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(EIF 2017)*

# **Drivers for Progress in the Global Society**

Vilnius (Lithuania)

Editors

Agota Giedrė Raišienė and Yuriy Bilan



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# FOREWORD

The 5th European Interdisciplinary Forum (EIF 2017) “Drivers for Progress in the Global Society” hosted several events under its umbrella: the primal international scientific conference with a general theme “**Innovations, Smart Growth and Sustainability**” (held at Klaipėda University, Klaipėda, on November 23-24, 2017) and the international scientific interdisciplinary conference “**Discourse, Technology and Translation**” and **Featured Workshop on Translation** supported by The TextLink COST Action IS1312 (held at Mykolas Romeris University, Vilnius, on October 12-13, 2017).

EIF 2017 was aimed to bring together researchers, academics and practitioners to encourage their dialogue and promote innovative interdisciplinary research merging Humanities, Social Sciences and New Technologies.

Proceedings of EIF 2017 present practical and theoretical studies related to discourse in Humanities (Linguistics, Literature, Applied Philology, Culture Studies, etc.) and Social Sciences (Law, Politics, Educational Sciences, etc.) as well as to various issues of Economics, Management and Public Administration such as entrepreneurship, competitiveness, sustainability, innovations and others that help to solve contemporary challenges of business and society.

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**ECONOMIC COMPETITIVENESS AND GLOBAL  
SUSTAINABILITY;  
CHALLENGES FOR NETWORKED SOCIETY;  
BUSINESS AND MANAGEMENT SUCCESS  
FACTORS**



# SUSTAINABLE DEVELOPMENT AS A PRINCIPLE OF JUSTICE

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## Abstract

The paper is an attempt of presenting sustainable development as a principle of justice. The global threats such as increasing environmental deterioration, fast demographic growth, unsatisfied basic needs of people or deep destabilization of natural and socio – economic systems made different politicians and activists look for rational new solutions. A great support for the idea of sustainable development came from the General Secretary of the United Nations Gro Harlem Brundtland in 1987. One of the main purposes of sustainable development was to create a just society where the essential needs of present generation would be satisfied without compromising the ability of future generations to meet their own needs.

**Keywords:** sustainable development, justice, environment, present and future generations.

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## 1. Introduction

The Industrial Revolution which took place in Europe in the 18<sup>th</sup> century supposed to bring a better socio – economic and political life to people living in poor conditions. It was a big expectation that modern development and peace would last forever. Though for the vast part of the population it was only unattained dream. The facts showed that the world is still facing dangerous threats causing, exploitation of natural resources, hazardous pollution, changes in habitats. Beyond of those, there are some old social problems, such as inequalities in health, poverty, education and unemployment which have been waiting to be solved. Those damages usually produce all kinds of risk among the poorest at first.

The following statistics show the facts of unequal global development. Half of the world – over 3 billion people – are living on less than \$2.00 per a day, 30 000 children are dying each day because of poverty (almost 11 million children dying under the age of 5 each year). Almost 40 million people are living with HIV globally and over million dies from AIDS each year. Approximately 3 900 children die each day because of lack drinking water and sanitation. Global life expectancy is 65 years, compared with the UK average of 78. The Gross Domestic Product (GDP) of the poorest 48 nations (a quarter of the worlds countries) is less than the wealth of the world's richest 3 countries combined (Plachciak, 2013, p. 172, Wolińska, 2008, p. 243).

Everyone can admit that growing inequalities in the world have become a big pressure issue for the future of our civilization. Even some business leaders, such as the representatives of the World Economic Forum identify those problems as the most serious threats to the world economy. It should be admitted that our present lifestyle and consumption are threatening the Earth in an unforgivable way (Dirzyte, Rakauskiene, 2016). It has been proven that in order to support a contemporary consumption, each of us need daily 50 liters of water for drinking, washing, cooking and sanitation. We have already used the limits or beyond in two thirds of the marine ecosystems and altered the economy of a vast range of marine spaces. Considering the condition of the world spaces, about 70% of our ecosystems are facing a decline in biodiversity (Plachciak, 2013, p. 172).

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If we are part of global human community, moral concern over unjust inequalities cannot be neglected or limited to national borders. This is especially important when policies adopted in one country have repercussions in other country. Supporting globalization while turning a blind eye to global inequality concerns is an increasingly anachronistic approach to the challenges facing the international community. The authors of “Human Development Report 2005” write: *International aid is the equivalent of a redistributive fiscal transfer mechanism with a potential to the effect change, for instance, through investments in health, education and infrastructure. Similarly, international trade practices can open – or close – opportunities for poor countries and their citizens to capture a bigger share of the economic pie (Human Development Report..., 2005, p. 35).*

If we consider those problems from an axiological point of view, there are two possible ways of conceiving our moral obligations. One might assign a positive position to us, which is founded on the fact that we can improve conditions of the environment and those living in poor circumstances. Since they are suffering and we are better off, we should share our energy and wealth to help them. The second option refers to the view of negative responsibility entitled on us. This assumption is based on the conviction that we in fact participate, and even profit from unjust and coercive imposition of severe poverty (Pogge, 1998, p. 502). Yet, if we think correctly, there is no excuse for doing nothing to make the world more equal and just. Once even Charles Darwin wrote to his native Britain: *If the misery of our poor be caused not by laws of nature but by our own institution, great is our sin* (Quoted in: Gould, 1991, p. 19).

In the second part of the twentieth century the idea of sustainable development was proposed to make a bigger awareness for new ways of thinking in order to solve the most sensitive problems of the world. There was an unquestionable need to undertake concrete actions to cease negative trends of development. The idea of sustainable development plays a basic category among political guidelines in many major documents such as national constitutions among others (Urbaniec, 2015). Nevertheless, there is still undeniable need of scientific debate about the reality of this noble principle, especially in the context of social justice. The main purpose of the article is to add some ideas to a wider discussion concerning just sustainability.

## 2. The concept of sustainable development

During the last couple of decades some meaningful initiatives have been introduced within the realm of redefinition the relations between man and natural environment. Especially important way of leading to a such point emerged from discourse concerning environmental sustainability and other initiatives relating to “sustained” forms of development. Nowadays the environmental rhetoric does not belong only to a specific language of the environmentalists. At present it is promoted by business corporations, European Union, state departments, different charity associations, and even some insurance companies (Macnaghten, Urry, 2005, p 280).

The idea of sustainable development is focused on contemporary threats of human life, which generally emerge from growing consumption of natural resources, increasing environmental devastation, fast demographic growth, unsatisfied basic needs of immeasurable groups of people or deep destabilization of natural and socioeconomic systems (Crisan-Mitra et al., 2016).

It is generally agreed that U Thant’s Report *Problems of Human Environment* published in 1969 starts a new era of thinking about development. The document points at such problems as: (1) evident lack of connections between high developed techniques or technologies and demands of natural environment; (2) rapid devastation of cultivable soil; (3) accidental development of the cities; (4) decreasing of free and opened spaces and territories; (5) disappearing some forms of animal and vegetable lives; (6) intoxicating and polluting natural environment; (7) necessity of cultivated soil, water and air protection (Tant, 1969).

In fact, until the Brundtland Report in 1987 the idea of sustainable development was not commonly used in public discourse. At that time global concept of natural environment became the subject of dialog and cooperation among different countries, including western and eastern blocs. According to the Brundtland Report sustainable development should be recognized as *development that meets the needs of the present without compromising the ability of future generations to meet their own needs* (The World Commission ..., 1987, p. 43). It contains twofold key ideas: (1) the concept of needs, in particular the essential needs of the world’s poor, to which overriding priority should be given; (2) the idea of limitation

imposed by the state technology and social organizations on the environment's ability to meet present and future needs (Plachciak, 2010, p. 87).

Besides some obvious inconsistencies and contradictions, typical to a such process, this document was prepared in order to be flexible for wider use within different national constitutions. It suggested that it was not a problem of choosing between environmental protection and social progress, but rather a question concerning decisions in the area of the economic and social development compatible with a proper environmental management (Meadowcroft, 2000, p. 371).

One of the central element of the Brundtland Report regarding global problems of natural resources is *the same boat ideology*. It assumes that all people have to share the same finite planetary resources and means to development, and that until they learn to use them in a just way they risk global catastrophe. This ideology was strongly emphasized in a connection with the threats of nuclear war in the eighties of the twentieth century. The Commission of Brundtland treated global governance of natural resources as a mechanism initiating sustainable development. There were the following essential conditions for reaching such a goal: (1) constructing scientifically proved programs which would play a tool measure for assessing the capacity of the Earth's limits; (2) appointing the world's political leaders with special abilities making commonly agreed decisions; (3) educating and informing citizens who could become consciously responsible for the environment (Plachciak, 2010, p. 54).

The idea of sustainable development promoted by the Brundtland Commission has disclosed the necessity of improving a project which would prone people and states to build a global consent regarding the world's development. Undoubtedly, among meaningful mechanisms for reaching such a goal there is a rational social dialog. It means that we need a new rhetoric for building modern partnership and democracy (Plachciak et al., 2015; Raišienė, 2012).

The conference "Environment and Development" which was organized under the auspices of the United Nations in Rio de Janeiro in 1992 became obviously a climax for understanding the idea of sustainable development. The idea of sustainability, suggested by the Committee, pointed at global solidarity which would organize people's life within the limits of the Earth's resources (Streimikiene et al., 2016). The authors of the 10<sup>th</sup> principle of the document wrote: *Environmental issues are the best handled with the participation of all concerned citizens, at the relevant level. At the national level each individual shall have appropriate access to information concerning environment that is held by public authorities, including information on the hazardous materials and activities in their countries, and opportunities to participate in a decision – making process. The states should facilitate and encourage public awareness and participation by making the information widely available. Effective access to judicial and administrative proceedings, including redress remedy, shall be provided* (Kozłowski, 2002, p. 58).

The attempts of implementation sustainable development have been still facing some difficulties. Disadvantageous phenomena of contemporary civilization, which have been the gravest obstacles to the idea of sustainable development, were not only strained but they seem to be more influential. Against all declarations the world came to the point where all tendencies lead towards unsustainability. It seems that the idea of sustainable development has been losing its popularity in the world because its axiology often come across the contemporary model of consumption and individuality. It also contests popular habits, expectations and pursuits of modern society. The main reason of losing interest in such ideas should be located in growing consciousness of senseless projects which try to solve global problems.

### **3. The notion of justice and sustainable development**

The idea of justice plays an important role in the concept of sustainable development which is often regarded as a liberal project of the world order. Though, it should be noted that the concept of sustainable development goes much further than liberal political theories of justice. It is founded on three suppositions, being usually neglected within liberal thought. They are: (1) increasing ecological cooperation, (2) historically improved unequal resource use, (3) the "limits to growth". Those elements create the need of regarding sustainable development in the context of intra- and intergenerational theory of justice (Laughelle, 2000, p.295).

At first it seems reasonable to ask the question concerning just distribution of social goods and natural resources. American philosopher John Rawls is right when he writes: *Justice is the first virtue of social institutions, as truth is of systems of thought. A theory however elegant and economical must be*

*rejected or revised if it is untrue; likewise, laws and institutions no matter how efficient and well-arranged must be reformed or abolished if they are unjust. (...) The truth and justice are uncompromising* (Rawls, 1973, p. 15).

Regarding the question of distributive justice, the authors of Brundtland Report point at “inequality” as the main planet’s “environmental” problem (*World Commission ...* p. 6). In the same context, Tim O’Riordan writes that the actions, which might cause an environmental unsustainability, are *<...> essentially uncontrollable unless the structural conditions that include poverty and desperation are altered*. Similarly, Rosa Braidotti notices *<...> a growing recognition of the connections between the crises in development, the deepening global environment crisis, the growth of poverty* (O’Riordan, 1993, p. 35). When we assume that there might be a meaningful correlation between environmental sustainability and distribution of wealth, we should consider the fact that poverty and wealth are both major causes of environmental problems (Dobson, 1998, p.134). It is undeniable fact – as Peter Bartelemus writes – that *poverty and affluence [can] refer to the pressures of growing populations in poor countries on marginal and vulnerable lands, forests and congested cities* (Bartelemus, 1994, p. 11). But later on he continues: *In industrial countries, on the other hand, impacts of high-level economic growth and consumption are responsible in most cases for environmental degradation* (Bartelemus, 1994, p. 11). So it seems that pushing on reduction of poverty but abandoning at the same time reasonable limits to consumption and material growth in developed countries, would not necessarily result in upholding environmental sustainability.

There are also incidents where inequality and poverty may be an evident result of environmental degradation. The authors of Brundtland Report write: *A growing number of the urban poor suffer a high frequency of diseases; most are environmentally based and could be prevented or dramatically reduced through relatively small investments* (The World Commission ... p. 239). This statement proves that poor people basically occupy poor environments. It was this insight that gave the beginning of the “Environmental Justice Movement” in the USA in the 70s and later on in other countries. Although, the environmental threats which occur in different parts of the world may touch everyone equally, but usually the poorest are the most distressed. They are the least who are able to afford protecting themselves against it. Laura Pulido describes this with the words: *It <...> is the poor and marginalized of the world who often bear the brunt of pollution and resource degradation – whether a toxic dump, a lack of arable land, or global climate change – simply because they are more vulnerable and lack alternatives. The privileged can reduce their vulnerability by insulating themselves from environmental problems through assorted mechanisms including consumption <...> exportations (such as deforestation of other countries)* (Pulido, 1996, p. XV – XVI). This may suggest that the environment, we are part of, is then an exact type of goods (and also bads!) that society must justly distribute among its members. In this case it is important to choose such a principle upon which the distribution of environmental resources would refer to whole humankind.

The problem appears when we want of choose the criteria of distributive justice. Obviously, it is impossible to distinguish concrete principles of distribution but on the other hand, there is a necessity to avoid the situations of unjust treatments which can help to establish optimal standards of basic needs. (Dylus, 2000, p. 16 – 17).

According to Chaïm Perelman there are six basic conceptions of justice: (1) to each this same thing; (2) to each according to his merits; (3) to each according to his works; (4) To each according to his needs; (5) to each according to his ranks; (6) to each according to his legal entitlement (Perelman, 1980, p. 2). Let us take a closer look at of these concepts.

The criterion “to each this same thing” assumes that all citizens should be treated in the same way. They suppose to have these same rights to participate equally within hierarchies of goods, powers, prestige, education etc. Socially this criterion of justice is very attractive and often becomes a handy tool within different political games and practices. Yet, in the end it might cause various social and economic difficulties and tensions. Regarding rescuing actions during natural disasters or war situations, this concept of justice plays a basic role for helping victims. Though trying to imply such a measure of justice to the idea of sustainable development might bring serious misunderstandings. Doubts emerge from the supposition that each can have an equal access to consumer goods with the same pace of economical growth (Piontek, 2000, p. 53 – 61; Papuzinski, 2005, p. 42 – 47).

The criterion “to each according to his merits” suggests that goods which suppose to be distributed require their participants to have special qualifications. It is obvious that such a criterion of justice cannot be applied to the principle of sustainable development.

The formula “to each according to his works” regards the effects of individual activities, but not necessary the work contribution by itself. It expects that income should be shared among those who by their own efforts would be able to offer certain services or goods. This criterion of justice can make some people or business corporations to work for increasing and building their wealth but it does not provide clear solution how to coordinate global economic order.

It is widely acknowledged that between social funds, natural resources and justice there is one thing in common – they are strongly concerned with actual or increasing scarcity. Previously, the authors of *Limits to Growth* argued that the Earth can have only a limited amount of non-renewable natural resources as well as a limited capacity for absorbing the waste created by productive activity. As the consequence of the population enlargement and resources decline, also the portion of each individual becomes shortened. This shows that social policy and political environmentalism puts scarcity as one of the main organizing concerns.

The conception “to each according to his needs” points at humanitarian side of the formula. It suggests that all people should be regarded in a just distribution of goods or benefits even those who do not have their own properties. The main problem appears when we try to define the needs as the way of just distribution. In this case the needs can be considered only within the limits of particular cultures or civilizations. Although the wealthiest countries in the West have well developed social programs providing basic needs of citizens, but in a global system it is still unreal dream.

The principle “to each according to his ranks” comes from hierarchical structure of society, and obviously divides people into different categories, who supposed to be treated unequal at the same time building non-egalitarian structure of society.

The final criterion “to each according to his legal entitlement” allows as many varieties of law as many legislations and generally it is evident that they are not compatible. In this case justice is measured according to a particular legislative system and it might appear unjust in another situation.

In conclusion, it is not an easy task to find a proper criterion of justice which could be compatible along with the idea of sustainable development as a principle of global justice. There is still a big need for a wider discussion how to manage just distribution of social, economic and environmental goods. Though, it seems that we already have most of the ideas in order to redefine business and restore the world – all we need is collective will which is the basic value for building just society with equal opportunities to all participants (Plachciak, 2009, p. 107 – 108).

The problem of sustainable development as principle of justice becomes more complicated in the context of future generations. American philosopher – James Fishkin – writes: *no defensible theory of justice can neglect the facts that people are born and die and that our actions may have serious effects on interests of those yet to be born* (Fishkin, 1991, p. 6). In other words we should not be satisfied with a project of justice unless it provides some credible instruction regarding distributions between present and future generations.

Among ethicists there is a great disagreement among concerning such a statement, as Fishkin presents. Robert Heilbroner puts the question: *Why should I lift a finger to affect events that will have no more meaning for me seventy-five years before I was born?* And right there he replies: *<...> no rational answer to that terrible question* (Heilbroner, 1981, p. 191).

John Rawls puts the problem like this: *It is a natural fact that generations are spread out in time and actual exchanges between them take place only in one direction <...> this situation is unalterable* (Rawls, 1973, pp. 290 – 291). Without any question, Rawls is expressing the consensus statement of the issue. Although, it would be worth to point at dissenting opinion from John O’Neill who writes: *Future generations can benefit or harm us: the success or failure of our lives depends on them for it is they that are able to bring to fruition our projects* (O’Neil, 1993, p. 34). Actually, J. O’Neill tries to present an actual transgenerational community. This type of strategy stands in obvious opposition to the *hypothetical models* that some philosophers have used to make sense of intergenerational justice.

Let us return to Rawls for a while. His arguments regarding future generations are insufficient. Rawls’ fair society is built on principles contracted in the *original position*, behind the *veil of ignorance*. Everyone, standing behind the veil of ignorance, has general knowledge, needed to decide what principles of justice would be considered for building a new society. At that stage there is a complete lack of

knowledge about individual cases and preferences of people standing (Popov et al., 2016). In another word, people do not know their concrete place in a society at this imagined state. They do not know what family they would be born into or what race. Nor do they know what their own competences would be. Whether or not they would be intelligent, average, or below average. Whether they would be self-motivated, whether they are poor or rich. Shortly, behind of the veil of ignorance, no one is in the situation of prejudicial knowledge which would help people to choose such principles that would benefit them if they knew what their position was to be (Popov, Vlasov, 2015). Next, American philosopher starts to formulate the principles of justice that he believes they would be chosen by society behind the veil of ignorance. (1) *Each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others*, (2) *Social and economic inequalities are to be arranged so that they are both: a) responsibility expected to be everyone's advantage, and b) attached to offices and positions open to all* (Rawls, 1993, p. 60).

However, future generations have not actually entered into the contract. They are not even present to say if or not they do confirm principles which have been decided. For they have not participated in contract with the present generation, and because all decision-makers have mutual disinterest, it should be obvious there is no reason to pay attention for the environmental efforts of present activities on future generations (Manning, 1981, p. 161).

Rawls tries to deal with the problem in the context of his concept of *just savings principle*. He argues that it should be our natural duty to hold up just institutions, not only those for present generations but also for all generations in the nearest future. *In order to establish fairness between generation (for example, in the agreement on a principle of just savings), the parties, who are assumed to be contemporaries, do not know the present state of society. They have no information about the stock of natural resources or productive assets, or the level of technology beyond what can be inferred from the assumption that the circumstances of justice obtain the relative good or ill fortune of their generation in unknown. For when contemporaries are influenced by a general description of present state of society while agreeing how to treat each other, and the generations that come after them, and they have not left out account the results of historical accident and social contingency found within the basic structure. And so we arrive at a thicker rather than thinner veil of ignorance* (Rawls, 1973, p. 273).

Rawls's theory of justice can undoubtedly provide interesting guidance as to what principles of distribution for critical natural capital should be chosen both within as well as across generations. Obviously, it is not enough just to say that we have duty to save natural resources for future generations. If future people will have the same sense of justice as we do now, then we should take them under our care as moral persons entering in the contract and thus deserving justice. But there is still an important question about how one generation should deliberate of benefits and harms taking place to non-overlapping future generations.

#### 4. Conclusions

Sustainable development is a normative concept with a strong application to axiological dimension. The idea of justice, which is the basic value of sustainability, deals with distribution of goods, access to natural resources, economic security. It has also a special concern to improve human needs which relate to man's dignity. Sustainable development does not require to establish a new law which would demand an additional explanation, but it finds a satisfaction with a liberty system and human rights. Though, there is still a big need to find out a proper criterion of justice which would be applicable to the idea of sustainable development. There is an urgent need to build more complex philosophical and interdisciplinary research in the area which relates to sustainability and justice. It seems especially important when we think of global threats such as rapid waste of natural resources, fast urbanization, pollution, climate change, increase of human population, large-scale foreign migration and so on. It is unquestionable obligation of our present countries, governments, politicians, economists, all citizens to find out just solutions for setting up a rational vision of sustainability which would also improve our solidarity with future generations. Arguing that limiting the needs of present generations for the sake of future once sounds like absurdity can not acceptable! In opinion of such theorists, thinking about futurity may be only limited to the nearest ancestors. Nevertheless, the principle of justice can be defended in the most reasonable way when we consider biological human needs such as breathing, oxygen, health, water, cultivable soil – those goods can be anticipated in a long period of time ahead.

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# PROBLEMS RELATED TO THE CRIMINALISATION OF ILLICIT ENRICHMENT

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## Abstract

The article analyses the provisions of one of the currently most controversial articles of the Criminal Code – Article 189<sup>1</sup> and problems related to its application. The authors analyse the dynamics of application of this article and the encountered difficulties connected with the criminalisation of specific acts. A summary of scholars' opinions on the disregard of key principles of criminal law when criminalising illicit enrichment is provided. The issue of why the decision of the Constitutional Court that Article 189<sup>1</sup> of the Criminal Code is not in conflict with the Constitution of the Republic of Lithuania was required is also examined.

**Keywords:** criminal code, illicit enrichment, fraud, human rights, constitutional court.

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## 1. Introduction

Crimes and criminal offences relating to property rights and property interests are among the most common types of offences. Offences of this type normally account for over one half of all registered offences in the country annually (for instance, they accounted for 52.1% in 2016) (Department of Information Technology and Communications). Offences with characteristics of corruption, which are encountered both in public and private spheres of social life, are no less dangerous. These include bribery (Article 225 of the Criminal Code of the Republic of Lithuania (hereinafter the CC)), trading in influence (Article 226 of the CC), graft (Article 227 of the CC) and abuse of office for the purpose of gaining material or other personal benefits (Article 228 of the CC) (Law of the Republic of Lithuania on the Approval and Entry into Force of the Criminal Code, 2000). Society is concerned about crimes such as human trafficking, drug trafficking and smuggling of drugs, weapons, tobacco and alcohol. For instance, in 2016, 492 crimes related to illegal disposal of narcotic or psychotropic substances with the aim to distribute them or illegal disposal of large amounts of narcotic or psychotropic substances were registered (Article 260 of the CC) (Department of Information Technology and Communications). It is evident that these crimes pose the greatest threat to the country's economic development, human rights and stability and effectiveness of activities of state institutions and result in an inappropriate implementation of the principle of social justice. It is noted on many occasions that one of the most effective ways to combat property-related, economic and other similar crimes is to make them economically unprofitable. The inclusion of appropriate prevention-aimed measures in laws is therefore of key importance in order to reduce the number of both crimes to property, property rights and property interests and the crime rate on the whole. In 2015, the Republic of Lithuania National Anti-corruption Programme for 2015–2025 (Seimas of the Republic of Lithuania, 2015a) and the Public Security Development Programme for 2015–2025 (Seimas of the Republic of Lithuania, 2015b) were approved. In the latter, public security is understood as part of national security and covers the protection of human rights, rights of society and lawful interests of the state against offences and other violations of law and disasters caused by nature or humans.

It has to be acknowledged that, to achieve these objective, the Lithuanian legislator often recurses to the extreme crime control measure – the criminal law. On 2 December 2010, the Seimas of the Republic of Lithuania criminalised illicit enrichment (Article 189<sup>1</sup> of the CC) and introduced the extended property confiscation model (Article 72<sup>3</sup> of the CC) (... of the Criminal Code of the Republic of

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Lithuania, 2010). In 2015, liability for criminal offences was tightened (the fine was increased to 150 MSLs), liability for attempts to avoid taxes the amount of which exceeds 10 MSLs was also tightened (... of the Criminal Code of the Republic of Lithuania, 2015), etc. By 1 April 2016, the legislator, which amended the criminal law as many as 64 times, was mostly focused on making the criminal law more severe. According to G. Sakalauskas (2014), only very few amendments of the CC were “neutral” or aimed only at the harmonisation of certain provisions with other legal acts. These amendments and supplements to the CC demonstrate the increase of repressive measures in Lithuania on the legislative level. This also shows how the authorities view criminal behaviour on the whole as well as the authorities’ legal knowledge of, and respect for criminal law.

In this article, in terms of criminal liability, considerable attention is paid to the criminalisation by the Seimas of the Republic of Lithuania on 2 December 2010 of illicit enrichment (Article 189<sup>1</sup> of the CC), which has become very controversial and provoked extensive discussions both among policy-makers, political scholars and journalists and lawyers. The article aims to examine the problems related to illicit enrichment from the point of view of the main principles of criminal law and to evaluate the opportunities of application of the adopted legal provisions.

## 2. Criminalisation of a new criminal offence

The Constitutional Court of the Republic of Lithuania emphasised in its rulings on a number of occasions that the assurance of protection of society against crimes is the state’s duty and one of its priority tasks because crimes not only violate a person’s rights and freedoms and other values protected and defended by the Constitution but also negatively affect living conditions and people’s living standards and pose a threat to the fundamentals of the state and society’s life. If the state does not take appropriate actions aimed to prevent crimes, the trust in the state authorities and laws would be undermined and disrespect for the legal order and different social institutes would increase. Therefore, according to the Constitution of the Republic of Lithuania (1992), a state is the entire society’s organisation that must guarantee the general interest and that has not only the right but also the duty to take various lawful measures to prevent crimes and to limit and minimise the crime rate. The measures provided for and used by the state must be effective. According to the Constitution, only law may define which acts qualify as offences and provide for criminal liability for such acts (Constitutional Court of the Republic of Lithuania, 2004). It should be noted that the law may recognise as criminal offences only such acts, which are actually dangerous and which actually cause damage to a person’s, society’s and state’s interests or as a result of which the threat that such damage will be caused arises.

By law of 2 December 2010 (... of the Criminal Code of the Republic of Lithuania, 2010), the Lithuanian legislator stipulated that a person that owns, by right of ownership, assets worth more than 500 MSLs, when aware or when must and able to be aware that these assets could not have been acquired using lawful income, may be punished with a fine or arrest, or imprisonment for up to four years. Thus, a new criminal offence was criminalised (includable in the category of medium-severity crimes), the essence of which is the owning of assets, which cannot be substantiated by lawful income. This law was aimed to restrict a person’s opportunities to freely dispose of funds obtained from the most dangerous criminal offences, the identification and disclosure of which are normally impossible: grave crimes to the economy and the order of business (Articles 199, 199<sup>1</sup>, 199<sup>2</sup> and 200 of the CC), to the finance system (Articles 213(2) and 216 of the CC), to civil service and public interests (Articles 225(2), 225(3), 226(3), 226(4), 227(3) and 228(2) of the CC), to property, property rights and property interests (Articles 178(3), 180(2), 180(3), 181(2), 181(3), 182(2), 183(2) and 184(2) of the CC), to human freedoms (Articles 147 and 147<sup>1</sup>(2) of the CC), to public health, to which a threat is posed by violations of the procedure of circulation of narcotic and psychotropic substances prescribed by legal acts (Articles 260, 261, 263(2), 263(3) and 266(3) of the CC), etc. It was believed that the new provision would provide grounds for imposing criminal liability on persons who have accumulated and dispose of disproportionately large assets in relation to their income, where grounds exist to believe that the assets were obtained from criminal activities as well as on persons who assist in concealing the origin and the owners of such assets.

At the same time, the objective to harmonise national criminal law with the provision of Article 20 of the United Nations Convention Against Corruption of 31 October 2005 (United Nations Office on Drugs and Crime, 2004) that “*each State Party shall consider adopting such legislative and other measures as may be necessary to establish as a criminal offence, when committed intentionally, illicit*

*enrichment, that is, a significant increase in the assets of a public official that he or she cannot reasonably explain in relation to his or her lawful income*” was set. Therefore, in this convention the main focus is on the significant increase in the assets of public officials, while presuming that the assets could have been obtained from corruptive offences. The Convention Against Corruption does not expressly specify the necessity to adjust national criminal laws of State Parties and only recommends State Parties to consider this issue. This convention also proposes qualifying as a criminal offence only intentional illicit enrichment of a public official, which may qualify as “significant” from the point of view of national law. Lithuania criminalised illicit enrichment of not only public officials but also of all residents. A completely different legal regulation applies to public officials in Lithuania: they must declare their assets, adjust private and public interests (Law of the Republic of Lithuania on the Adjustment of Public and Private Interests..., 1997), have an impeccable reputation, etc.

It can be assumed that the legislator understood the recommendatory nature of the Convention Against Corruption and therefore also grounded its decision to criminalise radically new crime components (Committee on Legal Affairs of the Seimas of the Republic of Lithuania, 2010) on the following statement of the Commission of the European Communities 2008 Communication COM(2008) 766 (Commission of the European Communities, 2008): *“Different legal procedures exist or co-exist in the MS <...> A new criminal offence for owning “unjustified” assets could be introduced in order to attack the proceeds of crime in cases where assets are disproportionate to the declared income of their owner and he/she has habitual contacts with known criminals. The difference with the case under (i) above is that the procedure would take place in a criminal court and the burden of proof would not be fully reversed.”* This communication in essence was intended to prevent organised crime in the European Union. Its essence is the international cooperation to ensure that “crime does not pay.” Income from organised crime should be confiscated and collected from the assets of persons who committed the crime. The communication was not published in the Official Journal and does not have any legal power.

The reference in the conclusions of the standing committee of the Seimas of the Republic of Lithuania (Committee on Legal Affairs of the Seimas of the Republic of Lithuania, 2010) that Article 1 of Protocol 1 of the Convention for the Protection of Human Rights and Fundamental Freedoms as amended by Protocol No. 11 (Council of Europe, 1952) stipulates that *“Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties”* also gives rise to doubts. The Convention for the Protection of Human Rights and Fundamental Freedoms (hereinafter the Convention) (European Court of Human Rights) is an international treaty that creates certain duties for its parties, i.e. the states that ratified it. Having ratified the Human Rights Convention, Lithuania has unconditionally assumed the obligations to guarantee that its internal law complies with the provisions of the Convention and does not violate the rights and freedoms defended and protected by the Convention and that a person is guaranteed with the protection of ownership rights. The appropriate balance of society’s general interest needs and requirements of protection of a person’s fundamental rights must be ensured. The legal regulation adopted in Lithuania went considerably farther than the contents of these recommendations because criminal liability may be imposed on any one person who acquired assets in doubtful manners. It should be noted that in Western Europe illicit enrichment is not criminalised this extensively as a separate criminal offence (Bikelis, 2013). For instance, in France the inability to substantiate that a person’s lifestyle complies with his/her income was criminalised, but the following additional key conditions were set: direct connections of the person with prostitution, persons engaged in begging, civil service, committing certain crimes or organised crime must be established (République Française). The listed crimes therefore constitute only a small part of the characteristics of the objective aspects of illicit enrichment provided for in Article 189<sup>1</sup> of the CC.

The assurance of public security may not be related only to the incorporation of new elements of crime into the CC or to the tightening of sanctions. Lithuanian criminologists have proved that the country’s population has an increasingly positive attitude towards preventive disciplinary measures and punishments not related to imprisonment. Therefore, the arguments of the retribution psychology publicly used by politicians in connection with society’s “demand” to tighten criminal liability in many cases originates primarily from attempts to support opinions expressed in the media rather than from scientific

criminological studies (Dobryninas at al., 2012; Sakalauskas, 2012). Criminalisation of new offences by manipulating the provisions of international documents or the concept of the general interest to a certain extent demonstrates the gradual undermining of the consistency of the system of law and the instability of legal regulation.

Each person is affected by at least three key factors: the self-regulation process, the impact of society (its individual communities) and rules of conduct defined in the form of legal provisions adopted on the national level. In the process of development as a personality, a person right from his or her birth is affected not only by the self-regulation process but also by the interests of the community in which he or she lives and by the system of state norms. Criminal liability has the role of the institute with the strictest social control functions. Criminal law in the assurance of security in society is just one element of the entire social justice and people's security (Hale at al., 2013). Legal protection of economic interests can also be secured by other branches of law, e.g. administrative, civil, tax law, etc. Modern theory of law, whereby benefits recognised by the state are protected, gives priority to those branches of law, which can not only protect these benefits but also secure the interests of the aggrieved party (Ashworth , 2003; Švedas, 2006; Drakšas, 2004).

### 3. Problems of imposition of criminal liability for illicit enrichment

Liability for illicit enrichment was provided for in Article 189<sup>1</sup> of the CC on 11 December 2010 (... of the Criminal Code of the Republic of Lithuania, 2010). Pursuant to the initial wording of the article, a person who owned, by right of ownership, assets with a value exceeding 500 MSLs while aware or having to be and able to be aware that the assets could not have been obtained using lawful income had to be punished. It should be emphasised that, according to this article, criminal liability can be imposed on a person for owning of assets with a value exceeding 500 MSLs and for his or her inability to prove the lawfulness of income used to acquire these assets alone. The criminalisation of illicit enrichment was aimed to prevent corruption, illegal business, drug trafficking, etc. The adoption of this law received a critical reaction of scholars of law S. Bikelis (2015), O. Fedosiuk (2012a, 2012b), L. Pakštaitis (2013) and S. Makūnaitė (2014). In their publications they analysed the problems of criminalisation of illicit enrichment in theoretical terms, but did not provide proposals on how the law should be applied or whether such a law is possible at all without violating key principles of law or not. The first court judgements passed also specified that the elements of this criminal offence had been formulated ambiguously and create difficulties for the application of criminal law.

The scholars' doubts have proven justified. Analysis of the dynamics of application of Article 189<sup>1</sup> of the CC in the time period from 2011 to 2017 (see table 1, figure 1) shows certain interesting trends.

**Table 1. Dynamics of application of Article 189<sup>1</sup> of the CC of the Republic of Lithuania**

	2011	2012	2013	2014	2015	2016	January-September 2017
Initiated pre-trial investigations: illicit enrichment, Article 189 <sup>1</sup> of the CC	70	102	204	173	128	16	15
Initiated pre-trial investigations: all criminal offences having the characteristics of fraud	13,750	13,057	15,832	15,862	12,388	8,389	6,747
Initiated pre-trial investigations, illicit enrichment, Article 189 <sup>1</sup> of the CC: percentage of the total number of criminal offences having the characteristics of fraud	0.509%	0.781%	1.289%	1.091%	1.033%	0.191%	0.222%

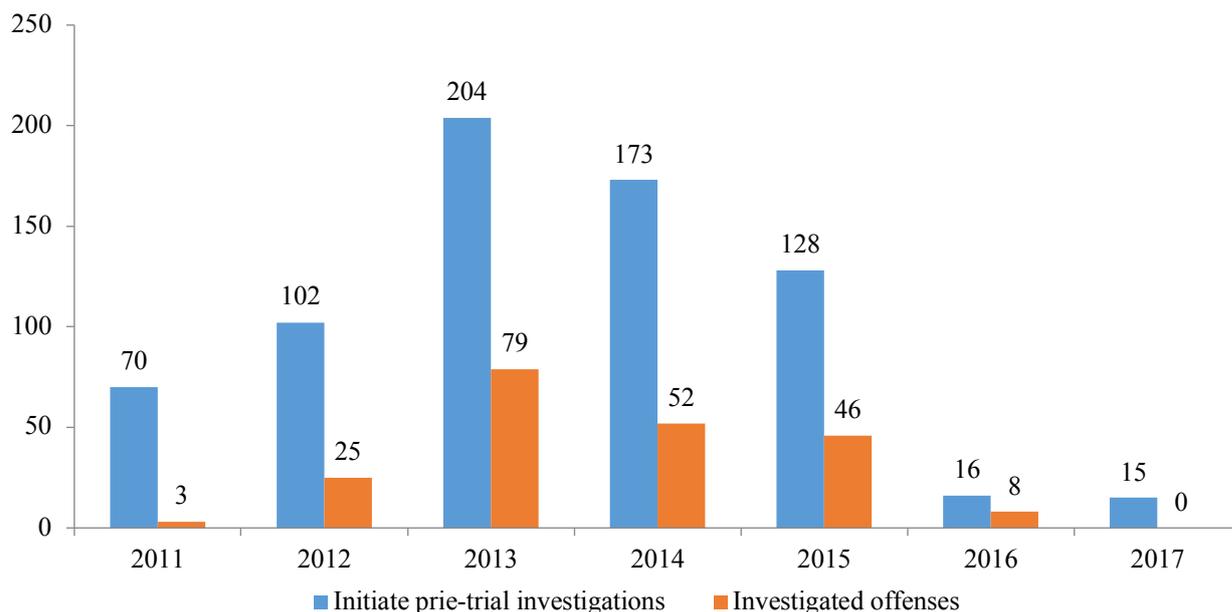
	2011	2012	2013	2014	2015	2016	January-September 2017
Investigated acts: illicit enrichment, Article 189 <sup>1</sup> of the CC	3	25	79	52	46	8	0
Investigated criminal offences having the characteristics of fraud	8,564	8,371	10,536	10,901	7,806	6,431	3,494
Investigated acts, illicit enrichment, Article 189 <sup>1</sup> of the CC: percentage of the total number of criminal offences having the characteristics of fraud	0.035%	0.299%	0.750%	0.477%	0.589%	0.124%	0.000%

**Source:** Compiled by the authors based on data from the Department of Information Technology and Communications. Departmental Register of Criminal Offences, <http://www.ird.lt/>.

In the time period from 2011 to 2013, the number of pre-trial investigations initiated according to Article 189<sup>1</sup> of the CC had been consistently increasing. However, the number of investigated offences had accounted only for a small share of initiated investigations. Starting from 2014, the number of investigations initiated according to Article 189<sup>1</sup> of the CC had been decreasing.

On many occasions, the initiated cases had been terminated. For instance, in 2013, 162 crimes were registered in connection with illicit enrichment, but, pursuant to Article 3 (Circumstances due to which criminal proceedings are impossible) of the Code of Criminal Procedure (hereinafter the CCP), criminal proceedings were terminated without even having been commenced in 106 instances, and commenced pre-trial investigations for 10 offences were terminated according to Article 212 of the CCP; pre-trial investigations for 28 offences were suspended according to Article 3(1) of the CCP. In 2014, 112 crimes of this type were registered, and criminal proceedings were terminated for 161 offences according to Article 3 of the CCP and for 13 offences according to Article 212 of the CCP; criminal proceedings were suspended for 18 offences according to Article 3(1) of the CCP. In 2015, a smaller number of instances of illicit enrichment – 93 – was registered, and the proceedings were terminated for as many as 125 offences according to Article 3 of the CCP and for 13 offences according to Article 212 of the CCP; the proceedings were suspended for 31 offences (Department of Information Technology and Communications). Thus, in 2015, criminal proceedings were not commenced and the number of terminated commenced proceedings exceeded the number of registered crimes of this type. For the time being, statistical data cannot be the only grounds for evaluating the quality of the law or the effectiveness of its application. A paradoxical situation should be noted however: the law, which had been on several occasions discussed in popular media and had received support from society and which had been approved by most law enforcement institutions, actually was not working. Hardly any cases of this type were initiated in 2016 or 2017.

Therefore, V. Justickis and E. Kurapka were absolutely right when they stated that, if the criminogenic nature of a law is not taken into account, the paradoxical situation is often encountered whereby a new law actually has an effect contrary to the envisaged effect: instead of improving social relations, the new law worsens them due to violation of security – a fundamental condition of a successful functioning of society (Justickis, Kurapka, 2010). The question as to why the criminalisation of illicit enrichment has not achieved the expected outcomes has arisen.



**Source:** Compiled by the authors based on data from the Department of Information Technology and Communications. Departmental Register of Criminal Offences, <http://www.ird.lt/>.

**Figure 1. Dynamics of application of Article 189<sup>1</sup> of the CC of the Republic of Lithuania**

The principles of criminal liability are a constituent part of a harmonious system of principles of law, which part defines a certain direction of criminal law. The legislator sets rules and principles applicable to entire society and the court applies these rules and principles to a specific dispute of specific parties (Drakšas, 2016).

The elements of illicit enrichment are formal and do not require any consequences to be present. The owning of assets alone, irrespective of duration or location of the assets or acquisition sources provides grounds for imposing criminal liability. According to the legal regulation stipulated in Article 189<sup>1</sup> of the CC, criminal liability may be imposed on persons who own any assets specified in this article, irrespective of the time when these assets were acquired. To draw the conclusion that certain assets were acquired unlawfully, the fact that the person cannot substantiate the lawfulness of acquisition of the assets is sufficient. Article 7 of the Convention for the Protection of Human Rights and Fundamental Freedoms (European Court of Human Rights) stipulates that no one shall be held guilty of any criminal offence on account of any act or omission which did not constitute a criminal offence under national or international law at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the criminal offence was committed. Article 2(3) of the CC stipulates that a person shall be held liable under a criminal law only when he is guilty of commission of a criminal act and only if at the time of commission of the act the conduct of the person could have been reasonably expected to conform to the requirements of law. By its ruling of 11 April 2014, the Supreme Court explained that the situation when a person is subject to criminal liability by reason that a new criminal law has criminalised his certain “current condition” alone, without prescribing a term and procedure for adjusting this condition, does not comply with the main provisions of criminal liability stipulated in Article 2 of the CC. At the same time the Supreme Court emphasised that Article 3(1) of the CC stipulates that the criminality of an act and punishability of a person shall be determined by a criminal law in force at the time of the commission of that act. The time of the commission of a criminal act shall be the time of an act (or omission) or the time of occurrence of the consequences provided for by the criminal law, where the occurrence of those consequences was desired at a different time. The plenary session noted that criminal liability under Article 189<sup>1</sup> of the CC is only imposed on persons who own the assets having the characteristics listed in the article upon entry into force of this law (Supreme Court of Lithuania, 2014).

Article 190 of the CC explains that lawful income is any income obtained from activities not prohibited by legal acts, irrespective of whether it was accounted for according to the procedure prescribed by legal acts or not. Therefore, lawfully acquired assets are assets acquired using income from employment or other income connected with employment or business, received gifts, inheritance, lottery,

dividends, etc. This means that the subject matter of this crime from the most general point of view is the specific assets, which the person owns by right of ownership. With consideration of case law, it can be deemed that, normally, the subject matter of the crime includes immovable property, movable items such as works of art and vehicles as well as cash. When determining the amount of possibly unlawfully acquired assets, courts should determine, based on documents, the person's total income and expenses for the entire term of employment. In cases of this category, an expert conclusion is normally relied on. However, its evaluation is highly dependent on whether the expert was provided with all materials, supported with documents, about the person's income and civil transactions. This is very complicated, if an elderly person or a person who received assets from elderly relatives stands before the court. All the more so if, prior to the adoption of this law, there was no criminal liability for the possessing of assets, the acquisition and possessing of which the person cannot support with documents. The possessing of assets in independent Lithuania has never qualified as a criminal offence. Therefore, many people believed that it is not necessary to keep documents justifying the acquisition of assets and, when concluding a transaction with close people, they did not adhere to the transaction form prescribed by law. Although, when evaluating a person's income, courts can rely on the testimony of witnesses, elderly people can be unable to find any such witnesses. Valuable assets acquired in Soviet times and possessed until the present day will in many cases not be justified by any documents or testimony of witnesses. It was mentioned earlier that, from the point of view of criminal liability for illicit enrichment, any specific financial sources for acquiring assets need not be determined and it is sufficient to acknowledge that, following check of all the lawful methods of acquiring assets by a person (salary, pension), it is evident that the assets could not have been acquired using any of those methods. This means that the legislator provided for the opportunity to also impose criminal liability when income is received, for instance, from elderly parents, due to taxes not paid timely, due to inappropriately concluded transactions, illegal employment or other violations of administrative, labour and tax law, since the legislator related the application of the law to the owning of assets rather than to the acquisition of such assets. In the opinion of the Supreme Court, this legal regulation does not comply with the principles of reasonability and proportionality, which are constituent elements of the constitutional principle of the rule of law (Supreme Court of Lithuania, 2014).

Article 31(1) of the Constitution of the Republic of Lithuania stipulates that a person is deemed not guilty until his guilt has been proven according to the procedure prescribed by law and recognised by an effective court judgement. It is stipulated in Article 189<sup>1</sup>(1) of the CC that a person shall be liable if the person is aware or had and was able to be aware that the respective assets could not have been acquired using lawful income. However, the ability and duty to foresee consequences alone do not provide grounds for qualifying the respective act according to the article in consideration, because the causer must in addition understand and be able to evaluate the scope of consequences of his or her act. The legislator, when acknowledging an act as a criminal offence from the moment of possessing of the respective assets and stipulating the provision "had and able to be aware," had clearly disregarded the requirements for the inner harmony of the provisions of the code. The issues of the form of guilt of the criminalised act therefore remained unclear. This made it difficult to examine such cases.

#### **4. The problem of compliance of Article 189<sup>1</sup> of the CC of the Republic of Lithuanian with the Lithuanian Constitution**

During the term of validity of Article 189<sup>1</sup> of the CC, different courts sent requests to the Constitutional Court of the Republic of Lithuania to examine whether there was any conflict with the Constitution of the Republic of Lithuania or not. For instance, on 13 November 2015, the Supreme Court of the Republic of Lithuania sent a request to the Constitutional Court to examine whether clause 1 of Article 189<sup>1</sup> (wording of 2 December 2010) of the Criminal Code of the Republic of Lithuania complies with Articles 23 and 31 of the Constitution of the Republic of Lithuania and the constitutional principle of the rule of law or not. A similar request was sent by Marijampolė Region District Court on 29 December 2015 and by Vilnius Regional Court on 29 January 2016 (Constitutional Court of the Republic of Lithuania).

Statistical data (see table 2) shows that Lithuanian law enforcement institutions, while waiting for judgements of the Constitutional Court, starting from 2016, have practically not initiated any new pre-trial investigations according to Article 189<sup>1</sup> of the CC.

**Table 2. Initiated pre-trial investigations: illicit enrichment, Article 189<sup>1</sup> of the CC**

	2015	2016	January – March 2017	January – September 2017
Police	107	7	3	7
Special Investigation Service	1			
Financial Crime Investigation Service	10	9	2	8
Customs Criminal Service	1			
State Border Guard Service	8			
Prosecutor's Office	1			
Total	128	16	5	15

**Source:** Compiled by the authors based on data from the Department of Information Technology and Communications. Departmental Register of Criminal Offences, <http://www.ird.lt/>.

In March 2017, the Constitutional Court of the Republic of Lithuania passed the Resolution “Regarding compliance of Article 189<sup>1</sup>(1) of the Criminal Code of the Republic of Lithuania with the Constitution of the Republic of Lithuania” (Constitutional Court of the Republic of Lithuania, 2017).

The Constitutional Court of the Republic of Lithuania acknowledged that Article 189<sup>1</sup> (1) of the Criminal Code of the Republic of Lithuania (wording of 2 December 2010; *Official Gazette*, 2010, No. 145-7439) is not in conflict with the Constitution of the Republic of Lithuania.

The Constitutional Court examined and explained why Article 189<sup>1</sup> of the CC does not infringe the constitutional principle of protection of ownership rights, the principle of the presumption of innocence or the person’s right to defence and appropriate proceedings and that this legal regulation is not in conflict with the principle of prohibition of multiple punishments for the same offence or the constitutional principle of the rule of law (Constitutional Court of the Republic of Lithuania, 2017).

The Constitutional Court established that the development of legal regulation in the field of criminal law, with consideration of the changes taking place in society, first of all manifests itself in the criminalisation or decriminalisation of acts; the legislator has the right and the duty to prohibit criminal offences by laws. When providing for criminal liability for illicit enrichment in Article 189<sup>1</sup>(1) of the CC, the legislator implemented its wide discretion to choose the provision of which area of law should define certain violations of law and what sanctions should be imposed for such violations of law; the legislator took into account the threat posed by illicit enrichment and the universally important objective of protection of society against dangerous criminal intentions. It is hereby acknowledged that no grounds exist for claiming that the criminal liability provided for illicit enrichment, as a legal disciplinary measure, is disproportionate. Furthermore, no grounds exist for claiming that this provision disproportionately restricts the ownership rights protected under Article 23 of the Constitution. It is hereby also acknowledged that, according to the legal regulation provided for in Article 189<sup>1</sup>(1) of the CC, the burden of proof is not transferred on the person who is suspected (accused) of illicit enrichment, such a person is not forced to provide testimony against himself, and the principle of the presumption of innocence stipulated in Articles 31(1) and 31(3) of the Constitution is not infringed. It should also be noted that the fact that, pursuant to Article 189<sup>1</sup> of the CC, criminal liability may not be imposed on a person who acquired the right of ownership to the assets specified in clause 1 of this article before the article came into effect and had (has) those assets after the entry into force of this law, does not mean that state institutions and officials are exempt from the duty to investigate the other criminal offences or other violations of law in case any characteristics of these are established. The equivalence of illicit enrichment to violations of tax laws can only be established when examining specific criminal cases and instances of violation of tax laws. It is therefore a question of application of law (Constitutional Court of the Republic of Lithuania, 2017).

When talking about the investigations of acts connected with illicit enrichment, it can be assumed that the issues clarified by the Constitutional Court will have a positive effect and result in a wider application of Article 189<sup>1</sup> of the Criminal Code of the Republic of Lithuania. If the statistics of initiated pre-trial investigations are considered (see table 2), even now certain dynamics of initiated pre-trial investigations are evident.

## 5. Conclusions

1. In 2010, illicit enrichment was criminalised and Article 189<sup>1</sup> of the CC was adopted. To ensure that committing corruptive, assets-related, economic, financial and other selfish crimes be economically unbeneficial and to prevent damage to the state and society caused by such offences, the legislator decided to adopt a legal disciplinary measure – criminal liability for illicit enrichment and in this manner implemented the state's criminal policies. The criminalisation process of the criminal offence provided for in Article 189<sup>1</sup> of the CC was grounded on the opinion of the owner of the legislation initiative right and on a superficial review of international and European Union law rather than on a comprehensive analysis of the situation, which would have enabled the legislator to understand the following: the scope of the phenomenon that is undesirable for society and the factors determining the existence of this phenomenon; whether the social problem can be solved without criminalising the acts, i.e. by means of administrative, labour, tax law, etc. or not; whether the new criminal offence will cause more damage than provide a positive effect or not, the costs of criminalisation; and how the new criminal offence is compatible with the other articles of the Criminal Code and national legal acts.

2. The start of application of Article 189<sup>1</sup> of the CC was not very successful, and problems connected with the violation of ownership rights were encountered: the appearance of a person's criminal liability in this case is due to a single act (acquisition of assets) committed prior to the criminalisation of illicit enrichment. Assets, which at the moment of their acquisition were lawful and could not have been the reason for imposing criminal liability on their owner, but the sources of acquisition of which have not been determined based on official documents evidencing their origin, can be confiscated as assets obtained as a result of a criminal offence. A special explanation of the Supreme Court that Article 189<sup>1</sup> of the CC may not be applied retrospectively had to be obtained. Due to these ambiguities, the criminalisation of illicit enrichment was essentially ineffective, and a judgement of the Constitutional Court on whether Article 189<sup>1</sup> (1) of the Criminal Code of the Republic of Lithuania (wording of 2 December 2010; *Official Gazette*, 2010, No. 145-7439) is in conflict with the Constitution of the Republic of Lithuania or not was required.

3. In March 2017, the Constitutional Court of the Republic of Lithuania acknowledged that Article 189<sup>1</sup>(1) of the Criminal Code of the Republic of Lithuania (wording of 2 December 2010; *Official Gazette*, 2010, No. 145-7439) is not in conflict with the Constitution of the Republic of Lithuania. This has to provide grounds for an active application of this article.

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# INTEGRATED SOCIAL TECHNOLOGIES FOR CITIZEN PARTICIPATION IN MODERN PUBLIC GOVERNANCE DECISION MAKING

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## Abstract

The purpose of the paper is to develop a process model for citizen participation in public decision-making using integrated social technologies. In the paper, classification of the "social technology" term is provided, citizens' view on citizen participation in decision-making is clarified, process model for public decision making with deep citizen participation is proposed. The model is adaptable to non-profit and for-profit organizations. Proposed decision-making process is supplemented with new stages, what contributes to a higher accountability of actions during the process. Research design: theoretical analysis, quantitative study and modeling in the context of Social choice theory.

**Keywords:** social technologies, decision making process, stage model, citizen participation, IST model.

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## 1. Introduction

Public governance is widely discussed just as much by governance professionals as by citizens. Active citizens are the cornerstone of functioning democracy. European Union has started to address issues emerging on the matter with EU Commission's i2010 initiative on e-inclusion, by 2016 earlier revealed issues have even deepened and now detailed in EU Commission's action plan for e-government during 2016 – 2020. Research in this paper focuses on development of a process model for citizen participation in public decision making using integrated social technologies. Model is designed on the basis of Social choice theory. Research outputs are organized as answers to three main questions to guide reader through vast information obtained. As the paper title begins with a rather popular phrase "social technologies", first we answer a question "What is social technologies' place in public governance?". Once we are clear on that, we find ourselves in need to clarify "What is citizens' view on modern citizen participation?", this part carries the empirical research carried out in Republic of Lithuania. Finally, we aggregate knowledge obtained to show "How do we make public governance more citizen friendly?" by presenting a designed model for citizen participation in public decision making which expands traditional stage model concept in order to make the decision-making process include a higher level of direct democracy.

NOTE: Paper discusses various hard and soft technologies, so term "technology" ought to not to be mistakenly taken as a synonym to a certain type of technology (e. g. information management technology).

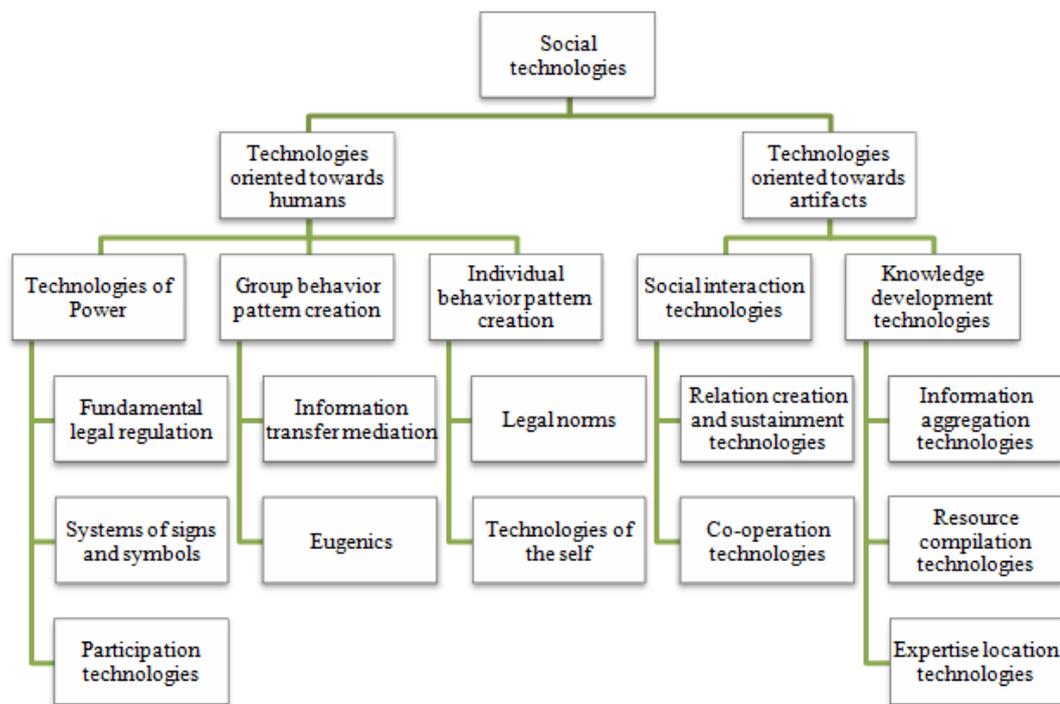
## 2. What is social technologies' place in public governance?

Content of the term "Social technology" varies from social engineering to computer software. According to Li and Bernoff (2011) "social technology" is a term that has historically had two meanings: as a term related to "social engineering", a meaning that began in the 19th century (Small, 1898; Schotter, 1981; Sugden, 1989; North and Wallis, 1994; Nelson and Sampat, 2001; Nelson, 2002; Pelikan, 2003,

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Leichteris, 2011, etc.), and as a description of “social software”, a meaning that began in the early 21st century (Sproull and Faraj, 1997; Johannessen et al., 1999; Leibetseder, 2011; Chui et al, 2012; Derksen et al, 2012, etc.). Rose (1996, p. 121) did not use the term social technology (just as previously mentioned Henderson, 1895), he used the term “human technologies,” where he meant “calculated transformation of human conduct” by “linking together, shaping, channeling, and utilizing the forces of individuals and groups in pursuit of certain objectives”. Though as it will be seen later, Rose (1996) concept is in scope of the research. This scope may be analyzed deeper by looking into the research authors has published, which means, that even if authors do not give definition or explain the term (for example: Pinch et al, 1992; Lewis, 2007; Alexander et al, 2009; Clough, 2010; Harper, 2010; Bennett and Segerberg, 2011; Jaji, 2012; Leino et al, 2012; Frydenberg, 2012; Passey, 2012, Metcalf and Benn; 2012; Apse and Ley, 2012; Hagen and Robertson, 2012), they still use it in a context which suggests the meaning author took. Due to extent of available amount of information possible to be presented in this paper, I will follow up directly with the outcome of the analysis of term "social technologies" (see figure 1).



