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Challenges of Globalization to Economy and Finance

LATVIAN EXPORTS OF WOOD PELLETS: PROBLEMS AND PROSPECTS

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Abstract

The article contains the results of a study on the production of strategic and high-yield export production of wood pellets, using the example of the observed trends in the most developed regions of the world economy. It reflects the challenges and prospects for development of export production of wood pellets in the regions of Latvia in the context of conflicting trends in accelerated development of consumption and production of wood pellets in the EU. The author also sets out a number of activities, which would enhance competitiveness of the production.

Keywords: *forestry and wood-processing cluster, export orientation, wood pellets, the world economy, EU countries, Latvia, regional production*

Introduction

Analysis of the prospects for the development of regional export-oriented production of wood pellets in the Latvian forestry and wood industry cluster deserves special attention. In this cluster, unlike the vast majority of domestic industries and agriculture, the potential of foreign competitive production has been maintained and even substantially expanded.

It is significant that in 2007, the last pre-crisis year in our economy, the woodworking industry (excluding furniture production, wood pulp and paper) grew by 486% in comparison with the year 1990. It had increased almost five times in comparable prices (Grishin, Keiss, 2011).

The relevance of the issues addressed by the author has significantly increased in the context of well-known negative effects of the global crisis in the world economy. The crisis (in addition to other branches of domestic manufacture) affected the most dynamically developing timber-processing industry cluster of Latvia, which is the undeniable priority for the future of the Latvian economy.

However, in 2010, the Latvian woodworking products exceeded the pre-crisis figures. In 2011, production in the wood industry was by 12.6% higher than in 2010. In nine

months of 2012 production was by 6.5% higher than in the same period of the year 2011 (Ziņojums, 2012: 32, 36). Even more impressive is the increasing export orientation of the Latvian forestry and wood-processing industry. Also exports of woodworking products in 2010 increased by 46% and totalled LVL 1.022 billion, which is approximately equal to the pre-crisis level in 2007 (Коляко, 2011). The year 2011 experienced a record in exports of the forest industry of Latvia over the past 20 years, amounting to LVL 1.1–1.12 billion (Коляко, 2012). Finally, according to preliminary estimates, in 2012 the record of exports of 2011 surpassed and has reached the level of about LVL 1.2 billion (Лесная, 2012).

In the author's opinion, the prior role of the forest processing cluster might be maintained, not only during the period of overcoming the deep crisis in some sectors of the Latvian economy, but also in the future.

The main significance of the considered cluster is that it maintains a clear systemic industry-forming nature of most regions in our country (Grishin, Keiss, 2011:93). Just a comment by Minister for Economics of Latvia Pavļuts, "The forest sector is one of the few industries that is not concentrated in major centres; therefore it allows you to maintain and preserve small towns. Therefore, in terms of support for re-emigration, which is the current task of our Ministry, it is a special place" (Амалина, 2012).

In 2012, the cluster had 16.8% of merchandise exports. The traditional (approximately 73%) orientation of the cluster production to foreign markets is also worth mentioning. This cluster employed nearly 20% of the labour force and represented 22% of turnover in manufacturing industry (Ziņojums, 2012: 24, 32).

This is a somewhat superficial and simplistic view of a number of reputable economists in Latvia (e.g. Karnīte, Rutkaste) where they argue against the selection of the forest processing cluster as a long-term priority for the domestic economy under the pretext that the woodworking industry has traditionally been considered as having low value-added (Коляко, 2009; Князева, 2010). On the contrary, there are enough possibilities to implement innovation and generate relatively high value-added in the cluster. This assumption is based on the results of our early research (Grishin, Keiss, 2011: 89 – 100). Further in the work, the author will pay detailed attention to innovative manufacturing of wood pellets, where the opportunities to generate relatively high value-added are also available.

The aim of the present research is to analyze the prospects for the development of competitive exports of wood pellets in the Latvian forestry and wood processing cluster in the context of global and regional trends.

In order to achieve this goal, the following tasks were set:

- justification for the strategic prospects of high value export production of wood pellets in a modern global economy;

- reflection of trends of accelerated development and production of wood pellets in the EU;
- identification of the problems and prospects of development of export production of wood pellets in the regions of Latvia.

Methods and methodology of the research: synthesis and analysis, logically-structured method, a creative combination of systemic and contingency approaches, and analytical method of informative Internet resources.

Results and Discussion

The prospects for high-value export production of wood pellets in the world economy

The production of wood pellets (pellets) is becoming increasingly popular in the world economy from both environmental and economic point of view. First wood residues were transformed into granules in the early 1970's by businessman Rudy Gunnerman. He used this method to create a waste-free production of solid fuel and to save on shipping (Власова, 2011; Древесные, 2010). Wood pellets are produced mainly from filings; however, shaving, round wood, bark and virtually any waste wood are being increasingly used. Usually, they are in the form of pressed cylinders with a diameter of 4–10 mm and length of 2–5 centimetres, but sometimes large size granules are produced in the form of briquettes (На рынке, 2009; Лукашов, 2009).

The pellets are undeniably environmentally friendly source of energy that can be produced not only from waste wood and woodworking enterprises, but also from agricultural, food industry, including animal waste by-products (Российский, 2012). However, the woody biomass is the most effective. To produce the woody biomass, you can use special varieties of young trees with a periodic felling every 3–10 years, which are able to resume growth from the roots (Флегонов, 2009).

The production of wood pellets is considered both a high-yield, effective utilization of small waste wood and bark. The advantages of using wood pellets in comparison with direct combustion of sawdust, wood chips and old wood, are that the pellets emit more heat than sawdust and wood chips, thereby increasing the performance; the boiler does not require much space for storage and stored pellets don't ignite. Furthermore, pellets are much greener than traditional fuel: 10–50 times lower than the emission of carbon dioxide in the air, ash content is 15–20 times less (ash content is not more than 3%) than from coal combustion. Energy expenditure on the production of wood pellets also makes up approximately 3% of the energy content (Возможности, 2010).

However, to ensure objective analysis, it is worth considering recent assessments of the Russian experts. According to these assessments, the costs of a kilowatt of energy

derived from wood pellets are by 50–97% lower than from diesel fuel and fuel oil, by 17% lower than from coal, but at 3.5 times higher than from natural gas (Горбунов, 2012). Unlike coal, oil and gas, this type of fuel is renewable. However, it is thought that 2 kg of wood pellets is equivalent to 1 litre of oil. It is common knowledge that to replace 1 million tons of coal, a quarter of a million tons of wood pellets is needed (На рынке, 2009; Лукашов, 2009; Смолицкая, 2010; Гришин, Цауркубуле, 2012).

At the end of the year 2010, pulpwood and woodchips are exported on average 25 LVL/m³ (price per port), and the price of pellets exports is about twice as high – 55 LVL/ m³ (Дервообработка, 2010). When analyzing the opportunities to extract greater value added in the production of wood pellets, it must be understood that the prices of wood pellets, as of other wood products, are subject to significant fluctuations. For example, the price of wood pellets ranges between 140 to 160 euros per ton, and industrial pellets with high bark content are almost twice cheaper (Лукашов, 2009).

Pellet fuel manufacturers should carry out careful monitoring of the conjuncture with a view to use changes in different markets to their best advantage. For example, in May 2009, the growth in demand and prices in continental Europe led to shortages of wood pellets in Finland, which traditionally produces wood pellets several times more than consumes. Manufacturers of pellet, located in the Russian Republic of Karelia, have successfully taken advantage of such situation, supplying its products to the Finnish consumers even at relatively high prices (Биотопливо, 2009).

However, the most important advantages of wood pellets are related to logistics. The pellets are small and compact and, thereby it is easier to transport pellets than other forms of biomass, such as wood chips. Indeed, the pellets are very easy to store. You can pack pellets of 10 kg and 20 kg per pack. A cubic meter of wood pellets is equal to approximately two cubic meters of wood, but the wood pellets are denser and it means that a half of the space is required for storage and transportation (Власова, 2011; Развитие, 2012).

Even before the worst global crisis in 2007, the production capacity (power producers) of wood pellets in the world economy reached 12–14 million tons (На рынке, 2009). The recent estimates by some experts predict annual growth of 15–20% in the use of wood and agricultural waste in the industrial production of heat energy in post-industrial, but industrialized countries – North America, Europe, incl. the Nordic countries (Возможности, 2010). More recent estimates are indicative of the fact that the production of wood pellets in the world even more than doubled in the period between 2006 and 2010 (Развитие, 2012). Accordingly, it is assumed that in 10–15 years, the world will need about 200 million tons of pellets each year (Гришин, Цауркубуле, 2012).

Thus, the upward trend in the production and consumption of pellets is observed in North America, where Canada and the United States in particular, are not only net exporters of wood pellets in Europe and develop their own internal markets (Российский, 2012). Indeed, domestic consumption of solid biofuels in North America in recent years is

also growing. From a strategic perspective, experts do not exclude the possibility that the United States and, possibly Canada, generally stop large-scale export of wood pellets to Europe. Moreover, it is possible that these countries themselves will begin to import the pellets from other countries, including, for example, from Russia, Brazil or Indonesia (Биотопливо, 2009).

Until recently Canada was the largest exporter of wood pellets in North America, but in 2012 the United States have about the same amount of export. Great demand from businesses in the Netherlands, the UK and Belgium has caused accelerated growth in exports of wood pellets from the United States (Экспорт, 2012). The most powerful manufacturers of wood pellets are located in North America. Currently, the United States has two plants with the capacity of 500 thousand tons, and a plant producing 750 thousand tons of pellets per year. The Americans are also building a plant with the capacity of 1 million tons of pellets per year. In turn, the largest Canadian manufacturer of pellet plant can produce 400–500 thousand tons per year (Папылев, 2011; Канада, 2011).

There is no doubt that until recently the wood pellets market in other continents except for North America and Europe remained marginal, producing incomparably small amounts of this innovative, relatively value-added wood products. South America, Africa and even Asia remain far behind in the race for market share and positioning on the wood pellets market. However, these players should not be underestimated. For example, it was rightly pointed out that for a country like Brazil, its raw materials and development of the wood and paper industry, it will be only a matter of time to become a key player in the market of wood pellets (Древесные, 2011).

Indeed, in our view, growing global demand is a serious motivator to expand production of wood pellets in other regions of the world economy, especially the dynamic Asian countries. However, in South America and even Africa quite significant changes are possible for a rapidly developing market of wood pellets. It is important to mention that the first major power plant producing 250 thousand tons of wood pellets per year appeared even in Australia, which had planned to produce 1.5 million tons of wood pellets annually by the year 2012. Experts predict a considerable increase in demand for pellets in Asia, including South Korea, China and Japan over the next few years (Развитие, 2012).

However, experts have rather conflicting estimates and projections regarding the dynamic, innovative processes associated with the production of wood pellets. Indeed, some experts believe that for a period 2012–2020, the consumption of wood pellets in the new industrial country, e.g. South Korea will significantly grow from 1.4 million to 9 million tons per year (Ракитова, 2011). It is also noted that the growing markets for wood pellets have appeared in other countries of the world economy, including the dynamic economies of Asia and Latin America. It is expected that the growing demand for wood pellets in the world economy can initiate relevant growth through direct foreign investment in some countries in Latin America (Возможности, 2010).

It is significant that according to the most conservative forecasts by experts for the period 2010–2020, production of wood pellets in South America increased from 0.1 million to 4.4 million tons (Горбунов, 2012). It is also clear that in the coming years the dynamic Chinese economy will be the big importer of fuel pellets (Пискулов, Бурдин, 2010: 55). Although China and South Korea are planning to build a whole network of pellet plants, their products are intended primarily for the growing domestic market needs (Перспективы, 2010). It is expected that by the year 2020, China plans to produce 50 million tons of wood pellets annually (Пеллеты, 2007). In the opinion of experts, in the period from 2010–2020, the production of wood pellets in China will grow from 0.6 million to 5 million tonnes, while Japan and South Korea (which are rich in forests) will experience growth from 0.1 million up to 1.1 million tons (Горбунов, 2012). Growth in demand for pellets in Asia prevents expensive delivery by sea. The pellets of European origin are exported to the Asian market in very small quantities and infrequently (Популярность, 2013).

The accelerated development of the production and consumption of wood pellets in the EU

In Western Europe, Sweden is considered a pioneer in fuel granule production; where in the early 90-ies of the last century the industrial production of pellets from waste wood and widespread use in heating began booming (Древесные, 2010). In the period 2004–2009, the consumption of pellets in developed European countries increased about 4.5 times, but there is no question as to whether the market for wood pellets will continue to grow (Российский, 2012). Indeed, now the demand for wood pellets in the EU countries grows by 27.1% annually. Annual consumption volume has already reached 10 million tons (Популярность, 2013). The Western experts predict that by the year 2020, the annual demand of the EU countries for fuel from wood pellets will fluctuate from 80 million up to 150 million tons (Пискулов, Бурдин, 2010; Перспективы, 2010; Гришин, Цауркубуле, 2012). According to Eurostat, by the year 2020, the consumption of pellets in Europe should reach even 420 million tons. Although the last forecast, according to most experts, is too shocking; however, there are grounds for it to exist, especially for long-term analytics (В Европе, 2011).

It is remarkable that even in 2009, in the midst of the global crisis in some European countries (e.g. Austria, Germany), there was a significant (approximately 25–30%) capacity expansion of the wood pellets market (На рынке, 2009). According to later data (2010) by the Executive Director of the Austrian Association for the pellet industry Rakosa, in the next three years, the European market of pellets expected sharp rise in activity (Возможности, 2010).

According to the British experts' evaluation this poor country of forests will be the main consumer of biofuels in the EU over the next few years. Experts suggest that in the period from 2012 to 2020, the annual consumption of wood pellets will increase

from 3.5 million up to 7.4 million tonnes. Along with Britain, Belgium, the Netherlands and Denmark are the biggest importers of wood pellets in the EU (Перспективы, 2010; Копец, 2010). We should pay particular attention to the generally accepted fact that Benelux countries (Belgium, the Netherlands, and Luxembourg) imported more than 95% of wood pellets. It is also assumed that manufacturers of wood pellets from the United States will be able to absorb only about half of this market. If this is true, it is expected that the consumption of wood pellets in Benelux will increase more than twice in the period from 2020–2012 up to \$ 5.7 million tons with the market value of around 1 billion USD (Рынок, 2013).

It is also known that Italy is among the major countries of the promising markets for wood pellets, and currently needs 740 thousand tons (Популярность, 2013). However, experts point out to relatively low level of domestic sales of wood pellets in Finland and Poland (Возможности, 2010). In the author's opinion, the markets of the two countries can be forest-rich, especially in the short term, considered only as a backup for exporters of wood pellet niches.

However, it is known that even before the global crisis – in 2007, the production capacity (power producers) of wood pellets in the EU was about 9 million tons (На рынке, 2009). There are 53 plants in Germany producing 1.7 million tons of wood pellets per year (with a total production capacity of 2.4 million tons a year). Meanwhile, only 1.1 million tons were used on the domestic market of Germany. In 2010–2011, Germany put into operation the plants with the total capacity of 598 thousand tons per year (Перспективы, 2010). Along with Germany, the largest European producers of wood pellets are Sweden (1.7 million tons) and Austria (800 thousand tons) (На рынке, 2009).

Denmark also actively develops the production of biofuels. Denmark has successfully established a system for collecting waste wood from sawmills and other businesses. Consumption of pellets in Denmark is comparable with Sweden; at the same time part of the necessary wood pellets for the domestic market is imported. Let us recall that the Danish capital has been invested in factories for the production of pellets in Latvia and Estonia (Ореховский, 2013). The fact that Denmark and Germany have relatively poor forest resources (only 0.11 and 0.14, respectively hectares of forest per capita) deserves special attention. This is even less than in Italy, Ireland and Luxembourg (18 hectares of forest per capita in 2010), and Hungary (respectively 20 hectares per capita) (Forestry, 2011:13).

Interest in wood pellets in Finland originated relatively recently and the local market is only developing. To date, however, the Finns with their huge forest resources (4.35 hectares of forest per capita in 2010) managed to rank the 2nd in Europe for the production of wood pellets (Ореховский, 2013). Over the past few years, the factories producing wood pellets have also emerged in countries like France, Bulgaria, and Spain, which previously did not know what the pellets are (Перспективы, 2010). Such production

is being actively developed in Belgium, the Netherlands, Poland and the Baltic States (На рынке, 2009; Лукашов, 2009).

However, it is important to pay particular attention to the views of some experts (for example, Piskulov, Burdin) that the government policies and subsidies have greater impact on the development of the world production of energy from biomass, including wood, than the market factors. Most industrialized countries have set an ambitious goal to replace non-renewable natural resources (oil, gas, coal) with renewable energy sources (RES) over next 10–15 years. These countries regard the wood as the most important component for the realization of these goals. The EU countries are at the heart of the government initiatives to expand biofuel production (Пискулов, Бурдин, 2010).

As regards regional development of wood pellet production, we need to remember that owing to the state support for producers of pellets; for example, the United States, Canada and even Brazil often have the opportunity to deliver their products to European consumers at very low price. However, the volume of overseas wood pellets supply is limited. The producers usually place their export volumes under long-term contracts with fixed prices for 1–2 years in advance. Accordingly, European consumers are sometimes forced to seek additional volumes of biofuels at a higher price (Биотопливо, 2009).

The leader of the world's largest biofuel association, Professor H. Kopets emphasized that in the year 2009, the EU adopted a new energy and climate programme called **20:20:20**, which means that the following objectives should be attained by 2020:

- Carbonic gas emissions should be reduced by 20% compared to 1990 levels.
- Energy efficiency should be increased by 20% compared to the period before 2009.
- Share of renewable energy sources (RES) through biofuels, wind, solar, water should be increased from 8.5% in 2005 to 20% (Копец, 2010).

Accordingly, bio-fuel pellets, including wood, are widespread in European countries through various forms of support to producers and consumers. Among such measures are the quota for developing solid-fuel thermal power green electricity (electricity from biomass), taxes on the use of fossil energy, subsidies for installation of pellet boilers and the like (Российский, 2012). Therefore, there is no doubt that industrialized, post-industrial and parts of newly industrialized countries have a huge potential for the development of biofuels, including wood pellets. In view of some experts, the demand in these countries for fuel pellets exceeds the offer three times (Морозова, 2010).

The prospects for high value export production of wood pellets in the regions of Latvia

It is important to note that the boom in production of wood pellets that in the 90-ies could be observed in many European countries and Latvia has not passed (Власова, 2011). In 1997, in the village of Lauciene in the Talsi District, a joint venture with the Swedish

capital (*SBE Latvia Ltd*) producing wood pellets started operating. Its capacity was 50 thousand tons a year. Before Latvia's accession to the EU in 2004, about a dozen relatively large suppliers of wood pellets were established in the regions of Latvia, often involving foreign capital. Annual capacity of each of these companies was not less than 10 thousand tons. As a result, in the period from 1999 to 2003, export of wood pellets has risen from LVL 492 thousand up to LVL10.6 million (Новак, 2004).

It is significant that due to recent global crisis and traditional fluctuations in the demand for wood and wood products, even this promising export direction of the EU market – production of wood pellets, was exposed to greater risks of external economic uncertainties.

Although this production was based on foreign investment, it was sometimes in a difficult situation, even close to bankruptcy. Typical problems and risks associated with the production of wood pellets are reflected in *Table 1*. The author recalls that in 2008, three regional manufacturers of wood pellets in Latvia (*Vidzemes Granulas*, *Gaujas Granulas* and *Hansa Granuls Estonia*), which were comprised in *Baltijas bioenerģijas grupa* were declared insolvent. In January 2005, *Baltijas bioenerģijas grupa* (BBG) acquired 100% stake in the Danish company *Hansa Granul Denmark*. This parent company of the BBG became even the third largest producer of wood pellets in Europe with a capacity of approximately 270 thousand tons of pellets per year (Гришин, Цауркубуле, 2012).

However, in times of increasing global crisis, there have been other sporadic cases of bankruptcies in this promising segment of woodworking. For example, in 2008 in Liepāja, the Swedish manufacturer of wood pellets *Liepaja Pellets* went bankrupt. The financial results of this Swedish company were on the verge of collapse. However, the management of the Swedish bankrupt company had made a mistake by refusing help of the parent company. In the opinion of the Swedes, such a sad fate awaits most manufacturers of wood pellets in Latvia; it has also turned out to be erroneous (Обанкротившийся, 2008). In this regard, V. Skrivelis, Head of the Association of Latvian Chemical and Pharmaceutical Industry expresses his view that for the Latvian economy it is important to create cross-sectoral (interbranch) clusters. For example, joint efforts of chemists and the wood industry create perspective innovation in alternative energy projects (Киртовская, 2011). Indeed, individual insolvency of the Latvian joint companies does not imply the need to collapse under this pretext of promising innovative directions. Moreover, such a regional production of green energy, according to some authoritative experts (e.g. Strīpnieks), does not compete with other ways of using wood. It provides for wood resources, which previously were illiquid, which remained in the woods: branches, stumps, etc. (Петрова, 2007).

Starting with the period 2009–2010, the production of wood pellets again begins to evolve rapidly in Latvia. It is significant that in 2008 and 2010, Latvian manufacturers of wood pellets produced 400 thousand and more than 500 thousand tons respectively (Штерн, 2011; Ореховский, 2013). According to the CSB, in 2009 the Latvian export amounted to

LVL 39.4 million of wood pellets, while in 2010 it was already LVL 50.3 million. In turn, in 11 months of 2011 (January to November inclusive), the Latvian exports of wood pellets totalled LVL 50.8 million. The potential for growth in the production of wood pellets is unquestionable (Каленова, 2012). However it was a matter of concern that only about 10% of produced wood pellets were used at the internal, domestic market of Latvia that is quite sluggish (Штерн, 2011).

It is also impressive is that at the end of October 2011, Latvia's largest manufacturer of wood pellets *Latgran* opened already the third plant with capacity of 150 thousand tons of production per year. It has an area of 7 hectares in the Ūdrīši rural municipality of the Krāslava District. The owners of *Latgran* are the Swedish company *Kinnevik Investments* (51% of the shares) and the *Finnish Baltic Resources* (49% of the shares). Two other similar *Latgran* plants (with a total capacity of 235 thousand tonnes) are also in Jēkabpils District and Jaunjelgava District. Wood pellets produced by *Latgran* are designed for large industrial cogeneration plants. *Latgran* sells its products mainly to the Nordic countries. It is also significant that many employees of *Latgran* in Krāslava were returning residents from a short-time emigration to England and Ireland. The investment for construction of Krāslava plant was approximately EUR14 million euros. Only 28 people are employed in the manufacturing process. Currently, the three plants of *Latgran* in Latvia produce 400 thousand tons of wood pellets annually. Almost all products are exported to Denmark, Sweden, Belgium and the Netherlands (Гастарбайтеров, 2011; Ореховский, 2013).

Table 1

Problems and Risks Associated with Export Production of Wood Pellets in Latvia

Problems	Description of a problem
Competition	Thanks to the wide public support, pellet producers in the United States and Canada often have the opportunity to deliver their products to European consumers in the EU at very low prices. Although the EU market demand for wood pellets is higher, there is increasing competition among many European countries, especially those, which are rich in forest resources, including Sweden, Austria, Finland, Poland and the Baltic States. While in Western Europe, especially in the EU, production and use of the pellets is also actively encouraged by the state, until the use of subsidies.
Cost of maritime and other transport	Meeting growing overseas demand for wood pellets, the Latvian producers prevented the problem of rising costs on shipping. In recent years, there has been an increase in the freight cost of ships in the transportation of bulk cargoes. In some areas, there is a shortage of tonnage that is associated with increased transport of bulk cargo such as coal and grain. In this business, one of the main difficulties is the transportation. European importers usually buy wood pellets in bulk (10–12 railway cars). The goods are moved by rail or maritime transport, since the carriage by road in this case is absolutely unfavourable.

Price fluctuations	When analysing the possibilities of getting big added value in the production of wood pellets, it should be taken into account that prices for pellets, as for other products of wood, are subject to significant fluctuations. This business is also seriously affected by seasonality. In some periods of the year, for example, in the summer, the price of pellets is reduced several times. Accordingly, experts argue that the production of wood pellets will be cost effective if processing volume is not less than 600 tons of pellets per month.
Foreign economic uncertainty	Under conditions of recent global financial crisis and traditional timber demand fluctuations, even such a promising export market for the EU as the production of wood pellets, was exposed to greater risks of external economic uncertainties. In some regions of Latvia, where there are few sawmills or they went bankrupt during the crisis, the production of wood pellets became unprofitable. For example, such a situation has developed in the vicinity of Liepāja.
Conjuncture and strategic raw material deficit	Today the use of waste wood (sawdust, wood chips, shavings, lumpy waste) is not sufficient. This intensifies competition for raw material use among producers of wood pellets, wood-pulp and paper facilities, as well as among producers of chipboard. Even before the crisis, the manufacturers of wood pellets in Latvia faced shortage of wood raw materials, especially sawdust, and increasing costs of it. In view of the substantial increase in the volume of production of wood pellets, there is high strategic need for new volume of necessary wood raw materials.
Some problems of technological nature	As the production of pellets increases, there are some problems, including auto heating of wood pellets; problem of pellet storage; cooling of large quantities of wood pellets in the production process; the use of local wood types with different properties, which can affect the production parameters and bandwidth. There are also problems of condensation and fragmentation pellets during shipping, as well as the production of pellets from mixed species of wood waste.

Source: Гришин А., Цауркубуле Ж. Перспективы высокодоходного латвийского экспорта в кластере лесного хозяйства и деревообработки. // ВРМА starptautiskais zinātnisko darbu krājums "Psiholoģijas, biznesa un sabiedrības sociālās sfēras aktuālās problēmas: teorija un prakse", 8. sējums II daļa Rīga: 2012.- lpp.66.–84; Перспективы мирового рынка пеллет. // грантех-Тюмень. 2010.

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Production of wood pellets is increasing also in some other regions of Latvia. For example, in 2012, the Estonian company *Graanul Pellets* became Latvia's biggest plant producing wood-based granules in Inčukalns. It provides 35–50 new jobs and will be able to produce 175–200 thousand tons annually. 99.9% of the production is exported to Scandinavia and other European countries. But earlier in 2007, this Estonian company also opened production of pellets in the Launkalnes District. Among the

leading Latvian enterprises for the production of pellets also company *SBE Latvia Ltd* from Lauciene in the Talsi District can be mentioned, which as earlier noted, was a pioneer of the considered production in Latvia. In 2011, this Latvian-Swedish joint-venture produced approximately 70 thousand tons of pellets, which were mostly exported to the Baltic Sea countries, as well as to the UK, Belgium and the Netherlands where they are used on large stations and cogeneration heat plants (Ореховский, 2013).

In turn, the joint venture with the Icelandic capital *Byko-Lat* in Valmiera, along with its plant in Cēsis also produces wood pellets, in addition to the main production (garden furniture). Wood pellets account for only a modest share of 2% of turnover. However, it is important that wide diversification of wood products (from the manufacture of various wood building materials, timber frame homes to pellets) has allowed the company to successfully overcome the crisis (Ореховский, 2012). It is also significant that in Cēsis, the largest company in the field of woodworking *Stāļi Ltd* also managed to stay on the market during the crisis, thanks to diversification of timber production. In 2012, along with exports of laminated wood, including wooden windows and doors, *Stāļi Ltd* also opened a new plant for the production of wood pellets, where about half a million euros was invested (Производство в Цесисе, 2012).

Even in Rēzekne, which undeniably belongs to the most disadvantaged large cities of Latvia, also foreign investor *Carbon Neutral Biofuel* in the Rēzekne Special Economic Zone has nearly completed construction of a plant with a capacity of 130 thousand tons of wood pellets per year. The raw materials used to be local, and 95% of the final products are for export (В Резекне, 2012). In addition to the plant of wood pellets with 36 people, the top management of the plant plans to provide jobs for another 300 people related professions, e.g., woodcutters, etc. (Смолицкая, 2010). It is also important that in Daugavpils, in two years the company *Hi Tech Energy* plans to build new “torrefaction” plant providing 300 jobs. This is an international project: such plants will be built in Lithuania and Estonia. To achieve this goal, the *Hi Tech Energy* investments are about USD 160 million. “Torrefaction” biomass is composed mainly of wood, which is converted in evaporated water and is used to make pellets. The power plant involves processing of 160 thousand tons of biomass per year. Similar plants are already operating in a number of European countries, but there are plans to build the most powerful of them in Daugavpils (Дашь, 2012).

Conclusions and Suggestions

In today's global economy, the production of wood pellets is becoming increasingly popular. It is advantageous not only from an environmental and economic point of view. Wood pellets are one of high-yield, effective utilization of small waste wood and bark. Wood pellets have relatively high value added compared to many other types of wood, including their important advantages in terms of logistics.

1. Despite the recent global crisis, the production and consumption of wood pellets are growing rapidly in North America and Europe. North America has the most powerful manufacturers of wood pellets. In view of this strategic perspective, it is possible that the United States and even Canada will abandon large-scale export deliveries of wood pellets to Europe, preferring domestic and other markets.
2. Until recently, South America, Africa and even Asia had incomparably smaller volumes of wood pellets. However, dynamic players from these countries, particularly newly industrializing countries as Brazil, South Korea, China or South Africa should not be underestimated. Despite conflicting forecasts for these remote markets, there is faster growth of production and consumption of wood pellets, but for us these remote markets are less profitable due to the high cost of delivering by sea.
3. From the strategic perspective, the EU countries require only 80–150 million tons of wood pellets annually. The EU has still much more dynamic development of production of wood pellets (especially in countries which are relatively rich in forest resources) and consumption (in most countries). However, the driving forces of the development of the European wood energy are government policies and subsidies rather than market factors. We also should remember that owing to the state support for manufacturers of wood pellets, the United States, Canada and even Brazil often have the opportunity to deliver their products to European consumers at very low, obviously dumping prices.
4. Under conditions of the recent global financial crisis and traditional fluctuations in demand for timber, there were greater risks of external economic uncertainties, which sometimes ended up in the most complicated situations leading to bankruptcy, even for overseas investments. However, it does not mean the need to collapse under this pretext of promising innovative directions. The typical challenges and risks for the Latvian export production of granules are associated with unfair competition due to broad public support for wood pellets producers in developed countries; the increasing costs of transport of granules by sea; significant price fluctuations, including the seasonal consumption of pellets; external economic uncertainties due to fluctuations in the demand for wood and conjuncture shortages of wood raw material, as well as some technological problems.
5. In 2009–2010, the production of wood pellets in Latvia evolved rapidly. There are about a dozen of manufacturers of wood pellets (producing from 70 to 200 thousand tons per year) in Latvia with the participation of foreign capital. To date, the production capacity of wood pellets in Latvia is gradually approaching 1 million tons. However, there is concern that only about 10% of the production of wood pellets is used in the internal, domestic market of Latvia.

In view of the above conclusions, it is worth making the following suggestions for the Cabinet of Ministers of Latvia, including the Ministry of Economics and the Ministry of Environmental Protection and Regional Development:

- In Latvia, complex governmental measures are required to implement the priorities of the forestry and wood processing cluster. In this cluster, a targeted governmental support is required, including innovative, marketing and credit policy for regional producers of wood pellets. In this cluster, the Latvian government must support not only small, but also large businesses, regardless of origin of their capital.
- The Latvian government will have to participate in complex negotiations to justify such industrial policy in the EU institutions and the WTO. Accordingly, our political elite that participate in the formation of the ruling government coalition require political will, the concentration of intellectual effort and persistence.
- In short term, in addition to our penetration into western European markets of wood pellets, the Latvian government should also support the development of new markets in Germany, Italy, Luxembourg, and even in Ireland and Hungary, given their relatively low availability of forests (within 0.14–0.20 hectares per capita).

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RESEARCH OF HOME PRODUCTION DEVELOPMENT ACTIVITIES IN LATVIA

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Abstract

The study includes a research in home production development activities in Latvia on the basis of the socio-economic development analysis. According to the information of the statistical office of the EU – Eurostat, the Latvian population is the third poorest within the EU member states. The number of low-income residents still continues to increase in Latvia after the global economic crisis in 2008. The Eurostat data show that the proportion of Latvian citizens subjected to poverty and social exclusion in 2008 was 33.8%; in 2009 – 37.4%; in 2010 – 38.1%; and in 2011 it had already reached 40.1%.

The paper includes analysis of the measures to be taken to promote the development of home production in Latvia and to seek ways to settle poverty issues (at the end of 2010, 846 thousand people in Latvia were in poverty, but in 2011 the number reached 900 thousand).

Forced by the living conditions, the Latvian households were increasingly involved in the production of products necessary for their own consumption. The surplus was sold outside the traditional distribution networks, in order to sell it for money of equivalent value so that it would be possible to buy other market products for household needs.

The methodological base of the research has been developed using the traditional economy verities, having self – subsistence economy and farming as a lifestyle that is producing products for one’s own consumption, but the production surplus is exchanged to other products. The traditional economy is characterized by agricultural production in rural areas and urban craft production, undeveloped market relations, low standard of living, historical traditions and uncommunicative lifestyle.

Keywords: home production, self – subsistence economy, household, traditional economy

Introduction

In order to resolve the existential problems of the population living in poverty (in 2011, 846,000 people were in the shadow of poverty; in 2012, their number reached 900,000), new possibilities, based on the analysis of the socioeconomic development in Latvia, are sought for. To capture the essence of the problem, it is necessary to conduct researches on traditional economy, importance of subsistence economy, household economy and development opportunities of household production.

The expansion of subsistence economy in Latvia early in the 21st century serves as a proof of the poor economic policy implemented by the state and inefficiency in addressing the regional development issues.

Grasping the socioeconomic importance of agricultural household production requires researches on the importance of subsistence economy, its place and role in the context of traditional economy. *Traditional economy* can be best characterized by historical traditions, reserved lifestyle, agricultural production in rural areas and artisan production in cities, underdeveloped market relations and a low standard of living.

