

Taigi vartotojas gali vertinti ir fizinę kultūros produkto vertę, ir jo turinį, prioritetus teikdamas tam, kas jam (vartotojui) asmeniškai svarbiau. Pavyzdžiui, vieni vartotojai gali vertinti juvelyro originalumą kaip sugebėjimą sujungti skirtingas medžiagas, kitiems svarbiausia bus deimanto karatai, tretiesiems aktualu įsigyti tą patį gaminį vien dėl tinkamai organizuotos reklaminės kampanijos, sukūrusios viziją, jog šis kultūros produktas lemia socialinį statusą, priklausymą tam tikrai socialinei klasei. Gali pasirodyti painu, tačiau tai leidžia suvokti, jog kultūros produktai sujungia, regis, skirtingus darinius, skirtingas kūrybos apraiškas į vieną visumą (Bartkutė, 2008: 14, 15).

Kultūros produktų klasifikaciją pateikia ir G. A. Cano'as ir kt. (žr. 3 lentelę).

3 lentelė. Kultūros produkto klasifikacija

Kultūros produktas	Klasifikavimas	Autoriaus pateikti pavyzdžiai
Pagrindinės kultūros prekės	Paveldo	Kolekcijos ir kolekcionavimo objektai; antikvariniai senesni nei 100 metų daiktai.
	Knygos	Spausdintos knygos, brošiūros, informaciniai lapeliai ir t. t.; vaikų nuotraukos, piešimo arba spalvinimo knygos.
	Laikraščiai ir periodiniai leidiniai	-
	Kiti spaudiniai	Spausdinti muzikos kūriniai; žemėlapiai; atvirukai; paveikslėliai, piešiniai.
	Įrašai	Patefono plokštelės; diskai, lazerinės skaitymo sistemos; magnetinės įrašytos juostos.
	Vizualieji menai	Paveikslai, statulėlės, skulptūros, litografijos ir t.t.
	Garso ir vaizdo įrašai	Vaizdo žaidimai naudojant televizijos imtuvą; fotografijos ir kinematografijos juostos.

Kultūros produktas	Klasifikavimas	Autoriaus pateikti pavyzdžiai
Pagrindinės kultūros paslaugos	Garso ir vaizdo bei susijusios paslaugos	-
	Autorinės teisės, autoriniai atlyginimai ir mokesčiai už licencijas	-
Susijusios su kultūra prekės	Įranga/pagalbinės medžiagos	Muzikos instrumentai; garso grotuvai; kino ir fotografijos reikmenys; televizijos ir radijo imtuvai.
	Architektūra	-
	Projektų planai	-
Susijusios su kultūra paslaugos	Informacijos paslaugos	-
	Agentūrų paslaugos	-
	Reklamos paslaugos	-
	Kitos kultūros paslaugos	-

Šaltinis: sudaryta autorės pagal Cano ir kt., 2000.

Apibendrinant kultūros produktą, jo klasifikaciją ir specifiškumą galima teigti, kad kultūros produktu įvardijamos prekės (fiziniai daiktai) ir paslaugos (taip pat prekės, bet neturinčios fizinio pavidalo), kurios teikia funkcinę ir psichologinę (kurią sudaro pasitenkinimas, komfortas, ramybė, kultūros suvokimas ir kiti neapčiuopiami, bet suvokiami dalykai) naudą. Prekės ir paslaugos grupuojamos pagal naudojimo trukmę, paskirtį, nuosavybės teisę, panašumą ir ryšį su kitomis prekėmis, rinkos prisotinimo laipsnį ir materialumą – toks grupavimas padeda atskleisti esmines konkretaus produkto savybes.

UAB „KETURI KAMBARIAI“ KURIAMI IR TEIKIAMI KULTŪROS PRODUKTAI

Tyrimo metu išsiaiškinta, kad nors pagrindinis „Keturių kambarių“ įmonės teikiamas produktas – kava išsinešti, šalia jo organizacija teikia ir papildomus – kultūros – produktus. Juos galima suskirstyti į dvi grupes: tuos, kurių nuosavybės teisės priklauso įmonei nepriklausomai nuo kultūros produkto autoriaus, ir tuos, kurių nuosavybės teisės įmonei nepriklauso, tačiau jie taip pat yra teikiami įmonėje. Įmonė teikia tokius kultūros produktus:

- savo kūrybos kultūros produktus – tai tie kultūros produktai, kurių autoriai yra pati įmonė;
- pačios įmonės įsigytus kitų kūrėjų kultūros produktus – tai įvairiais tikslais įsigyti kitų autorių kultūros produktai, jų savininkai yra pati įmonė;
- kitų kūrėjų kultūros produktus – tai kitų kūrėjų kultūros produktai įmonėje, į kuriuos įmonė neturi nuosavybės teisės, dažnai įmonėje atsiradę šių produktų autorių pageidavimu.