Source: developed by author.

**Figure 1. Structure of "social technology" term based on adaptation goal**

So how do social technologies fit into the public governance schema? Political power is exercised through knowledge of the human mind in general – its mechanisms, strengths and weaknesses – of the distribution of individual capabilities, shortcomings (including mental illness and deviance), preferences, opinions and attitudes in a population (Michel Foucault idea retold by Derksen and Beaulieu, 2011). One of the most important researchers to work with term "social technologies" R. R. Nelson emphasized that the development and maintenance of a community of people all familiar with a technology and contributing to its cumulative advance also depends on a certain degree of standardization, and broad consistent agreement regarding just what advancement means (Nelson, 2003). In his works Nelson (2003, 2007) even discussed institutions themselves as social technologies. What often happens to terms in time is that they evolve, meaning that often they lose the original meaning and gain a closer one or completely new, the term "Social technologies" has been taken a different path, it did not evolve, but rather branched out to gaining complementary definitions to clarify its complex essence. "Social technologies" always have societal goal, only means by which the goal is reached vary. In such sense public governance itself becomes a social technology once societal goals are means to achieve them are chosen, for example, the suggested Participation technologies. Those are technologies oriented towards people and to be more specific they are powers technologies. There could be many goal of Participation technologies (if

technology is adapted for a positive reinforcement) such as to delegate responsibility to the citizens, to make optimal decisions in the concerns of all stakeholders involved, to gather needed information for a governance decision, etc. The means by which these and other goals of Participation technologies can be reached encompass techniques for knowledge reach and aggregation such as town hall meeting, surveys, citizen initiatives, etc. Effective Participation technologies highly depend on the attitude of the participants and interrelations among them and with governance representatives as well. Next chapter of this paper presents an authentic empirical research on the view of citizens of Republic of Lithuania on citizen participation in public governance.

### 3. What is citizens' view on modern citizen participation? Case of Republic of Lithuania

Participation technology is a way in which citizen participation is managed. Citizen participation is a backbone of Social choice theory, so empirical study was designed in the context of this theory with deep focus on participation tools as tools for citizen participation in public decision-making process are main enablers of Participation technologies. Four fold (economic activeness, type of living area, gender and municipal dispersion) based empirical survey for quantitative analysis for the case of Republic of Lithuania was carried out. In total 405 questionnaires appropriate for statistical analysis were collected during August 2016 through April 2017. In order to sustain four-fold representativeness 400 (for 3043429 Republic of Lithuania inhabitants, according to Cochran, 1977, formula when N is known, sample is 399,95) questionnaires were used for analysis. Inner validity of questionnaire was tested using Cronbach's alpha (outcome 0,909).

Schelling (1960) worked on tacit comprehensions-based guidelines on which people communicate, Ule (2009) later named these guidelines as "Focal points of coordination". In this research based on focal points of coordination explicit guidelines "Focal points of citizen participation in public governance" are suggested and questionnaire is oriented towards five focal points in citizen participation: participants, tools, goals, satisfaction, effects of citizen participation on decision making process. Main findings of each coordination point of citizen participation are presented as follows:

1. Participants of public governance decision making process. Mandatory participation of citizens in public governance decision making process was expressed by 94.7% of respondents. Most respondents believe that three (Mean=3, Median=3, Mode=2) types of participants is enough to make an adequate public governance decision. Separately evaluated top three types of participants are: elected political representatives, citizens, and social interest organizations.

2. Tools of participation in public governance decision making process. In total 95 participation tools were evaluated. Participation tools' analysis in classification groups showed that respondents prefer tools which are available via distant individual communication and require active (as opposed to proactive or passive) participation. Internet based tools and social networking platforms as appropriate elements of participation process were set by 75.5% of respondents. Top ten participation tools with highest approval by respondents: voting in referendum, voting in political election, gamification adaptation in order to attract citizens' attention to important issues, public governance coverage in mass media, taking part in political election organization, neighborhood meeting, interactive civic education, social media platform, public discussion, public governance newspaper. As analysis of participation tool preference dependence on psychological characteristics disproved hypothesis for correlation, a supplementary analysis was carried out in order to determine whether there are trends in responses towards certain participation tools, a factor analysis was executed (Kaiser Meyer Olkin criteria 0.777). Rotated component matrix revealed that research participants respond similarly to participation tools which correspond to one of these conditions: (a) initiative of participation rises from public governance institutions, (b) proactive behavior is part of participation process, (c) participation actions are carried out via software, (d) participation is of passive origin in a close personal environment, (e) participation is of passive origin with function to inform, (f) participation is organized to discuss global or national issues, (g) participation is executed explicitly in a group activities, (h) participation is executed via support functions (preparations for elections, etc.), (i) direct participation (voting, introducing an opinion, etc.), (j) one-way communication to inform (brochures, announcements, etc.).

3. Goals of participation in public governance decision making process. Goals of participation are divided according to direction from where it rises: from a public institution and from a citizen. Public institutions include citizens mostly in order to encourage citizens to take responsibility for their well-

being (57.5% of respondents). Unfortunately, citizens see public institution endeavors to include citizens in public governance decision making as inadequate. Citizens themselves seek participation due to four main reasons: eagerness to know what is happening around them (83.5 % of respondents), feeling of civic duty (77.0 % of respondents), responsibility (75.5 % of respondents), and self-expression (68.0 % of respondents).

4. Satisfaction with participation in public governance decision making process. Up till this section, general evaluation from citizens was positive, though when it comes to depth of citizen practical participation in public decision-making process, 57.5 % of respondents believe that citizens aren't included enough. What is even more impressive on the negative scale is that almost one fifth (19.75 %) of respondents aren't informed enough to be able to answer whether they are satisfied or not with the current situation. In evaluation of institutional endeavors to include citizens in public decision making 48.25 % consider them negatively and even 30 % felt that they are not able to evaluate whether institutions are active enough in include citizens. Respondents (70.5 %) believe that if for citizen inclusion in public decision-making institutions used means of communicative interaction which are already a part of citizen's daily life, they would encourage more people to engage in public matters.

5. Evaluation of citizen participation effect on decision making process. For this part of research, respondents were given an open question to present the positive and negative effects of citizen participation in public decision-making process. The positive effects are mostly oriented towards decision outcome quality. The negative effects are mostly oriented towards humanity (human error and human weaknesses).

Coordination points for citizen participation are as guideline for most important elements to be observed and managed during public decision-making process in order to make the public governance process as close to citizens as it is possible. Next chapter presents public decision process modeling based on theoretical and empirical findings.

#### **4. How do we make public governance more citizen-friendly?**

Managing elements of focal points of citizen participation in public governance ensures quality of participation, integrated social technologies provide environment for participation in depth. The question of this chapter is answered with presentation of a developed participation technology "Integrated social technologies based public decision-making model" (hereinafter – IST model). IST model is composed of three components: (a) focal points for citizen participation, (b) rational decision-making stages, (c) integrated social technologies.

(a) Focal points for citizen participation. In public governance focal points of citizen participation emerge in some sort of environment, in case of IST model, they interact in an open space environment. Participants, participation goals and tools are expressed directly, whilst understanding of satisfaction and positive/negative effects are expressed with common ground on process quality.

(b) Rational decision-making stages. Mostly common models for stage process in decision making encompass stages up to selection among alternatives (Simon, 1976; Zeleny, 1982; Ren et al, 1993; Šarkutė, 2009; Ule, 2009; Buskeviciute and Raipa, 2010) suggested that implementation of a selected alternative should be included in stage list for a rational decision-making model. IST model suggests it to be extended even further and encompasses following 9 stages (2 of them are executed as parallel procedures: 7A and 7B): (1) Naming a problematic issue; (2) Naming a desired situation; (3) Formulating alternatives; (4) Analysis and evaluations of alternatives; (5) Choosing and alternative; (6) Implementation; (7A) Comparison of acquired results to desired ones; (7B) Evaluation of process quality; (8) Naming a new problematic issue or Ending the process. Citizen participation is to be included in all operational decisions of IST model stages as a consequence to (a) a wish for a deep involvement expressed by respondents of empirical research, (b) De Leon and De Leon (2002) pandemic participation idea and Ewart et al (2015, p. 150) insights in collective intelligence research where authors state that: ‘‘massive participants’ inclusion into interactions ensure emergence of greater intellectual capabilities. Citizen participation in IST model is expressed in two forms: participation in activities of a task group or on-demand based participation in operational decisions of separate stages.

(c) Integrated social technologies. IST model integrates social technologies in two different levels: primary and secondary (see table 1). Primary level adaption technologies include the ones of critical

importance to the functionality of process. Secondary level adaption technologies include the ones that services IST model functionality in the context of higher level digital complexity environment.

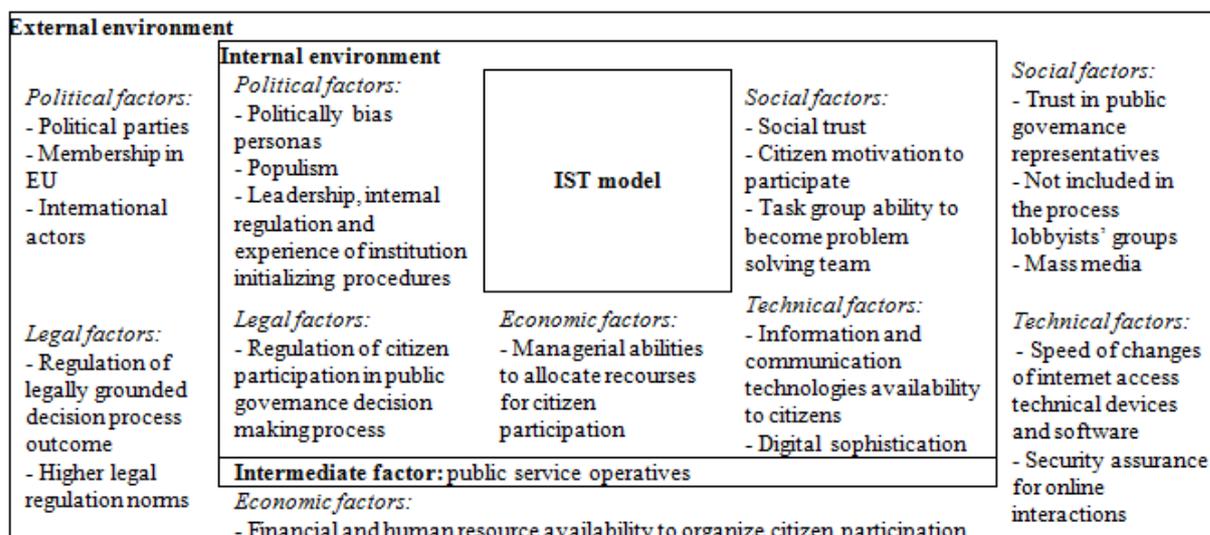
**Table 1. Social technologies integrated in IST model**

Social technologies			Level of adaption	
Direction of social technologies	Group of social technologies	Type of social technologies	Primary	Secondary
Technologies oriented towards humans	Technologies of Power	Fundamental legal regulation	X	
		Systems of signs and symbols		X
		Participation technologies		
	Group behavior pattern creation	Information transfer mediation	X	
		Eugenics		
	Individual behavior pattern creation	Legal norms	X	
	Technologies of the self	X		
Technologies oriented towards artifacts	Social interaction technologies	Relation creation and sustainment technologies	X	
		Co-operation technologies		X
	Knowledge development technologies	Information aggregation technologies	X	
		Resource compilation technologies		X
		Expertise location technologies	X	

Source: designed by author.

Institutional preparedness to adapt IST model is considered to be adequate if subject is already using electronic governance tools analyzed by Skaržauskienė et al (2013) and Ewart et al (2015): ratings and reviews, online public services, discussions and forums, social software, electronic democracy, social networking platforms.

IST model faces various factors in external and internal environment. Moreover, IST model is highly influenced by a third type factor suggested by Šarkutė (2009): “intermediate factor“. In IST model case, intermediate factor is public service operatives with high discretion of actions (see figure 2).



Source: developed by author.

**Figure 2. Environmental factors of IST model**

As any ideal model, IST model meets practical adaptation issues as well. IST model meets following issues: (a) participation tools selection, (b) social trust, (c) social integration, (d) hierarchical structure of organizations, (e) asymmetry in evolution speed of technologies oriented towards humans and artifacts.

## **5. Conclusions and discussion**

1. 'Social technology' is a complex term encompassing meanings mainly dividable to technologies towards humans and technologies towards artifacts. Lately most social technology research is oriented in direction of technologies towards artifacts, such as social interaction technologies. This tendency creates a risk for constructive social engineering to turn to manipulative or systemically dysfunctional. Most social technologies towards humans (with exception of eugenics) fall into category of social engineering. Social engineering research can reveal why and what tools are needed in order to achieve socially beneficial goals, whilst social technology developers (usually representing for profit entities) form technologies for their financial needs and not the needs of society.

2. Social technology adaptation in modern public governance require integration of suitable social technologies as neither pure social engineering or social software can make a significant effect on quality of public governance.

3. Citizen participation in public decision-making process is a type of political participation. Political participation of citizens requires the responsibility to be shared at some level between institutions and citizens. Managing such processes is a complex task, so institutions more and more rely on digital technologies in this process. Unfortunately, high quality participation cannot be fully transferred to digital environment as according to Smith and Anderson (2017) human nature opposes automation of processes.

4. Citizens wish to be involved in choosing participation tools, they wish to believe that each decision-making process might require a different set of participation tools. Still, these participation tools should be incorporated into existing communication infrastructure. Mostly acceptable participation tools for citizens are the ones that contribute to process transparency, deep informing and civic education. Citizens see social networking and social media platforms (SNP and SMP) along with information and communication technologies functioning via (or without) the Internet connection (ICT and the Internet) as important part of participation process. ICT and the Internet should not be considered an equivalent to SNP and SMP, as the first one is more relevant to procedures of active and proactive participation and the second one is more relevant to a passive participation and representing institutional transparency.

5. Public decision-making process, grounded with integration of various social technologies (represented as IST model in this paper), consists of three components: (a) focal points of citizen participation in public decision-making process, (b) rational decision-making stages, (c) social technologies integrated with primary or secondary level. IST model contributes to deep and high-quality organization of citizen participation in public decision-making process, and as social trust according to researchers (Snively in Tracy, 2002; Willem, 2010) has crucial effect on decision making process effectiveness and acceptance of process outcome in society, the IST model meets social obstacles which are highly dependent on citizens as much as institutions. In order to diminish these obstacles, it is recommended for citizens to (a) actively take interest in public matters, (b) to get themselves informed about formal and informal participation options, (c) get themselves involved in constructive discussions on the public matters in formal environments and in family and friends' circles (online as much as in person) as well. Social trust is formed easier in societies bonded by territory and traditions (Svensson, 2012), what means that for the latter recommendation to gain more plausibility it is needed for citizens to contribute to social integration of their near environment members (relatives, friends, neighbors) in everyday life.

6. At least 56 out of 95 participation tools analyzed in this research are not depending on adulthood (legal age to formally take part in public decision making). Due to this, it is important to

include children and teenagers in home environment discussions and civic activities and events in order to nurture (a) confidence in importance of civic participation and (b) mindset for deliberative democracy.

7. Social technology adaption for citizen participation in public decision-making process requires qualitative researches in order to reveal smooth flow of the adaption process in context of particular societies, communities and digital environment.

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# ASSESSMENT OF SOCIAL BUSINESS MODEL IN LITHUANIA BY USING FACTOR ANALYSIS

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## Abstract

The purpose of this study is to carry out factor analysis of the implementation of social business models (SBMs) in Lithuania. For this study, collection of the data was accomplished by using Google Trends data and survey data. For the main contributions, orthogonal factor analysis is also employed in this paper. The focus of the investigation, which is based on the monthly Internet search index provided by the Google Trends database is individuals' interest in social business models (SBMs). In addition, the study provides factor analysis of external, internal, social and governmental factors, hindering cooperation among institutions and affecting the creation of SBMs. The model which reflects the core factors for the implementation of SBM is also suggested in this study. The main limitation of this study is that the research is based on the survey data representing the opinion only of the residents of Lithuania. Limited Likert scales of measurements may influence the interpretation. For future investigations, the statistical analysis could be expanded by adding new determinants and making a comparison between other foreign countries with a similar cultural heritage and economic background. This study has implications for government and business practitioners seeking to understand growth patterns and problems of SBMs. Moreover, the findings and data of the study may be useful for the regression analysis in order to estimate the impact of determinants. By analyzing the main influencing factors and providing the important insights for future improvements, the paper broadens the understanding of the nature and activities of SBMs.

**Keywords:** factor analysis, social innovations, social business models.

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## 1. Introduction

In recent years, the interest in the application of social innovations has increased mainly because of its importance for the growth of economy (Surie, 2017; Stonkutė, Vveinhardt, 2017), sustainable rural development (Neumeier, 2017; Bostock et al., 2016; Rover et al., 2016; Rajnoha, Lesníková, 2016), e-commerce (Cui et al., 2017), the stimulation of welfare system (Di Iacovo et al., 2017) and the employability of older generations (Krajnáková, Vojtovic, 2017; Bánociová, Martinková, 2017). Researchers (Lüdeke-Freund et al., 2017; Mongelli, Rullani, 2017; Kuklytė, Vveinhardt, 2017; Schaltegger et al., 2016) have suggested that a social innovation can be described as a social business model (SBM). In general, a social impact reducing inequality and marginalization depends on incentives created by business environment and influencing factors of a SBM. The adoption of SBMs is challenging for small and medium-sized enterprises in Lithuania. This study focuses on the public policy, the approach of stakeholders, and internal / external business factors as the main environmental aspects in the support of establishing a SBM.

Previous investigations concerning social innovations and related determinants serve as a tool to introduce opportunities and trends in the creation and implementation SBMs (Blythe et al., 2017; Bock, 2016; Kuklytė, Vveinhardt, 2016). It is highlighted that the adoption of SBMs is challenging for small and medium-sized enterprises in European countries. However, there is a general lack of research on SBMs in Lithuania. This study is conducted in order to fill the gap in scientific literature. The purpose of the investigation is to carry out orthogonal factor analysis using statistical package IBM SPSS version 20 and MS Excel 2012. To be more specific, the study intends to answer the following research questions:

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1. What interest do individuals in Lithuania show in SBMs be implemented in Lithuania?
2. What are the main factors influencing the implementation of SBMs?
3. How can SBMs be implemented in Lithuania?

This study consists of six sections. Following this introductory section, which identifies the research issue. Section 2 discusses the concepts of SBMs in terms of business modelling and presents the purpose of the study. Section 3 is concerned with research methods used in this study and gives an overview of the survey. Section 4 discusses the results and contributions of this research. Section 5 reveals the limitations of the study. Section 6 presents the conclusions and suggestions for future investigations.

## 2. Theoretical background

Government officials, policymakers and academicians express their concern about creating and developing social innovations in accordance with the programme for Employment and Social Innovation (EaSI). According to European Commission (2017a), EaSI programme is a financing instrument, which ensures sustainable employment, social protection and reduces social exclusion and poverty by supporting *Fit4Jobs* model in order to maintain trainings, internships and permanent employment for jobseekers in six countries, namely, Belgium, Greece, Latvia, Lithuania, Portugal, and Spain. According to Kim and Lim (2017), activities of social economy aim to create an inclusive and more democratic society that would promote the social and economic well-being of local communities. Therefore, social businesses have positive effects that influence local and regional development by satisfying local and regional needs, creating jobs, developing relational assets in business processes, and restoring community solidarity.

European Commission (2017b) declares that social innovations may be defined as „means developing new ideas, services and models to better address social issues“. Neumeier states that social innovations signify new products, services, and organization models, which meet social needs, create new relationships and collaborations and help to explore new possibilities for action for the community creating social impact (Rover et al. 2016; Omonov & Veretennikova, 2016). Avelino et al. (2017) affirm that social innovations are closely related to a change in social relations, involving new ways of doing, organising, framing and knowing. However, Neumeier (2017) asserts that social innovations in terms of rural policy „cannot be easily initiated or steered from the top down“ based on three factors: 1) success factors of the overall innovation process (communication channels, time, the adoption of innovations); 2) factors related to social innovation actor network (means of funding, organizational structure, basic judicial conditions, readiness of super-ordinate public administration); and 3) factors influencing the actual participation process (partnerships, the emergence of innovation networks, synergies). Therefore, a social innovation is a complex phenomenon and its success or failure depends on both external and internal factors of success related to a particular social innovation process and actor constellation (Szilágyi, 2017).

The most common theoretical framework in many studies suggest that social business may be viewed as social entrepreneurship (Vladimirova et al., 2017; Karlsson et al., 2016; Komatsu et al., 2016; Schmidt et al., 2015, Urmanavičienė et al., 2015; Esslinger, 2011). The concepts of SBM is multifaceted i.e. – the scientific literature distinguishes between four main approaches: holistic (Boons, Lüdeke-Freund, 2013), essentialist (Lambert, 2015), functionalist (Doganova, Eyquem-Renault, 2009), and pragmatic (Becker et al., 2000). The term „business model“ has been proposed to be used in various industrial contexts for the design of new resources or for the modification of existing resources, sometimes without substantial R&D investment (Karlsson et al., 2016). The main peculiarity of a SBM that it „seeks to maximize social welfare by applying business practices that recover costs and pass profits to customers, who benefit from low prices, adequate services and better access to social amenities“ (Kuklytė, Vveinhardt, 2017). Thus, SBMs are targeted at the Base-of-the-Pyramid (BoP) and related aspects, including social and corporate entrepreneurship, creativity and collaboration. The analysis of influencing factors of SBMs is very relevant and require more investigation into the management and daily operation of business and the creation of new financing methods in order to create economic and social value.

### 3. Research methodology

This study identified internal and external factors that influence the creation and implementation of SBMs. The survey was conducted by using an electronic questionnaire, circulating a link to alumni, students, volunteers, and employees of Vytautas Magnus University via e-mails. Respondents were given contradictory attributes standing against each other on a 5-point scale. Data was collected from January to April 2016. All in all, 320 questionnaires were collected, although 300 valid questionnaires were analysed. Females were predominant in the sample (54 %), whereas the remaining part of the sample included males (46 %). The average age of the respondents was 37,4 years. 20 determinants were used for factor analysis.

Assuming that in almost all EU countries Internet users rely on Google as means for searching for information and navigating around the web, a novel manner to investigate individuals' interest in specific aspects may be applied by using monthly Internet search volume time series drawn from the Google Trends database (Kapounek et al., 2016, pp. 168-169). The Google Trends index of searches for the selected keyword „social business models“ was analysed among individuals in Lithuania.

The processing of the collected data was done by using descriptive statistical methods, in order to determine the absolute and relative frequency of the chosen variables. Hypothesis-testing was done by applying the Chi-square. A multivariate statistical method was employed in factor analysis, analysing the main components and Varimax orthogonal rotation of factors, as well as, the suitability of the collected data. In addition, factor analysis was verified by using the Kaiser-Mayer-Olkin (KMO) and Bartlett's tests (Zeller et al., 2016).

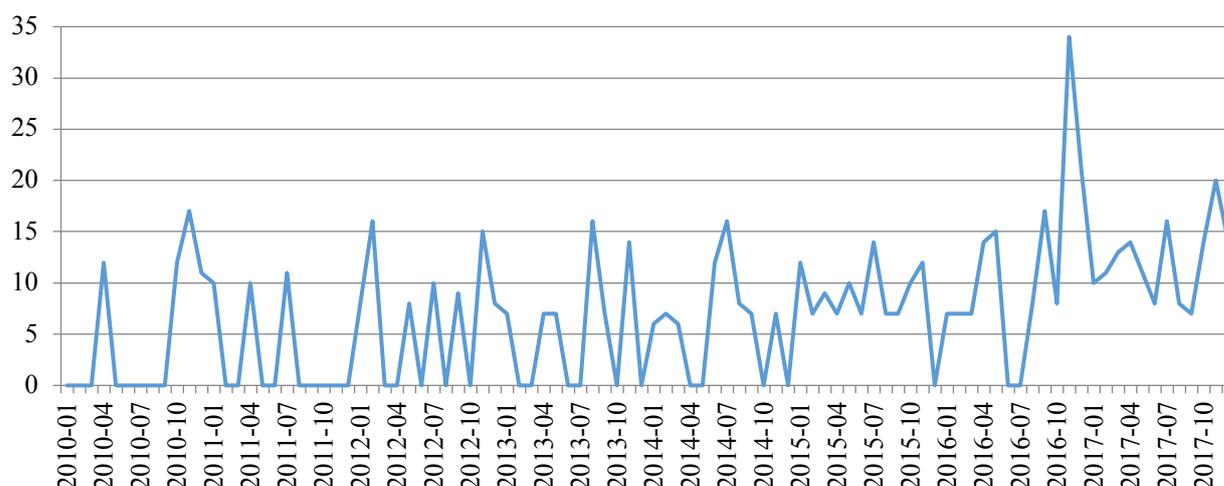
Bartlett's sphericity test is based on testing the null hypothesis that the correlation matrix of the observed variables is of a unit size. Bartlett's factor scores are computed by multiplying the row vector of the observed variables, by the inverse of the diagonal matrix of variances of the unique factor scores, and the factor pattern matrix of loadings (DiStefano et al., 2009). This test produces high validity estimates between the factor scores and the factor.

KMO coefficient can reach the values of 0-1 and can be expressed as the ratio of the sum of the squared correlation coefficients to the sum of the squares of the correlation and partial coefficients (Veselá, 2017). If the KMO value 0.5, it is not recommended to apply factor analysis to the data.

Moreover, the quantity of the eigenvalues counted for each sample, the number of eigenvalues greater than 1.0, the factor loadings of individual items, and the number of items incorrectly loading on a factor were recorded (Costello & Osborne, 2005, pp. 5). Assessing an accuracy and variance in a sample, the average error in eigenvalues and the average error in factor loadings were computed. Based on the Kaiser-Guttman rule, the factors with eigenvalues higher than 1 are analyzed and the rest factors with lower values are discarded. The factors with eigenvalue higher than 1 contribute more to the total variance than a single  $z$  ( $z$  has a variance of 1 and contributes 1 to the total variance).

### 4. Results and findings

The findings of the research reveal that there has been increasing interest among the individuals in Lithuania in the topic under discussion. Figure 1 illustrates steep increases in the number of Google searches using the keyword “social business models” in Lithuania in 2016. The growth of the interest of the society in this issue might have been influenced by the international conference “Social Business Forum”, which has been organized as an initiative of Open Knowledge since 2011, and the Social Enterprise Summit in Lithuania, which started to be organized in 2014.



**Figure 1. Frequency of monthly Google searches for SBMs in Lithuania (2010-2017).**

The study included factors that could provide a comprehensive understanding of development of SBMs in Lithuania. The perceived importance of 20 determinants, influencing the application of SBMs, was identified by the Likert scale from 1 to 5 using factor analysis. KMO measure coefficients and Bartlett’s sphericity test were used to approve the suitability of the method (Table 1). The KMO value is high (0.862). Bartlett’s test appears statistically significant at the level of 1, allowing to reject  $H_0$  that determinants do not correlate between the chosen variables. The criteria showed that factor analysis is an appropriate method.

**Table 1. The applicability criteria of factor analysis.**

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</b>		0.862
<b>Bartlett’s Test of Sphericity</b>	Approx. Chi-Square	3581.412
	Df	190
	Sig.	0.000

Source: own calculations using IBM SPSS version 20.

Factor loadings, as well as, the respective identifier values of the new extracted factors and the variability percentage each factor accounts for were taken into consideration in factor analysis (Table 2). What is more, Cattell’s eigenvalue graph determined the number of factors, which was set at 7 new artificial variables, also corresponding to the Kaiser-Guttman rule to use the factors with eigenvalues which are higher than 1 and discard the rest. The selected factors for the analysis included: market distortion, technological progress, access of distribution channels and tax privilege to create social business models.

**Table 2. Factor analysis and variance by Extraction method through the principal components.**

Factors	Components	Factor loadings	Eigenvalue	Percent of variance
External	Market distortion	0.728	7.141	35.705
	Technological progress	0.859	2.618	13.090
	Access of distribution channels	0.667	2.014	10.069
	Information about social business models in mass media	0.845	0.421	2.125
	Bureaucratic mechanism	0.581	0.833	4.166
Internal	Tax privilege to create social business models	0.839	1.219	6.095
	Donations	0.820	0.937	4.684
	Partnerships	0.731	0.481	2.403
	Co-creation	0.797	0.425	2.125

Factors	Components	Factor loadings	Eigenvalue	Percent of variance
Social	Social entrepreneurship	0.772	0.747	3.771
	The expansion of social accountability	0.664	0.682	3.410
	Infrastructure of health care security	0.781	0.391	1.954
Stakeholders' approach	Intention to collaborate with nonprofit organizations and NGOs	0.761	0.333	1.666
	Intention to create new markets	0.938	0.307	1.536
	Intention to penetrate global markets	0.934	0.297	1.484
	Intention to create social value	0.580	0.262	1.311
Governmental	Intention to generate more profit	0.667	0.236	1.178
	Support of the government and EU funding	0.759	0.189	0.994
	Government pressure to create social business models	0.841	0.124	0.619
	Government pressure to adopt corporate social responsibility (CSR)	0.854	0.111	0.553

Source: own calculations using IBM SPSS version 20.

Furthermore, the factors were analyzed by applying the Kruskal-Wallis method in order to examine differences in preferences among the respondents (Howell, 2010). At the 5% significance level the null hypothesis ( $H_0$ ) of no difference in responses between the groups of the respondents was rejected, as in the following cases. Each group of the respondents who did or did not know about SBMs in Lithuania responded differently to questions relate to internal factors ( $p = 0.0149$ ), social factors ( $p = 0.0332$ ), and external factors ( $p = 0.0002$ ).

The model of the implementation of social business provided in Figure 2, gives guidance on how to incorporate a social enterprise in Lithuania successfully. During the period of reform of social care services, there was the risk of the market distortion because of the liberalized trade of goods, when domestic markets were able to determine high prices of many products. It is worth mentioning that the market distortion was also caused by the misunderstanding of the concept and the status of a social enterprise in legal regulation as well as of what kind of companies can modify business into a social hybrid model in order to satisfy social needs of the community. Technological progress may be enhanced by the cooperation with research institutes and IT companies, encouraging the community to share their ideas and initiate co-creation. Specific technological services should be provided by high-competence organizations or freelancers. The access of distribution channels can be facilitated by the cooperation with international non-profit organization (NPOs) and non-governmental organizations (NGOs). A tax privilege to create and implement SBMs is a crucial factor, which cannot be ignored because of specific aspects, namely, the lack of volunteering and social initiatives to establish social impact without external sources.

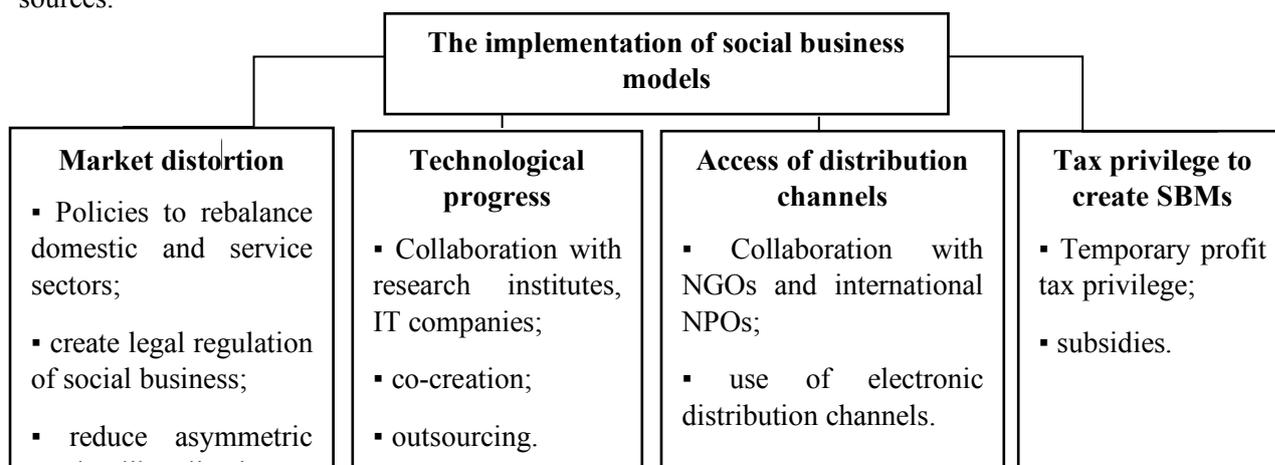


Figure 2. The model of determinants for the implementation of SBMs in Lithuania.

In conclusion, if the core factors of SBMs (rapid technological progress, easier access to distribution channels, lower market distortion, and tax privilege to create SBMs) reach a higher level of application, as well as associated greater managerial incentives, there will be a demand to create social impact optimizing costs and revenues of implementation of SBMs for sustainability.

## 5. Research limitations

The main limitation of the chosen methodology is a self-selection bias since an electronic survey was conducted and statements were evaluated by applying the 5-point Likert scale (Hudson et al., 2004). The structure of factor analysis is defined by subsets of highly related variables which may correspond to lower levels of Likert scale meaning the absence of the measured features, which makes these loadings meaningless for the interpretation (Lipovetsky, 2017). In addition, eigenvalues in this study correspond to meaningless attributes because of the “non-applied to respondent” levels. Thus, further investigations may be extended by including new determinants of SBMs based on the contemporary scientific approach.

## 6. Conclusions

The comparison of the results of the study with the concept of regional government policy, as it is understood by the Ministry of Economy of the Republic of Lithuania, reveals difference between the two because regulation documents do not provide any clear and specific definition of social business, including internal financial factors. The process of creating new legal regulation of social business models in Lithuania has been initiated, and based on the latest announcement of the Ministry of Economy in Social Enterprise Summit, organized in Vilnius on the 29<sup>th</sup> March, 2017.

According to the perception of the respondents, the most important factors of SBMs include market distortion, technological progress, access to distribution channels, and a tax privilege to create SBMs. These results correspond to the current trend of the increased interest of the citizens of Lithuania in social welfare and social service quality, which was analyzed by Kuklytė, Vveinhardt (2017), Adomaitytė-Subačienė (2015) and Urmanavičienė et al. (2015). This contribution is supported by the Google Search data.

By applying factor analysis and hypothesis-tested for the independence of qualitative characteristics, several key factors, influencing the implementation of SBMs in Lithuania were revealed. The Eigenvalues and Varimax methods were used to reduce the number of variables down to newly extracted factors that account for the level of 1, indicating dependencies between the variables in a pivot table report. The findings and data of the study may be useful for regression analysis, when measuring the impact of determinants which influence the implementation of SBMs. What is more, the determined key factors of SBMs may be further used to set the policy of social services and strategy of social business development for regional business actors and the government.

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# **THE YOUTH'S PERSPECTIVE TO SOCIAL ENTREPRENEURSHIP DEVELOPMENT**

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## **Abstract**

A tendency of developing social entrepreneurship that aims at contributing to the society's welfare is evident globally. An increase in youth social entrepreneurship in Lithuania is also observed. However, it is not clear to what extent young entrepreneurs are concerned with the social problems. The aim of the paper is to reveal the youth's view to the possibilities of developing social entrepreneurship in Lithuania. The research shows that the youth is insufficiently familiar with the concept of social entrepreneurship and lacks information regarding the possibilities of developing social businesses. The main obstacles to developing social business in Lithuania are the lack of motivation and professional training, negative society's approach to special social groups, and lack of cooperation among entrepreneurs.

**Keywords:** social entrepreneurship, social business, youth.

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## **1. Introduction**

Research conducted in a field of social business has increased (Zahra et al. 2008, Huybrechts and Nicholls, 2012, Volkman, 2012, Abu-Saifan, 2012, Phillips et al., 2015). It can be presumably determined by the exchange of good practices in the field and the politics of the European Union (EU) that promotes the development of social entrepreneurship. Nevertheless, it remains a relatively neglected topic in Lithuania (Raišienė, Urmanavičienė, 2017) as well as youth entrepreneurship which is also one of the priorities of EU's public policy.

Prior research shows that the youth in Lithuania is interested in pursuing traditional business opportunities (Palciauskiene, Virketyte, (2009). It may be asserted that the young generation of Lithuania is proactive and keen on establishing individual businesses. It is noteworthy that in 2011 Lithuania was declared as the "County of young entrepreneurs" (Civinskas et al., 2014). An increase in the indicators of youth entrepreneurship are noticeably rising (Kvieska, (2015). However, a question may be raised whether the youth is only interested in doing business in order to make profit and generally seek financial benefits, or perhaps the youth is also focusing on tackling social problems and see opportunities to solve such issues through certain business models.

The aim of the research is to reveal the youth's approach to the possibilities of developing social entrepreneurship in Lithuania. For this, firstly, the peculiarities of the concept of social entrepreneurship is analyzed; secondly, the viewpoint of young entrepreneurs on the possibilities of developing social business in Lithuania are disclosed and analyzed. The article employs the methods of scientific literature analysis, survey and descriptive statistical analysis methods.

## **2. Social Entrepreneurship**

The term "social entrepreneur" lacks a clear definition as the whole phenomenon of "social entrepreneurship" is still evolving compared to general entrepreneurship (Abu-Saifan, 2012; CriSan et al., 2015). Entrepreneurs are conceptualized as persons who willingly take advantage of opportunities that others would typically miss. Entrepreneurs comprehend and accept risks differently from others (Kozubiková et al., 2017; Ključnikov et al., 2016; Belás et a., 2015). Regardless, the key aim of an

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entrepreneur is to create economic welfare, whereas the key aim of social entrepreneurs is to achieve a social mission (Dees, 2001). According to Thompson and Scott (2013) social entrepreneurship requires the following: 1) “Doers” – persons who take initiative; 2) leaders as organizers; 3) “Opportunity Observers” – persons who see the possibilities of making the impossible possible; 4) persons, who sufficiently comprehend and consider the needs of others. It must be noted that social entrepreneurs are not philanthropists who offer charity to persons from disadvantaged social groups. As Lundström and Zhou (2014) note, social entrepreneurs are capable of noticing the needs of the members of their society and responding to those needs. Furthermore, Zahra et al. (2008) emphasize that social entrepreneurs tackle critical social issues and contribute to the welfare of the society. As Dees (2001) notes, social entrepreneurs are keen on creating and applying innovation. Therefore, a social entrepreneur may be generally described as a person who notices social issues and by employing entrepreneurial tools and innovation aims at solving the said issues.

The concept of social entrepreneurship in the United Kingdom and the United States of America developed differently comparing to European countries (Defourny and Nyssens, 2008; Kerlin, 2009). It must be noted, that the term “social entrepreneur” was initially introduced by an American fund “Ashoka”. The latter and similar organizations sponsored persons who established initiatives for achieving social aims. USA focused primarily on the commercialization of the non-profit sector and on supporting the establishment of private initiatives that could provide public welfare goods and services. Thus, under the American concept of social entrepreneurship a crucial role is assigned to the individual – the “social entrepreneur”, the founder of a social enterprise, and not to the organization itself. Whereas the European tradition emphasizes the collective action element and the concept focuses on the whole organization.

Austin et al. (2006) note, that the key difference between social and commercial entrepreneurs is the nature of the organization’s missions and possibilities:

- 1) Market failures create obstacles for the effective functioning of commercial entrepreneurs, whilst such failures are deemed as possibilities by social entrepreneurs;
- 2) Social entrepreneurs aim at creating social worth for the society’s benefit, whilst commercial entrepreneurs aim at creating economic value for the owners of the organization;
- 3) The social mission is the focus of social entrepreneurs. The creation of a social impact becomes central rather than the creation of profit (Dees, 2001).

According to Grieco (2015), to distinguish social and “traditional” entrepreneurs in the business sector it must be taken into consideration that social entrepreneurs focus on social interests whilst traditional entrepreneurs focus primarily on the market regardless that both types of entrepreneurs aim at gaining profit in order to develop their business and to impact the market. In concluding, social entrepreneurship may be described as initiatives, organizations and activities that are related to the market and are established to achieve social goals.

However it must be noted that in scholarly literature social entrepreneurship is rather often understood and interpreted in a broad sense (Galera and Borzaga, 2009; Kot et al., 2016) as a phenomenon that may manifest in various sectors, e.g. public, private, non-profit organizations, and furthermore it may encompass a wide range of activities and initiatives, including social initiatives in traditional business entities, practices, that create added social value, and tendencies of entrepreneurship in the non-profit organization sector and public organization sector.

The concept of social entrepreneurship is not well established or known for the Lithuanian society, authorities, or representatives of the business sector (Greblikate, 2012). It is also noteworthy that the term “social entrepreneurship” is not applied in legal or political documents. It is observed that the term “social business” is much more commonly used in Lithuania. Social business is interpreted in a broad sense under the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “Social Business Initiative Creating a favorable climate for social enterprises, key stakeholders in the social economy and innovation” No. (2011) 682 of October 25, 2011. Accordingly, social business is understood as a business model that by employing the market mechanism connects gaining revenue with achieving social tasks and priorities. Such a business model follows the key principles and provisions of socially responsible business and cooperation between public and private sectors and applies social innovations. Social business encompasses three major aspects: entrepreneurship (permanent commercial activity), achieving social goals, and management (limited revenue distribution, transparent management).

It is to be noted that the academy provides for various definitions of social business. According to Amati, Arena, and Bengo (2016) social business is conceived as a new form of entrepreneurial initiative that joins the social purpose traditionally associated to the non-profit sector with the creation of economic value traditionally associated to for-profit organizations.

Yunus (2008) emphasizes the specificity of social business noting that it has a lot of common elements as non-profit organizations. According to Yunus, Moingeon, Lehmann, and Ortega (2010) social business is defined as a market-based arrangement with a primary focus on the pursuit of social and environmental objectives together with ensuring economic sustainability. Yunus (2008) contradicts the alignment of business and social logics that is commonly characteristic to social entities. He emphasizes the difficulty to carry out both social and profit-oriented business all at one. The author notes that if the goal of an enterprise is dual (social and profit-oriented), the heads of such enterprises are more likely to make decisions to benefit the profit goal, and not the social goal of the organization. Thus, the aim to achieve profit would inevitably dominate the other goals. The majority of scholars (Yunus, 2008; Huybrechts, Nicholls, 2012; Borzaga and Galera, 2012) note that social entrepreneurship is not the same as social business. However, there is a common understanding that social business is an element of social entrepreneurship. Yunus (2008) notes that every person who is involved in social business is a social entrepreneur however not all social entrepreneurs are engaged in social business.

An analysis of the concept of social business and how it manifests in Lithuania suggests that social business is described by features that are characteristic to social entrepreneurship: the pursuit of social goals, innovation development and market orientation. Subsequently, organizations and persons who possess such characteristics may be referred to as being social entrepreneurs.

### **3. Methodology and Data**

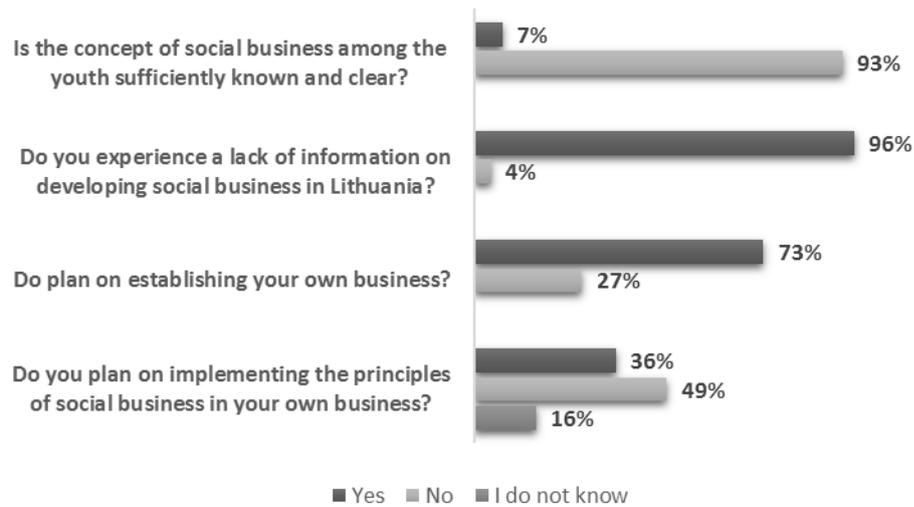
The following methods of data collection and research were applied in the research: scientific literature analysis, survey, statistical analysis, descriptive statistical analysis. The research includes a survey that was available online 1-10, September, 2017. The questionnaire was constructed following an analysis of relevant scientific research on social entrepreneurship. The questionnaire included 18 open and closed questions. 100% of the targeted respondents or all of 70 of the participants of the project “Atrask save” (“Discover Yourself”) held in Vilnius in September, 2017, submitted their answers. The research was carried out on a representative sample of 70 respondents holding a status of “unemployed” aged 20-29, of which 44% were female, and 56% male.

It is to be noted that the aim of the Youth Guarantee Initiative primary intervention project “Atrask save” (“Discover Yourself”) is to reduce the number of young people aged 15-29 that are unemployed, not enrolled in any studies or training by implementing the means of early intervention and incentives. The proper means are applied after considering what target group the person is attributed to and evaluating the particular needs of the person. Following such an evaluation the persons are divided into groups of the youth that is prepared for the labor market and to those, who are not prepared for the market. The duration of the program for the youth that is not prepared for participating in the labor market varies from 2 to 3 months. The participants of the project engage in motivational events, thematic training, seminars on identifying and developing their professional skills, and seminars on improving their teambuilding and communication skills. The project enables the youth to obtain the necessary knowledge on developing and establishing business (e.g. preparation of business plans, financial assistance, sharing good practices of small business), and working individually. Upon the completion of the program the participants can apply for a subsidy, provided by the ESF project “Naujas startas” (“New Start”) for establishing a personal workplace.

With regards to research ethics, it is to be noted that the participation in the survey was voluntary. The respondents were informed that the survey is anonymous. All of the respondents completed the provided questionnaire. During the survey the participants had the possibility to inquire about any uncertainties regarding the questionnaire and its questions via email, moreover when needed the respondents were briefly informed about the concept of social business. Additional comments were usually provided for the younger respondents.

#### 4. Survey results

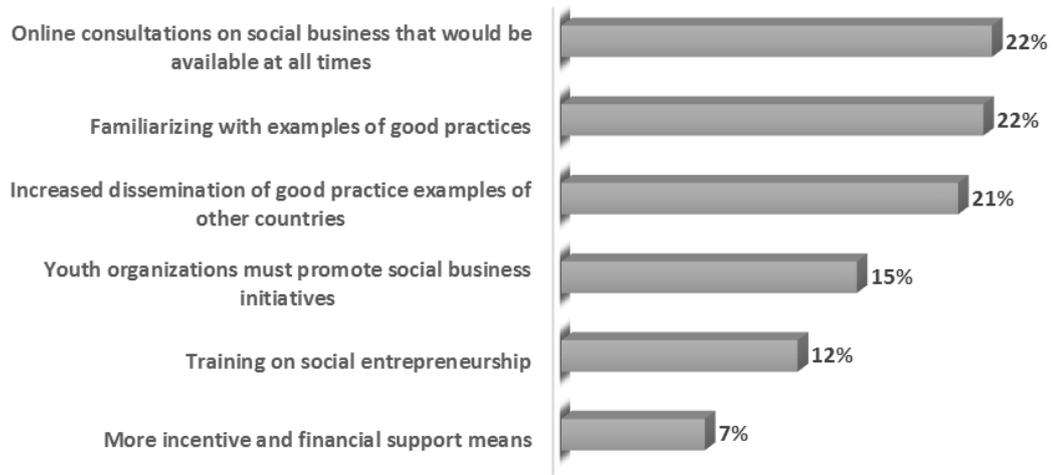
The data in Figure 1 show that the majority of the respondents (93%) deem that the youth is not familiar with the concept of social business or the concept is not clear, and that there is a significant lack of information on developing social business in Lithuania (96%). 73% of the respondents plan to establish their own business whilst only 36% of the latter plan to apply and implement the principles of social business in their businesses. The respondents were also asked to specify the reasons to them refusing to apply the principles of social business: “No, I deem that the retention of business must be a priority and only after social goals may be attempted to achieve, if the it would not disrupt the business”; “Currently I do not plan on implementing these principles since I need to settle in with my business myself”, “No, I deem business as a means for providing financially for myself. Upon reaching this goal I could think about contributing to the welfare of the society”; “No, I would refuse applying the principles of social business. Developing a private business is oriented at gaining profit and personal benefits thus it is difficult to imagine how private business could contribute to achieving social goals”; “No, because I need to deal with my own life before attempting to help others”; “No, I do not see any benefits in doing so”.



Source: the authors.

**Figure 1. The knowledge and prevalence of the concept of social business among young people**

According to the respondents, online consultations on developing social business that would be available at all times (22%), familiarizing with examples of good practices (22%), increased dissemination of good practice examples of other countries (21%), promotion of social business initiatives by youth organizations (15%), training on social entrepreneurship (12%), more incentive and financial support means (7%) would provide more knowledge on the social business phenomenon and would encourage the respondents to apply the principles of social business in their business that they plan to establish (Figure 2).



Source: the authors.

**Figure 2. Social business development factors**

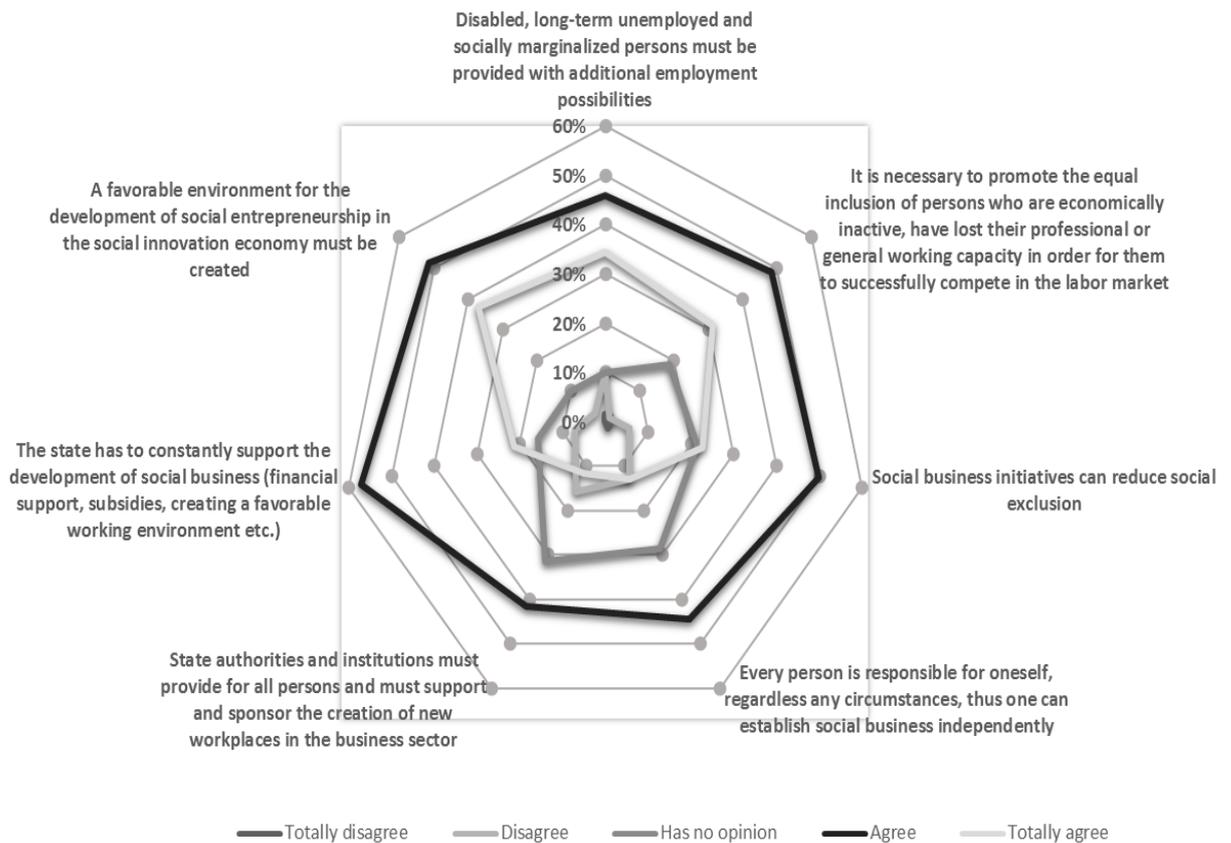
According to the respondents, the main obstacles for developing social business in Lithuania are the circumstances that young people are not interested in developing social business (23%), the lack of motivation for developing social business (22%), lack of information on developing social business in Lithuania (19%), lack of training courses on organizing social business (15%), practitioners who are engaged in social business lack willingness or time to share examples of good practices (13%), and that social entrepreneurs are not supported and appreciated in the society (8%) (see Figure 3).



Source: the authors.

**Figure 3. Obstacles for developing social business**

The research confirms the well-known fact that the youth lacks information on developing and establishing social business in Lithuania. The youth expects on receiving the latter information primarily from state institutions (25%) and youth organizations (23%).



Source: the authors.

**Figure 4. Statements on the peculiarities of the concept of social business**

The research data provided in Figure 4 suggests the following:

- 89% (51%+37% accrued frequency in percent) of the respondents agree that a favorable environment for the development of social entrepreneurship in the social innovation economy must be created, 9% of the respondents did not have an opinion on the issue, whereas 2% of the respondents deem that a favorable environment must not be created;
- 80% of the respondents believe that disabled, long-term unemployed and socially marginalized persons must be provided with additional employment possibilities, 9% of the respondents did not have an opinion on the issue, and 11% of the respondents state that the aforementioned persons should not be provided with additional employment possibilities;
- 80% of the respondents deem that it is necessary to promote the equal inclusion of persons who are economically inactive, have lost their professional or general working capacity in order for them to successfully compete in the labor market, 19% of the respondents did not have an opinion on the matter, and 1% of the respondents do not think that equal inclusion needs to be promoted additionally;
- 79% of the respondents agree that the state has to constantly support the development of social business (providing financial support, subsidies, creating a favorable working environment etc.), 16% did not have an opinion on the questions, and 5% of the respondents did not agree with the statement;
- 73% of the respondents agree that social business initiatives can reduce social exclusion, 20% did not have an opinion on the statement, whereas 7% disagreed with the statement on social business initiatives and its possible effects on social exclusion.
- 57% of the respondents believe that every person is responsible for oneself, regardless any circumstances, thus one can establish social business independently, 27% did not have an opinion, and 16% of the respondents did not agree with the aforementioned notion;
- 52% of the respondents think that state authorities and institutions must provide for all persons and must support and sponsor the creation of new workplaces in the business sector, 31% of the

respondents did not have an opinion, whereas 17% of the respondents did not agree with the aforementioned statement on the role of the state and its authorities.

## 5. Conclusions

Social entrepreneurship is a phenomenon that may manifest in various sectors, including the private, public, non-profit organization sectors, and it may encompass a wide variety of activities and initiatives, including social initiatives in traditional business organizations, certain practices that contribute to creating social worth and entrepreneurship tendencies in non-profit and public organization sectors. Social entrepreneurship is not a synonym for social business. However, it is generally considered that social business is a part of social entrepreneurship. In order to distinguish social and “traditional” entrepreneurs in the business sector it may be noted that social entrepreneurs focus more on social interests whereas traditional entrepreneurs are more market-oriented, regardless that both types of entrepreneurs aim to gain profit to further develop their business and make significant changes in the market.

The data collected during the research suggests that the concept of social business is neither clear nor well known among the youth. The research shows that 73% of the respondents plan on establishing their own business however only 36% of them would apply the principles of social business. The main obstacles for establishing and developing social business in Lithuania were found to be the following: the lack of motivation for developing social business among the youth, the lack of information on developing social business in Lithuania and the lack of special training on organizing social business. The respondents do not deem financial support as being one of main incentives for developing social business.

Online consultations on social business that would be available at all times, familiarizing with examples of good practices, increased dissemination of good practice examples of other countries, and information provided by youth organizations would namely encourage the respondents to apply the principles of social business in their future business ventures. The research data and its analysis suggest that the youth is not sufficiently interested in developing and establishing social business. The latter is determined not only by external factors, such as the lack of practitioners sharing their good experiences and know-how, lack of training and external incentives, but also a crucial factor is the lack of motivation of the youth generally. It may be assumed that youth organizations and social entrepreneurs themselves should contribute the most to promoting the youth’s interest in developing social business. Social entrepreneurs could contribute by sharing examples of good practices, discussing their failure and success stories, and also by providing training opportunities in their enterprises. Nevertheless, youth organizations have the closest link to the youth, thus such organizations should contribute the most to providing information on developing social business and motivating the youth to engage in social business.

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# ENTREPRENEURIAL ENVIRONMENT AND READINESS OF POLISH STUDENTS TO MIGRATE IN THE LIGHT OF THE FINDINGS OF THE AUTHOR'S OWN RESEARCH

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## Abstract

Migration is one of the key elements of the modern globalized economy. The combination of such phenomena as migration and entrepreneurship, especially with respect to young people who prevail among migrants, is an interesting subject of research. The study consists of two integral parts: a review of selected economic theories and a presentation of the findings of the research. The main objective of the study is to present the attitudes and expectations of Polish students in relation to undertaking business activity and in the context of selected determinants of their readiness to migrate. The summary presents the comparison of the two parts and the conclusions resulting thereof.

**Keywords:** entrepreneurship, migration, determinants of entrepreneurship.

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## 1. Introduction

Migration is one of the key elements of the modern globalized economy. The decision to emigrate is conditioned by many factors and requires overcoming many barriers, and new socio-economic conditions that emigrants must deal with, which often require various types of actions (often characterized by innovation and entrepreneurship). The combination of such phenomena as migration and entrepreneurship, especially with respect to young people who prevail among migrants, is an interesting subject of research.

The study consists of two integral parts: a review of selected economic theories, explaining entrepreneurial behaviour of an individual, as well as the phenomenon of international workforce flows, and a presentation of the findings of the research carried out on a group of students of the University of Szczecin and the University of Rzeszów. The main objective of the study is to present the attitudes and expectations of Polish students in relation to undertaking business activity and in the context of selected determinants of their readiness to migrate. The summary presents the comparison of the two parts and the conclusions resulting thereof. The above objective was reached by analysing the available literature on the subject and the results of the author's own research, showing the preferences of young people through the opinions of students of the above-mentioned universities.