The goal of the research: to study the measures to facilitate the development of household production in Latvia. The tasks of the research are to:

- perform the socioeconomic analyses of Latvia;
- describe the place and role of subsistence economy in the context of traditional economy;
- study the theoretical aspects of household production
- describe the measures to facilitate the development of household production.

The research is based upon the methods of monographic, historical research, synthesis, logically constructive and statistical data analysis.

Results and Discussion

Description of the current situation in Latvia

After 20 years of independence, Latvia has sunk down to the bottom of the EU states in terms of prosperity. It means that the national economic policy implemented during this period suffered from errors not only regarding the rural development policy making, regional development policy planning, privatization of industrial and agricultural companies, but other fields as well.

While regaining its independence, the population of Latvia hoped for establishing the rules of the traditional market economy, however the 50 years that were spent under the Soviet regime, in comparison to pre-war Latvia, resulted in profound changes in both the market economy and economic life.

The current situation in Latvia is depicted in *Figure 1* with various-size farms divided by the volume of produce utilized: the number of farms producing for the market and those producing for their own consumption.

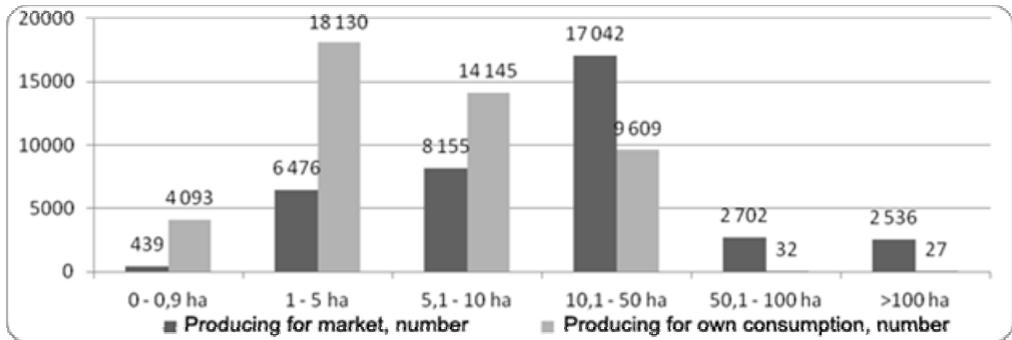


Figure 1. Distribution of farms (83 000) by the produce utilized in 2010 (Rivža, 2013:15)

Latvia has 83 100 farms, 60% of which are cultivating only 13% of agricultural land. Only 45%, i.e. 37,000 farms produce for the market (Rivža, 2013:14). Whereas 54% of permanent (full-time and part-time) agricultural workers are employed in farms of the area up to 10 ha; 21% of these farms produce for the market (Rivža, 2013:14).

The employment problem in the countryside of Latvia remains a topical issue. When analyzing the distribution of permanent agricultural workers by the type of occupation, a proportion of wage labour to volunteer labour in farms of different sizes emerges (see *Figure 2*).

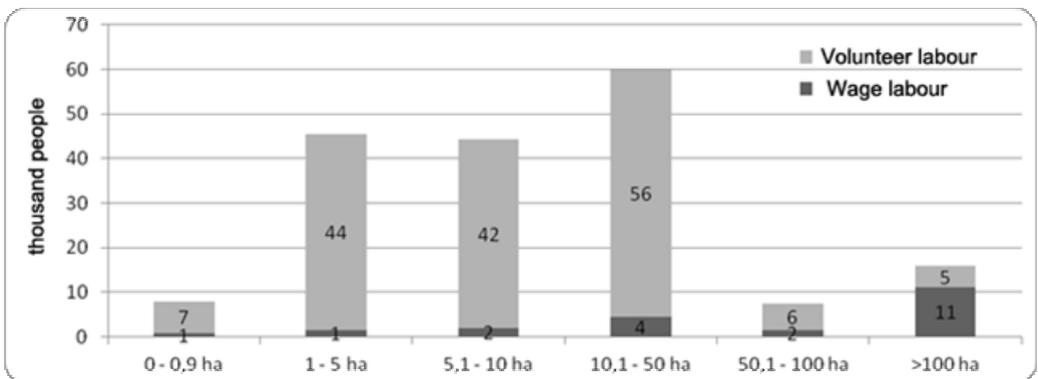


Figure 2. Distribution, in thousands, of permanent agricultural workers (181 000) by the type of occupation in 2010 (Rivža, 2013:16)

Only 12% of permanent agricultural workers receive wages, and 17% are working full-time (Rivža, 2013:16). 54% of permanent (full-time and part-time) agricultural workers are employed in farms of area up to 10 ha, only 21% of which are producing for the market (Rivža, 2013:14). If the farms of the area up to 10 ha have the highest number of part-time workers, then the farms with the area of 10 to 50 ha also employ them four times as often as full-time workers (Rivža, 2013:16).

There has also been a negative trend in the age structure of Latvia's population since it regained its independency. The working-age population is declining. The changes in population dynamics of Latvia within individual age groups for the period from 2000 to 2011 can be seen in *Table 1*.

Table 1

Population of Latvia by Individual Age Group for the Period from 2000 to (early) 2011

Year	Age groups					
	0–14		15–64		65 +	
	number of people	percentage of the population	number of people	percentage of the population	number of people	percentage of the population
2000	428082	18.0	1600317	67.2	353316	14.8
2005	341415	14.8	1583843	68.7	381176	16.5
2006	328547	14.3	1580414	68.9	385629	16.8
2007	318463	14.0	1572881	68.9	389961	17.1
2008	312309	13.8	1567797	69.0	390788	17.2
2009	310311	13.7	1560129	69.0	390854	17.3
2010	309154	13.8	1549011	68.9	390209	17.3
2011	306529	13.7	1535986	68.9	387126	17.4

Source: Central Statistical Bureau

In 2011, children and adolescents up to 14 years of age made up 13.7% of the social structure of Latvia, whereas the population aged 65 and over – 17.4%, and the working-age population 4–64 years of age – 68.9%. The statistical data show that the number of children and adolescents (aged 0–14) has declined by 121,600 since the year 2000 (or by 12,200 a year on average), and their proportion of the total population has decreased from 18.0% in 2000 to 13.7% in 2011. Whereas the population 65 years of age and over has increased by 33.8% during the same period, and their proportion of the total population has increased from 14.8% to 17.4%.

In the last decades, the age structure of the population of Latvia has experienced significant changes that may considerably affect the availability of skilled labour resources, processes of economic growth and national development as a whole. The decline in the population and changes in the age structure has caused enough problems for Latvia already. Surmounting of these problems will require strategic decisions yielding an impact on medium- and long-term prospects, since Latvia is already undergoing a shortage of skilled labour as a result of negative natural population growth and international migration.

Most households in Latvia face serious difficulties due to insufficient finances to meet fundamental human needs. In March 2013, the living wage reached 176.81 lats, according to the Central Statistical Bureau of Latvia. The living wage reportedly reflects the minimum amount of money for a human being to survive. Its amount changes along with consumer price changes. It is estimated to reflect the standard of living and level of income of a person, as well as to determine the necessary minimum to survive. It is well-known that most pensioners have withdrawn themselves from active work in the labour market and are not employed, thus the pension, in most cases, is their main source of income. Unofficial sources report around three quarters of Latvian pensioners receiving pensions below the subsistence minimum.

It is a common notion that all pensions below the minimum wage are to be considered small. According to the Ministry of Welfare of the Republic of Latvia, the minimum wage in Latvia is 200 lats a month in 2013. In July 2012, there were 199,000 workers for whom the minimum wage – 200 lats and less – was their labour income and they constituted 24.4% of the total number of workers. Against the background of the working population, all the pensions below the minimum wage are considered small.

Each and every household has to maintain children and/or adolescents, the elderly; has to nourish and clothe them, as well as make payments for utility services, etc. If earnings of a family are lower than its expenditures, an important source of income for these households rests on working either in an allotment, garden or family farm, growing and processing the goods for their own consumption and selling the remainder to the market. Such lifestyle is generally associated with subsistence economy.

The actual situation in Latvia demonstrates that there are rather many not-for-profit households whose members are not employed and which are, in fact, functioning outside market relations. Therefore, the state has to look for ways of facilitating the management of such households, e.g. offering property tax reliefs, working out measures to encourage the development of households, promoting the development of different cooperatives providing various services regarding cultivation, agro technical measures, harvesting the produce, its processing and transportation to the market places of the cooperatives for this produce to be sold. The income from sales would provide subsistence economy households with an opportunity to receive their remuneration. Tax reliefs are definitely necessary for such cooperatives operating to service this non-market

sector. The state and local governments would also benefit from such cooperatives by relieving their expenses or disbursing various benefits. Whereas households, should they unite into various cooperatives, would secure the sales of their remainder and, in turn, receive cash for the produce handed over to cooperatives. It would not be a novel concept since the humanity has already taken this path of development before.

Historical Insight into the Development of the Self-subsistence and Traditional Economy

The development of humanity seems to have an infinite history. Throughout every century, it has developed with a single purpose: to increase the welfare of the people. It has gone through many stages of development, and they have mainly been based on family households and the self-subsistence economy.

The concept '*household*' appeared in the second half of the 20th century and, since 1995, the Central Statistical Bureau of Latvia (CSBL) has been carrying out regular inspections of households (Latvijas Enciklopēdija 4. sējums, 2007:288). By a household we understand one or more individuals living in the same dwelling and jointly covering their household expenses. The head of a household is a member who is regarded as such by other members and who has the authority to make decisions to resolve common household issues (Mājsaimniecību, 2008:5). By carrying out household inspections, CSBL compares rural, urban and regional households, as well as changes in their income and consumption (Latvijas Enciklopēdija 4. sējums, 2007:288).

The traditional or self-subsistence economy is the oldest and simplest form of an economic system. Household savings and welfare depends on the efficiency level of the tools and technology applied to the production.

Historically, the traditional economy is linked to such concepts as '*self-subsistence economy*', '*home production*', '*craft production*', '*home industry*' etc.

Self-subsistence economy is a type of economy in which producers produce goods to meet their own needs. The society consisted of many economic units – households – and each such unit performed all kinds of economic activities, from obtaining different raw materials to their final stage of preparation for consumption (LPE 7.sējums, 1984:100). As production tools, technologies, division of social labour developed, the production of goods began its development in parallel with the self-subsistence economy.

Great importance in the production of goods is attached to home production and handicraft. By home production we understand household tools and items being produced at home, however, its importance declined with the development of the industrial production. In the 19th century, in many inhabited parts of Latvia, e.g. Piebalga, home production started to develop into home industry producing goods for the market (Latvijas Enciklopēdija 4.sējums, 2007:288).

Craft production – small-scale production of miscellaneous products, which are essentially handiwork and unsophisticated tools for the making of both tailor-made and market oriented products (LPE 1.sējums, 1981:191).

Skills were developed in different areas: weaving, tailoring, pottery, making of art ware and musical instruments, establishing repair shops, etc.

Home industry is a form of small-scale industry differing from craft production in that it includes intermediaries who sell artisan products to consumers (Latviešu konversācijas vārdnīca 13. sējums, 2002:25284). Home industry is based upon private property and individual work of an artisan. (Latviešu konversācijas vārdnīca 13.sējums, 2002:25284).

The home industry development in Latvia was facilitated with the replacement of the *corvée* with the cash lease, e.g. in late-19th-century Rauna, while for the manors of Jaunpiebalga and Vecpiebalga – in 1816. After the abolition of serfdom in 1861, home industry started burgeoning in Russia (LPE 6.sējums, 1985:367–368).

Along with the development of industry and production of goods, division of labour diversified as well. Entrepreneurs ever more often used services of small-scale producers to produce cheaper products.

The development of home production, craft production, home industry and relations of commodity and money gave a new impulse to the development of the traditional economy. It also encouraged the development of cooperation.

The concept of '*cooperation*' originates from the Latin word *cooperation* and it means collaboration, participation and joint action. It is a form of economic self-organization of a society. By cooperation we understand forming organizations taking up economic activities to improve the financial and spiritual welfare of their associates (Ekonomikas, 2000).

The essence of cooperation manifests itself in self-help performed in the process of mutual collaboration. For example, the ancient traditions of joint work, when one neighbour helps the other with some work, and vice versa.

The necessity for cooperation has always been fuelled by some vital need that cannot be met by following the conventional methods. Opportunities for the development of in-depth cooperation in the territory of Latvia opened up with the abolition of serfdom when peasants were granted an opportunity to take possession of land. Yet to benefit from the opportunity to buy out homes or land, they needed money. "Free as birds" countrymen moved to cities to find a source of income, earn money and build up their savings. Due to all this, the cities underwent industrial development. Another distinctive feature of the development of the society of that time was the formation of various cooperatives (loan, consumer, farmer, dairy societies, farmer associations, etc.).

Over the centuries, it has been developing with a single purpose – to increase the welfare of the people. It is ensured by organizing the economic life within a particular community or country.

Social science distinguishes several economic systems. An economic system is the organization of economic life within a particular community or country. It comprises traditions, values, organizations, addressing economic issues, as well as laws applicable within the system.

Historically, the development of the society included different economic systems. They are divided into four types of economic system: 1) traditional economy; 2) free market economy; command economy; 4) mixed economy.

The traditional economy: a model of a society, economy based upon the self-subsistence economy where small families, kindred or tribes providing themselves with all the necessities of life. The traditional or self-subsistence economy is the oldest and simplest form of economic system.

Under market economy conditions, the self-subsistence economy has a notable place in the free market economy, command economy or centralized planned economy, as well as mixed economy.

With the establishment of proprietary rights, development of production of goods, division of labour, increase in productivity, growing importance of the relations of commodity and money in the production, supply, exchange, and consumption processes, capital accumulation, and increase in the market economy scale, the tradition economy has laid the foundations for other economic systems.

The presence of elements of every economic system in the contemporary reality is irrefutable. The term ‘economy’ is borrowed from the Greek ‘oikonomia’ consisting of two words: ‘oikos’ – home, household, and ‘nomos’ – law. It can also be translated as “an ability to manage a household”.

The 20th century was abundant with different historic events. World War I, the October Revolution in Russia, the Great Depression, and World War II – all had a permanent effect on the socioeconomic development of the countries involved. However, that did not mark the end to the occurrence of global events. In the first decade of the 21st century, the world suffered new calamities – the financial and economic crisis of 2008.

For Latvia to avoid the consequences of the economic crisis, the government seeks for solutions to the social protection of the population. A solution to escaping from the existing situation is to encourage home production in rural areas.

Home production might provide the rural population of the national economy of Latvia with an opportunity to normalize the socioeconomic conditions of the households and balance the employment opportunities of life in rural areas and employment in urban areas.

Economic Significance of Household Production

Household production is the simplest way of creating values, since the term ‘household production’ has nowadays acquired a new substance. It includes not only the necessary tools and household object production at home, but also processing of agricultural products in a private cabbage-patch and the territory of a private house or an agricultural farm for both own consumption and for sale to consumers (Labas, 2006).

The produced agricultural products – milk, meat, grains, vegetables, etc. – are being processed in different food products. Different types of flour products like bread, pastries, pies, tarts, sklandrausis (a traditional dish in Latvian cuisine; a sweet pie, made of rye dough and filled with potato and carrot paste and seasoned with a caraway), gingerbreads, cakes, and other products have traditionally been cooked in Latvia since ancient times.

Household production is an important component in the society’s socioeconomic life. Household production development offers opportunities for cooperation among local residents, farmers, producers, and traders, thus promoting prosperity of rural population. Household production is important for the country as internal sector of market development which supports the national economy regarding socioeconomic issues. Household producers with creativity potential can provide the consumer with products that are unique due to their originality and uniqueness. Household production in the Latvian economy can help find solutions to survive in the countryside in order to equalize the quality of life between urban and rural residents. Household production may activate the rural environment by promoting self-employment and creating new job opportunities. Therefore, within the framework of natural economy household production will continue to play an important role in socio-economic development of rural areas.

A household producer uses natural raw materials when producing products. Often there is a special recipe with ancient history used for production, which only confirms the inheritance and preservation of sustainable and persistent traditions for future generations. In addition, the household producers thus encourage the surrounding population to self-employment, which helps to activate the social life of the local population.

Legal Regulation of Commercial Activities Concerning Household Producers

Lack of laws and regulations is a key impediment to the development of non-market sector and is one of the obstacles to the development of household production in Latvia. In order to promote the development of household production in the Latvian countryside, it is important to find out the problems why there are only 45%, or 37 thousand farms out of 83.1 thousand farms in Latvia producing for the market (see *Figure 1*). Other farms are most likely operating for natural economy conditions, as

evidenced by the fact that these farms do not employ hired labour (see Figure 2). Although the government has attempted to involve them in SRS territorial authority business registration as taxpayers, still it has failed to deliver, since the legislative provision of economic activity has been adopted. Moreover, the legal framework for micro-enterprises has contributed to falling apart of the companies in order to meet the status of a micro-enterprise and receive tax benefits (9% of turnover), thus optimizing the rest of the taxes payable to the country.

As for household producers, there is no separate law in Latvia that would include legally regulated economic activity within the framework of natural economy which on the classical manner does not correspond to the nature of business. It acts per se out of the classical understanding of market economy. It is not a business that produces goods for sale having a goal to profit and employ hired human resources. Natural economy is functioning on a non-market segment, these are seniors of households whose active work is finished because of their age, and children under the age of 14, who within the framework of household are watching and learning skills and competencies necessary for farming.

Household producers who operate in non-market segment have no legal status. The government has regulated the procedure for residents who are of employment age and who can produce foodstuffs at home by registering as individual merchants, as an individual company, as an agricultural farm, as fishermen's farm, as low-capital Ltd., or as a natural person engaged in an economic activity.

“Law on Personal Income Tax”, Section 11 stipulates what is **the economic activity of a natural person**. According to the law, the natural person's *economic activity* means any activity for payment, focusing on the production of goods, work, trade, and services. Economic activity also includes activity related to the fulfilment of the work-performance contract, professional activity, activities of property management, commercial agent, brokers and individual merchants, as well as activity of an individual enterprise (including agricultural farms and fishermen's farms) possessed by a natural person. In its turn, the natural person's *professional activity* is any independent supply of professional services outside the employment legal relations, including scientific and literary activities, as well as activities of teachers, actors, directors, doctors, certified attorneys, certified auditors, certified notaries, certified surveyors, certified taxators, artists, composers, musicians, consultants, engineers, bailiffs, accountants or architects.

Natural person's activity qualifies as an economic activity if it meets one of the following criteria: consistency and regularity of transactions (three or more transactions during the taxation period or five or more transactions in three taxation periods); income from one transaction exceeds 10 000 lats and more during a taxation period, except for income from the disposal of personal property, as well as its economic nature of the

property or the amount of items held by a person refers to a systematic activity with the aim to obtain remuneration.

Commercial activity within the comprehension of the “Commercial Law” is an open economic activity, which is performed by merchants in their name for the purposes of making a profit. Thus, the natural persons who carry out small-scale economic activities, but are not engaged in commercial activities in the classical way, are involved in the market processes and registered as taxpayers.

Economic activity within the understanding of different laws is any systematic, independent activity for remuneration, e.g., activity related to the fulfilment of a work-performance contract, real estate management activities, activity in a person’s backyard farm, as well as provision of professional services, if there are no employment relations with service recipients. Execution of work under the employment contract that is entered into with your employer is not considered as economic activity. In contrast, if the work is done under the work-performance contract, it is considered as an economic activity. Pursuant to an employment contract (in line with the “Civil Law”), one party undertakes to perform work for the other party for remuneration, but pursuant to a contract for work-performance, one party undertakes, using the party's tools and equipment and for a certain remuneration, to perform for another party an order, the production of some product or the conducting to its completion of some activity. The aim of the work-performance contractual obligations is a result, not the work as such.

As the result of economic downturn and rising unemployment triggered by the crisis in 2008; in compliance with the “Commercial Law”, Section 185.1 – *Special Provisions in Relation to the Amount of the Equity Capital* – on April 15, 2010, the *Saeima* of the Republic of Latvia carried out amendments on low-capital limited liability companies which came into force on May 1, 2010. On the basis of these changes on August 9, 2010, lawmakers adopted the “Micro-enterprise Tax Law”, which came into force on September 1, 2010.

Meeting the statutory criteria an individual merchant, individual enterprise, agricultural farm or fisherman’s farm, as well as a natural person who is registered with the State Revenue Service as a performer of economic activities, or a limited liability company can obtain a status of a micro-enterprise. Taxpayer’s turnover shall be imposed by the micro-enterprise tax. The law provides three main criteria for the taxpayers of the micro-enterprise tax: turnover up to 70 000 lats per year, maximum of five employees, and income of one employee does not exceed 500 lats per month. This income of 500 lats includes all amounts that are gained in form of cash or services on the basis of labour relations. Consequently, everything that an employee, owner or self-employed person of the current status of micro-enterprise (Ltd.) shall receive monthly (salary, bonus, funeral allowance, travel allowance, health insurance policy fee, employer gifts, etc.) is considered as income.

It shows that there are no laws and regulations on national level in Latvia that would define economic activities in households of the non-market sector, therefore household members who are engaged in household production are subject to the general law.

Household Integration of Non-market Sector within Circulation of Economy

Economic life in a market economy has a legal basis. In each country, the existing legal norms are formulated in the form of legislation. After the restoration of independence of the Republic of Latvia, a series of laws and government regulations were adopted, which had to facilitate the establishment of market economy.

Regulations of the Cabinet of Ministers No. 440 of May 12, 2010 “Regulations Regarding the Types of Trade to be Agreed upon with a Self-government and the Procedures for Organising of Trade” Section 7 stipulates the types of goods that a **natural person** is entitled to sell and **who is not obliged to register its economic activity**.

A natural person is entitled to sell the following goods:

- self-produced agricultural products (for food intended crop, livestock and fresh fishery products in small amounts in accordance with the laws and regulations on the circulation of primary products in small quantities, and apiculture products), cut flowers, branches, products made of branches, different species of pine trees cut down or grown in pots intended for Christmas, flower and vegetable plants, seedlings, bulbs, tubers, and cold-resistant plants and seeds; fruit-trees and berry plants, planting material of ornamental trees and shrubs; home-made foods from self-produced agricultural products;
- wild berries, fruits, nuts, mushrooms and wild flowers;
- forest reproductive material;
- own fresh fishery products and game animals or their meat in small amounts in accordance with the laws and regulations on the circulation of primary products in small quantities;
- agricultural and domestic animals (pets) in accordance with the laws and regulations on the procedure for organizing animal trade in public places, and welfare requirements for animal trade;
- secondhand personal belongings, except for copyright or objects of neighbouring rights that are reproduced for personal use.

Not all natural persons, such as seniors who are owners of a property, but have not registered their economic activity with the SRS territorial authority, may independently carry out cultivation, harvesting, primary product pre-processing and processing, and product delivery to the trading venues. Special rules should be developed for households

of non-market sector. A solution would be the establishment of a cooperation that provides services of cooperative societies to the households in a non-market sector with the sector-specific rules. This would facilitate the involvement of pensioners into obtaining additional income and self-sufficiency assurance.

Household Production Prospects

According to the information provided by the Food and Veterinary Service (FVS), 905 registered household producers (data are available on the PVD database) operated in Latvia at the beginning of 2013.¹ Considering the forms of entrepreneurial activity, the PVD registry data suggest that 57% of household producers have registered as natural persons, 23% as farms, 11% as limited liability companies, and 7% as individual merchants.

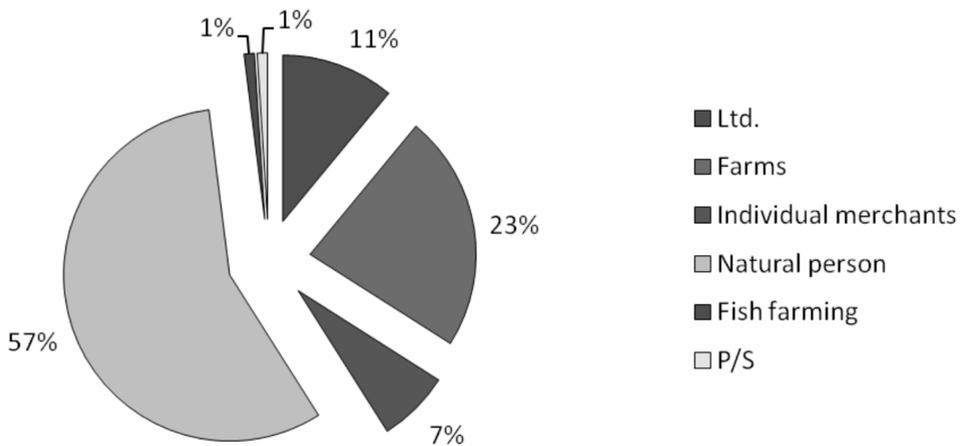


Figure 3. Form of entrepreneurial activity of household producers registered in Latvia

In 2009, there were 550 household producers registered. Within three years, the number of household producers has increased by 355 units, or by 39.3%.

¹ <http://www.pvd.gov.lv/lat/uznemumi/skatits>: 14.02.2013

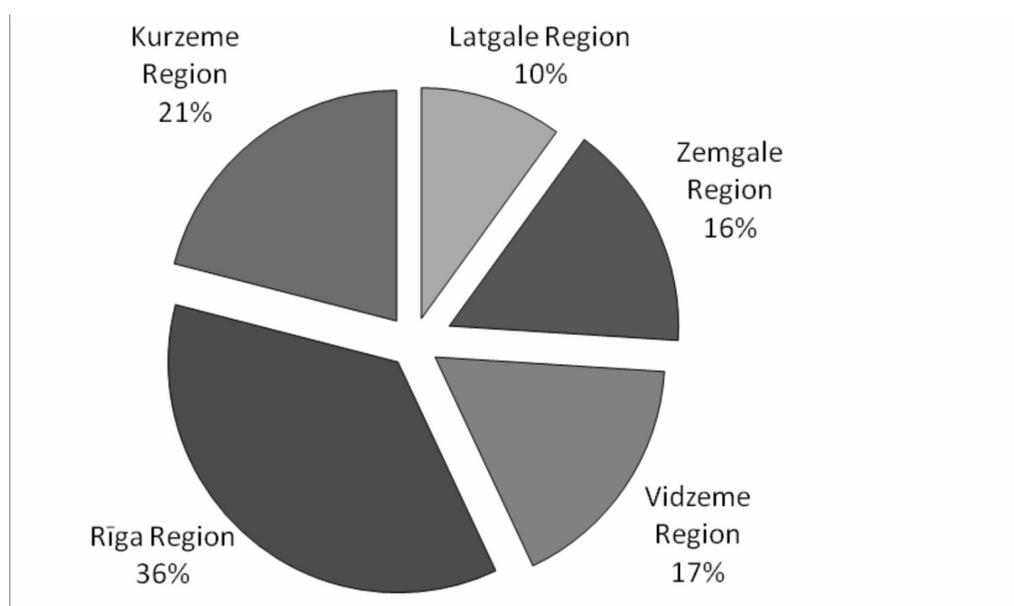


Figure 4. The regional distribution of food producers registered in Latvia, %

Analysis of household producers registered by regional affiliation² shows that more than one – third of the household producers (36%) are registered in Rīga Region. The least recorded household producers are located in Latgale Region, only 10% out of the total number of the household producers. This information suggests that people in the region do not want to register the household producing as performance of economic activities.

Data show that the number of registered household producers is slowly increasing as households see an opportunity to produce products not only for themselves but also for selling to others. Therefore it is important to promote the activity of those household producers who are not registered, but are carrying out an economic activity of food production for own consumption and savings, in order to use them also as remuneration for services received when carrying out different kind of household work. Legislation shall be developed to facilitate the development of household production thus providing high-quality home-produced products to the market, and receiving reimbursement for their work.

Currently household producers are producing and selling both their primary and processed products at local fairgrounds, fairs and on the streets. Regulations of the Cabinet of Ministers No. 440 of May 12, 2010 “Regulations Regarding the Types of Trade to be Agreed upon with a Self-government and the Procedures for Organising of

² Food company registration database, <http://www.pvd.gov.lv>, accessed on: 15.02.2013

Trade” define the trade organization on streets and trade organization on a market place.

“Law on the Supervision of the Handling of Food” (adopted by the *Saeima* on 19.02.1998 with subsequent amendments and additions) controls the handling of food in Latvia, but the issues that are not considered in the “Law on the Supervision of the Handling of Food” shall be controlled by the regulations of the European Union.

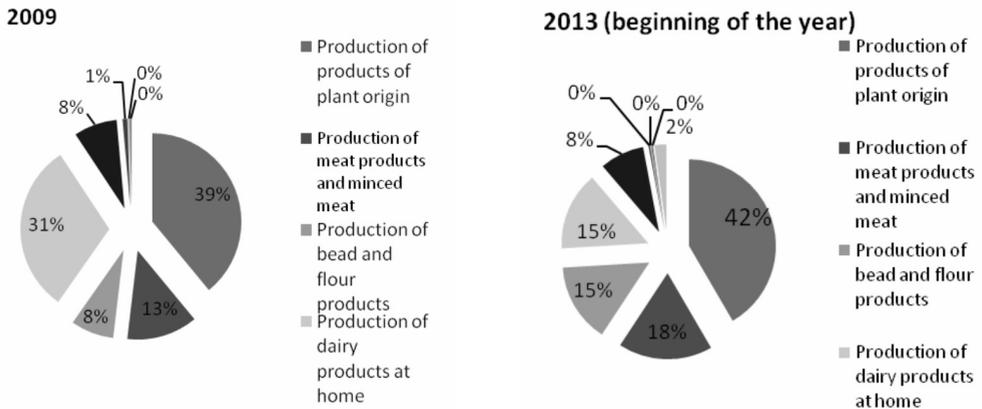


Figure 5. Household producers registered in Latvia by their economic activities in 2009³ and 2013⁴

At the beginning of 2013, the biggest percentage of registered household producers produce vegetable products (42%), 18% produce home-made meat products and minced meat, 15% bake bread and produce farinaceous products, 15% produce home-made milk products, and 8% process fishery products. In comparison with 2009, the data show that the number of households producing bread and farinaceous products has increased, but the number households producing milk products has decreased. Due to the FVS data it can be concluded that a new household production industry has appeared in 2013 – home-made food.

Development of local food production system is one of the means to facilitate the effective use of local resources and improve the economic activity in regions. The EU Committee of the Regions recommends bringing forward objectives of rural development strategies towards development of the local agriculture and food production support system.

Due to the needs of local food producers, it is necessary to develop recommendations for integrated national support system by revising from the perspective of the local

³ LLSA, Dace Dance, Lauku mājrāzotāju uzņēmējdarbību kavējošo un veicinošo faktoru izpēte un veicinošo aktivitāšu apzināšana un ierosināšana, II daļa, 2009

⁴ Food company registration database, <http://www.pvd.gov.lv>, accessed on: 15.02.2013

community and local government support, as well as promoting cooperation between local food producers, and selling their own products in the local market. The Committee of the Regions has delivered its prospective opinion on “Local Agriculture and Production of Food” which states that local food production systems are one of the means that facilitates the development of local capacity and improves economic activity in less-known and often neglected territories.

The Committee of the Regions recommends bringing forward objectives of rural development strategies towards development of the local agriculture and food production support system.⁵

Conclusions

1. After the restoration of independence, the agricultural sector of Latvia has been promoted to increase production volume, to save costs, and to increase the scale of agricultural enterprises, but the household activities in rural regions with production of agricultural products and their processing at home within the framework of natural economy were forgotten. Their complete products are mainly produced for own consumption, while the rest can be used for either mutual swaps as payments for services performed or for sale in the market in order to be paid for the work done.
2. Household production plays an important role in rural area development, especially in remote rural areas and populated areas near provincial towns. Household production would facilitate self-employment in rural areas, promote self-supply with food, and facilitate solution of other social problems for local authorities.
3. Household production within the natural economy conditions should be discussed in a much wider context – as a lifestyle, not just as a component in a market economy.
4. It is necessary to carry out more detailed studies in order to develop household production by preparing legislative acts that would stimulate households in the non-market segment to be active in enhancing national wealth.
5. Latvian household production is developing unorganized, even spontaneously. Each household operates on its own. There are no common cooperative activities in counties, there is a lack of nationally accepted offers to different type of cooperations; problems are not being addressed in order to promote household production in the country. Each region is living its own provincial life; the government has little interest in what takes place at Latvian farmsteads, towns, villages, rural areas, and other places.
6. There is a need to promote self-employment system in order to stimulate the household producers to be active and register in the PVD authorities so that they

⁵ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2011:104:0001:0006:LV:PDF>, accessed on: 22.02.2013

are able to offer their products to the market. At the beginning of 2013, the number of households registered in Latvia (905) shows that they are not important to the national economy.

7. Currently, the government of Latvia is interested in big investment projects, acquisition of the EU funds, as well as in the plan of improving the growth of socioeconomic centres from 2013 until 2020 in the cities of republican significance, forgetting the development of the rest of the national territories, including frontier area, incl., the EU border.

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INNOVATIVE DEVELOPMENT AND COHESION PROCESSES IN THE CULTURAL AND ECONOMIC SPACE OF THE EUROPEAN UNION

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Abstract

The processes of creation of innovative society and knowledge economy in the context of European integration and enlargement of the European Union are analyzed in this theoretical article. The author pays attention to the cohesion processes in the European Union: cohesion processes as an especially important factor of innovative development, creation of knowledge-based society and knowledge-based economy, as well as the processes of European integration and enlargement of the European Union.

The author of the present paper reveals that innovative development and the creation of knowledge-based society and knowledge economy could be the main direction of modernization of the society and societal life in the social, economic and cultural space of the European Union. The present article analyses cohesion processes as a particularly important factor of innovative development of the society and the societal life, as well as of the processes of European integration and enlargement of the European Union. The cohesion needs and opportunities to activate cohesion in the context of general processes of European integration and further enlargement of the European Union, as well as in the context of the creation of knowledge-based society and knowledge economy, are discussed.