4 lentelėje pateikiama kultūros produktų, teikiamų UAB „Keturi kambariai“, klasifikacija pagal kultūros produkto teisę į nuosavybę (pati įmonė ar kiti produkto kūrėjai).

4 lentelė. Kultūros produktų, teikiamų UAB „Keturi kambariai“, klasifikacija

Kultūros produktai, kurių nuosavybės teisės priklauso įmonei nepriklausomai nuo kultūros produkto autoriaus	Kultūros produktai, kurių nuosavybės teisės įmonei nepriklauso, tačiau jie taip pat yra teikiami įmonėje
Vintažiniai daiktai	Vintažiniai daiktai
Knygos	Knygos
Laikraščiai ir periodiniai leidiniai	Laikraščiai ir periodiniai leidiniai
Paveikslai	Paveikslai
Informacijos paslaugos	Informacijos paslaugos
Įrašai – patefono plokštelės	Įrašai – diskai
Kolekcionavimo objektai	Garso paslaugos: koncertai
Statulėlės, skulptūros	Vaizdo paslaugos: šokiai
Autorinės teisės, mokesčiai už licencijas	Garso ir vaizdo paslaugos – muzikos festivaliai
Muzikos instrumentai	Atvirukai
Reklamos paslaugos	Žemėlapiai
Piešiniai	-
Projektai	-

Šaltinis: sudaryta autorės.

Lentelėje pateikti kultūros produktai, kurių nuosavybės teisė nepriklauso įmonei, dažniausiai yra teikiami įmonėje norint supažindinti visuomenę su konkrečiu kultūros produktu, pavyzdžiui, naujai pasirodžiusia nežinomo autoriaus knyga ar šokių pasirodymą lauko kavinėje. Taip teigia ir įmonės atstovas: „Mes siekiame tapatintis su naujais arba mutavusiais, žymintiais naują proveržį kultūriniais produktais. Kadangi mūsų pačių prekinis ženklas yra mutuojantis, tai mus ir traukia labiau tokie patys produktai. Jei tai yra ne tik tiesiog daikto pardavimas, bet ir turi kažką ekstra, tai mes juos užskaitom. Todėl stengiamės padėti jiems patiems labiau save pristatyti publikai ir patys gauname šviežio kraujo, kažko įdomaus. Tai yra magiškas dalykas dėlėti savo map'ą ir spręsti, ką norime matyti šalia savęs.“² Įmonė netgi vykdo projektą „Introducing“ – tai UAB „Keturi kambariai“ „programa“, supažindinanti visuomenę su jaunais, dar neišgarsėjusiais menininkais ar tiesiog kūrybingais žmonėmis. Įmonė tarsi „atiduoda“ kavinių erdves ir aplinką įvairiems projektams. Kūrėjai gali naudoti įmonės erdves savo darbų ekspozicijoms, parodoms, pristatymams ir t. t., o įmonė siūlo pasirūpinti projekto paviešinimu ir kavinėse, ir socialiniuose tinkluose. Taigi UAB „Keturi kambariai“ ne tik turi „savo“ kultūros produktų, tačiau priima ir kitų kultūros produktus, netgi skatina jų sklaidą savo kavinių erdvėse.

Įmonės atstovo interviu taip pat leidžia apibrėžti, kokius kultūros produktus įmonė teikia (žr. 2 pav.).