## 2. Entrepreneurship in the light of selected economic theories

The economic development of each country and economic units that operate therein depends on many factors. Various theories undertake to explain as well how it works and what determinants influence it the most. One of the elements that shape the functioning of markets and, hence the functioning of the economy, is the entrepreneurship of people living in the analysed country. The main problem is to precisely define what entrepreneurship is, rather than define how it affects the economy.

Entrepreneurship is a concept that is difficult to define unequivocally. Various researchers have attempted to provide definitions that would capture the multidimensionality of this concept.

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Unfortunately, the one that would suit everyone has not yet been found (Davidsson, 2016). The following definitions of entrepreneurship as described by its researchers can be pointed out:

- Guiding, integrating and initiating production factors (Gordon, 1936),
- A purposeful activity to initiate, maintain and aggrandize a profit-oriented business (Cole, 1949),
- Creation of a new enterprise (Low, MacMillan, 1988),
- Creation of a new organization (Gartner, 1988),
- A process in which individuals (people) - on their own or within an organization - use their capabilities regardless of the resources they currently control (Stevenson and Jarillo, 1990),
- New market entry (Lumpkin, Dess, 1996),
- Looking for opportunities without considering the constraints facing the entrepreneur (Timmons, 1999),
- Process of creating a new value by taking sufficient labour and time, assuming financial, physical and social risks and obtaining monetary rewards, personal satisfaction and independence (Hisrich, Peters, and Shepherd, 2008),
- Occupational choice to work for one's own account and risk (Stephan & Uhlaner, 2010),
- Searching for and creating as well as using chances and market opportunities (Glinka, Gutkova, 2011),
- A junction where venturesome individuals and valuable business opportunities meet (Parker & van Praag, 2012),
- A specific effort by an existing firm or new entrant to introduce a new combination of resources (Lee, Peng and Song, 2013),
- The act by which new companies come into existence (Bird & Wennberg, 2014),

As it can be seen from the above overview, entrepreneurship is a very broad term. Many researchers either do not try to define what it is by using the existing definitions or by treating this concept in a different way. Against this background, it is worth showing entrepreneurship in relation to a selected group of people.

Entrepreneurship of young people (here: students) is one of the elements of both general state policy and direct actions undertaken by universities around the world. Young people entering the labour market can shape both their skills and future career in a fundamental way. There are many determinants of entrepreneurship, among which there are also those that shape students' actions. Research focusing on the assessment of factors influencing entrepreneurial mindset is undertaken by researchers around the world (Khan et al., 2011), (Peng et al., 2012), (Kume et al., 2013), (Brownhilder 2014), (Khuong and An, 2016).

Studies devoted to students and their attitudes or entrepreneurial intentions were also conducted by many researchers. For example (Per, 1995) (Gelderen et al., 2008) studied the tendencies of individuals to make decisions related to starting a business in the future. One of their goals was to identify the determinants of entrepreneurial commitment among students and graduates, and to examine it in the context of the effects on their activity during their studies.

Bernat's research (2008) shows the impact of the family as an important determinant of entrepreneurial attitudes. Students' decisions were also conditioned by their approach to taking risks as well as alternative earning opportunities (e.g. in corporations or institutions). Similar results were indicated internationally, taking as the example the countries from the former Eastern Bloc (Korpysa and others, 2008).

Other studies showing the impact of determinants on entrepreneurial intentions were conducted by Adan and others (2012). In relation to the Theory of Behavioural Programming (TBP), they indicate attitudes and expected behaviour of students in their entrepreneurial interests. Their result showed subjective values affecting entrepreneurial intentions in a significant way.

Similarly, studies by Tong and others (2011) demonstrate that success expectations, growing up in an entrepreneurial family (one having its own business) and subjective attitudes have all a significant impact. Other studies describe the relationship between entrepreneurial attitudes, possibilities and intentions (Fitzsimmons and Douglas, 2005). According to this research, the influence of entrepreneurial attitudes is one of the most important determinants. What individuals desire the most are greater income,

independence and lower risk in running their entrepreneurial career. Similar conclusions presented in the study by Kume and others (2013) indicate subjective feelings as an important determinant.

Research conducted by Peng and others on Chinese students concerned their entrepreneurial intentions. The main research problem was to indicate whether there is a correlation between entrepreneurial attitudes and self-efficacy and intentions. The results point to a positive relation, but there are several important factors such as lack of funds, time, family influence that cause additional stress and resistance towards decision-making related to starting a business.

Different determinants of entrepreneurial intentions were indicated in the work of Khuong and An (2016). The research results present entrepreneurial experience, external environment (such as the availability of funding sources) or access to the target market as important factors. The Ayegba and Omale surveys (2016) conducted on Nigerian students indicate a similar impact of factors, however, the dominant role of the external ones is pointed out.

In this perspective, the findings of research on academic spin-off enterprises (Korpysa, 2016) also provide an interesting insight. They show, among others, the determinants that practically translate the activity of students, graduates and researchers into the creation of enterprises.

The influence of the family as an important factor affecting entrepreneurial intentions is indicated in the study (Bernat and Gąsior, 2017). The research focused on the correlation between entrepreneurial intentions and the sense of support for students' decisions coming from their families. The result is positive, which means that the influence of close relatives is crucial throughout the entrepreneurial process.

As indicated above, entrepreneurship is not clearly defined. There are many different approaches to determining it precisely. Nevertheless, none of them is considered suitable for all those dealing with this subject matter. The same applies to the entrepreneurship of young people and research on their attitudes or intentions. Only some of the studies that elaborate this subject were indicated above. They show a fairly large number of determinants that influence students' decisions.

### 3. Labour emigration - a theoretical outline

Migration is one of the most important socio-economic phenomena, yet there is no coherent theoretical system explaining the causes, the course and the consequences of migration processes (Mikalauskiene, 2017). The presentation of various theories explaining migration processes is difficult since migration research is of interdisciplinary nature, runs on different research levels and treats migration processes in different contexts (Möller, 2001: 35). International migration is of interest to many scientific disciplines, and studies on migration are conducted by geographers, demographers, anthropologists, political scientists, psychologists, lawyers and economists, it should be noted that researchers in the field of geographic sciences were the first to analyse migration processes, their conditions, motives and characteristics. Ernest Georg Ravenstein is considered the precursor of research on migration theories (Kaczmarczyk, [http](http://)). At the end of the nineteenth century, he formulated the famous migration laws that later entered mainstream research on international migration. It is worth emphasizing that Ravenstein's laws now constitute only a certain framework, with all new outcomes of theoretical consideration on migration along these lines. The phenomenon of migration can be considered from the macro, micro and meso (intermediate) perspective (Barwińska-Małajowicz, 2015: 136-137). Due to the objective adopted and the length restrictions, this study focused on the push-pull model (macro scale) developed by Everett Lee<sup>1</sup> (Kaczmarczyk, 2005; 1966) Lee, 1966), explaining the motives behind the decisions to emigrate. The concept in which Lee described the factors pushing the migrant out of the place of origin and pulling him to the place of destination, became a kind of credo for the researchers of this phenomenon.

The push-pull model distinguishes the following factors determining the decision on emigration (Lee, 1966, Mester, 2000: 104-108, Sakson, 2008: 13):

- 1) pull factors (related to the country/region of destination),
- 2) push factors (related to the country/region of origin),
- 3) indirect obstacles (disturbances, interfering factors, frictional factors)
- 4) personal factors.

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<sup>1</sup> P. Kaczmarczyk identifies the *push-pull* concept with Everett Lee's theory created in the 1960s.

The push-pull concept analyses in detail the socio-economic situation of a potential migrant both in the country of origin and in the country of destination. The determinants describing this situation may either be appealing, i.e. favourable to the decision on emigration, or may discourage people from leaving (Cohen, 2017). The most important pull and push factors that influence the migration decisions are summarized in Table 1.

**Table 1. Migration motives**

<b>Migration motives</b>	<b>Push factors (regarding the country of origin of the emigrant)</b>	<b>pull factors (regarding the country of destination)</b>
<b>Economic and demographic</b>	<ul style="list-style-type: none"> <li>• low standard of living</li> <li>• high unemployment (especially among young people)</li> <li>• low wages</li> <li>• high taxes</li> <li>• high natural growth</li> <li>• lack of basic medical care</li> <li>• deficiencies in the education system</li> <li>• lack of housing</li> <li>• high level of environmental pollution</li> </ul>	<ul style="list-style-type: none"> <li>• the prospect of higher earnings</li> <li>• the prospect of improving the standard of living</li> <li>• better opportunities for personal or professional development</li> <li>• an aging society in the country of destination</li> <li>• a good welfare system</li> <li>• low housing rent</li> </ul>
<b>Political</b>	<ul style="list-style-type: none"> <li>• conflicts</li> <li>• threats</li> <li>• violence</li> <li>• corruption</li> <li>• violation of human rights</li> </ul>	<ul style="list-style-type: none"> <li>• sense of security</li> <li>• political freedom</li> <li>• religious freedom</li> </ul>
<b>Social and cultural</b>	<ul style="list-style-type: none"> <li>• ethnic discrimination</li> <li>• religious discrimination</li> <li>• gender discrimination</li> </ul>	<ul style="list-style-type: none"> <li>• family reunification</li> <li>• migration to the country of ancestors</li> <li>• no discrimination whatsoever</li> <li>• existing social migration networks</li> </ul>

**Source:** *Migration and Remittances. Easter Europe and the former Soviet Union*, World Bank, New York 2006; M. Hebler, *Arbeitsmarkteffekte der EU-Osterweiterung: zur Wirkung von Integration, Migration und institutionellem Wandel auf dem Arbeitsmarkt*, Volkswirtschaftliche Schriften, Heft 526, Duncker & Humblot, Berlin 2002 from: A.Barwińska-Małajowicz, K. Puchalska, *International capital and labor flow*, Wyd. UR, Rzeszów 2010, Jędrzejowska-Schiffauer, I., & Schiffauer, P. (2017). New constraints on mobility in Europe: Policy response to European crises or constitutional ambiguity? *Journal of International Studies*, 10(3).

The third element of the push-pull model are indirect obstacles (transport costs, cultural, and religious differences, differences in mentality, differing customs and traditions, lack of foreign language skills, border controls, regulations governing the stay and work of foreigners in the migrant's host country, etc.) (Möller, 2002: 41-42), (De Luna Gallardo and others, 2016) while the last, fourth component are personal factors (including gender, age, education level, profession, willingness to continue education, marital status) (Barwińska-Małajowicz, Puchalska, 2010: 99-100).

Even though in the opinion of some authors, the push-pull concept is placed more in the mainstream of demography or sociology than economics, and push and pull factors can be perceived and valued differently by different people (therefore it is difficult to assess them in an unambiguous way), the perception of these determinants is often decidedly more important than their actual objective meaning. This non-mechanistic character of Lee's theory becomes important for explaining migration processes, pointing to the most important causes and motives that determine the decision to emigrate.

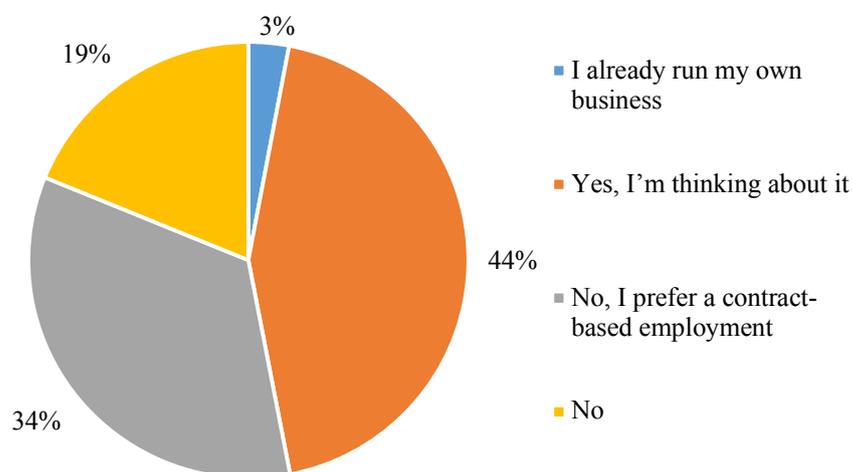
#### **4. The scope and methodology of research**

The research, whose selected findings were analysed in this study, was carried out among students of the University of Szczecin and the University of Rzeszów in 2017 as part of an international project entitled "Students' Entrepreneurship and Migration International Survey" SEAMIS ". Examining the attitudes and

expectations of students related to undertaking business activity, and selected conditions of their readiness to migrate were among the research objectives set out. The research was carried out using a questionnaire-based diagnostic survey. The respondents for the research group was selected at random. 712 questionnaires were obtained from the respondents. Only some of the test results was used in this study.

### 5. Economic activity as a manifestation of entrepreneurship vs. non-didactic activities of students

The results of the surveys carried out within the SEAMIS project also refer to the entrepreneurship of students. One of the basic issues raised in the study was to assess their enterprising tendencies. Students were to indicate individual entrepreneurial intentions. The first step is to analyse the question: Have you considered the possibility of starting your own business? It will allow to determine the tendency of young people to open their own business. The results are shown in Figure 1.

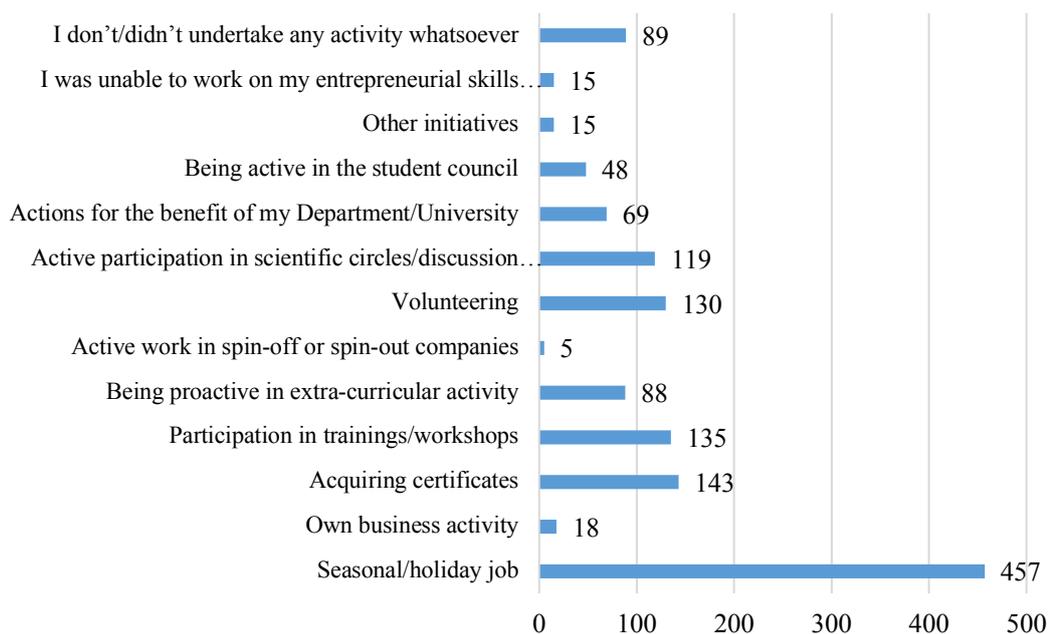


Source: The author's own study based on research carried out within the project entitled "Students' Entrepreneurship and Migration International Survey" SEAMIS".

Figure 1. The answer to the question on entrepreneurial intentions, whether the respondents consider the possibility of starting their own business.

The data presented in Figure 1 clearly indicate that almost half of the respondents intend to start their own economic activity. However, a large group of respondents indicated that they would prefer to work under a contract of employment (for example, in corporations or institutions). It should be added that 19% of the surveyed do not intend to open their own business. Only 3% indicated that they are already active as entrepreneurs. In comparison to the research carried out in 2008 (Bernat, 2008), its results differ from the current ones. 33% of people thought about starting their business at that time (currently 44%). The rest of the students were thinking about working for a state-owned or private enterprise – i.e. 67% back then (44% private enterprise - corporation). Today, only 34% of respondents think that way. Currently, following this simple analysis, more students intend to run their own business than it was the case before. The main reasons for the change in these intentions can be both general factors (such as the ease of setting up business entity or better legal regulations) and individual factors (example of the family or friends or better education in the field of entrepreneurship).

An interesting analysis deepening the knowledge on the entrepreneurial intentions of the surveyed group is the evaluation of their current activity at the university. Assuming in this case, that the more active a student's life is, the greater the intention of starting their own business (active people look for challenges and pursue them - which should translate into business operations in the future). One of the research questions that can be directly interpreted this way is: Which entrepreneurial behaviours did (or do) you undertake during your studies? It was possible to select more than one option. The answers to this question are presented in Figure 2.



**Source:** The author's own study based on research carried out within the project entitled *Students' Entrepreneurship and Migration International Survey "SEAMIS"*.

**Figure 2. The answer to the question regarding additional activities undertaken during their studies.**

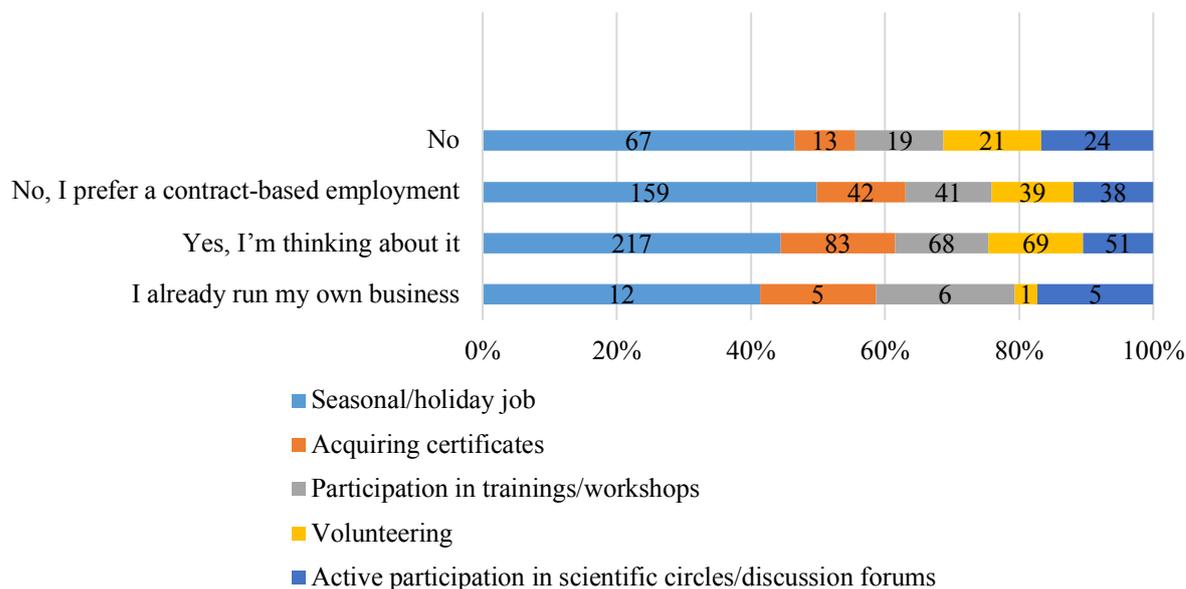
The data presented in Figure 2 clearly indicate that the most common activity undertaken by students is seasonal or holiday job. The largest group of people (around 64%) work on a casual basis. Therefore, it is the most frequently performed activity, enabling students to earn extra money to supplement their budget and find professional practice. The activities that quite clearly develop students' competences, such as acquiring professional certificates (143 people), participation in courses and trainings (135 people), volunteering (130 people) or active participation in scientific circles (119 people) were however ranked lower. It is interesting that only 89 people (which accounts for about 13% of the respondents) did not undertake any activity in college (they were passive participants of the education process).

In the above-mentioned description of non-academic activities of students, their relation to entrepreneurial intentions is very interesting. Table 2 and Figure 3 present the basic relations between these answers for selected activities (undertaken most often by students) that result from the previous figure.

**Table 2. Relation between entrepreneurial intentions and additional activities undertaken during studies (selected activities).**

	Seasonal/ holiday job	Acquiring certificates	Participatio n in trainings and workshops	Volunteering	Active participation in scientific circles/ discussion groups
I run my business	12	5	6	1	5
	57%	24%	29%	5%	24%
Yes, I think about it	217	83	68	69	51
	70%	27%	22%	22%	16%
Contract employment	159	42	41	39	38
	51%	14%	13%	13%	12%
I do not want my own company	67	13	19	21	24
	22%	4%	6%	7%	8%

**Source:** The author's own study based on research carried out within the project entitled *Students' Entrepreneurship and Migration International Survey "SEAMIS"*.



Source: The author's own study based on research carried out within the project entitled *Students' Entrepreneurship and Migration International Survey "SEAMIS"*.

**Figure 3. Relation between entrepreneurial intentions and additional activities undertaken during studies (selected activities).**

The data presented in the table and in the figure above indicate the variation in the responses obtained, depending on which group of people they are associated with (breakdown according to the criterion of entrepreneurial intentions). Assuming that for a large group of students, seasonal or holiday job is an important way to supplement their budget, it is worth focusing on other activities most frequently indicated by the respondents. People who already run a business have the largest share in responses indicating their continuous learning and improvement of their professional competences and active participation in scientific circles and discussion forums. In contrast, students who are considering their own business activity in the future are the most numerous to undertake activities related to acquiring certificates either complementing and/or expanding the directional education, then further in training and by participating in scientific circles (discussion forums). The data indicate a much larger percentage of responses (e.g. participation in training of 29% and 22% respectively) than for the other two groups - i.e. the respondents who prefer to work under a contract and those who declare their unwillingness to own their own business (13% and 6% respectively). The basic conclusion that can be drawn from this study is that people with their own economic activity or the ones declaring interest in creating it, have more extra-curricular activities. This applies in particular to those activities that are to increase the chances of success of their future business decisions. It also enables to verify the hypothesis that the entrepreneurial people are more active.

## 6. Readiness of students to migrate - circumstances and geographical trends

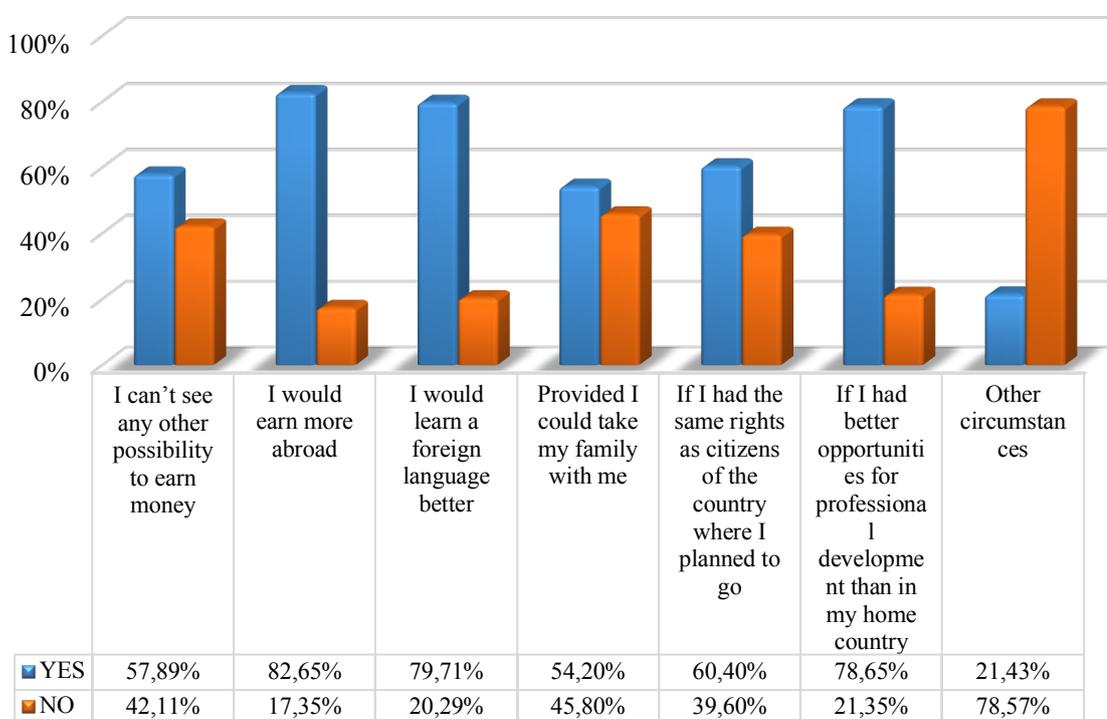
In the vast majority, the Poles staying abroad are young, under 40 years of age. According to the last Work Service report entitled „Migracje zarobkowe Polaków VII” [“Labour migrations of Poles VII”], 13.8% of active (or potential) participants in the Polish labour market are considering a job abroad. This is 9% of the adult population of Poland, more than 2.8 million people, with the youngest group of respondents being the most willing to emigrate, i.e. people aged between 18 and 24, and between 25 and 34 (29% each). It is worth noting that in comparison with the study carried out in autumn 2016, an increase in declaring the readiness to emigrate for the first group of persons (by 21 pp) was observed (“Migracje zarobkowe Polaków VII”, [Labour migrations.., 2017: 10-11]).

Therefore, in analyses and discussions regarding Poles' tendency to migrate abroad for labour purposes, a special place is occupied by young people, and especially by such an important social group as the students, because after their graduation, they will have the greatest impact on a number of issues

relevant to socio-economic development, of both individual regions and the country as a whole, and their outflow abroad may cause many severe consequences.

The question regarding the reasons for emigration is among the most frequently asked ones in research on the phenomenon of migration. As shown in the findings of many studies, for many years, higher salary has been the main and unchanging reason driving Poles to emigrate abroad.

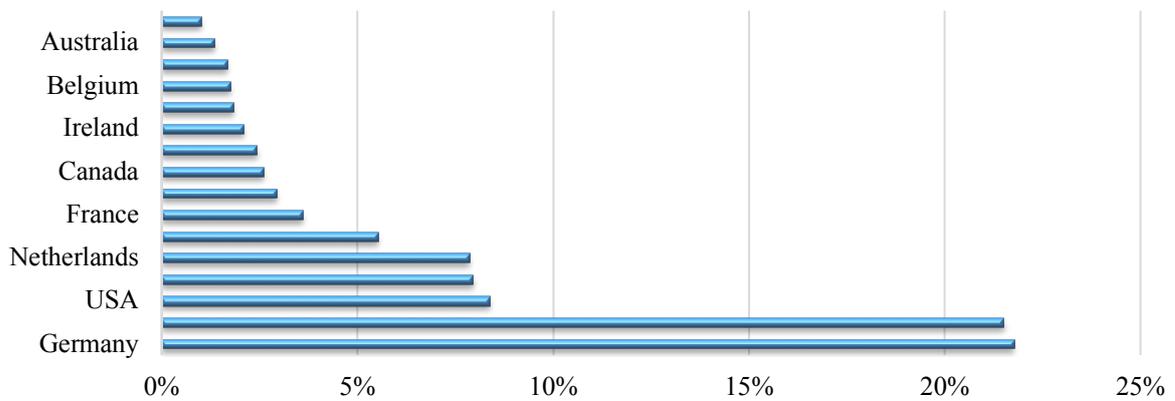
The analysis of the results of research conducted among students confirms that higher salary was one of the most frequently mentioned motives, inciting respondents to consider labour migration (nearly 83%). Almost as many respondents cited better opportunities to master a foreign language (nearly 80%) and more favourable career opportunities (nearly 79%) (Figure 4). It is worth noting that for every fifth person circumstances other than the ones suggested in the answer pool were significant, for example: the opportunity to acquire new experiences or the desire to learn about the world, new cultures.



**Source:** The author's own study (elaborated together with P. Obszański) on the basis of research carried out within the project entitled *Students' Entrepreneurship and Migration International Survey "SEAMIS"*, Rzeszów - Szczecin 2017.

**Figure 4. Circumstances determining labour migration abroad.**

According to the Work Service report mentioned above, Germany (32%) and the United Kingdom (19%) are among the most popular destination of Poles' emigration in 2017. The third most popular country was Norway (11%) (Migracje zarobkowe... [Labor migrations...], 2017: 14).



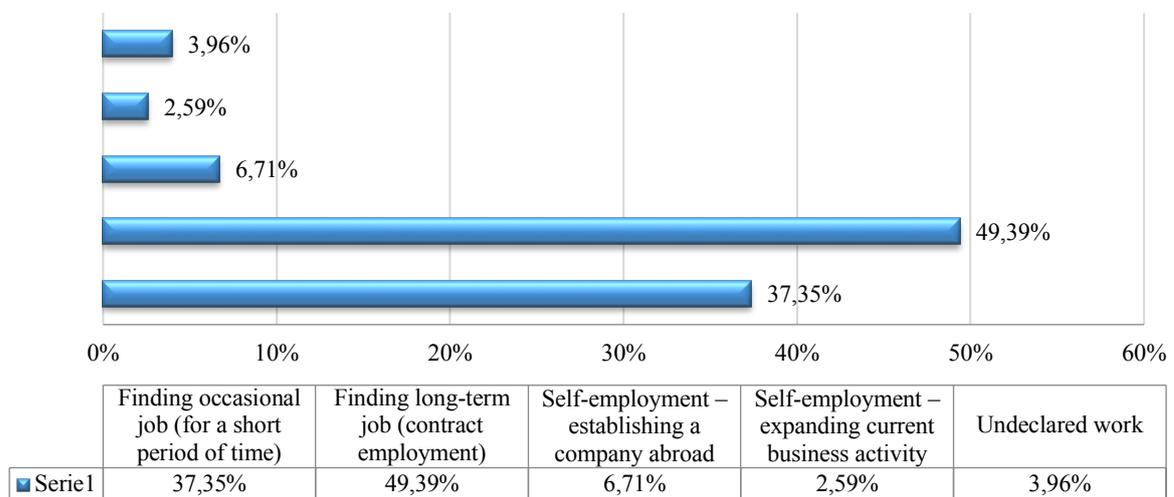
Source: The author's own study (elaborated together with P. Obszański) on the basis of research carried out within the project entitled *Students' Entrepreneurship and Migration International Survey "SEAMIS"*, Rzeszów - Szczecin 2017.

**Figure 5. Preferred geographic locations of potential emigrants**

The results of research conducted among students of both universities partially reflect the results of national surveys because - as shows the analysis of data compiled in Figure 5 - respondents who expressed their readiness to go abroad for profit-making purposes also indicated Germany and the United Kingdom as countries, where they would be most willing to work (approx. 22% of respondents). Subsequently, they listed the following countries: the USA, Norway, the Netherlands, Sweden, France, Switzerland, Canada and Denmark. Most young potential emigrants would like to work primarily in European countries. However, it should be noted that the respondents also mentioned distant destinations, such as the United States or Canada (in the third and ninth place respectively).

In research on migration, the relation of the respondents' form of employment to their migration plans is usually analysed. According to the authors of the Work Service report, employees having a full-time job in Poland are the most eager to leave the country. They are followed by the unemployed and the people with civil law contracts or working part-time (Migracje zarobkowe... [Labor migrations ...], 2017: 11).

The request to indicate the form of employment preferred by emigrants is relatively rare in studies. This issue was addressed in the studies conducted among students of both universities.



Source: The author's own study (elaborated together with P. Obszański) on the basis of research carried out within the project entitled *Students' Entrepreneurship and Migration International Survey "SEAMIS"*, Rzeszów - Szczecin 2017.

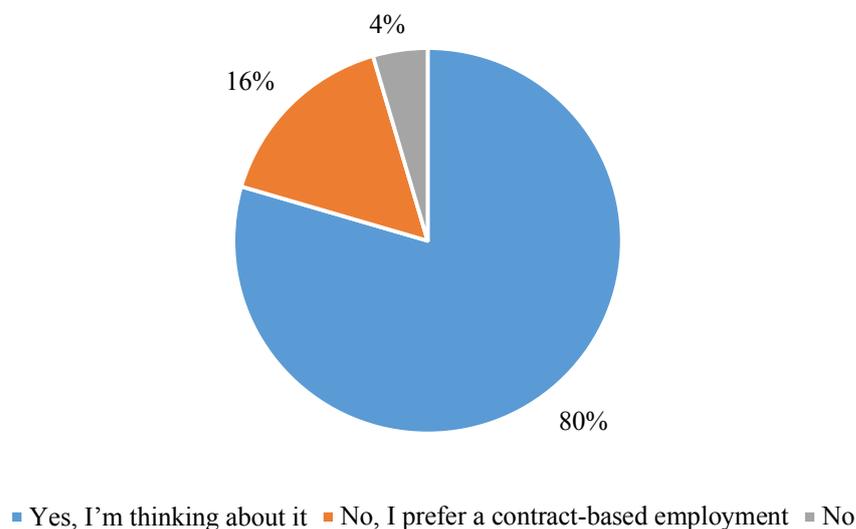
**Figure 6. The preferred form of employment abroad.**

The analysis of the data compiled in Figure 6 shows that almost half of the people declaring their willingness to emigrate for work would choose employment under a contract of employment (49.4%). Occasional work (for a short period) was second best among the preferred forms of employment (approx. 38%). This is largely linked to the planned period of labour emigration. Temporary (seasonal) migrants are not interested in signing employment contracts for a longer (or an indefinite) duration as opposed to people planning to emigrate for longer or permanently. A small percentage of those planning to migrate intend to set up their own business or expand the current one – in total, for the whole group of respondents, those options were selected by more than 9% of the surveyed (6.7% and 2.6% respectively).

## 7. Conclusion

The main objective of the study was to present the attitudes and expectations of students in the field of undertaking business activity and in the context of selected conditions of their readiness to migrate. The research conducted revealed that the respondents express entrepreneurial intentions and are ready to go abroad after graduation. Therefore, what are the relations between entrepreneurial intentions and migration attitudes?

Only a small fraction of students wanting to migrate intend to set up their business abroad. However, if we take a closer look at the decisions regarding their career plans, it is worth pointing to Figure 7 below, presenting the intentions of the respondents willing to go abroad and establish their company there at the same time.

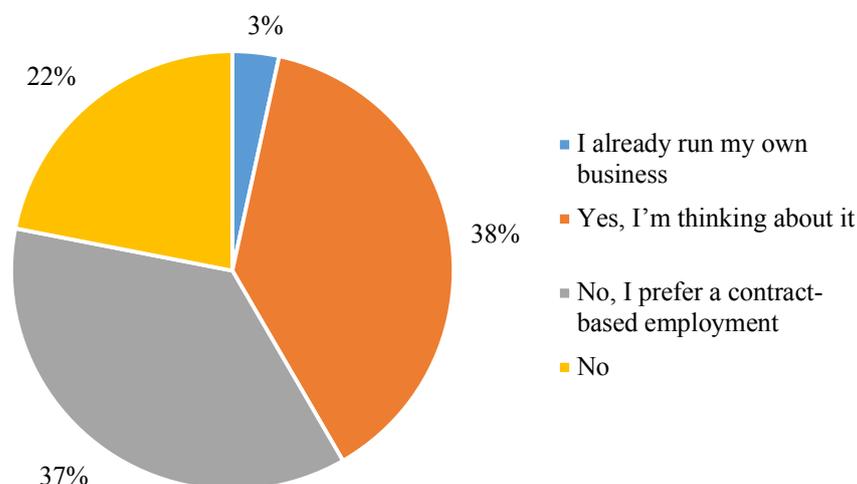


**Source:** The author's own study based on research carried out within the project entitled *Students' Entrepreneurship and Migration International Survey "SEAMIS"*.

**Figure 7. Entrepreneurial intention and the declaration to migrate and start a business.**

The data visualized in Figure 7 show that respondents willing to set up their own business (in line with the declaration presented in Fig. 1) are the most numerous. It is worth mentioning that there is no indication that the respondents are already running their company - which also confirms the previous question.

The answers illustrating the case of respondents wanting to migrate in search for a long-term employment contract should be presented for the purpose of comparison. It is shown in Figure 8.



**Source:** The author's own study based on research carried out within the project entitled *Students' Entrepreneurship and Migration International Survey "SEAMIS"*.

**Figure 8. Entrepreneurial intention and the declaration to migrate and find a job with a long-term contract .**

The data presented in Figure 8 show the significantly different intentions of the respondents. In this case, only 38% of the surveyed declare their willingness to establish a business entity abroad (as opposed to 80% in the previous question). Similarly, many more students want to find a job under a contract abroad (37% to 16%). This proves that, depending on the migration goals, the migration decisions and entrepreneurial intentions expressed by the students differ considerably. If someone wants to go abroad and intends to open their own business, then it is consistent with their entrepreneurial intentions. Similarly, people looking for contract employment opportunities, are remarkably fewer to declare opening their own business and are much more interested in working under a contract for another company.

In conclusion, entrepreneurial intentions are expressed by students at every level of higher education. However, they are not significantly correlated with migration attitudes. Some of the students intend to leave the country in pursuit of a better job, but those who plan to establish a company (or who already have one) are more likely to stay in the country and pursue their professional career here.

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# **PLANNING AS AN INSTRUMENT OF MANAGEMENT IN PUBLIC ADMINISTRATION**

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## **Abstract**

This article addresses the issues of planning and planning acts in the area of administering of public affairs. Contemporary public administration is increasingly using tools and instruments appropriate for management processes. This is the result of taking over the public management function by administration and focusing on the evaluation of its operations on the efficiency criteria. Planning undertaken by public administration is a very diverse activity, its effect are legal acts of varying legal force and of varying impact, pursuing different public goals and tasks. The legislator clearly obliges the administration to undertake planning activities, but the legal provisions contain in this area many inaccuracies and doubts that require clarification and a broader interpretation. This article describes and evaluates planning activities, proposes a current systematic planning of planning acts and also indicates the role of planning and planning acts in the process of public affairs management.

**Keywords:** planning, planning acts, management of public affairs.

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## **1. Introduction**

Effective and efficient management of public affairs depends to a large extent on properly selected instruments of action. One of them is planning which is successfully used in the activities of public administration bodies. Planning acts that formulate general assumptions of achieving the goals set are the material effect of the planning process.

This article addresses issues of defining the role of planning in the process of public affairs management. One attempted to indicate that planning undertaken by public administration is a very diverse activity and its effect may be the acts of varying legal force and of varying impact. It was also attempted to identify specific objectives and tasks of planning implemented in the public sphere and to indicate their impact on the efficiency and effectiveness of public affairs management.

In order to make the above findings, the planning acts set up by the public administration in Poland were reviewed, with particular reference to acts established in the field of state security protection. The research covered the planning acts prepared by the central and local administration, both governmental and local government ones, by the administration with general and specific competences. The collected material was the basis for a critical analysis of planning acts in terms of their subjective and objective scope, legal form, suitability for effective implementation of security protection procedures. Based on the arrangements adopted, the systematics of planning acts applied by the security administration was made. In order to make the necessary generalizations about the rules governing the planning activity the method of synthesis was used. The research methodology adopted influenced the structure of this study.

## **2. Planning in public administration**

At the outset of these considerations it was assumed that planning and planning act are two separate categories and cannot be identified with each other. Planning is a decision-making process. The planning act is the materialized effect of this process, which at the same time is an instrument (tool) by means of which the business planning requirement is implemented (Knosala, 2006: 205; Abrahám et al., 2015; Jerabek & Caposova, 2016). It should help and facilitate the achievement of a goal, to serve as an aid in effective action. Each planning act affects both the external and internal sphere since it encourages

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actions taken in it on the one hand, and on the other one it also presents the managing entity the scale of tasks to be carried out, opportunities and threats or optimal means of implementing the tasks planned (Kozmiński, Piotrowski, 1996: 217). The essential function of the planning act is to identify the necessary resources (material, financial and human) that are to be used in the further operation of the company and adapt the possibilities of their acquisition and use for environment (Ackoff, 1981: 35).

Planning is one of the key activities of any organization, including the state. It facilitates proper defining of public goals, defines rational mechanisms of using available resources, and also allows increasing the effectiveness and efficiency of undertaken activities. It can be said that it serves to stimulate and raise the level of sustainable social, economic and spatial development. Planning means that state actions become predictable and measurable. In Poland, over the last years, one can even notice a certain renaissance of a planning activity, which is associated with the attribution of managerial functions (Supernat, 2003: 36) to modern administration, and thus with the need to make rational, consistent decisions of a strategic nature (Duniewska, Górski, Jaworska-Dębska, Olejniczak-Szałowska, Stahl, 2005: 143). The multiplicity and diversity of public administration tasks generates a number of duties both for society as a whole and for individual units. Effective implementation is only possible thanks to the appropriate design of the operating principles.

Planning in administration may concern both the external and internal sphere. External planning applies directly to the citizen, and therefore the principles of such planning should be determined by means of normative norms in force. Planning acts in the external sphere are taken to achieve certain social goals and require a direct impact on entities from outside the administrative apparatus, creating specific rights and obligations for them. It is within this scope to set up a critical infrastructure protection plan, flood and fire protection planning, as well as other forms of planning in the sphere of internal security of the state. Among this group of planning acts there is a noticeable discrepancy of forms, incoherence and diversity of legal character (Górski, Kierzkowska, 2012: 187).

On the other hand, internal planning is the result of the rationality of action that should characterize every entity, and public administration units should present this feature in a special way. Determination of order, rules of conduct, rules for performing routine activities is undoubtedly improving the daily work of each unit. Such rules are usually set by the head of the unit, but they can do so as a part of current needs. The head of the unit carries out this type of activities through current behaviors where they establish an internal work plan, control plan, meeting plan or training plan, etc. Therefore, the general competence standard will be sufficient for internal planning. It seems even that a sufficient basis for planning may be general principles of the functioning of public administration, in particular the principle of effectiveness and efficiency of operations, obliging to achieve the intended goals with the least possible effort, energy and resources (Starościak, 1972: 25; Ura, 2010: 103). Planning acts belonging to this group should also appear when the generally applicable or internal laws do not provide for such an obligation at all (Górski, Kierzkowska, 2012: 187).

The role of planning in individual areas of the administration's operation is not the same. In those spheres where the administration operates in traditional forms constituting administrative, normative or individual acts, planning is usually not possible due to the lack of data that would allow to realistically predict what kind of acts and how many of them should be published. However, the sphere that can and should be covered by planning is the activity of the administration consisting in the direct formation of social relations where the organizing activity of the administration dominates (Leoński, 2010: 131; Bilevičienė et al., 2015; Vveinhardt & Andriukaitiene, 2016). Planning in security is precisely this type of activity. All kinds of forecasts of security threats and plans for ways to counteract these threats - such as flood prevention plans, fire protection plans or crisis management plans - are examples of such planning in public administration. Planning is of great importance in this area, serving both prevention, preparation for taking protective measures, as well as fighting against existing threats. Only previously thought out and established patterns of action can become routine activities that will be successfully implemented in the event of a real danger.

Planning is not a universal measure for organizing public administration activities. It has a limited scope as it reduces full freedom and freedom of action, but also introduces responsibility for incorrectly undertaken and unrealized plans. It seems, however, that the planning benefits for the state far outweigh the disadvantages. The reduction of the negative impact and the risk of planning errors will be lower when planning decisions are made in a real time-tailored manner (Knosala, 2006: 211).

### 3. Types of planning acts

Planning acts are the material result of the public administration planning activity. The most frequently encountered are strategies, policies, programs and plans. These documents constitute an extremely diverse internally, difficult to qualify clearly category. As B. Jaworska-Dębska argues, planning acts differ in their legal character and the degree of authoritarianism. They may be informative, indicative or imperative, they may be a statement of knowledge or will, they may also have a form of legal act or a factual activity. Individual planning documents take the form of normative acts, other general acts, or individual acts, and even material and technical activities. Their elaboration may be obligatory or optional. Planning acts are addressed to diverse groups of recipients, some shape the responsibilities of entities belonging to the administration system, while others are addressed to both administrative entities and citizens (Jaworska-Dębska, 2009: 476). Significant enrichment and diversity in the group of planning acts can be noticed with an increase of interest in this form of implementation of tasks in administration, which is associated with Poland's membership in the European Union. Despite all internal differentiation, planning acts can be defined as acts of administrative policy due to the fact that they play a role of specific stimuli for the development of specific areas of social relations. Due to the importance of planning activities in administration, planning acts are characterized, just like the administration itself, by a hierarchical system.

Strategies are planning acts with the greatest degree of generality. Strategies are increasingly common strategic planning documents in the state. These are documents with a very wide subject range, they are characterized by at least a few year-time perspectives, they are superior to other planning acts. The basis for their creation is the act, and they themselves usually take the form of a resolution of the Council of Ministers. They cover issues that belong to the entire socio-economic system or selected areas of it. The concept of strategy has long been in the military sciences and is used to indicate an ability to manage large units, so as to best use their strength and power in combat operations (Clausewitz, 2007: 123). Nowadays, the concept of strategy is widely used in the sciences of organization and management, and it is related in particular to the theory of enterprise management. (Siekelova et al., 2017, Arimavičiūtė, Raišienė, 2015). The strategy in this approach is a planning act with the longest time horizon (Wilk, 2007: 19) indicating a fairly general course of action (Koontz, O'Donnell, 1969:506), at the same time is comprehensive and concerns the entire system (Stoner, Freeman, Gilbert, 1997: 105), usually also superior to other planning acts (Glueck, 1980: 9). Taking into account the context of public management it can be noted that the strategy is a pattern of goals, policies, programs, actions, decisions and resource allocation defining what an organization is, what it does, and why (Kozuch, 2004: 199). It is worth pointing out that a well-formulated strategy is the basis for an effective action. When considering strategies as a result of administrative planning it should be emphasized that they are usually created as long-term action plans and combine many threads and problems. They are usually made of organs occupying the highest places in the administrative hierarchy. Such strategies are often a collection and compilation of plans created by lower-level administrative bodies. Contemporary public strategies are very often created on the basis of orders resulting from the norms of EU law.

Policy documents are close to strategies. A policy is a general document that defines general objectives and the most important tasks, whose impact is calculated for many years. In the sciences of organization and management, a policy is not distinguished as a separate planning act, such acts meet the criteria adopted for the strategy and are usually treated as such. However, the concept of policy occurs in the science of administration, an example of which is the administration policy itself (Rybicki, 1985: 271-279; Longchamps, 1991: 215; Androniceanu, 2017). This concept may also refer to the very operation of this administration in a functional sense. An expression of the administrative policy pursued in various areas of state activity may be documents also called policies such as environmental policy, energy policy, and cyberspace protection policy. Such policies, like strategies, are tools of state policy and administration policy that externalize the goals and interests of the state (Kosieradzka, 2014: 115). The difference between a policy understood not as the state's activity, but as a planning act - and the strategy is hardly easy to grasp. In the era of crowding out classical administration through public management, the concept of strategy is gradually replacing the notion of politics, especially in the context of indicating goals, principles and procedures for the implementation of public tasks, materialized in the form of a specific document. A policy, as a separate planning document, appears quite seldom today and, compared to the strategy, it is much poorer in content, it contains only a list of objectives and the most important

assumptions of their implementation. Thus, it can be said that today the conceptual apparatus of administration sciences is being replaced by the apparatus proper to the teachings on organization and management. It is also worth noting that these changes take place under a particularly strong influence of the EU and EU law regulations on shaping legal relations in the area of the entire public administration in Poland.

Planning acts also include programs and schedules. These acts are quite difficult to qualify clearly due to their significant differentiation. Many programs are operational plans because they more or less define specific actions aimed at achieving the assumed goals, whereas these activities are most often assigned to the identified addressees, and often a comprehensive schedule is envisaged. However, there are a lot of programs that actually take the form of a strategy because they set goals and directions for an action in a certain sphere of affairs, while the more extensive and meticulous layout of tasks and activities leave other documents. Therefore, the programs should specify documents describing an implementation of multi-stage tasks or sets of tasks. They constitute a formal pledge of the organization's goals and determine the optimal means of their implementation (Pietrzakiewicz, 1970: 28). They are a description of a possible course of actions related to a common goal, usually they contain one final solution of a comprehensive nature. In a developed form, the program can also be an extended model of the process of reaching the goal, which consists of individual stages of the organizational cycle, namely: goals, projects and deadlines for their implementation, more important data on forces and means and designated places of their use (Peszko, 2002: 92). Schedules are a form similar to programs. Schedules are planning documents of a coordinating nature that expose the order of performed tasks and activities and often take a graphical form, not a descriptive one.

However, a document of planning which most often appears in the practice of current administration, is a plan. The concept of the plan itself is not unambiguous as the document described above as a strategy, program or schedule is often referred to as a plan. In terms of the science of organization and management as well as the science of administration, the plan is a real result of the entire planning process, it is comprehensive, it is an instrument of integration of individual decisions taken in the planning process (Knosala, 2006: 205). The plan is the culmination of a series of arrangements that take place in the planning process. This set of decisions consists of choices that generally concern such dimensions as: a subject, an object, a time range, elements and characteristics of the plan. The plan very often develops, clarifies and refines the assumptions of the strategy or policy, specifying their goals, defining the implementation schedule, as well as indicating specific material and financial resources enabling the implementation of the assumed activities (Górski, Kierzkowska, 2012: 190). The plan from the other planning acts is therefore distinguished by the greater degree of detail and the less distant time horizon that it encompasses. A detailed plan, in which the goals and ways to achieve them are based on a well-defined system of future conditions and means, is the basis for success in the implementation of public tasks (Kozakiewicz, 1993: 51). It can also be emphasized that the importance of a good plan is enormous, and it is impossible to underestimate it. The plan completes a certain stage of action, but at the same time allows you to go to the next stage - the implementation phase, in which the plan document becomes an important starting point for the activities undertaken.

Planning acts can take many more forms, it is impossible to even list them all. In the era of system and systemic transformations, documents called concepts, assumptions, studies, reports, analyzes, forecasts and evaluations appeared in Poland. The number of terms used here is huge. It seems, however, that this is the result of a lack of conceptual uniformity, and even an expression of some recklessness in transferring the terminology proper to other disciplines. Such tendencies can also be noticed in the terminology used in normative acts. However, the use of different terms for planning acts does not mean their substantive differentiation apart from the characteristics presented above (Gajewski, 2017: 85). The emergence of so many planning acts in the area of administration is undoubtedly due to the attribution of managerial functions to modern administration, which results in the display of tools and instruments appropriate to the management processes and focusing on its effectiveness.

Administration, when carrying out public tasks, must plan its activities, which enables rational and more efficient use of forces and public resources provided at its disposal. When planning its activity, administration uses a lot of different planning acts, but the terms used for them do not always precisely indicate the content and scope of the planning act, and it is not always possible to clearly determine their specific functions. Usually - more often in the case of planning activities in the sphere of external administration - the legal basis for planning are universally binding acts and they just indicate obligatory

content as well as the form and mode of preparing a planning act. In addition, attention is drawn to the different legal nature of findings contained in planning acts, they may contain standards addressed only to entities within the administration, or to entities outside the administration, may require specific actions, or only be the basis for establishing the facts whose existence is necessary to take some action.

#### **4. Objectives and tasks of planning**

Public administration should aim at conscious shaping of social relations and transformations in the intended purpose. According to the organization and management theory, it is planning that allows to achieve the goal efficiently. It facilitates undertaking actions oriented at causing phenomena that would not exist spontaneously. It is called the original management function (Koontz, Donnell, 1969: 508; Gościński, 1982: 182). Planning in administration allows the authorities shaping the state's administrative policy to create various types of intentions, ideas and concepts, pass them on to a wide group of recipients, and then define the conditions (organizational, financial, material and personal) necessary for their most effective achievement. In security administration, the whole process is usually preceded by the recognition of existing and potential threats to social life, which form the basis for formulating future perspectives. In such an extensive organizational system as public administration, planning is an important condition for the success and effectiveness of the tasks being performed.

The existence of serious threats to the security of the state, the inevitability of some of them, e.g. natural hazards, and the cyclical nature of such events mean that administration takes the necessary steps to minimize the risk of threats and minimize possible social damage. The activities of the administration for the protection of the internal security of the state must be done in a particularly rational and orderly manner. Certainly, it also requires orientation towards the future and special attention to ensure the effectiveness of the actions taken. Rational planning is becoming an increasingly characteristic feature of security administration. It systematizes the sentences carried out, eliminates the freedom of action, limits not always positively the spontaneity perceived.

The content of planning in administration is to set the goals and directions of action necessary to perform the tasks imposed by the act. The goal should be understood as an effect the action is set on, it is also a desired state which should be consistently pursued. However, setting the goal does not prejudge its achievement. A direction, on the other hand, sets the way to achieve the goal, it only allows to indicate the ways and methods of action that you need to take to achieve the intended goal. Determination of directions of action is in a way complementing the goal, so that its achievement would not only be possible, but also would correspond to the established policy and philosophy of action. The goal of action always remains only a more or less realistic forecast, a desirable effect, and not a reality that really exists. It can be classified as future and uncertain events, and its fulfillment depends on a whole range of changing conditions. Direction, on the other hand, especially if expressed by means of action, seems more precise and real. The very procedure in the prescribed way is the action in accordance with the imposed direction. Giving directions through planning tasks, means and methods of operation, activities to be carried out may take the form of very strict guidelines, the implementation of which the obliged entity should be meticulously accounted for. In the case of the goal it is practically impossible.

The goals and directions of action very often result directly from legal acts. In public activities, the preparation of a plan very often has the nature of a legal obligation addressed to a clearly identified addressee (usually to a public administration body) (Górski, Kierzkowska, 2012: 195). By imposing such a duty, the law usually specifies the basic assumption of the planning document, including the basic goals and actions to achieve them. Thus, the plan no longer sets out completely new assumptions, but is a clarification and development of existing legal regulations. Therefore, when starting to formulate planned objectives, it is always necessary to make a prior analysis of the legislation (national and EU) in this regard.

A properly formulated plan should be intentional but at the same time feasible. The way to clarify the goals and directions set in the plans is to determine the tasks and the ways and forms of their implementation (Stasikowski, 2009: 147). In organizational theory, the task is a short-term, local and partial goal, in contrast to the objective perceived as long-term and perspective (Gościński, 1972: 29). Therefore, tasks should be very specific procedural directives based on the use of a set of means of action available by individual administrations. It seems that this should be the definition of specific activities to be performed, the determination of their correct order, as well as deadlines for implementation. In some

situations, actions necessary to achieve the assumed goals may take the form of omissions. Undoubtedly, precisely by defining tasks, there are always quite general and broad goals.

Plans cannot be seen only as precepts or prohibitions of action (Brzeziński, 1964: 82), they should contain an exemplary set of measures leading directly to the goal. Thus, it can be argued that the specific manner of acting of the addressee of the plan is essentially indifferent. Therefore, if the designated authority does not take the measures indicated in the plans, it will not have legal consequences, especially if the objectives pursued by them can be achieved with other sets of forms and means of action, as long as reaching the goal with them is equally effective (Knosala, 2011: 131).

Both goals and tasks being the content of planning acts should be perceived in a multilevel way, which gives rise to further consequences. Just as public administration is an extensive and diverse apparatus, administrative planning is also a fairly extensive process carried out by all units, at all levels, from the central to the lowest local levels. The powers of individual planning authorities must be related to the tasks, competences and ranges of jurisdictions designated for these bodies in the constitution. This problem is particularly important when planning undertaken at various levels (national, regional, local) covers the same areas of social life as, for example, planning activities in the area of ensuring road safety, environmental protection, and counteracting social threats. The goals proposed at the time have different time perspectives, they differ in detail and in the circle of addressees. In this way, a related system of goals and tasks is created, while the goals set at the local level must take into account the objectives formulated at the regional and central levels (Właźlak, 2012: 121). It can be said that they constitute a refinement and clarification, or even narrowing down. Such a situation results from the need to maintain the consistency of the entire administrative policy in a given area of social relations.

It should also be noted that the difference between the objectives set and the specific tasks is of a relative nature. Objectives, as a fairly general directive, can be broken down for more and more detailed purposes. They form a kind of ladder where there are the most general national goals at the top, and at the bottom there are individual goals with a very limited range, both temporal and territorial ones (Dołhasz, Fudaliński, Kosala, Smutek, 2009: 49). In the case of the latter, the scope of freedom of choice of means and forms of action by an addressee decreases, and the difference between goals and tasks disappears. The condition of planning effectiveness is to ensure consistency of individual plans, compliance of different types of plans and proper correlation of tasks with the means of their implementation (Knosala, 2011: 132).

## 5. Conclusion

It should be stated that planning is becoming increasingly important in effective management of public affairs. The modern legislator often and clearly obliges public administration to undertake planning activities and to develop determined planning acts, such as strategies, policies, programs and schedules, as well as operational plans. In the area of security planning can serve both prevention understood as protection against the emergence of threats, as well as an appropriate organization and preparation of activities that will be necessary in the event of emerging real threats, it may also include the preparation of resources whose assembly will affect more effective protection against threats. The security area, due to its strategic importance for the state, seems to create numerous opportunities for planning activities by public administration bodies. In ensuring protection against security threats, preventive actions play a significant role. Planning, as a stage of preparing activities and measures, perfectly fulfills this role. Properly conducted planning activity allows to avoid danger in the real world, and when it is not possible, it allows to effectively and efficiently initiate the action of neutralization of damage resulting from the occurrence of such an event.

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# VALUE BASED MANAGEMENT IN LITHUNIAN FOOTBALL: IS ANXIETY JUSTIFIABLE

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## Abstract

Match-fixing becomes a global issue in the political agendas of team sports organizations, especially football. The outcomes of match-fixing phenomenon continue to threaten all stakeholders of the sports industry. In small country as Lithuania match-fixing became a big problem during the last five years. Is Lithuanian football became a victim of the globalization? How strong are the value orientation and management systems in national clubs? The aim of this study is to research into the practice of fraudulent agreements in Lithuanian football, presuming that it is the result of inadequate value-based management of football clubs. Professional football players, in total 258, were questioning. Football players' attitude towards match-fixing practice and value-based management of football clubs depends on the player's income and training frequency.

**Keywords:** value management, match-fixing, football, sport clubs.

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## 1. Introduction

More and more match-fixing cases motivated by different reasons have been disclosed globally. Lithuania is no exception. Match-fixing incidents in sports games, football in particular, are often detected and reported. During the last decade scientific investigations were made analysing match-fixing within the European both grassroots and top-level football (Nowy and Breur, 2017; Cheloukhine, 2013; Hill, 2009, 2008), match-fixing in international sports based on cases of the Court of Arbitration for Sport (Colantouni, 2014), various aspects of the integrity of sport (McNamee, 2013; Gilbert, Skinner, 2015), namely integrity and the corruption (Gardiner, Parry, Robinson, 2017), disciplinary offence and crime (Zaksaitė, 2011, 2013, 2015, Gumbis, Karnickas, 2009, Bryane, 2010).