This article raises and considers the problem of innovative development of the society and of the societal life, the problem of social, economic and political development, cultural changes, new trends in technological progress and environmental protection, closely associated with the cohesion processes, taking place under the conditions of European integration and the development and enlargement of the European Union. The author of the present article demonstrates that the cohesion processes determine the basic changes in contemporary society and its life in the common cultural, social and economic space in the European Union. The author describes and formulates the main principles of cohesion, their role and significance.

The priorities of the creation of knowledge-based society and knowledge economy, as well as of innovative development and technological progress are defined as the main cohesion priorities in the European Union.

The present paper deals with the variety of processes of innovative development of the society and societal life, as well as the variety of the cohesion processes in the European Union is described, new trends of cohesion in the context of globalization and internationalization, knowledge based society and knowledge economy creation processes are identified.

JEL Classification: A10, F01, F59, O39, Q59

Keywords: *innovative development, knowledge-based society, knowledge economy, cohesion, European Union, European integration*

Introduction

Innovative development and knowledge-based society and knowledge economy creation, especially – in the social, economic and cultural space of the European Union, could be defined and described as one of the most important areas of contemporary social and economic science, because the main processes of contemporary society development and of the societal life are oriented towards the creation and further modernization of a highly advanced and very progressive society and effective economy. The processes of innovative development could be characterized as the main way to the creation and further modernization of a knowledge-based society and knowledge economy: this statement is particularly important under conditions of European integration and enlargement of the European Union, because intensive and active creation of knowledge-based society and knowledge economy is seen as a key priority of development and improvement policy of the European Union.

It should be noted that there are many *preconditions* for intensive and active creation of knowledge-based society and knowledge economy in the European Union. *Cohesion processes* could be identified as *an especially important precondition for the effective creation of knowledge-based society and knowledge economy*, as well as *for the innovative development in general*. Moreover, *cohesion processes* could be defined as *the main priority* of the activities oriented towards the innovative development in general, as well as towards the creation of knowledge based society and knowledge economy in the European Union.

New demands for identifying and solving the cohesion problems emerge under the contemporary conditions of globalization and internationalization of social, economic and political development, cultural, scientific and technological advance, as well as under the conditions of the creation of knowledge based society and knowledge economy and European integration and the enlargement of the European Union: adequate

understanding of these problems and the ability to solve them may be perceived as an important precondition for making true the wishes of the modern society to advance.

The problems of cohesion are in the centre of attention of many research works. Their significance is emphasized in the context of social, economic and political development, the advance of culture, science and technologies, as well as the relationship with the natural and social environment and the development of safety ensuring activities. Special attention is paid to the problems of cohesion under the conditions of European integration and the expansion of the European Union.

It is noted that the present level of research into the cohesion problems is *not sufficient* for their solution: the *variety* of cohesion problems, needs and cases have not been properly identified, traditional approaches to cohesion do not comply with the needs of the society, especially – under conditions of contemporary society in the European Union. It is especially important that a *systematic and integrated approach* to cohesion and to *prevention of the lack of cohesion* has not been developed yet.

Insufficiency of the traditional approaches to cohesion and *the lack of systematic and integrated approach to cohesion* and to *prevention of the lack of cohesion* could be defined as an important *scientific problem* of the complex scientific research of social and economic integration processes in the context of globalization and internationalization in general, as well as of the complex scientific research of European integration processes and the processes of development, expansion and enlargement of the European Union.

The object of this article is the cohesion processes, especially – cohesion processes in the context of contemporary needs of innovative development and activities, of European integration, enlargement of the European Union and in the context of the need to create knowledge-based society and knowledge economy in the European Union. The main focus is put on the principles and regularities of the cohesion as well as on the impact of cohesion on the social, economic and technological changes in European Union, and on the creation and further modernization of common cultural, social, economic space.

The main ideas of the article could be defined as partly controversial. It may be noted that these ideas, in general, could be defined as the basis for further scientific discussion and as the basis for research of the innovative development, creation of knowledge-based society and knowledge economy, as well as on the cohesion processes in the European cultural, social and economic space, especially – in the context of the processes of European integration and enlargement of the European Union.

Theoretical Background of the Research on the Processes of Innovative Development, Knowledge-based Society and Knowledge Economy Creation and the Cohesion in the European Union

Innovative development processes could be defined as *an especially important* part of the development and modernization processes that are typical of the contemporary society and positive and perspective societal changes.

Innovative development processes could be defined as *long-term qualitative change* in the society and in the societal life, the essence of which is that:

- these processes express and reflect the values of the innovations, creativity, intellectuality, intellectual development and *intelligence* as the *most important values* typical of the modern society and societal life;
- these processes express and reflect various orientations towards the prevalence of innovations, factors of intellectuality and creativity, innovative activities and changes in all areas and fields of the societal life and in the life of the contemporary society in general;
- these processes affect the whole society and all areas and fields of the societal life in general;
- the main priority of these processes is the creation and further modernization of a knowledge-based society and knowledge economy.

It is obvious that *cohesion and cohesion processes* could be defined as *the main precondition* for the successful creation of innovative society and for activation of innovations and innovative development, especially – in the European Union.

Cohesion and cohesion processes could be defined as the basis and precondition for initiating and receiving various *synergy effects*, which are necessary to initiate various social, economic, technological and organizational innovations and for innovative development processes, as well as creation and modernization of innovative and creative society and effective economy in general.

An adequate description of *cohesion problems* requires the use of the appropriate *cohesion concepts*. It is well-known that there are many different approaches to cohesion and its concept.

Despite the existence of various approaches, the concept of cohesion is usually described as *convergence* or *harmonisation*, meaning the trend of *decreasing the differences* in a particular area of social life, activity or development (Melnikas, 2011).

Thus, it is possible to state that *cohesion as a process*, describing *harmonization and decrease in differences*, also reflects the orientation towards *decreasing or eliminating conflicts or disproportions*, as well as the *realisation of wishes for sustainable development and harmonization*.

This approach to cohesion and its concept may be considered to be *universal* in describing the meaning of *the cohesion processes as harmonization and decreasing of differences*. The universal character of this approach requires us to take into account the *diversity of cohesion processes*, realizing that they can be considered and assessed, when a number of *factors* are taken into consideration.

Now, under conditions of globalization, the factors, reflecting the cohesion between various *cultures, mentalities*, as well as between the *systems of various lifestyles, ideologies or values*, can be mentioned as particularly important. It is clear that the cohesion of this type can be analysed only if the respective cultures, mentalities, systems of lifestyles, ideologies or values can be, *in principle*, considered as *harmonized*, or be able, at least, to exist or evolve *in parallel*. However, even in cases, when the above cultures, systems of mentalities, lifestyles, or values clearly manifest the *lack of harmony*, the cohesion between them is still *possible* to some extent or even *necessary and unavoidable*: even in the cases of disharmony, some naturally occurring *interaction* between the above-mentioned factors, causing the development of vague *signs of cohesion*, may be observed.

It should be emphasized that *cohesion and cohesion processes* are perceived as a *basic precondition* for implementing the wishes to achieve the *sustainable development and harmonization*. This means that, in the context of current challenges to social, economic, political development and the advance of culture, science and technologies, reflecting the values of sustainable development and harmonization, the problems of cohesion should be *at the centre of attention*.

It may be noted that the considered approach to cohesion and cohesion processes is not only *universal*, but has the *prospects* of wide application, especially, when it is necessary to comprehend and solve complicated problems, relating to the development, evolution and advance of *large systems*, described from various *perspectives*.

The *universal* approach to cohesion and its concept may be applied to diverse conditions of social, economic and political development, as well as the advance of culture, science and technologies: the application prospects of this approach under the conditions of *European integration and the EU expansion* should be emphasized (Melnikas, 2002, 2011; Melnikas & Reichelt, 2004).

It is possible to argue that *consistent cohesion* is considered to be *the main precondition* to ensure that the processes of European integration and the European Union expansion are really oriented towards the statements of *humanism, democracy, environmental safety, morality and social responsibility*, and that they are *effective* in ensuring the *stability* of the European Union as a multifaceted and very complicated system. Besides, social,

economic, political, technological and other changes, taking place in the European Union, should be clearly *directed at its advance*.

The *priority* areas and trends in cohesion under the conditions of European integration and the European Union expansion are as follows:

- the cohesion between cultures, mentalities, lifestyles and value systems, as well as between the harmonized ideologies spread or being propagated in the European Union space;
- the cohesion between social, economic, political and informational development, as well as between the processes, associated with cultural, scientific and technological development and the relationship with the environment, which are taking place under conditions of European integration and the European Union development and expansion;
- the cohesion between various European Union regions, various states and their groups (particularly, the cohesion between the so-called “old” and “new” European Union member-states), as well as the cohesion between the regions of various countries;
- the cohesion between various social layers and social groups of Europe and the European Union (particularly, between the so-called “native” people and “traditional” social groups and layers and the so-called “newly arrived population” or “foreigners” in various European or the European Union states);
- the cohesion between various areas of activities and various business and public sectors, including the cohesion between them in various European or the European Union member states (particularly, the cohesion between technologically centred and technologically advanced areas of activities and the areas of activities lagging behind in this respect);
- the cohesion between various organizations and other subjects, primarily, between those, acting in Europe or the European Union space (various forms of cohesion between the organizations of business and public sectors’ harmonization are particularly important);
- various forms of cohesion between individuals, particularly, at the time of using modern computer network facilities.

The most important trends and areas of cohesion under the conditions of European integration and the European Union expansion are considered to be those, which characterize the phenomena of *multichannel “penetration”*, implying the simultaneous *spread of processes, originated in Europe, into non-European areas* and, vice versa, *the spread of non-European processes into European spaces*. These phenomena reflect various conditions of cohesion between Europe and the European Union as a whole and non-European spaces and are considered to be of great importance *in the context*

of modern globalization because they help perceive the need for European integration and the European Union expansion not only on the background of local, but of the global changes, as well.

Therefore, it is possible to state that the cohesion processes, taking place under the conditions of European integration and the European Union expansion, are very complicated and diverse, requiring an *adequate response to specific cohesion conditions*, characteristic of European and the European Union space: the processes of European integration and the European Union expansion determine both new cohesion *requirements* and the need for and the inevitability of the appropriate perception of *purposeful effects of cohesion* on the creation of *common spaces* in Europe and the European Union. This also implies that the cohesion processes may be treated as the actions, raising *new challenges to governance, management and management activities in the European Union* space and providing *new possibilities for governance and management improvement*, taking into account *the specific features of cohesion*, which manifest themselves under the conditions of European integration and the enlargement of the European Union.

The cohesion processes are very complicated and versatile. It can be also noted that cohesion and its processes are based on some particular *principles* and *regularities*, which reflect *the objective nature of cohesion*, allowing us to state that the cohesion processes may be perceived and considered as a specific cognition and research object.

Though the problems associated with cohesion are in the focus of theoretical and experimental research, the principles governing the cohesion processes have not been appropriately identified and systematized. This shows that the problems associated with *major principles of cohesion* need more thorough investigation.

It is clear that *general cognition logic* may be used in the investigation of cohesion and the related issues. Based on this logic, the main *general principles of cohesion*, including the principles of ‘*the communicating vessels*’, *multiplication of new quality standards*, *innovation* and *qualitative changes*, *diversity harmonization*, as well as the principles of “*the common denominator*” and *assimilation*, may be defined.

The above-mentioned principles reflect the orientation of the cohesion processes towards *searching for and encouraging the synergetic effects*. It can be stated that *cohesion by its nature* is the process of *searching for and purposeful encouraging of possible synergetic effects*: in the course of cohesion, the efforts are made to find and effectively use new possibilities for the development, expansion and modernization of particular systems, which are based on *searching for and encouraging the synergetic effects*. Thus, it is clear that the cohesion principles reflect a concept of searching for and encouraging the synergetic effects, and therefore, they may be approached as the principles, reflecting the circumstances of searching for and encouraging synergetic effects in the course of cohesion.

The current cohesion practice reveals some particular *trends*, reflecting both *general* and *specific cohesion regularities*.

In general, *the cohesion regularities* characterize the main *trajectories of cohesion processes*, allowing us to determine the dominant *cohesion features*. It is clear that *the cohesion regularities* refer to various cohesion *phenomena*, including those that reflect the variety of the cohesion *aims and interests of various subjects* involved in the cohesion processes, *the complexity and inconsistency* of these processes, as well as *risks, threats and uncertainties*, associated with various conditions, in which the cohesion processes take place.

It can be stated that, in general, *the cohesion regularities* reflect *the processes, associated with application and realization of the cohesion principles*: any regularities of cohesion may be perceived and treated as a description of a particular ‘cause and effect’ relationship associated with application and realization of the cohesion principles.

It should be emphasized that the scientific study of modern cohesion phenomena and processes requires the researchers not only to identify *the general cohesion regularities*, but also to define *the specific cohesion regularities*, because *the latter* provide a possibility to take into account various specific features of cohesion, manifesting themselves in some particular cases. For example, in the case, when the European Union cohesion is considered, the main attention is paid to *interregional cohesion* and various *regional uniqueness aspects*, taking into account the peculiarities of European integration and the European Union development and enlargement: therefore, the problems of interregional cohesion are considered to be highly significant today for the whole European Union and for its particular member-states (Fligstein, 2010; Trondal, 2010; Johnson, Turner, 2006; Lane, Ersson, 1996; Leach, 2007; Morris, Goldsworthy, 2008).

Innovative Development in Internal and External Spaces of the European Union: New Ways and Priorities of Cohesion in the European Union

Cohesion and cohesion processes in the European Union could be defined as a *very complicated area* of scientific research, including – research on contemporary economics and political science, public governance and business management, as well as of the practice of social, political, economic, technological development in the European Union, especially – in the context of contemporary processes of globalization, economic internationalization and European integration.

Complexity and difficulty of cohesion and cohesion processes occurs in different ways. The possibility and necessity to distinguish *the cohesion needs and priorities in the internal and external spaces of the European Union*, as one very important aspect of this complexity and difficulty, could be defined: it is clear that the cohesion needs and priorities in the internal and external spaces of the European Union are very different.

Of course, these quite different cohesion needs and priorities, typical of internal and external spaces of the European Union, could be described in more detail.

The spaces of the countries of the European Union could be defined as *the internal spaces of the European Union*. Of course, cohesion between countries or regions of the European Union, as well as cohesion between different sectors of societal and economic life in the European Union could be defined as *cohesion in the internal spaces of the European Union*.

The spaces outside the European Union, which are very important and interesting for European Union's international relations and cooperation, could be defined as *the external spaces of the European Union*. The cohesion between countries or regions in the European Union and countries or regions outside the European Union, as well as cohesion between different sectors of societal and economic life in the European Union and outside the European Union is an especially important precondition for successful international relations and cooperation between European Union and countries and partners outside the European Union: this type of cohesion could be defined as *cohesion with external spaces*, as well as could be defined as *the cohesion in external spaces of the European Union*.

The cohesion needs and priorities in the internal, as well as in the external spaces of the European Union are characterized by *great diversity*. On the one hand, there are some cohesion needs and priorities, which in the cases of internal and external spaces are *very different*. On the other hand, there are some cases, when cohesion needs and priorities in the internal, as well as in the external spaces of the European Union are *quite similar*.

The cases, when cohesion needs and priorities in the internal, as well as in the external spaces of the European Union are *quite similar*, could be defined as characterizing favourable conditions for active cooperation and intensive development of international relations between countries or regions in the European Union and countries or regions outside the European Union, as well as between different sectors of societal and economic life in the European Union and outside the European Union. It is important to note that *the orientation towards the creation of knowledge-based society and knowledge economy, as well as to innovative development in general*, could be defined as a *very significant case*, when cohesion needs and priorities in the internal, as well as in the external spaces of the European Union *are similar and basically the same*: this case could be described in more detail.

Creation of knowledge-based society and knowledge economy is a priority of social and economic development in many countries, particularly in countries of the European Union, as well as in all modern or modernization focused countries.

The need to create and subsequently develop knowledge-based society and knowledge economy is caused by the fact that innovative development, on the one hand, creates conditions for accelerating scientific and technological progress, productivity and efficiency

growth in all major sectors of contemporary economy, while on the other hand, creates prerequisites for the real solution to current economic, social, environmental and technological problems affecting the most important spheres of life.

Innovative development is considered to be the most important factor for real economic growth and competitiveness of national economies, as well as of the economy of the European Union in general in the current context of globalization and intensification of international competition.

Creation and subsequent development of knowledge-based society and knowledge economy is a daunting task, consisting of multi-faceted problems, which require solutions as well as a variety of approaches, options, alternatives and conditions for solving these problems.

Undoubtedly, the creation and subsequent development of knowledge-based society and knowledge economy can be attributed to the category of complex, topical and urgent issues in modern economics as well as in modern theoretical and practical research on public governance and business management, and the research on innovative development can be referred to the category of the most important research areas, including – in the area of cohesion processes.

One of the promising areas of research on innovative development is the study of the impact of human resources quality on innovation processes, in particular, intellectual potential, level of education, competence and other properties of human resources. In other words, the main area of the research is to identify the impact of the factors, which could be defined as the quality of human capital), on innovative development.

The aim of the research on human capital and its quality impact on the innovative development is to seek opportunities to enhance innovative development, first of all, through meaningful improvement of the quality of human capital and enhancement of the use of human resources in various sectors of social, economic life, culture, technological progress. Clearly, studies on the impact of human capital on innovative development can cover a wide scope of various phenomena taking into account certain factors and circumstances. It means that in such studies, questions concerning the evaluation and characterization of human capital and its quality, as well as the measurement of the impact of human capital and its quality on a variety of innovative development are raised inevitably. The emergence of these issues reflects the complexity of the studies, both in terms of reliability of the methodology and techniques, as well as from the standpoint of the practical possibilities of using the results. The impact of human capital and its quality on innovative development can be studied both in the scale of a particular sector of the economy, social life or in a regional system and on national or international level.

This kind of promising research can be done through international comparative analysis of the evaluation of the relationship of various characteristics of human capital and

innovative development in the countries of the European Union and other countries: the results of the analysis can be widely used in various areas of innovative development planning and programming processes, as well as in improvement of international cooperation.

So, it could be noted that the focus on the creation and subsequent development of knowledge-based society and knowledge economy, as well as innovative development in general, could be defined as a very important priority of the cohesion processes both in the internal and external spaces of the European Union.

Fundamentally new problems and challenges for the European Union are revealed in the context of globalization and internationalization processes, as well as in the context of processes of the creation of knowledge-based society and knowledge economy. These problems require the development of qualitatively new international relations and international cooperation and partnership, especially – with the so-called *developing countries with post-crisis economy*, which could be defined as *developing countries of the new type*.

Developing countries with post-crisis economy, defined as *developing countries of the new type*, could be interpreted as especially important and interesting *partners* for various countries of the European Union, as well as for the European Union in general: these *developing countries of the new type* could be defined as very important and interesting partners in the context of international trade and international investment development perspectives, in the context of needs and challenges for solving global and international economic, social, ecological problems and different problems of international and regional safety and security, as well as in the context of needs of internationalization of social, economic, technological progress.

Of course, *developing countries of the new type* could be defined as *an important sector* in the external spaces of the European Union with *specific needs* to develop and activate *cohesion processes*.

Currently, most of the countries of the Commonwealth of Independent States (CIS), as well as some other European countries, which in the past belonged to the former Soviet Union and to the former system of communist countries in general, can be defined as *developing countries of the new type with post-crisis economy*: of course, all these countries could be defined as post-communist countries in the space of Eastern Europe and former Soviet Union, too. It should be noted that the countries of the European Union, which in the past belonged to the former Soviet Union and to the former system of communist countries in general, but currently have the status of members of the European Union, cannot be defined as developing countries: only countries outside the European Union can be attributed to the category of *developing countries of the new type with post-crisis economy*.

The main features of developing countries of the new type with post-crisis economy are as follows:

- these countries in the past belonged to the systems with *relatively high level of economic and technological development* (former Soviet Union, other former industrialized communist countries in Eastern Europe): society of these countries is characterized by the historical experience of the life in the conditions of relatively high level of economic and technological development, especially – historical experience of the industrialized economy development, of high priorities of intellectualization processes, scientific and technological progress, as well as relatively high quality of all education and training systems;
- these countries in the past not only belonged to the systems with relatively high level of economic and technological development, but really met the standards of developed countries and were comparable with modern countries and assessed as developed countries;
- a very deep economic, social, political crisis was in these countries in the context of collapse of the communist system in general and disintegration of the Soviet Union: a very important aspect and result of this crisis, including collapse of former economic system – the loss of previous status of developed countries;
- the gap between these post-communist countries and modern developed countries has increased significantly during the crisis, as well as during the post-crisis period: comparison between these countries and other countries according to the main indicators of economic development and technological progress shows that these post-communist countries are currently comparable only with “traditional” developing countries in Africa, Asia and Latin America (currently there are some development trends indicating that this gap is increasing).
- So, currently most of post-communist countries could be comparable only with *developing countries*. The concept ‘developing countries of the new type’ shows that there is an important difference between these *post-communist developing countries of the new type* and “traditional” developing countries: these *post-communist developing countries of the new type* were comparable in the past with modern developed countries.

It can be concluded that previous economic and technological development in the general societal environment typical of developed countries with industrial economy could be defined as a very important and *specific peculiarity*, as well as a *significant advantage* of the *developing countries of the new type, with post-crisis economy*: this fact is a very important factor of cohesion between *developing countries of the new type, with post-crisis economy*, and between countries and regions of the European Union.

Of course, cohesion with *developing countries of the new type* and with *various regions* and *various sectors of economy and societal life* in these countries could be defined as a very important priority of cohesion in specific external spaces of the European Union.

Conclusions

The processes of *innovative development of the society and of the societal life in general* could be characterized as *the main way* to create and further modernize *knowledge based-society and knowledge economy*: this way is especially important under conditions of European integration and enlargement of the European Union, because *intensive and active creation of knowledge-based society and knowledge economy* is seen at present as a *key priority* of the development and modernization of the European Union.

Innovative development processes could be defined as *an especially important* part of the development and modernization processes that are typical of the contemporary society and for the positive and perspective societal changes.

Innovative development could be defined as *long-term qualitative changes* in the society and in the societal life. The essence of innovative development is that:

- these processes express and reflect the values of the innovations, creativity, intellectuality, intellectual development and *intelligence* as the *most important values* typical of modern society and societal life;
- these processes express and reflect various *orientations towards the prevalence of the factors of innovation, innovative activities and changes* in all areas and fields of the societal life and in the life of the contemporary society in general;
- these processes cover the *whole society and all areas and fields of the societal life* in general;
- the *main priority* of these processes is *the creation and further modernization of knowledge-based society and knowledge economy*.

Cohesion and cohesion processes could be defined as the basis and precondition to initiate and receive various *synergy effects*, which are necessary for the creation and modernization of contemporary society and effective economy, as well as for the goal-oriented modernization processes.

Cohesion could be described as *convergence or harmonization*, meaning the trend of *decreasing the differences* in a particular area of social life, activity or development. It may be stated that *cohesion as a process*, describing *harmonization and decrease in differences*, also reflects the orientation towards *decreasing or eliminating conflicts or disproportions*, as well as the *realization of wishes for sustainable development and harmonization*.

This approach to cohesion and its concept may be considered to be *universal* in describing the meaning of *the cohesion processes as harmonization and decreasing of differences*. The universal character of this approach requires us to take into account the *diversity of cohesion processes*, realizing that they can be considered and assessed, when a number of *various factors* are taken into consideration.

The cohesion practice reveals some particular *trends*, reflecting both *general* and *specific* cohesion *regularities*. The cohesion regularities characterize the main *trajectories of cohesion processes*, allowing us to determine the dominant *cohesion features*. The cohesion regularities refer to various cohesion *phenomena*, including those, reflecting the variety of the cohesion *aims* and *interests of various subjects* involved in the cohesion processes, *the complexity and inconsistency* of these processes, as well as *risks, threats and uncertainties*, associated with various conditions, in which the cohesion processes take place.

A number of the most important *conditions*, reflecting the specific character and challenges to the cohesion processes in the European Union, may be defined as follows:

- the conditions, reflecting the need for *creating and strengthening the common European Union space of social, political, economic, cultural, scientific and technological development*;
- the conditions, reflecting the need to *increase the potential of innovative activities* by using the cohesion mechanisms oriented towards *breakthroughs* in all the areas of social, economic, cultural, scientific and technological development;
- the conditions, reflecting the need to *strengthen safety and prevent conflicts* in the European Union by using the mechanisms of cohesion;
- the conditions, reflecting the need for *harmony and sustainable development* in the European Union;
- the conditions reflecting the significance of cohesion in the European Union both in the sense that the level of the advanced development of the European Union as a whole should *correspond to the current challenges* and in the sense that the European Union as a whole should be *competitive* and perspective in the current *globalization context*.

Some *specific problems* arise in the course of cohesion, taking place in the European Union, which show that:

- some particular *disagreement* between *the supranational European Union interests* and *the national interests* of the particular European Union member-states can be observed: in cases of disagreement or conflict of interests, the conditions are created, when the cohesion priorities and solutions are chosen which, like the very cohesion processes, are not quite adequate to the public needs and challenges of life;
- *the increasing need* to attract some *additional financial and other resources* arises: the awareness of *insufficiency* of the available resources for the development of cohesion processes should result in the actions ensuring *their effective use*;
- the need to make some additional efforts for purposeful cohesion expansion among *the more advanced* member-states of the European Union and their regions, as well as among *the backward* European Union states and regions arises: this

purposeful cohesion development may raise some additional problems associated with incomplete readiness of both more and less advanced European Union member-states and regions to realize *the principle of solidarity*;

- considerable *disagreement between the interests of the national states and international business entities* can be observed in the common European Union space: this poses new challenges to cohesion.

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STAKEHOLDER THEORY: THEORETICAL PARADIGM OF IMPROVING SYNERGY OF MARKET STRUCTURES

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Abstract

The present paper deals with one of the management theories – the stakeholder theory. The author studies scientific works by Belarusian and foreign authors on the stakeholder concept, conducts economic and social research, analyses various organizations, as well as periodicals on the subject. The present paper provides theoretical justification of improving synergy of market structures in the context of the stakeholder theory. The stakeholder management and analysis methods are considered, as well as the ways of forming partnerships with stakeholders are proposed.

Keywords: *stakeholder theory, theoretical approach, stakeholders, partnership, market structures*

Introduction

One of the management theories – the stakeholder theory is dedicated to the question of organizing effective interaction of market structures, ways of solving emerging problems between internal and external stakeholders, building relationships between the partners.

In recent years, the practice to interact with stakeholders has been used not only by companies, but also state and regional agencies, and non-profit organizations. Moreover, non-profit organizations (NPOs) act as stakeholders, taking part in decision-making in business, government, and other NPOs.

Petrov made an attempt to create the strategic organization analysis techniques on the basis of the stakeholder firm theory (Петров, 2004: 51). The works by Donaldson, (Donaldson & Preston, 1997: 61), Mitchell (Mitchell & Agle & Wood, 1997: 853), Preston (Donaldson & Preston, 1997: 61), Saksa, Stiglitz, Uiksa, Freeman (Freeman, 1984: 132), Fruman's (Fruman, 1999: 191) form the scientific basis of the stakeholder theory research. The works by Russian scientists – Blagov, Gurkov, Kleyner are considered as the pioneers. Substantial contribution to the development of separate

management aspects was made by foreign researchers Akoff, Ansoff, Barney, Grant, Mintzberg, Porter, Chandler, Steiner, Andrews, etc. A few publications are devoted to legal, organizational and technical cooperation in selected activities through leasing relationships, joint ventures, franchising, etc. in the domestic economic literature. However, these publications do not allow for selecting the effective options for partnerships, which are estimated, as a rule, based on marketing research.

Thus, the propensity to cooperate and constant search for the most effective communication with stakeholders, which is refocused in line with market conditions, is the most important. In other words, partnerships enable the company to achieve, maintain and strengthen their competitive advantages.

There is still no clear and unambiguous understanding of the essence of the stakeholder theory in business, although the terminology of the stakeholder theory is widely used in business practice, e.g. a strategic partner, manufacturing, financial, investment, etc. partners and partnerships as a form of business organization.

The purpose of the present article is to consider the theoretical and methodological aspects of the stakeholder theory in view of the lack of research on the topic.

The author of the present paper sets the following research objectives:

- to provide theoretical justification of improving the effectiveness of interaction between market structures in the context of the stakeholder theory;
- to consider analysis methods and stakeholder management;
- to offer ways of partnership formation with stakeholders.

Theoretical Justification of Effectivization of Interaction between Market Structures in the Context of the Stakeholder Theory

The fundamentals of the stakeholder theory were formed in the 60's of the 20th century, as applied to business. A company is not only the economic integrity and a tool for profit, but also an environmental element in which it operates, as well as a system that affects and is influenced by its environment: local communities, customers, suppliers, community organizations, as well as personnel, investors etc.

The stakeholder concept was given a second wind by the group of researchers led by R. Ackoff in the mid-70's. He included not only suppliers, customers, employees, investors, creditors and government in the concept, but also future generations for groups interested in the activities of the corporation. Thus according to R. Ackoff, the managers should not make any decision that would limit the scope of choice of new generations in the future. He believed that it is possible to overcome many social problems if the basic institutions are rebuilt and effective interaction among the stakeholders is established, considering organizing an open system.

The stakeholder concept in its modern form became widely used in the mid-80's of the 20th century. The emergence of the stakeholder theory (firm stakeholder theory) as a full-scale, expanded theory is associated with the publication of the book by Freeman, "Strategic Management: A stakeholder approach" in 1984.

According to Freeman, stakeholders (potential beneficiaries of the activity) of any company are the company owners, customers, suppliers of different kinds of resources, company employees, the community, various broad social groups, and the state (Freeman, 1984: 135). The Freeman's idea of representing a company and its external and internal environment as a set of stakeholders' activities, the interests and requirements of which must be taken into account and met has received widespread support.

The stakeholder approach presented by J. Jost, L. Preston and S. Sachs was definite advance in the development of this theory. It emphasized the importance of relations with stakeholders in institutional wealth, especially for organizations like complex, "extended enterprises", in which large corporations are transformed at the beginning of the 21st century (Preston, 2004: 853).

In Russia, British American Tobacco initiated the first dialogue with stakeholders in a systematic manner in 2001 during the preparation of the non-financial report. In modern conditions, large Russian and foreign companies operating in Russia, such as RAO "UES of Russia", BP, Eurochem, Norilsk Nickel, etc. conduct regular consultations and dialogues with stakeholders.

Belarusian companies are actively looking for new partners to gain additional opportunities to enter new markets or access to new sources of raw materials. Therefore the role of the partnership, which provides flexible connections to ensure the survival of the firm, increases. In the coming years, the scope of such partnerships will expand. In Belarus, the institution of partnership in business is relatively new, although some companies have used such partnership elements like inter-firm cooperation.

Research relationships with stakeholders for light industry are particularly relevant. Light industry is a significant industry in the national economy, as it plays an important role in ensuring a stable and balanced economic growth, improving the quality of life by obtaining synergies from large-scale production of cost-effective and environmentally sound products. There is steady demand for the products of light industry; they are demanded in almost all spheres of human activity, as well as in the production of many industries. Light industry creates demand in related industries (machinery, chemical, automotive, agriculture). The industry ensures the strategic security of the country, serving the needs of law enforcement agencies and public bodies in clothing and equipment, the related products for military equipment, technical textiles, and personal protective equipment.

Currently, light industry is in a difficult financial situation due to increased international competition and negative impact of the global financial crisis. In 2010, there were 35 unprofitable enterprises, i.e. 30% in the industry. Problems in the industry will become

more complicated with the forthcoming entry of Russia into the World Trade Organization (WTO). All cheap goods will go through Russia to Belarus, due to transparency of borders of Belarus and Russia, and the WTO conditions on the abatement in import fees. The financial and economic situation in the industry may be seriously aggravated, and it has a very negative social impact as 11.6% of the working population is involved in the Belarusian light industry. All this makes actual justification of effectivization of interaction between market structures in the context of the stakeholder theory.

The interested parties cooperate with the company and with each other at different levels and develop their ability to adapt, work in conditions of uncertainty and risk management. The main objectives of cooperation between a stakeholder and a company are: to change internal documents, improve business operations and establish effective management in the company. The work of stakeholders in partnerships includes developing solutions that contribute to sustainable development, planning, public debate and implementation of activities in a specific geographic region, the use of benchmarking, sustainable development and the involvement of other stakeholders.

Stakeholders are persons, who are influenced by the enterprise or may affect its operation. The stakeholder theory (interested parties) contains a universal approach to business.

The essence of this theory – the company managers have to make decisions in the interests of all stakeholders in the organization. The theory is based on business ethics, and the main principle is that the interests of all parties are legitimate and need to be satisfied. In order to apply the stakeholder theory, the following is required: a number of groups or individual members, which can affect or influence the process because this theory considers the nature of the emerging relations, the interests of all potential participants must be considered, the focus on management decisions. The stakeholder theory argues that the goals of the organization should include the different interests of the various interested parties (stakeholders), which will form a type of an informal coalition. The relationships among the stakeholders do not always have the character of cooperation, common interests, and can be competitive. However, all stakeholders can be seen as a contradictory whole, the resulting interest of which will determine the trajectory of the organization. This unit is called a “coalition of influence” or “business coalition members” of the organization.

In the modern interpretation stakeholders are considered not just as a group and individuals affected by the activities of the organization, but as investors of a certain type of resource. Stakeholders provide organizations with the necessary resources for their activities to ensure that their own needs are met. Thus, the relationship between the organization and its stakeholders is built around resource sharing. Each organization seeks to create its own resource base that best suits the stakeholders’ goals.