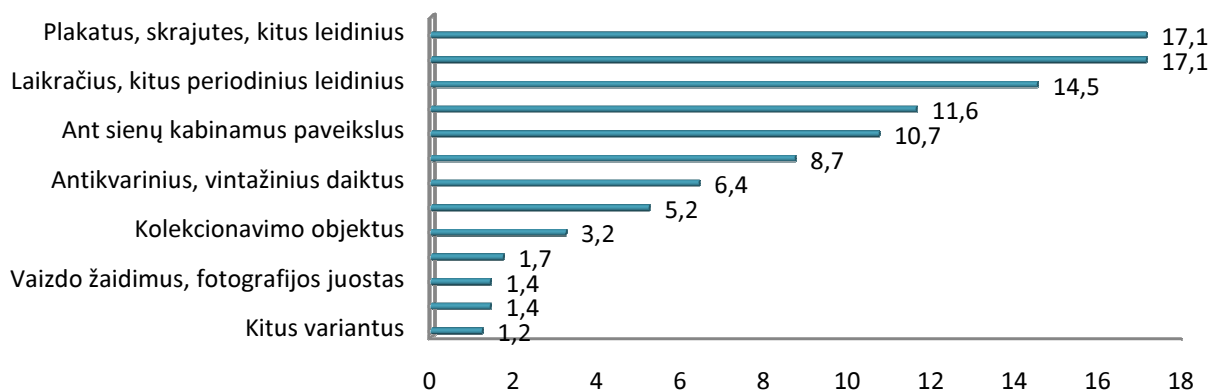
2 pav. UAB „Keturi kambariai“ teikiami kultūros produktai

Šaltinis: sudaryta autorės.

Taigi galima teigti, kad UAB „Keturi kambariai“ turi savo standartus, kuriais vadovaujasi prieš nusprenddami, kokius kultūros produktus teikti savo įmonėje. Jie turi būti ne tik aktualūs visuomenei ir pačiai įmonei, bet ir turėti savo charakterį, aurą, būti skoningi ir, kaip teigia respondentas, „šviesūs“.

Tyrimo metu gauti kiekybiniai duomenys rodo, kokius kultūros produktus UAB „Keturi kambariai“ klientai dažniausiai pastebi (žr. 3 pav.).

²Kalba netaisyta.



3 pav. Dažniausiai pastebimi UAB „Keturi kambariai“ teikiami kultūros produktai
Šaltinis: sudaryta autorės.

3 pav. matyti, kad įmonėje dažniausiai pastebimi kultūros produktai yra plakatai, skrajutės, knygos, laikraščiai, kiti leidiniai ir vykstantys renginiai. Galima teigti, kad dažniausiai pastebimi kultūros produktai yra tie, kurie yra ne tik kūrybiški, tačiau atlieka ir tam tikrą funkciją – informuoja, suteikia pramogą ir kt.

IŠVADOS

Organizacijos įvaizdis apibrėžiamas kaip idėjų, jausmų, suvokimų ir įsivaizdavimų (iš aplinkinių pusės) visuma. Jis pasižymi dinamiškumu, o tai lemia būtinybę jį stebėti ir formuoti, pradedant nuo jo pagrindo ir baigiant kultūra, identitetu bei profiliu. Pagal produkto ir organizacijos santykį įvaizdis gali būti skirstomas į bendrą, produkto, lygų, mišrų ir organizacijos. Kiekvienas skirstymas dar gali būti skaidomas į įsivaizduojamą, realų ir norimą (remiantis santykiu tarp objekto lūkesčių ir rezultatų), tačiau tik realus įvaizdis gali parodyti, ar jis yra palankus, neutralus, universalus ar nepalankus (tai atsiskleidžia per aplinkinių vertinimus).

Kultūros produktu įvardijamos prekės (fiziniai daiktai) ir paslaugos (taip pat prekės, bet neturinčios fizinio pavidalo), kurios teikia funkcinę ir psichologinę (kurią sudaro pasitenkinimas, komfortas, ramybė, kultūros suvokimas ir kiti neapčiuopiami, bet suvokiami dalykai) naudą. Prekės ir paslaugos grupuojamos pagal naudojimo trukmę, paskirtį, nuosavybės teisę, panašumą ir ryšį su kitomis prekėmis, rinkos prisotinimo laipsnį bei materialumą. Toks grupavimas padeda atskleisti konkretaus produkto esmines savybes.

UAB „Keturi kambariai“ pagrindinis teikiamas produktas – kava išsinešti, tačiau įmonė teikia ir papildomus – kultūros – produktus. Jie turi ir „savo“, ir kitų kultūros produktų, netgi skatina jų sklaidą savo kavinių erdvėse. Visus įmonės teikiamus kultūros produktus galima suskirstyti į dvi grupes: tuos, kurių nuosavybės teisės priklauso įmonei nepriklausomai nuo kultūros produkto autoriaus, ir tuos, kurių nuosavybės teisės įmonei nepriklauso, tačiau jie taip pat yra teikiami įmonėje.

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