This is a problem both on the institutional and on individual level, especially while investigating the ethical and integrity management issues of various types of organizations (Vasiljeviene, 2006; 2013; Vveinhardt, 2007; Monkevičienė, Liugailaitė-Radzvickienė, 2009; Yerznkyan et al., 2017). Athletes, irrespective of standards of ethics taught to them, engage in fraudulent agreements and manipulate the results of the games. Sport loses its attraction because the final score is decided in advance, whereas sport fans are deprived of the excitement that unpredictability of the results brings. The following questions come to the fore: Is there a correlation between value orientations of the players and those of the clubs they play for? How are the values declared by sport organizations and value establishing practice realised in the context of integral management? What is the players' attitude to the actual value-based management situation in a sport club?

International organization Sportradar monitors the selected countries on a regular basis and investigates match-fixing in official games. According to Sportradar data of 2012, Lithuanian Football League A is included in the list of 10 countries where the biggest number of football match-fixing is recorded. In Lithuania match-fixing peaked in 2014 according to official numbers. Transparency International study "Match fixing in Lithuanian Sport" reports that 55 per cent of footballers claim that match-fixing in Lithuania is very common. In many countries football players, referees or club owners are prosecuted for fraudulent agreements related to football matches and sentenced to jail.

The aim of this study is to research into the practice of fraudulent agreements in Lithuanian football, presuming that it is the result of inadequate value-based management of football clubs.

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## 2. Theoretical justification

### 2.1. Value-based management in sports

It is not enough for modern sports organizations just to declare the selected values. Realised objectives for meeting people's expectations, reinforcing the mission and vision statements, explaining the code of ethics should be monitored in order to improve the management processes in a sports organization, implement strategies and organizational procedures.

Performance audit, introduction of various monitoring systems, development and management of integral systems, establishment of ethics frameworks to measure discrepancies between the announced organization's mission and the quality of commitments, between the vision and the actual performance of the organization have become regular activities in modern organizations.

The performance of sports organizations should eliminate the mismatch between declared statements and objective reality. The integrity of words and actions should equal the quality of the work done. Sports organizations should aspire to realize spoken words and declared values in practice.

The vulnerability of sports organization's integrity is a very common phenomenon. Effective operation of a sports organization is impossible without adequate attention paid to integrity issues. The central axis of this problem is the discrepancy between the word (value) and the action (fact) and this discrepancy should be eliminated. Integrity violations may be difficult to eliminate due to human errors and people's negligence; however, learning from organization's mistakes is expected to result in integrity improvement and reduction of the error rate. The awareness of the importance of integrity among the staff and managers leads to compliance with agreed upon principles and assumed obligations in organization's operations.

Vasiljeviene (2013) argues that new paradigms of management science and integrity models should be used in order to maintain the system of values, reduce the gap between declared values and actual actions, corporate statements and the actual situation in the organization. It is possible to channel changes in the desired direction by developing, approving and accepting normative provisions in order to change the current situation and integrate declared organization's values into practical activities. "Soft law" and "soft management" methods are recommended to achieve the goals "we do what we say", i.e. the proclaimed values (principles, norms, rules) correspond to the ones implemented in institution's practice.

Vasiljeviene (2006) names two reasons causing the shortage of "soft law/management" technologies in Lithuania:

- a) they entail dimensions of ethics, the language of morals, which is inadequately accepted in Lithuania because its interpretation basing on the paradigms of traditional metaphysical morality;
- b) authoritarian paternalistic management style is still widely spread in organizations.

Most often the introduction of "soft law/management" technologies is hindered by still strong assumptions about the incompatibility of ethics and performance, values and rational goals, lack of knowledge about these technologies. For these reasons the introduction of ethics in sports organizations is viewed sceptically. Sports organizations are unwilling to introduce and apply innovations, while the implementation of ethical norms in sports organizations comes with the need to handle business affairs as well as possible. Ethical framework connects economics (effectiveness, profitability, and optimisation) with morality (decency, honesty, responsibility, reliability) (Vasiljeviene, 2006; Grabara et al., 2017). Unfortunately, most sports organizations in Lithuania, football clubs among them, see the implementation of value-based management system as a set of theoretical concepts instead of mandatory elements of everyday practice.

### 2.2. Football as a tool for unfair sport and manipulations

Football is the most popular sport in the world having its specific attractiveness, numerous fans, six number budgets, high-profile figures. Sad to say, the dark side of football is seen more and more often: the schemers willing to profit from match-fixing attempt to trap not only football players but also referees. According to Bistrickaitė (2015) "sports community acknowledges that match-fixing is one of the most serious threats to modern sport" (p.67).

Match-fixing occurs on a vast scale both globally and in Lithuania (Cheloukhine, 2013; Colantouni, 2014). According to Zaksaitė (2015), 11.9 per cent of all interviewed football players (from

12 European member states) have received proposals to participate in the manipulation of football game scores. Kazakh (34.3 per cent) and Greek (30.3 per cent) football players were aware about the practice of entering into fraudulent agreements in their country. Almost half Russian football players (43.5 per cent) know about manipulations with final scores in football games in their country.

Hill (2008) made a statistical comparison of 130 unfair football matches with fair games and distinguished four main patterns:

1) dishonest (corrupt) referees awarded penalty kicks twice more often compared to honest referees.

2) there are twice as much scoring an own goal in fixed matches compared to fair matches.

3) red cards are rarely shown in fixed matches because dishonest players are much more useful in the field than sitting on the bench.

4) goals in fixed matches are scored during the first ten minutes while the number of goals scored in the last ten minutes is much lower.

In 2014 Lithuanian branch of Transparency International organization conducted a study "Fraudulent agreements in sport". The survey aimed to identify the scale and reasons of match fixing in Lithuanian basketball and football. 259 basketball players and 100 football players were interviewed for the survey. Every fifth football player and every seventh basketball player have suspicions or knows about the participation in unfair games. 55 per cent of football players and 30.9 per cent of basketball players confirmed the existence of match-fixing. Athletes get involved into fraudulent agreements in sports mainly for financial reasons: a wish to earn extra money (52 per cent), problems in personal finances (16 per cent), delayed salaries (13 per cent). The survey revealed that proposals to involve in match-fixing come from team mates (28.4 per cent) or former colleagues (24 per cent). It should be noted that even 42.4 per cent of respondents bet about the results of own team.

During the survey in 2015 the main Lithuanian document governing the liability for manipulations in football was the Code of Conduct of Lithuanian Football Federation. Article 44 "Illegal influence and match-fixing" provides:

1) liability for sport game manipulations;

2) football club's responsibility for its players, staff and owners;

3) liability for suspected match-fixing in the club's game;

4) liability for disclosing information about players' injuries, game tactics, positioning of players in the field, etc.

5) liability for failure to report information about match-fixing.

Since 30 June 2016 the Criminal Code of the Republic of Lithuania provides criminal liability for manipulations of sports games, which are regarded as an offence against property.

The administration of a sport club must assume responsibility towards all stakeholder groups by implementing the strategy of integral management and communicating aims, values and objectives so that illegal practices in sport are prevented.

### 3. Research methods

A questionnaire survey was used for the study. A two-part questionnaire was designed basing on research literature and conducted surveys. The first part of the questionnaire aimed to find out football players' opinions about match-fixing; the second part aimed to find out the players' moral values and their manifestation in sport club operations. The survey was conducted in July–September 2015. The statistical analysis of the survey data was done using SPSS 17.0 program. The validity of the questionnaire was tested. The significance of difference between answers was tested using Pearson's  $\chi^2$  (chi square) criterion; the level of significance was  $p = 0.05$ . The comparative analysis was done using two criteria: *income* and *frequency of training*. The respondents were divided into two groups by income: up to 750 EUR/month and above 750 EUR/month. Presumably, respondents earning up to 750 EUR/month play in League I and respondents earning above 750 EUR/month play in the Premier League. Respondents were also divided into two groups according to the frequency of training: those who train four and more times per week and those who train less than four times a week. The frequency of training criterion is very sensitive and it produced a lot of statistically reliable data. Presumably, players who train four and more times per week are professional footballers playing in the Premier League, whereas players

who train less than four times a week are amateurs playing in the national League I. The majority of survey results are statistically significant.

Survey subjects: Players from 10 football clubs randomly selected by Lithuanian Football Federation (LFF): 146 professional players from 5 LFF League A clubs and 112 professional players from LFF League I clubs, 258 players in total. The age of players in both leagues ranges from 21 to 30; however, 34 per cent of respondents were between 21 and 25 years old. Players older than 30 made 27 per cent. The youngest players were aged 16–20 (14 per cent).

Age distribution among respondents earning up to 750 EUR/month was as follows: 33.6 per cent of young players aged 21–25 and 47.1 per cent of actively playing footballers aged 31–35. (df=4; p<0.05). Survey subjects earning more than 750 EUR/month were aged 26–30 (55.4 per cent), but respondents aged 25–25 were training more actively (46.3 per cent). (df=4; p<0.05).

A little more than one-third of interviewed players (32 per cent) earned 500–750 EUR/month. 27 per cent of respondents earned only 300–500 EUR/month. Although this income corresponds to the average salary in Lithuania, for a professional footballer the income is very low. Only 14 per cent of respondents earn more than 750 EUR/month and 15 per cent of respondents earn 1000 EUR/month and more. More than one-third of respondents (37 per cent) with income up to 750 EUR/month have higher university education and more than half of respondents with income above 750 EUR/month have higher university education. (df=3; p<0.05).

The majority of respondents train more than four times a week suggesting that the interviewed athletes are professional football players who depend on the income received from playing football. The players expect that intensive workouts will lead them to a higher league with higher income. There are more athletes who train more than four times a week (89.2 per cent) than athletes who train less than four times a week (10.8 per cent). The case with players earning up to 750 EUR/month is similar. 66.3 per cent of players train four and more times a week and 33.7 per cent of players train less than four times a week. The survey revealed that players who train more than four times a week earn more than those who train less than four times a week (df=1; p<0.05).

#### 4. Research results and analysis

Article 30 of the Code of Conduct of Lithuanian Football Federation provides that failure to observe fair play rules is unsportsmanlike conduct. A block of questionnaire items was used to find out players' attitude to feigning injury during the game. The majority of respondents (86 per cent) marked the occurrence of simulation during the game as a frequent or occasional, thus proving the prevalence of unsporting behaviour in both Lithuanian football leagues. Income, however is not a major factor in the assessment of unsporting behaviour (Table 1).

**Table 1. Assessment of match-fixing aspects by players' income**

No	Assessment aspects	Income below 750 EUR/month	Income above 750 EUR/month	Reliability of difference
1	Players' attitude to <i>unsporting behaviour</i>	59.6 %	60.4 %	$\chi^2=4.006$ df=1 <b>p=0.045</b>
2	Players' attitude to <i>match-fixing</i>	53.8 %	78.4 %	$\chi^2=16,27$ df=2 <b>p=0.000</b>
3	Players' attitude to match-fixing as an <i>existing problem</i>	47.3 %	63.5 %	$\chi^2=26,56$ df=4 <b>p=0.000</b>
4	Players' attitude to <i>proposals to engage in match-fixing</i>	63.0 %	47.3 %	$\chi^2=14,66$ df=3 p=0.002
5	Players' attitude to <i>proposals to make bets</i>	53.8%	44.6 %	$\chi^2=23,61$ df=3 p=0.000

Although more than half (59 per cent) of respondents think that match-fixing in Lithuania is common, the players who earn more (78.4 per cent) and train more than four times a week (68.6 per cent) do not think that the scale of match-fixing in Lithuania is big. Respondents were asked if they see match-fixing as a problem. Only 6 per cent of interviewed players totally disagree and 10 per cent of respondents

disagree that it is a problem. One-third (29 per cent) of respondents are not sure, while the remaining respondents argue that match-fixing is a serious problem in Lithuania. Respondents with higher income but training less than four times a week agree that match-fixing is a problem in Lithuania.

The survey results showed that all teams of both leagues are involved or attempted to get involved into betting traps or there are attempts to manipulate with final score of the game in favour of a certain team. Only 7 per cent of players had never received proposal to engage in match-fixing. One-third (27 per cent) of respondents claim that more than half of the players (58 per cent) very seldom receive proposals to participate in match-fixing. Players with lower income (63 per cent) receive such proposals very seldom and almost half (47.3 per cent) of respondents sometimes receive proposals to enter into fraudulent agreements. Players who train less (87.1 per cent) have never received a match-fixing proposal.

The survey aimed to find out who makes the proposals and invites football players to enter into fraudulent agreements. More than half of respondents (55 per cent) answered that such proposals come from friends/acquaintances outside the team and from *team mates* (51 per cent). Thus, there are many persons interested in betting and match-fixing both inside and outside the team.

Both players with lower income (53.8 per cent) and with higher income (44.6 per cent) receive proposals to bet on the score of their team's game. However, less training players (74.3 per cent) receive such proposals very seldom compared to more frequently training players (51.6 per cent).

The survey results revealed the reasons of players' engagement in match-fixing. Players are not satisfied with the salaries paid by the clubs and attempt to improve their financial situation by engaging into match-fixing, i.e. to earn extra money (29 per cent), to increase their income (26 per cent), to stabilize their financial condition (21 per cent) and also to get money when payment of salaries is delayed (14 per cent).

Less frequently training athletes (33 per cent) name low salaries as the main reason of involvement in match-fixing, whereas more frequently training athletes (62.9 per cent) name extra income as the main reason of entering into fraudulent agreements.

The second part of the questionnaire contained 13 statements used to find out about maintaining the standards of morality in sports clubs. It can be assumed that fraudulent agreements about the final score of the game are related to the fundamental values of the club, common philosophy, awareness of joint efforts and sound approach in realizing the aforementioned aspects.

The survey results gave an unpleasant surprise. As much as 93 per cent of respondents were not aware of the club's mission and vision. The majority of players (84 per cent) did not know if the club declares its values publicly and even 91 per cent of the players did not know if the club leaders/owners abide with the established values. Players (72 per cent) are not acquainted with the club's values and Code of Professional Conduct, while more than half (65 per cent) of the players argued that no values and rules of the code of conduct are practiced or followed. Two-thirds (72 per cent) of professional athletes do not know if the club obligates them to adhere to the values and rules of conduct.

The assessment of the value-based management process revealed the situation that is hardly tolerable. Even 90 per cent of football players stated that clubs do not pursue a policy aimed to ensure the integrity and quality of all contracts and commitments. Presumably clubs do not treat the signed contracts seriously and do not respect the obligations assumed under these contracts, whereas LFF does not take any actions to make the clubs meet their contractual obligations. Half of respondents (50 per cent) do not know if the club takes any actions for forming fraud intolerance attitudes among players. 68 per cent of respondents claimed that their club had not strategy of taking actions against any kind of dishonesty in sports. 62 per cent of the players had information about their team mates' involvement in match-fixing agreements. It should be noted that even 94 per cent of respondents noted that the club does not register and does not consider claims submitted by the players. Presumably, the clubs do not consider values important as the clubs do not impose sanctions for disregarding values (in the opinion of 87 per cent of the players). The majority of respondents (79 per cent) even don't know if clubs collaborate with other organizations on the issues of sporting fraud.

Both low-paid (86.4 per cent) and higher-paid (98.6 per cent) players state that their club does not pursue a policy aimed to ensure the integrity and quality of all contracts and commitments. Almost half of frequently training respondents (66.5 per cent) and less frequently training respondents (71.4 per cent) admit the absence of any strategy on the prevention of any kind of dishonesty in sports in their club.

**Table 2. Assessment of value-based management in football clubs**

Statement	Number of respondents (per cent)			Reliability of difference	
	Yes	No	Don't know		
Are you aware of the club's mission and vision?	18 (7%)	240 (93%)	0 (0%)	$\chi^2=7,78$ <b>p=0,005</b>	df=1
Does your club declare its values in public	13 (5%)	29 (11%)	216 (84%)	$\chi^2=6,47$ <b>p=0,039</b>	df=2
Do you club leaders/managers adhere (view seriously) to established values	13 (5%)	10 (4%)	235 (91%)	$\chi^2=7,50$ <b>p=0,023</b>	df=2
Are you acquainted with the club's values and code of conduct?	36 (14%)	186 (72%)	36 (14%)	$\chi^2=13,84$ <b>p=0,001</b>	df=2
Are established values and code of conduct actually adhered to in your club?	75 (29%)	168 (65%)	15 (6%)	$\chi^2=6,66$ <b>p=0,036</b>	df=2
Does the club obligate you to adhere to established values and code of conduct?	26 (10%)	46 (18%)	186 (72%)	$\chi^2=10,37$ <b>p=0,006</b>	df=2
Does the club pursue a policy aimed to ensure the integrity and quality of all contracts and commitments?	15 (6%)	232 (90%)	11 (4%)	$\chi^2=8,86$ <b>p=0,012</b>	df=2
Does your club form sports fraud intolerance attitudes?	75 (29%)	54 (21%)	129 (50%)	$\chi^2=1,919$ p=0,383	df=2
Does your club implement any strategy on the prevention of any kind of dishonesty in sports?	24 (9%)	175 (68%)	59 (23%)	$\chi^2=3,788$ p=0,150	df=2
Do you have information about your team mates' involvement in match-fixing?	159 (62%)	65 (25%)	34 (13%)	$\chi^2=16,25$ <b>p=0,000</b>	df=2
Does the club register and consider complaints filed by the team players?	8 (3%)	243 (94%)	7 (3%)	$\chi^2=1,058$ p=0,589	df=2
Does the club clearly explain the sanctions applied for disrespect to the club values?	13 (5%)	224 (87%)	21 (8%)	$\chi^2=4,23$ p=0,809	df=2
Does the club collaborate with other clubs and organizations on the issues of sporting fraud?	31 (12%)	23 (9%)	204 (79%)	$\chi^2=17,07$ <b>p=0,000</b>	df=2

The last block of the questionnaire was dedicated to ranking the values by significance. The following values were very important for respondents: transparency and publicity (62 per cent), integrity (54 per cent), justice and impartiality (52 per cent), responsibility and accountability (48 per cent).

Respondents earning below 750 EUR/month (51.6 per cent) found justice and impartiality very important, while integrity is the most important for respondents earning above 750 EUR/month (67.6 per cent) (df=4; p<0,05).

## 5. Conclusions

1. Football players' attitude towards match-fixing practice in Lithuania depends on the player's income and training frequency.

Unsportsmanlike conduct is common among the players of both football leagues irrespective of the player's income; the majority of football players think that match-fixing agreements are common in Lithuania. Match-fixing is seen as a problem by half of respondents with different income and by twice as much players who train more frequently. It is likely that broader experience of footballers with higher sport excellence brings greater knowledge about this problem.

About half of higher-paid respondents admitted that they *sometimes* receive proposals to involve in match-fixing and are encouraged to bet by team mates and friends/acquaintances outside the team. One-third of respondents with different income mainly get involved in fraudulent agreements with the aim to get extra money. Actively training footballers name low salary as the main reason of involvement in match-fixing. In terms of income, respondents' opinions about the possibility to earn from match-fixing

differ: respondents with lower salaries believe in good earnings while higher-paid respondents are not sure if it is possible to earn good money from match-fixing.

2. Athletes' attitudes to value-based management of football clubs depend on their income and training frequency.

All higher-paid players and two-thirds of lower-paid athletes are not aware of the club's vision and mission. The players do not know if their club declares its values in public. More higher-paid players are neither acquainted with nor adhere to the clubs values and code of practice compared to the lower-paid players. Irrespective of the income, players state that their club does not pursue a policy aimed to ensure the integrity and quality of all contracts and commitments. The club does not implement any strategy on the prevention of any kind of dishonesty in sports.

More than half of lower-paid players and two-thirds of higher-paid players have information about their team mates' involvement in match-fixing. Most of respondents stated that the club neither records nor considers the players' complaints.

Two-thirds of lower-paid and the majority of higher-paid respondents state that the clubs do not take any disciplinary measures to prevent the non-compliance with the declared values and do not inform the players about the outcome of unfair games. This fact was confirmed by more than half of actively training respondents. The players have no information about any collaboration with other organizations regarding the issues of sporting fraud. Almost half of actively training and one-fifth of less actively training players state that the club does not implement any strategy on the prevention of any kind of dishonesty in sport.

In conclusion, manipulations with unpredictability of football game result are a serious problem in Lithuania. The survey results justify the concern and prove the inadequacy of value-based management in sport clubs. Although such values as transparency, publicity, integrity, justice and impartiality are important to all athletes, low-paid and less frequently training players are the most vulnerable.

It is likely that Lithuanian football clubs could reduce the risk of match-fixing by publicly declaring their values and implementing them in purposeful and moderate operations. Moreover, preventive measures are necessary not only to change the current situation but also to recover the positive image of national sport and especially for setting a positive example for the young generation of players.

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# DYNAMIC ASSESSMENT OF THE FINANCIAL DISTRESS OF PRODUCTION ENTERPRISES IN THE SME SECTOR

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## Abstract

The subject of this article interest is financial distress of business continuation and bankruptcy for the small and medium production enterprises (SME sector) in Poland from the period of last crisis (2007–2017). The objective of empirical research is measuring the level of financial distress for the enterprises, directions and growth dynamics, including the determination of interdependencies existing together with the processes of bankruptcy. The features of mesostructure regarding its durability and frequency of object translocation (PKD divisions) were determined. The classification of mesostructure objects was conducted. The effect of research is the verification of eight detailed research hypotheses.

**Keywords:** financial distress, early warning system, bankruptcy, SME sector.

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## 1. Introduction

The matter of this article interest in the theoretical and cognitive layer are the phenomenon of enterprise crisis, its reasons and identification as well as quantification of symptoms suggesting worsening the financial situation of enterprise. The empirical layer of divagation is concentrated on the assessment of financial distress level in case of enterprise continuation and bankruptcy of enterprises (further: distress level). The subject of research is directed towards the sector of small and medium production enterprises (SME) in Poland. The basic objective of research in the empirical layer is comparative assessment of these enterprises in 2007–2017, including:

- conducting the measurement and assessment of distress level, directions and dynamism of its changes,
- determination of features being characteristic for the examined group of enterprises regarding the translocation of objects (Polish Classification of Activities – PKD divisions) and their classification,
- determination of strength and direction of interrelationships between the distress level and the percentage of liquidations by the court.

For the need of distress level assessment, the estimated multivariate logit models (logistics recession), whose measurement expresses the probability of financial distress of enterprise continuation and bankruptcy of enterprise (annual advance) is used. In scope of determining the relative position and classification of objects (PKD divisions), ranging and variation measures have been applied.

The result of hypotheses verification, connected with the research objectives, is included in the conclusion.

The research results presented in the article and their analysis constitute the particle of broad research of collectivity of the institutional enterprises sector in Poland, creating the element of publication cycle concerning the assessment of financial distress level of business continuation and bankruptcy of enterprises.

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## 2. Crisis and early warning of enterprise financial distress conditions

Crisis is the result of unplanned events disturbing or imperilling the normal functioning of enterprise. C.K. Prahalad and G. Hamel indicate that crisis is the breakdown between the two qualitatively different stages of business growth (life cycle stage), and J. Argenti, O.P. Kharbanda and E.A. Stallworthy distinguish the basic types of business life cycle (Kharbanda and Stallworthy, 1985; Argenti, 1976). Then, L.E. Greiner differentiated the stages of its development and the crisis following it (Greiner, 1972).

The exposition and vulnerability of businesses to the dangers are varied which C.F. Smart, W.A. Thomson, I. Vertinsky included in the model (Smart and others, 1978). In case of Polish enterprises, this exposition and vulnerability are especially high – the areas of strategic uncertainty spread, the operational risk increases and the effect of „infection” intensifies (Mączyńska, 2011).

The feature of business crisis is its complexity and the fact that it is caused by the connection of a few factors creating the sequence of events with significant escalation. The symptoms occur due to the results. Most frequently, they are the misfortunes in these areas and enterprise functions which can be discovered in its general financial condition (Kaczmarek, 2014a).

Not only the ability of crisis overcoming is important but also the ability of their predicting and preventing (Quinn and Cameron, 1983). There are some early warning systems created (SWO) (Cabała, 2008). They are recognized as the tools of risk optimization in the quantitative methods of risk management (Croford, 1982). They constitute the assessment element of business economic and financial situation, do not provide the remedial measures and are faulty identified with the prognosis of bankruptcy (Altman and Narayanan, 1997; Platt and Platt, 2002).

The development of econometric model in predictions of danger is visible from the first works referring to the monovariate models, just to pass to the multivariate discriminative analysis and the use of logit model (Zavgren, 1983; Pociecha, 2012).

In modelling for early warning systems, defining and determining the critical life stage are important. The multiple attempts of leaving the bankruptcy understood in the legal sense failed due to the difficulty in defining and subjectivity of bankruptcy quantification in the economical sense (Kaczmarek, 2014b).

## 3. The measurement of financial distress level, test of group features and its classification

The assessment of risk prediction models, available in the literature, pointed to the necessity of new research tools elaboration (Kaczmarek, 2012a). Several years of research led to the estimation of logit regression on the vast sample of models which can be considered as unique due to the use of innovative methods and complex techniques (Fijorek and others, 2011). The estimated models are included into the group of logit models (with the use of Firth’s logistic regression), which enable not only to decide if the danger exists or not but also to determine its probability. The development of research is constituted by the estimation of scale models with the percentage of bankruptcy procedures in court (Fijorek and others, 2014).

The SZU measurement supported by the logistic regression model has two main features (Kaczmarek, 2012b):

- it enables to conduct the dynamic analysis of changes in the financial situation of macro-, meso- and microstructures (strength, direction and intensification),
- enables for relativisation of analysis result referring to the bankruptcy risk situation.

Due to the accepted methodology, the estimated SZU model for production enterprises looks as follows:

$$SZU = \left( 1 - \frac{1}{1 + \exp \left[ - \left( -0.51 - 0.44 \frac{W_1 - 1.64}{0.85} - 0.8 \frac{W_2 - 0.41}{0.32} + 0.65 \frac{W_3 - 0.45}{0.29} - 0.7 \frac{W_4 - 2.12}{13.51} \right) \right]} \right) \cdot 100\%$$

where:  $W_1$  – asset productivity ratio,  $W_2$  – self-financing ratio,  $W_3$  – short-term debt ratio,  $W_4$  – return of assets.

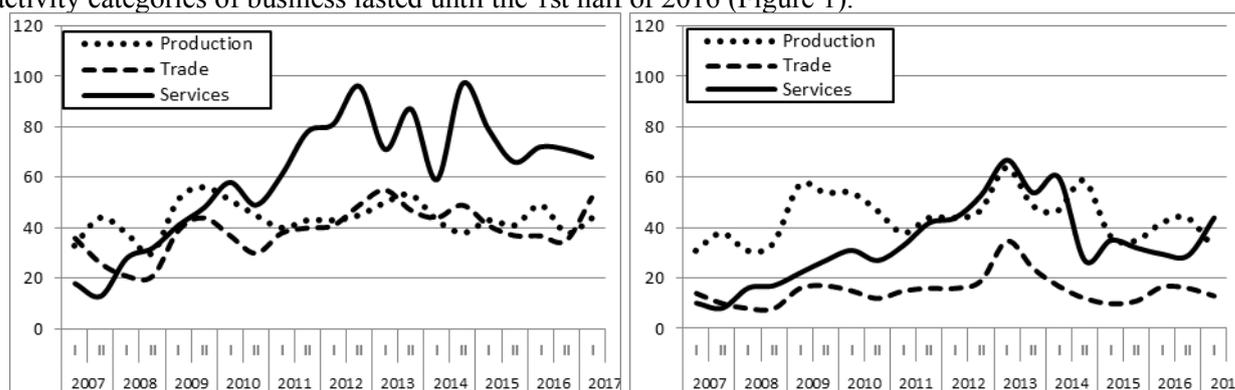
This measurement uses the values within the range of (0;100%), where its higher values indicate the higher probability of risk occurrence in the perspective of one year. The model obtains high predictive

abilities and the vast learning data set<sup>2</sup> predisposes to the empirical research on the vast groups of enterprises.

The research of objects translocations was conducted by means of ranging method<sup>3</sup>. In connection with the measurement of standard deviation<sup>4</sup>, the classification of objects was made. The interpretation of obtained features of objects groups referring to SZU is as follows: group 1 – high and stable position, group 2 – high position of significant variation, group 3 – low and stable position, group 4 – low position of significant variation.

#### 4. The extent and structure of enterprise's bankruptcy

In the SME sector in the period from 2007, the successive raise of SPU number was observed until 2013 when it achieved 686 SPU, which constituted 78% of all bankruptcies in 2013 and 37% of those from 2002. In small enterprises, the SPU number was at much higher level than in the medium ones and the dominating kind of activity in both cases was service (42.2% in small and 36.2% in the medium enterprises). The strong upturn was broken in small enterprises in 2014 and in the medium ones – of lower intensity – it had been broken earlier (the 1st half of 2013). The most positive situation in both categories of business size was observed in trade. The concurrence of SPU change for the size and activity categories of business lasted until the 1st half of 2016 (Figure 1).



Source: own elaboration on the basis of figures: *Raport wniosków o upadłość*, Coface Warszawa, <http://www.coface.pl> (10.11.2017); *Monitor Sądowy i Gospodarczy*, Ministerstwo Sprawiedliwości, <http://www.imsig.pl> (8.11.2017); *System Gospodarka*, Pont Info Warszawa, <http://www.pontinfo.com.pl> (14.11.2017); *Wyniki finansowe przedsiębiorstw niefinansowych*, GUS Warszawa, <http://stat.gov.pl/publikacje> (10.11.2017); *Podmioty gospodarki narodowej*, GUS Warszawa, <http://stat.gov.pl/publikacje> (10.11.2017).

**Figure 1. Number of court bankruptcy cases in small (left panel) and medium enterprises (right panel) in Poland within 2007 – 2017 (half-years)**

The results point to the slightly higher value of coefficient of variation (WZ) in small enterprises – its highest level concerned services (39% in small and 47% in medium enterprises). In medium enterprises, despite the lower value of standard deviation, the higher values of coefficient of variation were reported (WZ). The lowest value of variation and standard deviation SPU was characteristic for production.

In the sector of small and medium enterprises, the strong growth of percentage of court liquidation actions (OPU) in services lasted until the 2nd half of 2012. The decisive influence belonged to the situation of small enterprises. The increase noted in medium enterprises was equally intensive but temporary. The concentration ratio (WK)<sup>5</sup> for SPU indicated the raise until the 2nd half of 2013

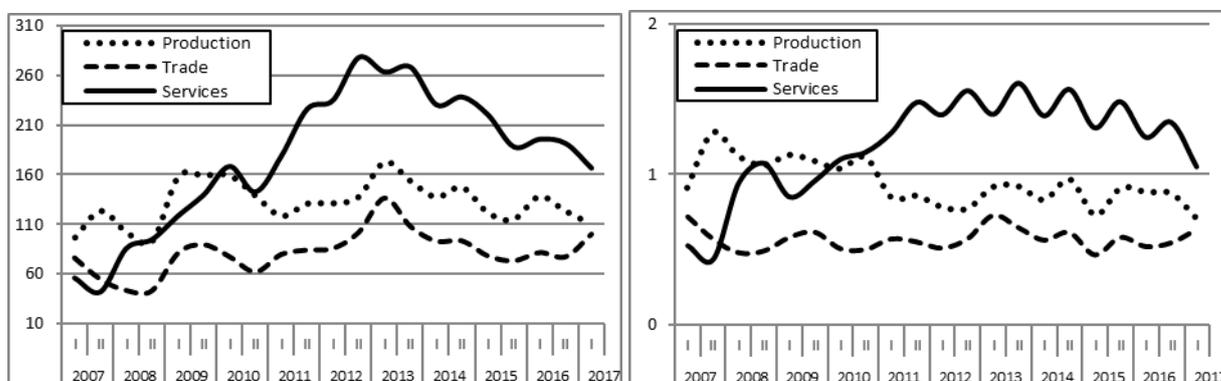
<sup>2</sup> Model for the production enterprises is characterised by: responsiveness 82,1%, specificity 81,3%, AUC 0,89 (*Area Under Curve ROC – Receiver Operating Characteristic*). The sample group of this model included 1.123 enterprises and 22.460 object observations.

<sup>3</sup> Aiming at it, the SZU values were replaced with the regular rangs. The method of average rangs and the rule of assigning the value of the lowest rang for the highest measurement of SZU.

<sup>4</sup> Standard deviation was accepted as the statistical dispersion concerning SZU value.

<sup>5</sup> Concentration ratio (WK) is the relative measurement – SPU numbers in the determined group ( $SPU_G$ ) to the number of enterprises in group ( $LP_G$ ) in reference to SPU in general ( $SPU_{OG}$ ) to the number of enterprises in general ( $LP_{OG}$ ). The statistical dispersion above 1 means the over average concentration of phenomenon in a particular group of enterprises ( $WK = \frac{SPU_G}{LP_G} \div \frac{SPU_{OG}}{LP_{OG}}$ ).

(Kolegowicz, 2017) From the 1st half of 2010, the above average of SPU concentration occurred in services. The more intensive changes and longer period of raising for WK concerned small enterprises more than the medium ones (Figure 2).



Notes: OPU counted for 10.000 enterprises; WK dimensionless quantity.

Source: the same as fig. 1.

**Figure 2. The percentage of court liquidation cases of enterprises (OPU) in accordance with the kind of business activity (left panel) and the value of their concentration measurement (WK) (right panel) for the sector of small and medium enterprises in Poland within 2007–2017 (half-years)**

The analysis of OPU and WK variability indicates the significantly higher values of their measurement for the category of medium enterprises than for the small enterprises (respectively: OPU – 19% and 27%, WK – 6% and 11%), despite the lower SPU values observed. The maximal OPU and WK values are also higher in case of medium enterprises than small ones. Considering the kinds of business activity, the lowest variability of OPU and WK were characteristic for production enterprises and the highest for services. In services, the highest values of OPU and WK standard deviation was observed in services and their values were a few times higher than in case of production enterprises.

### 5. Financial distress level for the production enterprises in the SME sector

The SZU measurement was used in the long-running and multidimensional assessments of institutional sector of enterprises at the level of micro, meso and macro economical. The research concerned the full collectivity of non-financial enterprises included in the national statistics<sup>6</sup> from 2007–2017. The article presents the synthetic conclusions and findings of research on production enterprises population concerning the sector of SME<sup>7</sup>.

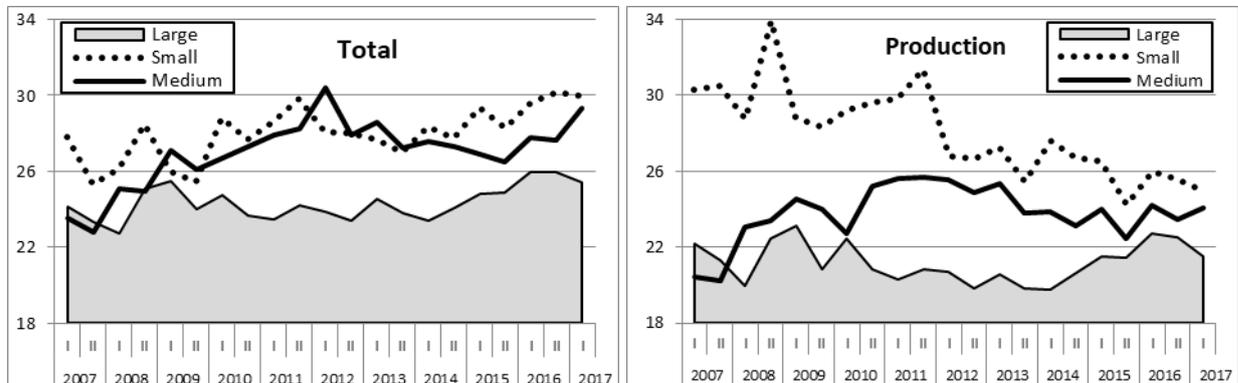
From 2007, the functioning of small enterprises is defined negatively by the distress level values with the trend of quite even pace of growth with the certain amplitude of fluctuations and culmination in the 2nd half of 2016. The deviation of value was always positive for the enterprises in general (in average +10.0%). The medium enterprises are characterised by two significant return points – the 2nd half of 2012 (transition from growth to decline) and the 2nd half of 2015 (translocation from decline to growth). The positive deviations in reference to the value of enterprises in general occurred in the 1st half of 2009 (on average +6.0%). The higher level of co-relation with the course of distress level curve concerned the small enterprises in general (Pearson=0.77), as well as the medium ones (0.70). Here, the relatively more beneficial situation of large enterprises becomes visible (Figure 3, left panel).

In production, the differences between the categories of enterprises' sizes are more visible. The distress level in small enterprises revealed the strong, long-term downward turn, comparing with the slight one in the medium enterprises in the 2nd half of 2013. In both categories of sizes, the values of

<sup>6</sup> The enterprises having over 10 employees, covered with the statistical reporting, included in the production, trade and service activity – 64,332 subjects (the 1st half of 2017).

<sup>7</sup> The sector of small and medium enterprises includes small enterprises (number of employees between 10–49) and medium ones (number of employees between 50–249). The micro enterprises (up to 9 employees) are included only in 4% of representative research. The number of small production enterprises (the 1st half of 2017) – 13,745 subjects (31,7%), number of employees 914,000 people (18.5%), sale incomes 394 mln PLN (12.3%).

deviations from the general value was positive – high for the very small ones (+27.5%), and low for the medium enterprises (+8.3%). (Figure 3, right panel). There was no co–relation of distress level curves for the small and medium enterprises dealing with production in general.



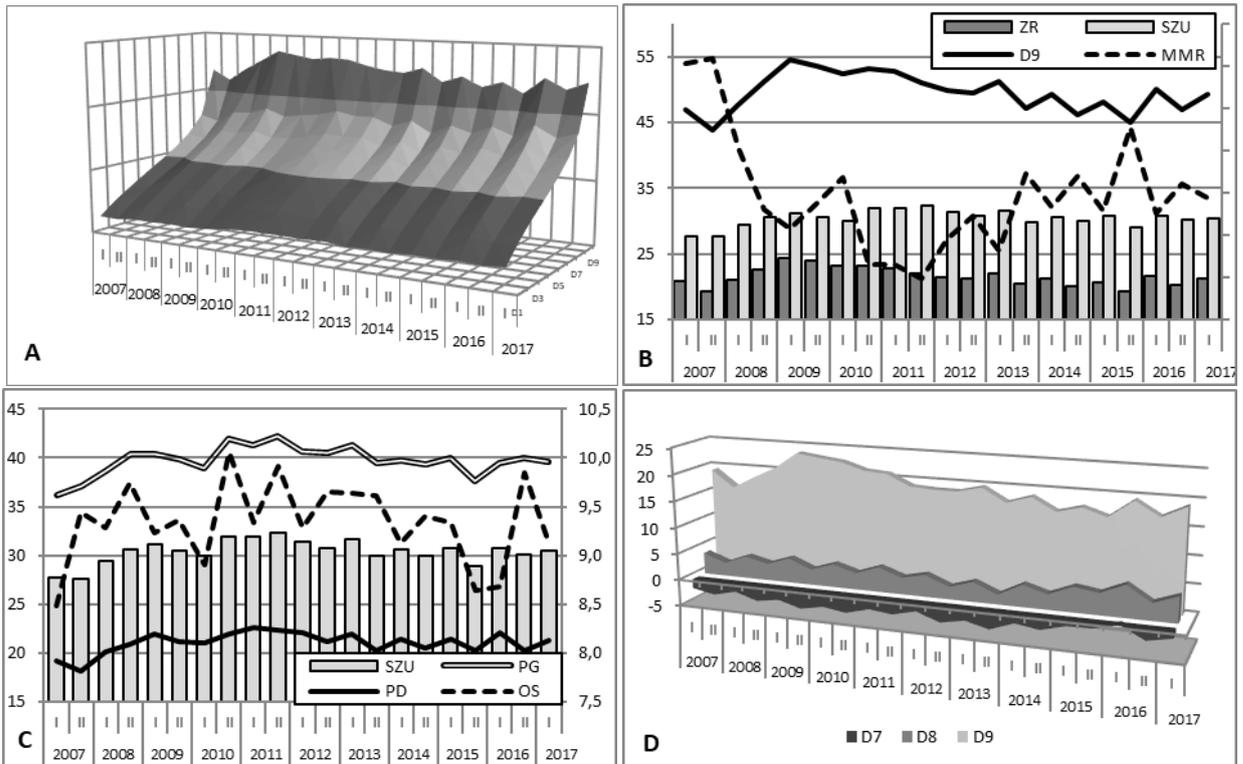
Source: same as fig. 1.

**Figure 3. The distress level of enterprises in accordance with the size categories in business generally (left panel) and in production (right panel) in Poland from 2007–2017 (half–years, in %)**

The observation of individual enterprises in the studied group enables to present the basic descriptive statistics. The average value of distress level in the production enterprises in the sector of small and medium enterprises showed the raise +0.46% (average periodical pace of changes – STZ), and of a ninth decyl +0.25%. The direction of changes among the enterprises of relatively highest and average risk was then in agreement but their intensity was different (of 1.8–times). The proportion between the maximal and the average one was declining of –0.46% (STZ) but the value of variation measurement was raising (+0.11% STZ).

The decyl distribution indicates the relatively high values of the ninth decyl which influence on the values of the average located high, between the seventh and eighth decyl. The cumulative distribution function for the two analogical periods (the 1st half of 2007 and the 1st half of 2017) changed slightly in the positive way. The decreasing of interdecyl range concerned only D9–D8 (–7.2%), however the highest increase referred to D3–D2 (+13.2%).

The standard deviation did not indicate any tendency. It was characterised by the significant deviations of amplitude. It is very poorly co–related with the values of average distress level (Pearson=0.51) (Figure 4).



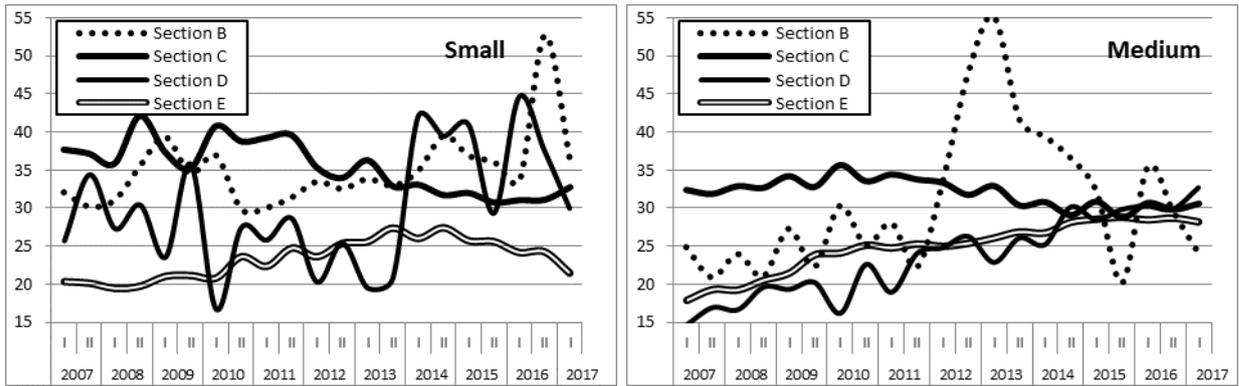
**Notes:** A – time series of decyl distribution; B – time series of average value of D9 of statistical dispersion ( $ZR=(D9-D1)/2$ ) and the relation of maximum to the average value (MMR – right axis); C– time series of average value of upper division (PG=average+standard deviation) and lower (PD=average–standard deviation) and the standard deviation (OS – right axis); D – time series of decyls positive deviations from the average value.

**Source:** same as fig. 1.

**Figure 4. The descriptive statistics of distress level in the production enterprises in the SME sector in Poland within 2007–2017 (half-years, in %)**

The situation in the production enterprises in the sector of small and medium enterprises is mainly influenced by PKD section C – Manufacturing (the relative assessment of distress level and profits of sale). It is the feature of both small enterprises as well as the medium ones (respectively: 85.7% and 86.0% of shares). Further, section D shall be mentioned (11.0% i 6.7%), as well as E (4.1% i 4.6%) and B (1.7% i 3.0%).

The characteristics of curve course of distress level in small and medium PKD divisions are different – higher amplitudes of deviations of those first. Moreover, for the same PKD divisions, the curves of distress level for small and medium enterprises vary in majority. In section B (Mining and quarrying) the small enterprises revealed the long-term upturn, and in the medium ones – after the culmination in the 1st half of 2013 – decline of risk was noted. In Manufacturing (section C), the direction of changes is highly agreeable (Pearson=0.86) – downward turn. In section D (Electricity, gas, steam, hot water, etc.) the medium enterprises showed the long-term upturn and the increase of distress level in small enterprises occurred in the 1st half 2014. In section E (Water supply; sewerage, waste and remediation), the long-term upturn in the medium enterprises was related with the downward turn in the small ones from the 1st half of 2015 (Pearson=0.78) (Figure 5.).



Notes: section B – Mining and quarrying, C – Manufacturing, D – Electricity, gas, steam, hot water and air conditioning manufacturing and supply, E – Water supply; sewerage, waste management and remediation activities.

Source: same as fig. 1.

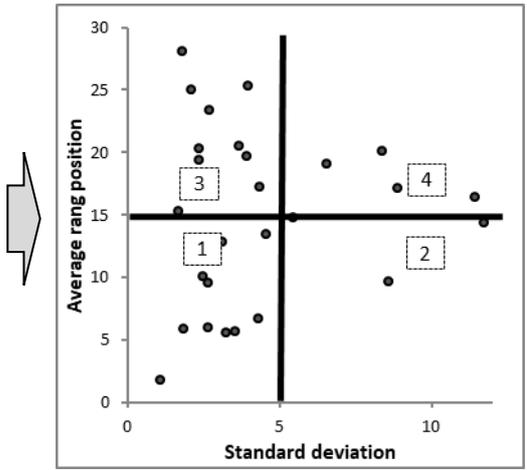
Figure 5. The distress level of production enterprises in the SME sector in accordance with the PKD divisions in Poland within 2007–2017 (half-years, in %)

6. The assessment of production PKD divisions in the SME sector – position, deviation and classification

The results of space analysis focuses on the low level of transitions of production PKD divisions in the sector of small and medium enterprises – the analysed mesostructure revealed in 2007–2017 the feature of relatively high durability of average standard deviation equal 4.1. The most numerous translocations occurred in the medium part of PKD divisions, with the rang position from 12 to 21 (standard deviation of 5.4). For the rang positions from 1 to 11 and from 22 to 32, their deviation was significantly lower (standard deviation respectively: 3.4 and 2.1).

To indicate the areas of similar distress level, the summary assessment was applied – of the average rang position and its deviation expressed by the standard deviation (in reference to SZU). The first group – high and stable position – (average rang position up to 15.0; standard deviation up to 4.0 – both values below the average for the mesostructure) included 28.1%, the second one 15.6%, the third one 37.5% and the fourth one 18.8% of PKD divisions (Figure 6, table 1). Summing up, almost 2/3 of PKD divisions (65.6%) is characterised by the high stability of rang positions in the mesostructure.

PKD	I 2007	II 2007	I 2008	II 2008	I 2009	II 2009	I 2010	II 2010	I 2011	II 2011	I 2012	II 2012	I 2013	II 2013	I 2014	II 2014	I 2015	II 2015	I 2016	II 2016	I 2017	II 2017
9	14	13	22	22	27	26	14	14	13	10	3	3	1	2	1	1	7	7	2	1	1	1
12	6	2	2	2	2	3	29	28	28	21	25	29	29	29	28	16	9	5	6	2	2	2
33	9	6	11	5	16	13	4	2	3	3	2	5	4	4	5	4	4	6	5	5	3	3
30	1	1	1	1	1	1	1	1	1	1	1	1	3	3	3	2	2	3	4	4	4	4
39					32	32	32	32	29	29	19	13	13	7	8	7	3	3	8	7	5	5
5	4	4	6	9	8	4	6	5	8	12	13	8	6	6	4	2	1	1	1	3	6	6
27	3	5	5	6	5	5	3	6	4	4	4	7	7	8	7	5	6	9	9	9	7	7
24	19	21	19	18	12	12	11	19	22	18	14	12	11	9	11	11	11	10	7	8	8	8
11	7	10	3	10	6	10	3	10	6	7	2	5	1	6	6	5	4	4	6	10	10	10
29	16	11	13	12	3	7	7	8	7	7	9	10	9	13	10	10	10	11	10	10	10	10
26	2	3	4	4	4	2	2	4	2	2	5	6	10	10	12	9	14	8	16	11	11	11
25	8	9	7	11	9	11	8	10	5	8	11	8	12	9	14	15	14	11	12	12	12	12
38	27	24	25	26	26	22	26	20	23	24	27	22	22	14	16	12	13	12	12	13	13	13
22	15	16	12	14	15	18	17	13	12	15	16	16	15	16	15	18	17	16	15	18	14	14
18	11	15	17	13	10	9	5	9	6	9	10	9	12	11	14	13	12	13	13	16	15	15
28	10	12	9	8	7	8	9	12	16	14	17	17	14	15	13	15	16	15	14	14	16	16
17	18	20	20	19	22	20	17	16	18	20	23	25	23	21	18	21	19	17	18	17	17	17
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13	5	8	10	3	13	10	13	11	17	16	12	15	18	19	17	19	20	20	25	20	20	20
14	17	14	15	20	19	15	18	17	20	26	21	21	20	23	20	27	25	23	26	24	21	21
8	23	25	24	26	23	28	22	27	14	17	11	4	2	5	2	8	8	19	24	28	22	22
10	21	17	21	17	21	17	24	18	24	19	22	19	24	18	23	20	22	18	21	19	23	23
20	24	26	26	24	25	23	25	25	27	28	28	27	26	25	24	22	26	28	20	22	24	24
23	25	23	23	23	24	25	23	24	19	26	20	24	16	24	21	29	24	27	23	25	25	25
15	13	18	18	21	17	19	15	7	11	5	6	18	21	27	27	30	30	31	31	31	26	26
36					30	29	28	30	30	30	30	28	30	28	26	24	28	26	26	26	27	27
35	30	30	30	29	31	30	31	31	32	31	32	32	32	32	31	31	31	30	29	28	28	28
31	12	7	8	7	11	16	19	21	21	22	18	20	25	22	22	23	21	22	27	29	29	29
37	29	28	28	27	28	27	27	23	26	27	26	26	27	26	30	26	29	29	30	30	30	30
19	26	27	27	28	20	24	20	23	25	23	29	31	28	30	29	28	18	25	19	21	31	31
21	28	29	29	30	29	31	30	29	31	32	31	30	31	31	32	32	32	32	32	32	32	32



Source: same as fig. 1.

Figure 6. Production divisions of PKD for the SME sector in accordance with the average rang position based on the distress level and its deviation in Poland within 2007–2017 (half-years)

**Table 1. Production divisions of PKD for the sector of small and medium enterprises in accordance with the rang position based on the distress level and its deviation in Poland within 2007–2017**

PKD division	PR	OS	PKD division	PR	OS
<b>Group 1</b>			<b>Group 2</b>		
<b>30. Manufacture of other transport equipment</b>	1.9	1.1	26. Manufacture of computer, electronic and optical products	6.7	4.3
<b>05. Mining of coal and lignite</b>	5.6	3.2	24. Manufacture of metals	13.5	4.5
<b>33. Repair, maintenance and installation of machinery and equipment</b>	5.7	3.6	13. Manufacture of textiles	14.8	5.5
<b>27. Manufacture of electrical equipment</b>	5.9	1.8	09. Mining and quarrying support service activities	9.7	8.6
<b>11. Manufacture of beverages</b>	6.0	2.6	12. Manufacture of tobacco products	14.4	11.7
<b>29. Manufacture of motor vehicles, trailers and semi-trailers excluding motorcycles</b>	9.6	2.7			
<b>25. Manufacture of fabricated metal products, except machinery and equipment</b>	10.1	2.5			
<b>18. Printing and reproduction of recorded media</b>	11.5	3.0			
<b>28. Manufacture of machinery and equipment not elsewhere classified</b>	12.9	3.1			
<b>Group 3</b>			<b>Group 4</b>		
<b>22. Manufacture of rubber and plastic products</b>	15.4	1.7	16. Manufacture of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	17.3	4.3
<b>17. Manufacture of paper and paper products</b>	19.5	2.3	38. Waste collection, processing and neutralizing activities; materials recovery	19.9	5.6
<b>32. Other manufacturing</b>	19.7	3.9	31. Manufacture of furniture	19.1	6.5
<b>10. Manufacture of food products</b>	20.4	2.4	15. Manufacture of leather and related products	20.1	8.4
<b>14. Manufacture of wearing apparel</b>	20.5	3.7	08. Other mining and quarrying	17.2	8.9
<b>23. Manufacture of other non-metallic mineral products</b>	23.5	2.7	39. Remediation activities and other waste management services	16.4	11.4
<b>20. Manufacture of chemicals and chemical products</b>	25.0	2.1			
<b>19. Manufacture and processing of coke</b>	25.3	3.9			

PKD division	PR	OS	PKD division	PR	OS
<b>and refined petroleum products</b>					
<b>37. Sewage disposal and treatment</b>	27.5	1.8			
<b>36. Water collection, treatment and supply</b>	28.1	1.8			
<b>35. Electricity, gas, steam, hot water and air conditioning manufacturing and supply</b>	30.5	1.3			
<b>21. Manufacture of basic pharmaceutical substances and medicines and other pharmaceutical products</b>	30.7	1.3			

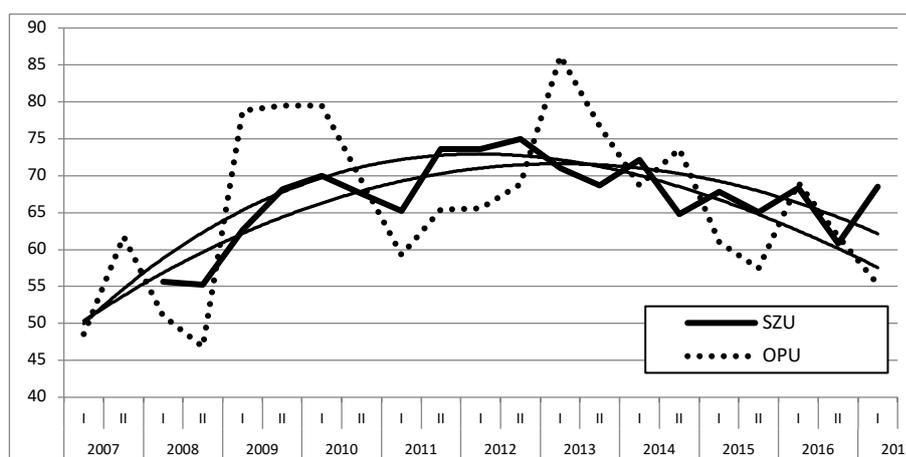
Notes: PR – average rang position; OS – standard deviation of rang position.

Source: same as fig. 1.

The general statement in scope of PKD divisions relation to the remarked groups with the special attention to the average rang position (PR) and its standard deviation (OS), is multiple existence of enterprises having the traditional business among the PKD divisions in the third group (positive PR and OS). While the modern industries, being the media for technological development and innovation, are not included there and usually are characterised by the high deviation of rang positions (present also in the third group – negative assessment of PR and OS, e.g. manufacturing of car vehicles).

### 7. Interrelations of distress level and percentage of bankruptcy

The co–relation of measurements being characteristic for the bankruptcy of enterprises in the economical sense (the financial distress level of enterprise continuation and bankruptcy – SZU) and in the legal sense (the percentage of bankruptcy court cases – OPU), is not possible without the differentiating of subject matter. It does not mean the lack of co–relations. The comparison of SZU (calibrated) value shaping and OPU indicates the similarity of their course in the long period (the analysis of period: 2007–2017) (Figure 7).



Source: same as fig. 1.

**Figure 7. The distress level (SZU) and percentage of court bankruptcy cases (OPU) of the production enterprises belonging to the sector of small and medium enterprises in Poland within 2007–2017**

It constitutes the additional argument for the positive assessment of estimated model effectiveness determining the financial distress level of enterprise continuation and bankruptcy of enterprises. To assess these interrelations, the range of co-relation time series tests of values was applied for both measurements which showed that there is medium and crucial co-relation statistically important (Pearson=0.52 when  $P < 0,05$ ) between the analysed measurements. The determined functions of trends (polynomial of degree 2) for both curves (the values of SZU and OPU) indicate the agreement of direction and closeness of their position.

The comparative analysis of enterprises group with the use of distress level measurement, scale measurement in the units equal the percentage of bankruptcy cases conducted by court seem to be the direction for further research.

## 8. Conclusions

As the findings of conducted research, the positive verification of complex hypotheses shall be indicated, which were being proved in the assessments of period 2007–2017:

- higher distress level concerns the small enterprises (equal growth pace) – the medium enterprises showed two turning points,
- small enterprises are characterised by strong downward turn of distress level in production, small and short-term trend – in medium enterprises,
- the dominating influence on distress level in production enterprises of SME has Manufacturing (section C),
- the characteristics of distress level for the small and medium enterprises in the crucial PKD sections are different,
- the productive mesostructure of SME has the feature of relatively high durability (small range of transition of PKD divisions),
- the traditional industry exists in great numbers in the groups of low deviation of rang positions – the modern industries belong to the group of high deviation (non-durable structures),
- small enterprises dominate slightly over the medium ones regarding the number of bankruptcy – over average concentration of bankruptcy exists in the services,
- there is a medium and statistically significant co-relation between the distress level and bankruptcy percentage.

One of the set directions for the further research is the analysis of institutional sector of enterprises by means of distress level measurement, scale measurement, in the units referring to the size of percentage of bankruptcy procedures conducted by the court. The other one is the use of risk prognosis tools to prolong its predicting horizon.

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# SEGMENTATION OF CUSTOMERS DUE TO THEIR PROFITABILITY IN COMMERCIAL COMPANIES

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## **Abstract**

The customer is the primary source of revenue for any company, but customer relations must be profitable. The aim of this article is to analyze the possibility of using customer segmentation in terms of their profitability in commercial companies. The article was written using the desk research method and presented a concept of solutions for selected problems related to the segmentation of profitable customers. The result of the article is to indicate the necessity of applying customer segmentation in terms of their profitability in order to optimize the costs of relations with these customers and to propose the use of segmentation.