Currently, foreign experts are actively working on the use of the stakeholder theory in business, and develop modern approaches and views.

Bridging is the most advanced method of interaction with stakeholders. It means a strategic partnership that can exist in different forms, including joint business with major buyers or cooperating with competitors (Disguise, 2010: 1). No wonder the word 'bridging' in English means 'to build bridges'.

Bridging is the closest alliance with the most important stakeholders of the organization. Similar associations are most common when the environmental conditions are uncertain or difficult. Bridging reduces uncertainty at the expense of closer interaction between the organizations. Companies, associated with bridging, have the same goals, and it is beneficial to all the parties. Traditional methods of interaction with stakeholders can negate the adverse effects of the stakeholders, while bridging can not only prevent the negative effects, but also improve the environment.

Analysis Methods and Stakeholder Management

Stakeholder management includes the following tools:

- preliminary analysis;
- negotiations, contacts and other communications with stakeholders;
- motivation of stakeholders for the purpose of commission of certain actions by them.

It is important that a company does not passively adjust to the stakeholders, but actively manages them. Therefore, it is necessary to study them carefully, because you cannot control the object, which is not understood.

Scientists Luffman and Newbould identified the following four subgroups of stakeholders (Newbould & Luffman, 1989: 21):

- 1) financial stakeholders of the company (owners, shareholders, members of society);
- 2) company's management team;
- 3) company's officials and employees;
- 4) economic partners (customers, suppliers).

This is rather broad classification. It is necessary to consider them in more detail and define the concept of a 'stakeholder', and interests of each group.

We will consider the features of such external stakeholders as customers, suppliers, competitors, government agencies and organizations, bodies of regional governance, as well as financial intermediaries.

Customers. The strategy and tactics of the important customers include joint meetings to determine the drivers of change in business, mutual efforts to develop and market products, increase communication links, the use of common areas, joint training programs and services. Strengthening the ties with customers often provides significant benefits.

Suppliers. Many firms attract strategically important suppliers to the process of product development and production. Most companies that use the “just-in-time”, when the parts are produced by suppliers and submitted directly to the assembly plants, bypassing the warehouse, involve the suppliers in their internal processes.

Competitors. Competitors are a complex problem. However, competitors are joining efforts to combat the emergence of innovative third-party products for the successful completion of the life cycle and to jump ahead, using new technologies. Competing organizations form alliances to accelerate technological progress and the development of new products, as well as to enter new foreign markets or search for a wide range of new possibilities. Sometimes cooperation is determined by the need to develop common standards and a common frame of service, etc.

Government agencies and organizations. Corporations and government agencies have many common goals, including the creation of favourable conditions for international trade, stable market conditions, inflation control, a successful economy, the production of necessary goods and services. The partnership between the government and a business (public-private partnership) is widely practiced in foreign countries, where governments often play more active role.

Bodies of regional governance. Good relations with local authorities and regional organizations can lead to a profitable organization for local control or reduce local taxes. Therefore, the most forward-thinking leaders of business organizations spend some money to help regional authorities in their efforts to solve local problems. Sponsorship in support to local social programs helps public schools, cultural institutions, public health and law enforcement institutions, etc. allows reaching mutual understanding and support from such influential stakeholders as regional government bodies.

Financial intermediaries are a combination of organizations, incl. banks, law firms, brokerage firms, investment advisors, pension funds, mutual funds' companies and other organizations or individuals that may be interested in investing in a firm. The trust is particularly important in dealing with creditors. Financial disclosure helps establish trust, as well as timely payments. Many organizations invite their representatives to their boards of directors, trying to establish their relationships with creditors and a relationship of trust.

Internal stakeholders include workers, employees, owners and a board of directors that represents managers and owners. The chief executive officer is one of the most significant internal stakeholders.

All interested parties have their expectations and interests, but they are directly related to the success and general well-being of the organization, while some stakeholders' interests are of particular importance under certain circumstances.

The stakeholders are often classified according to their preferences, the level of power and position in the company's goals and methods of achieving them.

The methods like internal/external stakeholder analysis, an analysis of primary and secondary stakeholders, force field analysis, SWOT-analysis, the matrix of power/dynamism matrix power/interest and Mitchell model: power, legitimacy and urgency can be used for the stakeholder analysis. The influence diagrams contribute to the mapping of formal and informal relationships that form a network of relationships, where the arrow indicates a relationship between stakeholders.

The matrix of power/dynamism classifies stakeholders according to the power that lies in their hands, and also the dynamism of their situation. This matrix has been proposed by researcher Gardner in 1986. He applied it to determine the direction of the political forces in the strategy development.

There are two approaches to the strategic stakeholder management:

- direct effects model;
- model agreement.

In the 1st model, managers in stakeholder orientation are perceived as having a direct impact on the financial results of the company, regardless of the corporate strategy of the firm.

In the 2nd model, the relation of managers to stakeholders influences the corporate strategy by means of interest coordination between the strategy and financial result.

In these two models, it is possible to use two methods to control stakeholders:

- 1) the affiliate method is based on the fact that all stakeholder partnerships gain support and trust;
- 2) the protection method suggests that stakeholders at some point may have negative impact on the company, so you must be prepared for such a situation. Readiness means a comprehensive analysis of stakeholders, both through market research, and with the help of advertising and PR. Knowledge of the influence groups can mitigate possible “shocks”. In large companies, which are heavily dependent on the external environment, individual department can be set for individual stakeholder groups.

Recommended Ways of Partnership Formation with Stakeholders

The author of the present paper offers the following methods of partnership formation with stakeholders on the basis of this theoretical research.

Effective interaction of market structures on the basis of the stakeholder theory has the following characteristics:

- open involvement of stakeholders in the partnership;

- a representative and accountable governance partnership;
- development of an action program that reflects the vision, values and goals of integration processes within the partnership;
- knowledge sharing, capacity building and networking of partnership members.

The main unique aspects of competitive advantages of the company on the basis of the partnership are the following:

- creation and permanent database expansion of key stakeholders of the company;
- formation of the necessary facilities (computers, peripherals and software);
- the organization of the units and individual managers to manage relationships with stakeholders;
- developing and updating of plans for cooperation with key customers, based on their business and personal features;
- regular audit of the managers on customer relationship management in the context of evaluating the following parameters: number of meetings with clients, the number of contracts, the dynamics in the supply of products account for each client;
- regular market research in the customer base in order to identify changes in the structure and nature of the preferences of key clients.

Conclusions

The theoretical aspects of the stakeholder theory were considered in the article. At present, the propensity to partnership with stakeholders is the most important. Partnerships enable companies to achieve, maintain and strengthen their competitive advantages.

The research shows that there is no clear understanding of the stakeholder theory in business, although the terminology of the stakeholder theory is widely used in business practice.

The analysis methods and stakeholder management was considered. The enterprise should develop a program for cooperation with stakeholder groups. We recommend ways of partnership formation with stakeholders: formation of a database of company's main stakeholders, developing plans for cooperation with stakeholders, regular market research in the customer base.

Thus, the aforementioned aspects and appropriate level of research may allow for forming a unique competitive advantage; it is the partnership system with the stakeholder groups and effectivization of interaction between the market structures.

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**Knowledge, Education and
Innovations in Translation and Interpreting**

TRANSFER OF THE SOURCE TEXT MEANING BY USING DIMINUTIVES IN LATVIAN TRANSLATION

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Abstract

Examples of good practice are essential in any area, and in the case of this paper the animation film “Ratatouille” has been chosen for a closer study with an aim to analyse the use of diminutives in its Latvian version. In order to find an answer to the research question “What reasons may serve as a justification for the use of diminutives in the Latvian translation of the film “Ratatouille” in cases when they do not exist in the source text?”, domestication approach in translation, skopos theory and the specifics of multimedia and audio visual translation have been reviewed and contrastive analysis of the excerpted source text and target text material has been performed.

The specifics and traditions of the target language and target culture can strongly influence the translator's choice, and within the framework of this paper the choice of domestication translation approach has been identified as the main reason for the appearance of diminutives in the target text.

Keywords: *diminutive, source text, target text, meaning, translation*

Introduction

In the field of translation, the scope and volume of multimedia and audiovisual translations is growing (Gambier & Gotlieb, 2001; Orero, 2004), and the success of each particular product in the target market to a great extent is determined by the quality of its translation. This paper focuses on one small aspect of this field – translation of animated films that may have a very broad audience, but first and foremost they are made for families with children. In this case, the translator’s task may be very challenging, as children are a very demanding audience and therefore the translation should actually sound like the original. For the purpose of this study the

Latvian translation of the cartoon “Ratatouille” (“Gardēdis” in Latvian, translated by Aija Rozentāla) has been chosen for analysis as a good example of conveying the mood and message of the source text and achieving fluent target text, thus making it sound like the original.

It is apparent that there are multiple considerations present in film translation that influence the outcome of the translation, and the translator has to weigh the advantages and disadvantages of various translation methods from the viewpoint of conveying the implied meaning of the source text to the target text, using the most appropriate devices of the target language. Diminutives in the Latvian translation of the film “Ratatouille” is one of the tools that the translator has used to make the translation sound like the original, and therefore the aim of this paper is to analyse the use of diminutives in the target text.

For the purpose of analysing the use of diminutives with a view to transfer the meaning and mood implied in the source text to the target text, the research includes literature review of various viewpoints on the functioning of a text in the source and target cultures (Nord, 1991; Venuti *et al.*, 2000), application of domestication and foreignisation approaches (Venuti, 2008; Shuttleworth & Cowie, 1997) in cartoon translation and the specifics of multimedia and audiovisual translations (Cattrysse, 2001; Martinez, 2004; Dries, 1995). Within the framework of the empirical part of this research, the cases of the use of diminutives in the target text and the respective source text units have been excerpted, and qualitative contrastive analysis of the collected data has been performed.

Choice of Translation Approach in the Context of Multimedia and Audiovisual Translation Specifics

Choice of approach in the translation process

To find the most appropriate solution to translation, Nord believes, “The analysis of the source text and target text is crucial, and with the help of ‘intratextual’ as well as ‘extratextual’ factors the translator can establish the ‘function-in-culture’ of a source text and then compare it with the (prospective) ‘function-in culture’ of the target text required by the initiator, identifying and isolating those ST elements which have to be preserved or adapted in translation” (Nord, 1991:21). Here it becomes obvious that the target culture plays an important role in the translator’s decision-making process. In addition to the peculiarities of the target language culture, the target audience is another factor that determines the choice of translation strategies. In the case of the film “Ratatouille”, analysed within the framework of this paper, its main target audience is families with children. The cultural challenge is triple in this case, as the film is in English about French culture and it has to be rendered into Latvian. Two commonly applied translation approaches are domestication and foreignisation, which serve as a

platform for linguistic and cultural guidance. To be able to preserve the cultural aspects of the film, it might be useful to use a foreignisation approach or to “register the linguistic and cultural differences of the foreign text, sending the reader abroad” (Venuti, 1995: 20). Venuti is a firm believer that no matter what linguistic or grammatical devices a particular language has, the source text meaning can be rendered in it. He favoured the maximum preservation of the source text, even if it could make the target text seem strange. The translator’s role is to convey what the author has said and remain invisible.

Domestication, on the other hand, is a “type of translation in which a transparent, fluent style is adopted to minimize the strangeness of the foreign text for target language readers” (Shuttleworth & Cowie, 1997:59). The translation gives a new life to the original and therefore is just as important as the original. Domestication indeed makes a translation sound like an original work in the target language because all the foreignness is deliberately removed and the source text is adapted to the culture of the receiving audience.

Another approach to be mentioned within the framework of cartoon translation is Vermeer’s *skopos* theory (Vermeer, 2000). *Skopos* means aim or purpose in Greek. In translation theory it means that the translator’s choices are made depending on the *skopos* of the translation, i.e., how, for what purposes and audience the given translation will be used in the target culture (Vermeer, 2000). A similar viewpoint has been expressed by Nord, “A good translation should *ipso facto* conform or adapt to target-culture behaviour or expectations” (Nord, 1991: 29). Actually, it can be said that the main idea of *skopos* is to resolve the conflict between various approaches, such as domestication and foreignisation, by using both of them depending on the purpose of the translation.

Complexity of multimedia translation poses even greater challenges for translators. In addition to the above-mentioned aspects of translation and decision-making process, there are complex technical issues involved, and the translator becomes just a link in a long chain of actions and often has no control over the quality and end result of the work. According to Cattrysse, “Translation studies, in line with the developments in the branch, have evolved from linguistic and literary translation into audiovisual and so-called media translation, and now into multimedia translation” (Cattrysse, 2001:1).

Specifics of Multimedia and Audiovisual Translation

Nowadays multimedia is a popular word that signifies everything about the technological world with unlimited possibilities of information exchange. It has given rise to a multitude of entertainment possibilities through technological advances. Gambier and Gotlieb (2001) think that the multimedia development has a major impact on the translation industry. On the one hand, there are plenty of employment opportunities

for translators; on the other hand, new technologies are coming onto the market on a daily basis, leaving little time for translators to get accustomed to them.

Sanchez-Mesa Martinez (2001) believes that the technological developments bring benefits for the public and new challenges for the translators. One of the areas of multimedia is film industry and it has changed significantly over the years. Modern storage devices have almost unlimited memories and therefore unlimited options. When watching interactive TV or DVD, people can choose different languages for audio output and subtitles. Different countries cultivate different traditions of translating films. As far as cinema is concerned, there are three options for translation: dubbing, subtitling and voiceover. The choice of the translation depends on “historical circumstances, traditions, the technique to which the audience is accustomed, the cost, as well as on the position of both the target and the source cultures in an international context” (Dries, 1995:6). Dries (1995) also singles out Poland and the Baltic states, noting that they voice-over the majority of their television programmes, but use subtitles in the cinema.

This paper examines the dubbed version of “Ratatouille” in DVD format. In film translation, dubbing is a form of domestication while subtitling can be regarded as foreignisation. Both of them interfere with the source text but the interference differs greatly. Martínez states, “Film script translation for the purposes of dubbing is one of the most peculiar disciplines within the field of translation” (Martínez, 2004:3). She further explains the process of dubbing as a chain of actions that have to be performed in a certain order. The most interesting point is that “translator produces a text which will serve as the starting point for a lengthy and complex process during which the text will pass through many hands and operations, which may be more or less respectful of the original translation” (Martínez, 2004:3). The translation done by the translator is not the final product yet. Various modifications are made to the translated version of the text to solve synchronisation problems. Even actors involved in dubbing are able to modify the text, when they have difficulties with a certain phrase or word. However, all changes are subject to the approval of the dubbing director (Martínez, 2004).

Dubbing is a method of translation by which the source text is modified to such an extent that the audience perceives it as the original, which is pure domestication. Dries believes, “It is a method in which the foreign dialogue is adjusted to the mouth and movements of the actors in the film” (Dries, 1995:6). The translator might have to paraphrase and omit a lot of the source text to bring it into accordance with the receiving audience’s cultural and linguistic expectations. Dubbing is the most appropriate method of translation for general public, which includes people of different ages and educational backgrounds.

In Latvia, at the moment the majority of cartoons shown in cinemas are dubbed, as their main audience is children. However the popular Latvian news site www.tvnet.com (Online 6) recently published research results, indicating that this trend is not supported by the majority of their readers. 78% of the 5500 participants stated that

they would prefer to watch films in the original language. They argue that as much as 50% of the movie could be lost in translation and watching films in the original enables people to improve their language skills. Cinema critic Daira Āboliņa (Online 6) has agreed that subtitles interfere with the original version less than the other audiovisual translation options, but she also admits that the majority of TV audience consists of middle aged and elderly people who would find it hard to enjoy watching programmes with subtitles. She further adds that the younger generation spends time on the Internet and therefore has a choice of watching a film or a programme either in the original or in a dubbed version.

Use of diminutives in Latvian as a tool of domestication translation approach

It is difficult to separate language and cultural identity. In Latvian it is common to use diminutives to add to the utterance a shade of the speaker's implied emotions and attitude either to the addressee or content of the utterance. Diminutives "are words formed by derivational process that add a semantic element having to do with size to the meaning of the word" (Brown, 2006:594). Cambridge Dictionaries Online (Online 1) define 'diminutive' as being *very small*, while Merriam-Webster's Learner's Dictionary adds that 'diminutive' is "used in describing something small, often with the added suggestion that it is appealing or lovable in some way" (Online 3). Oxford Dictionary defines that diminutives imply smallness "either actual or imputed to convey affection, scorn" (Online 4). Merriam-Webster's Dictionary offers a few more nuances of the feelings and emotions expressed by means of diminutives – "sometimes the state or quality of being familiarly known, lovable, pitiable, or contemptible" (Online 2).

According to Rozenbergs (1976), Latvians use diminutives when speaking with affection and endearment, showing the speaker's attitude towards the phenomenon referred to by the diminutive. It is quite common to use diminutives when addressing someone, to show kindness and affection. In Latvian it is part of the culture to express this warm feeling and create an atmosphere of affection (Baltiņš, 1977). This atmosphere has been achieved in the Latvian version of "Ratatouille" – it has been adapted "to target-culture behaviour or expectations" (Nord, 1991: 29).

Robinson says, "Translation is often thought to be primarily about words and their meanings: what do the words in the source text mean, and what words in the target language will best capture or convey that meaning" (Robinson, 1997:112). Moreover, diminutives can be considered one of the tools of Latvian as a target language to convey the meaning implicitly or explicitly implied in the source text. According to Jakobson, all cognitive experience is conveyable in any existing language (Jakobson, 1971:263), and the translator's challenge is to render the source text message and meaning from one language to another, taking into consideration the grammar, syntax and lexical means of a different language as well as the cultural background of its speakers. And diminutives are one of the target language means at the disposal of

translators. In the Latvian version of “Ratatouille” diminutives are often used in cases when they do not exist in the English text, and this paper attempts to find an answer to the research question: What reasons may serve as a justification for the use of diminutives in the Latvian translation of the film “Ratatouille” in cases when they do not exist in the source text?

Contrastive Analysis of Source Text Meaning and Meaning Conveyed by Diminutives in Latvian Translation

The Latvian translation of “Ratatouille” reveals a very rich use of diminutives, which have been excerpted from the target text, finding the respective source text units, and grouped according to their emotional and attitudinal colouring expressed in the given context for the purpose of further contrastive analysis. The above-mentioned dictionary definitions of ‘diminutive’ have been used to group the excerpted target text diminutives into the following categories: positive connotations (e.g. affection, tenderness, endearment, smallness, see examples 1–11) and negative connotations (e.g. scorn and disapproval, see examples 12–17). With the help of qualitative contrastive analysis of the collected data and supporting them with theory findings and translator A. Rozentāle’s views, an attempt has been made to find an answer to the research question set above.

Example 1 illustrates the feelings of affection and tenderness of garbage boy Linguini towards rat Remy, who might help him cook, otherwise Linguini may lose his job in a restaurant.

Example 1

Target text

Labrītiņ, pavāriņ. Celies un velies.

Source text

Morning, Little Chef. Rise and shine.

In *Example 1* two diminutives appear in the target text. The source text does not have any diminutive, but the adjective *little* is used with the noun *chef*, i.e., a lexical means of expressing the category of diminutiveness. The extra diminutive for *morning* goes well with the tradition in Latvian to show affection when greeting someone. When rat Remy is referred to, the Latvian diminutive *pavāriņš* is used throughout the target text, while in the source text adjectives *little* and *tiny* appear in collocation with the word *chef*. It can be seen also in *Example 2*, where Linguini is forced to tell his colleagues about his secret assistant.

Example 2

Target text

Man ir tāds **mazs pavāriņš**, kas mani komandē.

Source text

I have this tiny chef who tells me what to do.

In *Example 2* the translator has used adjective *mazs* for *tiny* and added the diminutive of *chef* – *pavāriņš*. Both examples 1 and 2 represent the domestication approach where the fluency in the Latvian translation is most important. The translator could have translated the word *chef* without a diminutive, but it would sound awkward in Latvian. The translator herself has stated that it is important to be able to express yourself your own way, to say what you want exactly the way you want it to be said (Rožentāla, 2009). In this case the translator has obviously taken into account that the main target audience are children and families. Children usually use diminutives in their speech, as well as adults, when speaking to children. That serves as a starting point for translators when choosing to use a diminutive or not.

The feeling of affection, appreciation, and even respect is obvious in *Example 3*. In the source text it has been achieved with intonation and body language, while in the target text this meaning is conveyed with the use of a diminutive and the addition of the adjective *mazā*, which means *little* in English. The choice of using a diminutive in this example has not been motivated by any linguistic hints in the target text. The equivalent of *rat* is *žurka*, but in Latvian it has a touch of negativity and scorn, and does not fit in the given context. The translation with the diminutive sounds appropriate and adds a feeling of closeness between the main characters in the film. In this example and many others, the translator has adapted the text to the target culture, paying attention to its peculiarities, likes and dislikes of its people. Although the translation slightly changes the content of the original, it produces an end product that is meant to meet the expectations of the target audience.

Example 3

Target text

Patiesībā man nav nekāda talanta, šī mazā žurciņa izgudroja visas receptes.

Source text

But this rat, he's the one behind all the recipes.

Example 4 is another case when the use of a diminutive in the target text is suggested only by the speaker's intonation and context in the source text. The choice of this particular diminutive *žurciņa* is very successful for two reasons – it shows Linguini's friendliness and affection and also takes away the negativity that people generally feel towards rodents. Since the audience is mainly children and families, who generally might not have positive feelings towards such creatures, it is important to make them fall in love with this character.

Example 4

Target text

Mēs varam kļūt par izcilāko restorānu Parīzē un šī žurciņa, šis ģeniālais pavāriņš, mums to nodrošinās.

Source text

We can be the greatest restaurant in Paris, and this rat, this brilliant Little Chef, can lead us there.

To further illustrate the appropriateness of the diminutive use in *Examples 3 and 4*, *Example 5* shows a situation where the translator has not used a diminutive although the source text suggests it – the adjective *little* is used in collocation with the noun *creatures*. However, it does not appear in the target text, because the context is not suitable for it. The translator has chosen not to translate the adjective *little* but added the adverb *cik* meaning *how*, which intensifies the feeling of disgust present in the source text that has been successfully preserved in the Latvian translation. This again is indicative of the translator's choice following the traditions of the target language and culture, where the style and fluency is paramount.

Example 5

Target text

Cik pretīgi radījumi!

Source text

Disgusting little creatures!

In *Example 6* evidence of paraphrasing as a translation method within domestication approach is present. Direct translation from the source text would not achieve that affectionate greeting that is expressed in the Latvian translation and it would sound very foreign. As it has been mentioned before, the film translation is a chain of modifications, where the translator does not determine the end result. Various people make their modifications, such as actors, technicians, i.e., people, who have to transfer the message from the source text to the target text within the film's time framework. Synchronising the lip movements can pose difficulties too, so it is possible that in some cases the paraphrasing has not been done by the translator but by other people in the chain of production.

Example 6

Target text

Labvakar, šef Skinner. Jums labs vakariņš.

Source text

Hello, Chef Skinner. How your night be now?

There are plenty of examples in the film where diminutives express smallness and it is evident in *Examples 7 and 8* where the diminutive *mazdrusciņ* is used to translate *a small twist* and *a few drops* that connote smallness. There is not a word for word equivalent in the Latvian language to express the same meaning, but the adjective *mazdrusciņ* is used several times in collocations related to food and flavours. It can be said that with the help of domestication approach the message of the source text has been transferred perfectly.

Example 7

Target text

O, mazdrusciņ citrona sulas.

Source text

Oh! Small twist of lemon.

*Example 8***Target text**

Mazdruscīņ, varbūt saldo mētru...

Source text

With maybe with a few drops from this sweet grass.

The subject of flavours and tastes is continued in *Example 9*, where the source text's *bite* does not indicate any smallness. However, the translator's choice of *kumosīņš* creates an expectation of something exquisite, delicate and delicious. In general, it can be said that there is a feeling of affection and gentleness throughout the Latvian translation, which is achieved with the help of diminutives, but this feeling is not always present in the source text. It might be considered to be another evidence of the use of domestication approach in cartoon translation, as diminutives are very common in Latvian, especially in children's speech. Translator Aija Rozentāla (2009) believes that the first language that we learn is like a *default setting* in a computer and our linguistic thinking tends to run along this set track, and the use of diminutives in Latvian might be such a *default setting*.

*Example 9***Target text**

Tagad nokod **kumosīņu** no...

Source text

Now take a bite of

Example 10 is an interesting one as it shows how the translator has translated a tricky phrase *corn puppies*. An equivalent in the Latvian language would be *kukurūzas kucēni*, which does not make any sense at all. The translator has used a diminutive with a twist *kukumosīņi*. The twist lies in the fact that such word does not exist in Latvian, but in the context together with the image, it becomes meaningful. It reveals the smallness implied by the word *puppies* and creates a substitute for realia that is unknown in Latvia.

*Example 10***Target text**

Gusto **kukumosīņi**

Source text

Gusteau's Corn Puppies

There is no suggestion of smallness when in *Example 11* word *star* is translated as *zvaigznīte* in Latvian. But, in the context of the film, the role of this star is very important in the lives of the characters. Chef Gusteau dies after they take a star from his beloved restaurant. In a way a contrast is created to suggest that such a small thing can cause such huge consequences. In Latvian diminutives are used to indicate that the signified object is very close and dear to a person.

Example 11

Target text

Nu jā, pēdējo reizi viņi mums atņēma
zvaigznīti.

Source text

Sure he took away a star last time.

The examples above illustrate positive attitudes and feelings that are transferred with the help of diminutives in the Latvian translation. The following few examples connote feelings of some sort of negativity. *Example 12* shows the attitude of Remy when his father, having discovered his fine taste and smell, gives him a job to check for any signs of poison in the food found in the rubbish. Remy finds the job boring and humiliating, as he does not agree to eat food from the rubbish. Therefore, without any linguistic hints from the source text, the translator has decided to translate *job* as *darbiņš*, which expresses the feelings of the character much more accurately. Without the diminutive the emotional colouring would not be present in this context.

Example 12

Target text

Tētis izdomāja man **darbiņu.**

Source text

Dad gave me a job.

Example 13 further illustrates the point. The source text definitely poses a challenge with words that do not exist in the English language but have been created by the filmmakers or borrowed from Italian, such as *cleanerific* and *cleanerino*. There are no diminutives in the source text but they appear in the Latvian translation. The translation has been enriched with the adjectives *tīri* and *pārmērīgi*, which serve as intensifiers. The purpose of the use of Italian in the source text is to demonstrate Remy's ironic attitude towards the job he hates, which is also present in the Latvian translation, although without any aura of foreignness. The loss of the Italian influence is clear, which is the main side effect of domestication approach but the meaning and function have been preserved, which are in line with the *skopos* theory.

Example 13

Target text

Tīrs, tīrs, **tīriņš**. Tīri **tīriņš**, pārmērīgi tīrs.

Source text

Clean. Clean. Cleanerific. Cleanerino.

Clear evidence of disapproval is evident in *Example 14*. It is expressed in the source text and then transferred to the target text. The source text builds the negativity through the sentence structure, but in the target text it is expressed in one word. The diminutive *teļļuks* has a very colloquial feel and in this particular example it also shows a shade of negativity and reproach. The sentence structure is interesting in both languages and it is achieved with the repetition of the conjunction *and* in English and

un in Latvian. This is a rare evidence of foreignisation because most of the excepted examples show the domestication approach.

Example 14

Target text

Taisīt ēdienus un, un, un lasīt, skatīties **teļļuku!**

Source text

All this cooking and reading and TV watching.

In *Example 15* several emotions are present in one diminutive: disapproval, negativity and anger, which is more evident when the visual image is present. The wicked Chef who utters these words is generally unpleasant and induces fear. Typically diminutives make realia appear softer, smaller and gentler, but in the given context the word *spēlīte* implies more negativity than the word *spēle*.

Example 15

Target text

Kas tās par **spēlītēm?**

Source text

What are you playing at?

The villain in the film is the food critic Eco, who gives the shivers to all restaurant owners. Both his looks and attitude are mean. His attitude, as shown in *Example 16*, is very negative in the source text and the Latvian translation has a diminutive to intensify that feeling. *Pilsētele* implies a more negative and disdainful attitude than *pilsēta*, but the latter would have been appropriate too, only negativity would not be as intense.

Example 16

Target text

Tā kā gan jums gan visiem citiem šajā dranča **pilsētēlē** pietrūkst perspektīvas....

Source text

Since you're all out of perspective and no one else seems to have it in this bloody town.

The connotation in *Example 17* might seem positive if the context of its use were not taken into consideration. The members of Little Chef's family do not approve of Remy working at the restaurant. They feel that Linguini, who is a pretending to cook, while the Little Chef does the job hiding under his hat, only makes use of him. So they express their scorn by saying a generally sweet expression but meaning the opposite. The word *bunny* is a diminutive, and it has been transferred to Latvian as *draudzīņš*. In Latvian in other contexts it might be acceptable to use *zaķītis* too, but in this case it might clash with the fact that the denoted animal is a rat. This is another successful domestication approach.

Example 17

Target text

Jā, it kā tu būtu viņa pūkainais **draudzīņš**.

Source text

Yeah, it's like you're his fluffy bunny or something.

Summing up the analysis of the excerpted cases of the use of diminutives in the target text, it can be stated that the dominant approach in translating the cartoon “Ratatouille” is domestication and it has resulted in the rich use of diminutives. Most of the above analysed diminutives have served to adapt the source text to the target culture and needs of the target audience. The film has a general rating but the main audience is children, which is one possible reason for the rich use of diminutives in the Latvian translation.

Conclusions

The following conclusions can be drawn as a result of this research:

- 1) The leading translation approach in the cartoon “Ratatouille” Latvian translation is domestication and it is the main reason for the frequent appearance of the diminutives.
- 2) The diminutives in the Latvian translation are used mainly to make the language appear emotionally more colourful and suitable for children.
- 3) The results of translation analysis and theoretical literature review indicate that the domestication approach is characterized by adapting the original to the needs of the target audience, and it can be concluded that the contextually, linguistically or extra-linguistically expressed positive feelings and attitudes, e.g., affection, tenderness, etc. or negative feelings such as scorn or disdain, in the original version have served as triggers for the use of diminutives in the Latvian translation of the film “Ratatouille” in cases when they do not exist in the source text.
- 4) Since the target audience for the film “Ratatouille” is general public, which includes children, the translation has been made emotionally light and colourful with the help of the use of diminutives that serve this function in the Latvian language.

The examination of the application of translation approaches in the case of “Ratatouille” suggests that the *skopos* theory may lie at the heart of preferring domestication over foreignisation. The *skopos* theory gives the translator the freedom to combine the two approaches, taking into consideration the peculiarities and traditions of the target audience. Nord (1991) has suggested that a good translation should conform to the expectations and behaviour of the recipient target culture, and the Latvian version of this cartoon is an example of a good translation. As stated before, dubbing in the area of multimedia and audiovisual translations represents domestication approach, which is the most invasive of the three common film translation methods, which interferes with the original the most. Domestication approach in the translation process itself helps make the target text conform to the Latvian culture and language traditions. That

is one of the main reasons why the translated version of the film feels like the original: most of the foreignness is omitted or paraphrased to fit the target culture.

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TEXT DEVELOPMENT ASPECTS IN SCIENTIFIC ARTICLES IN LATVIAN AND ENGLISH: QUOTATIONS AND REFERENCES

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Abstract

Scientific texts differ in different cultures mainly because of different language norms in respective languages. Often the norms are influenced by other cultures through language contacts. In the last decades the Latvian academic language has been greatly developing under the influence of the English language. However, there are features that signify about the existence of individual academic language style in Latvian linguistics. The article looks at ways how the authors of quotations are depicted in scientific articles in Latvian and English linguistics.

Introduction

Scientific communication mainly occurs in writing, thus the skill to demonstrate one's scientific ideas is extremely important. Nowadays it has become even more important as the communication speed thanks to modern technologies is accelerating as we speak. One of today's communication features is possibility to communicate with other cultures. Thus, in order to avoid misunderstandings, it is crucial to recognize differences in scientific articles' development and formation principles.

In this article the attention is paid to quotations and references, more specifically – to the author of a quotation and referencing style in order to indicate differences. The material used for analyses is taken from *Linguistica Lettica* (further in the text LL) in the Latvian language and from *English Language and Linguistics* (further in the text ELL) in the English language, in the time period from 2005 to 2010.

The quality of scientific language in Latvian has been criticized in the analysed period. Latvian linguists Nītiņa (2003), Rozenvalde (2007), Petre (2008) have argued that the quality of scientific language is not satisfactory. D. Nītiņa points out, “It is in the field of scientific articles where the quality of Latvian language is diminishing” (Nītiņa 2003, 373) (LV “tieši zinātniskie raksti ir tas novads, kur ar latviešu valodas kvalitāti iet uz leju”). Petre in her turn argues, “Sentences contain not only useless words and

mixed up mood but also ...one can witness wrong choice of grammatical forms used for word joining” (Petre, 2008:13) (“teikumos ir ne tikai liekvārdība un samudžināta izteiksme, bet ...parādās arī neprasme izvēlēties gramatiskās formas vārdu savienšanai”).

However, during this period there have been published various materials regarding bibliography and referencing. There have been held conferences devoted to scientific language (materials of conference *Scientific Language* 2003); and there has been translated and published Eco’s *How to Write a Diploma Paper* (2006). Various methodological materials on scientific papers’ requirements and reference books on how to write scientific papers in educational establishments have been prepared and are publicly available on the Internet (Torgāns, 2001; Kļaviņš, 2005).

In addition, there are various books on academic writing available in Latvia in the English language, which are meant for specialists of one or another field of science. However, as Bennett argues in her study *A survey of English Academic Style Manuals* (Bennett, 2009), almost all study materials are surprisingly unanimous regarding the main principles of academic writing, text formation principles, grammatical and lexical features of an academic text. She concludes that academic discourse is fairly standardized and prescriptive. This is reinforced by the fact that requirements for article publishing are also strictly standardized. However, in descriptive studies scientists have different opinion and say that there are differences among academic genres, disciplines or approaches to academic style even within the boundaries of one and the same discipline.

Bennett’s study also proves that there is an agreement on the structure, cohesion and coherence of a text; as to grammar, all study materials seem to stress sentence length and structure, personal and impersonal style, and passive constructions. In all materials there is also much attention paid to the utilisation of theories and other texts’ authors in own texts as well as to bibliographical referencing and bibliography lists. All advice and suggestions are generally unanimous (Bennett, 2009).

Quotation: definition

The usage of quotations in research is essential: quotations demonstrate the importance of the research as well as its place in the common scientific context. Nowadays, when all kinds of texts have become easily available the issue of ethical attitude towards other authors’ texts has become topical. As Mūze said (Mūze, 2005:9), “Ethical attitude is demonstrated not only by quotation culture but also correct data formatting including correct writing of surnames, institution names and the way the used literature is put down” (LV “Ētiska atteiksme izpaužas ne tikai citēšanas kultūrā, bet arī precīzā datu uzrādīšanā, tai skaitā precīzā uzvārdu, iestāžu nosaukumu un izmantoto avotu nosaukumu pierakstā”).

When we look at the quotation definitions in linguistic literature in Latvian and English, it becomes obvious that they slightly differ.

For example, in the Concise Oxford English Language Dictionary (Thompson, 1995) we find the following definitions for words *to/a quote* and *a citation* and *to cite*.

A quote a passage quoted

To quote 1) cite or appeal to (**an author, book, etc.**) in confirmation of some view;
2) repeat a statement by (another person) or copy out (a passage) **usually with an indication that it is borrowed**

A citation the citing of **a book or another source**; a passage cited.

To cite quote (**a passage, a book, or author**) in support of an argument etc.

As we see in the words in bold in the English definitions there is always an author of a book or text mentioned.

In the Latvian language in *Svešvārdu vārdnīca* we find the following definitions:

Citāts – vārdu pa vārdam atkārtots **teksts vai teksta daļa** (ENG – *word by word repeated text or part of a text*).

Citēt – vārdu pa vārdam atkārtot kādu **tekstu, teksta daļu** (ENG – *to repeat a text or part of a text word by word*).

In the definitions in Latvian it is not mentioned that the text is by another author or belongs to other book or source. Similar definitions are found in other dictionaries in the Latvian language (see Ceplītis, 1973; Guļevska, 2006).

In the explanatory linguistic term dictionary (Skujiņa, 2007) terms ‘*citāts*’, ‘*citēt*’ are not mentioned at all.

These terms are, however, explained in basic grammar books (see Ceplītis, 1990; Pauliņš, 1978) and various methodological materials of schools and high schools explaining requirements for scientific paper writing, for example Torgāns (2001) and Kļaviņa (2005).

The Senate of the University of Latvia has approved norms of academic honesty for the University of Latvia and there the term ‘*citāts*’ (a quote) is explained as “utilisation of part of another author’s written text by indicating the author and the source with references and clearly separating them from one’s own text (using quotation marks or formatting)” (LV – cita autora radīta teksta fragmenta izmantojums, norādot atsauci uz autoru un darbu un to skaidri atdalot no sava teksta (pēdiņas vai formatējums)). (Lēmums 2013)

Quotation and Referencing Systems in Latvian and English Linguistic Articles

A quotation usually consists of three parts: the author of the quotation, the quoted text and the reference.

As to quotations and referencing, it can be summarised that international systems (e.g. Harvard system, American Modern Languages' Association system, American Psychological Association system) are used in Latvia. However, the systems used in various educational institutions and scientific journals may differ.

The authors of quotations in research articles may be individual authors or author groups; they may be quoted directly, paraphrased or summarised. The author/authors may be integrated or non-integrated in the new sentence in case of both direct quotation and paraphrasing.

For quoting and referencing, a few recognized systems are used; however, we can say that there exist two basic types of referencing – the so-called Vancouver style and Harvard style from which several variations derive.

The Vancouver style and its variations use numbers to indicate the place of the source in the bibliography list or in under text comments on the same page. These numbers are usually put into brackets or written in superscript (1):

(1) Līdzīgi par otrās pakapes apzīmēšanas sistēmu ĪV uzskata R. Jakobsons⁴.
[LL4, 21]

This system is used not only to indicate references but also to provide additional information or explanations to the main text, or to indicate additional literature on the problem discussed.

The other variant is to use round or square brackets and provide the number of the source in the bibliography list in a normal script (2):

(2) T. Nesets aplūko faktu, ka... “.. Kādā veidā likvidēt to seksisma izpausmi, kas aplūkota šajā pētījumā?” [43] [LL13, 62]

The Harvard system unifies all those systems when in a text (usually behind the author's name or the quoted sentence or passage) there is written the author's surname and the year of publication and, if needed, also the page of quotation (3):

(3) *quotation* (Kalniņš, 2010 : 75)

In this case full title of the source will be available at the end of the text where all sources usually are put in alphabetical order, usually by authors' surnames.

Author Representation in Text and References

In the Latvian research articles, the references are usually written according to the Harvard system, mentioning respective author's surname and initials in the text and only the surname and the publishing year of the respective source, as well as the page in case of direct quotation (4, 5):

(4) I. Freimane norāda, ka latviešu žargonā pārsvarā vērojami aizguvumi no krievu un vācu valodas. (Freimane, 1993: 307) [LL16, 91]

(5) J. Endzelīns par to rakstījis: “Vārdā *vuss* varbūt *u* ir radies senāk neuzsvērtā stāvoklī.” (Endzelīns, 1951: 312) [LL16, 13]

As it is seen in the above examples, initial letter and surname may be incorporated into the sentence as a subject (4) without direct quotation or with a direct quotation (5) which is put into double quotation marks.

In these cases in Latvian, the references are usually put within round brackets, mentioning only the author's surname, the publishing year and the quoted sentence's page. In most cases, the author in the text is mentioned with initials and surname. Example (6) is rather untypical in the Latvian language because the reference is put right after the author's name:

(6) Dž. K. Čamberss (Chambers, 2003) piedāvā “klasificēt valstis vai kopienas pēc to apdzīvošanas modeļa (*settlement pattern*) un atrast tā saistību ar dažādām lingvistiskām un sociālām pazīmēm, [...]” u.c. [LL17, 82]

In the English language, for most examples in the journal *English Language and Linguistics*, the author's name is without initials followed by the publishing year of the source and the page of the quoted sentence/-s (7, 8):

(7) Horsey (1998) offers a minimalist reinterpretation of the analysis [ELL 3.1., 118].

(8) For the spoken register both Schmerling (1973: 583) and Thrasher (1977: 29) assert that subject deletion is a root phenomena [ELL 3.1., 118].

In research articles in the English language, in contrast to Latvian, there are references to sources which have been produced by two or more authors. This is due to the tradition to write articles and monographs in cooperation. In Latvian this tradition is not as widespread as in English. Thus, in cases with two or more authors, the following system is used (9, 10):

(9) Returning to the analysis in Haegeman (1990a, 1990b) and in Blumberg & Wexler (1995), we might take the null subject in the diary style to be... [ELL 3.1., 135].

(10) Haegeman, Ihsane & Koutsandreou (1998) propose that... [ELL 3.1., 137].

In the examples we can see that authors' names may be joined by using sign & as well as the word *and* (11):

(11) Haegeman (1990a, 1990b) and Bromberg and Wexler (1995) took the RNS in the special spoken and written registers... [EEL 3.1., 121].

In English there are cases when after the author's surname *et al.* is written (and others) (12):

(12) Like Altenberg (1994), Biber et al. (1999) recognize that prenominal *such* is an unusual determiner [EEL 7.2., 197].

In Latvian we do not find such cases.

In ELL there are no cases when authors are written with initials and surname in the text.

In English full names and surnames are found only in cases when the article's author expresses gratitude to others for their help or advice. Most often such references are found on the same page in footnotes. In the example (13) the reference number is put with the title of the article and in the footnote we find the following:

(13) Warmest thanks to Helen Fielding for discussing the data with us and to Helen Lawrence for generously making available her material. .. [ELL 3.1., 117]

In Latvian full name and surname is used mostly to demonstrate the quoted author's importance (14):

(14) Nevar nepiekrist Artura Ozola apgalvojumam, ka 'valodas stili ir vēsturiska kategorija' [Ozols 1993: 23] [LL12, 106].

In the same article the author quotes other authors who have their nationality and science field added (15):

(15) Britu sociolingvisti Pīters Tradžils (*Peter Trudgill*) raksta: [...]. [LL17, 78]

In English in EEL examples the cases when the author and his/her nationality, science field are mentioned are rare (16):

(16) American linguist Langacker (forthcoming a: 12), however, .. [EEL 14.1., 95 – zemsvītrā]

In Latvian and English very well-known linguists and scientists may be written with only their surnames, for example, Stenders, Ulmanis, Endzelīns. Quite often in such cases references are not written at all. In some cases also the scientist's scientific degree is mentioned along with the surname, for example *profesors Ivbulis*, *profesors Plāķis*. These, the so-called, discipline giants, are naturally different for different science fields and languages.

Conclusions

The analysed examples show that, notwithstanding the fact that most Latvian schools and high schools use academic writing materials from the English speaking world, the authors and references are written differently, which proves the existence of individual academic writing style in the Latvian language. It should be mentioned that Latvian

scientific language has had a very strong and long language contacts first with German and then with Russian. The Russian period was probably the most influential as for several decades the Latvian scientists (including national linguists) were forced to write their articles in Russian. This regards the text formation principles as well. This mixture of influences might be one of the reasons why sometimes quality of scientific articles is considered as insufficient.

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Abbreviations

LL – Linguistica Lettica

ELL – English Language and Linguistics

LV – Latvian

ENG – English

METAPHORS IN JUDICIAL LEGAL DISCOURSE

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Abstract

The article discusses the relationship between formal language of judgments and metaphors, which are usually associated with informal and literary language, and identifies the possible challenges for legal translators attempting to deliver the text of judgments in target languages. Also it provides grounded answer to the research question whether the use of metaphors in the judgments of UK courts is a frequent and effective practice which improves the quality of the language employed, but causes additional challenges for legal translators. The aim of the study employed in this article was to offer the latest tendencies regarding the particular issue. To reach this aim, only the judgments made in the past two years were used in the practical data analysis. Research methods used in the study and article: to develop a comprehensive analysis of theoretical materials; perform practical study; identify potential problems and provide possible solutions. The study results showed that certain types of metaphors are more challenging for translation than the others. Also it showed that possible statistical balance can be reached between challenging and not challenging metaphors for translation. The present article and data analysis verified the aim of the article and the study.

Keywords: *culture, metaphors, judgments, translation, solutions*

What is Metaphor

The role played by metaphor in the law, and in this particular case in judgments, has been a topical issue among legal scholars in recent years. Actually, recent scholarly works on the use of metaphor in the law (and also the more general works about metaphors that have been used as the basis for these works) have discussed the issue from the viewpoints of numerous disciplines, including not only linguistics (G. Lakoff and M. Johnson, 1980, 2004), philosophy (M. Johnson, 1993), and rhetoric (M. Frost, 1996; M. R. Smith, 2002), but also cognitive psychology (S. L. Winter, 2001), and literary theory (M. R. Smith, 2002). On the one hand, these scholarly works have gained lawyers' appreciation, positive evaluation and understanding of the popularity of application and power of metaphor used in legal discourse. On the other hand, the lack

of some type of organizational scheme has caused difficulties for legal advocates to employ this power of metaphors in their daily practices.

The aim of the study employed in this article was to reflect the latest tendencies of the particular issue. In order to reach this aim, only the judgments made in the years 2011 and 2012 were used in the practical data analysis. Also elaborate practical analysis was developed to reach it. Research methods employed included developing a comprehensive analysis of theoretical information regarding the issue; performing a comprehensive practical study of metaphors identified in the judgments to evaluate the effectiveness of employment of metaphors in judicial legal discourse; identification of potential problems related to translation of metaphors used in judgments and provide possible solutions to the problems identified.

According to Matilla (2006), it is considered that in comparison to medieval times, nowadays the modern legal language is quite neutral (avoids using quotes), it is not figurative, and the use of metaphors is rare. But actually, situation is not so negative, because metaphors are quite often used not only in solemn speeches on the notion of law, but also when talking about its fundamental principles etc. For instance, the use of such metaphors as “landscape of legal culture” is quite often (Hallberg, 2001: 17). Metaphors are also rather often employed in polemic legal debate. For instance, Rudolf von Jhering (1904), who was a strong critic of the school of *Begriffsjurisprudenz* at the end of 19th century, wrote a satire *Imjuristischen Begriffshimmel. Ein Phantasiebild* (The title of this satire denotes that it is about the “heaven of concepts”).

It is important to understand what actually a metaphor is, and what this term embodies. It should be born in mind that metaphor is a figure of speech. It occurs when a word or phrase is used to describe something, what it does not literally mean (McGlone, 2007). Metaphor stretches very deep in people’s communication. Posner (1990: 395) in the following quotation exemplifies this assertion: “Science, not to mention everyday thought, is influenced by metaphors. Why shouldn’t law be?” This question is very topical, and this article is going to try to provide answer for it.

The abovementioned quote formed the framework or prism through which a metaphor is seen in this article. The use of metaphors in legal discourse is always seen from two points of view, for instance, Judge Cardozo (1926: 61) evoked the use of metaphor in corporate law – “the mists of metaphor”, or to complain about one’s effect on the logical clearness of “familiar” relationships in corporate law. He warned that metaphors in the law can “liberate thought; they end often by enslaving it” (1926: 484). That is the opinion of one side. But on the other hand, for instance, Judge Posner (1990) recognized the place of metaphor in both science and in everyday thinking; he held a view that law can be no exception to metaphor’s influence. The strong differences between these two opinions are the driving force of these never-ending discussions.

The Way Metaphors Work

Metaphors are one of the most effective stylistic devices. Understanding this, it is important to understand the way they work. Already starting with classical rhetoric, metaphors have traditionally been considered as a matter of style, but research performed during the years clearly indicates that a metaphor plays significant role in our understanding of the world. Barry (1999) characterizes the metaphor as a process which “designates a verbal/symbolic relationship (usually based upon similarity) between two concepts or images which mutually describe or enhance each other.” According to Goodrich (1987), this conceptual relationship consists of one thing being described with reference to another, in such a way particular features of the two are linked. Described in a simple manner these are the ways how metaphors work. But it is also necessary shortly to describe and understand how metaphors work in legal discourse.

There is an opinion that the use of a metaphor in legal discourse is pervasive. Even though the legal world tries to be quite resistant regarding the use of metaphors, still the reality is a bit different, and such examples as “liens float, corporations reside, minds hold meetings, and promises run with the land”, speak for it as a quite magical world (Ross, 1989: 1076–77). This diversity of opinions might be caused by cultural differences. As Matilla (2006) explains, in different parts of the world tendencies are different, for instance, the oratory used in the Nordic countries could be described as quite dull – the arguments usually are presented in quite a neutral and simple manner. But the situation is different in Central and Western Europe because in these countries more attention is devoted to the role of rhetoric in legal argumentation, and their advocates tend to use classic methods of rhetoric, such as neologisms, litotes, metonymy, archaisms, hyperbole, paradoxes, deliberate stylistic faults, foreign words, paraphrases, antithesis, plays on words, apostrophes, deliberate howlers, surprise arguments, and metaphors. It is a well-known fact that the use of metaphors which appeal to the sentiments of audience is very popular practice among advocates, for example, in the entire Europe the use of terms lion’s (leonine) partnership and lion’s share are classical and they date back to the time of Aesop’s fables. This practice is especially popular in Romance countries. Actually, at some point in the history it was also a tendency in Nordic countries. As one of the most popular examples M. Calonius (1908: 514) can be mentioned, who at the end of the 19th century was the classical author of Finno-Swedish legal science and still used Latin language for writing.

Modern and Classical Theories on Metaphor

Modern theories of metaphor turn the classical hierarchy upside down. According to modern theories, a metaphor is not considered simply as a matter of language and style; it is instead seen as a matter of thought. Classical theories see metaphors as

something extraordinary, but modern theories treat them in fact as something ordinary, as a central part of people's everyday lives.

According to Lakoff *et al.*, metaphor offers a way to understand how people conceptualize the world. Usually people conceptualize the world by mapping some of the features of one domain onto another. Quite often this term is called 'cross-domain mapping' (Lakoff, 1980: 203). It is very important to understand that the core of the modern theory of metaphor is the understanding that cross-domain mapping takes place at the level of thought, not at the level of language. According to the modern view of metaphor, they are ordinary, not extraordinary (and conceptual not ornamental), and that metaphors are deeply embedded into the way in which people understand and perceive the world (Rideout, 2010). But is the modern theory of metaphor valid also in legal discourse?

Many specialists of the field have given consideration to this question, but most notably Winter (2001), has observed that, if metaphors are central to how people reason in general (understand the world), then it must also be central to legal reasoning. In a symposium where the role of metaphor in law was explored, Ritchie (2007: 993–94) wrote that "metaphors in legal discourse are fundamental to the way we understand and use legal concepts" and are a "fundamental way of forming and expressing our intellectual imagination in the context of legal reasoning and communication." This idea was supported also by other scholars in the same symposium, for example, Johnson (2007).

Functions of Metaphors

Due to the abovementioned ideas, it is important to understand the functions of metaphors used in legal context. Firstly, when a metaphor is used for describing a concept in terms of a similar object, then both – the abstract and the concrete are bridged. Secondly, to the extent that the metaphor refers to the qualities of everyday object, the language used in figurative sense makes an appeal to "common sense". Thirdly, once the initial logic of equivalence is established, it can have an effect on shaping the manner in which the abstract concept is initially understood. Berger (2002) emphasizes that these three functions of metaphor have a special resonance in legal discourse. Each metaphor has a function and it plays an important role in communicating legal reasoning, and gaining authority for judicial decisions.

To continue the discussion regarding the functions of metaphors used in legal discourse, Bosmajian (1992: 47) draws attention to the fact that, while in the process of analysis, the courts can refer to the constitutional division of power by using such special terms as 'interjurisdictional immunity', 'paramountcy', and 'double aspect fields'. They consistently use the term 'watertight compartments' to indicate the strict differentiation between provincial and federal powers. The metaphor has explanatory function that bridges the concrete and conceptual worlds. As a result of this, the metaphor is something more than just a simple linguistic tool or stylistic device – it is a mode of thought which has

a function of concretizing, and due to this function it also communicates abstract or peculiar concepts and ideas. Metaphor in legal discourse brings up the communicative clarity and also makes an appeal to common sense. The appeal to common sense is critically important for juridical metaphor. It can be exemplified by a situation when the court is arguing about the fashion of interpretation of a particular idea and then it can draw a metaphorical link to an analogous situation in common courts' experience. Then, according to Berger (2002), the artificial judicial reasoning can appear to be simple common sense.

Types of Metaphors Operating in Legal Discourse

Metaphors used in legal environment can be of different types. There are many types of metaphors and many ways to classify them, but in this article particular types of metaphors operating in the legal discourse are going to be mentioned. Smith (2007) explains that according to this classification, there are four basic types or levels of metaphor which operate in legal discourse, especially in persuasive legal discourse, and they correspond to four basic components of any legal document:

- 1) the legal principles which govern the issue;
- 2) the tools of analysis which are applied to the governing principles;
- 3) the writing style of an advocate who is presenting the legal argument;
- 4) the inherent nature of language itself, which serves as the foundation of any written legal argument.

Metaphor plays an important role in all of these components of legal argumentation; as a result of this, the sheer prevalence of metaphor in legal discourse is clearly highlighted. Further all four types or levels of legal metaphors are going to be shortly discussed.

Level One: Doctrinal Metaphors

According to Margois (2001: 73), this level of metaphor regards different aspects of doctrinal law that are expressed by metaphors. Significant part of these legal rules and principles which govern the analysis of an issue are expressed as a metaphor.

Doctrinal metaphors are the most powerful ones, but at the same time also potentially the most dangerous metaphors which are operating in legal discourse. In this type or level metaphors deal with substantive legal rights. They are not expressed, analysed, and argued in literal terms, but in figurative, symbolic, and metaphoric terms (Frost, 1995; Smith, 2007). The following examples demonstrate the nature and application of doctrinal metaphors: the "market place of ideas" principle in the First Amendment law (Bosmaijian, 1992: 49–72); "Long arm" statutes under personal jurisdiction law (Hoffman, 1999: 356).

Level Two: Legal Method Metaphors

This type of metaphors deals with metaphoric terms referring to concepts of legal method and legal analysis.

Legal method metaphors occur in a situation when a lawyer or a judge comes across a legal rule and independently applies (or advocates for the application of) a metaphoric construct to that rule. White (1973) provides several very effective instances of legal method metaphors: the “spirit behind a rule” – the proposed idea that a rule has a “spirit” can be described as a metaphor; “parts” or “elements” of a rule – to invite that an abstract rule can be divided into “parts” or “elements” for analysing separately can be understood as a metaphoric concept.

Level Three: Stylistic Metaphors

The third level of metaphor is different because it involves the use of metaphors in one’s writing style. It means that this level of metaphor concentrates on different types of metaphors which an advocate can effectively apply in his or her writing style. In order to exemplify the idea about these three levels of metaphors Smith (2007) says that the first two levels of metaphor affect “*what* is said” by an advocate, but the third level of metaphor affects “*how* it is said.” The metaphoric strategies that are typically dealt with in level three are stylistic in the sense that they reflect the particular writing style choices made by an advocate in writing a brief or other form of persuasive legal document.

Level Four: Inherent Metaphors

The assumption, that inherent metaphors exist in legal language, is valid for all languages. Winter (2001: 231–32) exemplifies that there are plenty of words which are regularly used in legal discourse, for instance, “higher court” and “going forward with a motion”, and they are metaphoric in their nature even though at first sight they are rarely considered as such.

Difficulties and Problems Associated with Legal Translation

Quite strong claims have been made regarding legal translation – different scholars have characterized it as a separate category (Weston, 1991; G mar, 1995b; Garzone, 2000) and as “the ultimate linguistic challenge,” (Cairns & McKeon, 1995: 191) which combines the level of inventiveness of literary translation and the terminological precision required for technical translation (G mar, 1995a; Pelage, 2000).

As a result, there are many difficulties encountered while translating metaphors. This issue is essential because very often translators do not know how to deal with metaphors. There are numerous problems related to translating metaphors, for instance, Dagut (1976: 24) explains that “since a metaphor in source language is, by definition, a semantic novelty, it can clearly have no existing ‘equivalence’ in target language.” It means that more likely there might not be completely equivalent metaphor in target language, there might be partially, or even no equivalent at all.

The main question always revolves around equivalence. Dagut asks, “If a metaphor can, strictly speaking, be translated as such, or whether it can only be “reproduced” in some way” (Dagut, 1976: 24). It is important to remember that not always it is possible to translate a metaphor and reach its equivalent; in some cases it is possible to reach only partial equivalence or reproduction of metaphor by a technique of explanation.

Another challenge regarding translation of metaphors is culture and cultural metaphors. Lomheim believes, “Most words in a language have absorbed cultural aspects and historical experiences” (Lomheim, 1995: 132). Sometimes metaphors are culture-bound, for instance, the metaphor “the world is my oyster”. William Shakespeare made it universal, but it might be very challenging to understand its meaning in countries where no oysters are. Another example, are metaphors which exist in other countries and cultures only with minor cultural elements, for instance, in Spain there is a metaphor “donkeys can fly”, but in England “pigs can fly”. The translator must be aware of these cultural differences in order to deal with them successfully and avoid ambiguity or misunderstanding (Anderman, 2002). This idea is supported also by Newmark (1998) who admits that cultural metaphors are more challenging for translation than universal or personal metaphors.

There are two opposite views about how to deal with the translation of metaphors. Newmark (1998) sheds the light on the issue by explaining that one party represented, for example, by Vinay and Darbelnet, Nida *et al.* believe that metaphors are untranslatable. The other party represented, for example, by Kloepfer and Reiss strongly proposes a view that metaphors can be translated, and the word-for-word method can be used in any challenging situation. But there is also the third party, which is represented by those who chose not to stand on any side. They believe that there is not enough theory regarding this issue. Scholars like Lomheim and Newmark can be mentioned.

The Study – Analysis of Metaphors used in Judgments

1. Data

In the analysis 10 judgments from different levels of UK courts were analysed and a search of metaphors used in these judgments was performed. The judgments of such levels of courts as Court of Appeal (Civil Division), High Court of Justice Civil Division,

Employment Appeal Tribunal, Court of Appeal (Criminal Division), Patents County Court, High Court of Justice Queen’s Bench Division, High Court of Justice Chancery Division were analysed.

2. Procedure

Westlaw International database was employed to obtain data for analysis. The judgments were not chosen randomly, the search criterion was applied, and it was ‘metaphor’. The judgments were from different court levels, had a different length, and contained different types of metaphors.

3. Data analysis

The obtained data was analysed in the layout form of a table. Complete data analysis can be examined in the author’s Master’s Thesis (Ozoliņa, 2012).

Table 1 provides comparative description of metaphors identified in 10 judgments. It shows the types of metaphors, total amount of metaphors, and the number of metaphors which are challenging for translation, and which do not cause difficulties.

As it can be clearly seen in all five types of metaphors identified, the metaphors which are challenging for translation prevail. It is very apparent in the case of doctrinal, legal method, and inherent metaphors. Quite small difference between challenging and not challenging metaphors is in cases of stylistic metaphors.

Table 1

Comprehensive Presentation of the Study Results

Type of metaphor	Total number	Challenging for translation	Not challenging for translation
Doctrinal metaphor	8	7	1
Legal method metaphor	23	14	7
Stylistic met.: Metaphoric theme	17	10	7
Stylistic met.: Point-specific metaphor	150	76	74
Inherent metaphor	5	5	0

Examples from Data Analysis

These few examples from the extensive data analysis illustrate the topicality of the issue. They also identify the problems encountered by translators, explain them and provide possible solutions. The full practical analysis can be a very useful practical material for practitioners of the field¹.

¹ Complete practical analysis is available in author’s Master’s Thesis (Ozoliņa, 2012).

Example 1

Court of Appeal (Civil Division)
*P140 Delaney v Pickett
It was not the sort of case where the vehicle was being used as <i>a weapon of violence</i> against the person or property or being driven dangerously (...).
1. Doctrinal metaphor
Example No 1 is an excellent example of effectively used metaphor. This metaphor is very precise, it is not discussed further in the text, but the lengthy issue of the case is precisely described by these two words. The translation of this metaphor might not be very challenging, if the word-for-word translation can convey the same level of equivalence in target text. If in some languages due to some reasons in target text it does not create the same level of equivalence, then the translator has to consider option of adding some short explanation based on the facts of the case which serve as grounds for this particular metaphor. It should be indicated in the footnote, also mentioning that explanation is added by the translator.

Example 2

High Court of Justice Queen’s Bench Division
Nancy Dell’Olio v Associated Newspapers Ltd.
(...) the reputational rights of the claimant must still <i>weigh</i> with the court in accordance with art 10(2), but a non-Convention right may <i>weigh less heavily in the balance</i> than a Convention right.
1. Legal method metaphor; 2. Legal method metaphor
Example 2 is quite unique and challenging since it contains two legal method metaphors. They may be used separately, but in this case they are put in one sentence. But both metaphors express their message by the same means – legal issue is discussed by weighing or balancing different aspects. In order to translate this example the translator has to be creative. Also he or she has to decide whether to keep this playful manner or explain the message by paraphrasing or even omitting metaphoric expression at all.

Example 3

Court of Appeal (Criminal Division)
Michael James, Raymond Francis Blackburn v The Crown
He said, very simply, that those expenses “are in my judgment <i>caught by the legislation</i> ”.
1. Stylistic metaphor, Point-specific stylistic metaphor
Example 3 is a very strong point-specific metaphor. It effectively expresses the idea intended by the judge. The context of the judgment provides guidance for a translator in order to choose the best translation, for instance, into Latvian – in this case word-for-word strategy might prove to be effective, only translator should consider the most appropriate word order to reach the highest possible level of equivalence.

Suggestions

The analysed study data presented surprising amount of metaphors used in the judgments of the UK courts, it means that this tendency is growing, and legal translators must be capable of dealing with it. Legal translators should be aware of different translating strategies, which are essential in such cases, for instance, reformulation, explanation, paraphrase, adaptation, and omission. Even though translation of judgments takes place in very formal environment, on many occasions legal translators have to be capable of being creative and apply imagination to provide the corresponding equivalent in target language.

Conclusions

The research area of metaphors employed in judgments is relatively new; it means that the present article and the study are only small and useful contributions to this area of research. The present issue is broad, not widely explored and requires more studies which could draw more precise profile of the issue.

Particular types of metaphors are more challenging for translation than the others, for example, according to the study, more difficult for translation are doctrinal, legal method and inherent metaphors. The possible balance between challenging and not complicated metaphors for translation was reached between both types of stylistic metaphors.

The present article and data analysis verify the study question that the use of metaphors in the judgments of UK courts is a frequent and effective practice which improves the quality of the language employed, but causes additional challenges for legal translators. On the one hand, it was proved that the target audience obviously benefits from this practice. On the other hand, the study also verified the assumption that this practice complicates and causes additional challenges for legal translators who translate these judgments into target languages.

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USING THE INTERNET AND WEB ACTIVITY OF POLES

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Abstract

The purpose of this article is to present the Polish people's Internet activity based on the results of research – mainly of the Public Opinion Research Centre, as well as based on other empirical data that is presented in the paper. It addresses the following issues: frequency of Internet use depending on age, education, occupation, financial status, place of residence, place of access to networks, purchases and sales on the Internet, use of various Internet services (banking, downloading files music, movies and software, reading the press on-line, listening to the radio, watching TV, reading and blogging and maintaining one's own website, talking on the communicator, the use of e-mail, membership in social networks (such as Facebook) and activity in them; forecasts for the development of the Internet and the attitude towards new technologies.

Keywords: *using the Internet, Web activity, Poles*

Introduction

Nowadays the Internet attracts millions of ordinary users as expanding cyber world space that is within our reach. This phenomenon has been analyzed by specialists in numerous walks of life. For sociologists, its appearance marks the birth of a new type of online community, while for political scientists, it is a great tool for promotion of the political marketing, and the economists have recognized the opportunities that can be used to trade in the form of e-business and e-commerce (Łęski & Wieczorek, 2005: 6). Today, the impact of the Internet can be observed in almost every area of life (Jonak, Mazurek & Tarkowski, 2006: 7; Daszykowska, 2012: 82). To a large extent it has simplified the man's everyday life. It enables quick access to information, entertainment, communication, sales and purchases, banking, virtual version of the press and books (e-books), research, education (e-learning)¹ and to make friends online (Maciaszek, 2010: 198). Without a doubt, the Internet is revolutionizing human life, in that it frees societies from invariability, makes these societies connect to the network. Observing

¹ According to Anthonia N. Maduekwe and Olanitemi O. Busari from University of Lagos: "With the increasing popularity of the Internet, virtual learning has taken a new meaning and dimension" (Nowakowski, 2010: XVI).

its dynamic growth, one can predict that it will never have a finite form. We are, in fact, at the beginning of the development of this new medium (Krzysztofek, 2006: 21). On the other hand, however, we should also be aware of the risks and dangers of its unreasonable and improper use. It can cause negative effects on physical health (e.g. visual impairment, posture defects, obesity, resulting from the preference of virtual contacts and surrender of physical development). It may also become an addiction to the Internet (Keen, 2007: 151–152)², and – most disturbing – to contribute to loosening of interpersonal relations and building a false vision of the world, the problems with one's own identity³ or illegal activity⁴, which is often underestimated and overlooked (Tanaś, 2004: 35–36).

The growing prevalence of the Internet manifests itself in the fact that not only people with above-average wages can afford to use it today, but also those with relatively lower incomes. The research confirms that every year the Internet in Poland is becoming increasingly available on a wider scale. In the last decade, a significant increase was observed in the percentage of adult Poles having a personal computer at home, Internet access and using it⁵. Facing these changes, the objective of this study has been to set the scale to show the use of the Internet by the Poles and their Internet activity. The author mainly uses the results of the Public Opinion Research Centre, as well as other empirical data. The author of the present article tackles such issues as: frequency of Internet use depending on age, education, occupation, financial status, place of residence, place of access to networks, purchases and sales on the Internet, use of various Internet services (banking, downloading files music, movies and software, reading the press on-line, listening to the radio, watching TV, reading and blogging and maintaining one's own website, talking on the communicator, the use of e-mail,

² In various forms: information addiction, Internet pornography addiction, online gaming addiction, online gambling addiction, online shopping addiction, online affairs, and preference for the Internet social interaction (Nowakowski, 2009: 149–151).

³ Many researchers made a subject of their interest a relation between identities presented online and offline. On the one hand, they proved weakness in relation between I-virtual and I-actual, on the other hand they emphasized cohesion of presentation of identities create in the Internet and out of it. It is difficult to state definitely whether the Internet encourages the user to create integrated presentation of themselves (Mazurek, 2006: 118–126).

⁴ In the contemporary world “as the Internet's important and significant benefits expand, however, the possibilities to use this medium for unlawful activity grow as well. Unfortunately, the Internet has become a new frontier in spreading hate” (Kaplan, Moss, 2003: 5).