**Keywords:** profitability, customer, costs, commercial companies.

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## **1. Introduction**

If a company does not consider a customer as its key priority, it means that the company does not have a priority. This statement, maybe overstated, reflects well the essence of the main area of interest of companies, where the customer should be the center. A customer, i.e. an entity which for a commercial company is the main supplier of income, which determines the possibility of further continuation and development of business activity. However, companies cannot focus only on maximizing revenues from customers. Revenues from the sale of goods are only one element of building profitable customer relations, which means that it is necessary to identify, record and process also data on the costs of customer relations. Only a comparison of revenues generated by customer relations with the costs of these relationships can allow the commercial company to answer the question: are these relationships with customers profitable?

The aim of this article is to analyze the possibility of using customer segmentation in terms of their profitability in commercial companies.

## **2. Customer segmentation**

The key problem of customer relationship management is the ability to identify profitable customers. Profitability is defined as the achievement of a positive financial result by the company over a given period of time (Klimas, 2000). The concept of customer profitability assumes maintaining such relations with customers, which result in a positive financial result of these relations. Therefore, customer relationship management activities focus on the maintenance of decision-making cost and performance accounts to assess the customer portfolio in two main aspects. The first relates to the profitability survey in terms of individual customers or groups of customers, in different analytical cross-sections, in which the portfolio analysis of customers is used. The second aspect is related to the assessment of the value created by the customer for the company in the whole life cycle of the customer, i.e. it is included in the income analysis and uses discounting procedures.

Profitability is defined as the achievement of income from economic activity exceeding the costs of running it (Drabik et al, 2009). Profitability is also a measure of efficient and effective action. Efficiency is a measure of the relation between the results of the activity and the expenditures incurred by an enterprise in order to achieve these results. In order to maximize their performance, companies are

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constantly looking for methods and tools to minimize the required outlays in achieving their goals. Effectiveness is the ability to achieve desired results (Drabik et al., 2009; Androniceanu, 2017). It is often measured in zero-one form or percentage execution form.

When analyzing the profitability of customers, it should be clearly indicated which income and expense items are revenues and costs of a given customer. If the revenue generated by the customer is relatively easy to determine, thanks to financial accounting methods, it is much more difficult with costs. Customer costs can be defined very broadly as all costs incurred by the company in obtaining, servicing and maintaining a customer relationship. This means that the costs associated with the customer may appear in the company before he makes his first purchase, then during his handling, that is, meeting his needs and maintaining relations with him. Companies also bear the costs of lost benefits by concentrating on unnecessarily maintaining unprofitable customers (which they often do not realize). After conducting such an analysis of the revenues and costs related to a given customer, it can be determined that the customer's profitability is the excess of revenues from the sale of goods to a given customer over the customer's costs related to that customer.

However, the traditional classification of revenues and expenses used in financial accounting is not able to provide sufficient information for a proper determination of customer profitability. Costs related to the customer are dispersed and are included in various items of the income statement.

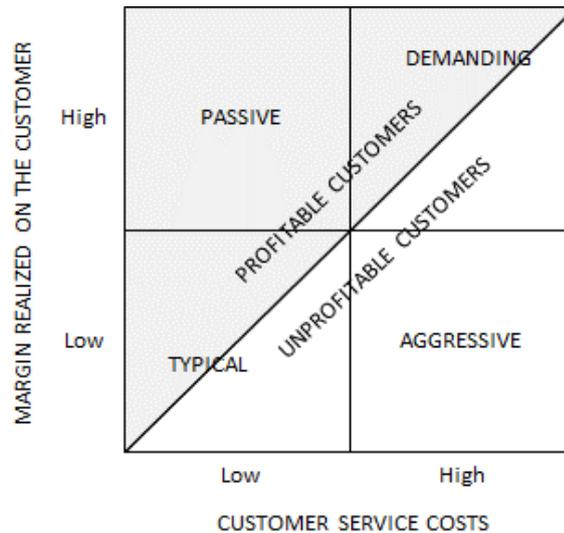
The necessity of individual approach to customer cost calculation may be evidenced by the fact of differentiation of their needs and, as a result, diversification of the commercial offer. Customers' preferences regarding the goods offered to them may relate to price, quality of service, functional characteristics of the goods, the possibility of complete order processing, transaction logistics and other features that may be present at individual customers in varying degrees and order. Different tools can be used by companies to differentiate their customer offerings. The most common are portfolio analyses based on customer segmentation.

Segmentation consists in identifying groups of customers with similar characteristics whose needs can be satisfied by an identical or similar value proposition (Sobańska, 2010; Belás et al., 2015; Cachero-Martínez, & Vázquez-Casielles, 2017; Bilan, 2013). Segmentation is a method of analyzing the complex reality of customers' needs, perceptions and expectations by classifying customers into a limited number of homogeneous groups – i.e. groups of customers with similar needs, perceptions or expectations. It is a model that makes it easier and quicker for businesses to make the right decisions (Horovitz, 2006).

Differentiation in the offerings entails different costs of relationships with individual customers or groups of customers. One of the interesting ideas for customer segmentation in terms of economic aspects was presented by B. P. B. P. Shapiro, V. K. Rangan, R. T. Moriarty, E. B. Ross (1987). They have combined customer service costs with the margin generated by him. Thanks to such a list they were able to establish the profitability of individual customers. This division was used to divide customers into four basic groups:

- passive customers,
- demanding customers,
- typical customers,
- aggressive customers.

This breakdown shows the dependency matrix of customer service costs with realized margin on the customer (Figure 1).



Source: Shapiro, Rangan, Moriarty, Ross, 1987.

**Figure 1. Customer profitability matrix**

Passive customers include those who pay attention mainly to the quality of commercial services, for which they are willing to pay more. They are characterized by low service costs. Demanding customers demand a lot, which entails correspondingly high costs of their service. Although they can achieve a sufficiently high margin, the profitability of the relationship is moderate due to high service costs. Typical customers are those who have few additional requirements, thanks to which the costs of their service are low, but achieved margins also. It is the most numerous group of customers of commercial companies and is also moderately profitable. Finally, aggressive customers, expect low prices with high demands at the same time, are definitely unprofitable.

Other types of customer segmentation can also be used in the analysis of customer behavior. Variables used in the traditional way to differentiate between customers, i.e. geographical and demographic ones are insufficient (Ohanyan, Androniceanu, 2017). Nowadays, companies should first of all identify purchasing behavior (Kiezel, 2010; Tamuliene et al., 2016; Ida, 2017) of individual customers or, if this is not possible or profitable, groups of customers. Customers are analyzed taking into account the regularity and size of purchases, the average number of contacts with the supplier, the scope of using commercial services, the width of merchandise spreads, promotions and loyalty instruments. Each of these variables, combined with traditional geographical or demographic characteristics, creates a new quality in assessing customer profitability. It also helps to analyze the duration of the customer relationship and its potential value for the company concerned. In the analysis of customer profitability, it is necessary to combine these variables with the analysis of segment or customer costs and revenues for particular segments or customers. This concerns the measurement of the relationship between loyalty and profitability. The main criterion for conducting market segmentation is more often the analysis of the customer's value and loyalty. A matrix analysis may also be used for this type of analysis, which will take the form shown in Figure 2.

MARGIN REALIZED ON THE CUSTOMER	High	Potential	Strategic
	Low	Reluctant	Permanent
		Small	Big
		CUSTOMER'S SHARE IN TOTAL SALES	

Source: Own results.

**Figure 2. Dependency matrix of client's share in sales of a company and the margin achieved thanks to it**

In the presented matrix of relationships between a given customer's share in total sales and the margin realized thanks to it, four types of customers can be distinguished:

- Potential – customers who seldom make purchases and therefore cannot count on discounts. They are often the first buyers who can potentially become customers of other categories.
- Strategic – customers who make large purchases while maintaining a significant margin for the company. These are customers who pay attention to other features of the commercial service than the price. Over time, they begin to evolve towards regular customers.
- Permanent – customers who, as a rule, already maintain long relationships with a given trading company and have optimized these relationships in terms of all the features that are of interest to them.
- Reluctant – these are customers who occasionally use the offer of the company in a particularly advantageous situation for them or customers who are at the end-of-life stage of their life cycle in the company. Often these are customers who are considered undesirable from the point of view of the company because their handling causes additional costs and can contribute to the costs of lost benefits.

This segmentation makes it easier to personalize customer behavior towards individual customers or their segments. In the case of execution of the customer's strategy, portfolio analysis is helpful in diagnosing the whole enterprise (Nogalski, Marcinkiewicz, 2004) trading.

Customers do not define a commercial company's strategy, but their expectations of the quality of goods and commercial services have an impact on it. Businesses that attach great importance to customer relationships and want long-term profitability should apply five basic principles:

- 1) the customer determines the quality of goods, the quality of services and acceptable value,
- 2) customers contribute to the creation of competitive solutions for goods and services offered in relation to the existing solutions,
- 3) react quickly to changing customer expectations, which usually change upwards,
- 4) quality assurance of goods and services must cover the entire value chain for the customer,
- 5) maximizing customer value requires the whole enterprise to be involved in the implementation of this measure.

In order to get to know and understand the relationship between customer loyalty and customer satisfaction, it is necessary to fully understand the market in which they operate and the relationships they have with their environment. In practice, it is difficult to obtain such information, but thanks to efforts made in this area, customers can be divided into four further categories (Heskett, Sasser Jr., Schlesinger, 1997):

- Apostles – customers who are loyal and satisfied with the relationship with a trading company and recommend it to others,

- Tenants – customers who potentially have other suppliers in their neighborhood, from whom they could get a lower price but are very satisfied,
- Hostages – customers who are dissatisfied but have little or no other alternative suppliers,
- Terrorists – customers who have alternative suppliers and use them, and they also try to convince other customers to leave by expressing their dissatisfaction.

Depending on the changing external environment and the efforts of the current supplier, customers may migrate between these categories.

Satisfaction of the customer is his conviction that the commercial service he has received meets or exceeds his expectations. Customer satisfaction is often considered in the context of customer loyalty, retention and profitability. C. Fornell, M. J. Ryan and R. A. Westbrook (1990; Epstein, 2000; Saeidi et al., 2017; Czarniewski, 2014) have shown that there is a causal link between customer satisfaction and loyalty and that this relationship often leads to an increase in profitability.

Companies have recognized that customer satisfaction is the basis for long-term profitability. Increasing competition in emerging markets increases the importance of customer satisfaction. In such a situation, the companies also tend to change their offensive policy of e. g. acquisition of new customers for defensive actions related to maintaining existing customers and increasing the sales volume for them. Such a policy does not seem to be optimal, especially when the company operates on a dynamically changing market. The growing competition is conducive to customer turnover, and for this reason companies must ensure that new potentially profitable customers are attracted.

Customers can be segmented in two ways (Rószkiewicz, 2002):

- presume search criteria and, according to them, divide customers into individual segments (*a priori* segmentation), or
- examine customer behavior and try to establish common variables according to which customers will be divided between different segments (*post hoc* segmentation).

If an enterprise uses demographic, social or economic variables for customer segmentation using the first method, it applies descriptive segmentation and if the variables concern market behaviors, behavioral segmentation is implemented.

The analysis of the customer portfolio by *a priori* method is carried out according to the algorithm:

- 1) verify the appropriateness of adopting suggested customer related variables as segmentation criteria,
- 2) separation of customer segments in terms of homogeneity of adopted segmentation variables,
- 3) profiling of customer segments and company activities related to customers classified to a given segment.

In its *post hoc* approach to customer segmentation, the company relinquishes from top-down segment setting criteria, but focuses its activities on the search for variables that allow it to determine what benefits customers are looking for in the market. This approach not only identifies the benefits sought by customers, but also segments customers according to them. The algorithm of this action can be described in the following steps:

- 1) determination during the analysis of the most desirable variables,
- 2) quantification of fixed variables,
- 3) analysis of common characteristics by fixed variables,
- 4) determination of customer segments according to common characteristics,
- 5) profiling of customer segments and company activities related to customers classified to a given segment.

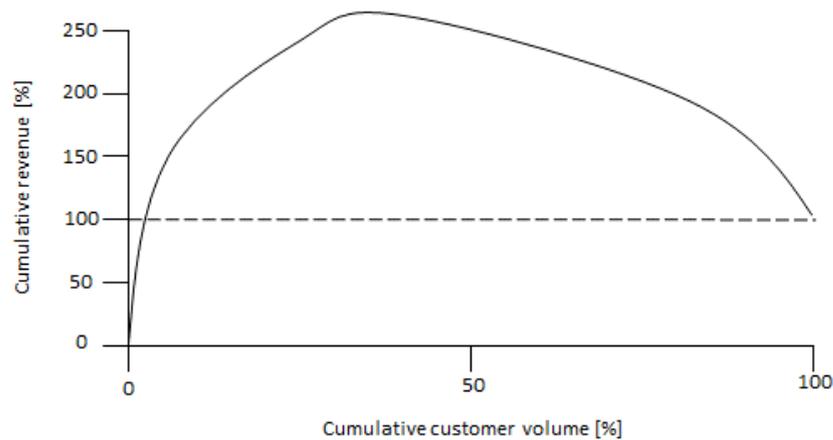
Portfolio analysis in commercial companies must be adapted to the specific internal and external conditions in which the company operates, since the customer's profitability will also be affected by variables not directly relevant to the customer but occurring on the market.

The basic factors determining the scope and possibilities of customer segmentation in their portfolio analysis include, among others, the following:

- market intelligence data (capacity, demand-supply relations),
- the possibilities and constraints of the company's resources,
- historical data on existing customer relations in terms of desired criteria,
- development trends in consumption,
- own expectations regarding the company's growth.

However, maintaining relationships with loyal and satisfied customers does not have to be profitable. When analyzing the profitability of customers, the retention and costs of servicing them must also be taken into account.

In 1998, R. S. Kaplan surveyed customers of the Swedish company Kanthal, which produces around 15 000 different products and has almost 10 000 customers. Kaplan measured the profitability of individual customers and presented the results in a cumulative version using the graph shown in Figure 3.



Source: Kaplan, 1989.

**Figure 3. Cumulative profitability of the company's customers**

The research presented by R. S. Kaplan shows that only a part of the customers is profitable (the one located on the left side of the chart maximum). Other customers are unprofitable and maintain relationships with them at the expense of profitable customers, thus reducing the potential profits that the company could achieve.

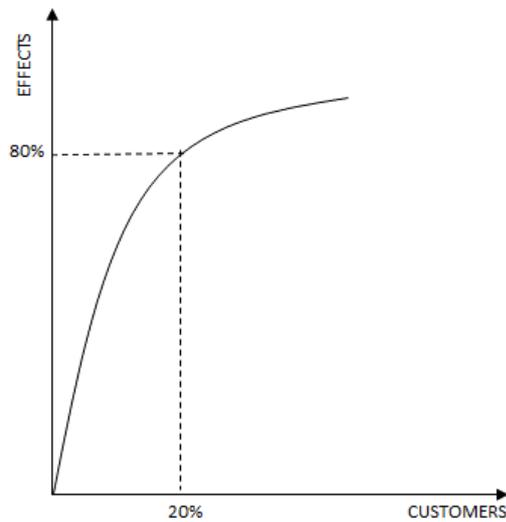
In this situation, the company generally has two solutions to the problem:

- gradually close relations with unprofitable customers,
- lead unprofitable customers to at least a profitability threshold.

It should not be forgotten that the main objective of customer segmentation is, generally speaking, to reduce the costs of activities performed on behalf of customers throughout their life cycle in the company. Unfortunately, activities related to portfolio analysis of customers and their segmentation are activities that also contribute to the creation of costs. Companies must therefore analyze the cost effectiveness of such measures.

On the basis of the research carried out by R. S. Kaplan (which are presented above), it appears that accurate portfolio analyses can be successfully limited. This is due to the fact that only a part of the customer's profits is profitable and therefore there is an economic justification for carrying out such analyses. The Kaplan's research coincides with the observations made by the Italian sociologist and economist V. Pareto at the end of the 19th century working on the demographic issues of Italy at that time. By applying the Pareto principle, the cost-consumption of portfolio analysis can be reduced.

It is clear that a company will present a varied offer to its customers because each customer has different needs and expectations. But each of them is also of different importance for the company to achieve profitability. Therefore, the first customer allocation may be a breakdown according to the importance of customers to the company. An analysis according to the Pareto principle shows that only about 20% of the company's customers are of key importance, as shown in Figure 4.



Source: Own results.

**Figure 4. Curve of relationship between number of customers and effects**

The Pareto principle is also referred to as the 20-80 rule, which describes the regularity occurring in heterogeneous communities, according to which 20% of the elements of a given community represents 80% of the cumulative value of the attribute, according to which a given community is considered. Therefore, it can be stated that 20% of customers generate 80% of their sales profit and the remaining 80% of customers account for only 20% of the company's profits. In light of this, the problem of making an appropriate 20% segmentation of customers can be considered as the key issue, which will significantly contribute to reducing the costs of these activities.

Unfortunately, the Pareto rule also has drawbacks, because the fact that the customer is classified as a second group, i.e. 80% of the customer, results in less attention being paid to his relationship with the company. For this reason, a company may "miss", at the moment, a small customer, but with a large potential. The development of the Pareto principle can partly address this problem. The possibility of applying such a development to customer segmentation according to the criterion of participation in profitability creation for a company is presented in Table 1.

**Table 1. Use of the extended Pareto principle for customer segmentation**

Cumulative share in revenues	Customer	Traits		Share in customer volume
60%	A	Needs		15%
		Perception		
		Expectations		
	B	Needs		
		Perception		
		Expectations		
	C	Needs		
		Perception		
		Expectations		
25%	D		25%	
	E			
	F			
15%	Rest of customers		60%	

Source: Own results.

The application of this method will significantly contribute to reducing the costs of portfolio analysis of customers, while at the same time not causing any significant defects.

Methods of measuring revenues and cross-section costs of individual customer segments enable analysis of customer profitability. As can be seen from the above-mentioned considerations, the concept of customer profitability is very broad, encompassing many methods of measuring the impact of customer relations on the company's financial situation.

Customer profitability analysis, which takes into account the behavior of particular customers or groups of customers, requires the ability to determine revenues and costs related to the given settlement period to particular customers or their segments treated as accounting objects. The next step is to calculate the margins realized on these billing facilities as the difference between revenues generated by customers or groups of customers and the costs generated by them. The analysis of customer profitability and the characteristics of the margins calculated depend on the cost accounting principles used by the company to measure customer costs.

Regardless of the cost accounting adopted to establish the profitability of customers using their segmentation due to selected characteristics, a pattern of conduct could be presented which consisted of the following elements:

- selection of features and segmentation of the customer portfolio,
- statement of the period covered by the analysis,
- specification of the scope of the customer's cost and result account,
- measurement of revenues and costs related to customers in all segments (different range of this measurement may be applied depending on the acknowledged significance of a given customer segment),
- calculation of customer profitability.

The choice of customer characteristics according to which the company will subsequently segment its customers will determine to a large extent the nature of the information on customer profitability. The scope of segmentation will also influence the quality of information, the larger the group of customers is analyzed, the more strategic this significance will be. For the purpose of operational cost management, it is advisable to segment into the smallest possible groups of customers, or even, especially in the case of strategic customers, to separate individual customers.

The determination of the segmentation width is closely related to the period of time in which the analysis of customer profitability is planned. As a rule, the analysis is performed in several time profiles depending on the needs of managers. The *ex post* dimension shall be analyzed on days, weeks, months, quarters and years. The dimension of inventory turnover, the organization of the sales department and the level of trade in the goods in which the company is located have a particular impact on the period of customer profitability analysis. In the *ex ante* dimension, analyses are usually carried out over a period of one to five years in the future.

The determination of the scope of the customer's cost account is also determined by the analysis period as well as the management's information needs, which define their initial expectations at the first stage of customer segmentation. It defines the limits within which customer profitability analysis will be conducted.

Measurement of revenues and costs related to customers is strictly determined by causal relationships between customer relations activities and revenue and cost carriers. The financial accounting system allows to record the revenues and direct costs of customers. The issue of relying on customers for the rest of costs, i.e. costs more or less indirectly related to customers, is a problem of choosing and managing the type of cost accounting and the customer's cost calculation itself.

The last element of the analysis of customer profitability algorithm is to determine the size of this profitability in the desired cross-sections. The basic measure of this analysis will be the determination of the margin obtained "on the customer", a group of customers or the whole segment. Profitability ratios for various cross-sections will complement margins in determining the degree of achievement of profitability objectives. Determining profitability in absolute terms as well as profitability ratios calculated as a relation of fixed margins to various economic values will help significantly diversify profitability in the customer segments surveyed and ensure that the results obtained can be interpreted correctly.

The Customer Profitability Analysis Model is a holistic model with a single objective function. This model is analogous to the profitability of the company as a whole, although this model will be extended to non-operational profitability. The basic model consists of two categories: revenues and costs. In the customer profitability model, they will be considered separately for each customer segment. The

sum of individual margins generated by individual customers from particular segments will result in total profitability of customers. This model for a given customer segment can be presented as:

$$WF_{Si} = P_{Si} - K_{Si} \rightarrow \text{maksimum} \quad (1)$$

where:

$WF_{Si}$  – financial result of customers of segment  $i$ ,

$P_{Si}$  – revenues of customers of segment  $i$ ,

$K_{Si}$  – costs of customers of segment  $i$ .

Thus, the financial result of the trading company from operating activities will be:

$$WF_O = \sum_{i=1}^n WF_{Si} \quad (2)$$

where:

$WF_O$  – operational financial result of the company,

$WF_{Si}$  – financial result of customers of segment  $i$ .

Conducting a profitability analysis in individual segments is important from the point of view of the possibility of capturing profitability values and its differences in the activities aimed at customers located in different segments.

A typical method of determining customers' profitability is to perform it *ex post*, i.e. using real data and actions that have already taken place. An interesting option for companies is to try to identify profitability in an *ex ante* system, i.e. based on planned data concerning the future. Such analysis is key to planning the development of and action by trading companies.

### 3. Conclusion

Managers and employees of commercial companies increasingly appreciate the role of the customer in achieving strategic and operational goals of companies, especially in creating value for owners. However, there is still insufficient knowledge among the staff of commercial companies at all levels of management on how to measure customer profitability for the company. Profitability perceived as the difference between revenues generated by sales of goods and costs related to customers. It is easy to determine the revenue generated by the customer, and it is much more difficult to determine the total costs associated with the customer. In order to establish the profitability of the customer relationship, it is not a significant single transaction made with the customer, but the entire relationship with the customer over a long-time horizon. The cost of the customer is not only costs that are directly related to the customer, but all costs incurred by the company. If the customer is in fact the only source of revenue from the commercial companies' operating activities, all the costs incurred by the trading company as a whole to achieve these revenues are those of the customers.

Any method that assists a company in determining the real profitability of its customers is desirable. An important element in establishing customer profitability is the cost accounting (Lew, 2015), which aims to establish the actual costs of individual customers. Financial accounting is able to provide information on individual customers' revenues without any problems. Thanks to this data, it can establish the actual profitability of individual customers and their segmentation will allow optimization of customer service costs.

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# DEFINING INDICATORS IMPACTING SOCIAL DIMENSION OF SUSTAINABILITY BY CAP DIRECT PAYMENTS SYSTEM

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## Abstract

The paper is an attempt of presenting selection of social sustainability indicators impacted by EU Common Agricultural Policy (CAP) direct payments (DP) system. The concept of sustainability has spread worldwide to many policy instruments, including the CAP. Since 2003 reform (*Fischler* reform) the integration of the sustainability into the CAP led a move towards new goals for economic, social and environmental sustainability in all CAP measures, including direct payment (DP) system. Agriculture without farmers would not be possible, therefore the social dimension of sustainability, which combines economic and environmental dimensions, is one most important, particularly sensitive and severely affected. The aim of this paper is to identify how the DP system contributed to ensuring social sustainability. To this end, the task of this paper is to define social sustainability dimension indicators impacted by CAP DP system.

**Keywords:** social dimension of sustainability, direct payments system, CAP, indicators.

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## 1. Introduction

The report “*Our Common Future*” of the “*World Commission on Environment and Development*” had already defined sustainability in 1987 as a “*development which meets the needs of the present without compromising the ability of future generations to meet their own needs*” (Keeble, 1988). According to Agenda 21, the concept of sustainability is *multidimensional*. It includes ecological, social and economic objectives. Between these different elements, there is interdependency. Research results indeed confirm that the relationships are strong, numerous and complex (EU Commission, 2001).

For more than 20 years sustainability has become one of the main directions in the development of new policy tools and legislation. Agriculture was no exception. In order to combine and balance economic, social and environmental challenges, since 2004 the principle of sustainability has been adapted to the Common Agricultural Policy (CAP). Strengthening the economic viability of rural areas is the basis for providing the means of preserving their social and environmental functions (EU Commission, 2001). Social implications result from the provision of rural employment opportunities, the diversification of economic activities and the promotion of local products, services, craft activities and agri-tourism. Preserving environmental quality is also a precondition for developing a lasting economic potential in rural areas (EU Commission, 2001). Rural and agricultural society is a core actor in combining economic and environmental dimensions of sustainability in agriculture. Concept of sustainability recognizes that the economy is a sub-set of society (i.e. it only exists in the context of a society), and that many important aspects of society do not involve economic activity (Parliamentary..., 2002).

Social dimension of sustainability in agriculture plays a crucial role in implementation of the agri-policies.

According to Punkari *et al.* (2007) the social sustainability of a policy or program implies two serious and opposite outcomes:

1. *Generating long-term, positive outcomes for as many segments of the population as possible given available resources.*

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2. Recognizing that some groups may be disadvantaged or made worse off by planned interventions and taking responsibility for reducing or mitigating social risks.

## 2. Principles defining indicators

Developing indicators for social dimension of sustainability of agriculture many authors (Bachev, 2017; De Olde *et al.*, 2016; Niemeijer & de Groot, 2008; Meul *et al.*, 2008; etc.) use worldwide frameworks, such as DSR (Driving Force State Response), SAFA (Sustainability Assessment of Food and Agriculture systems), RISE (Regulatory indicators for sustainable energy), SAFE (Sustainability Assessment of Farming and the Environment), COSA (The Committee on Sustainability Assessment), MMF (Multiscale Methodological Framework), MOTIFS (The Monitoring Tool for Integrated Farm Sustainability).

All mentioned frameworks include the maximum number of indicators in terms of sustainability's dimension. However, in order to assess which indicators of the social sustainability dimension are impacted by the CAP DP system, a selection of indicators should be made in accordance with three principles:

- relevance, i.e. matching the 2004-2014 (the start period of implementing sustainability in the EU CAP) objectives of the CAP DP system with achievement indicators, linked with indicators for sustainability;
- the direct impact of the DP system on agricultural indicators (empirical studies and correlation analysis);
- validity and representativeness of selected indicators - checking data accessibility for selected indicators both at the national and EU level.

In accordance with CAP DP system, the main elements were distinguished: single area payment scheme (SAPS), coupled payments for crops, coupled payments for livestock production, decoupled payments for crops and decoupled payments for livestock production.

## 3. Defining indicators of social sustainability dimension impacted by CAP DP system

Shaping the CAP since 2003 (*Fischler* reform), sustainability was foreseen for whole CAP, including a system of direct payments (DP). In line with the objectives of the CAP, some of them had been strongly linked to the social dimension of sustainability (Table 1). Since sustainable farming should achieve three goals including environmentally sustainable, socially sustainable and economically sustainable, in its boundaries, so it should be put in the context of the ontological thinking regarding sustainable farming (Waney *et al.*, 2014).

**Table 1. Objectives of the CAP direct payments system in 2004–2014**

	<b>Objectives of the CAP direct payments scheme</b>	<b>Dimension of sustainability</b>	<b>EU legislation and authors</b>
1.	Ensuring EU agriculture's competitiveness	Economic	EU Commission, 1997; Stead, 2007.
2.	Ensuring a sufficient level of income for farmers and stabilizing income support (i.e., ensuring farm viability by ensuring the internal convergence of support and income stability)	Social/Economic	European..., 2005; Henke <i>et al.</i> , 2012; Sahrbacher, 2012; Cunha, Swinbank, 2011; Burrell, 2009; Stead, 2007.
3.	Sustainable promotion of market-oriented agriculture Securing safe, healthy and high-quality food	Economic/Social	European..., 2005; European..., 2002; Cunha, Swinbank, 2011; Burrell, 2009; Lynggaard, Nedergaard, 2009; Stead, 2007.
4.	Sustainable use and management of natural resources, extensification of environmentally-unfriendly agricultural activities.	Environmental	European..., 2005; European..., 2002; Henke <i>et al.</i> , 2012; Sahrbacher, 2012; Burrell, 2009; Lynggaard, Nedergaard, 2009.

Source: author, 2017.

The second objective of the CAP system of direct payments is also linked to social dimension (see table 1). Analysis of scientific literature has shown that, according to a large number of authors, DP system has impact on employment level in agriculture (Bartolini *et al.*, 2015; Olper *et al.*, 2013; Hennessy, Rehman, 2008; Goodwin *et al.*, 2007). Olper *et al.* (2013) stated that the CAP DP system contributed substantially to the maintenance of jobs in agriculture at EU level.

Nevertheless 2003 CAP reform transformed DP system, fluctuations of market prices and decoupled payments in new EU member states (linked with area), contributed to the change in farming activity and in type of farming (Vidickienė, Melnikienė, 2014), partly due to the migration of the employed in agriculture and by the decision to abandon agricultural activities (Van Herck, 2009).

Analyzing <sup>1</sup> and indicators for the social sustainability dimension in the context of the 2nd CAP objective (see table 1), the link between those objectives and the social sustainability dimension criteria (or sustainability themes) is associated with social protection and livelihoods, the vulnerability of the economy, and employment change in rural areas (Scotti *et al.*, 2011; Ifft *et al.*, 2012; European ..., 2013).

In assessing the impact of a CAP DP system on employment in the context of agricultural sustainability, it is important to measure both the impact of the DP system on the change of annual work units (AWU) and the uniform of the DP system's payments distribution among different farm sizes or farming types (Petrick, Zier, 2012). One of the commonly used indicators is an amount of DP (in euro) per AWU. Empirical researches show that due to very high correlation (more than 0.9) between two indicators, i.e. an amount of DP received per AWU and DP per farm, indicator DP per AWU needs to be modified and the evaluation should be performed by measuring the impact of DP system on *AWU indicator* only (Petrick, Zier, 2012).

Other empirical studies show that the DP system impacts the standard of living and income inequality. In order to assess the impact of the DP system on social protection and the standard of living, i.e. impact on the income gap in different farm groups (by size) and the level of income inequality in the region or country, the **ratio of farm net (or gross) income (with subsidies, i.e. DP) to average wage of the country or region** should be used (Barnes, Thomson 2014).

The vulnerability of the farm is also significant problem caused by CAP DP system in EU in recent years. According to Ifft *et al.* (2012), the lack of DP has a negative impact on both farm income and agricultural activity, as it can force farmers to diversify their farming activities or abandon farming. Meanwhile, Ryan *et al.* (2014), the promoter of sustainable agricultural development, stresses that a farmer is vulnerable when he has no other income except from farming. This idea is shared by other scientists and in proposals for CAP reform since 2003, which emphasize the responsibility of the farmer in sufficient income level by promotion in diversification of (non) agricultural activities (Blad, 2010; Maye *et al.*, 2009; Kšivickienė, Ribašauskienė, 2007, Tarybos..., 2005; Benjamin, 1994). However, the “financially-friendly” CAP DP system can encourage farmers to misbehave the risk of loss of income and discourage diversification. In order to evaluate such a connection, the criterion of farm vulnerability is included in the list of social criterion (Ryan *et al.*, 2014), which is described by **the ratio of income from non-agricultural activities to all farm income** indicator.

To sum up, it can be stated that, in the light of empirical research on EU-wide evaluated indicators and results obtained, according to the comparability of data and to the correlation analysis results obtained on FADN data in Lithuania for the years 2004-2014, three social dimension of sustainability indicators were selected in order to identify the impact of the DP system on it (table 2).

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<sup>1</sup> Criterion – sustainability's theme or group of indicators

**Table 2. The Social indicators of the impact of the DP system on agricultural sustainability (The 2<sup>nd</sup> objective of the CAP DP system)**

Criterion	Indicator	Variables of indicators	Data source	EU legislation and authors	Interpretation of the value of the indicator
Social security and standard of living	Ratio of farm net (or gross) income (with subsidies, i.e. DP) to average wage of the country or region	EUR/EUR	FADN	Barnes, Thomson, 2014; Scotti <i>et al.</i> , 2011; Ifft <i>et al.</i> , 2012; European..., 2013; European..., 2011	The higher the better
Farm vulnerability	Ratio of income from non-agricultural activities to all farm income	EUR/EUR	FADN	Ryan <i>et al.</i> , 2014; Blad, 2010; Maye <i>et al.</i> , 2009	The higher the better
Employment	Annual work units	AWU	FADN	Bartolini <i>et al.</i> , 2015; Barnes, Thomson, 2014; Ryan <i>et al.</i> , 2014; Olper <i>et al.</i> , 2013; Longhitano <i>et al.</i> , 2012; Van Herck, 2009; Hennessy, Rehman, 2008; Goodwin <i>et al.</i> , 2007	The higher the better

Source: author, 2017.

Despite the fact that the indicators of the social sustainability dimension, according to the theory of agricultural sustainability, include indicators such as farmer's gender, education, demographic viability, distance to the center, risk of isolation, etc. (Barnes, Thomson, 2014; Longhitano *et al.*, 2012; Ryan *et al.*, 2014; Van der Meulen *et al.*, 2014).

The analysis of the scientific literature reveals that the CAP DP system applied from 2004 to 2014 did not impact the above-mentioned indicators, and the objectives associated with the achievements of the mentioned indicators were not raised (European..., 2013; European..., 2011).

The 3rd objective of the CAP (see table 1), analyzing it both in the context of the evolution of the CAP and in the context of sustainability theory, includes the economic and social dimensions of agricultural sustainability. The economic and social dimensions of this objective are related to the agricultural production structure, while the DP system, even decoupled DP, impacts the country's agricultural production structure, affects farmer's decision regarding the choice of production type and volume (Vidickienė, Melnikienė, 2014; Brady *et al.*, 2009; Happe *et al.*, 2008; Ahearn *et al.*, 2005).

The agricultural production structure impacted by the TI system partly affects the change of export and import volumes of individual agricultural products and, at the same time, the security and satisfaction in volume of local food. According to the 3rd CAP DP system's objective, promotion of market-oriented agriculture must be sustainable. However, analyzing both market orientation agriculture and sustainability goals, it was found that the orientation of agriculture to the domestic and foreign markets (exports) is usually not sustainable. In the interests of sustainability and according to natural possibilities, firstly the need of local (national/regional) level of agricultural products should be ensured, and only then the overproduction<sup>1</sup>, as a side effect of intensive agricultural production, must be realized outside the local market (Dufalla, 2016). Export promotion or its support is not linked to sustainable agriculture, since resources, especially natural ones, are used solely for the purpose of economic benefits, by preventing them from regenerating. There was no specific economic indicator for measuring this phenomenon (criterion), since, according to the theory of international trade; the increase in the volume of exported products cannot be regarded as a negative trade factor (Feenstra, 2015; Sen, 2010).

According to the fact that the economic aspect of this criterion has little to do with sustainability, the 3rd CAP DP system goal was only observed in the context of the social sustainability dimension.

As mentioned before, CAP DP system has an impact on changes in the structure of agricultural production, as well as on accessibility and security of locally (country/region, this case - Lithuania) grown and produced agricultural goods (Feagan, 2007). The security of healthy, safe and quality food has to be assured across the EU (Cunha, Swinbank, 2011; European..., 2002, 2005; Zahm *et al.*, 2008). Security of safe and healthy food was guaranteed in the earliest seventies of 20<sup>th</sup> century, and till nowadays the EU

<sup>1</sup> Volume of production that exceeds sales of goods on the local (national/regional) market.

is fully food secure (Ingram *et al.*, 2012; Parry *et al.*, 1999). Inductive analysis of food security and CAP theories, allows distinguishing six controversial and overlapping groups, of interested parties on agreement of food security: 1. producer, 2. environment, 3. development, 4. free trade, 5. regional, 6. food severity (Candel *et al.*, 2014). Only environment, regional and food severity shall be emphasized from these groups, as they are the most important in goals of agricultural sustainability and are related to security of local grown agricultural production and food, as minimizing impact on environment (Kirwan, Maye 2013).

Thus, assurance of supply of healthy, save and high-quality food is closely linked to local agricultural production and farm supplied local food, which uses sustainable agricultural production methods (Pelletier *et al.*, 2013; Santini, Paloma, 2013; Kirwan, Maye, 2013; Zahm *et al.*, 2008). In order to evaluate, country capability to meet the local needs with above-mentioned products, and aggregate quantitative indicator is used – the ratio of production to consumption. However, the calculation of this indicator faces the lack of statistical data: there is no calculation of production volume of FADN farms. Therefore, the geographic (area) component is being evaluated: *the ratio of the total amount of agricultural products produced by Lithuanian (any country/region) farms to the number of products consumed in Lithuania.*

**Table 3. The Social indicators of the impact of the DP system on agricultural sustainability (The 3<sup>rd</sup> objective of the CAP DP system)**

Criterion	Indicator	Variables of indicators	Data source	EU legislation and authors	Interpretation of the value of the indicator
Securing of safe, healthy and quality food	Local food security (the ratio of the total amount of agricultural products produced by Lithuanian (any country/region) farms to the amount of products consumed in Lithuania (any country/region))	kg/kg	Statistics Lithuania	Fish <i>et al.</i> , 2013; Pimbert, 2008; Feagan, 2007	The higher the better

Source: author, 2017.

In order to calculate this particular indicator, data of Lithuanian Statistics was used, as FADN database does not provide information related to consumption. This indicator has contradictory value (following results of correlation analysis), as evaluating DP system's direct payments on livestock in Lithuania, correlation coefficient with mentioned indicator has negative value (-0.48). This shows that he decreases in payments resulted in an increase in the supply of Lithuanian food products. This result is logical, as local food security is more ensured with crop products by compensating lack of supply of livestock goods produced (case of Lithuania). Correlation of DP (applied during 2004-2014) with security of local products was positive and was equal to 0.19 (table 4).

**Table 4. Social sustainability indicators impacted by DP system and correlation coefficients of them and DP amount**

Indicators	Correlation coefficient of indicator and DP amount
Ratio of farm net (or gross) income (with subsidies, i.e. DP) to average wage of the country or region	-0,56
Ratio of income from non-agricultural activities to all farm income	0,45
Annual work units	-0,61
Local food security (the ratio of the total amount of agricultural products produced by Lithuanian (any country/region) farms to the amount of products consumed in Lithuania (any country/region))	0,19

Source: author, 2017.

Assessing the impact on social dimension of agricultural sustainability (calculation made on all FADN farms in 2004-2014 in Lithuania), it was found that the dominant negative impact of CAP DP system's single area payment scheme was made on such criterions as employment (CC1=-0.63), social security and living standards (CC=-0.63) (table 5).

**Table 5. The linkage between the elements of the DP system and the indicators of the social sustainability dimension of all farms in Lithuania, based on the years 2004-2014 FADN**

<i>The dominate impact of DP system on the criterions of social dimension of sustainability</i>	<i>The element of DP system impacting the social dimension of sustainability</i>	<i>The statistical link (correlation coefficient)</i>
Social security and standard of living	SAPS (increasing funding)	-0,63
Employment		-0,66

Source: author, 2017.

Increasing the share of SAPS payments conditioned indirect coupling of DP to land area and encouraged farmers to focus more on crop farming, mainly on cultivating cereal crops, i.e. encouraged change or choose such types of farming which need larger areas and less labor. Such a reorientation led by the lack of necessary knowledge jointly with lack of processing machinery for cereals was the reason for weak ability to produce higher value-added agricultural products conditioned a negative profit of such farmers. The only increasing SAPS payments turned negative profit into positive. Although the number of AWU declined annually, profits (incl. DP) per one AWU grew slower than the average wage in the country.

#### 4. Conclusions

Integrating the concept of sustainability into agricultural policy has become an important challenge for policy-makers and for agricultural actors, and the dimension of social sustainability has been of particular importance in examining the CAP DP system.

Identified links between the sustainability dimensions and the objectives of the CAP DP system enabled the selection of indicators. The selection of the indicators was carried out in accordance with 3 principles: relevance; direct impact of the CAP DP system on agricultural indicators (empirical studies, correlation analysis); the validity and representativeness of the selected indicators (at national and EU level)

According to the impact of the DP system on social sustainability dimension's indicators, four indicators were selected: 1. the ratio of farm net (or gross) income (with subsidies, i.e. DP) to average wage of the country or region; 2. the ratio of income from non-agricultural activities to all farm income; 3. annual work units; 4. local food security (the ratio of the total amount of agricultural products produced by Lithuanian (any country/region) farms to the amount of products consumed in Lithuania (any country/region)).

Assessing the impact on social sustainability, it was found that the dominant negative DP system's impact was made on standards of living and employment criterions. Indicators from these criterions were most severely affected by such CAP DP system's element as SAPS.

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<sup>1</sup> CC – correlation coefficient

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# THE INFLUENCE OF NON-EXTREME WEATHER EVENTS ON FINANCES IN THE ENERGY SECTOR

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## Abstract

Weather factors such as temperature and precipitation have a significant impact on the operation of businesses, including their finances. According to numerous studies, nearly 70% of all economic activity is subject to the influences of weather. Analysis of these influences is thus relevant for businesses in the energy sector in Poland. To date, the Polish market has not been studied in this respect. The energy sector, which is considered to include a wide range of economic entities, was chosen for its particular susceptibility to changing atmospheric conditions.

The purpose of this article is to demonstrate that the energy sector in Poland is prone to non-catastrophic weather risk, and that weather factors have a significant impact on the revenue of businesses therein.

**Key words:** weather risk, energy sector, weather.

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## 1. Introduction

Regardless of where we are in the world, we are all exposed to weather elements. While some weather anomalies are relatively rare (e.g. earthquakes, hurricanes, floods, etc.), others occur more frequently, and have a range of possible deviations within the normal distribution. Classic examples would be sudden cold spells in the summertime, unusually warm winters, torrential rains, and heavy winds. Each of these phenomena has a different influence on people and their activities.

Such relationships between humans and their environment are the basis of the considerations in this article. Our primary objective was to address the impact of non-catastrophic weather risk on the finances of economic entities. The analysis was limited to entities from the energy industry, which is susceptible to changing weather conditions such as temperature, precipitation, and wind. The basic effects of unfavorable weather conditions include an increase in energy demand, as well as a decline in the production of energy from renewable sources. Our secondary objective was to identify threats resulting from changing weather conditions.

## 2. Literature review

Nearly 70% of all economic activity is subject to the influences of weather (Brabazon & O Idowu, 2002; Nagaj, 2016; Štreimikienė et al, 2016). Mild winters affect the profits of businesses from the energy sector, while cooler summers affect the profits of those that produce cold drinks, beer, and ice cream. These are just a few examples. But regardless of the industry, one thing is for sure: weather strongly influences the operation of economic entities.

The negative effects of changing weather conditions are not always possible to predict using traditional methods. But knowledge in the field of weather risk management can help reduce or eliminate the unwanted effects of unpredictable changes in the atmosphere. We should begin by defining the term "weather risk." According to J. Preś (2007), the concept of weather risk is used in literature to describe the financial threats that certain weather events pose for a company. M. Corbally and P. Dang (2002) treat the concept more generally, defining it as a group of events that pose both catastrophic and non-catastrophic threats. J. Cogen (1998) refers to finances in his definition, arguing that weather risk is

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connected to the uncertainty of cash flows and gains resulting from atmospheric variability at any given time. The Project Management Body of Knowledge (PMBOK, 2008) states that weather risk is the potential occurrence of an uncertain event or condition that would effect at least one aspect of a business, such as scope, schedule, costs, or quality. Risk may therefore have one or more causes, and in case of a particular occurrence, one or more effects. A cause may be a requirement, assumption, limitation, or specific condition that may result in negative or positive consequences. If a negative event occurs, it may affect an entity's expenses, schedule, or overall performance (Androniceanu, 2017; Androniceanu & Popescu, 2017).

Weather risks and the economic activities they affect can be collectively referred to as the financial exposure of an entity to weather events. As stated by E. Sokółowska (2009), these events are a result of the immanent volatility of weather. Furthermore, because the impact of weather conditions on the finances of business entities can be expressed as a monetary measure, weather risk belongs to a group of financial risks (Dziawgo, 2012). A similar approach to this issue was developed by the Weather Risk Management Association (WRMA), according to which weather risk should be understood as financial gain or loss caused by the volatility of daily weather conditions. In turn, L. Clemmons (2002) sees it as a description of the financial exposition of business activity to such weather events. What is important is that this exposition is usually non-catastrophic, and influences the profitability of business entities rather than their fixed assets. L. Clemmons' approach allows for a dual understanding of risk, as he identifies small deviations from standard atmospheric conditions with weather risk, and relatively less common - yet more destructive - weather phenomena with catastrophic risk.

The fact that economic activity is significantly susceptible to changing weather conditions is in some sense intuitive. But a potential unknown is the scale of their impact. The most important research in this area to date has been conducted outside of Europe. Data from the National Research Council from 2003 indicates that 25-42% of US GDP is susceptible to changing weather conditions. Furthermore, J.K. Lazo (2012), in research from 2011, indicated that US GDP varies by +/-1.7% depending on weather conditions. This amounts to \$485 billion per year.

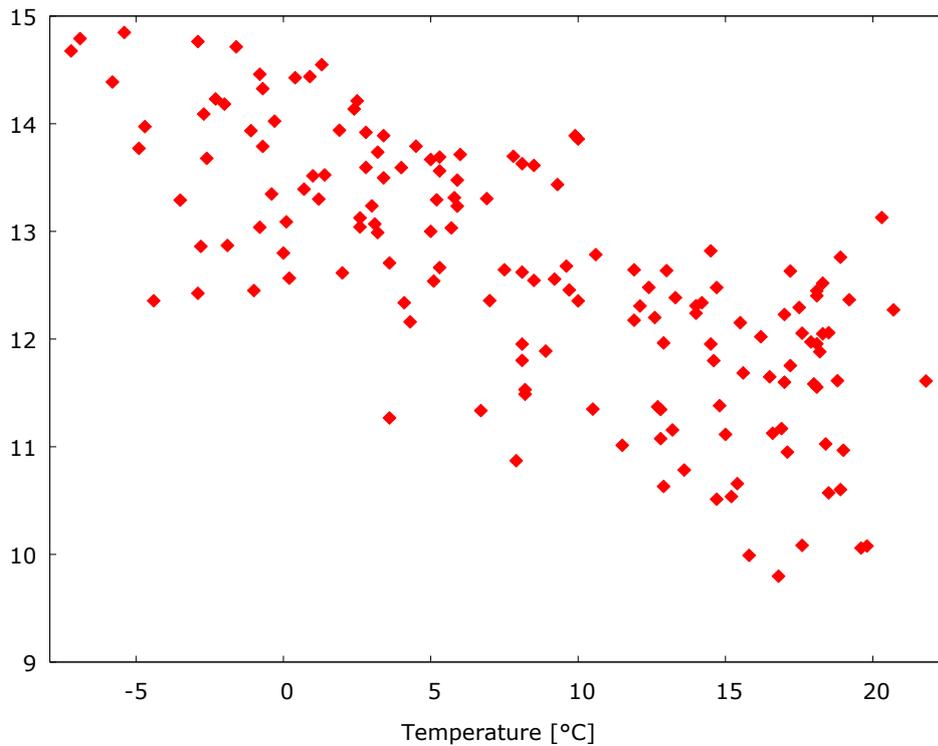
D. McWilliams and T. Diplock (2003) observed similar relationships between weather conditions and GDP in some European countries. Likewise, in 2004, D. McWilliams observed a strong and essential influence of weather on GDP in an analysis of European quarterly data from 1970-1995. He also concluded that the influence of atmospheric conditions on the economy of a given country depends largely on its climate. In generalizing his observations, he stated that the most important factor is precipitation, and that a lack thereof has a negative effect on the EU economy. He also stated that an increase in precipitation of 1 mm per day throughout the course of a year increases the GDP of member countries by over 2.5 billion euro. J.S. Pollard, J. Oldfield, S. Randalls, and J.E. Thornes (2008) also studied Europe in this respect. Using the UK as a case study, they showed that weather can affect up to 70% of businesses.

In sum, we can conclude that a significant portion of a country's GDP is dependent on weather conditions, and thus so too are individual types of economic activity. When considering individual sectors of the economy, we can see that not all are susceptible to atmospheric factors to the same extent.

Depending on the profile of a business, weather conditions can have effects ranging from increased demand, to inhibition of normal operations. These effects then translate to financial gains or losses. Hence non-catastrophic weather risk is associated with profitability risk. The sectors most susceptible to weather risk (Cao, et al., 2003; Sowiński et al., 2016; Stępień, 2016; Kasperowicz et al., 2017; Grmanová et al., 2016; Simionescu et al., 2017) are energy, agriculture, food and beverage, construction, tourism, transport, retail, etc.

### **3. Energy Sector Versus Weather Conditions**

Our considerations will focus on the energy sector - one of the sectors most susceptible to changing weather conditions. All entities operating in this sector exhibit a characteristic relationship (Dischel, 2002), i.e. that between energy consumption and outside temperature. The lower the temperature, the greater the need for energy. This relationship is depicted in Figure 1, which shows the monthly energy consumption in Poland together with the average temperature from 2002-2014. The relationship is significant, as the measured correlation value is close to -0.8.

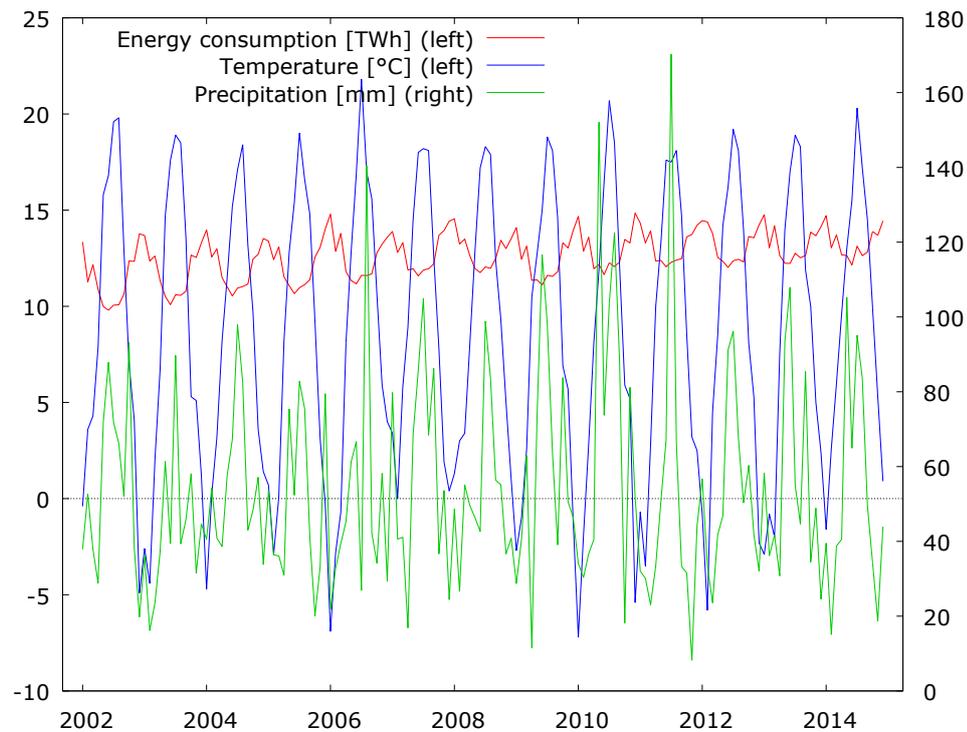


Source: Own results.

**Figure 1. Scatter diagram of average temperature and energy use in Poland from 2002 to 2015 (monthly data)**

The demand for electric energy is also dependent on other weather factors. For example, studies conducted in England and Wales determined that atmospheric phenomena affect instantaneous demand for electric energy. According to an EJC Energy report from 1999, temperature drops of 1°C at sub-zero temperatures increase energy demand by 400 MW (in relation to a total demand of 1%). Moreover, a change from no precipitation to intense precipitation generates an increase in energy demand by 800 MW. This confirms that weather factors other than temperature have an impact on the energy sector. Such analyses are being conducted all over the world, and reveal an increasingly close dependence of the energy sector on weather phenomena.

The Polish energy sector is no exception, as shown in Figure 1. In a certain sense, Figure 2 is a confirmation of the inversely proportional relationship between electric energy consumption and outside temperature, as well as the relationship between electric energy consumption and precipitation. However, the latter is less obvious.



Source: Own results.

**Figure 2. Electric energy use in Poland together with average temperature and precipitation from 2002 to 2015 (monthly data)**

We used modelling to confirm that temperature and precipitation have a significant impact on the supply and demand of energy in Poland.

#### 4. Data collection

The aim of the econometric modelling in the next section of this work was to assess the actual impact of the abovementioned weather factors on electric energy usage. Two explanatory variables were therefore introduced: outside temperature (°C) and precipitation (mm). Both variables were considered using monthly data from 2002-2015, which is a sufficient duration for these time series. Though the influence of temperature on energy consumption is rather straightforward, the influence of precipitation is less so. The influence of precipitation can be explained by the relationship between precipitation intensity and temperature, as well as by the fact that more intense precipitation (especially snow) can lead to damage of electrical devices, which can in turn affect profits and losses. Furthermore, when it comes to renewable energy sources, precipitation and the resulting cloud cover significantly affect the energy industry. Data on weather phenomena and electric energy consumption in Poland have been collected for the analyzed period.

Apart from the reasons listed above, the explanatory variables were chosen for purposes of statistical analysis, i.e. based on the method of elimination of quasi-constant variables. Good for this method are variables whose coefficient of variation is greater than the threshold value, which is most often set at 0.1 (10%). In case of temperature and precipitation, the volatility values were 0.89 and 0.51, respectively, which significantly exceeded the assumed values.

In order to correctly indicate potential explanatory variables, a correlational analysis thereof had to be performed. The selected variables needed be poorly correlated with one another, and strongly correlated with the explanatory variable. The strong correlation - in this case of two factors (temperature and precipitation) - results from the fact that they convey similar information. Then, a "representative"

was selected (this is usually done according to substantive premises). Finally, the correlation coefficient between temperature and precipitation was determined to be 0.56, which in this case is not high.

For this study, we used a classic one-equation model in which, apart from the previously indicated figures, periodic variables 0-1 were considered. This can be explained by the possible seasonality of data. Keep in mind, however, that we are dealing here with monthly data. One additional variable was therefore introduced for each month. The final analytical model was adopted in the following form:

$$Y_t = \alpha_0 + \alpha_1 X_{1t} + \alpha_2 X_{2t} + \gamma_1 dm1 + \dots + \gamma_{11} dm11 + \varepsilon_t$$

where:

- $Y_t$  – energy consumption (TWh),
- $X_{1t}$  – average monthly temperature (°C),
- $X_{2t}$  – monthly precipitation (mm),
- $dm1, \dots, dm11$  – periodic zero-one variables,
- $\alpha_0, \alpha_1, \alpha_2, \gamma_1, \dots, \gamma_{11}$  – model parameters.

As we can see, the model includes an incomplete number of months. In order to avoid the trap related to variables 0-1 (*dummy variable trap*), we did not account for the  $dm12$  variable (Gajda, 2004; Michalak, 2014). This was also done to avoid the effect of strict collinearity.

Application of this model as presented above yielded the results shown in Table 1.

**Table 1. Assessment significance of the model's structural parameters**

Variable	Coefficient	Standard Error	t-Distribution	Value p
absolute term	13,8833	0,211653	65,590	<0.0001*
X1	-0.0625941	0,029437	-2.126	0,0352*
X2	0,00283779	0,002641	1,075	0,2844
dm1	0,0756551	0,266213	0,284	0,7767
dm2	-1.23196	0,262500	-4.693	<0.0001*
dm3	-0.457431	0,271908	-1.682	0,0947
dm4	-1.52180	0,360340	-4.223	<0.0001*
dm5	-1.64008	0,488251	-3.359	0,0010*
dm6	-1.76636	0,566906	-3.116	0,0022*
dm7	-1.21292	0,646048	-1.877	0,0625
dm8	-1.28495	0,608248	-2.113	0,0364*
dm9	-1.28897	0,482770	-2.670	0,0085*
dm10	-0.285626	0,359367	-0.795	0,4281

Source: Own results.

An initial analysis of the figures above revealed that not all parameters are significant for a significance level of  $\alpha=0.05$ . The most important are the structural parameters for variables  $X_1$  and  $X_2$ . If the parameter for the temperature variable is significant, then the amount of precipitation accounted for in the model no longer yields positive results in this respect. Therefore, the earlier assumption of the presence of this variable in the model becomes baseless. Furthermore, in interpreting the assessment value of the structural parameter for variable  $X_1$ , it should be noted that an average monthly temperature increase of 1°C causes a decrease in electric energy consumption of -0.0626 TWh.

Interpretation of parameter assessments for zero-one variables appears to be insignificant for purposes of this work. It is performed as a profile of discrepancy between the effect in a given month with the effect in the reference month (i.e.  $dm12$ , which in this case was omitted). For example, assessment of the parameter for  $dm2$  indicates that energy consumption in February was 1.23 TWh lower than that in the reference month (December).

Therefore, an overall assessment of the model using F-Snedecor statistics confirms the significance of its structural parameters. However, when we consider each parameter individually, as in Table 1, these assessments are not so clear (Student's t-test). Moreover, when assessing the accuracy of the estimated regression equation - apart from the accuracy of the estimated structural parameters - we should examine

the extent to which the equation matches the empirical data. Such an assessment can be conducted using the convergence coefficient or the coefficient of determination (the value of the latter in this case is 0.71).

When analyzing the model from the substantive point of view, we should pay attention to the influence of exogenous variables on the endogenous variable. Our hypotheses regarding the influence of exogenous variables on the endogenous variable in the case of average monthly temperature are correct. The negative value of parameter  $\alpha_1$  confirms that as the temperature rises, the amount of energy sold decreases. Logical justifications are also characterized by the positive value of parameter  $\alpha_2$ , which indicates that an increase in precipitation causes an increase in energy sales.

In order to fully verify this model, properties of the random element should be analyzed, e.g. the normality of remainders, and their heteroscedasticity, symmetry, and possible autocorrelation. This, however, is outside the scope of this publication.

## 5. Futures Contracts on the Energy Market

In analyzing the electric energy market in the context of dependency on weather conditions, we should emphasize its significant relationship with temperature. The above modeling attempt confirms only the previous assumptions, which - in a certain sense - exclude precipitation. We thus obtain clear information on determinants of the market resulting from changes in atmospheric conditions. This information is very important for the sector.

Entities operating in this sector are subject to significant risk on account of significant weather fluctuations - both catastrophic and non-catastrophic - that fall beyond the intervals of the three-sigma rule. When a business is exposed to unfavorable weather conditions, and knows the parameters of the corresponding risk, it can make a forward transaction and purchase a weather derivative instrument with which it can transfer the unwanted risk to the capital market. This type of transfer is very important, as it significantly limits prospective risk. Of course, the efficiency of such an instrument requires appropriate contract duration, basic and backup meteorological stations, a base index, and a withdrawal function. However, these are not problems in the case of weather-based instruments. Uncertainty on the energy market mainly concerns cold periods, as indicated by the analysis under Table 1. We can therefore assume October-April as the contract period (this can be extended or shortened). The issue of meteorological stations is also non-problematic, as we have a wide range of IMGW (Institute of Meteorology and Water Management) data at our disposal. The same can be said about base indexes, as temperature has a fundamental influence on the energy sector. These indexes constitute the most popular basis for forward weather contracts. One worth recommending is the HDD index (*Heating Degree Day*).

When it comes to the OTC market in Poland, such exchanges do not work. There is thus significant room for improvement of this type of derivative instrument. Standard forward weather contracts usually have rigid frameworks due to stock exchange regulations. On a free market, therefore, such contracts can be better adapted to current needs. They could take into account not only unfavorable plus temperatures during cold periods, but also unfavorable minus temperatures. This would enable avoidance of losses resulting from temperatures both too high and too low; so that in the face of adverse weather conditions, companies would not suffer financial losses, i.e. they would be insured against non-catastrophic weather risk.

## 6. Conclusions

The energy market is a subject of increasing interest, especially in Poland, where there is a constant debate over its resources and structure. The problems faced by the sector include uncertainty with regard to legal regulations on renewable energy sources (photovoltaics, wind energy), as well as outdated infrastructure (both in terms of production and supply). Poland's lack of nuclear energy and heavy dependence on mined raw materials are a threat in terms of coal prices, as well as price increases for CO<sub>2</sub> emission allowances. There are also temporary problems with the provision of the necessary power. Currently, all analyses of this sector are relevant; however, it is important that they concern a wide spectrum of factors (e.g. legal regulations, the profitability of specific energy sources, etc.).

In addition to macro-level threats, there are also threats to individual entities operating on the energy market. Nevertheless, the issues analyzed in this publication concern the relationship between changing atmospheric conditions and the finances of energy companies. Since this relationship is

important, we should ensure that its negative effects are reduced insofar as possible. A good solution to the problem may be to transfer all risks to the outside market, not so much through insurance, but through forward weather contracts whose construction is not overly complicated. One drawback of this solution in Poland is the fact that the market is not homogeneous (which would be conducive to self-regulation). However, this does not mean that the situation is hopeless. As indicated earlier, it is possible to create weather instruments outside the stock market, in which case the lack of legal regulations may be an advantage, as it would allow for free construction of forward contracts.

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# **BANK MARKET POWER AND FINANCIAL CONSTRAINTS FOR SMALL AND MEDIUM ENTERPRISES (SMEs): EVIDENCE FROM THE VISEGRAD COUNTRIES**

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## **Abstract**

This paper investigates the effect of bank market power on financial constraints for small and medium enterprises (SMEs) with respect to Visegrad countries: the Czech Republic, the Slovak Republic, Poland, and Hungary. The data of this paper are obtained from two different sources, namely the World Bank Financial Development Database, and the Business Environment and Enterprise Performance Survey (BEEPS), which is conducted by the European Bank for Reconstruction and Development (EBRD) and the World Bank (WB) during the period of 2012-2014. The results show that increased bank market power or bank concentration is associated with higher financial constraints, hence our results are in line with prior research that less competition in the market may hamper smooth credit acquisition process for SMEs.

**Keywords:** Financial constraints, Bank concentration, Bank competition, SMEs, Visegrad countries.

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## **1. Introduction**

The role of bank finance in fostering economic growth of small and medium enterprises (SMEs) has been cited in different papers, as SMEs have limited access to financial markets and public funds (Berger and Udell, 2002; Cipovova & Belas, 2012; Ključnikov & Popesko, 2017; Kozubíková et al., 2017). SMEs are contributing to the economic development of countries, but the business condition of SMEs are still, in rigid condition (Smekalova et al., 2014; Kozubíková et al., 2015; Belás et al., 2016; Ključnikov et al., 2016; Belás & Sopková, 2016; Virglerova et al., 2016; Ključnikov et al., 2017; Virglerova et al., 2017). SMEs are facing financial barriers from banks due to various reasons, such as lack of information transparency, high regulation and administrative bureaucracy, lack of collateral, bank market power, the distance between banks and borrowers and so on.

Banks are considered as the main drivers that mobilize funds from savers to borrowers (Ongena & Smith, 2000; Belas & Polach, 2011). In the modern era, banking environment is becoming more complex due to the bank mergers and acquisition. It is much easier for a bank to penetrate different markets, not actually being in the market, but just by merging or by taking over a target bank. By doing so a bank can increase its market power and authority over other banks quite easily. The research shows that bank concentration is increasing in the European market and which is reducing the number of banks, thus limiting competition and increasing bank concentration (Kubiszewska, 2017; Gavurova et al., 2017).

The goal of this paper is to investigate the effect of bank market power and its effect on SMEs financial constraints. From a theoretical perspective, bank market power has two competing views, bank competition, and concentration. Empirical research shows mixed evidence for both bank competition and concentration on access to credit and financial constraints. One stream of research shows that in a competitive market SMEs are having lower credit restrictions from banks due to easier loan screening process (Cornaggia et al., 2015; Leon, 2015). Moreover, in a competitive market a borrower has more bargaining power and thus the borrower can look for external finance to alternative sources. Hence, the when bank market structure is competitive a bank has less market power.

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As opposite to competition, in a concentrated market, a few numbers of bank hold most of the market share in the banking sector and which can have a positive and negative effect on the financial constraints. Petersen and Rajan (1995) show that concentration has a positive effect on bank finance to SMEs and thus fewer credit restrictions. It is argued that in a concentrated market bank can extract more private information from SMEs and that helps to access bank finance (Fischer, 2000). Conversely, Ryan et al. (2014) show that increased bank concentration is associated with higher financial constraints for SMEs. Hence, the mixed evidence related to bank competition and concentration on bank financial constraints is yet to be settled in financial research and thus there is a clear scope for further research. Therefore, we would like to examine whether bank competitive structure or concentrated structure alleviates or aggravates financial problems for SMEs in the Visegrad countries.

It is worth to mention that why we have selected the Visegrad countries for our research. First, to the best of our knowledge, still no empirical research is evident in terms of Visegrad countries and bank market power on SMEs financial constraints. Therefore, our research can bridge this research gap. Second, Visegrad countries are bank-based economies and SMEs are heavily dependent on bank finance for their business needs and thus it is necessary to examine the effect of bank market power and bank-borrower on financial constraints. Third, according to the European Union (EU) SMEs are an integral part of Visegrad countries where about 99% of the business entity are within the scope of SMEs and hence it could be significant for SME owners and practitioners to understand the effect of bank market power on financial constraints for SMEs. Finally, this research may enable decision makers to implement policies that might create a balance banking environment.

The rest of the paper is organised as follows: section two reviews the related literature on bank competition, concentration. In section three, we provide a detailed description of our data set, research method and variables. Section four discusses the results of this paper and in section five we provide concluding remarks with recommendations for policy implementation.

## **2. Literature review**

From a theoretical perspective, lending to SMEs requires to build-up a long-lasting relationship by which it is possible to acquire soft-information and to minimise the information gap. Thus, reduction of information asymmetry may positively affect access to finance for SMEs and hence minimal financial constraints. However, in a competitive market bank have less incentives to provide loans based on relationship banking. Because in a competitive environment a borrower can easily switch from one bank to another, hence the minimum value added to the bank from investment relationship banking (Boot and Thakor, 2000). However, when a bank has market power it can try to develop a long-lasting relationship with the borrower by which a bank can extract more private information from the borrowers (Petersen and Rajan, 1995). Information based theory by Petersen and Rajan (1995) suggests that a bank can give-up immediate rent or profit margin from borrowers when they have market power, but they can take the advantage later when the bank will have superior authority over the borrowers. However, the situation is opposite for banks that are operating in a competitive market. They may ask for the same rate of interest and profit margin for borrowers' due to competitive pressure. The authors proposed that bank market power can increase the investment in relationship banking that simplifies information asymmetry and lessen financial constraints for SMEs.

The empirical research found both positive and negative effects of bank concentration and competition on financial constraints on SMEs. The research examining the bank concentration as a measure of bank market power shows that firms in a concentrated market report higher financial constraint as a major obstacle to growth (Beck et al., 2004). Bonini et al. (2015) examining the effect of bank concentration on the cost of bank debt with respect to the USA show that in a concentrated market SMEs need to provide more interest rates due to bank market power and rent-seeking ability. Thus, increased cost of debt is increasing financial constraints for SMEs. Carbo et al. (2009) investigating bank market power with Lerner index in the Spanish market and find a positive association with financial constraints. Thus, it shows that greater the market power, higher is the credit restrictions for SMEs. However, Gonzalez and Gonzalez (2008) used bank concentration as a measure bank market power and assuming a negative relationship between competition and concentration find that bank concentration can alleviate financing difficulties for SMEs.

Love and Peria (2012) found that bank market power reduces access to credit for SMEs with respect to 53 developing countries. However, they argue that the negative effect of bank market power is reduced depending on the countries that are financially developed and well-structured credit market. Similarly, they find that availability of credit information sharing system can reduce the effect of bank market power. However, a few studies suggest that concentration has a negative effect on financial constraints due to the information collection efficiency of banks and thus concentration can increase access to credit to SMEs (Tacneng, 2014; Gonzalez and Gonzalez, 2008). The central arguments of these studies are related to soft information and bank decision making in the loan process.

Moro et al., (2015) examining the effect of bank competition in regard to Italy find that bank competition is associated with higher credit for SMEs. Thus, they find that bank competition can minimise financial constraints on SMEs. However, Alvarez and Bertin (2016) with respect to six Latin American countries (Argentina, Brazil, Chile, Colombia, Mexico and Peru) find that competition has a negative effect on access to bank finance thus, competition is related to higher financial constraints for SMEs. Their argument is based on the information-based hypothesis where they show that lack of incentive for banks to invest in relationship lending due to high competition.

Malafrente et al. (2014) examining the effect of bank competition and access to finance for SMEs in the context of Italy found a negative effect of competition on access to finance. They mainly examined credit constrained firms during the recent financial crisis and the authors posit that in the crisis period banks may have provided loans mainly to solvent and credit worthy firms. They find that due to a high competition, it was difficult for banks to acquire soft information and thus firms were facing high credit rationing.

However, Leon (2015) investigated the market power theory in 69 developing and emerging countries with four different measures of competition, for example, the asset share of three largest banks in the market, which is known as the concentration ratio of banks, Lerner index, Bonne indicator and Panzar-Rosse H statistics. The paper finds that bank competition can alleviate credit constraints for SMEs. Therefore, it is suggested that bank competition is infect desirable for SMEs to get bank loans. The author finds that banks do evaluate the loan application less strictly when the competition is higher. On the other hand, countries with less bank competition face higher credit rationing due to bank market power. It is also found that bank competition and financial development of the country is positively associated and hence counties with higher GDP growth can access bank finance more easily.

Ryan et al. (2014) examined whether bank market power alleviates or impose more restrictions on SMEs with respect to 20 European countries. They have used Fazzari et al. (1988) investment constraints measure to identify financially constrained firms and Lerner index to capture the bank market power. The result suggests that bank market power aggravates financial constraints on SMEs.

Claessens and Laeven (2005) examined bank market power with competition and the effect of competition on economic growth of 16 countries using the Panzar-Rose H statistics. They find that country where business sectors are highly dependent on bank finance are experiencing more growth when bank competition is higher. Thus, it suggests that bank competition has a negative effect on access to finance and a negative effect on financial constraints.

A few studies examining bank market power and financial constraints on SMEs with respect to collateral requirements show that in a competitive market SMEs need to provide more collateral on their loan contract (Jimenez et al., 2009). The reason is that when competition is higher banks would like to create their holding power over borrowers so making it difficult for the borrower to switch from the bank. On contrary, Hainz et al. (2013) show that collateral requirements are higher in a concentrated market. As in a concentrated market, the bank can use their market power to extract rent from borrowers.

Considering the above literature on competition and concentration it appears that there is no conclusive evidence whether bank market power helps to alleviate or imposes more financial constraints on SMEs. Hence, we would like to investigate the issue with respect to Visegrad countries by which it might be possible to provide new evidence of the bank market power and SME financial constraints.

### 3. Data, Variables and Method

#### 3.1. Data

The data set we used for our analysis was obtained from the latest version of the BEEPS V survey, which was a joint project of the European Bank for Reconstruction and Development (EBRD) and the World Bank (WB) conducted from 2012–2014. The BEEPS survey was first conducted in 1999 in 26 countries by covering about 4000 firms. To examine the business environment conditions of the enterprises, the latest version of the BEEPS survey was completed in 30 transition economies. The data set covers 15,883 enterprises that include micro, small, medium and large firms.

The BEEPS dataset covers 254 firms in the Czech Republic, 268 firms in the Slovak Republic, 542 firms in Poland and 310 firms in Hungary. However, since the scope of this paper is to examine financial constraints on SMEs, we eliminated non-SME firms. The current paper defined SMEs per the conventions of both OECD and BEEPS as firms with less than 250 employees. After excluding the large firms, we obtained 239 firms in the Czech Republic, 261 SMEs in the Slovak Republic, 515 in Poland and 294 firms in Hungary, totalling 1,309 SMEs for our descriptive analysis. Among these 1,309 SMEs, 1292 firms had information regarding the extent of financial constraints.

#### 3.2 Variables

As discussed, the purpose of this paper is to examine whether bank concentration and competition alleviate or imposes more restrictions on SMEs financial constraints. Hence, it is necessary to clarify how we would like to measure financial constraints and bank market power in the context of this paper. In Table 1 we present definition and source of variables.

**Table 1. Definition of variables**

<b>Variable</b>	<b>Definition</b>
FINCONST	Equals 1 if the firm respondent access to finance (i.e. high interest rate, lack of bank finance, lack of long-term loans; collaterals) is an obstacle for the current operations of the business and zero (0) if access to finance is not an obstacle.
<b>Firm Characteristics</b>	
AGE	Age of the firm, measured as the number of years that the firm has been operating.
SIZE	The Size of the firm, measured as the number of full-time employees.
OWNERSHIP	The Percentage ownership of the firm held by the largest shareholder (%)
AUDIT	Equals 1 if the firm financial statement is checked by external auditors, and otherwise zero (0).
INNOVATION	Equals 1 if the firm has introduced any new products within the last three years and zero (0) otherwise.
QUALITY	Equals 1 if the has an internationally recognised quality certification and otherwise zero (0).
CRIME	Equals 1 if the firm has experienced any losses because of theft, robbery, vandalism, or arson and otherwise zero (0).
<b>Borrower Characteristics</b>	
FEMALE	Equals 1 if one of the firm owners is female and otherwise zero (0).
EXPERIENCE	Experience of top manager measure in years.
<b>Market Structure</b>	
CONCENTRATION (%)	The asset share of the three largest banks in total banking system assets.

To identify financial constraints (*FINCONST*) on SMEs, we rely on the BEEPS survey question whether access to finance is an obstacle for the business (*K.30: To what degree is access to finance an obstacle to the current operations of this establishment; BEEPS V*). The measure of financial obstacles is an ordinal variable where SMEs is asked to identify the extent of financial constraints on a scale - 0 (no obstacle); 1 (minor obstacle); 2 (moderate obstacle); 3 (major obstacle); to 4 (severe obstacle). For our empirical analysis, we identify financially constrained firms as 1 firms if the firm pointed out any of the options (minor to severe) as an obstacle for their business and 0 if the firm selected access to finance is not an obstacle for the business. The purpose of our identification strategy is to make a clear distinction between financially constrained and non-constrained firms. This method helps us to directly classify financially constrained firms and the method is also applied by Beck et al. (2004) and Hanedar et al. (2014) in their analysis.

There are few studies those used indirect methods to separate among credit constrained firms from non-constrained firms, for example, Fazzari et al. (1988), Ryan et al. (2014) Alvarez and Bertin (2016) used investment-cash flow sensitivity model. The model assumes that financially constrained firms could more rely on their internal financial capacity for investment. Thus, firms having high sensitivity of investment based on their internal financial capacity can be classified as credit constrained. However, we did not use this model because, Kaplan and Zingales (1997) cast doubts on this investment model due to its limited ability in identifying credit constrained firms from non-constrained ones.

To measure bank market power, we rely on the World Bank (WB) Global Financial Database. The database reports, banking environment and bank market structure around the world. In the context of this paper, we use a percentage of assets held by the three largest banks as a proxy of bank market power or bank concentration (*CONCENTRATION*). If the concentration ratio is high, that means that the market is concentrated, and a few banks have more market power. Contrary, if the concentration ratio is low, that means the market is competitive. Although, a few studies cast doubts on the usefulness of bank concentration as a proxy for bank market power (Carbo-Valverde et al., 2009). However, still, the use of asset concentration as a measure of bank market power is well documented in the prior literature (Leon et al., 2015; Hanedar et al., 2014; Godlewski et al., 2011).

In our empirical model, we include firms and borrowers related controls. With respect to firm-level controls we have seven variables: *AGE*, *SIZE*, *OWNERSHIP*, *AUDIT*, *INNOVATION*, *QUALITY*, and *CRIME*. Firm age (*AGE*) is the number of years the firm is in operation. It is more likely that firms that are older and doing business for a longer period may face less credit constraints than of the younger or newborn firm's due to longer banking relationships and information transparency (Menkhoff et al., 2012; Huyghebaert et al., 2007; Felicio and Villardon, 2015; Rahman et al., 2016; 2017). Firm size (*SIZE*) is counted by number of full-time employees the firm employed during the BEEPS survey. We expect to find a negative relationship between firm size and financial constraints. Since, large firms are more likely to be more credit worthy in compared to smaller firms, and hence they can find external financing much easier than the smaller ones (Ryan et al., 2014; Rice and Strahan, 2010). Ownership (*OWNERSHIP*) measures the percentage of firm that is owned by the largest owner. It is argued that firms that are concentrated or operated by the owner-manager have minimum agency costs (Fama and Jensen, 1983). Hence it could be easier for banks to extend credit to a concentrated firm due to less agency related problems In that regards, we argue ownership concentration could be negatively associated with financial constraints. Then we control for firms having audited financial statements (*AUDIT*) and its effect on financial constraints. Firms having audit report is assigned as one and zero otherwise. Ferri and Murro (2015) find that firm having audit report is more transparent and can minimise the information gap between banks and borrowers. Leon (2015) finds a positive association between audit report and access to credit. Hence, we expect to find a negative result between audit report and financial constraints because of information transparency. We also control for innovation (*INNOVATION*) tendency of the firms and financial constraints. Innovation is one if the firm has launched a new product within the last three years and zero otherwise. Prior literature shows that innovative firms face more financial constraints than of the non-innovative firms due to uncertainty related to its investment and information opacity (Lee et al., 2015; Ayyagari et al., 2011). Considering the information problem related to innovative firms, we may find a positive relationship between innovation and financial constraints. To measure the effect of firm quality and the riskiness of financial restrictions on SMEs, we control for *QUALITY* and *CRIME*. Quality is a dummy variable that takes a value of one if the firms have an International Organization for Standardization (ISO) quality certificate and otherwise, it takes a value of zero. Firms with quality

certification could signal better borrower quality (Hanedar et al., 2014) and that may lessen financial restrictions. Hence, we expect to find a negative relationship between quality certification and credit constraints. Crime (*CRIME*) is a measure of firm credit risk and takes a value of one if the firm is affected by theft, robbery, vandalism and arson and otherwise, a value is equal to zero. We argue that firms with higher credit risk may find it harder to access external finance and therefore we expect to find a positive result between crime and financial constraints.

We also control for borrower gender and experience on financial constraints. With respect to borrower gender, female (*FEMALE*) is one if one of the firm owners is female and zero otherwise. The literature on gender-based studies suggests that female based firms face more credit restrictions from the external lenders than on the other type of firms (Belluchi et al., 2010; Alesina et al., 2013). Therefore, we expect to find a positive association between female and financial constraints. Finally, borrower experience (*EXPERIENCE*) is the years of experience of the top manager. Research shows that an experienced manager can have better management skills by which it is easier for the experienced borrower to access external finance easily and thus less credit constraints (Neuberger and Rathke-Doppner, 2015; Boyer and Blazy, 2014; Grunet and Norden, 2012). Therefore, we expect to find a negative relationship between borrower experience and financial constraints.

This table presents variable definitions. All variables are obtained from the BEEPS survey except for the concentration. The concentration ratio is obtained from the Global Financial Development Database.

### 3.3 Empirical methodology

Due to the nature of our dependent variable, in this study, we employ a binary logistic model, because prior research examining financial constraints or access to finance for SMEs quite frequently used binary model (Leon et al., 2015; Hanedar et al., 2014; Duarte et al., 2017). The basic econometric model to be estimated as follows:

$$\begin{aligned} \Pr(\text{FINCONST} = 1) & \\ &= \beta_0 + \beta_1 \text{CONCENTRATION} + \text{FIRMCONTROLS} + \text{BORROWERCONTROLS} \\ &+ \varepsilon_i \end{aligned} \quad (1)$$

Where the individual variables are:

*FINCOST* is a dummy variable equal to 1 if the firm respondent access to finance (i.e. high interest rate, lack of bank finance, lack of long-term loans; collaterals) is an obstacle for the current operations of the business and zero if access to finance is not an obstacle. *CONCENTRATION* is an indicator of bank market power which is measured by the asset share of the three largest banks in total banking system assets of the country. In our model, we have seven firm specific controls (*FIRMCONTROLS*) and two borrower related controls (*BORROWERCONTROLS*)

## 4. Results

### 4.1. Descriptive study

In Table 2 we present an overview of the dataset by way of descriptive statistics. With regards to, financial constraints (*FINCONST*) about 53% of the firms in our sample indicated that access to finance is an obstacle for the current operations of the business. Hence, financial constraints on SMEs is a prevailing fact, in the Visegrad countries. Regarding bank concentration (*CONCENTRATION*), we see that the banking environment in the Visegrad group is highly concentrated and which may induce the large banks to capitalise on their market power (bank concentration: Czech Republic - 69%, Slovak Republic - 94.67%, Hungary - 85.22% and Poland - 54.74%, results not reported).

With regards to firm characteristics, we see that the mean age of the firms (*AGE*) is about 18 years and it may highlight that the firms in our sample are doing business for quite a long-time and financing could be much easier for them. On the other hand, firms in our study are employing about 33 employees (*SIZE*). As per the European union SMEs are classified into three categories, employees < 9 = micro; 10-49 = small and 50-249 = medium firms. Hence the majority of firms in our sample could be categorized

as small firms. The data show the ownership structure of firms in our sample are highly concentrated (*OWNERSHIP* - 77%). That suggests SMEs are mainly owned and managed by a single person or just owned by a group of family members. We can see that only about 34% of SMEs have financial statements that are checked by external auditors (*AUDIT*) and that could be a signal for the information opacity nature of SMEs. With regards to innovation tendency of SMEs, the data show that only about 30% of firms had product innovation (*INNOVATION*) within the last three years. In terms of quality certification (*QUALITY*), we find that about 40% of SMEs obtained it. From our persuasion firms having a quality certificate could signal better borrower quality to external lenders and that may lessen credit constraints for SMEs. The data suggest that about 19% of SMEs experienced losses due to theft, robbery and arson (*CRIME*). It may highlight that criminal activities are also hindering the business growth of SMEs.

With regards to borrower characteristics, the data indicate that about 39% of firms in our sample have a female owner (*FEMALE*). That may suggest female participation in small business management is not significantly lower than of the male or other ownership type of firms. The mean experience (*EXPERIENCE*) of borrowers is about 20 years. It is highly likely that borrower experience can have a significant impact on financing possibility of SMEs.

**Table 2. Descriptive statistics**

Variable	N	Min	Max	Mean	Std. Deviation
FINCONST	1292	0.00	1.00	0.5255	0.499
<b><i>Firm Characteristics</i></b>					
AGE	1305	1.00	97.00	18.3770	9.124
SIZE	1302	1.00	245.00	32.9124	45.634
OWNERSHIP (%)	1275	0.00	100.00	76.5137	26.174
AUDIT	1298	0.00	1.00	0.3421	0.474
INNOVATION	1308	0.00	1.00	0.3066	0.461
QUALITY	1302	0.00	1.00	0.3978	0.489
CRIME	1309	0.00	1.00	0.1864	0.389
<b><i>Borrower Characteristics</i></b>					
FEMALE	1308	0.00	1.00	0.3930	0.488
EXPERIENCE	1239	1.00	57.00	20.3600	9.870
<b><i>Market Structure</i></b>					
CONCENTRATION (%)	1309	54.74	94.67	72.1205	16.142

Source: Author's own calculation based on the BEEPS and Global financial development database.

#### 4.2. Econometric results

In Table 3, we present main empirical results of the model about bank market power on financial constraints for SMEs. The positive coefficients of concentration (*CONCENTRATION*) and financial constraints (*FINCONST*) suggest that when the market structure is concentrated it can impose financial difficulties for SMEs. Therefore, the study confirms that increased bank market power can aggravate financial constraints for SMEs. Our results are in line with bank-market power proposition and it is also in line with prior literature that is dealing with bank-market power and access to finance for SMEs (Ryan et al., 2014; Hanedar et al., 2014; Love and Peria, 2012; Bonini et al., 2015). There could be a few explanations for this result. First, banks are highly concentrated in the Visegrad countries and as such they can use their market power by which they can ask for higher interest rates or high collaterals and supply less bank finance to the borrowers and that can increase financial difficulties. Second, banks can

use their market power that can help them to categorise between good quality borrowers and sub-optimal borrowers. Thus, it is more likely that only good quality borrowers are getting bank finance and sub-optimal borrowers are facing credit constraints. Third, due to reduced market competition bank manager may face minimal pressure to maintain a certain profit level. Therefore, the bank manager can have more discriminatory power against borrowers that can increase credit rationing. Overall, bank market power may not be suitable for SMEs to get access to bank finance.

**Table 3. Logistic regression on financial constraints**

Variable	Model 1	Model 2	Model 3
	FINCONST	FINCONST	FINCONST
<b><i>Firm_Characteristics</i></b>			
AGE	-0.011(0.008)	-0.010(0.008)	-0.011(0.008)
SIZE	-0.001(0.002)	-0.00(0.002)	-0.001(0.0020)
OWNERSHIP (%)	-0.020(0.002)	-0.002(0.002)	-0.022(0.002)
AUDIT	-0.125(0.133)	-0.151(0.137)	-0.107(0.133)
INNOVATION	-0.012(0.130)	-0.006(0.132)	-0.014(0.130)
QUALITY	0.010(0.129)	0.088(0.130)	0.138(0.131)
CRIME	0.640(0.157) ***	0.649(0.158) ***	0.625(0.158) ***
<b><i>Borrower_Characteristics</i></b>			
FEMALE	-0.062(0.122)	-0.063(0.124)	-0.077(0.125)
EXPERIENCE	-0.019(0.006) ***	-0.019(0.006) ***	-0.019(0.006) ***
<b><i>Market_Characteristics</i></b>			
CONCENTRATION (%)		0.012(0.004) ***	
Constant	0.788(0.273) ***	0.567(0.401) ***	0.851(0.275) ***
Observations	1178	1178	1178

**Source:** Authors' own estimation. Statistical significance at the 10%, 5% and 1% level indicated by \*, \*\* and \*\*\*, respectively. Standard errors are in parentheses.

With regards to firm-specific control variables, we find that firm age (*AGE*) firm size (*SIZE*) has a negative association with *FINCONST* but the coefficients are not significant. Although, the negative coefficients may suggest that the older and larger firms face limited credit constraints from external lenders. This could be the fact that older and larger firms are more transparent than of the younger and smaller firms. Hence, they have limited credit constraints. According to our expectations, we find a negative association between ownership structure of SMEs (*OWNERSHIP*) and *FINCONST*. It may highlight that concentrated firms face higher problems related to information asymmetry and thus banks and external lenders are less likely to provide loans to concentrated firms. The negative coefficients between firms having an audit report (*AUDIT*) and *FINCONST* also highlight the importance of information disclosure and getting bank loans. SMEs having their financial statements verified by external parties may signal better information quality to the lenders and may access finance with limited credit restrictions. With respect to the innovation (*INNOVATION*), we find that innovative firms are facing more credit restrictions than of the non-innovative ones. It could be the fact that innovative firms are considered as risky by lenders due to uncertainty in predicting the profitability of the investment and hence, banks are reluctant to invest in innovative portfolios. With regards to the quality certificate (*QUALITY*) we find a positive result with financial constraints and which is not according to our expectations. It suggests firms having quality certificate face difficulties in accessing finance. Finally, we find a positive result between crime (*CRIME*) and *FINCONST*. We proxy crime as a measure of firm

credit risk and our results indicate that SMEs that encounter losses due to theft, robbery, arson, and vandalism find it difficult to access credit from banks.

Moving to borrower-specific controls, we find a negative insignificant association between female-based (*FEMALE*) firms and *FINCONST*. Although, we expected that female-owned firms would face more financial difficulties than of their male counterparts. But the result suggests that female borrowers have a positive perception about bank finance thus it may highlight that female-based SMEs are not different from the male-owned firms in the Visegrad countries. Finally, we find a significant negative result of borrower experience (*EXPERIENCE*) and *FINCONST*. The result suggests that experienced borrowers face less financial obstacles than of the inexperienced borrowers. As we proposed an experienced borrower may use his/her business expertise to find different sources of finance for the business and thus face limited financial obstacles.

## 5. Conclusions

In this paper, we examined the effect of bank market power on SMEs financial constraints with respect to Visegrad countries: the Czech Republic, the Slovak Republic, Poland, and Hungary. Bank market power and financial constraints are quite extensively examined in prior literature, but to the best of our knowledge, there is no empirical research is evident in the Visegrad countries. Hence, it gives us the motivation to examine whether bank market power lessens or imposes more financial restrictions on SMEs. The data of this paper are obtained from two different sources, namely the World Bank Financial Development Database and the Business Environment and Enterprise Performance Survey (BEEPS), which is conducted by the European Bank for Reconstruction and Development (EBRD) and the World Bank (WB) during the period of 2012-2014.

Our findings suggest that bank market power imposes more financial restrictions on SMEs, thus confirming prior literature on bank market power hypothesis. We used bank concentration as a measure of bank market power and it shows that when banks are highly concentrated, they can use their market power to restrict SMEs to access bank finance. Therefore, high bank concentration is not an ideal situation for SMEs and their business as it creates financial barriers.

The current paper can be beneficial for borrowers, researchers and policymakers to understand the effect of bank market power on financing possibility for SMEs. We recommend that policymakers may implement policies that can reduce the market power of the large banks and that can have a positive effect on access to finance for SMEs.

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# THE IMPACT OF SOCIAL-ECONOMIC DEVELOPMENT ON THE FUNCTIONING OF URBAN TRANSPORT IN RZESZOW

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## Abstract

The paper discusses problems related to the functioning of passenger transport in a city. The dynamic development of cities and the population's income growth in many cases contributes to the limitations of the role of public transport and the excessive growth of passenger car traffic. This tendency is harmful to the environment. It is associated with an increase in demand for petroleum fuels, limits the comfort of life in the city, and in the end it generates additional costs for businesses and persons in urban areas due to congestion. In compliance with policies of the European Union, this harmful tendency should be limited. With the city of Rzeszów as an example, selected actions and measures taken as part of the development of sustainable transportation are discussed.

**Key words:** public transport, congestion, economic development, sustainable transportation.

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## 1. Introduction

Human activity is associated with a need to transport people, cargo and information, and in turn, fulfil the human needs which are increasing along with economic development.

Transportation needs are associated with a will to fulfil other needs such as, for example, learning, work, leisure. Transportation needs are of secondary nature, i.e. are strictly associated with the fulfilment of so-called primary needs. Transportation need is understood as a need to move from a starting point to a target point, within a strictly specified period of time. Transportation needs can be divided into different categories. The most common division is a division by the necessities to meet those needs. It subdivides needs into: optional, relatively obligatory, and absolutely obligatory.

The transportation of people, goods and information is at this moment the most essential process in terms of the capability of an individual to exist in society and economy. In urbanised areas, the transportation of people is facilitated by urban transport. The urban transport service uses different types of transport such as: road transport, rail transport and water transport. The term "urban" is relative. It very often includes areas which are functionally associated with a central urban area.

Taking into account the internal movement in the city, we may differentiate the following: the transport of people and the transport of goods. In the case of urban transport of goods, it is often defined as delivery transport, understood as cargo transported to the city and its area and the whole territory of the agglomeration. It mainly includes the services sector, as well as transport to manufacturing businesses.

The next type of transport is the flow and transport of people. In this case, we can differentiate public transport and individual transport. Public transport is the main subject of the economics of urban transport and it is in opposition to individual transport, which is characterised with a lack of regularity and its unique transport conditions.

Problems associated with the transportation of people and their mobility and the harmful impact on the environment are especially significant within the territory of cities. The most important harmful impacts include: congestion, accidents, noise, air pollution, climate change, and the use and deterioration of the transport and urban infrastructure.

Congestion may be defined as the mutual hindering of traffic by vehicles as a result of an existing relation between the speed of vehicles and the size of the flow when the degree of the use of the capacity of the transport system is near exhaustion. This definition points at the main reason and does not cover

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unplanned circumstances such as accidents and road works. Furthermore, congestion happens in a situation where participants of the traffic cannot move at a normal or expected rate. The result of which is a decrease in speed or a complete lack of free movement of vehicles and pedestrians.

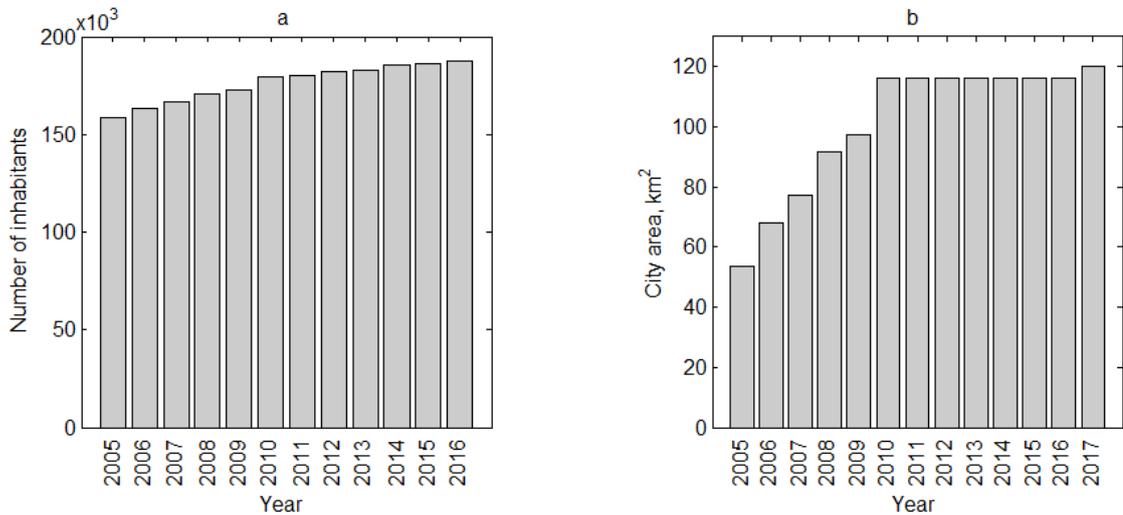
An excessive number of individual vehicles in a city become a cause of traffic jams not only during peak hours, but also during off-peak hours. Initially, congestion includes main transport routes, which makes them non-passable for vehicles of public and individual transport. Increasing travel times becomes a regular feature of urban travels, decreasing the quality of life for the inhabitants. External costs and costs caused by lost time are increasing (Mussone et al., 2015; Prud'homme et al., 2012; Androniceanu, 2016; Kovacs, 2017), the use of larger numbers of means of public transport also becomes necessary to keep to the timetable. In relation to the above, transport congestion is most often mentioned (Poliak et al., 2017).

The vehicle traffic within an urban area generates large amounts of harmful substances emitted into the atmosphere. Urban transport contributes a high share (23%) of the total emission of carbon dioxide from road transport into the atmosphere (European Commission, 2013). According to guidelines of the European Union, cities must intensify their efforts to reverse unfavourable tendencies in the usage of fuel and the emission of toxic elements. The goal of those efforts should be the reaching of a 60-percent reduction of the emission of greenhouse gases. Due to the high density of population in cities and the high level of traffic on short routes, a public transport system is the preferred solution. It gives more opportunities to reduce total emissions of toxic components in the city compared to the transport carried out by cars equipped with conventional propulsion systems. In many cities it is considered to use vehicles powered by alternative energy sources (Falde et al., 2015; Mendiluce et al., 2011; Nurhadi et al., 2014; Thomas, 2012; Olsson et al., 2015; Becerra-Alonso et al., 2016; Simionescu et al., 2017) and cycling (Erdog'an et al., 2012; Jäppinen et al., 2013). Many works are being carried out to increase the attractiveness of public transport (Beirao et al., 2007; Chowdhury et al., 2015; Fulda et al., 2014; Holmgren, 2013; Nosal et al., 2014; Redman et al., 2013; Xenias et al., 2013; Zizka, 2017).

There is no single solution for a city's transport problems. Each city is governed by different laws and fulfils specific functions. In relation to that, an individual approach, which relies on already used models and practical solutions, may bring positive effects. In this paper, the impact of social-economic development on the functioning of urban transport is presented with the city of Rzeszow as an example.

## **2. Characteristics of the discussed city**

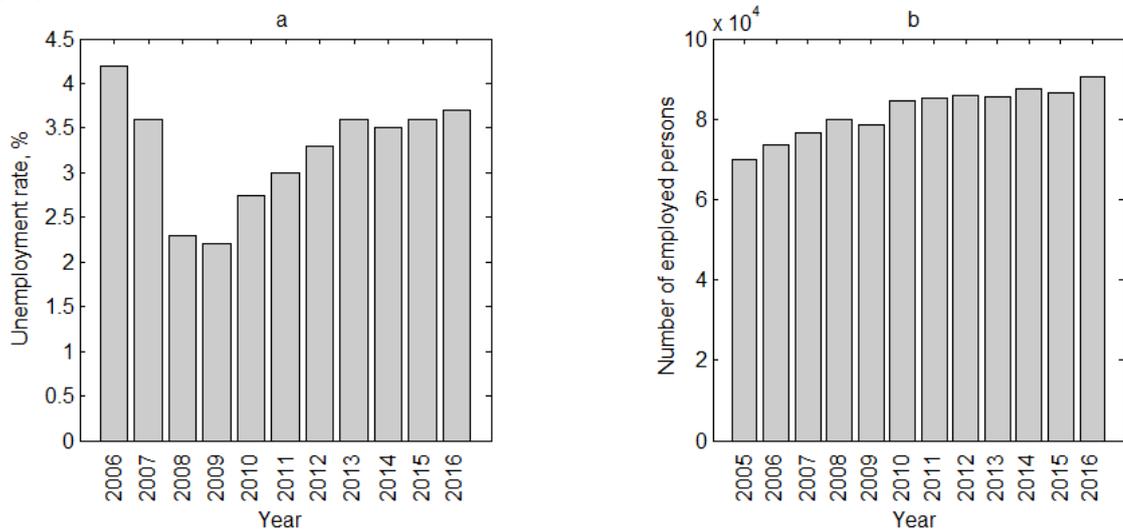
Rzeszow is the largest city in south-eastern Poland, with an area of 120.4 square kilometres where, according to data from 30 June 2017, 188,900 inhabitants reside. The city is the capital of the Podkarpackie province and at the same time an important economic, commercial, industrial, cultural and academic centre. The city is located on a crossing of important road transport routes, near borders with Slovakia and Ukraine. Rzeszow has a visibly formed zone of intercity development, with a radial-concentric layout, and the industrial and residential districts are visibly separated. The city is divided into 30 housing estates, with the most populated being Nowe Miasto – 14,198 inhabitants, while the smallest number of people reside in Bzianka – 618. The population density is one of the lowest among medium-sized cities in Poland. There are many recreational and green areas within the city. The left-bank part of Rzeszow is characterised by more dense development including mainly residential buildings. Within recent years, due to continuous economic development, there has been a continuous increase in the population which is presented in figure 1a. Extending the borders of the city and expanding its area has contributed greatly to the increase in the population, which is presented in figure 1b.



Source: Own study according to research data <http://rzeszow.stat.gov.pl/>.

**Figure 1. The development of the city within recent years a) the number of inhabitants, b) the area of the city**

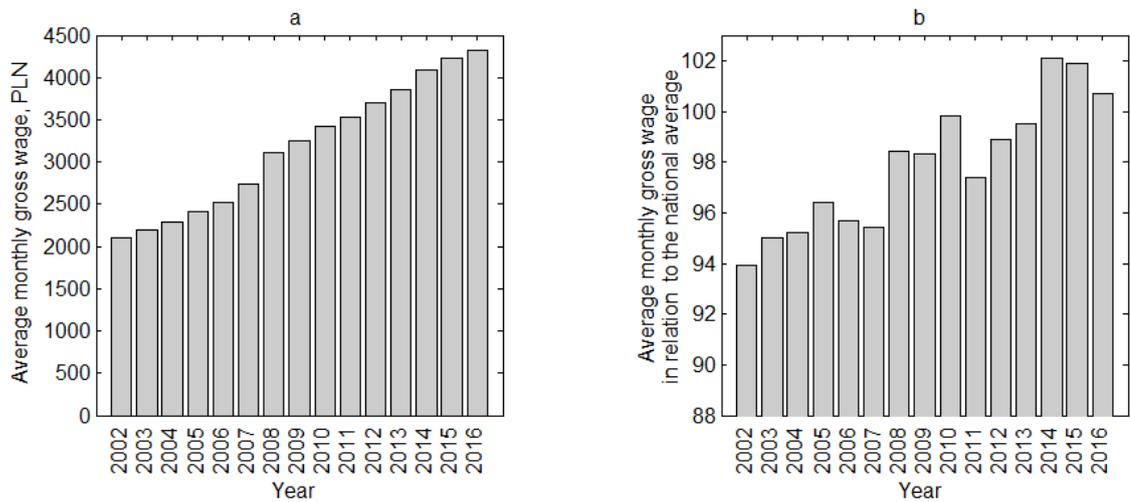
The unemployment rate, which takes into account registered persons that remain without employment for longer than one year, was 3.7% in Rzeszow in 2016 (figure 2a) and has remained at a similar rate since 2013. Within the period between 2009 and 2012, there was a systematic growth of the unemployment rate.



Source: Own study according to research data <http://rzeszow.stat.gov.pl/>.

**Figure 2. a) The unemployment rate in Rzeszow, b) the number of employed persons in Rzeszow**

The number of employed persons in Rzeszow was 90,391 in 2016 and it was the highest within the last 10 years (figure 2b). The increase in the number of employed persons is undoubtedly related to the increase in population. A large group of new inhabitants comprises people of working age. They are mostly graduates of Rzeszow schools and academic institutions, who tie themselves permanently to Rzeszow. The average monthly gross wage in Rzeszow was PLN 4,319 in 2016, and here we can also notice an upward trend (figure 3a).



Source: Own study according to research data <http://rzeszow.stat.gov.pl/>.

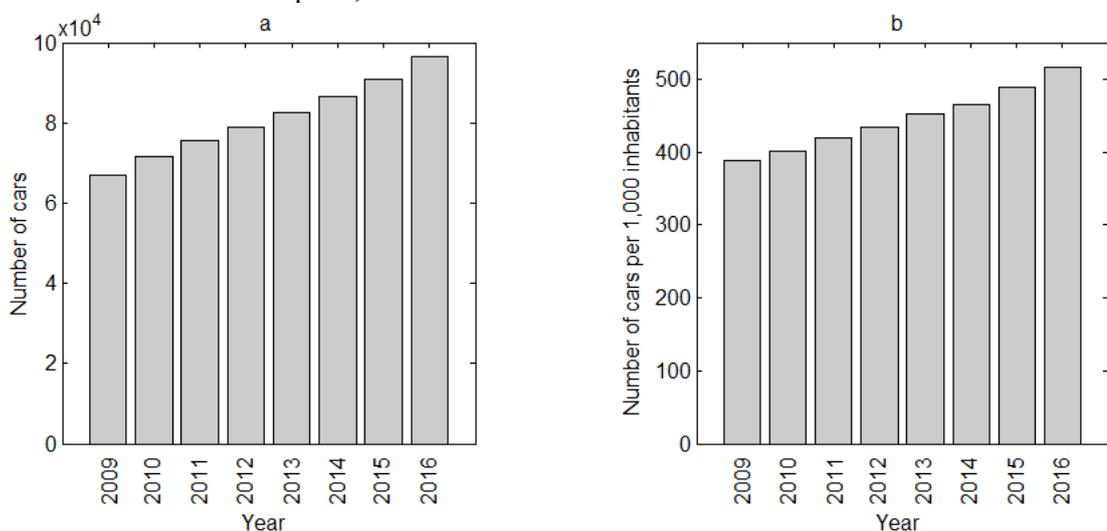
**Figure 3. a) The average monthly gross wage, b) the average monthly gross wage in relation to the national average**

At the moment, the average monthly gross wage in Rzeszow is slightly higher than the national average. Until 2013, the average monthly gross wage was lower than the national average. After 2013, the average value of the monthly gross wage exceeded the value of the national average. In 2016, the ratio was 100.7 and in 2014 and 2015 it reached 102.1 and 101.9 respectively (figure 3 b).

The number of businesses registered in Rzeszow at the end of 2016 was 26,489. There are four universities and one branch unit in the city. The total number of students in 2015/2016 was 43,827. Comparing that number with the number of inhabitants gives one of the highest rates in Europe. In 2015, a total of 37,419 students were studying in the schools operating within the territory of the city (primary schools, middle schools, secondary schools and postsecondary schools).

### 3. Public transport and its infrastructure

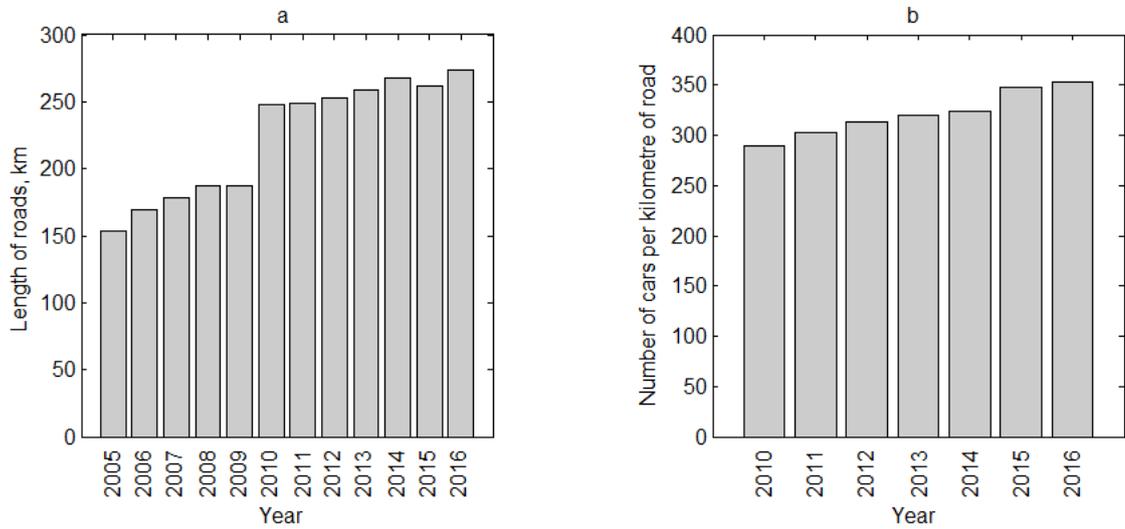
Along with the growth in the number of inhabitants (figure 1a), there was also a growth in the number of registered passenger cars. Figure 4a presents the number of registered passenger cars. Figure 4b presents their saturation rate per 1,000 inhabitants.



Source: Own study according to research data <http://rzeszow.stat.gov.pl/>.

**Figure 4. The number of registered passenger cars within the territory of the city a) in general, b) per 1,000 inhabitants**

The road infrastructure of Rzeszow in 2016 is approximately 274 kilometres of paved roads (figure 5 a). Since 2010, after the last large expansion of the city’s borders, the road infrastructure of Rzeszow has grown by 10%. In the comparable time period, there has been a 35% growth of registered passenger cars.



Source: Own study according to research data <http://rzeszow.stat.gov.pl/>.

**Figure 5. a) The total length of roads in Rzeszow, b) the number of cars per kilometre of road**

A more intensive growth in the number of passenger cars in relation to the growth of roads causes a greater density of traffic, which results, to a large degree, from the number of cars per kilometre of road. This relation in 2016 was 353 cars per kilometre of road and it constitutes a 22% growth in relation to 2010 (figure 5b).

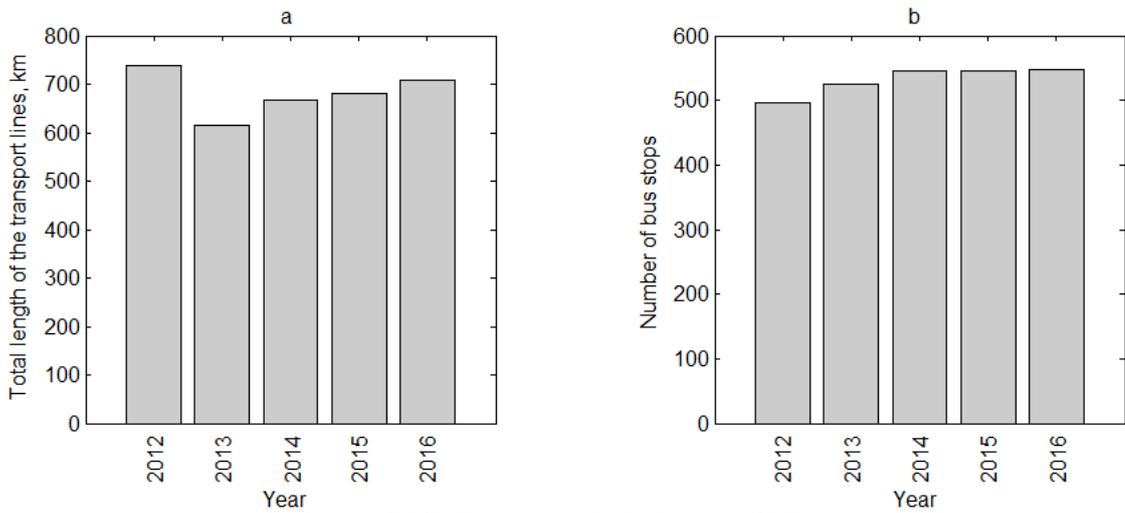
People residing in the city as well as people commuting to work and school generate large streams of passengers using public transport. Two entities which belong to the city are responsible for public transport and its organisation. The entities responsible for the organisation of public transport and the services are presented in table 1.

**Table 1. The tasks of selected entities in the public transport market of the City of Rzeszow.**

Entity	Tasks
Public Transport Authority in Rzeszow	Organising public transport
Municipal Transport Company - Rzeszow Ltd.	Performing services in the field of public transport.

Such a division of tasks as in Table 1 is currently widely used (Ceder, 2007). The tasks of the Public Transport Authority in Rzeszow – ZTM Rzeszow include transport network planning and construction of timetables. Municipal Transport Company - Rzeszow Ltd. – MPK Rzeszow is the main carrier of public transport in Rzeszow. Transport lines of other carriers also cross the city area. However, they focus only on transporting passengers to Rzeszow, and it can be assumed that they do not participate in fulfilling transport needs within the territory of the city.

The public transport of Rzeszow in December 2017 consisted of 46 regular bus lines, 3 special lines and 3 night lines. The total length of the lines on which carriage of passengers by MPK Rzeszow is performed was 709 km in 2016 (figure 6a). It is smaller than in 2012, when the urban transport company also provided services to the territories of the neighbouring municipalities. In 2013, besides rare cases, the city buses did not leave the territory of the city. Comparing the data from 2013 and 2016 shows a constant growth of the length of the city lines. 548 bus stops are part of the infrastructure of the transport network of MPK Rzeszow (figure 6b). In this case, an upward trend in the number of stops can also be observed.



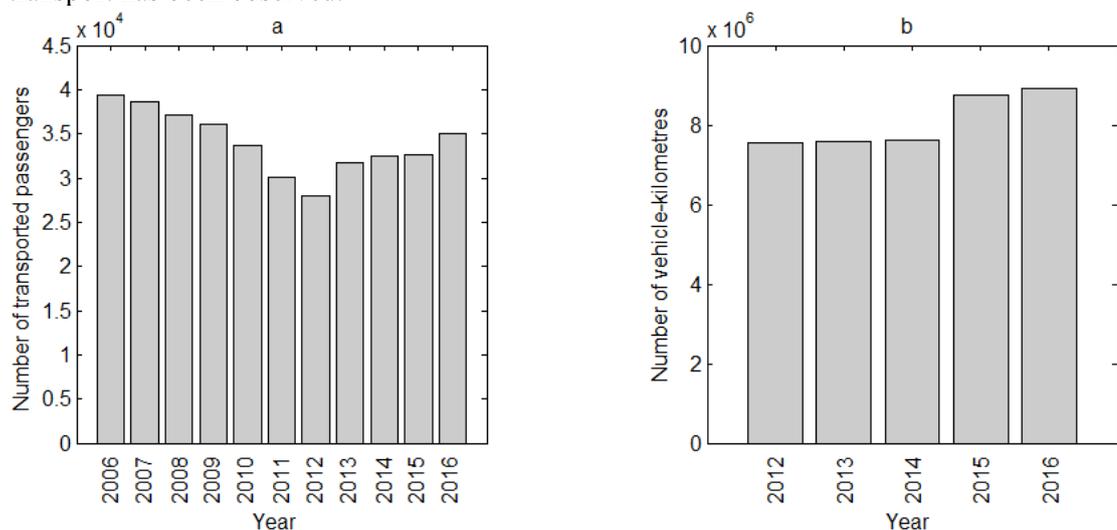
Source: Public Transport Authority Rzeszow (2017).

**Figure 6. a) The total length of the transport lines in Rzeszow, b) the number of bus stops**

The transport lines of the public transport were operated by 179 buses. The share of low-floor and low-entry buses is 87.2% of that number. The share of buses powered by natural gas was 37.4%. Meanwhile, the average age of the fleet was 8 years.

Among the above-mentioned bus lines, six belong to a group of prioritised lines, whose frequency during the peak period ranged between 10 and 15 minutes. Within the system of urban transport, we can additionally differentiate basic lines, with frequency ranging between 20 and 30 minutes, and supplementary lines. The urban transport of Rzeszow is characterised by two peak periods – in the morning, between 6:30 and 8:30 AM, and in the afternoon, between 2:00 and 4:00 PM (Smieszek et al., 2016).

Until 2012, transportation courses carried out by MPK Rzeszow faced decline, which is presented in the figure 7a. The above occurred in spite of the increase in the number of inhabitants. The transportation needs increasing along with the number of the inhabitants were fulfilled mainly by individual transport. This tendency is unfavourable in terms of energy consumption and the emission of harmful substances. In 2013, the authorities of the city took decisive measures aimed at the improvement of the functioning of urban transport in Rzeszow. Since then, a systematic growth of passengers using public transport has been observed.



Source: Public Transport Authority Rzeszow (2017).

**Figure 7. a) The number of transported passengers, b) the number of vehicle-kilometres**

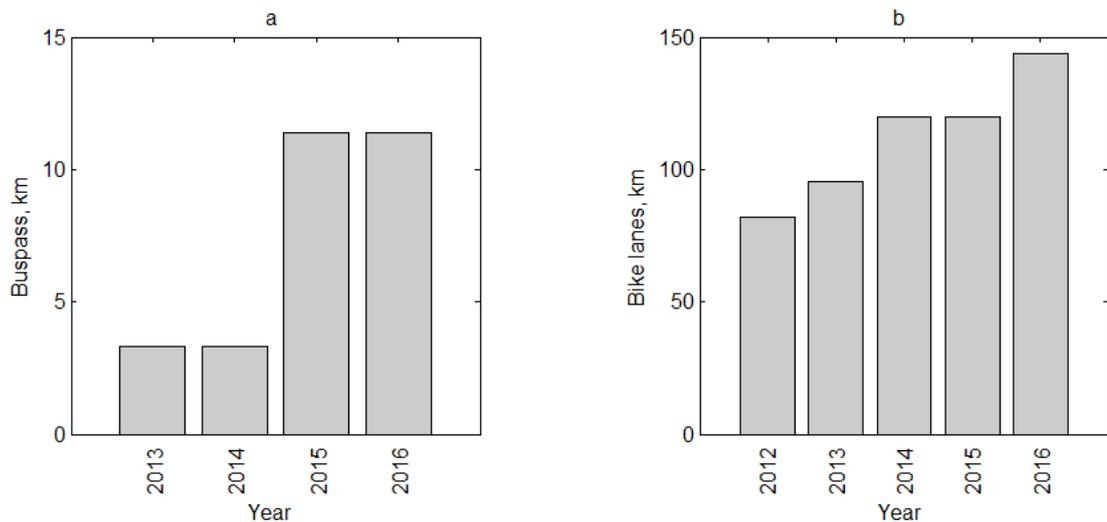
The increase mentioned above is an outcome of the increased performance, expressed in vehicle-kilometres (figure 7b). Within the period between 2012 and 2016, the number of vehicle-kilometres travelled increased by almost 18%.

#### 4. Actions undertaken for the sake of development of sustainable transport

The increasing vehicle traffic, and especially its harmful influence on the city and its conditions of life, has contributed to the growing ecological awareness of the inhabitants and the city's authorities. A number of fields can be differentiated within actions undertaken by the authorities of the city. These include actions related to the improvement of the functioning of urban transport and a preference for zero-emission forms of transport. One of the objectives of those actions is the change of preference of inhabitants when choosing a means of transport and limiting passenger car traffic, which is the largest source of emission of carbon dioxide per passenger-kilometre. The actions of the city were supported, between 2007 and 2013, by the programme European Funds - for the development of Eastern Poland (Operational Programme Eastern Poland 2014-2020). As part of the program, an Integrated Traffic and Public Transportation Management System was designed and implemented. As part of the task, 80 modern, ecological buses were purchased, which were in compliance with the applicable EEEuro norms.