⁵ The rate of respondents owning their personal computer at home, in the researched period, gradually grown: 2002 – 27%; 2004 – 35%; 2005 – 41%; 2006 – 46%; 2007 – 51%; 2008 – 57%; 2009 – 65%, 2010 – 66%. There was a similar situation with the access to the Internet. The rate of its users has been following within the last year: 2002 – 17%; 2004 – 26%; 2005 – 28%; 2006 – 31%; 2007 – 37%; 2008 – 45%; 2009 – 56%; 2010 – 59% (Raporty CBOS: BS/83/2002, BS/50/2004, BS/157/2004, BS/68/2005, BS/58/2006, BS/59/2007, BS/58/2008, BS/135/2008, BS/96/2009, BS/79/2010). On a global scale, it is noteworthy that while in 1990 three million people had access to the Internet (73% of which lived in the United States of America and 15% in western Europe), there are now nearly two billion people connected to the Internet worldwide (World Health Organization 2011: 9).

membership in social networks (such as Facebook) and activity in them; forecasts for the development of the Internet and the attitude towards new technology.

Using the Internet

Since 2002, the Public Opinion Research Centre has been examining the presence of Poles on the Internet. During the period of 10 years (2002–2012) a very dynamic growth in the Internet popularity in Poland has been observed. Regularly, i.e. at least once a week, it is used by more and more Poles (17% in 2002, 26% in 2004, 28% in 2005, 31% in 2006, 37% in 2007, 44% in 2008, 48% in 2009, 51% in 2010, 56% in 2011, 56% in 2012)⁶. It is expected that the increase in the number of users will not be as significant as in the past decade (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

Use of network access depends on a number of socio-demographic characteristics of the respondents, however, mainly on age and education. Diversities related to gender are small. The men are using the Internet only slightly more often than women (58% vs. 54%) (Raporty CBOS: BS/99/2011). The Internet is most frequently used by the youngest Poles, their presence in the network is almost common. In 2012, in the age group of 18–24 years there have been 93% of the Internet users⁷. The older the respondents, the fewer of them are the Internet surfers: 81% (25–34 years), 73% (35–44 years), 52% (45–54 years), 34% (55–64 years), 11% (65 years and over) (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010)⁸.

The Internet is used almost by all adults with college degrees, and more than two-thirds of people with secondary education, more rarely by people with vocational education, and the least – by people with primary education. In 2012, 94% of Internet users had higher education, 69%, – secondary education, 38% – vocational education, while in the category of people with primary education the Internet users accounted for only 21% (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010). This means that the level of education greatly differentiated the use of the Internet.

Regarding the use of the Internet in various social and professional groups, it should be noted that in occupations where work is associated with having a college education and using the computer, the Internet use is very common, but less frequent among

⁶ The similar trend was observed in other countries of the European Union. Nearly 60% of individuals in the EU used the Internet daily. Seven in ten individuals used the Internet at least once a week. The shares for individuals who used the Internet regularly were above 80% in six Member States: Denmark, Luxembourg, the Netherlands, Finland, Sweden and the United Kingdom. The shares were below 60% in seven Member States: Bulgaria, Greece, Italy, Cyprus, Poland, Portugal and Romania (Seybert, 2012: 1).

⁷ According to WHO over 90% of children and adolescents in developed countries have access to the Internet (World Health Organization 2011: 31).

⁸ According to results of Eurostat research more than 9 in 10 young people aged 16–24 were regular internet users. The percentage of them in the age group 25–54 was 78% and it was only 42% in the age group 55–74 years (Seybert, 2012: 3).

physical workers, especially among farmers. Mostly the network is accessed by students (100%), managers and specialists with higher education (98%), administrative and clerical workers (92%), technicians and associate professionals (82%) and the self-employed (75%). Most of service workers are the Internet users (65%), skilled workers (65%), unemployed (54%) and unskilled workers (51%). The least frequently the network is visited by the retired (18%), disabled persons (22%) and farmers (22%) (Raporty CBOS: BS/81/2012, BS/99/2011, BS/33/2009).

The status that is strongly associated with education can be translated into affordability of the Internet in terms of possession or absence of certain digital skills, as well as in the availability of the Internet in strictly economic sense. Three quarters of respondents, who well-evaluate their financial situation, regularly access the network (76%); those who say that their material condition is average – 50%, while the poorly-off – 26%. (Raporty CBOS: BS/81/2012, BS/33/2009).

The Internet users are less likely to be urban residents. In recent years, however, the stratification in this respect between the rural and urban areas is increasingly shrinking. The interest of Internet users due to the size of the place of residence in 2012 was as follows: the city of 500 thousand and more people – 70% of the city, from 100 to 499 thousand population – 64%, the city from 20 to 99 thousand population – 54%, the city to 20 thousand population – 63%, rural areas – 47% (Raporty CBOS: BS/81/2012, BS/33/2009). It is worth noting that in the period from 2009–2012; the number of Internet users increased especially in small towns up to 20 thousand residents (up 13%) and rural areas (up 12%). In medium and large cities, as well as urban areas a large increase in the number of Internet users was not observed. It amounted to no more than 5% (Raporty CBOS: BS/81/2012, BS/99/2011, BS/33/2009).

The Internet users spend an average of 12 hours online per week, which is less than two hours a day. Average time spent on the Internet was the same in 2011–2012 and slightly less than that in 2010. To the question: “Approximately how many hours per week do you spend on the Internet?” in 2012, the largest category of respondents (31%) said – from 3 to 7 hours. Subsequently, the responses were observed under the following schedule: from 8 to 14 hours – 22%, 2 hours – 20%, from 15 to 21 hours – 12%, from 22 to 35 hours – 7%, 36 hours or more – 6%, “hard to say” – 2%. It is worth mentioning that according to the Public Opinion Research Centre survey dated 2010 – men spend more time in the net than women (average number of hours per week was, respectively: 17 and 12) (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

The time spent in the network depends on the age of respondents, although there is no any simple linear relationship. The youngest respondents are online longer than the others: persons aged 18–24 years surf the Internet on average 16 hours per week⁹, and

⁹ From the research carried out in Stalowa Wola in 2008 among secondary school students and pupils it results that 70,8% of the surveyed used the Internet every day, 18,3% – a few times a week, 1,7% – once a

those aged 25–34 years are in the network 14 hours a week. In the other age categories, the average number of hours spent on the Internet was as follows: 35–44 years (7 hours), 45–54 years (12 hours), 55–64 years (8 hours), 65 years and over (10 hours). Therefore relatively the least time on the Internet is spent by respondents over 34 years old, those who are aged 35 to 44 years and 55 to 64 years, while the most hours in the network (except for youth up to 34 years of age) by respondents aged 45–54 years (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

Almost all Internet users (97%) used the Internet at home. In addition, almost half (45%) used the Internet at work or at school, but very few (2%) – in the Internet cafes. About one-eighth (13%) was connected to the network in even more places. In the period 2008–2012 the access to the Internet increased primarily at home (increase from 88% to 97%). On the other hand, internet cafes lost their importance, and in 2008 were still used by only 7% of Poles. In this period, the smallest change was observed in the Internet use at school and at work. The number of the network users in such places in subsequent years was as follows: 47% (2008), 49% (2010), 41% (2011), 45% (2012) (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

Similar results were also obtained from the research conducted in 2008 among high school students and students in Stalowa Wola. The vast majority of high school students (93.3%) and students (86.7%) used the Internet at home. Subsequently, they accessed the network at friends' and acquaintances' (respectively 76.6% and 73.3%), at family's (50% and 53.3%) and at school or college (26.6% and 46.7%). Other places where the Internet was used (at work, on a mobile phone, an Internet cafe) proved to be unpopular with the young people (Rewera, 2008: 154–155). The research repeated in 2010 among students showed amplification of this trend: 96% of students reported that they used the network access at home, 73% – at the university, 54% – at friends' and acquaintances'. Least likely they accessed the Internet via mobile phone (20%), at work (10%) and in the Internet cafe (10%). The youth surveyed in 2010, more used the Internet at home and at school than in other places (Rewera, 2010: 97).

Another distribution of responses obtained in the Public Opinion Research Centre concerned the method of accessing the network. During the 2010–2012 period, there was a remarkable increase in wireless connections to the Internet via mobile devices such as: a laptop, mobile phone, tablet and notebook. While in 2010 the Internet was wirelessly accessed by 45% of Poles, a year later – 55%, in 2012 – 64%¹⁰. Relatively

week, 5% – a few times a month, 1,7% – once a month, fewer than 1% – did not use the Internet at all (Rewera 2008: 150–151). The research was repeated again two years later (2010) – this time among other students. Their results proved the greater frequency of visiting the Internet, thus 80% of students admitted to using the Internet every day, and 19% – a few times a week (Rewera 2010: 94–95).

¹⁰ According to research conducted by Eurostat in the European Union, mobile Internet usage has become popular with the emergence of new mobile devices such as smart phones or tablet computers, especially among young people. About 60% of them (aged 16–24 years) used the Internet on the move. In the general population one third of Europeans used the Internet on mobile devices away from home or work (Seybert, 2012: 1).

most of those surveyed declared to use the Internet from home, work and school (92%). For comparison: the wireless connection by means of mobile devices was used by 65% of people accessing the network at home and 75% of people using the Internet at school or work. This way of accessing the Internet was chosen more often by the respondents declaring to be online for more than 21 hours a week (or more than 3 hours per day), surveyed aged 25–34 years, residents of the largest agglomerations, respondents with higher education and top earners (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

The Internet is becoming increasingly common in Poland. It is used primarily by young and well-educated Poles. Two variables: age and education have the greatest impact on access to the network. The younger the respondents are, the more often they use the Internet, which seems logical. This regularity is confirmed not only by research results, but also by regular observation. Young people adapt more quickly to all the technological changes than the elderly to whom it takes more time and they do not always find themselves in a multitude of different information by selecting the more traditional means of passing knowledge, like newspapers or television. In addition, the greater use of the Internet helps to have a higher education associated with belonging to such socio-professional groups, as managers and specialists with higher education. These professions, which are mostly performed via the Internet, require high skills and good communication. Unsurprisingly the Internet is used more often in the city than in the countryside. In the cities – as noted by Jan Turowski – there live people who are mainly engaged in services: performing mental work or working intellectually (Turowski, 1994: 207–210). Nowadays many professions in this field require constant use of the Internet, without which it is difficult to imagine a job in the sector of employment.

It is worth noting that greater the availability of the Internet at home is not only due to the convenience of its users, but also due to the fact that man's work does not necessarily have to be physically and spatially related to the workplace or the company where he works. It increasingly takes place at home, via the Internet. It seems that this direction is followed by the evolution of employment: there appear professions that are task focused and it is not important if they are made at workplace (outside the home), or at home of a worker who uses the computer and the Internet. The men today are becoming increasingly mobile (Okólski, 2005: 82), need information and communication in a number of places that are visited by them – even within one day. This is likely to be an explanation to the situation of the increasing popularity of wireless connection to the network. We live in dynamic, changing times; therefore we become dynamic and adjust our functioning to the time of rapid changes (Sztompka, 2009: 452, 565–566), not just technology, but also – social and cultural aspects.

Purchases and Sales on the Internet

The Internet has gained great popularity as a distribution channel of goods and services. The percentage of respondents who shop in the Internet has increased particularly among the Internet users during 2008–2009 (an increase from 57% to 67%) and 2011–2012 (an increase from 66% to 72%). So now almost three-quarters of the Internet users (representing 40% of all respondents) declare that they do their shopping via the Internet¹¹. Online sales are much less popular among the Internet users than shopping. It is true that in recent years an increase in this activity has been observed (19% in 2008, 21% in 2009, 25% in 2010 and 2011, 26% in 2012), but it is not as extensive as buying in the Internet. Shopping in the Internet in 2012 in the month prior to the research was done nearly by two fifths of Internet users (37%), or one in five adults. This is the highest percentage recorded in the past ten years. The older the Internet users are, the rarer online purchase is (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

The most frequently purchased products in 2012 were: clothing and footwear (16% of the Internet users, which represents 9% of adult Poles), followed by electronics (respectively: 9% and 5%), automobile articles (8% and 5%), children's items, toys (8% and 4%), books – including electronic books (e-books) and audio books (8% and 4%), cosmetics (7% and 4%), sports equipment (7% and 4%). Plane and train tickets were more rarely bought via the Internet (4% and 2%), software and computer games (4% and 2%), access to some services or content (4 % and 2%), music and movies (3% and 2%). The least often purchased via the Internet were medicines (2% and 1%) and food (1% and 1%). Among other things, respondents most often mentioned nutritional diets and supplements for athletes, gardening articles, construction products, pet supplies, furniture and other interior design elements and housing equipment (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

Shopping and selling in the Internet for the Poles is an important form of activity. They are becoming more and more common. The Eurostat research indicates that this tendency takes place not only in Poland¹². In an attempt to interpret this state of affairs, it seems that the main motives for this action in the network are, firstly – the convenience and time savings, i.e., we do not have to leave home to purchase certain products and services via the Internet. Besides, a lot of things one can carefully inspect, analyze the various offers and services, thus we have more time to think

¹¹ The research carried out in Stalowa Wola in 2008 proved that 50% of pupils and 70% of students did their shopping via the Internet (Rewera, 2008: 155).

¹² Buying over the Internet (e-commerce or e-shopping) has become very popular in the European Union. In 2012, 59 % of Internet users in the EU reported having bought or ordered goods or services over the Internet for private purposes. The share of e-shoppers among Internet users varied considerably between Member States, ranging from 11% in Romania, 17% in Bulgaria, 29% in Italy and Estonia and 30% in Lithuania and almost 40% in Latvia to 82% in the United Kingdom, 79% in Denmark and Sweden, 77% in Germany and 75% in the Netherlands (Seybert, 2012: 6).

before we decide to buy them. Secondly, the products and services offered in the Internet are cheaper than in traditional retail outlets which add margin to the prices of goods and services purchased, thereby increasing their price. In the Polish society, which does not be the richest ones (Raporty CBOS: BS/136/2010), the theme is very important, perhaps more important even than the first one (convenience and time saving). This statement is justifiable, taking into account the situation that the most frequently purchased products include: clothing and footwear (Raporty CBOS: BS/81/2012), thus the things buying of which over the Internet is rather risky. While it is no surprising to buy or sell books in the network, in the case of footwear and clothing behaviour is at least puzzling. Apparently, this fact proves that people search online for goods that are cheaper than in stores, and the network allows them to make their purchase at a lower price – the network where one can buy all sorts of things (e.g. clothing and footwear), paying less than in ordinary stores.

Different Types of Activity in the Internet

The electronic banking is becoming increasingly popular. The 2012 research indicates that 60% of Internet users (37% of adult Poles) operated their bank accounts via the Internet. Compared to previous years, it is a significant increase. The number of Internet users operating online their bank accounts in previous years was smaller and grew year by year (21% in 2005, 33% in 2006, 31% in 2007, 38% in 2008, 41% in 2009, 46% in 2010, 54% in 2011 and 60% in 2012). Popularity of electronic banking is higher among the Internet users with higher education (76%) (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010). In the coming years we can expect further increase in the percentage of the Internet users who handle their bank transactions via the network.

In 2012, one-third of the Internet users (33%), thus one-fifth of adult Poles, downloaded music and movies from the Internet free software. Compared to previous years, one can observe a slight decrease in this form of Internet activity (40% in 2005, 45% in 2006, 43% in 2007, 40% in 2008, 45% in 2009, 42% in 2010, 38% in 2011). More often men admitted to downloading files from the Internet than women (40% vs. 26%), as well as younger users (69%) (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010)¹³.

Fewer Internet users admitted the use of content available in the Internet for a fee, e.g., newspaper archives, photos, paid membership sites. In 2012, this activity was manifested by 9% of the Internet users, while in 2011 – 8%. Only in 2009–2010, the percentage of users of payable services in the network was twice as high (15%). However, in 2005–2007 the percentage was at a slightly lower level (the average in

¹³ In Stalowa Wola, in 2010 93% of the surveyed students listened to music and downloaded it from the Internet and 71% watched and downloaded films (Rewera, 2010: 99).

this period amounted to about 7%) the same as in the years 2011–2012 (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

Much more Internet users used the free content available on the Internet. In 2012, the newspapers in the Internet were read by three-fifths of users (60%). In 2010–2012 online version of newspapers and magazines was used by about one-third of adult Poles (30–35%). Compared to the period 2006–2007, this percentage doubled. Online access to the press was relatively common among the elderly Internet users (72%) and among users who had a university degree (69%) (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

Nearly one-third of the Internet users in 2012 (31%) listened to the radio online. This percentage significantly decreased compared to the period of 2009–2010, when about 40% of Internet users listened to the radio via the Internet. A slightly larger group (37%) in 2012 declared to watch videos, movies, and television series in the network. In general, listening to the radio via the Internet was more popular than watching videos and television in the period 2006–2009, while in 2011–2012, the situation reversed. In addition, both of these forms of activity were mostly practiced by the youngest Internet users (50% and 66% respectively) (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

In 2012, one-fifth of users (18%) declared that they posted self-made photos or video content in the Internet, or one-tenth of the total sample. Own materials were relatively more often placed by women than men (23% vs. 14%), and the younger Internet users (40%) (Raporty CBOS: BS/81/2012)¹⁴.

Nearly one-third of the Internet users (29%) in 2012 read blogs, and one in twenty (5%) declared to write a blog or keeping their own website. Compared to 2010, reading of blogs clearly decreased (10% down), as well as writing their own blog (3% down). The data from 2012 indicate that women are more likely to read the information on blogs than men (33% vs. 26%), and slightly less often wrote them (4% vs. 7%). Reading these pages was also significantly more common among younger users (45%)¹⁵, and respondents with higher education (37% in 2011) (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

In 2011–2012, the popularity of Internet communication by text messaging declined (e.g. Gadu-Gadu). While in 2006–2010 it was used by more than 60% of Internet users (63%–68%), the rate fell in 2011 to 51%, and in 2012 to 47%¹⁶. Relatively stable

¹⁴ Greater rate was proved among pupils and students in Stalowa Wola. In 2008 almost half of them (48.8%) confirmed to visit some portals, where they place texts, photo and other materials (Rewera, 2009: 152). This rate was even greater (60%) in the students' research in 2010 (Rewera, 2010: 99).

¹⁵ About one third (34%) of pupils and students from Stalowa Wola in 2008 wrote in the Internet forums and blogs. Keeping one's own website declared 21% of them (Rewera, 2008: 155).

¹⁶ Other result was obtained in Stalowa Wola. In 2008 96,6% of secondary school students and 80% students ran conversations by means of Gadu-Gadu messenger (Rewera, 2008: 155). This rate increased among students up to 94% in 2010 (Rewera, 2010: 99).

in the period of 2008–2012 was the percentage of Internet users carrying voice calls via instant messaging such as Skype or Tlenofon type. The percentage was as follows: 38% in 2008, 41% in 2009, 39% in 2010, 35% in 2011, 36% in 2012 (Raporty CBOS: BS/81/2012, BS/99/2011).

Like the number of Internet users who use text messaging, a group of surfers who have made entries in forums and discussion groups also decreased. In 2008–2010, they constituted more than 30% (31%–37%), whereas in 2011 this figure dropped to 24%, and in 2012 increased by only one percentage point (to 25%). A similar trend was observed with the Internet users playing online games. Their number in the period 2009–2012 declined steadily: 28% in 2009, 21% in 2010, 17% in 2011, 14% in 2012 (Raporty CBOS: BS/81/2012, BS/99/2011). Participation in forums and online games, as well as communication via the Internet was strongly associated with the age of the users. In all these activities the youngest Internet users were distinguished. The relatively smallest differences resulting from age referred to chats (Raporty CBOS: BS/81/2012).

Analyzing forms of the Internet activity of Poles, one can see that they cover a wide range of different activities, which today is done via the Internet. One might even venture to say that nowadays “almost everything”, if not everything, can be done in the Internet, e.g., operating one’s own bank account, watching movies, listening to the radio, reading newspapers, running one’s blog or website, and communicating with other network users via text and voice messaging, as well as playing various online games (Maciaszek, 2010: 198; Daszykowska, 2012: 82). The author of the study proposes to divide all these actions according to the criterion of “types” of communication: unilateral versus bilateral. Taking into consideration the criterion, we could distinguish receptive and interactive forms of the Internet activities.

The former would mean the network activities that are focused mainly on the reception of different web content (one-way communication “from” some web users – “to” others), such as listening to the radio, watching television or videos, reading the press or browsing the press archives. On the other hand, the two-way communication means both receiving content from the Internet, and allowing the Internet users to answer – sending feedback, which is a reaction to the perception of some content from the web. The second type of activity – interactivity – much more involving than the first one, conducive to communication with other users, and thus it enables the exchange of experiences. This happens for example in communication through text or voice messaging, participating in online games, running one’s own blog (website) or writing opinions on other people’s blogs.

It seems that the future of the Internet activity is moving towards greater interactivity of Internet users which should have positive implications for social communication in general. (Przywara, 2006: 175). This does not change the fact that Internet communication should be nothing more but a supplement of direct contact (face-to-face relations).

Otherwise, when one is trying to replace them, it may be one of the “chimeras” technological world, which instead of improving the people’s mutual communication, really leads to its degeneration and shallowing (Jarecka, 2004: 260).

Making Friends in the Network and Activity on Social Networking Sites

In the period 2005–2012, nearly a quarter of the Internet users (average of the period covered by the research was 23.5%) made acquaintances via the network. Apart from minor fluctuations it can be stated that during the last seven years, the scale of the phenomenon of Internet users has not changed¹⁷. These types of acquaintances were dependent, to some extent, on gender – men made them more than twice often than women (32% vs. 14%). An important role is also played by age. Most experienced in this regard were the youngest Internet users aged 18 to 24 years. With age, the percentage of people making acquaintances via the Internet decreased. The number of the Internet users who have met personally with the person met in the network was also stable during the period of seven years and was just over 13% (average for the years 2005–2012). People keeping in touch with others met in the Internet were relatively those aged 25–34 years. In the vast majority of these virtual friends moved out of the Internet (Raporty CBOS: BS/81/2012, BS/99/2011).

Such web-based platforms where people make acquaintances are primarily social networking sites. However, they do not only serve to get to know new people, or refresh and maintain friendships. They increasingly provide access to the wider culture, especially information and entertainment. The number of the Internet users and adult Poles having an account on at least one social networking site (Our-Class, Facebook, Golden Life or something similar) in the period 2009–2012 was more or less constant. Registered users accounted for one-third of all adults, or about 60% of Internet users. It is worth mentioning that the activity of such sites, i.e., viewing their content, was declared in 2012 by 62% of Internet users (Raporty CBOS: BS/81/2012, BS/99/2011).

The results of the Public Opinion Research Centre survey from years 2011–2012 indicate that social networking sites more often used women than men (61% against 55%). The difference between them was not so great. In addition, the portals’ activity was dependent on age and education. The relatively most active are the youngest Internet users. With age, the activity decreases in networked communities. The registered interest in these sites in 2012 in each age category was as follows: 93% (age

¹⁷ The research carried out in Stalowa Wola indicated that in 2008 36.6% of secondary school students and 41.7% university students declared having friends and acquaintances they kept in touch with via the Internet only (Rewera, 2009: 152). Within two years the number of students declaring to have that kind of friends did not change. It amounted to 39% (Rewera, 2010: 101).

category 18–24 years)¹⁸, 68% (25–34 years), 44% (35–44 years), 49% (45–54 years), 23% (55–64 years), 22% (65 years and over). This means that the activity in portals is decreasing especially among respondents aged 55 or more. As regards the social networking site, the users with a secondary education (62%) and higher education (59%) are also more likely to surf the Internet. However, less common use is admitted by the respondents with primary education (46%) and vocational education (46%). The only exception in this respect is the youth of secondary education, which more often than others (74%) are active in the social networking sites. In this case, it could be explained by the high percentage of age (13–16 years), in which the activity not only in virtual communities (but generally – the web) is the greatest (Raporty CBOS: BS/81/2012, BS/99/2011).

Social networking sites serve different purposes. They are mainly used to socialize, because half of the Internet users (50%) maintained contacts through them with their friends. Nearly two-fifths (37%) – less than in previous years – renewed old acquaintances. One-fifth (19%) establish a new relationship through portals. Younger users more likely than older ones reported that they used portals in order to keep in touch with friends or make new friends¹⁹. Age did not differentiate indications relating to the renewal of old contacts. In addition, one-third of the Internet users (33%) used portals to have access to different materials and content: listen to music, view photos and videos, or something to read. Only one-fifth (21%) reported posting such materials. One in four (26%) participated in discussions on topics of their interest. Younger users more likely than others clearly used virtual communities to participate in the collection and distribution of content, music, video, as well as discussion forums. It is worth mentioning that 15% of Internet users visited social networking sites in order to find work, and nine (11%) – to establish professional / business contacts. Most interested in such contacts were senior executives and specialists with higher education (19%), as well as students (16%). However, the job search through networking and opportunities to present themselves to potential employers was more often mentioned by the unemployed (38%)²⁰, those not working for other reasons, such as keeping the house (26%), while among the employed: unskilled workers (23%) and service workers (21%) (Raporty CBOS: BS/81/2012, BS/99/2011).

¹⁸ Similar result was obtained by Dominika Puzio, who in 2011 carried out research among the Internet users. As it results from the research among young people (aged 16–30) 95% of them declared to use social networking. Over 83.7% of the surveyed people admitted to using such portals every day (Puzio, 2011: 43, 45, 47).

¹⁹ As it results from Dominika Puzio's research almost 60% of the youth used social networking to maintain old acquaintances and 69.5% considered it as the greatest benefit of communication in this type of portals (Puzio, 2011: 51–52).

²⁰ Unemployment is one of the most common problems of the contemporary world (Łuka, 2012: 54). In Poland it is still an important social issue for many people. Unemployment rate in Poland was 11% in 2012 (Raport CBOS: BS/64/2012).

Social networks are a kind of universal Internet platform, where the Internet users can perform numerous activities, primarily communicate with each other, but also have access to culture: education, information, entertainment and the labour market (Raporty CBOS: BS/81/2012). To some extent they reflect the real world (Podgórski, 2006: 105). They are primarily an important communication channel by means of which social interactions are maintained, refreshed and initiated. There are many such portals. At the moment, the most popular of them – not only in Poland – is Facebook. Yet this is not so long ago that such a portal was “Our-class” (Maciaszek, 2009: 71–85), but it seems a thing of the past. It replaced the new social networking sites, especially Facebook. It should also be noted that the formation of online communities is a dynamic phenomenon: “old communities” are replaced by “new ones”. Regardless of this change, it seems to be a common feature of this phenomenon that people who spend more time in the network, are more willing to communicate (Maciaszek, 2010: 198–206). Although this communication is not direct but indirect (Globan-Klaus, Sienkiewicz, 1999: 10; Tadeusiewicz 2002: 8), but with the right approach, it can be a constructive complement and even strengthen face to face contacts.

Prospects for the Development of the Internet and the Attitude to New Technology

Three-fifths of adults (60%) in 2012 declared their intention over the next year to use the Internet regularly, and 37% did not plan to do that. Only 3% could not respond to this question and replied, “It is hard to say”. The distribution of responses is almost identical to that obtained in the study by Public Opinion Research Centre in 2011 and 2010²¹. Having trusted the declarations of the research of 2012, within the next year, 6% of respondents who do not currently use the Internet, it will start using. Nearly two-fifths (37%) do not predict to join the group of the Internet users. They are mostly older people (aged 55–64 years and above 64 years of age). Among those over 55 years and not using the Internet, there are only a few planning to start using it. Apart from age, also the education differentiated responses. The vast majority of people (82%) with primary education (including respondents with secondary education) stated that they will not use the Internet in the future. The relatively greater digital potential was found by the residents of large cities who are better educated, as well as among women. The above trend covers the period 2010–2012 (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010).

Poles’ attitudes to new technologies are generally enthusiastic. More than half of the respondents (53%) in 2012 were of the opinion that with the development of the

²¹ Pupils and students in Stalowa Wola in 2008 were asked the question: “Do you think you will use the Internet in the future more often than now?” It occurred that the students definitely more often (70%) than pupils (48.3%) were of the opinion that the Internet will be of greater importance in their lives in the future than at that time, which meant often use of the Internet (Rewera, 2008: 151–152).

Internet and mobile communications the world is getting a better place, while only 13% claimed that the world is getting worse. Nearly one in three respondents (29%) does not assign any specific role to these media. In this regard, over 10 years (2002–2012) there has been a growth of 41% to 53% of the respondents positively assessing the development of the Internet, a decrease from 39% to 29% of the respondents claiming that, thanks to the development of modern information technology the world is neither better or worse, and a slight increase in negative opinions (from 9% to 13%), according to which the development of the Internet causes negative repercussions in the modern world. It is worth mentioning that those not using the network more than twice as often as the Internet users (26% vs. 10%) mentioned negative aspects of the development of new technologies and less positive (47% vs. 58%). In addition, opinions on this topic clearly depended on the age of the respondents. Belief in the positive impact of the development of the Internet in today's world was expressed by the youngest more often than other respondents (Raporty CBOS: BS/81/2012, BS/99/2011, BS/79/2010)²².

Poles, especially younger ones, are more likely to have a positive attitude towards the development of the Internet. They accept its presence, and they are aware that every year it will gain increasing importance. It is impossible today to imagine the settlement of many issues and solutions to various problems without the use of the Internet. In addition, over the years, the percentage of Poles who have used the Internet since their childhood increases. By nature, the Internet is becoming more and more present in our lives. It should be noted – on the other hand – that more than one-third of the Polish society is “out-of-the net”²³. One could argue that this is a group of digitally excluded, those who do not keep up with the changes in communication and culture. For elderly people, especially the less educated, pensioners, with limited budget, it is much more difficult to adapt to modern technological developments. Therefore, it is important to train these people to perform simple computer operations and the Internet. It is an important task not only for the institutions²⁴ and organizations, but especially for the closest environment of these people. One can learn how to use the new medium (the Internet), where family members and friends (with a larger digital competence than those who do not have them at all) will not remain indifferent to the situation of “digitally excluded”.

²² It is worth mentioning the sociological research conducted via an online survey. Young people (25–34 years) and middle-aged respondents (35–64 years) are more likely to take part in them than the older ones. Thus, the younger the respondents are, the more possibilities offered by the Internet they use (Litwin & Ziemia, 2010: 79).

²³ The research conducted in the EU by Erostat showed that the highest shares of the population with no past experiences in Internet use at all whether at home, at work or at any other place were registered in Romania (48%), Bulgaria (42%) and Greece (42%), the lowest in Sweden (5%), the Netherlands, Denmark and Luxembourg (all 6%) and Finland (7%). Another five Member States (Italy, Cyprus, Portugal, Poland and Lithuania) showed proportions between 30% and 40% for the population being excluded and without user skills regarding the internet. In Latvia it was recorded a quarter of the population of non internet users (Seybert, 2012: 4).

²⁴ The universities of the Third Age play an important role in this respect, which not only integrate seniors but also provide them knowledge – including the practical one, which is necessary to learn the basic skills related with the use of computers and the Internet (Rewera, 2011: 102).

Conclusion

More than half of Poles (56%) use the Internet, of which 97% use it at home. In 2012, for the first time in the last ten-year period there has been an increase in the number of its members in relation to the measurement made in 2011. The Internet users are mostly young and well-educated. They are also more often urban dwellers than those of rural areas. Still, a large part of adult Poles is offline (more than two-fifths) and – as shown by the vast majority of their declarations – this situation will not change soon. In the area of digital exclusion, there are mainly the elderly and less educated people. These two factors: age and education (to a lesser extent, financial situation), mostly determine affordability of the Internet, and it is not just about basic digital literacy to allow the entrance of the network but also the ability to navigate through it, search content, use various services and functions. It is expected that with the current trends, this type of digital exclusion (conditioned by age and education) will gradually disappear, the second level of inequality will be more significant – within the group of the Internet users – based on the differences in digital competence, the skills to use a variety of services, applications, but also the ability of selection and choices.

In recent years, Poles' online activity remained at the same level or increased in areas such as: purchases and sales, banking, reading electronic versions of newspapers and magazines, voice chat via instant messaging (such as Skype), owning an account in a website community and maintaining contacts through it with friends, acquaintances, and make new friends. In the past decade there was less activity in the following areas: network download free software, music and movies, listening to radio online, reading blogs, and running one's own web site, to communicate through text messaging websites (such as Gadu-Gadu, Tlen messengers), making entries in forums and discussion groups and participating in online games. Nevertheless the attitude of Poles towards the development of the Internet and new technology is generally enthusiastic. More than half of them said that thanks to this development the world has become a better place. This conviction was more likely to be expressed by the youngest rather than other respondents, who also showed the highest activity online.

The Poles' Internet activity over the past decade has increased²⁵. The significance of the Internet has increased year by year. They have performed more and more different activities, using the global World Wide Web for this purpose. The Internet (cyberspace) has become an important cultural and social phenomenon. It is difficult to imagine

²⁵ In the last decade the Internet activity has developed to a great extent not only in Poland but also in other countries, for example in the United Kingdom. According to Christine Hine – senior lecturer in the Department of Sociology at the University of Surrey – the Internet has become an increasingly mainstream phenomenon (in 70% of UK households in 2009). More people, and a more diverse range of people, are now online, doing a wider array of things, including participating in discussion forums and building web sites as they were in 2000, but also using social networking sites, uploading their photographs and videos, leaving their opinions via tagging, commenting and reviewing and leaving electronic traces of their actions in logs of server activity, search engine usage and the like (Hine, 2011: 1–2).

daily activities without the Internet, which is largely based on its use. The young Poles are the most easily and fastest to adapt to these changes as well as pupils, students and professionals that require higher education (Wódz, 2003: 9–13). On the other hand, one can also note the category of Poles (about one-third of the Polish society) “digitally excluded” who cannot keep up with technological changes and are unable or unwilling to adapt to them. This raises the need for “inclusion” of this group into a network society, at least in the primary dimension (teaching them basic computer operations and the Internet use). Not only the state institutions are responsible for “inclusion” of the excluded, but also the relatives (family members) and friends with whom the people not using the Internet are in a close relationship. The future does not depend solely on the Internet, which some might define as “callous tool” (which is a threat to humanistic world), but to the people who functioning in the knowledge society use this tool to perform various tasks and multiply the common good (Hofmokl, 2009: 178–232).

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BOTANICAL TERMS IN GERMAN–LATVIAN DICTIONARIES: GRAMMATICAL CATEGORY OF NUMBER

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Abstract

One of the most difficult tasks of a translator is to find the most appropriate terminological equivalent in the target language, therefore the translation variants of botanical terms and their grammatical categories in bilingual dictionaries must be very precise. This paper focuses on grammatical categories of terms, namely, botanical terms in German–Latvian bilingual dictionaries. The research is based on the analysis of two German–Latvian dictionaries (an older one published in 1954 and more recent of 2002) to compare whether there were some qualitative improvements made during half a century in compiling dictionaries. The research is topical, because there are no other studies about special lexis, its selection and including in the bilingual translation dictionaries. The excerpted dictionaries' entries are given in a table and analyzed with the help of a descriptive method. In the end, the results of the analysis are summarized in findings and conclusions about Latvian equivalents of German botanical terms.

Keywords: *botanical terms, translation, dictionaries*

Grammatical Meaning

Before starting the analysis of excerpted material, the term 'grammatical meaning' should be specified. In the Explanatory Dictionary of Basic Linguistic Terms (“*Valodniecības pamatterminu skaidrojošā vārdnīca*”, VPSV) the term 'grammatical meaning' (*gramatiskā nozīme*) is defined as follows: “An abstract meaning of the language grammar system that is regularly shown in the grammatical form, e.g., in the Latvian language the grammar meanings of gender, number, and case are different in masculine and feminine genders, in singular and plural forms, in nominative, genitive, dative, accusative, instrumental, locative, and vocative cases” (VPSV, 2007: 133).

There are no such terms as 'grammatische Bedeutung' or 'grammatische Form' in the German Linguistic Dictionary “Lexikon der Sprachwissenschaft” (LDS) by Hadumod Busmann (*Hadumod Bußmann*) published in 1990.

For the analysis within this article 51 botanical terms were gathered. The botanical terms included and analyzed in the table have two common features: their corresponding Latvian grammatical form of number in the LDS and the Dictionary of the Latvian Language (“*Latviešu valodas vārdnīca*”, LVV) is different, and for some terms the Latvian equivalent is given in plural form, although in German the botanical term is in singular.

The excerpted dictionary entries are given in a table and analyzed with the help of a descriptive method. The terms chosen are being compared with the names of plants included in the LVV.

Grammatical Analysis of the Latvian Equivalents of the German Botanical Terms

Category of Noun – Number

Nouns can be singular and plural, having various forms and different meanings. In Part 1 of the Contemporary Literary Latvian Language Grammar (“*Mūsdienu latviešu literārās valodas gramatikas*”, MLLVG) singular and plural forms of a noun are characterized *as follows*: “A noun in singular represents either separate objects (e.g. *brother, swallow, tree*) or notions perceived as a whole – abstract concepts (..), substances (..), general groups of notions (..). A noun in plural form stands for two or more objects (e.g. *children, horses, flowers*) and such definite objects or abstract concepts which can be separated into some or many components (e.g. *crumbles, aches, shakes, sorrows*)” (MLLVG I, 1959: 282).

VPSV, in its turn, gives the following definition of the term 'number' (*skaitlis* in Latvian): “The grammar form of the declinable words, if specifying number, quantity or a formal appliance to some of the number forms – singular, plural, or dual. In the modern Latvian language the number has two forms usually shown with the help of an ending, e.g. singular *dien-a*, plural *dien-as*” (VPSV, 2007: 362).

In the German Linguistic Dictionary “Lexikon der Sprachwissenschaft” by Hadumod Busmann (*Hadumod Bußmann*) published in 1990 the term 'Zahl' has been referred to the term 'Numerus', that, in its turn, has the following definition: “Grammatische Kategorie des Nomens (speziell des Substantivs) zur Kennzeichnung von Qualitätsverhältnissen” (LDS, 1990: 537). The definition can be translated into English as follows: “The grammatical category of the name (especially noun) that characterizes the quality relationship” (hereinafter the translation of foreign quotations is done by the author of the article).

If comparing both definitions mentioned above, one can come to the conclusion that the definition given in the Explanatory Dictionary of Basic Linguistic Terms is broader, as it distinguishes the number – singular, plural, and dual. The dictionary also gives some examples, in contrast with H. Busmann's definition.

In the German–Latvian dictionaries chosen for research the Latvian equivalents of the botanical terms are mostly given in a singular form. If the examples mentioned in both dictionaries are given in singular, then they are not analyzed herein.

The Botanic Terminology Sub-Commission of the Terminology Commission of the Latvian Academy of Sciences has affirmed the principles of creating botanical terms, and Section 1 of the guidelines says: “In the Latvian language the names for members of a botanic class should be used in plural form, but the name of a species (if specifying species, not the culture of the definite species) – in singular” (LZA TK “Terminoloģijas Jaunumi”, 2004: 22).

E. Vimba in his article “The Development and Perspectives of Botanical Terminology” also emphasizes: “The primary task for our botanists is to create the names of the plants in Latvian. When doing it, they follow several principles, and one of them is that the names of a class should be used in plural, but the name of a plant – in singular” (Vimba, 1986: 80). According to these principles, the equivalents of the plant terms in the bilingual dictionary should have a singular form, unless they are plurals as well.

Nouns Usually Used Only in Plural

“Plural form is used for the names of smaller plants or grains (if talking about the species, not a separate plant), e.g., *auzas* (oat), *griķi* (buckwheat), *kaņepes* (hemp), *kvieši* (wheat), *lini* (lint), *mieži* (barley), *rudzi* (rye), etc. In rare cases, especially if meaning a separate sample of a plant, this term is also used in singular: *kaņepe*, *kviesis*, *miezis*. However, many plant names usually do not have a singular form in the literary language, e.g., *ceriņi* (lilac), *dilles* (dill), *kaķpēdiņas* (cat's foot), *pelašķi* (milfoil), *spināti* (spinach), *virši* (heather), *vīķi* (vetch), *lēcas* (lentil), etc” (MLLVG I, 1959: 387).

VPSV defines the term 'plural noun', or 'plurale tantum' not only in Latvian, but also in English, German, and Russian: “In Latvian: *lietvārds, ko parasti lieto tikai daudzskaitlī, piemēram, drupas, dzirnavas, kāzas, milti*, in English: *pluralia tantum, noun, used only in plural*, in German: *Pluraletantum*, in Russian: *слово, употребляемое только во множественном числе*” (VPSV, 2007: 79).

In the German Linguistic Dictionary “Lexikon der Sprachwissenschaft” the term 'Pluraletantum' has the following definition: “Nomen, die nur im Plural vorkommen. Im Deutschen nur vereinzelt, im Russischen gibt es dagegen mehrere semantische Klassen von Pluraletantum. Bei diesen Nomen wird nicht die Ungliedertheit (Singular), sondern die Gegliedertheit (Plural) als semantischer Grundzug empfunden (..)” (LDS, 1990: 590). Thus, plurale tantum are nouns used only in plural.

Among the excerpted entries there are Latvian words that in both dictionaries are given only in plural form, e.g., *rudzi* (rye), *trīsenes* (dithering grass), *vizuļi* (quaking grass). In the German–Latvian Dictionary published in 1954 after the entry “Roggen” it is indicated – (-s; *pl. n.*), and these letters mean that the German word does not have a plural form or the plural form is used very rarely. The Latvian equivalent does not have any remarks about forms of usage in singular or plural form. In its turn, the dictionary published in 2002 after the entry “Roggen” gives only a Genitive singular ending and does not provide any information about the plural form for the German word or the number of the Latvian equivalent.

In the Dictionary of the Latvian language the entries *rudzi*, *trīsenes*, *vizuļi* have a comment about usage only in plural. Both German–Latvian dictionaries chosen for this research do not indicate the number of these names, but it would be better to add some remarks about the number: as it was mentioned before, in the introductory part of the dictionaries there is no additional information about the usage of Latvian equivalents in plural.

The appendix, in its turn, or the alphabetical index of plant names in the work “Names of Plants in the Latvian Language” by I. Ēdelmane and Ā. Ozola provides both singular and plural forms of the entry *rudzis* (*rudzis* and *rudzi*), but *trīsene* and *vizulis* are given only in singular there.

Although the quotation taken from the Contemporary Literary Latvian Language Grammar states that the above-mentioned names of plants or grains are usually not used in singular, in the more recent German–Latvian Dictionary (2002) some entries are given in singular. Thus, for instance, in German–Latvian Dictionary published in 1954 German 'Ginster' has a plural equivalent *irbulenes* (furza), German 'Mistel' has a plural equivalent *āmuļi* (mistletoe), German 'Morchel' has a plural equivalent *lāčpurni* (morel), German 'Schneeball' has a plural equivalent *irbenes* (snowball), German 'Katzenpfötchen' has a plural equivalent *kaķpēdiņas* (cat's foot), but the dictionary published in 2002 has a singular form for all these nouns.

From the nouns analysed above the Latvian equivalent of the German 'Linse' – *lēca* is especially interesting. The same as with the name of *kaķpēdiņa*, this botanical term in the German–Latvian Dictionary published in 1954 is given in plural, but the dictionary published in 2002 provides a singular form. It should be noted that in the Dictionary of the Latvian Language the botanical term 'lēcas' is given in plural and has a comment about a singular form, after which the definition follows: “LĒCAS vsk. lēca, s. 1. Viengadīgs tauriņziežu dzimtas lopbarības pākšaugš ar sīkiem ziediem un īsām, plakanām pākstīm. *Sēt lēcas*. 2. Šā auga sēklas” (LVV, 2006: 584)

Also German 'Bilse', 'Eisenhut', 'Eisenkraut', 'Feldthymian', 'Fliegenkraut', 'Hanf', 'Kümmel', 'Rainfarn', 'Rübsen', 'Tausendgüldenkraut', 'Tränendes Herz', 'Wegwarte', 'Weiderich' in the dictionary published in 1954 have plural Latvian equivalents, i.e., *melnās driģenes* (black henbane), *kurpītes* (aconite), *verbenas* (verbena), *mārsili* (brotherwort),

velnāboli (stramonium), *kaņepes* (hemp), *ķimenes* (thyme), *biškrēsliņi* (tansy), *rapši* (rape), *augstiņi* (centaury), *lauztās sirdis* (dicentra), *cigoriņi* (chicory), *vējmietiņi* (loosestrife). These entries are not included in the dictionary of 2002, thus it is not possible to check the number of their equivalents. However, it is obvious that all these terms can have a singular form: *melnās driģenes* – *melnā driģene*, *kurpītes* – *kurpīte*, *verbenas* – *verbena*, *mārsili* – *mārsils*, *velnāboli* – *velnābols*, *kaņepes* – *kaņepe*, *ķimenes* – *ķimene*, *biškrēsliņi* – *biškrēsliņš*, *rapši* – *rapsis*, *augstiņi* – *augstiņš*, *lauztās sirdis* – *lauztā sirds*, *cigoriņi* – *cigoriņš*, *vējmietiņi* – *vējmietiņš*.

Similarly, in the German–Latvian Dictionary published in 2002 the Latvian equivalents of the German botanical terms 'Labkraut', 'Mauerpfeffer', 'Wachtelweizen' – *madaras* (bedstraw), *laimiņi* (stonecrop) and *nārbuļi* (blue cow wheat) are given in a singular form in the Dictionary of the Latvian Language – *madara*, *laimiņš*, *nārbulis*. The names of these plants are not included in the German–Latvian Dictionary of 1954, so it is not possible to check the changes in number. But the alphabetical index of plant names by I. Ēdelmane and Ā. Ozola has both number categories for these terms: *madara* and *madaras*, *laimiņš* and *laimiņi*, *nārbulis* and *nārbuļi*. It means that in the colloquial language the names of these plants can be used both in singular and plural.

It should also be noted that previously in this article the crops *auzas* (oat) and *griķi* (buckwheat) were referred to as plurale tantum. Although in both dictionaries chosen for the research these entries are given in plural, the Dictionary of the Latvian Language after a plural form of these terms also provides a singular variant. In both German–Latvian dictionaries the singular form is not given. It is also important to note that 'auza' can be used in singular, e.g., in the term '*skarainā auza*' (cultivated oat, or *Avena sativa*). A lot of other oat types can be found in a singular form in the alphabetical index of plant names by I. Ēdelmane and Ā. Ozola: *zaķa auza*, *asā auza*, *leišu auza*, etc.

“A singular form of many names of the plants, vegetables, fruits corresponds to the plural form with a binary meaning: the plural form means not only the plural (or singular) quantity, but also the corresponding food, e.g., *sēnes* (mushrooms), *kartupeļi* (potatoes), *sīpoli* (onions), *ķiploki* (garlic)” (MLLVG I, 1959: 384).

From the excerpted language material also German 'Salat' – *salāti* (lettuce, salad) belongs to this group, the word used in singular to name the plant and in plural to refer to the dish. The Latvian equivalents of this word in both German–Latvian dictionaries are given in plural, but in the dictionary published in 1954 it is written without a diacritic mark – *salati*.

In the Dictionary of the Latvian Language the word *salāts* is defined as follows: “1. The composite family vegetable with leaves used for eating without boiling. *Lapu salāti*. *Sagriezt salātus*. 2. plural. A cold dish made from the cut fresh or boiled vegetables, mushrooms, meat, fish, etc. dressed with sour cream, mayonnaise, oil or special sauce. *Gurķu, kāpostu salāti*. *Sēņu salāti*. *Siera salāti*” (LVV, 2006: 945).

According to this definition, if talking about the plant, both singular and plural forms can be used. This fact is not taken into account by the compilers of both dictionaries, as they do not give a corresponding remark.

The Latvian equivalents for German 'Blumenkohl', 'Grünkohl', 'Hasenklee', 'Kohl', 'Rosenkohl' and 'Rotkohl' in both German–Latvian dictionaries are given in plural, i.e., *ziedkāposti* (cauliflower), *zaļie kāposti* (green cabbage), *zaķu kāposti* (orpine), *kāposti* (cabbage), *rožu kāposti* (brussels sprout), *sarkanie kāposti* (purple cabbage), although a singular form 'kāposts' can be made. The same with the term 'skābenes' (sorrel) – when speaking about the plant the singular form can be used – 'skābene'. The German–Latvian Dictionary published in 2002 without any reason gives the Latvian equivalent for the German botanic name 'Pferdeampfer' in singular – *zirgskābene* (yellow dock), but for German 'Sauerampfer' and 'Sauerklee' the same dictionary provides plural forms – *skābenes* (sorrel) and *zaķskābenes* (shamrock).

The same can be said about the German–Latvian Dictionary of 1954, in which German botanic names 'Seetang' and 'Tang' in one case have a plural Latvian equivalent – *jūras aļģes* (seaweed), but in another a singular – *jūras aļģe*, *jūras zāle*, *ūdensaugš*. To make the translation variants provided in the dictionary more coordinated, an integrated approach to giving the grammatical form of the equivalents should be used.

The form of the Latvian equivalent of the German term 'Schilf' in the German–Latvian Dictionary published in 2002 is also not clear enough, as singular and plural forms are separated by the semicolon: *niedre; niedres* (bulrush).

Such terms as *ceriņi*, *pelašķi*, *spināti*, *virši* in both German–Latvian dictionaries are given only in plural. In the alphabetical index of plant names by I. Ēdelmane and Ā. Ozola *ceriņš*, *pelašķis*, *virsis* are given in singular, but *spināti* only in plural. In its turn, the Dictionary of the Latvian Language after the plural form also gives a singular *spināts*, and the definition follows.

Nouns Usually Used only in Singular

Part 1 of the Contemporary Literary Latvian Language Grammar provides an explanation of the term 'singular noun', or 'singulare tantum': “nouns used only or mostly in singular form standing for one separate object or the integrated group of objects that can be imagined as a unified whole” (MLLVG I, 1959: 384).

VPSV also defines the term: “Singular noun, in English: *singularia tantum*, noun used only in singular, in German: *Singularetantum*, in Russian: *слово, употребляемое только в единственном числе*. A noun usually used only in singular, e.g., *piens* (milk), *alus* (bear), *sviests* (butter), *medus* (honey)” (VPSV, 2007: 450).

In the German Linguistic Dictionary “Lexikon der Sprachwissenschaft” by Busmann the term 'Singularetantum' has been referred to the term 'Massen-Nomen' having the following definition: “Nomen, das keine Numerus-Distriktion aufweist und nicht

unmittelbar mit einem Zahlwort kombiniert werden kann (vgl. * *drei Wäsche*) im Unterschied zum – Individualnomen, wie z. B. *Kleid* vgl. *drei Kleider*. Bei Massen-Nomen kann man im einzelnen 'Stoffnomina' wie *Wasser* und 'Kollektivnomina' wie *Vieh* unterscheiden" (LDS, 1990: 473).

If one compares the definitions given in the Explanatory Dictionary of Basic Linguistic Terms, the Contemporary Literary Latvian Language Grammar, Part 1 and "Lexikon der Sprachwissenschaft", it can be concluded that the definition offered by H. Busmann is based on the fact that these nouns cannot be directly used with the numeral adjectives, however, both definitions in Latvian do not specify this aspect.

As to the names of the plants in the Contemporary Literary Latvian Language Grammar, in the group of *singulare tantum* one more category is specified: "Not many collective nouns – defining the group of collective notions of an item or phenomenon – can be used only in a singular form (...). Many plant names could be mentioned here: *āboliņš* (clover), *amoliņš* (melilot), *timotiņš* (timothy), *vilkakūla* (mutweed), *auzene* (fescue), *koksagīzs* (Russian dandelion), *kukurūza* (corn), *lucerna* (lucerne), etc" (MLLVG I, 1959: 386).

Collective nouns (*Kollektivnomina*) are also specified in the definition in the "Lexikon der Sprachwissenschaft" by H. Busmann.

Among the excerpted entries there are also such Latvian singular equivalents: *āboliņš* (clover), *amoliņš* (melilot), *lucerna* (lucerne), *koksagīzs* (Russian dandelion), *timotiņš* (timothy), and *kukurūza* (corn); these units are not included in the table attached at the end of this article. Only the equivalent of the German 'Mais' – 'kukurūza' – in the 2002 dictionary has the corresponding remark that the term is used only in singular form, but the plant names *āboliņš*, *amoliņš*, *lucerna*, *koksagīzs*, *timotiņš* do not have the reference about usage only in singular form.

I. Ēdelmane and Ā. Ozola have also included into their "Alphabetic List of Plant Names" the plural form of the botanical term 'āboliņš' – *āboliņi*. Also the authors include in their list an interesting plural form *kukurūži*. *Amoliņš*, *lucerna* and *timotiņš* in the list are given only in singular, but the word 'koksagīzs' is not mentioned.

The grammatical number indicated for the Latvian equivalents of the German botanical terms is not specifically explained in the introductory parts of both German–Latvian dictionaries, in which the structure of the dictionary is described. Granta and Pampe in their German–Latvian Dictionary published in 1954 state that: "All simple nouns have singular genitive and plural nominative forms given. These forms are usually omitted for the compound nouns, because they are given with the last component of the compound word introduced as a separate entry" (VLV, 1954: 7). No more detailed explanations of the number of entries are given.

In the section "Structure of the Dictionary" of the German–Latvian Dictionary published in 2002 the compiler writes: "All simple nouns have singular genitive and

plural nominative forms given. If the noun does not have a plural form or this form is rarely used, only singular genitive form is given” (VLV, 2002: 7).

Thus, the quotation proves that if the plural form is not indicated, the noun can be used only in singular or rarely in plural. In the introductory part of the dictionary published in 1954 such a remark is not given, and it is not clear whether the plural form is not indicated, or the noun cannot be used in this form.

Conclusions

The aim of this article – to compare the number of Latvian equivalents of the German botanical terms in two dictionaries and to describe the results – is reached. Different definitions of number as a grammatical meaning of the noun were taken from the specialized linguistic literature and analyzed, as well as 51 botanical terms were described within two groups – *singulare tantum* and *plurale tantum*.

In the conclusion of the research it should be noted that the introductory part of the dictionaries does not provide clearly precise grammatical characteristics of the entries included and does not explain all possible grammatical cases despite the fact that it is crucially essential for the users to get all the necessary grammatical information about the words. Also the introductory part does not provide a sufficient explanation, why the word is provided in plural form. Some Latvian equivalents are given only in singular or plural form without sufficient reasoning. The author of the research suggests to the compilers to be more precise in giving grammatical remarks about the Latvian equivalents, as it will make the translators’ work much easier. A translator wishes to receive full and precise information about equivalents of special lexis (including grammatical remarks) from one source, not to search for additional resources. The examples of such cases are given in the main part of the article.

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**Role of Cultural Sector in Regions –
Knowledge, Education and Change Management**

TEACHER PROFESSIONAL DEVELOPMENT SEMINAR AND THE INTERNATIONAL PIANO COMPETITION AS AN INNOVATIVE EDUCATIONAL ENTITY

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Abstract

The purpose of creating change in the knowledge-based society is to encourage systematic innovation. The aim of the paper is to analyze the importance of change on both teacher seminar and international piano competition levels. The method of theoretical analysis of pedagogical and sociological literature was used. To analyse teachers' professional acquisition in seminar the method of self-completion questionnaire was used. The changes can be divided in two types: short-term operational changes and long-term cumulative changes. The lasting educational effect of the seminar and competition is based on the iceberg principle model, implementing change on both the visible (piano competition) and invisible (teacher seminar) levels. An overall combination of the seminar and competition is considered as an innovative two-staged synchronous educational entity.

Keywords: *teacher seminar, piano competition, change*

Introduction

Education is an explicit manifestation of generalizable knowledge by an individual (teacher), and interpretation of this manifestation in terms of knowledge content by another individual (learner). A knowledge-based society refers to the societies that are well-educated, and therefore relies on the knowledge of their citizens to drive the innovation (Barnett, 1994).

Knowledge as a remarkable indicator for the changing character of a modern society is based on the concept of 'change'. Knowledge-based society is described by the diffusion of information technology, the re-organization of a global economy, changes towards lean-management in companies and in the public service sector (Krings, 2006).

In recent years a growing amount of research has emerged from organizational studies focusing on knowledge management (Stehr, 1994; Stehr, Meja, 2009; Webster, 2002). According to Peter Drucker, knowledge *is the primary resource for individuals and for the economy* (Drucker, 1992, 95). The modern organization must be organized for

innovation and the systematic abandonment of whatever is established, whether it is a service or process, a set of skills, human and social relationships, or the organization itself. Every organization has to build the management of change into its very structure (Drucker, 1992).

In the knowledge-based society the true source of advantage is the people, whose skills and expertise are the foundation for all innovation and change. John Kotter defined the initial approach and focused on a single generic methodology for change. According to John Kotter, the leadership entails establishing direction, aligning people and then motivating and inspiring to achieve the outcomes planned. He identified eight steps that need to be taken in order to manage change successfully. This eight-step process of creating change is based on a solid foundation of communication and empowerment:

- establishing a sense of urgency;
- creating the guiding coalition;
- developing a vision and strategy;
- communicating the change vision;
- empowering for broad-based action;
- generating short-term wins;
- consolidating gains and producing more change;
- anchoring new approaches in the culture (Kotter, 1996).

The essential purpose of creating change in the knowledge-based society is to encourage systematic organizational innovation. The organization's function is to put knowledge to work (Nonaka, 1994; Pollard, 2002). It is the nature of knowledge that it changes fast. The aim of the paper is to analyze the importance of change on both music teacher seminar and international piano competition levels.

Methods

The method of referring analysis of pedagogical and sociological literature was used. To analyse teachers' professional acquisition in the seminar, the method of self-completion questionnaire was used (Cohen, Manion, 1994). Primary sources of data collection included the piano teachers' responses and the change as an indicator for the innovative character of the organization itself. The reflection of the author's pedagogical and cultural management experience was used.

The Iceberg Theory of Change

Change is a constant element in both private and professional levels. According to definition *change is an act or process through which something becomes different* (<http://oxforddictionaries.com/definition/english/change+management>). Change management is an organizational process aimed at helping change in business. It means the management of change and development within a business or similar organization (ibid).

The iceberg theory of change was elaborated by Stephen Haines and developed by Wilfried Kruger. 87% of the iceberg is below the water-line. The iceberg principle as a model considers not only the visible but also the invisible level of change. According to the iceberg principle, the visible level-*content* means task, goal, and focus of the business.

The invisible level-*process* and *structure* means implementation of determinate changes successfully. If the visible level can be organized, the invisible level can be motivated. The invisible level as a *process* and *structure* is the cultural basis for every corporate system with its traditional values, norms, and relations (Haines, 2005). In organizations, it is the lack of focus on two of the three levels of the reality of life or lack of focus on the underlying *processes* and *structures* needed for effective change. Change is dependent on good *processes* and *structures* in order to achieve the *content* of the desired changes (ibid).

The change management iceberg was invented by Wilfried Kruger. The change management iceberg emphasizes that managers mainly consider the hard issues for change (cost, quality and time). These issues represent only the tip of iceberg; most of the issues are invisible and below the surface. Therefore the attitudes-perceptions and beliefs, and behaviour-power and politics, need to be managed (Kruger, 2009).

As articulated by John Hayes, “Non-revolutionary transformations were identified in two ways. First, whenever there were substantial changes over a period longer than 2 years, and, second, when small changes accumulated to a 30% change and when all three domains exhibited this level of change” (Hayes, 2010, 22).

Results

Today the music education is constantly seen as a subject to pressure for change. Leaders in education are increasingly required to manage change and it entails establishing innovative direction, aligning people and then encouraging and stimulating to reach the achievements planned. Using innovation involves managing a range of tasks. Six cumulative and operational tasks for change are drawn from the author’s professional experience in the overall innovative combination of music teacher seminar and the international piano competition.

Change in Teacher Seminar

According to definition in Oxford dictionary, the seminar *is a conference or other meeting for discussion or training* (<http://oxforddictionaries.com/definition/english/seminar>). A seminar as the form of academic instruction, either at an academic institution (a class at university) or offered by professional organization, is focusing on some particular subject, in which everyone present is requested to actively participate (Elliott, 1995).

Important characteristic of change is implementation of innovation revolving around the organization's informal practice, the perceptions and beliefs (Beitler, 2006). The successful implementation of long-term change depends upon the environment in which the organization operates.

International music teacher professional development seminar (author's program coordinated with the Ministry of Education and Science of the Republic of Latvia on 27 March, 2012, No. 136) was organized on 23–24 October, 2012 in the Small Guild Hall in Rīga. The teacher seminar involved 77 participants from 7 European countries. The international music teacher professional development seminar in Rīga was free to attend.

The long-term change is a powerful force that creates cumulative options. Firstly, the long-term cumulative change, created a difference in the organization of the teacher seminar, introduced the international piano competition as a practical basis with splendid *Steinway* grand piano on the stage. All piano teachers participated in the seminar actively and listened to competitors similarly as Jurors. The special evaluation list with five criteria was elaborated by the author and piano teachers identified young pianists' performance by each criterion in 10 points scale:

1. degree of repertoire difficulty;
2. stylistic adequacy and text preciseness;
3. technical quality of the performance;
4. clarity and diversity of musical expression;
5. artistic stage presentation (artistry).

Secondly, the long-term cumulative change occurred before the teacher seminar and focused on the participants understanding of the purpose of the seminar and expected outcomes. Information technology created the access to piano competition rules and contestants' repertoire program details posted beforehand in teacher seminar homepage (Riga International Competition for Young Pianists Homepage, 2012).

Thirdly, the long-term cumulative change occurred during the seminar and focused on asking the questions, summarizing comments and decisions in the *Round Table* discussion with the piano competition jury members. In the seminar, the piano teachers as experts

approved their level of satisfaction fulfilling the self-completion questionnaire. The questionnaire contained responses about efficiency of the seminar, new experience, innovations and productivity of the *Round Table* discussion. The results showed that the piano teachers gained new knowledge about specifics of piano competition and piano repertoire (80% respondents), shared experience about professional skills (70% respondents), and highly assessed the discussion with competition jurors (90% respondents).

Change in the Piano Competition

New piano competitions emerge regularly based on the traditional concept of eliminatory stages and the repertoire selection. The organizers have been looking for the original ideas and innovations in the competition circuit. The concept '*international piano competition*' is deeply rooted in the world of musical culture (Lūse, 2011).

According to researcher Gustav Alink, "it is not exceptional that a pianist returns to the same competition to try his luck for the second or even the third time. His chances of success would be higher, as he would be more familiar with the entourage, the procedures of the competition, the hall, the instrument, the organization, etc. The decision to return may also be connected with the repertoire" (Alink, 1990: 53, 61).

To develop the traditions of the piano performance in Latvia and promote the popularization of folk tunes in academic piano music genres the *Riga International Competition for Young Pianists* was founded in 2012 by the author of the paper. The first issue collected 40 contestants from 7 European countries (Latvia, Estonia, Lithuania, Ukraine, Russia, the Czech Republic, Sweden). The short-term operational change occurred through the process of continuous adjustment before and after the competition. The short-term operational change is a necessary factor for managing a range of forces, which can frustrate the process.

Firstly, the short-term operational change was implemented in the strategy of competition in order to build the ethno-didactic conception. The originality of the competition idea formulated by the author is based on cultural awareness of young pianists. Tolerance and understanding are the issues of persisting actuality in contemporary society with the situations of cultural exchange and actualization of folk tune values.

By integrating the Latvian folk tune arrangements in the piano competition repertoire young pianists are offered a glimpse into the very special world of traditional *dainas*. Music is interpreted by being performed. The performer's actions both reproduce the text/music and produce/interpret the understanding of it. The theoretical background of ethno-didactic conception is based on the hermeneutical circle. Bringing the Latvian folk tune arrangements to the piano competition offers the possibility to understand and experience the meaning of music and *dainas* in their wholeness (Lūse, 2013b).

Secondly, the short-term operational change occurred prior to the piano competition and focused on the quality standards for the European Union of Music Competitions for Youth (EMCY) as an umbrella organization for more than 60 national and international music competitions for children and young people. *EMCY is and has to be a quality label, a guarantee for high standards and the implementation of competition best practice* (EMCY, 2010: 22).

In accordance with EMCY standards, the piano competition in Rīga established in its *General Rules* a clearly structured repertoire from at least two different stylistic epochs, the request to include no less than 5 jury members from different institutions and foreign countries, and the demand for every *Senior Group* contestant to present himself/herself in both the first and the second rounds (Lūse, 2013a).

Thirdly, the short-term operational change focused on the goal to ensure the competition's financial survival for the benefit of young pianists and for the inspiration of audiences. Financial contributions through cash are made by individual patrons and friends of the *Riga International Competition for Young Pianists*. Private donations have had a significant and long-range impact on the stability and growth of the piano competition.

The piano teachers as experts approved their level of satisfaction by fulfilling the second part of self-completion questionnaire. The questionnaire contained responses about originality of the competition's repertoire, high level of contestants' piano playing skills and benefits for the audience (free entry, free contestants' programs, as well as exceptional acoustics in the hall). The results showed that the piano teachers made new contacts with international visitors for collaboration in the future (60% respondents), shared ethno-didactical musical scores (70% respondents), and received positive emotions for teaching at music schools (90% respondents).

Discussion

Knowledge, information and understanding are the issues of persisting actuality in our modern multicultural society (Apine, 2001; Raven, Stephenson, 2001). They encourage us to investigate situations of cultural exchange in musical education and one of those manifold situations is the international piano competition. Competitions for young pianists stimulate passionate musicianship (Lūse, 2012). For contestants, the piano competitions are the first glimpse of performing in public, playing in ensemble, or of breaking out of orthodox repertoire (Kramer, 2011).

The lasting educational effect of the teacher seminar and piano competition is based on the *iceberg principle model*, considering both the visible and also invisible levels. According to the theory, the *iceberg principle model* is valid for corporate entities. The teacher seminar integrates the international piano competition in both visible and invisible levels. Overall combination of the visible and invisible levels considers the

teacher seminar and international piano competition as an innovative two-staged synchronous educational entity.

The visible stage-*the international piano competition* stands for the application of change management from the strategy to regular innovation in order to achieve a broad popularity with outstanding European reputation. The type of operational short-term changes took place on this visible stage and the competition currently holds the status called *on the road to EMCY membership* (EMCY Homepage, 2013).

The invisible stage-*the teacher professional development seminar* considers the iceberg principle in all methods, training, and attitude in order to achieve a high degree of teachers' satisfaction, knowledge, and their capacity to be creative and innovative (Elliott, 1995; Swanwick, 2005). The type of cumulative long-term changes took place on this invisible stage and the teachers currently can observe with their criticism a number of seminar results, comparing the teachers' and jurors' average evaluation points (Riga International Competition for Young Pianists Homepage, 2013).

Conclusions

By integrating folk tune arrangements into the international piano competition's repertoire, the ethno-didactical conception is realized. Competition of classical music is an educational event where pupils come together to meet fellow students, to share experiences and to get acquainted with diverse cultural spaces. The theoretical conclusions stated that piano competitions stimulate the development of the young musicians' skills to help them co-ordinate their areas of special interest, to enrich the efficiency of the musical studies and the acquisition of professionalism.

The teacher seminar explores various forms of learning activities (evaluation, discussion, self-completion questionnaire, lectures). The change as an indicator for innovations in seminar and piano competition is clarified by convergence of musical values and management. The changes in organization of the international piano competition and teacher professional development seminar can be divided in two types: short-term operational changes and long-term cumulative changes. Six cumulative and operational tasks for change are realized. The lasting educational effect of the seminar and competition is based on the iceberg principle model. The iceberg principle model implements change in organization on both the visible (the international piano competition) and invisible (the teacher professional development seminar) levels. Importance of change for overall combination of the music teacher seminar and the international piano competition is considered as an innovative two-staged synchronous educational entity.