- 30 12-metre buses powered by diesel fuel,
- 30 12-metre buses powered by natural gas,
- 20 10-metre buses powered by diesel fuel.

The local transport structure was rebuilt and the infrastructure was modernised for the needs of public transport. 11.4 km of bus lanes were created (figure 8b), ensuring more efficient functioning of public transport during peak periods. During the years covered by the programme, a network of bike lanes was also expanded, which is shown in figure 8a. In comparison to other Polish cities, in the per thousand of inhabitants ratio, the city of Rzeszow has a relatively well developed network of bike lanes.



Source: Own study according to research data <http://rzeszow.stat.gov.pl/>.

Figure 8. a) Bus lanes, b) bike lanes in Rzeszow

The advantage of bicycle transport is its range radius. Assuming that the average speed of travel is 15 km/h, it is possible to travel a distance of 3.75 km within 15 minutes. Theoretically, a cyclist reaches a zone of range of 44 square kilometres, available within 15 minutes of travel with an average speed of 15 km/h. Comparatively, the service speed of the buses of public transport in Rzeszow during rush hours ranges between 15 and 18 km/h. Therefore, a bicycle is also an alternative to public bus transport. Adding the time necessary to reach a bus stop and the time of waiting for a bus, using a bicycle proves to be the more flexible and efficient means of transportation in an urban environment. An individual choice of the shortest or the fastest route is also possible, with the use of bike lanes, narrow residential streets and the possibility of riding in the opposite direction on designated one-direction roads.

On 14 June 2017 a new agreement of funding the project of the City of Rzeszow Municipality, called “The development of public transportation system in Rzeszow” was concluded, concerning funds awarded within Operational Programme Eastern Poland 2014-2020. The project involves the purchase of 50 modern and ecological buses adjusted to the needs of disabled people. The purchase will include 10 zero-emission electric buses. Electric buses will be used by the most overburdened bus lines running through the centre of the city. An appropriate system of charging batteries will be also installed in the bus depot and at the end stop. As part of the programme, selected crossings, the road and pedestrian-bicycle infrastructure, and bus bays will be rebuilt along with the replacement of bus shelters. As part of the project, the Intelligent Transportation System of Rzeszow which serves to manage the traffic and the public transport within the territory of the city of Rzeszow, will be expanded with new functions. The project is to be completed on 31 December 2018.

## 5. Conclusions

The last 12 years has been a period of an intensive economic growth in Poland. Those years coincide with the membership of Poland in the European Union. Rzeszow belongs to Polish cities which have made a good use of that period of growth. The growth of the number of inhabitants and the enrichment of the society has, however, also had negative effects. An intensive growth in the number of the registered passenger cars followed the development of the number of inhabitants and the increase of their income. This growth contributed to the decrease of public transport carriage and the congestion of city streets. It became necessary for the city authorities to take appropriate actions in order to reverse those unfavourable tendencies in public transport. The actions undertaken by the authorities for the sake of development of sustainable transport are sustainable and consistent and in line with EU policy (Corazza et al., 2016; Urbaniec, 2015). They are supported with the appropriate EU funds. They lead to an increase in the attractiveness of public transport and the development of zero-emission transport, which also includes bicycle transport. As a consequence of these actions, the transit travel time was reduced, and the traffic made smoother within the areas affected by congestion. In the immediate perspective, it is predicted that the public transport will be linked with individual bicycle, pedestrian and car transportation. A so-called eco-mobility chain will be created. Investments in transport with alternative power systems will bring additional improvement of the energy efficiency. Through the improvement of energy efficiency of the urban transport, the negative impact on the environment will be decreased, including the reduction of noise and vibrations and emission of greenhouse gases, mainly carbon dioxide. The implementation of the all the above-mentioned tasks will have a clear impact on the improvement of the quality of life in the city and protection of the environment.

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# AN IMPROVEMENT OF INTER-BRANCH COMMUNICATION IN THE PROCESS OF EXPLAINING THE DISCREPANCIES IN DELIVERIES

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## Abstract

Companies in the retail sector need to effectively manage retail outlets throughout the entire sales network (Andrzejczak, 2006). They are looking for solutions that will enable to run central accounting and coordination of trade policy using information systems. Transfer of materials or goods to another store of the same company does not give rise to the obligation to issue an invoice. This type of operation can be documented by the "MM" proof - inter-warehouse transfers. The study also presents some solutions that were applied in the event of non-compliance of deliveries in this type of transfers.

**Keywords:** inter-store transfers, IT system, supply chain, retail, sales network.

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## 1. Introduction

In the article, based on the research carried out by the author team, the solutions have been presented that have improved the transfer of goods between stores (inter-store transfers) belonging to one company.

IT systems used in the supply, manufacturing and distribution fields, are very important. They stimulate business, facilitate development and growth of the enterprise, making right decisions and managing the company more efficiently. IT tools are the link between the enterprise and their customers and partners (Długosz, 2009; Serafin, 2014; Kiba-Janiak, 2014; Roy et al., 2017). They integrate organisational units in an efficiently functioning organisation.

Logistics functions in a very dynamic environment that is constantly changing in terms of demand, technology, competition, etc (Kale, 2001; Yoo & Seo, 2017; Dębkowska, 2017). Availability of products in sales networks is an important factor that has effect on customers' trust and allows to acquire new markets. Design and implementation of new IT solutions is essential for enterprises to operate properly.

Implementation of an IT system should not be limited only to the technical aspect related with installation of devices and software, or providing professional services (Kanicki, 2011; Tvrdíková, 2016). It must be analysed in terms of internal conditions within the enterprise, its structure, methods of communication and management and also the relations that exist between the enterprise and its environment.

## 2. Operation of the IT system in the trading company surveyed - ordering the goods

In the examined case, the store employee finds the lack of required goods (Christopher,2000). In order to supplement this deficiency, he must execute the order - depending on his rights - at an external supplier or at another branch of the network. The ordering shop must, therefore, verify its own stocks and after the final determination of the lack of the required goods, start the ordering process (Coyle, Bardian and Langley, 2010; Ohanyan, Androniceanu, 2017; Krbová, 2016).

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#	Article #	Article name	Stock level	Reserved quantity	Order quantity	Advised quantity	Article gro...	Sale price	Label qua...	Averag
1	198131	ES39978-BZ000-INI000-000	0	0	0	0	0 ELEMENT	99,00		
2	3000000469682	BZ10002-Z0019-PSA000-B10	0	0	0	0	0 BRANSOL...	849,00		
3	3000010832179	CS00103-BB000-000000-000	0	0	0	0	0 CHARM	69,00		

Source: own.

**Figure 1. Stock of the ordering store for the required goods**

An employee of the ordering store needs to determine if any active unit within the sales network has the required resources. For this purpose, he calls the appropriate function in the system and checks the availability of individual items throughout the sales network. As a result, he receives information about where the product is located and can choose the store that will execute his order (Kramarz, 2011).

#	Location ID	Location name	Inventory #	Inventory n...	Stock level	Reserved ...	Available	Zip	Place	Street	Country	Phone
1	WMC	CENTRALA	MG	Magazyn S...	1	0		1 60-321	POZNAŃ	ŚWIE...	PL	1234567
2	D129	CH.KASKADA SZCZECIN	MG	Magazyn S...	4	0		4 35-322	RZESZÓW	ZAŁE...	PL	1234567

Source: own.

**Figure 2. Testing the availability of goods throughout the sales network**

In the next step, the store employee creates an order document in the system and he indicates the pre-selected store as the supplier. The choice of executing stores may be limited by the headquarters to stores located at a specified distance from the ordering party or shops exhibiting low rotation on a given commodity.

Requested delivery date: Nov 23, 2017  
 External number: 433  
 Inventory: Magazyn Sprzedaży

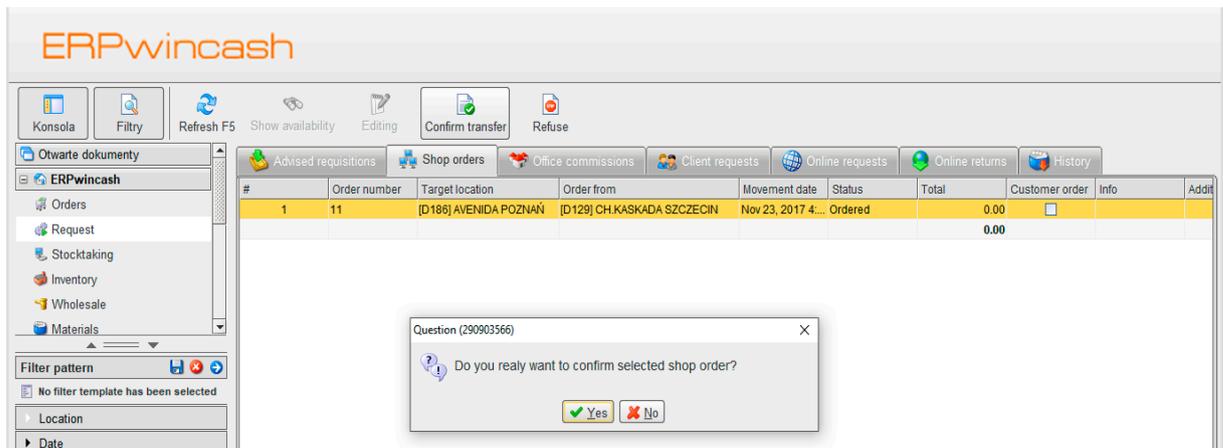
Order for a location: CH.KASKADA SZCZECIN (D129)

Location ID: D129  
 Location name: CH.KASKADA SZCZECIN  
 Street: ZAŁĘSKA 44  
 City: RZESZÓW  
 ZIP: 35-322  
 VAT Reg. No.: 8133198181

Source: own.

**Figure 3. Indication of the supplier for the order**

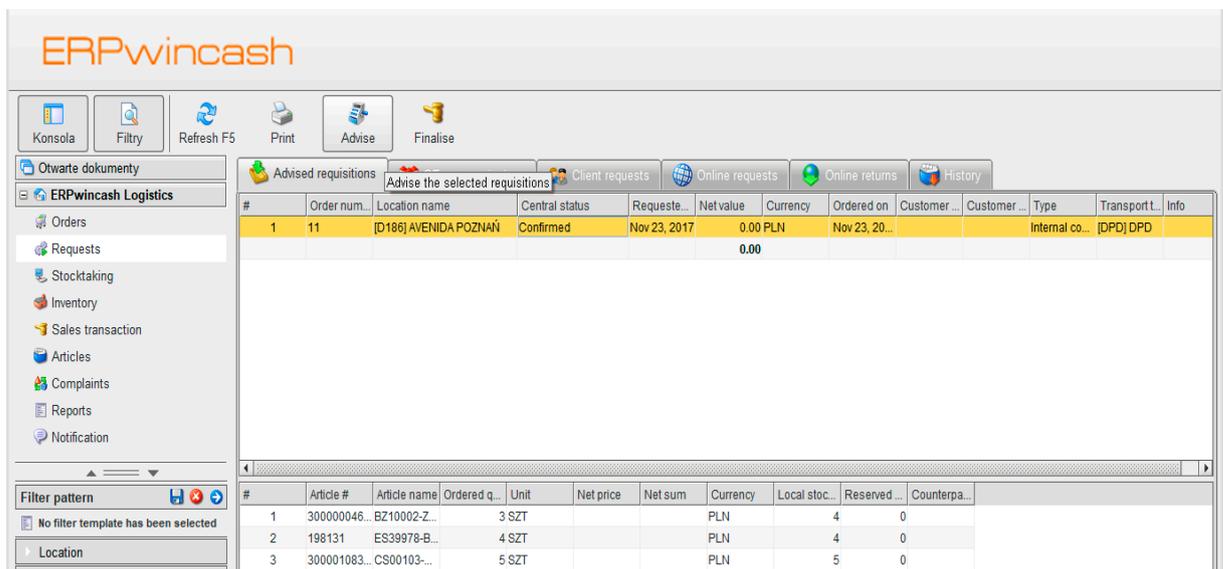
In the company surveyed, the management center of the sales network enabled individual stores to view the inventory of the entire network, as well as to allow internal transfers between individual stores. However, such orders are not visible in stores selected by the ordering party for execution without their prior verification and approval by the headquarters employee. An employee of the headquarters has an overview of all transfer proposals in the entire sales network and may modify them at his own discretion, for example by changing the store or the quantity of goods. If such modifications are not necessary and the offer is justified, the headquarters employee approves the shop order.



Source: own.

Figure 4. The headquarters employee approves the shop order

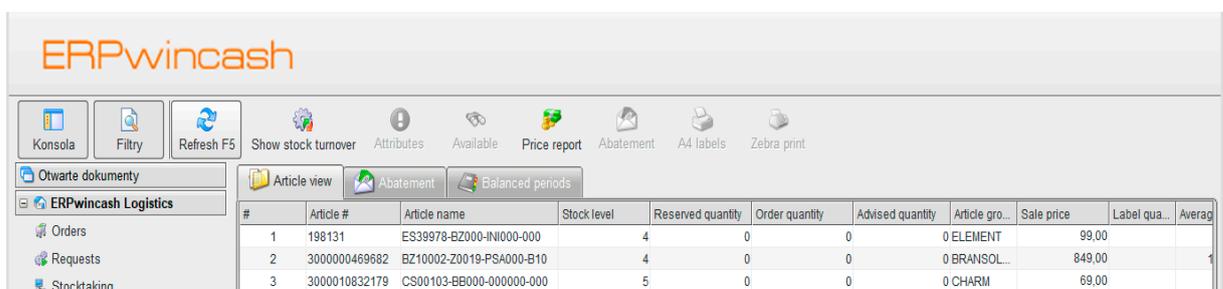
After approval, the order becomes active also on the implementing shop, where it appears in the order to issue the goods.



Source: own.

Figure 5. View of the shop order in the order tab of the issuing store

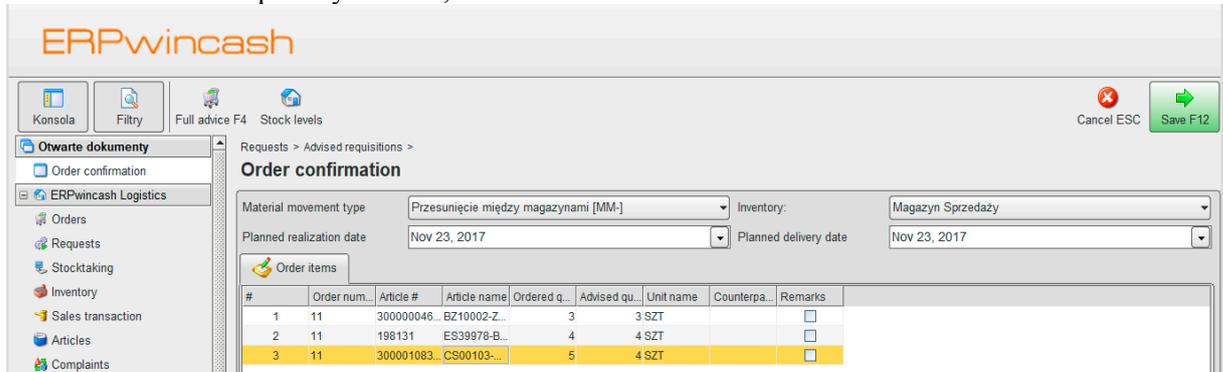
The employee of the store who first realizes an order needs to make sure that the goods ordered from him are actually available to be issued.



Source: own.

Figure 6. Preview of the condition of the required goods at the implementing shop

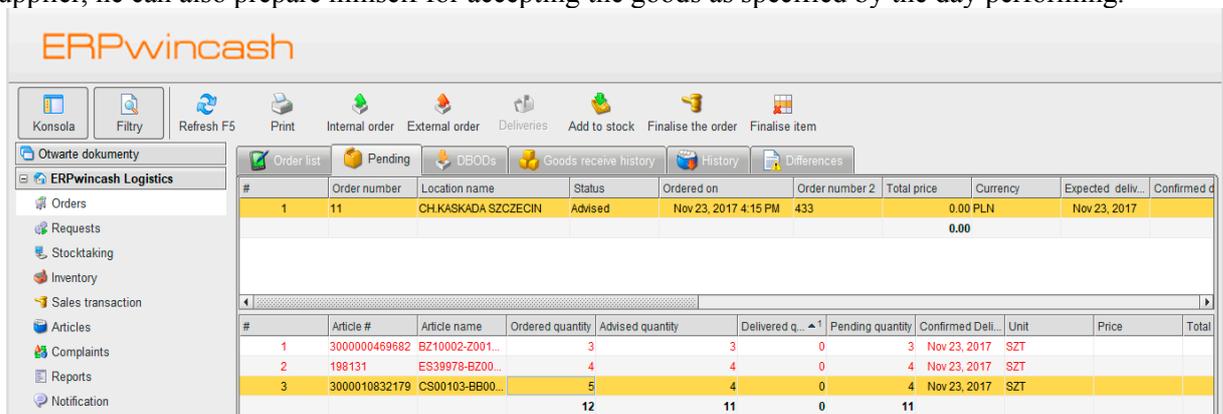
However, the issuing store may decide to spend less than the quantity ordered, especially when it has to keep the goods for the customer. In the example in question, the employee decides to issue two ordered articles in the quantity ordered, while the third article in the number of four items instead of five.



Source: own.

**Figure 7. The employee of the issuing shop confirms the quantities to be spent**

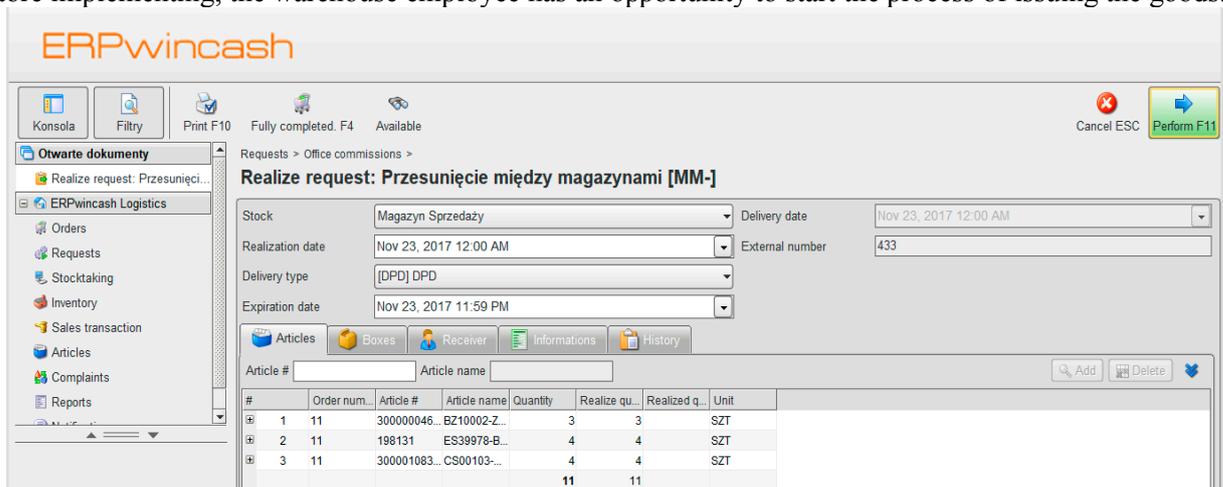
The implementing shop may additionally specify other parameters such as the planned date of completion or delivery. After confirming the quantity to be spent, the system will reserve the goods for the planned transfer and inform the customer about the decision of the implementing shop. Thanks to this, the person who makes an order can ask for the missing quantity in another store or from an external supplier, he can also prepare himself for accepting the goods as specified by the day performing.



Source: own.

**Figure 8. View of the order on the ordering shop after making the booking by the executing shop**

After accepting the order to issue the product and its reservation by an authorized employee in the store implementing, the warehouse employee has an opportunity to start the process of issuing the goods.



Source: own.

**Figure 9. Dispatch of goods by the shop**

As a result of the transfer, no sales are made. There is no obligation to issue an invoice. The goods are still in the company's resources, only the place of its storage changes.

### 3. Records and receipt of goods

The goods release ends with the creation of the MM release document and the consignment note of the selected forwarder. The status of the store of the executing shop reflects the warehouse transfers made during the order processing.

#	Article #	Article name	Stock level	Reserved quantity	Order quantity	Advised quantity	Article gro...	Sale price	Label qua...	Averag
1	300000469682	BZ10002-Z0019-PSA000-B10		1	0	0	0 BRANSOL...	849.00		1
2	3000010832179	CS00103-BB000-000000-000		1	0	0	0 CHARM	69.00		

Source: own.

Figure 10. Preview of the storage status of the delivered goods

The ordering shop accepts the goods sent to its warehouse after receiving the delivery(Duda, 1995). However, in the admission process, there may be errors resulting from the surplus or shortage of specific goods in relation to the documents sent.

#	Article #	Article name	Removed...	Accepted qua...	Unit	Price	Receiving qty	Counted qty
1	300000469682	BZ10002-Z...	3	0 SZT		100.00	3	3
2	198131	ES39978-B...	4	0 SZT		10.00	4	3
3	3000010832179	CS00103-...	4	0 SZT		10.00	4	5
			11				11	11

Source: own.

Figure 11. Acceptance of delivery at the ordering shop

The ordering shop scans the goods actually accepted, while the system accepts the goods in accordance with the delivery specification (Dudziński and Kizyn, 2000; Androniceanu, 2017), because the MM documents in the internal circuit must be closed. However, in the event of discrepancies, the system automatically creates a discrepancy report, which will be the basis for the process of explaining them. The example shows a shortage of one commodity and surplus of another (Andrzejczak, 2006).

#	Difference num...	Order number	Inventory docu...	Delivery docum...	Supplier	Status	Discrepancy type	Links	Booking date
1	6	11	MM-/000018/1...	MM-/000006/17... [D129]	CH.KASKADA SZCZECIN	Open	Internal		Nov 23, 2017 4

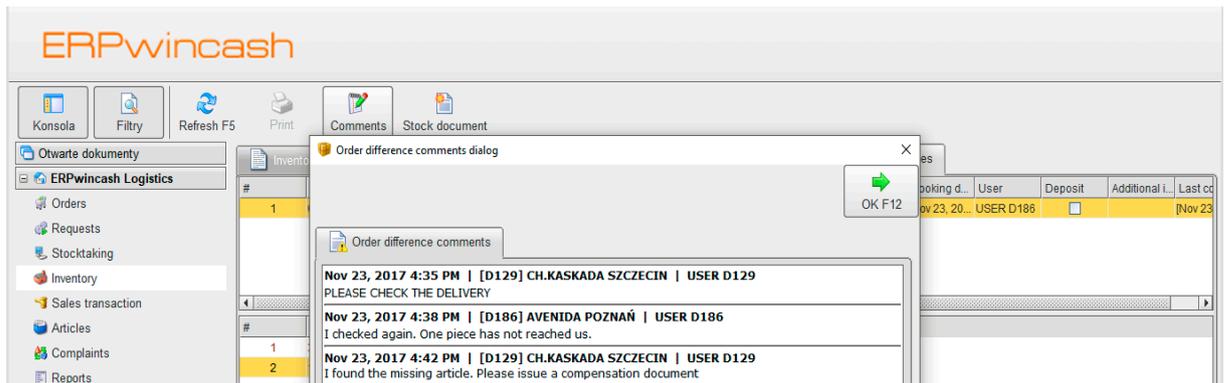
  

#	Article nu...	Article name	Delivery	Received	Unit	Type	Open acco...	Last comment
1	300001083...	CS00103-...	4	5	SZT	Surplus	1	
2	198131	ES39978-B...	4	3	SZT	Storage	-1	

Source: own.

Figure 12. The discrepancy report was created after the acceptance of the delivery

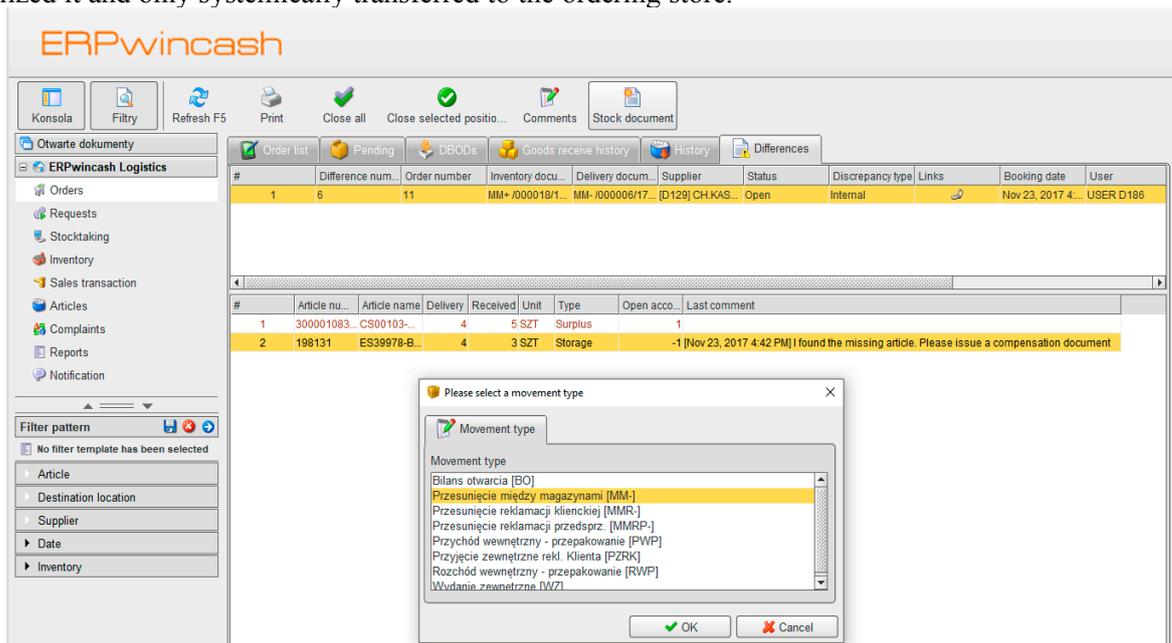
The discrepancy report is created at the store that accepts the delivery, but it is also available in the store system. The shopkeeper must explain all discrepancies. All activities are carried out directly from the protocol level to facilitate communication, the system has a messenger integrated with the protocol, which significantly speeds up the explanation of the discrepancies as finding the right person to solve the problems without system support seems very difficult. Thanks to this, an employee of the shop can, by means of the system, order an additional counting or other activities to exclude any errors made during the acceptance of the goods by the ordering shop.



Source: own.

Figure 13. Communication between shops regarding discrepancies

If the reported discrepancy is justified - for example, the employee of the shop realizes the order states one item reported as shortage was not actually sent because it was located in the shipping zone - the employee of the store asks to prepare the MM-document to the store ordering the system reflect the actual state. The ordering shop has an ability to create such a document directly from the protocol, and what is important, only the release document is created, because the product has in fact remained in the store that realized it and only systemically transferred to the ordering store.



Source: own.

Figure 14. The ordering shop creates a document for moving the missing item

The issue of the MM document by the ordering shop is recorded in the discrepancy report.



Source: own.

Figure 15. Noting the issue of the MM-document in the discrepancy report

The supplier shop records the sent warehouse transfer document, as a result of which the actual situation in both stores agrees with the system status (Niemczyk, 2008).

#	Delivery no...	Source loc...	Supplier	Delivery da...	Issued on	Value	Source sto...	Counted q...	Destinatio...	Link	External n...	State	Employee	Pallet n...
1	MM-/00000...	[D186] AVE...		Nov 23, 20...		10.00	Magazyn S...	1/0 (0%)		000000026...		Otwarte	USER D186	

#	Article #	Article name	Removed quan...	Accepted quant...	Measurement...	Net price	Net value	Open quantity	Counted quantity
1	198131	ES39978-BZ00...	1	0	SZT	10.00	10.00	1	0

Source: own.

Figure 16. Adoption of the document of transfer by the executing shop

In the case of the second reported discrepancy, i.e., the surplus, the process proceeds similarly, with the difference that the executing shop must issue an additional document for the excess product, which also after the receipt of such a document by the ordering shop will lead to the compliance of the actual status with the goods on this product.

#	Difference num...	Order number	Inventory docu...	Delivery docum...	Supplier	Status	Discrepancy type	Links	Booking date	User
1	6	11	MM+ /0000181...	MM- /000006/17...	[D129] CH.KAS...	Account	Internal		Nov 23, 2017 4...	USER D186

#	Article nu...	Article name	Delivery	Received	Unit	Type	Open acco...	Last comment
1	300001083...	CS00103-...	4	5	SZT	Surplus	0	[Nov 23, 2017 5:04 PM] Cleared with warehouse document MM+
2	198131	ES39978-B...	4	3	SZT	Storage	0	[Nov 23, 2017 4:54 PM] Cleared with warehouse document - MM-

Source: own.

Figure 17. View of the discrepancy report after explaining all the differences

#### 4. Conclusions

The described example of the implementation of simple internal orders indicates a high degree of complexity of processes occurring in the distributed sales network. The sales network's center must practically manage the internal supply chain, taking into account the selection of the optimal alternative to the implementation of a specific process, as in the example above choosing an external or internal supplier or appropriate forwarding, taking into account the costs of each. Additionally, interference may occur in any process, such as discrepancies, and also in this case, the control panel must decide whether and to what extent specific problems can be solved directly in the shops and where intervention is required. Lack of system support for these processes undoubtedly significantly hinders their implementation. It is worth noting that the central IT system connecting all branches of the sales network with each other, not only enables the unification of the offer in the entire network, but also provides additional tools in the area of communication, which significantly contribute to shortening the implementation of individual processes.

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# INTEGRATION OF LEARNING EVALUATION MODEL IN PERFORMANCE MANAGEMENT SYSTEM: CASE STUDY OF LATVIAN SRS

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## Abstract

The purpose of the paper is creation of such a learning evaluation system that would be significantly compatible with the integrated human resource management system. The study is performed using action research design and several research methods, such as the descriptive method, deconstruction method, aspect analysis method. The findings of the study prove that learning evaluation system has to be included in the integrated human resource management system, which, in turn, is based on process management system, and is able to supply the organization with detailed information about the quality of training within the organization and its return. Such an approach to integrated human resource management system is able to support effective management in other areas of the organization. The paper deals with application of the learning evaluation revised within one institution – the Latvian State Revenue Service (SRS). The application of the model is significantly affected by the normative acts of the Republic of Latvia. The main findings related to the analysis of activities of the Latvian State Revenue Service could be practically implemented within tax and customs administrations. The paper proposes a learning evaluation system which allows the integrated tax and customs administration evaluate the training activities that affect achievement of strategic goals.

**Keywords:** tax and customs administration personnel management; performance management; process management; learning evaluation.

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## 1. Introduction

National regulatory authorities, like any other institution, should spend resources on achieving the aims in the most effective and optimal way. To evaluate the efficiency of economic operators' performance, the ratio of the result to the resources invested is used. National regulatory authorities act towards the benefit of the entire society; aims in each state institution may be different; nevertheless, society's satisfaction is used as a means of assessment. To ensure particular functions of national regulatory authorities when providing public services, they need personnel that possess the necessary knowledge and skills. According to Stoican, Camarda, Dascălu, Constantinescu, and Vlăsceanu (2011), recognizing the central role of knowledge in economic development involves giving absolute priority to education. Progress can be achieved only through performance; human capital is the key and education is the main way by which people gain greater powers. Many economies in transition, as they open to international competition, stronger, based on market forces, should increase their efficiency and competitiveness by raising employment training by investing in education. Unfortunately, the difficulties of the transition process make a mark, more or less, on education systems, affecting the present and future training of human resources.

One of the tasks of human resource management in state institutions is to ensure that the personnel have the appropriate knowledge and skills and evaluate them. Completion of such a task is especially complex in specialized civil services, which are anticipated to conduct special, exclusive state functions (such as defense, security, etc.) and which require different approaches to ensuring the access to work-related resources, their maintenance and development. Among such special services are state revenue

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services, where tax and customs administrations are integrated at the national level, e.g., in Latvia and Estonia. Another factor that makes learning evaluation difficult is subordination to the regulations of the civil service personnel requirements. The Latvian State Revenue Service has no common approach to the question of how the training activities affect the achievement of strategic goals. The topicality of the research is connected with the necessity to reform national regulatory authorities. Sustainable activities of the public sector include the following factors:

- The main task of the public administration system is to ensure appropriate human resource management in terms of long-term success of an organization;
- The public administration system requires well-educated and highly-motivated employees;
- The public administration must ensure efficient use of resources, which are invested in human resources development.
- It should be noted that the Latvian State Revenue Service does not have a single clear mechanism:
- how a learning event affects an organization's performance at different levels;
- what needs to be improved in every training event in order to raise the organization's performance.

As regards national regulatory authorities, an effective learning system allows for provision of development of personnel that complies with the current requirements and is able to provide public services that meet the needs of society. One of the elements of the human resource management system is creation of career development programs in line with the expectations of the organization, its employees and also societal interests (Peterson, Krastins and Ketners, 2015).

## **2. Theoretical background**

### ***2.1. Approaches to Evaluation of Instructional Interventions***

Bramley (2003) identified six general approaches to learning evaluation: Goal-based evaluation, Goal-free evaluation, Responsive evaluation, Systems evaluation, Professional review and Quasi-legal. Phillips (2016) discovered that the goal-based and systems-based approaches are predominantly used in the evaluation of training. Many of the learning evaluation systems have been created based on exactly these two approaches. One can agree with Holton III (1996) that the Kirkpatrick learning evaluation model, also known as the four-level evaluation model, among the many learning evaluation models, still maintains its application topicality and is acknowledged by many practitioners as the standard in the field. According to Dahiy and Jha (2011), the Kirkpatrick Model can be classified as the goal-based evaluation approach. According to literature analysis, besides the Kirkpatrick Model the most popular models are Context, Input, Process, Product (CIPP) Model (Worthen and Sanders, 1987), Training Validation System (TVS) Approach (Fitz-Enz, 1994) and Input, Process, Output, Outcome (IPO) Model (Bushnell, 1990).

During the last ten years, many authors (Phillips & Phillips 2016) (Sahid et al. 2016) advanced the Kirkpatrick Model. The new eQvet-us training outcome evaluation model consists in an improvement of the Kirkpatrick Model by associating to the evaluation level the corresponding objectives (Moldovan, 2016). For each level of the Kirkpatrick Model Drozdova and Guseva (2017) propose to calculate the relevant indicators to form a more complete picture of the overall evaluation of the training course, objective and accurate assessment of the efficiency, more rapid analysis of the obtained results, and to get a clear structuring of the results and evaluations. Paull, Whitsed, and Girardi (2016) conclude that the Kirkpatrick Model offers educators a straightforward basis for evaluation of interventions, but that as with any model the approach to evaluation should be adapted to the particular setting and circumstances. Whereas Agarwal, Pande, and Ahuja (2014) have revealed three gaps in the Kirkpatrick Model – Training motivation, Organization citizenship behavior and the Assessment of both the individual and the Organization simultaneously. The data support the various relationships to be included in the Kirkpatrick Model and it identifies that for an effective training program it is essential to perform both pre-training and post-training analysis using the four parameters of the Kirkpatrick Model.

The World Customs Organization (2009) recommends the Kirkpatrick Model to be applied for learning evaluation in customs administrations. Also, Alink and Van Kommer (2011) single out this model among the others as the more influential and popular for customs administrations. However, it is the responsibility of each tax and customs administration to decide what approach to use, by application of the five-element approach (Mintzberg, 1993), which characterizes an organization's structural role in the context of human resources:

- 1) informal communication and provision of adaptation;
- 2) ensuring direct supervision and responsibility for performance results;
- 3) provision of work process standardization and detection;
- 4) provision of skill and knowledge standardization and learning standards;
- 5) creation of organizational structures, applying task sharing and work integration approaches.

The authors agree with Wang (2018) that learning in the workplace is modeled as goal-oriented individual, social and organizational processes driven by the goals to improve both individual and organizational performance. Performance measurement is used by organizations as a procedure to improve performance by setting performance objectives, assessing performance, collecting and analyzing performance data, and utilizing performance results to drive organizational development. Thus, actual is integrated human resource management and learning organization and training system.

## ***2.2. Application of the Kirkpatrick Learning Evaluation Model in the Latvian State Revenue Service***

Acknowledging the importance of learning evaluation, in 2003 the Latvian State Revenue Service accepted a learning evaluation system and methodology that would eradicate the flaws of the learning process. Following the recommendations of the experts of the PHARE, the learning evaluation system in the Latvian State Revenue Service was based on the Kirkpatrick learning evaluation model, which was recognized as the most adequate for the use in the Latvian State Revenue Service. However, it must be acknowledged that the Latvian State Revenue Service has implemented the first three levels of the learning evaluation model: level I (Reaction), level II (Learning) and level III (Behavior). Upon existence of such a learning evaluation system, it is impossible to evaluate the return at the strategic level based on the resources invested; it is only possible to obtain the secondary information about the possible improvement of the quality of the learning process. The main explanation for incomplete performance of learning evaluation is not insufficient budget allocation, insufficient time allocation or lack of expertise, but predominantly lack of methods and tools.

Since the beginnings of professional training in the Latvian State Revenue Service, information from the learners is obtained on the topicality of the themes covered, learning process organization, course provision, lecturers' competence – knowledge and erudition, lecturers' ability to select adequate and innovative learning methods in the learning process. The gained information helps to make changes in the contents of the learning program, methodology, organization, choice of lecturers, defining whether every participant's needs have been adequately determined. Nevertheless, such information cannot be treated to be the basis for radical changes as subjective assessment of course participants has been taken into account.

At level III evaluation, the learners' knowledge of the study material during the study process and at the end of the study process is assessed. This allows for detection whether there is any need for correction of the learning contents, methodology and participant selection.

Level III evaluation specifically includes knowledge and skill transfer from the learning context to the work environment, i.e. practical application of the obtained knowledge. The aim of the evaluation is to define whether the course participants are able to apply the newly gained knowledge in practice. Level II and III evaluations are interconnected as the same skills and knowledge are tested within a certain time frame.

The Latvian State Revenue Service is aware of the role of learning and its influence on the achievement of the overall objectives and strategic aims. Level IV of the learning evaluation for an organization means conducting analysis on how the learning programs affect the productivity of the entire organization; therefore, national regulatory authorities are interested in controlling the return from the resources invested in internal learning. The affecting factors of the efficacy and productivity of an organization are not connected with the learning process. Therefore, the obtained evidence of level IV evaluation is not statistically significant compared to the evidence from levels I, II and III, which are relatively easy to be documented. However, implementation of learning evaluation at the strategic level is possible and can be integrated within the holistic approach.

### 3. Results and findings

#### 3.1. Learning Tendencies of the Personnel of EU Customs Administrations

Being aware of the importance of knowledge in obtaining the strategic goals of an organization, EU customs administrations have worked out a new EU customs personnel learning strategy or the Dublin Strategy (European Commission, 2012), which not only anticipates creation of common e-learning models, where learning would be supported by the European Commission and lead by the Member States, but also creates a flexible and correlated educational and training system for the customs personnel. The conception that it became vital for the customs personnel to obtain fundamental education rather than short-term professional training sessions appeared only 20 years ago. Even though a significant part of the customs administrations of the world are proud that half of their employees have higher education, it must be admitted that in majority of cases it has not been obtained in customs related specialties in state and private universities. Currently, many customs administrations are trying to implement an innovative approach to learning process organization by applying the mixed approach to competence model implementation and development for the customs personnel. Unfortunately, within this process, customs administrations rely on strict internal rules developed over many years. European Commission Directorate-General for Taxation and Customs Union research on customs personnel in the EU shows that:

- ✓ 75% of Member States conduct internal training for their customs personnel;
- ✓ 55% of Member States conduct customs management training only within auditoriums, which is recognized as mere formal training providing less than half of the professional competences;
- ✓ 20% of Member States conduct their personnel development within their workplace;
- ✓ only 14% of Member States conduct training for customs personnel via the internet;
- ✓ only 4% of Member States conduct their training for customs personnel through seminars, conferences or other learning events (European Commission, 2011).

Yet, in most cases the profession of a customs officer is obtained as a higher degree in non-academic training centers at customs administrations. This is where the officers' professional development takes place. In such cases it can be estimated that customs administration's resources invested in training and education will affect the achievement of strategic aims and the validity of level IV evaluation results. In Latvia, such result validity acquisition is more difficult, since students with a degree in economics obtained at a state university (Study programs, 2017) are employed by the Latvian State Revenue Service, and they continue their professional development within the Latvian State Revenue Service. In this case it is difficult to distinguish which data relate to education and which – to level IV evaluation.

#### 3.2. Performance Planning within the Latvian State Revenue Service

The government of Latvia has successfully improved the availability of information of the results by approving the performance measure guidelines (The Guidelines on Outcomes and Performance System for the Period of 2008–2013). The aim of the guidelines was to improve the result and performance indicators system not only in order to develop policy planning, but also to improve the quality of the data and practical applicability in performance planning, execution and supervision process. The guidelines embody the world-wide practice, which ensures adequate content quality of result assessment. The principle also provides the need for state institutions to adjust their performance structure by correlating aims with every individual program and sub-program, likewise adjusting the planned and existent performance indicators (Rules on the Basic Principles of a Budgetary Request Preparation and Submission, 2012). A result oriented managerial approach envisages evaluation of an institution's performance efficiency. When planning the activity within such a technique, the main guidance are the aims of a policy program (several activities aimed at reaching the goals set by the management), as well as qualitative and quantitative performance indicators. A result-oriented managerial system has also been implemented in the Latvian State Revenue Service; it is connected with the defined policy aims and expected outcomes, by stressing the importance of line-item planning and control. Within this model, the Latvian State Revenue Service has a complex assessment whether the exact output is the most appropriate

tool and means for achieving it to be able to obtain the defined policy outcome in the most optimal way (Klavina, Petersons, Klapkalne, Sturis, Jankovskis and Sics, 2003).

Results of various levels and performance indicators have to be dependent both horizontally and vertically. Thus, it is not significant whether the discussion concerns policy or operational (strategic, tactic, operational and individual level) performance indicators, but it is significant for the results and performance indicators to be created so that the stakeholders get an overview of the already obtained as well as attainable results. This is the group included in the formulation of the indicators, thus also reaching some consensus about the main targets to be reached and their performance indicators. It should be noted that the normative acts of Latvia define only public administration's planning processes in connection with macroeconomic, political and performance results at a strategic level. Application of economic efficiency performance indicators has been left in control of each individual state institution; therefore, the way it will be correlated with tactical, operational and individual level performance indicators remains under control of each individual institution as well. These three performance indicator levels are very important to justify part of public authority's expenditure and connect it with its performance (Petersons and Ketners, 2016).

Since in Latvia there is a vertical planning system in state institutions, the regulatory documents on planning envisage the target cascading and traceability from the most important state planning documents to the ones at the institutional level; thus ensuring that an institution in its strategic plans, which are medium-term documents, includes the aims defined in the state's long-term plans, maintaining achievement of the state's long-term aims through everyday activities of an institution. One of the prerequisites in long-term planning is ensuring traceability in horizontal linking of planning documents of various periods. Cascading and traceability of the aims is as important from the perspective of mid-term documents as for each employee's individual plan; thus, ensuring that an institution in its strategic plans, which are mid-term documents, ensures short-term goal attainment through each individual employee's everyday activities.

Performance management document as a performance strategy of the Latvian State Revenue Service is prepared and publically available for the period of three years. In the annual public reports of every institution, information about performance result attainment is regularly included (The State Revenue Service Business Strategy 2017–2019).

### ***3.3. The Latvian State Revenue Service Performance Result Compilation Matrix***

The Latvian State Revenue Service has developed a performance result compilation matrix at the operational management level including information about performance results of various Latvian SRS departments, which cannot be seen as performance indicator to evaluate the strategic aim achievement. The Latvian SRS performance result compilation matrix can be considered a tool, which includes data from different Latvian State Revenue Service departments and which exists alongside with performance indicator evaluation. However, to conduct an objective evaluation of strategic aims, it is necessary to develop a clear link with another tool – tactic and strategic level performance indicators (Petersons, Krastins, Ketners, 2015). The result matrix can be the informational source where data for level IV evaluation can be obtained.

### ***3.4. Process Management System***

The Latvian State Revenue Service has divided its performance in three levels – objectives, processes and process operations levels, where every objective has its subordinate processes (reflected in management and department regulations); however, every process has its defined process operations (reflected in department regulations and job descriptions). As a result, every department and every employee precisely know the processes and process operations that are part of their job responsibilities (Petersons, 2013). On the basis of job descriptions, it is possible to precisely state what skills and knowledge are required by every employee, which, in turn, means what training is necessary for every employee and what skills and knowledge every employee should possess after the training. Level II evaluation will mean assessment of customs officers' knowledge; whereas, level III evaluation will provide information from the direct management of an employee whether the acquired knowledge is applied in everyday performance.

### **3.5. Employee Performance Evaluation in State Institutions**

Level III evaluation directly correlates with the annual employee performance evaluation the primary aim of which is to improve performance results of an institution, which is attainable by evaluating individual accomplishments. Upon implementation of employee performance evaluation regulation, based on competence approach (Petersone and Krastins, 2014), a complex approach to evaluate the performance of employees in state institutions, including the Latvian State Revenue Service, has been established; it consists of two components – performance criteria and investment criteria. On the basis of the flaws observed in personnel performance, it is analyzed how to eliminate such drawbacks. One of such possibilities is to improve their skills and knowledge with the help of training. Whereas, another aim of employee performance assessment is evaluation of the learning that has already taken place, which can be given by department managers by providing information how the training has affected work performance. Unfortunately, the possibility of connecting the annual employee performance evaluation with evaluation of the learning in the Latvian State Revenue Service has not been recognized, and therefore not applied. Level III evaluation (Behavior) demands special motivation from an organization to implement and utilize it. Another problem of information acquisition about level III evaluation is that, according to normative acts, employee performance evaluation takes place once a year, which can be considered as a serious obstacle for optimal work of the evaluation system.

### **4. Conclusions**

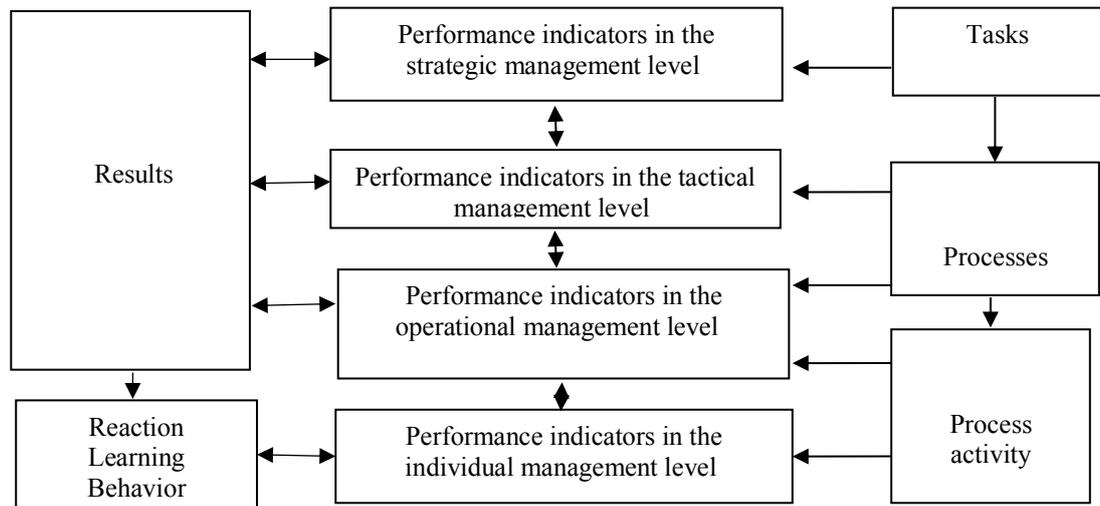
Customs officer's profession is mainly acquired as a higher education degree in non-academic training centers at customs administrations. This is where the officers' professional development takes place. Such investments in customs officers' training and education will affect achievement of strategic aims and validity of level IV evaluation. In Latvia, the Latvian SRS employs people with specialized higher education in customs administration obtained at a state university, whereas, their training takes place in courses organized by the Latvian State Revenue Service. In this case it is difficult to distinguish which data relate to education and which – to level IV evaluation.

The Latvian State Revenue Service performance indicator compilation matrix can be considered a tool, which includes data from different Latvian State Revenue Service departments and which exists alongside with calculation of performance indicators. Unfortunately, currently there is no clear correlation with other – tactic and strategic level performance indicators.

Level III evaluation directly correlates with the annual employee performance assessment, the primary aim of which is to improve performance results of an institution, which is attainable by evaluating individual accomplishments.

### **5. Suggestions**

The authors suggest inclusion of learning evaluation system in the integrated human resources management system which, in turn, is based on process management system and is able to ensure precise information provision to an institution about the quality of training within the organization and its return (Figure 1). Such an integrated human resource management approach is able to support other organizational management areas as well.



**Figure 1. The current four-level evaluation model approach within the Latvian State Revenue Service**

On the basis of job descriptions, which comply with the process management system (Figure 1), it is possible to precisely define what knowledge and skills each employee needs, which, in turn, shows what training every employee needs and what knowledge and skills every employee should possess after training. The information whether a customs officer has acquired the necessary knowledge and skills as prescribed in the job description will be available after conducting analysis of level II evaluation data, whereas, level III evaluation will provide information from the direct management whether the newly gained knowledge is implemented in practice.

Department managers can provide information of level III evaluation to the training organizers on how the training has affected the work process. Such information is available from the annual employee performance assessment.

The Latvian SRS performance result compilation matrix can serve as the informational source where data for level IV evaluation can be obtained.

The question remains whether upon inclusion of a four-level evaluation model in the integrated human resources management system, the four-level learning evaluation will still be classified as goal-based evaluation of training or such approach to learning evaluation will transform into a systems approach evaluation of training.

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# TRUST AND SENSE OF SECURITY AS AN ETHICAL VALUE IN MANAGEMENT – AN ANALYSIS OF AXIONORMATIVE PERSPECTIVE

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## Abstract

This article is an attempt to analyze the category of trust and sense of security from the perspective of ethical values. Both the concept of security and trust are widely used and analyzed issues in everyday life, as well as in social and political life. However, the problem with the issue assigned is that these concepts are ambiguous, multifaceted and interdisciplinary. It is impossible to choose one definition from many available in the literature as obligatory ones. A more effective solution may be to find only key concepts characterizing both phenomena and only on this level to undertake an attempt to analyze their ethical aspect. The aim of the article is to analyze both of these concepts from an axionormative perspective, with particular emphasis on the contemporary management system.

**Keywords:** Ethics, trust, security, values.

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## 1. Introduction

The pace of change in the modern world and even its impetuosity is becoming a kind of a calling card of our times. The changes are so dynamic that it is increasingly difficult to define the term "contemporary". Trying to answer this question - will modernity be lasting 100 years as many philosophers take, or maybe 30 as generational changes used to be defined or maybe even 10 are too many? Changes at every level of life are extremely intense. Modern science, technology and consequently contemporary culture undergo extensive modifications. The question arises whether these changes will be analogously rapid at the asymmetrical level and are new values appearing nowadays? The aim of this article is to analyze the category of trust and sense of security. These concepts will be discussed from an axionormative perspective, with particular emphasis on the area of contemporary management. The research problem undertaken by the author is extremely important especially at the level of human resource management as in today's business relationships success is more and more often determined by the values the company identifies with. In the literature on the subject one can find many interesting concepts regarding trust management (Grudzewski et al., 2008) trust in the network (Ma et al., 2011) and broadly understood trust in social relations (Fukuyama, 1995; Sztompka 2007; Lazányi, 2017a; Lazányi et al., 2017b; Szkudlarek et al., 2016) or a sense of security (Tseloni et al., 2002). However, texts that seek correlation between these issues are deficient. In addition, the author analyzes these concepts from an axionormative perspective, paying particular attention to the level of modern management.

## 2. The issue of a value

The concept of values appears in the terminology of many scientific disciplines. It is used by psychologists, anthropologists, financiers, economists, and sociologists, but philosophers and ethicists are particularly fond of it. Unfortunately, representatives of various fields define this concept in a different way. Their different scope and meaning may not only make communication difficult but also lead to numerous misunderstandings. However, this is not the only problem. Discrepancies in an assessment and

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a definition will also appear on the level of one field. Due to the area of these considerations, we are interested the most in an axionormative level. The scientific analysis of the essence of values was undertaken by Rudolf Lotze, who argues that ethical norms differ from the half-way ones because they do not lose their meaning even when they are not achieved. Earlier - because from the time of ancient philosophers - one referred the most often to the concept of "good". For Socrates it was associated with a virtue, and consequently with good and happiness, it was Plato's highest principle and, for Aristotle a possible and real goal to achieve. The Middle Ages proposed a reference to transcendence and modern times re-materialized them (Stecko, 2009). We can find the category of values in the works of many philosophers. According to some (Ingarden, 1987) only a man is able to discover values, what is more the relationship is mutual as the values constitute a human being. Only people can create and commune with values. Their realization allows authentically becoming oneself. The current discourse on values seems to be much more difficult, but no matter what meaning we give to the concept of values and how we classify them, it seems that we always touche what is most important to a human being. So, the question arises whether trust and security from this perspective should be seen as value or not. To settle this matter, it is worth taking a look at these concepts.

### 3. Trust and security - the history of concepts

The concept of the philosophy of security as a detailed philosophy "was born of attempts to overcome polemology (philosophy of war) and irenology (philosophy of peace), against the challenges that emerged in the last two decades of the twentieth century. Its subject is security identified with the form of existence that is a good for every human being. What is more for contemporary people it plays the role of a kind of "substitute for happiness". "The philosophy of security is the most general knowledge about security built in an equitable and holistic convention". In the case of the category of trust, the interdisciplinary nature of the concept is also noticeable. Both philosophy and psychology, sociology, economics or management sciences refer to the value of trust despite the fact that the level of these sciences is different and the practical application of trust in each case is more and more often appreciated.

Both issues had their precursors back in ancient times. The analysis of military aspects of the war and the issue of the sense of security can be found in Heraclitus according to whom the conflict is the prasade of the entire universe. However, it is only in the concepts of Plato and Aristotle that we find reasons to analyze the principles related to the security of the state and trust in the government. One of the intriguing concepts is an idea of the ideal state of Plato, which, if the right conditions are met - according to the ancient philosopher - can be happy. The Platonic state, however, would have no chance of existence without broadly understood trust. Social trust and trust in the leader of the state appear as a foundation for the functioning of an ideal community. The most important virtue in the functioning of the entire social structure is the justice of "ideal rulers to be a guarantee of the rule of law and justice" (Plato, 1987). The unit, being closely connected with its own state, creates a kind of contract that gives a sense of stability and, most importantly, guarantees security. One can also find terms that are very similar to modern definitions of trust (Stecko, 2014). Aristotle, one of the most versatile thinkers, also referred to the issues that are being discussed. Both the concept of security and trust in the community were, according to the ancient philosopher, important to live in a community. He saw the unity in solidarity, in common friendship and trust. A man is not only *a zoon politicon*, it is also a creature in need of security, peace and broadly understood *eudajmonii*. For Aristotle participation in the community is important both because of the security issue that should be assured by the state and because of the need to realize itself in social life. The sense of security for Aristotle is a kind of resultant of community, trust, sense of happiness and security (Aristotle, 2012). It seems, however, that it was already then that the distinction between naivety and trust was characteristic of contemporary times. Seneca already indicated the selectivity of people we can trust. In the "Moral Letters to Lucius" he simply says: "Trust in everyone and not trust anyone is wrong" (Seneca, 1967). The Middle Ages, though were dominated by the concept of trust, but mostly in a religious context. The transcendent level appeared to dominate the theoretical considerations of medieval thinkers. However, it is slightly different with the security category. In addition to the military aspect, which is directly associated with the level of security, in the Middle Ages the existential aspect also appeared. An example can be Saint Augustine who climed that "no one should feel safe in this life as the whole was called the fight". An interesting surface also seems to have been

pointed out by Saint Tomasz who wrote about a sense of security: "people tend to sink in a sinful sense of security" (Skrabacz, 2006).

"A sense of security" is one of the key issues in contemporary considerations, although few theorists today would call them sinful. It seems, however, that only modern times have redefined such concepts as security or trust and have returned to these ideas as key elements in social life. Machiavelli, Hobbes, Locke, Hume, Campanella are thinkers, in the works of whom one can find a theoretical analysis as well as the practical level of the phenomena described in the article. An interesting comparison seems to be two thinkers: Machiavelli and Campanella. According to the first of them - the creators of quite controversial concepts from the point of view of ethics - the state should have the strength and capabilities to ensure the security and freedom of citizens. Admittedly, they should be used only when peaceful ways of solving the conflict fail, but with the whole idea of the thinker in mind, it is the trained army and the uncompromising ruler who will be unscrupulous basis of security. The role of the ruler "is included in the purpose for which he was entrusted with supreme power, which is the concern for the security of the people. Note that, through security, I mean not only protection itself, but also all other satisfaction in this life that anyone can achieve with its legitimate industry, without danger or harm to the republic [...] The ruler should pay special attention to those whom he quickly trusted" (Machiavelli, 2001). The concept of Machiavelli can be called the "concept of suspicion" which provokes to the surveillance and disbelief as - it seems paradoxical - the criterion of truth. It is a kind of "trust" through control. With the concept of suspicious and trained uncompromising army, it is worth comparing the author of the "City of the Sun". The inhabitants of the aforementioned state are convinced that all human life should be as close to nature as possible, and all conflicts and wars are the result of excessive differences in status. Reaching for modern inspiration one can find a correlation of trust and security in one definition: "it will be commonly used once as it accurately expresses this assured trust, which we could not otherwise express in one word [...] security. [...] It expresses legitimate or unconvinced belief that it is beyond the reach of any threat "(Delumeau, 1998).

#### 4. Contemporary definitions

The definitions of both trust and security reappeared in the 20th and 21st centuries, but it is not easy to group them and analyze them. Both the concepts of security and trust are a multidimensional, multifaceted problem, so it is difficult to precisely define their scope and meaning.