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SURNAME AS THE FORM OF A BRAND ON THE BASIS OF CHOPIN AND MOZART BRANDS

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Abstract

This article deals with a type of brand that, at the same time, is the surname of a composer (Chopin and Mozart). The purpose of this article is to show market use of famous composers' surnames as the brands of products and to diagnose their image creation in the consumers' minds. The conclusions presented in the paper are based on the literature review, a case study and the results of the author's own research of primary character that aims to identify the recognisability of the brands under analysis.

Keywords: *brand, product, strategy, promotion, management*

Introduction

Apart from the benefits in the form of a known brand name and no need for great expenditure to promote the name, the use of a form of a famous artists' surname, such as Mozart and Chopin as a brand, can also cause problems for the brand managing companies. To be able to counteract those problems, the company should gain the specific information about the market, the consumer needs and their preferences but in case of Mozart and Chopin surnames, it's very important to pitch the company offer (4Ps) to the exquisite brand name.

Brand and its Importance

Defining brand

Brand is a very wide concept and large numbers of brand definitions which can be found in literature best reflect this complexity. Nowadays, not only the brand researchers attempt to define this term; this concept is often invoked both in specialised – marketing and commerce, literature as well as in everyday life. It seems to have become an essential part of every consumer's vocabulary all over the world – irrespective of latitude. As a result of such popularisation, this term is intuitively used

by the majority of purchasers. In spite of no specialised knowledge, consumers can instinctively specify what the brand actually is.

Along with the progress of civilisation and increasingly changing environment conditions, as well as with the increase in purchasers' needs, the term 'brand' has been evolving and extended. The brand is a name, a symbol, a pattern or a combination of these elements. It is given by sellers or their group in order to identify goods or services as well as to distinguish them against a background of competitive products. (...) The brand thus identifies the product as well as its manufacturer or deliverer (Kotler, Armstrong, Saunders & Wong, 2002: 626).

Generally speaking, the brand is a unique unit. It is a kind of a shortcut, by means of which people assess how a given company works, what it produces, offers and sells. A well designed and developed brand is a dynamic image in the customers' minds. (...) Therefore, a powerful brand creates for itself a kind of quasi-monopoly (Barlow & Stewart, 2010:16).

The brand can also be defined as a product which provides functional benefits and the added values which certain consumers value to a sufficient extent in order to make purchase" (Jones, 1986:16 [in] Altkorn, 2001:12) or as a product that has certain features which allow to distinguish it from other products of the same category, i.e. the products which fulfil the same need; these differences can be real or symbolic (Keller, 1998: 4).

The brand is a name and symbol associated with a known and trustworthy experience which gets into both the head and the heart (Taylor, 2010:95). It is developed in order to precisely identify the product and distinguish from the competitors' offer (Mruk, 2002:15).

Taking into consideration the above-quoted definitions, we can notice that they differ from one another in terms of their notional scope and that they show several approaches to the brand. Some of them present the brand in broader terms whereas others narrow down the scope of its meaning. The brand is most often treated as a characteristic aspect of a product and an important, if not the most important, element of the competitive advantage. Such identification in consumers' awareness (product diversity) is, next to cost leadership, the strategy of achieving the competitive advantage. It is worth noticing that many scholars suggest the differentiation strategy with reference to the products which are prone to differentiation (so they are heterogeneous) whereas the cost leadership strategy occurs most frequently in the case of homogenous goods so this concerns such goods which have a slight chance of differentiation or there is no such possibility at all (the so-called the *commodity* strategy). However, the market reality shows that even the homogenous products have the possibility of existing in consumers' minds as one of their kind and of winning the competitive fight, and it all is thanks to the creation of a unique brand. "Constructing a brand involves many elements, which together make a comprehensive impression: the product itself, the

label on the packaging and the exposition, product name, the manner in which the profits of purchasing the products are presented as well as advertising and promotion. The brand encompasses physical features (smell and taste), aesthetic features (look), rational elements (the ratio of quality to price, utility) and emotional elements (Moi, 2009:55).

Brand awareness

Brand awareness is the purchaser's ability to recognise to which category of products a given brand belongs as well as the purchaser's ability to recognise the brand. As stated by R. Kozielski (Kozielski, 2004: 260) we distinguish two types of brand awareness: spontaneous awareness (*brand recall, spontaneous brand awareness, unaided brand awareness*) and supported awareness (*brand recognition*). Spontaneous awareness informs what percentage of the respondents of a given population spontaneously listed the brand X, when asked about a given product category. The modern process of creating brand awareness which we know is the art of instilling and communicating the company's or organisation's values and character linking it with its logo. Psychology calls it a symbolic connection and regards as the fundamental learning process. Creating brand awareness is an art, the rules of which change fast, therefore its constant development and openness to widening, deepening or sometimes even changing the line of thought is recommended.

Brand identity and image

Considering the essence of the brand, it seems vital to refer to other key terms connected with the brand. These are – 'brand identity' and 'brand image'. 'Brand identity' means the vision of the potential reception of the brand by the customer, or – to put it differently – the desired way of perceiving the brand, created by brand sponsor. It could also be defined as a certain comprehensive message about the brand, sent by the seller to the potential receivers by means of all marketing instruments (Altkorn, 2001: 39). Thus, it is a certain emphasised otherness of a given brand, the image of its uniqueness which proves its value. "The task of identity is to define brand importance, intention and vocation" (Kall, 2001:25). The defined brand identity established the direction of brand management over time. It is worth stressing that "the marketing name constitutes the most important distinguishing mark which, at the same, co-creates the product brand. It is also the main element of the widely understood brand identity (*corporate identity, CI*)" (Zboralski, 2000:38). As claimed by M. Géraldine (Géraldine, 2009:52), identity materialises itself only when the whole organisation puts it into action.

Brand image is the collection of feelings connected with brand recognition by its purchasers. In the literature on this topic, we may find the opinions, according to

which brand image is a peculiar mental reflection, or even the entirety of the associations with the brand which let distinguish it from analogous products. And although, as stated by J. Altkorn (Altkorn, 2001:38), the analogies are most frequently referred to the functional features, this is not appropriate. The associations and convictions associated with the brand relate not only to the material but also virtual features. Such notions as the ‘elegant’, ‘traditional’, ‘Swiss’ brands, apart from the material benefits and attributes, also involve the whole set of relatively permanent ideas about the social as well as mental values, which are associated with its use. Brand image is the consequence and result of its reception and of consumer’s awareness identity. The father of advertising, Earnest Elmo Calkins (1868–1964), was the first to suggest that the ideals of product purchasers are included in the products. They reflect the aspirations of particular people, their families and social positions (Barlow & Stewart, 2010: 38).

Brand name

One of the most essential components of the brand is its name which may be pronounced, involves letters, digits, words and their combinations. For products and companies, it is like names and surnames for people. It allows consumers to identify and compare the offers of given sellers, considering them worse, better or simply similar to others (Barlow & Stewart, 2010: 38). The visual elements of a brand are symbols, trademarks written in a specific way, with the use of specified colours or a specific font (Mruk & Rutkowski, 1999:61). Marks, colours as well as fonts and their size can have enormous influence on brand reception and selected properly, they can enhance the effect of the brand message and make the impression of uniqueness on consumers and therefore become remembered forever. The symbol, the visual element of the brand, is constituted by three key elements:

- typography, so the typeface (logotype);
- graphic elements;
- colours.

The next vital element which is sometimes referred to in the definitions of the brand is ‘product’. The product is all that can be offered in the market in order to fulfil some need (Kotler, 2005:409). Having in mind the hierarchy of needs described by Maslow, especially in the context of brands known world-wide, we can pose one question – which needs are satisfied by the very product and which by a given brand? It is obvious that each clothing can be used, selected appropriately for weather conditions but not each clothing will provide people with such feeling or prestige and uniqueness as are given by the attire by Prada.

In the hierarchy of product identification, we can distinguish the following four basic elements: colour, form, name and number. However, the name is a particularly important

element, especially in the era of the Internet, because, the product with no name does not exist and is not noticed by consumers. Today, in the world of global market and the idea of “born global” which motivates the creation of a forming company’s strategy, managers cannot take the liberty of using ill-considered nomenclature. The name should be clear in each language and easy to pronounce.

Surname as a Brand

Among all the elements of effective symbolism (used during brand construction), there is a parameter which belongs to the most important ones in brand construction: the surname, which is a brand itself. Deciding about the adoption of such a specific brand name, the managers of a given company have to make a decision about the way of its graphic representation. There are two possibilities: either in the form of an individual logotype created on the basis of one of the existing typographies – here is a good example of Arnault, Renault or Mozart brand, or as a totally individual stylised signature suggesting its authenticity: Guerlain, Cardin or Chopin.

Irrespective of the fact that the surname used will function in the logotype or signature, they have the advantage over the non-surname brands in the fact that they directly point to a certain set of values comprising their reputation: tradition, know-how, vision of a genius, charisma and frequently also the face – the parameter which is extremely significant in the case of endorsing, for example, the cosmetic products (the signatures of Sabatini, Campbell are a good case in point). In the case of the surname brands, the context of a given person’s individual contribution to the creation of a brand moves to the first place – at least in the first phase of brand life. From the moment of acquiring the surname by banks, funds, stock exchange investors etc., the time of the surname is numbered. It starts to be perceived definitely more like an institution than a person; as a company and not as a human being. What is noteworthy is the fact that it is easier to identify a brand with a person and this unique “aureole” comprising this person’s personality than to create this aureole around a new name and brand (Nowoszewski, 2013). Therefore, personifying the brand, the companies look for an appropriately popular surname – such as Mozart or – undoubtedly – Chopin. Provided that the company takes care of the products it offers, in creating the brand strategy, it is just a well selected surname that can be a guarantee of an excellent standard.

Looking for a name, the company managers should consider the law valid in a given market. Pursuant to the Polish legislation, it is possible to register a brand with the use of historical names. An exception is only Chopin surname which is subject to protection, provided for in the Frédéric Chopin’s Heritage Protection Act of February 03, 2001 (Journal of Laws of 2001, No.16, Vol. 168).

Surname as brand – positioning

There are many strategies and ways of positioning the brand in the market. However, not all of them are suitable to be used in the global market. In the literature on this topic, the scholars list from seven to ten strategies (ways) of brand positioning. The brand can be positioned with a reference to a famous personality (a star) from the world of sports, culture, politics or entertainment. Such person is then called a brand ambassador. It is assumed that the features and opinions of this person will be transferred onto the brand. In view of the above, the appropriate selection of the candidate for the ambassador, especially on an international scale, is of crucial importance. This person, most of all, has to be commonly known and bring about positive associations. The most frequent figures used for this purpose are athletes (e.g. Jordan, Z., Zidane, D., Beckham), models (Schiffer, Campbell), singers (Dion, Madonna). The risk here is associated with the fact that when the selected person loses his/her reputation for different reasons, the negative associations also become connected with the brand. What is more, the careers of stars, especially of athletes and models (with only a few exceptions), do not last too long therefore such a strategy will not provide long-lasting effects (Szwajca, 2009: 51–52). In the case of historical figures, such as Mozart and Chopin, such risk is absent. These figures are the icons of high culture, they were outstanding artists and therefore their surnames constitute brands themselves and can successfully accompany the highly emotional (i.e. *high-touch*) products.

The example of Mozart brand

There are many reasons why Mozart surname has become a brand itself. Undoubtedly, this Austrian composer was a kind of a pioneer and deeply believed in the unifying force of culture. His achievements also showed their power in the prevention and treatment of many illnesses (especially those of nervous or neurobiological origin) through music. Wolfgang Amadeus Mozart was and will be one of the world's eminent composers and his artistic work, in which – like nobody else – he used emotions, humour or even jokes and it all was written in the impeccably perfect form of musical artistry, will be adored forever. Thanks to the genius of his music, Mozart posthumously became one of the most often recorded composers and with time, it has become a brand of many different products.

However, there are also several examples of products in which the use of the surname of this great Austrian composer can arouse surprise. Let us take, for example, the Mozart ham, produced by Wiesbauer Österreichische Wurstspezialitäten GmbH based in Vienna or the brand of salmon – Salmon House Amadeus Lachs – produced by Joined Seafood GmbH based in Austrian Böhleimkirchen which refers to Mozart surname. Those examples, however, confirm that creating the image of a given product through a brand of such a specific character as the 18th century brilliant composer, can go hand

in hand with the high quality of these products even when these products do not belong to the luxurious ones. The majority of Mozart-branded products are luxurious. Mostly, these are sweets, liqueurs or wines.

The production of *Mozartkugeln* (round chocolates with a pistachio marzipan and nougat filling) alone is a multi-million-dollar business. *Mirabell*, an Austrian chocolate-maker owned by America's Kraft, has made 1.5 billion Mozart chocolates since the company was founded. It was involved in a bitter feud with Reber, a German chocolate-maker, about the right to call their produce the "real" *Mozartkugeln*. The right to the claim to produce the "original" chocolate belongs to Fürst, a smaller chocolate-maker in Salzburg, run by Norbert Fürst whose great-grandfather, Paul Fürst, created the delicacy in 1890. *Mirabell* is allowed to call its wares "real" *Mozartkugeln* whilst Reber says it produces the "real Reber" thing.

The roughly 300 Mozart products on the market before the start of 2006 were standard things like mugs, pens, umbrellas and T-shirts. For this year's celebrations, marketing wizards became more adventurous: golf balls, a Mozart sausage in the shape of a violin, herbal tea (the "Papageno mix"), baby socks and even a bra which plays "Eine kleine Nachtmusik" when unfastened have been added to the commercial repertoire.

Mozart marketing has become a bigger business than ever especially in Austria, but in other countries too. As one of the world's top 50 brands, according to marketing studies, the surname Mozart is estimated to be worth \$5 billion in the annual sales of Mozart-branded products (The economist, 2006).

The example of Chopin brand

Like in the case of Mozart surname, Chopin is also the symbol of a genius all over the world.

This outstanding Polish composer and pianist was born on March 01, 1810 (according to the artist's and his family's declarations) or on February 22 (as stated in his birth certificate, prepared a few weeks after his birth) in the village of Żelazowa Wola near Sochaczew in Mazovia and then the then Duchy of Warsaw.

Chopin was a person who was open to the immeasurable wealth of impressions provided by the surrounding world. In Paris, the capital city of that world, within arm's reach, he had the outstanding representatives of many nations. Before his eyes, various trends influencing not only the course of French history emerged and clashed. Therefore, he admired the works of literature and art figures, he was a frequent visitor to an opera and theatre, he led a rich social life. This made him observe the political and social events with reserve, and he responded to them with an apt reflection. It is in Paris that the life in Europe at that time was focused but many times Chopin looked at this existence closely, being in many different countries. Despite being in weak health and complaining about the discomfort of travelling long distances, he travelled much in his short life. Cyprian Kamil Norwid, romanticism prophet and poet once said of

Chopin: “Originally a native of Warsaw, Polish in heart and as for his talent – the citizen of the world”.

This uniqueness of Chopin and peculiar culture of his figure and achievements, filled with the feelings having no borders, is certainly the reason why he is one of the artists whose works are most frequently used in the films all over the world. It seems that these attributes are not sufficiently perceived by Polish entrepreneurs because, in comparison to Mozart brand, we can definitely find fewer products endorsed by the surname of this Polish composer.

Among the products which make use of Chopin brand, the one which is most outstanding is Chopin vodka. It is produced in Polmos Siedlce and it is one of the most honoured participants in many international contests.

Company managers claim that the high quality of the luxurious vodka produced by Polmos Siedlce is the result of the passion which the vodka creators share at every step of vodka production. Chopin vodka producer, as one of few alcoholic beverage producers in the world, controls the whole process of the creation of its beverages – starting from the purchase of only selected types of grain and potatoes from local farmers, through the construction of a crystal clear water intake to rectification. Thus, *Polmos* company obeys the basic principle of using the great surname in its brand, which involves the care for its goodwill and image, and all of this through an exceptional care for the quality of the branded product. Another reason for the success of *Chopin* vodka is undoubtedly the reference to the trend known in marketing – nostalgia.

Nostalgia is the key note in the marketing of this very successful range. Today, it is quite conceivable that a brand could seek to establish its image essentially on its bottle rather than the actual qualities of the vodka itself. Today, the success of the glassmakers is so influential that many trendy American (and European) restaurants and bars actually choose to use vodka bottles as a key element of internal decoration. Bottles are either displayed on a shelf, or sit proudly in a huge ice-filled bowl at the entrance. This is where posthumously Chopin meets Tchaikovsky (i.e. Polish and Russian vodka brands), if they are not separated by the geniuses from a different sphere, perhaps the Dutch Van Gogh (also a vodka in the same ostentatious packaging) or a philosopher as Galileo (Ermochkine & Iglkowski, 2004: 88).

Another producer which refers to an outstanding artist is the Polish company – Miraculum, which on the occasion of the already past Chopin Year, launched the “Chopin” exclusive perfume line addressed to elegant and demanding men. The creators of this brand made every effort to build a brand which is compatible in terms of brand image with the product through the reference to the life of Chopin, creating an original, French aromatic composition.

Apart from the examples of the mass production goods discussed above, the carriers of Chopin brand in Poland are the local restaurants and cafés (e.g. Chopin Restaurant in

Chorzów, Chopin Café in Katowice) and hotels (Chopin Hotel in Gdańsk and Chopin Hotel in Kraków). However, the owners of these units are not able to justify the selection of such a brand name or they claim that it is connected with the localisation of a given company (e.g. are located at Chopin Street). This shows the lack of marketing orientation and the total lack of building brand coherence on the basis of the so-called brand DNA.

Other examples of using Chopin surname are ships and yachts having his name. However, there are also some bad examples of using Chopin brand (apart from the creation of Wejherowo cable television logotype which is far from the modern aesthetic norms). One of them is a comic strip whose aim was to make foreign young people familiar with Chopin and to promote Poland. “Chopin New Romantic” anthology comprised several comic strips in two language versions: Polish and German. The authors of particular parts were famous Polish graphic artists. The work was commissioned by the Ministry of Foreign Affairs but the whole project was a failure and ended up with the media scandal. The comic turned out to be vulgar and its distribution was halted.

Chopin brand seems to be still too rarely promoted in Poland and abroad. At this point, it should be said that, like Mozart brand, which, according to the German edition of “Focus”, in 2006 reached the value of \$ 5.4 billion, the value of Chopin brand has also reached a high position and for a couple of years has been competing in the rankings (Furst, 2006).

Surname as a brand on the basis of Mozart and Chopin brands – the results of the author’s own studies

For the needs of this paper, the author carried out a questionnaire survey of primary character (in December 2012). The respondents were the students of the Erasmus programme studying at Wrocław University of Economics, representing the following countries: Germany, Austria, Portugal, Belorussia, Ukraine, Russia, Hungary, Spain (the sample consists of 150 people).

The results of the study showed that the majority of cases (96% of the respondents) were able to list more than one Mozart-branded product and they associated this brand with joie de vivre (90%), cheerful disposition (92%) or even with sumptuousness (68%).

The situation is different in the case of Chopin brand. 98% of the respondents were able to list a Chopin-branded product (all respondents listed *Chopin* vodka) and only 2% of the respondents listed two examples of using this brand, showing *The International Fryderyk Chopin Piano Competition* in Warsaw. In the respondents’ opinion, Chopin brand brings the associations with: elegance (94%), sadness (46%) and nostalgia (28%).

Analysing the above results, we may note that the feelings represented by Mozart brand are definitely more often deciphered and are positive-cheerful whereas those connected with Chopin brand are less intense and represent the feelings of calmer, sombre character (if we want to use musical terminology).

However, the colouring of these feelings should not affect the possibility of using Chopin brand as an excellent carrier of Polish tradition promotion and through creating a proper marketing strategy, it can become its characteristic feature.

Anyone who has anything to do with brands can tell that they are built by being different in a way that is relevant and compelling to a particular audience. Difference is the key to the “brand door”. Most decent marketers get this, and most can make the case for differentiation. Mozart once said: “I have never made the slightest effort to do anything original”. Like those famous brand-building entrepreneurs, he did not need to try to be different, he just was (McGhie, 2012:107).

Conclusions

It is commonly known that famous figures have always had the possibility of making the country of their origin famous, and today the use and promotion of a brand which – by its name – reminds of a talented composer – also contributes to the promotion of a given country. The surname Chopin or Mozart obliges and the products should be appropriately and carefully selected so as not to affront the surname. Managers also have to face the problem of market segmentation and target group selection. In the case of using a famous surname, strictly connected with the world of classical – not popular – music, determining the target group of consumers to which the market offer will be addressed is a task that requires more subtlety than other brands.

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**Change Management in
Education in Cooperation with Labour Market**

EDUCATIONAL ISSUES IN MANAGING E-LEARNING WITHIN MOODLE IN HIGHER EDUCATION INSTITUTION

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Abstract

The article provides a systematic and critical review of Moodle researches in higher education, highlighting educational issues among institutional, technological, ethical and other web-based learning aspects. It identifies the gap between rhetoric associated with information and communication technologies (ICT) used in higher education and practical challenges encountered by higher education institutions using Moodle. The conceptual framework is needed to promote pedagogical innovations within VLE, thus helping teachers to develop new teaching approaches. The article examines the basis for construction of such a framework within a higher education institution in order to improve usage of Moodle learning technology.

Keywords: Moodle, higher education, e-learning, educational technology, pedagogical innovatio

MOODLE as Educational Technology in Latvian Higher Education

Managing e-learning within Moodle is a topical issue in higher education in Latvia due to the circumstance, that the University of Latvia, Riga Technical University, Daugavpils University, Latvia University of Agriculture, Riga International School of Economics and Business Administration, Ventspils University College, University College of Economics and Culture, Information Systems and Management Institute and some other higher education institutions in Latvia are using Moodle platform to offer additional educational options and preserve competitiveness at higher education market. Modular Object Oriented Dynamic Learning Environment known as Moodle appeared in 2002, and in Latvian higher education it has been introduced since early 2000 (Ivanovs, Citkovskis *et al.*, 2011). E-learning development in Latvia was

supported by the Program “PHARE Multi-Country Programme in Distance Education”. Nevertheless, there was no centralized or simply mainstream drive to implement e-learning technology in higher education in Latvia at that time. As a result, there are very different practices and levels of expertise among Latvian higher education institutions using Moodle. While some institutions like Riga Technical University gained expertise in technology of distance and e-learning course development during at least last ten years, some other institutions are just introducing Moodle in their practice. Since there is no uniform state system to monitor and coordinate e-learning in Latvia, monitoring and managing e-learning is actually an issue for each concrete deliverer of e-learning. Before reviewing studies, conducted in this specific realm, it is worth noticing that there are many different terms used when speaking about learning in different virtual settings including Moodle. The concept of e-learning in Latvia is used as a general term referring to all forms of teaching and learning, where information and communication technologies are involved, and relating to such terms as distance education, telelearning, digital collaboration, blended learning (combination of distance and face to face learning), online learning, virtual learning, computer-based learning, web-based learning, ICT based learning. These terms are closely connected whilst are not truly identical. For example, historically distance learning was not connected to usage of web technologies and didn't take part in virtual environment (Ivanova, 1999). Typographically printed guidelines and textbooks were used, as well as written assignments and exams, rare consultations with teachers in previously arranged time and place. But at present moment distance learning is unimaginable without using web tools. The term ‘online learning’ mostly (but not exceptionally) accents well synchronized activities, while virtual learning is mostly neutral in this sense. Providers of distance learning may raise their competitiveness among the other suppliers of adult education because of its flexibility. Moodle allows the possibility of providing fully online courses. But for now blended learning is mostly implemented in higher education in Latvia. E-courses are usually combined with traditional face to face activities and, when offered, in most cases are used as supplementary part to traditional studies (Birziņa, 2012).

There are many different aspects which could be examined within web-based learning – educational, institutional, technological, managerial and administrative, psychological and ethical (Slaidiņš, 2005; Khan, 2005). There are many different terms used when speaking about Moodle itself. It is defined as a course management system (CMS), a learning management system (LMS), a Virtual Learning Environment (VLE) or just a virtual educational technology (<https://moodle.org/>). A more profound analysis of just these definitions reveals some interesting issues in modern web-based learning. Terms ‘CMS’ or ‘LMS’ emphasize managerial aspect of teaching process and to some extent exclude pedagogical features of Moodle, reducing it mostly to content structuring, deliverance of learning material, platform for communication and time saving technology. The idea of Moodle as a teaching-learning technology or virtual learning environment emphasizes pedagogical issues as well. It should be mentioned that

Moodle was created on the basis of the social constructivist theory of learning, emphasizing social context of learning and knowledge construction and obtaining in a collaborative environment (Glaserfeld, 1989) and implies connectivism principles as well (Siemens, 2005). Thereby, it is possible to examine the roles of teachers and learners within Moodle; which practices are actually used allowing students to present the results of their work thus enriching course content and facilitating learning from their peers etc. Studying these issues we can analyze educational practice with Moodle in terms of realization of connectionism principles. There has always been the question about Moodle's role in education and pedagogy. On the one hand, Moodle is neither producing learning nor knowledge. It is just a well-structured platform, which helps deliver course basic information to students and allows reducing chaos in communication between a teacher and a student. In general, it is a time saving technology. Within Moodle the same traditional tasks are solved: information deliverance, communication with students, grading of appointments and tests. There is nothing new comparing to traditional classroom teaching and learning practices, but in the case of Moodle these practices just migrate to virtual environment. On the other hand, building richly collaborative communities of learning around the subject matter in the social constructionist tradition, using different activity modules such as forums, databases and wikis could be seen as pedagogical innovation comparing to traditional classroom practices. It is important to emphasize that Moodle is not implemented in higher education institutions just in order to deliver learning materials for students. Even in the 1990s teachers had optional possibilities to do this by usual html site, it is still possible to do it effectively enough with Web folders. E-learning didactic development now is at the early stage through the world of education, while the first attempts to structure it were made 5–6 years ago (Arnold & Lermen, 2006). There is reason to believe that Latvia is on the right way to motivating teachers to search for innovative didactical solutions in order to adopt innovative educational technology.

Moodle in Latvian Higher Education as a Subject of Examination

Moodle practices have been applied in Latvian higher education for at least fifteen years; however, there are very few studies on these practices, pedagogical challenges and solutions. The latest researches coming from the most experienced e-learning deliverers in Latvia, having a Moodle based learning portal, are focused on technological, administrative and quality management issues relating to distance education and e-learning, such as providing sustainable development by the means of strategic management (Ivanovs *et al.*, 2011). These researches are not focused on pedagogical issues, such as effects of virtualization of teaching-learning process in higher education, ways how this technology transforms educational practices, types of current practices,

experienced problems and solutions. Moodle transforms educational practices, but practical aspect of this transformation should be studied through the prism of pedagogical theory, thus enriching it with innovations produced in the process of education modernization. At present moment educational technology is to some extent outperforming pedagogical practices, thus stimulating innovations within it. Studying experience of these innovations and solutions is a goal of the author's further research. For example, in 2011 there was the Methodic Aid for Developing Learning resources in E-learning Environment developed (Kazuša *et al.*, 2011), and it is worth emphasizing that it actually happened less than two years ago. It covers such topics as fundamentals of e-learning, features of e-learning environment, development of e-learning resources. Modular Object Oriented Dynamic Learning Environment known as Moodle is used in Latvia both in higher education and secondary schools. The process of integrating Moodle technology in Latvian education system takes part simultaneously at different levels. This means that in the nearest future colleges will have a generation of students who are fully prepared to use Moodle in their learning activities. Moodle platform includes a wide range of virtual tools, which help to make process of distance learning interactive, communicative and collaborative, creating a virtual learning community of distance learners. Nevertheless, actualization of its interactive potential within learning is not an easy task for higher education institution with no previous experience in using virtual learning environment (VLE). The adoption of VLE shows that web-based learning technologies cannot be seen as educational innovation in itself, if processes of teaching, the essential pedagogical approach and the underlying assumptions about learning and knowledge sharing remain unchanged. The conceptual framework is needed to promote pedagogical innovations within VLE, thus helping teachers to develop new teaching approaches. In Latvia there are relatively popular researches about different Moodle implementation aspects in secondary schools (Bruņeniece, 2008; Zakrevskis, 2011), but there are very few studies considering Moodle in higher education. In fact, Moodle is widely implemented in Latvian schools, and now we can wait for a generation of secondary school graduates who are coming to higher education institutions fully prepared to use Moodle as students. At the same time, there is a question about higher education institutions' readiness to offer a really interactive and profoundly pedagogically build learning environment within this platform. The paradox is that the issue of widely considered ICT in higher education is popular in publications, but studies definitely are not focused on concrete virtual learning environment and problems related to its implementation (Bērziņa, 2005; Miķelsons, 2005). There are comparative studies about ICT usage in Latvia and in Europe (Gulbe, 2011), as well as numerous researches which focus on introducing, supporting and administration of ICT in education institutions (Gorbāns, 2011; Pauliņš, 2010; Rozamascēvs, 2012). None of these profound researches is focused on pedagogical issues of Moodle implementation. It is worth noticing, that the term 'ICT' (information and communication technologies) is far too broad, including different means and tools, such as mobile

phone and e-mail. It is difficult to ensure real congruence between research and breadths of the term. However, there are some researches, which are focused on very specific and partial aspects of e-learning, such as e-portfolio usage (Gorbunovs *et al.*, 2012). It should be mentioned that some interesting researches are focused on teachers' digital literacy and related issues (Birziņa, 2007; Stakle, 2011; Vronska, 2012), but for now this is definitely not the main problem. Teachers and students widely use social networks, e-libraries, internet shopping. In such situation there is no more reason to emphasize digital literacy problems when speaking about virtual learning environment like Moodle. For now in the University of Latvia, there are no doctoral studies carried out about Moodle, and it could be explained by the fact that implementation of this educational technology transforming teaching and learning practice is not the subject of particular interest. All over the world countless researches are made and are going to be conducted in this realm (Weihong and Ruili, 2008; Martín-Blas, Serrano-Fernández, 2009; Lei, 2011; Escobar-Rodriguez, Monge-Lozano, 2012). It could be seen that there is interest and acknowledging of Moodle usage topicality in Latvian educational system among young generation of pedagogy researchers (Gabrāne, 2010; Grunte, 2010), still their researches under the supervision of well-known specialists in Latvia are conducted during undergraduate studies and it is definitely not enough for actual situation. There is great interest about Moodle implementation, its challenges, options and practices that can be seen in many publications in the Latvian pedagogical periodicals (Plaviņa, 2010; Gribusts, 2011; Nestere, 2012); still these publications are neither scientific researches nor analytical representation of any actual data.

Possible Directions for Studying Moodle Educational Issues

Moodle structure typically requires traditional course modification. Through specific tools and traceability of all activities it by default makes obligatory those values in education process, which could stay more declarative than practically existing in traditional classroom – interactivity, communication, collaboration and feedback. Making virtual learning environment really interactive and attractive is a serious practical challenge encountered by higher education institutions starting to use Moodle. The conceptual framework is needed to promote pedagogical innovations within VLE, thus helping teachers to develop new teaching approaches. While students need clear reasons for participating in interactivities and collaboration, requirements and criteria for sufficient participation in e-course comes, teachers also need some criteria for sufficient e-course management performance and didactical background, focusing on creating interactive learning environment with virtual techniques and clarifying reasons for actualizing Moodle interactive and communicative tools and integrating them into e-course (Bierne, 2013). Concentrating researches on educational issues of Moodle usage could help achieve these goals. In view of social constructivism and connectionism learning theories, the following issues could be further examined in this

realm in order to study how innovative educational technology provokes pedagogical innovations in higher education:

- Reciprocity of teacher and learner role within Moodle learning environment. Teachers' experience of leveraging their competences, finding innovative solutions while transforming traditional course into e-course or developing an absolutely new course, as well as reflecting on their work and accepting students' ideas about its improvement could be studied. Next issue is student behaviour when they share ideas in learning situation and enriching content of virtual learning environment.
- Experience of using Moodle interactive tools and practicing different learning activities within learning environment, such as forums, wikis, databases and others, allow for presenting students' works for others to see, learning by doing and getting feedback, analyzing contribution of their peers and constructing their knowledge in collaborative way.
- Experience of facilitating learning and contextual transforming teaching practices and adjusting them to students needs, using profiles, compendiums of forum posts, individual blogs, surveys, activity reports and assessment results.

Participation in the researches focused on these issues could help teacher to reflect on work practices, to acknowledge additional possibilities not engaged in the courses, as well as to create more flexible learning environment that would provide better learning outcomes.

Conclusions

1. There are a number of different terms describing Moodle. Whilst such terms as 'course management system' (CMS) or 'learning management system' (LMS) could be considered as identical, the terms like 'virtual learning environment' (VLE) or 'virtual educational technology' (VET) need further clarification. The term 'learning environment' describes a distinct quality of learning and teaching activities and could not be related to "file box" with insufficiently activated interactive potential.
2. It is a disputable question if maximum implication of social constructivism and connectionism principles could be the criteria for optimal Moodle practice; still on the basis of these principles some directions for further examination of Moodle pedagogical aspects are shown. Participation in researches, which are focused on these issues, could help teachers to reflect on work practices and create more flexible learning environment.
3. There are different aspects within e-learning such as educational, administrative, ethical, etc. Each aspect is now becoming a subject for examination and studies. In

- Latvia studies mainly focus Moodle introduction in educational institution, its administration and support, while pedagogical aspects are not studied enough.
4. Researches of Moodle pedagogical issues focus mostly on usage of specific tools, e.g. quizzes, or other practical challenges encountered by higher education institutions using Moodle. Still it is not clear if and how Moodle – being an innovative educational technology, stimulates the development of new teaching approaches and whether the existing pedagogical practices comply with theoretical pedagogical background of this technology.
 5. The conceptual framework is needed to promote pedagogical innovations within VLE, thus helping teachers to develop new teaching approaches. The basis for construction of such a framework within higher education institution to enhance usage of Moodle learning technology could be found in social constructivism and connectionism principles.

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