The etymology of the word "security" as the original source of meanings indicated the lack of fear. In Latin, *sine cura (securitas)* was translated as a state without anxiety and cares. *Securitas* consists of the prefix *se* (without) and *cura* (concern, fear). This concept was sometimes translated as the opposite of chaos and the state of absence of threats. It seems that the Skrabacz study will help here, which by the notion of security means: (Skrabacz, 2006) a state of peace and certainty, as well as a state that gives a sense of confidence and a guarantee of its behavior and even a chance for improvement. The next elements Skrabacz points to are: certainty and lack of physical threat, or protection against it, reasonable standard of living, basic need of human and social groups, elementary need of states and international systems, continuous social process within which operating entities try to adapt mechanisms ensuring them a sense of security as well as a state and process. In this combination, at least 4 dimensions<sup>1</sup> can be distinguished. However, it is worth drawing attention here only to one, chosen aspect - to the subjective level of this concept.

All who have been trying to define the category of "security" at the same time pay attention to the impermanence of this state. The sense of security is the result of satisfying elementary needs and values. The dictionary definition of "sense" is the awareness of certain facts and phenomena occurring in the surrounding world (Sobol, 1995). Therefore, it is a situation where one feels a lack of danger in which we are sure of having sufficient resources and means to counteract in the event of a threat. This state is the result of our previous actions and the awareness where the human being resides in the economic, geopolitical sense, etc. Security in the psychological context is, therefore, a subjective feeling. For each

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<sup>1</sup> A. Skrabacz lists four dimensions: subjective (individual, local, national, international, global); the objective (values, means and tools, state activity); processual (politics, strategies, interdependencies); and structural and organizational (organizations, institutions, activities).

person different things and events have a different meaning, therefore there may be a lack of proper assessment and feeling of security.

Similarly with the category of trust, it also appears to be a very subjective level, in addition it is sometimes called a "shattering commodity" (Sztompka, 2007). In the literature, we can find several dozen definitions of trust (Stecko, 2011). The definitions of trust include the concepts that characterize this trust, they are: honesty, credibility, goodwill, kindness, as well as competence and predictability. In most cases, these definitions indicate a human being as a source of trust.

**Table 1. An overview of selected definitions of trust**

Rotter	The general expectation of the individual that a word, a promise, a verbal or written promise of another individual or a group is reliable.
Sztompka	It is a bet taken on the uncertain future actions of other people.
Fukuyama	An expectation that the parties of a given environment, regarding honest, reciprocal, repetitive behavior are based on norms commonly accepted by some members of such an environment.
Grunig&Hon	The level of reliance on one side on the other side and the willingness to be open to the other side.
Ratnasingam i Pavlou	The subjective probability by which members of the organization collectively assess whether a given transaction will be concluded.

Source: based on W.M. Grudzewski, I.K. Hejduk, A. Sankowska, M. Wańtuchowicz oraz P. Sztompka.

In the case of this concept, as in the case of security, we will be mainly interested in the subjective aspect. It is a man who as a source of trust sets a level that seems to be the key to the issue of trust – i.e. the ethical basis.

### 5. Trust and security as a value – a component standard

The ethical basis of the category of trust was indicated by many authors, among others: Fukuyama, Putnam, Uslaner, and in Polish literature, Sztompka or Podrez. For Fukuyama "trust is born when the community shares a set of moral values, which allows us to expect regular and honest behavior" (Fukuyama, 1995), for Sztompka it is "a human bridge to an uncertain future world where the central role is played by other people who will be useful, helpful, kind, honest and loyal to me" (Sztompka, 2007); for Uslaner it is a kind of belief that others share our standpoint on basic moral values (Uslaner, 2008) and Putnam defines trust as moral resources necessary for the functioning of the community. Trust seems to be not only one of the values of the modern world, but also an essential value.

However, the question arises whether security is also a value? According to selected authors - one of the most important as its dissatisfaction can even lead to death. The Maslow pyramid already pointed to security as one of the key human needs and its unsettlement was the inhibition of the individual's development (Cenin, Chelpa, 1998). Creating conditions for a safe life for every person, local communities and nations is a human value and a fundamental goal of the state. Waldemar Kitler emphasizes the supremacy of security values over other areas. It results from the fact that it is a value whose achievement is an elementary duty that stands above various manifestations of social activity (Kitler, 2011). "Security, thus understood, precedes other values, but it is one of the basic values fulfilling an instrumental role for the emergence and existence of material and spiritual values" (Kitler, 2011). At this point, it is worth paying attention to the typology proposed by Kukułka who sees the correlation of security (as a value system) with means ensuring the preservation of these values. Kukułka points to:

- survival understood as a superior value;
- territorial integrity defined as a security equivalent;
- political independence understood as the lack of the state's dependence on the influence of various entities;

- and the quality of life, which - although it is a controversial concept - is sometimes understood as a standard of living as well as the level of socio-economic development, development of citizens' rights and freedoms (Kukułka, 1982).

Although this approach seems to be somewhat simplified, it nevertheless provides a clear level and security seems to be in fact the basic condition for a further action. Henry Kissinger, adviser to the President of the United States on security, speaking at the London International Institute for Strategic Studies, said: "security is the foundation of everything we do" (Kukułka, 1982). Security is, therefore, not only a necessity but also a value.

## 6. Trust and security as values in management

In modern business relations, success is more often determined by the axionormative level, the values with which the company and the category of trust are identified. We are not only talking about corporate social responsibility, but also undertaking activities supporting the ethical activities of companies. Not surprisingly, anybody is interested in the issue of trust, management through trust and the perception of trust as a value. It turns out that trust plays an increasingly important role in multiplying the involvement and efficiency of employees' activities. However, in order for it to appear a "sense of security" is needed. The need for security seems to be a priority, and at the same time it is difficult to build long-lasting social relations without even the original trust. It is worth asking whether the relationship is mutual, or just like the sense of security supports the construction of trust, so trust can build a sense of security? It seems that, with a slight asymmetry, it is a mutual relationship. The sense of security makes us ready to trust, and when trust is more important than the need for control, it seems easier to build a sense of security.



Source: Own research.

**Picture 1. Security and trust**

Many contemporary researchers have faced the issue of trust in enterprises in both real and virtual relations. The results of many studies leave no doubt about the importance of trust in the company's success. Therefore, trust should be considered as an equally important capital as the capital of knowledge or financial resources. Trust, however, is a "commodity" that appears to be very valuable, but whose market price is difficult to estimate. In the face of the uncertainty that modern experience gives us, trust and the sense of security correlating with it seem to be one of the most valuable and most valuable.

## 7. Conclusions

It seems that it is impossible to overestimate the trust that accompanies us in our lives right from the moment of birth. One of the first conclusions that arises from the above considerations is that the need for both security and trust is important not only in private life, but equally significant at the professional level. We should pay special attention to valuable relationships based on trust as they are the foundation for deep interpersonal relationships. Interestingly, trust in itself is of no value - it is neither good nor bad. In certain circumstances, for which a person is largely responsible, it can become both good and bad.

The last of the reflections I would like to pay particular attention to concerns the axiological aspect of both these concepts. It seems that in social life it is much easier to build a sense of security and create a platform of trust referring to a common set of values that are close to the whole community. If, however, for various reasons, it turns out that this area is missing, trust may be such a component that consolidates the relationship. It may turn out that Peter Sloterdijk was right when he wrote: "the society of the future is doomed to trust" (Sprenger, 2011).

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**CHALLENGES FOR HUMANITIES: DISCOURSE,  
TECHNOLOGY AND TRANSLATION**



# ANNOTATING DISCOURSE MARKER *BECAUSE* IN TED TALKS

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## Abstract

The purpose of this paper is to report on the results of cross-linguistic annotation of the English spoken discourse marker *because* and its translations into Lithuanian using the multilingual open translation project TED Talks as a resource of data. The purpose is achieved by investigating the domains and functions of the discourse marker *because* in English and Lithuanian as well as analysing Lithuanian translations of this discourse marker using TED Talks. To reach the aim of this study, qualitative approach was used. The present study was conducted in two stages. The meanings of the causal discourse marker *because* were annotated and compared to their meanings in Lithuanian. Later, translations of the discourse marker *because* into Lithuanian were analysed. The discourse marker *because* and its translations into Lithuanian in most cases express ideational cause, followed by the rhetorical domain of discourse management as the speakers express their own subjectivity. It was also established that translation by omission was frequently used. First, the present study focused on the annotation of only one discourse marker of spoken English and its translations into Lithuanian using TED Talks. Second, frequent use of translation by omission may have been used to meet the requirements for making subtitles. The annotation of the domains and functions of the English discourse marker *because* and its translations into Lithuanian as well as the analysis of translation variants enables translators to choose the equivalent which is the closest to the source language. The present study contributes to the field of research of discourse annotation of spoken data conducted cross-linguistically using TED Talks. Little research has focused on cross-linguistic discourse annotation involving translations of spoken discourse markers into Lithuanian.

**Keywords:** discourse markers; cross-linguistic discourse annotation; spoken discourse marker *because*; English-Lithuanian translation.

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## 1. Introduction

Discourse markers are grammatically heterogeneous, multifunctional pragmatic markers (Crible, 2014) that include coordinating conjunctions (*and, but, or*), subordinating conjunctions (*because, although*), adverbs (*well, actually*), verbal phrases (*you know, I mean*), prepositional phrases (*in fact*) and have the function to convey a coherence relation (PDTB Discourse Relations Annotation Guide 2013; Crible, 2014). It should be stated, however, that even though lexical or grammatical means to convey coherence relations are found in most languages (Dixon and Aikhenvald, 2009, cited in Zufferey and Degand, 2013), there exist distinctive variations in their number, which becomes even more noticeable when comparing their translations (Zufferey and Degand, 2013). The difficulty to conduct cross-linguistic comparisons of discourse markers is also determined by their polysemy and the ways of expressing coherence relations used in different languages. The former, i.e., polysemy of discourse markers means that a single lexical item can be used to convey several coherence relations, whereas the latter means that when coherence relations are not expressed by any discourse marker, the relations are implicit and have to be reconstructed by inference (Zufferey and Degand, 2013).

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The problems related to discourse markers become a particular challenge for translators who have to adapt them to a new language and culture, in which textual strategies involving their use are often different from those of the source text (Baker, 1993; Mason, 1998; Halverson, 2004, cited in Zufferey and Degand, 2013). Hence, analysis of discourse markers plays a relevant role in the field of discourse analysis, which is pivotal in case of cross-cultural communication and translation.

The present study aimed to annotate the English discourse marker *because* cross-linguistically using the multilingual open translation project TED Talks as a resource of spoken data. The investigation was conducted in two stages, including annotating the domain and functions of the discourse marker *because* in English and its translations into Lithuanian followed by the analysis of Lithuanian translation variants. In this paper, first, the concept of discourse markers will be defined, which is followed by the description of the state-of-the-art schemes used to annotate discourse markers. The research methodology and results as well as research limitation will be then reported.

## 2. Theoretical background of the research

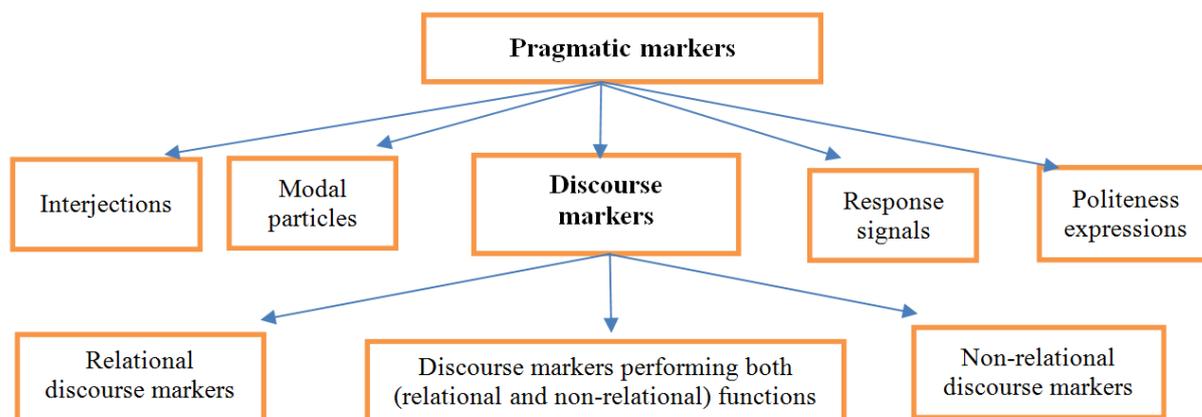
In this section, discourse marker definitions as well as the methods and schemes used to annotate discourse markers are presented.

### 2.1. Defining discourse markers

Discourse markers have been analysed by a number of researchers using different perspectives, therefore, their definitions vary. To illustrate, Schiffrin (2006) defines discourse markers in two ways, i.e. in her operational definition they are referred to as “<...> sequentially dependent elements that bracket units of talk, i.e., nonobligatory utterance-initial items that function in relation to ongoing talk and text” (p. 321). In her theoretical definition, the researcher specified the conditions that allow a word to be used as a discourse marker, i.e., such a word is syntactically detachable, is used in the initial position within an utterance, has a range of prosodic contours, and operates on different levels of discourse. Schiffrin (2006) also stresses that discourse markers have primary domains within which they function as well as that they can connect utterances either within a single domain or across different domains, which helps to create coherence (p. 322).

In another example, Crible (2014) defines discourse markers as “grammatically heterogeneous, multifunctional type of pragmatic markers” which signal “a discourse relation between the host unit and its context <...>, explicating the structural sequencing of discourse segments, expressing the speaker’s meta-comment on his phrasing, or contributing to interpersonal collaboration” (Crible, 2014, pp. 3–4). In her work, the author distinguishes two main subcategories of discourse markers, mainly *relational discourse markers* (RDMs) and *non-relational discourse markers* (NRDMs) (Crible, 2014, p. 10). In addition, the researcher describes a group of discourse markers that “belong somewhere between RDM-NRDM extremes and are thus difficult to situate” and ascribes them to a separate category of discourse markers which perform both relational and non-relational functions (Crible, 2014, p. 16), (Figure 1).

Thus, *relational discourse markers* signal “a two-place relation” on the content level (e.g. a cause between two events), on the textual level (e.g. a thematic shift) or on the meta-discursive level (a reformulation of a previous statement) (p. 15). *Non-relational discourse markers*, on the other hand, comprise miscellaneous lexical items performing various functions, e.g. interactive verbal expressions (e.g. *you know*), interjectional punctuators (e.g. *well*), and other meta-discursive elements (e.g. *actually*). In other words, relational discourse devices connect two explicit textual units while non-relational markers signal relations between assumptions (Crible, 2014, p. 15). Discourse markers of the “in-between” category perform both types of functions, whereas the hyperonym “discourse marker” highlights the similarity of the functions of all the three hyponyms (Crible, 2014, p. 16).



Source: Crible, 2014, Figure 3, p. 17

**Figure 1. Pragmatic markers**

A similar view regarding the concept of discourse markers is shared by some other researchers. To illustrate, Diewald (2013) discusses the positions of two schools, the first of which advocates a narrower concept of discourse markers, whereas the second one defines discourse markers as a broad category of linguistic elements that “fulfil discourse-organisational functions, i.e. the management of conversation” (p. 7).

Hansen (2006), on the other hand, states that the role of discourse markers is “to provide instructions to the hearer on how to integrate their host utterance into a developing mental model of the discourse in such a way as to make that utterance appear optimally coherent” (Hansen, 2006, p. 25). Thus, connectivity is an integral part of the meaning of discourse markers. However, it should be also stated that connectivity is not limited to the neighbouring utterances in a text as it also pertains to the “<...> relations between the host utterance and its context in this wider, non-linguistic sense” (Hansen, 2006, p. 25). In this context it should also be stated that there has been no consensus among the followers of the broad concept of discourse markers as to the grounds on which hyponymic categories should be ascribed to it, which has resulted in a number of their classifications (Crible, 2014, pp. 4–5).

## **2.2. Annotating discourse markers**

Research in the field of discourse marker annotation has been extensive. Cartoni et al (2013) state that to annotate discourse markers some “the state-of-the-art methods” are used, each of which has its advantages and limitations (p. 67). According to the authors, these include “sense annotation and translation spotting”, whereas the most recent scheme used to annotate spoken discourse is proposed by Crible (Crible and Degand, 2017).

### **2.2.1. Sense annotation**

The classical sense annotation is conducted by several annotators who are asked to annotate manually a set of data by assigning a label from a list of senses for each discourse marker. The validity is ensured by measuring the inter-annotator agreement. It has been established by the research that inconsistency in annotating can be caused by several factors, including annotator training, the homogeneity of the group of annotators and the number of linguistic categories to be annotated, each of which affects the validity of the results (Cartoni et al, 2013).

One of the most important resources for sense annotation of discourse markers is the Penn Discourse Treebank (PDTB) (Prasad et al, 2008). The developers of this corpus have proposed an extensive classification of senses and the principles of assigning them. The annotation scheme proposed by the researchers contains four major semantic classes, including Temporal, Contingency, Comparison, and Expansion. Each class comprises some types and each type includes some subtypes of senses, e.g. Contingency covers two types of senses, i.e. Cause and Condition, and the type of Cause has two subtypes, i.e. Reason and Result (PDTB Discourse Relations Annotation Guide 2013, pp. 26–27).

In the PDTB, problems related to inter-annotator agreement were resolved by enabling annotators to annotate at the level that they are confident about, e.g. if they are not sure about the subtype of a sense to which a discourse marker has to be ascribed, they can tag either only the semantic class and its type or only the semantic class. However, it was established that even under such conditions the level of inter-annotator agreement differed for the four top-level senses and the third-level senses; namely, for the former it was 92%, whereas for the latter it fell to 77%, illustrating the difficulty to annotate fine-grained cases (Cartoni et al, 2013).

### 2.2.2. Translation spotting

Translation spotting is a technique of disambiguation of ambiguous discourse markers in one language using parallel data from another language. It is also defined as “an annotation method that makes use of translation of specific lexical items in order to disambiguate them” (Cartoni et al, 2013, p. 68). The theoretical rationale behind this method is that differences in translation can disclose semantic features of a source language (Noël, 2003; Cartoni et al, 2013) and help to identify semantic features of the discourse markers denoting coherence relations since translation relies on the decisions made by the translators, who are experts in their own language (Behrensa and Fabricius-Hansen, 2003).

The term ‘translation spotting’ was originally coined by Veronis and Langlais (2000) to refer to the automatic extraction of translation equivalents in a parallel corpus (Veronis and Langlais, 2000, cited by Cartoni et al, 2013, p. 69). Danlos and Roze (2011), on the other hand, recommend conducting translation spotting manually as there exists a number of possible translation variants, ranging from various paraphrases and syntactic constructions to no translation or omission. In their research, Cartoni et al (2013) also performed translation spotting manually, which provided reliable results that disclosed both a number of advantages over the classical sense annotation and a number of limitations. The former included a low level of annotator disagreements and absence of labels of senses that are set a priori, relying on decisions made by the translator who is an expert in his/her language and whose translation choices are made based on the knowledge of the whole text, to mention just a few. The most important limitations were related to the issue of disambiguation. That is, this annotation method provided a direct disambiguation for an item only when the language of translation was less ambiguous than the source language, and that only one translation variant was possible for each meaning of the source language. To resolve this limitation, the authors proposed an additional step of analysis, i.e. to conduct interchangeability tests. It was concluded that the tests allowed distinguishing equivalent translations reflecting the same meaning in the source language from translations that were not equivalent (or interchangeable) and reflected different meanings of the discourse maker in the source language in a more reliable way than traditional sense annotation. The authors also suggested that if extended to a larger number of languages and discourse markers in more diverse genres, the technique would allow making more empirically grounded generalisations regarding discourse relations in the world’s languages (Cartoni et al, 2013, p. 83).

### 2.2.3. Functional annotation of spoken discourse data

The first version of functional taxonomy created by Crible (2014) was situated in line with the PDTB and aimed to “improve its operational application and to extend its scope to all types of discourse markers ...” as the author considered that the existing taxonomies “fail to a certain extent to meet the ideal balance between precision and application, in other words necessary and sufficient functional domains that are distinct enough to avoid hesitations but still cover the whole range of values possibly conveyed by discourse markers” (Crible, 2014, p. 17). The taxonomy which was specifically designed for annotating discourse markers used in spoken discourse consists of four main domains: (1) ideational domain is linked to “states of affairs in the world, semantic relations between real events”; (2) rhetorical domain is linked to “the speaker’s meta-discursive work on the ongoing speech”; (3) sequential domain is linked to “the structuring of discourse segments, both at macro- and micro-level”, and (4) interpersonal domain is linked to “the interactive management of the exchange, in other words to the speaker-hearer relationship” (Crible, 2014, p. 18; Crible and Degand, 2017, p. 5).

In its original version (Crible, 2014) certain functions were ascribed to each domain, e.g. Ideational domain covered the functions of Cause, Consequence, Concession, Contrast, Alternative, Condition,

Temporal, and Exception. Besides, the domains and functions were “inter-dependent”, e.g. a “cause” always belonged to the ideational domain, and reversely the ideational domain could only be expressed by one of the eight functions ascribed to it (Crible and Degand, 2017, p. 6). The original annotation scheme was later tested by five annotators in an annotation experiment during which the researchers’ hypothesis “<...> that all (or most) functions in the taxonomy, once grouped in coherent categories, can theoretically perform in each of the four domains (Crible and Degand, 2017, p. 18) was tested. Basing on the results of the experiment, the taxonomy was revised, which resulted in some major modifications (Table 1).

**Table 1. Crible’s revised taxonomy with cross-domain functions**

Ideational	Rhetorical	Sequential	Interpersonal
[addition] [alternative] [cause] [closing] [concession] [condition] [consequence] [contrast]			
[enumeration] [opening] [punctuation] [resuming] [temporal]			
[topic-shift] [specification]			

Source: Crible and Degand, 2017, p. 18.

The first major modification to the original taxonomy was refusal of the inter-dependency between domains and functions, thus, in the revised version of the taxonomy any domain can apply to any function and any function can apply to any domain. The second major modification was reduction of the number of function-labels, which was achieved by merging similar pairs of discourse marker functions. According to Crible and Degand (2017), using the revised taxonomy, annotators “can choose to start at domain-level or function-level, to annotate both levels simultaneously or independently, and could even decide to stop at one level if a particular domain DM token is under-specified for the other level” (2017, p. 20). The authors believe that this system can substantially improve inter-annotator agreement, which was supported by the results of the annotation experiment. Thus, the authors claim that the revised version “<...> restricts the risks of inter-annotator disagreement by reducing the total number of possible options (from 30 to 15 function-labels) and by keeping the two annotation levels truly independent” (Crible and Degand, 2017, p. 22).

### 3. Research methodology

The methodological choices made in the present study were related to the choice of the corpus and the annotation method. These choices were determined by the aim of the research. That is, to annotate the English spoken discourse marker *because*, to compare its meanings with their counterparts in Lithuanian as well as to analyse the translations of *because* into Lithuanian, the multilingual corpus of TED Talks was chosen. This choice was made on the grounds that parallel corpora are considered to be ideal for optimal comparability between languages as they provide more flexible and accurate ways to compare discourse markers (Zufferey and Degand, 2013).

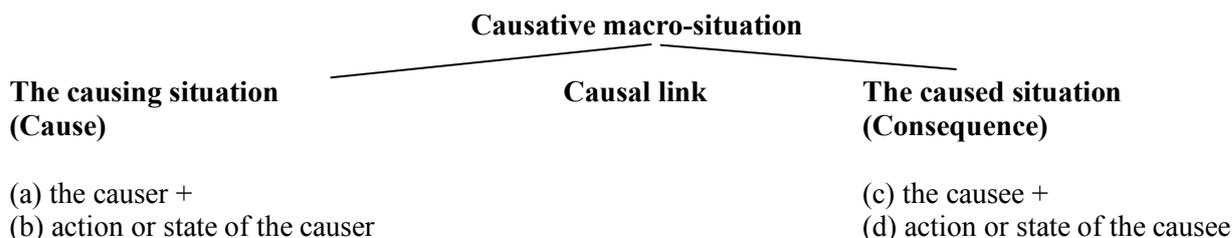
The choice of the functional approach to be used for this investigation was predetermined by the specific nature of discourse markers, which covers some specific features, e.g. even though most languages possess discourse markers, they have a high degree of contextual variation (Crible and Degand, 2017). Moreover, discourse markers are often multifunctional, ranging from relational meanings to speech-specific uses, i.e. they convey several discourse relations (Cartoni et al, 2013). Therefore, to annotate the domains and functions of the English discourse marker *because* and compare them with Lithuanian counterparts, the revised taxonomy for spoken discourse relational devices developed by Crible (Crible and Degand, 2017) was employed.

The method of (manual) translation spotting was also used in the present research as it can disambiguate ambiguous discourse markers in one language using parallel data from another language. Besides, it can also provide insights into the existing discrepancies between the languages, especially in case of connectives or discourse markers, when there are no one-to-one translation equivalents (Danlos and Roze, 2011).

The present research is also based on the theoretical underpinning that causal relations are the relations between two situations, one of which causes the appearance of the other (Comrie, 1989; Neeleman, 2012). To be more exact, a causative situation is a macro-situation which consists of two

micro-situations (i.e. the causing one (Cause) and the caused one (Consequence)) that are related by a causal link. On the surface level, a causative situation can be expressed in a number of ways, e.g. by complex subordinate sentences, simple sentences with prepositional constructions, causative verbs and verb phrases, etc.

A causative macro-situation has at least two semantic subjects, i.e. the causing subject (the causer) and the caused subject (the causee), Figure 2.



**Figure 2. The structure of a causative macro-situation**

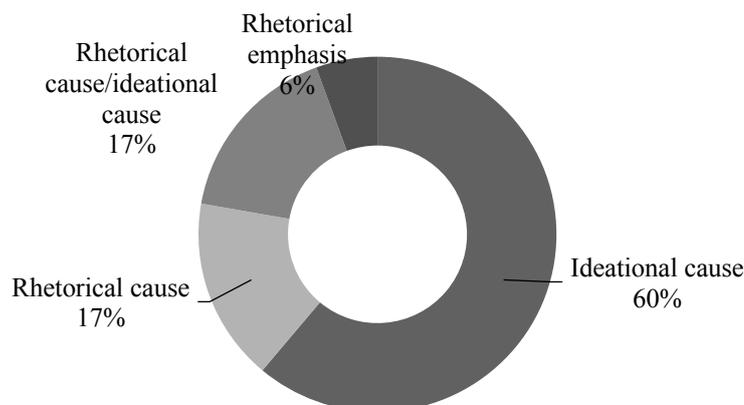
The causer performs an action or experiences a state which gives rise to the caused situation. The causee can either be passive and undergo a change of state or it can be active and start an action. In a causative macro-situation, component (b) refers to the way in which the causer creates the caused situation, i.e. it denotes the cause, whereas component (d) refers to the action or state created, i.e. it denotes the consequence. In such discourse segments, the causing situation may precede the caused situation or vice versa. In the context of the present study, it is important that discourse annotation can reveal how causal links are conveyed and what specific features causal discourse markers gain in spoken discourse.

The multilingual open translation project TED Talks was used as a resource of spoken data, the randomly chosen texts of which we manually annotated. During the first stage of the investigation, the revised functional taxonomy for spoken data (Crible and Degand, 2017) was used. 60 cases of *because* were extracted, their annotated domains and functions were compared to their annotated counterparts in parallel Lithuanian texts. During the second stage of the study, the translations of *because* into Lithuanian found in TED Talks were analysed. The results of the investigation are reported below.

#### 4. Results

The functional taxonomy (Crible, 2017) which was used for the annotation in the present study describes discourse markers as functioning in four domains, i.e. in the ideational domain (related to real-world events), rhetorical domain (related to the speaker's expressed subjectivity and meta-discursive effects), the sequential domain (concerns the structuring of local and global units of discourse), and the interpersonal domain (related to managing the speaker-hearer relationship). The four domains correspond to the overall discourse intentions or entities, which depend on what the speaker is targeting: content (the ideational domain), illocutionary value (the rhetorical domain), discourse structure (the sequential domain) or intersubjective inferences (the interpersonal domain) (Crible, 2017).

The results of the present study illustrate that in most cases the discourse marker *because* and its Lithuanian counterparts convey causative meaning, i.e. in the annotated sample, 60% of the occurrences express ideational cause in both languages (Figure 3).



**Figure 3. The annotated values of the discourse marker *because***

In this context, it should be mentioned that as the ideational domain is related to real-world events, ideational cause expresses causative meaning based on such real-world facts, see (1):

(1) *It's also [because] we've actually done an awful lot of work into the maths of how to find the perfect partner.*

(1) *Taip yra taip pat [dėl to, kad] mes iš tiesų atlikome žiauriai daug skaičiavimų kaip susirasti idealų partnerį.*

It was also established that 34% of the occurrences in the sample were associated with rhetorical cause, which indicates that rhetorical cause is related to the speaker's subjective perception and produces the effect of subjective discourse management, see (2):

(2) *[Because] I believe that mathematics is so powerful that it has the potential to offer us a new way of looking at almost anything.*

(2) *[Kadangi] tikiu, kad matematika yra tokia galinga, kad turi potencialą mums pasiūlyti šviežią požiūrį į beveik viską.*

As rhetorical subjectivity is linked to the whole argument, it can be stated that this example illustrates that the phrase *I believe* may add to the subjectivity of the discourse marker *because* in this particular context, i.e. it is closely related to the context of the argument.

An important finding of the study was that in 13% of all the cases it was difficult to distinguish between the ideational and rhetorical domains among four annotators working on the texts. The problem was solved by applying a gold standard for each complicated item. The gold standard value is defined as the value attached to a discourse marker after a consensual agreement regarding its domain and function is reached by the majority of annotators (Crible, 2017). In the present study, the gold standard value assigned to the most complicated cases was that of rhetorical cause. Besides, it was established that the rhetorical function of the discourse marker *because* could be also related to a broader context of the arguments, which includes phrases expressing subjectivity, see (3) and (4):

(3) *So my favorite online dating website is OkCupid, not least [because] it was started by a group of mathematicians.*

(3) *Mano mėgstamiausias pažinčių portalas yra OKCupid, ir tikrai ne [dėl to, kad] buvo sukurtas grupės matematikų.*

(4) *With the trust, with the access, with the love that only we can bring, we must unapologetically reclaim our beliefs in every moving image, in every cut of meat, [because] if we whitewash our stories for the sake of mass appeal, not only will we fail, but we will be trumped by those with more money and more resources to tell our stories.*

(4) *Pasitelkdami savo pačių pasitikėjimą, ryšius ir meilę, privalome neatsiprašinėdami susigrąžinti savo tikėjimą kiekvienu filmu ir mėsos gabalėliu, [nes] jei pataikaudami masėms nuslėpsime savo istorijas, ne tik sužlugsime, bet ir leisime, kad mūsų istorijas pasakotų turtingesnieji.*

An interesting finding of the present investigation was related to rhetorical cause, i.e. in 33% of cases it was observed that in the source language it was explicitly expressed by the discourse marker *because*, however it was omitted in the Lithuanian translation (Figure 4), see (5) and (6):

(5) *I've struggled to say those words, [because] I didn't want to be defined by them.*

(5) *Nėra lengva išstarti šiuos žodžius. Nenorėjau, kad jie nusakytu, kas aš esu.*

(6) *I told myself it was [because] I was growing up and maturing, not that I was suddenly looking for acceptance.*

(6) *Maniau, kad šie pokyčiai – tai dalis mano brendimo, o ne pastangos tapti pripažintai.*

This phenomenon might be explained by the translation requirements to synchronize the subtitles and make them easily-read, well-rounded bits of text.

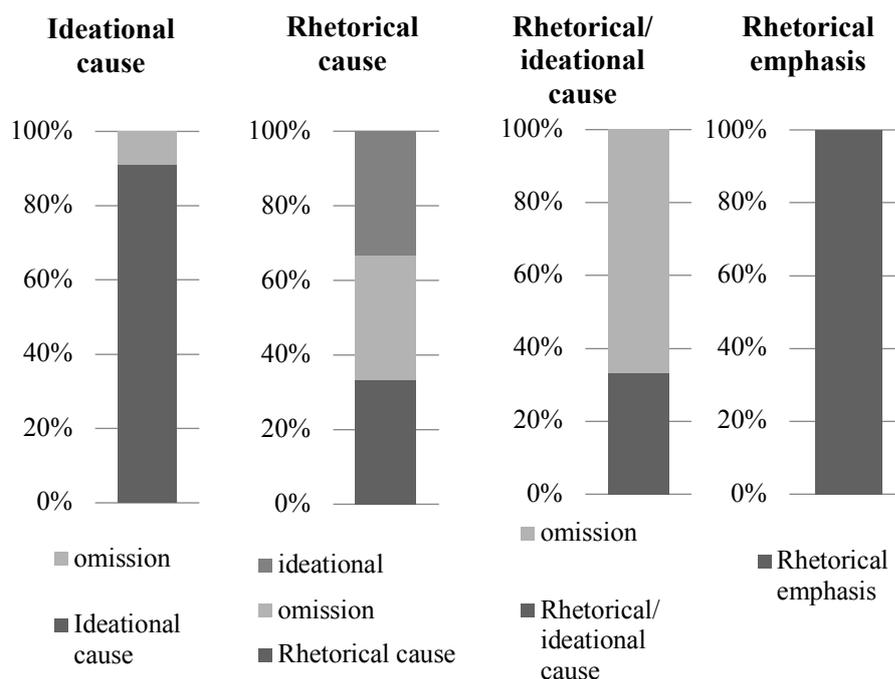


Figure 4. Annotated values of the discourse marker *because* in Lithuania

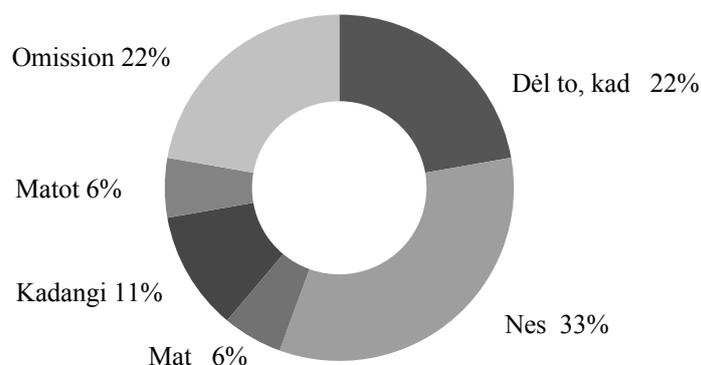
The example presented below illustrates the most interesting case of rhetorical discourse structuring which reveals how the causative discourse marker (*[Because] for me*) is related to the neighbouring context which explicitly demonstrates one's personal opinion, see (7):

(7) *[Because] for me, equations and symbols aren't just a thing.*

(7) *[Matot], man – simboliai, lygtys – ne šiaip dalykas.*

In this example, the translation into Lithuanian is particularly interesting as *because* is translated by the verb *[Matot]* reflecting the rhetorical domain and leaving the causative meaning under-specified in the translation.

The results of the second stage of the research showed several translations for the discourse marker *because*. The translation values of the discourse marker *because* are presented in Figure 5.



**Figure 5. Translation values of the discourse marker *because***

It was established that the most frequent variants of translating *because* into Lithuanian were *nes* (33%) and *dėl to, kad* (22%), followed by *kadangi* (11%), all of which are the variants provided by bilingual English–Lithuanian dictionaries, see (8), (9) and (10):

(8) [*Because*] *I know, just as well as all of you do, that love doesn't really work like that.*

(8) [*Nes*] *aš žinau, lygiai taip pat kaip ir jūs, kad meilės reikalai taip neveikia.*

(9) *It's also [because] we've actually done an awful lot of work into the maths of how to find the perfect partner.*

(9) *Taip yra taip pat [dėl to, kad] mes iš tiesų atlikome žiauriai daug skaičiavimų kaip susirasti idealų partnerį.*

(10) [*Because*] *I believe that mathematics is so powerful that it has the potential to offer us a new way of looking at almost anything.*

(10) [*Kadangi*] *tikiu, kad matematika yra tokia galinga, kad turi potencialą mums pasiūlyti šviežią požiūrį į beveik viską.*

It should be noted that 12% of translation variants found in the sample included the particle *mat* (6%) and the verb *matot* (6%). In both cases the translators' choices were successful as the chosen values rendered the rhetorical value of the discourse marker *because* in the source language, which demonstrates that the translators rendered the pragmatic features of the text, see (7) above and (11):

(11) *But I also know that that doesn't mean that mathematics hasn't got something that it can offer us [because], love, as with most of life, is full of patterns and mathematics is, ultimately, all about the study of patterns.*

(11) *Ir taip pat žinau, kad tai nereiškia, jog matematika negali mums nieko pasiūlyti, [mat] meilė, kaip ir visas gyvenimas, yra kupina dėsningumų ir matematika juk fundamentaliai yra apie dėsningumų studijavimą.*

The research disclosed that the discourse marker *because* was not translated in 22% of cases. These cases fall into two groups. The first group includes omissions for the cases in the source language in which more than one discourse marker was used to introduce the argument, which is particularly characteristic of spoken discourse in which discourse markers are used abundantly. In such cases only one discourse marker was rendered into Lithuanian, which leads to the assumption that in such cases the translator's choice was predetermined by the requirements of synchronizing the subtitles and making them concise.

The example presented below demonstrates the translator's choice to render the temporal discourse marker *when* by *kai* and to omit the rhetorical causal *because* preserving the ideational temporal meaning, which again is a successful choice having in mind the requirements of the synchronization, see (12):

(12) [Because] [when] people choose the pictures that they use on an online dating website, they often try to minimize the things that they think some people will find unattractive.

(12) [Kai] žmonės renkasi nuotraukas pažinčių portalams, jie stengiasi panaikinti visus dalykus, kurie manomai kitiems pasirodytų nepatrauklūs.

Other cases of omission occurred when the translator chose to render the source text using different grammatical structures, which in their own right required different translator choices in rendering the discourse markers. In both examples it was observed that the translator successfully chose to change the whole argument in order to render the meaning of the source argument, which resulted in the omission of the discourse marker *because*, see (13) and (14):

(13) The study found that even in companies with diversity policies and inclusion programs, employees struggle to be themselves at work [because] they believe conformity is critical to their long-term career advancement.

(13) Tyrimas parodė, kad kompanijose, kuriose pripažįstama įvairovė ir skatinama priimti skirtumus, darbuotojai patiria sunkumų stengdamiesi būti savimi. Taip yra dėl tikėjimo, kad normų laikymasis padės jiems sėkmingai tęsti karjerą.

(14) I told myself it was [because] I was growing up and maturing, not that I was suddenly looking for acceptance.

(14) Maniau, kad šie pokyčiai – tai dalis mano brendimo, o ne pastangos tapti pripažintai.

These findings allow assuming that most translator choices were successful in conveying both the semantic and pragmatic values of the discourse markers.

## 5. Research limitations

The present study has some limitations. The first one is related to the specific character of translations in the multilingual open translation project TED Talks, i.e. they are, in fact, subtitles. According to the guidelines for the production of Ted Talks subtitles, translators can use special techniques to reduce the text in the subtitle in order to meet specific requirements of time and the number of characters allowed to be on subtitles, which might have an impact on the results ([http://translations.ted.org/wiki/How\\_to\\_Compress\\_Subtitles](http://translations.ted.org/wiki/How_to_Compress_Subtitles)). Besides, research is focused on the annotation of only one discourse marker of spoken English and its Lithuanian translations, which is the first step in the field of research of spoken discourse and calls for the analysis of other spoken discourse markers that convey causal relations.

## 6. Conclusions

The research revealed that the discourse marker *because* and its Lithuanian counterparts were closely associated with the causative meaning as more than half of all the occurrences in the annotated sample expressed ideational cause. It was also established that slightly more than a third of the occurrences were related to the rhetorical domain of discourse management when the speakers expressed their personal opinions.

The present study also showed that the most frequent translation variants of the discourse marker *because* were *nes* and *dėl to, kad*, followed by *kadangi*, each of which are the variants provided by bilingual English–Lithuanian dictionaries. These dictionary-provided translation variants made up 66% of the values in the sample.

Besides, the findings illustrated that to convey the pragmatics of the spoken discourse while translating the discourse marker *because* into Lithuanian, sometimes translators chose a particle or a verb which reflect the pragmatic functions leaving out the causative meaning. Finally, it was revealed that translation by omission was used in 22% of the occurrences. This finding leads to the assumption that translators may have used the technique of omission to meet the requirements for making subtitles that have to be neither too long for the viewers to read in the time they are displayed on screen (with a reading speed of over 21 characters/second) nor too long to fall within the rules for the maximum number of

characters in a line (42) or the whole subtitle (84)  
([http://translations.ted.org/wiki/How\\_to\\_Compress\\_Subtitles](http://translations.ted.org/wiki/How_to_Compress_Subtitles)).

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# THE FUNCTIONS OF EMOJI ACROSS DIFFERENT LANGUAGES ON THE INTERNET

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## Abstract

This paper attempts to reveal the functions of emoji on the Internet across the English, German, Spanish, and Lithuanian languages and discuss the particulars of their use and the way they work. The methodology involves a theoretical explanation of the subject and a thorough analysis of the examples collected from such popular social networks as "Facebook", "Twitter", "YouTube", "Instagram", and "Reddit". Emoji may take on a number of text-modifying functions and simplify language, enrich it with additional graphic and emotional information, and extend its context. While there seems to be more similarities than differences in emoji use across the mentioned languages, their features and functions are somewhat similar. Due to the largeness and partial seclusion of the Internet, it is difficult to discern all of the possible emoji functions and uses, since people tend to employ them differently. The theoretical discussion and analysis of the numerous examples deepens the understanding of emoji use in different languages online and paves the way for future research. The work offers a novel investigation of the scarcely-investigated emoji use across different languages, with an analysis of the examples of their implementation, functions, and interaction with the text;

**Keywords:** computer-mediated communication; netlinguistics; social networks; functions of emoji.

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## 1. Introduction

Currently, the research regarding Internet linguistics is in active development as there are many new studies that look into various online linguistic phenomena. The relevance of the paper springs from the fact that the exact functions emoji can perform are still not very thoroughly investigated, especially when considering their use and capacity across different languages on the increasingly multilingual and constantly shifting Internet. The purpose of this paper is to distinguish the functions of emoji on the Internet across the English, German, Spanish, and Lithuanian languages and examine the specifics of their use. The tasks appointed to accomplish this assignment involve the description of the concepts related to Internet linguistics and emoji use online; the detection of emoji use, description, and categorisation of the functions they perform; and the specification of the meaning they express. The object of this research is the emoji and the functions they perform across the mentioned languages on the World Wide Web. Finally, the scope of this work encompasses the investigation on the ways emoji function across the aforementioned languages on well-known social networks, but it does not involve the 'ordinary' Internet web sites dealing exclusively with online chats, discussion forums, blogs, news pages, etc. In addition to this, the paper does not attempt to list all of the possible functions of emoji, but instead focuses on the most prominent and utilitarian ones.

## 2. Theoretical Background and Research Methodology

Internet linguistics is a newly-established field of research, which analyzes "language use in Internet" (Posteguillo, 2003, p. 17), aims attention at "the specific features of language that seem to be exclusive to the Internet" (Barton and Lee, 2013, p. 181), but "has yet to devise ways of capturing such dynamic characteristics in its stylistic descriptions" (Crystal, 2006, p. 126). According to this novel branch of language studies, the computer gave a start to a new type of communication, known as the

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computer-mediated communication (CMC), which "takes place between human beings via the instrumentality of the computer" (Herring, 1996, p. 1). Such communication is manifold, as it is "mediated by computers connected to networks" (McQuail, 2010, p. 552) and involves online text-, audio-, and video-based chat, Internet discussion forums, e-mails, online multiplayer games, etc. One phenomenon often encountered in most of them are the emoji – the latest incarnation of emoticons.

According to Ilona Vandergriff, together with the other cues of computer-mediated communication, the emoticons "have been found to disambiguate the message", "regulate the interaction", "strengthen the message content", "convey the sender's emotional involvement", and "foster online friendship development" (Vandergriff, 2016, p. 131). Overall, emoticons have a clear place in text, since they are "intended to represent a facial expression and to convey the sort of emotion that plain text does not otherwise support" (Horak, 2008, p. 167). Furthermore, their more advanced and standardized counterparts, the graphic emoticons, usually receive more technical support, and this is why "they are similar to the expression characteristics for some of the universal facial expressions in emotion" (Hwang and Matsumoto, 2013, p. 132), making them seem more preferable over the more simple textual emoticons and actually paving the way towards the development of the emoji.

Additionally, in her book *"Ethical Ripples of Creativity and Innovation"*, psychologist Seana Moran (2016) provides a thoughtful compilation of the major emoji-related findings of various scholars. She notes, that emoji are "one of the fastest growing languages", "their use sometimes leads to confusion and trouble", "they need their own grammar", they "may replace Internet slang like "LOL" and "OMG" <...> as well as numeric passwords", "they have their own "government" – the *Unicode Consortium* – to make sure they display understandably across technology platforms", "they are diversified by race <...>, gender, and body type", and "cultural differences have been found in emoji preferences" (Moran and Lee, 2016, p. 207).

Speaking of the issues arising when analyzing emoji, first of all, the terms '*emoticon*' and '*emoji*' are often regarded as synonymous, with a lack of a clear distinction between them, just like many other concepts related to CMC. Still, some dictionaries, like the online version of *"The American Heritage® Dictionary of the English Language"*, emphasize certain distinctive traits of each phenomenon, like the '*emoticon*' as "a facial glyph, used especially in email, texts, and instant messages and sometimes typed sideways, that indicates an emotion or attitude, as [ :- ) ] to indicate delight, humour, or irony or [ :( ] to indicate sadness", while defining '*emoji*' as "a standardized ideogrammatic icon, as of a face [ 😊 ] or a heart [ ❤ ], used especially in electronic messages or on webpages". For the sake of clarity, this paper will follow these definitions.

In addition to the problems related to its closeness to the emoticons, there are also issues of properly classifying emoji, as scholars tend to consider them differently – as "essentially new form of punctuations" (Donath, 2003, p. 386), a part of a "computer visual rhetoric" (Posteguillo, 2003, p. 64), as "discourse markers with various functional roles" (Coats, 2016, p. 242), etc. Despite such varying views, one aspect of emoji is almost universally accepted by all – that their strategic placement can add "additional shades of meaning" (Posteguillo, 2003, p. 64).

Just like the other aspects of CMC, emoji are sometimes viewed as a menace to the future of language and are scrutinized with suspicion and criticism, as "some consider these new options as an embrace of differences", but others think of them as being "stereotypical and sometimes derogatory", with sporadic mentions that, like emoticons, emoji are "overused or misused" (Moran and Lee, 2016, p. 207).

Language scientists also face problems when they analyze certain linguistic qualities of the various pieces of Internet language, as the presence of emoji, together with "the combination of shortening techniques plus the use of nonstandard punctuation" makes it "difficult at times to assign a definite syntactic analysis of the utterance" (Crystal, 2011, p. 45). For this reason, it is uncertain whether emoji "should be classed as minor sentences", what is their "pragmatic force", and their other specific functions in various messages of social networks like *"Twitter"* (Crystal, 2011, p. 45).

There is the technical issue as well, as, despite the large-scale efforts to implement them, emoji can also be "not always properly rendered as output by other mobile devices and Web browsers" and end up being shown as "blank boxes where emoji were inserted by the writer", making "the capability of both writing and reading with [the 'non-traditional' symbolic resources available for writing in CMC] device- and setting-contingent" (Squires, 2016, p. 475). There is another factor to it as well, as "although the vocabularies are more or less the same, companies tend to have their own design of the graphics" (Ma, 2016, p. 19).

Additionally, emoji tend to have issues related to the difficulty to recognize and convey them due to the lack of emotional cues (Hwang and Matsumoto, 2013, p. 132), as it is possible to mislead the reader with them, especially when they are employed in certain humorous, ironic, sarcastic, etc. passages and it becomes hard to tell the intention of the author, whether they are truly genuine, or are meant to mislead the reader. There are also sometimes technological limitations related to the use of emoji, that "bring about ambiguities that are filled with cultural influences and biases", which in turn "give rise to cultural differences in [their] expressions" (Hwang and Matsumoto, 2013, p. 132), requiring the Internet users to be wary of their surroundings and use care and discretion when communicating with the interlocutors of different cultural backgrounds. Finally, further confusion may also arise when attempting to identify the purpose of emoji, as they are "laden with emotional and discourse functions of all kinds, including the conveyance of intent, mood, and state of mind" (Danesi, 2016, p. 18), what is the central issue and also the perfect grounds for this research.

Seeing that studies focusing on it can reveal a lot of information about their users and the way they use language in general, the novel topic of emoji use has proven to be an interesting undertaking in research, seeing that scientists, such as semiotician Marcel Danesi, psychologists Seana Moran and Jai Sung Lee, computer scientists and engineers Hannah Miller, Jacob Thebault-Spieker, Shuo Chang, Isaac Johnson, Loren Terveen, and Brent Hecht, cognitive scientists Takashi Ogata and Taisuke Akimoto, etc., have discussed its mostly linguistic aspects and have come to meaningful conclusions. They observe emoji use in social networks like "Twitter" (Pavalanathan and Eisenstein, 2015), investigate how emoji change the way people communicate (Evans, 2017), analyze them in relation to alphabets and pictographs (Nawar, 2012), outline text messaging in smartphones featuring them (Tossell et al, 2012), research the features of smartphone owners using them (Lu et al, 2016), describe them as a language and their role outside American copyright law (Scall, 2016), provide socio-semiotic and multimodal insight into the use of a single type of emoji in American and Japanese culture (Moschini, 2016), investigate word frequencies and emoji (Towns, 2013), etc. Such works are written in numerous languages: French (Bejot, 2015), Russian (Cherepanova and Pitsenko, 2015), Portuguese (Paiva, 2016), etc., providing access to data to a wide range of readers from around the world. There is quite a lot of space for the future studies on emoji, as there are still many social networks, languages or their combinations, aspects, points of view, and more subtle traits of emoji (such as their functions in specific contexts, role in different types of texts, situational semantic nuances, etc.), that are yet to be touched upon. Thus, with the reason to analyze this topic clearly justified, the purpose of this paper is to reveal the functions of emoji on the Internet across the English, German, Spanish, and Lithuanian languages and discuss the particulars of their use and the way they work.

The methodology of the research encompasses the research methods that focus on the principles of the selection of emoji examples and the principles of their analysis. The examples of emoji have been collected from the widely-known and popular social networks of the Internet, such as "Facebook", "Twitter", "YouTube", "Instagram", and "Reddit". These web sites are well-known globally, as they successfully attract and feature a wide, multinational, and productive audience with a varied linguistic background, and are a source of numerous multifarious and unique pieces of often multimedia-enriched text which reflects the different possible uses, aspects, and functions of emoji and thus are especially suitable for the aims of this paper. The 18 featured English, German, Spanish, and Lithuanian examples have been picked by browsing the aforementioned social networks and locating the messages of various lengths, discussing miscellaneous topics, made by different users of the Internet, and featuring from one to several emoji of the same or assorted types that reflect their distinctive functions and the way they are employed and operate across these separate languages.

The principles of their analysis are straightforward, as all of the examples are presented as they were originally found on their respective web sites – unedited and containing various inherent grammatical, semantic, and other deviations, what reveals their unique nature, the relationship between the textual and ideogrammatic information, and the way it effectuates them. In addition to this, seeing that the examples were taken from a number of social networks which often feature their own emoji sets, the emoji of the "Google" standard are used in the paper, while their names come from the "Full Emoji List" of the "Unicode Consortium", so as to maintain a single style. All of the examples are divided into 9 separate groups according to the function the emoji perform. Each of the grouped examples is then analysed with the aim to indicate the exact names of the featured emoji, denote what they signify, specify what is their role in the text they accompany, and make further observations. The similarities and

differences of the functions of emoji across the English, German, Spanish, and Lithuanian languages are denoted in a paragraph afterwards. Lastly, the conclusions on the functions of emoji across the different languages online are drawn by virtue of reasoning at the end of the paper.

### 3. The Functions of Emoji Across Different Languages on the Internet

#### 3.1. *Emoji may be used with the intention to enrich the text with symbolic elements*

(1) VG RetroDeals Sega: "#Sega #Megadrive II -komplett inkl. 2 Controllern und 12 #retrogaming #ebay 🇩🇪🔥🔗 <https://deal.vg/xHfbZGe>"

<A photograph of said item for sale is attached below the message>

(2) Desertinė Atostogos: "Su gimtadieniu, Lietuva! | 🟡🟢❤️ | Desertinė Atostogos paruošė Jums spalvotų šventinių macarons. Ragauk ir tu, švęskime laisvę kartu! | 🟡🟢❤️"

<A photograph of the mentioned coloured macarons is attached below the post>

In these examples, the emoji are used together to create new, yet familiar and thematically-related ideogrammatic combinations. In (1), the 'Flag for Germany', 'Fire', and 'Link' emoji indicate the place of origin of the advertisement, the status of the popular item listed for sale, and a hyperlink added at the end of the message, respectively. In (2), the 'Yellow/Green/Red Heart' emoji arrangement represents the flag of Lithuania in this message written in celebration of Lithuania's birthday.

The close similarity of employing emoji in order to complement the message with certain symbolic elements is evident in both the German and Lithuanian languages. In such a case, the emoji provide an additional graphical effect, serve as a means of stylistic expression, and act as an extension of the meaning of the message.

#### 3.2. *Emoji may be combined with emoticons*

(3) Débora Freitas: "(ㄟ\_ㄟ)(ㄟ\_ㄟ)(ㄟ\_ㄟ)(ㄟ\_ㄟ)(ㄟ\_ㄟ)(ㄟ\_ㄟ)(ㄟ\_ㄟ)(ㄟ\_ㄟ) Lenny face ❤️"

(4) Geraldine Rios: "Bueno llegue una hora tarde.. creo que no es malo o si? v": bueno el punto es sos un grande 7w7 un capo sos un todo nwn quiero que sigas así porque me encantan tus videos y además me encanto este video ya mismo voy corriendo a ver los animes <3 🧡💛🥰💖💖"

The inclination to combine emoji together with emoticons is seen in the English message (3), where the 'Red Heart' emoji is combined with the complex upright East-Asian kaomoji style emoticon, combined from several different "Unicode" characters and widely known as the 'Lenny face' in Internet culture, in order to express the author's fondness for such an emoticon. In (4), the kaomoji emoticon '7w7', which depicts a cute face, and the '<3' emoticon, which reflects a horizontally-placed heart, are paired with two 'Heart with Ribbon', one 'Smiling Face with Heart-Eyes', and two 'Revolving Hearts' emoji at the end of the message for an emphasised Spanish expression of approval of the video content.

Even though the tendency to use emoji together with emoticons is quite similar across the analysed languages, such compounds are still not very common, since either only emoji or either only emoticons are generally used in such texts. Also, they are more rare on certain pages, such as "YouTube", where texts tend to be written in a more hasty manner, since it is oriented towards viewing, uploading, commenting on, and rating videos. However, the placement of emoji at the end of these messages indicates that more consideration towards emoji is usually put after writing them, since it takes more time to find the right emoji and to place them in the right place, number, and order in the text with the aim to meet certain communicative goals. In addition to this, the fact that specific emoticons, such as the 'Lenny face', have a diminutive human name and are comprised of multiple characters from different character sets, confirms their significance in Internet discourse and reflects the trend of users to search for new ways to show their linguistic skills, creatively express themselves, and impress others. Such significance of the rich opportunities to produce and enrich text using numerous means brings its own set of issues, since the often visible lack of proper punctuation between the text, emoticons, and emoji reflect the common trend of an inadequacy of understanding of the spacing conventions when placing these means in the text.

### 3.3. *Emoji may be mixed with symbols, characters, letters, or even punctuation marks*

(5) Strawberries777: "+Arielle Webber 🙌 (👄👄👄👄)"

(6) •||Happy Jerk||•: "Ya es tarde, pero lo quería subir una (perdonen la flojera del coloreo :v)  
#FNAFHS @edd00chan cuándo veras un dibujo mio? 🙌 (👄👄👄👄)"

When combined together with these items, emoji may form certain hybrid constructions, such as in the English example (5), where the 'OK Hand Sign', 'Mouth', and 'Flexed Biceps' emoji are combined with the opening and closing parentheses ('(' and ')') and, a smaller compound of, as "Unicode" describes it, the 'Telugu Letter tha' ('థ'), which looks like an eye, together with the 'Thai Character Sara I' ('อิ'), which adds a tiny figure similar to an eyebrow above it, creating a new complex and mixed construction which is used to express friendliness towards another Internet user while jovially discussing the species of the octopus shown in the commented video. In (6), the 'Flexed Biceps' and 'Mouth' emoji are combined together with parentheses and the same 'Telugu letter tha' and 'Thai Character Sara I' in a similar fashion, so as to express an invitation written in Spanish and dedicated to the friends to view the discourse producer's drawing and collectively signify a sort of eagerness.

Such curious constructions depict a type of facial expression and body gestures that are not usually expressed by 'ordinary' emoticons and emoji, suggesting that the current emoji system still needs further upgrading and that users often seek precision in the expression of their ideas, have specific intentions in mind, and sometimes do what is needed to achieve their desired results. Furthermore, the use of identical base templates for these hybrid structures implies that users tend to use similar means in order to create such combinations or search the Internet for already-finished structures and modify them according to their needs. This speaks of a tendency of some Internet users to follow certain relevant trends of Internet communication and replicate them in their own writings. However, such hybrid character-based constructions are still quite rare across the analysed languages, since people usually tend to use either the bare emoji or emoticons, or both of them at the same time.

### 3.4. *Emoji may replace nouns, verbs, or even set phrases*

(7) David August: "To 🐝, or not to 🐝, that is the ? ...or to take 🙌🙌 against a 🌊 of troubles, and by ✖ end them... to 😬, to 😬 no more /inspired by @mugwumpter"

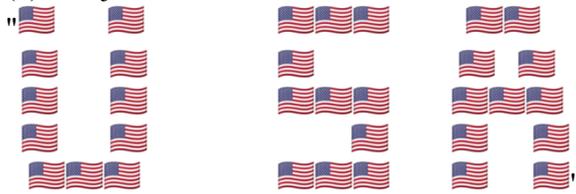
(8) Justė Grikšeliënė: "Pritariu <sup>100</sup>"

Emoji can replace certain parts of the sentence and act as substitutes of words or phrases in examples such as (7), where the message features an incomplete quote from the Act III, Scene I of William Shakespeare's play "Hamlet", where the verb 'be', nouns 'question', 'arms', 'sea', and verbs 'opposing', 'die', 'sleep', are replaced by the following 'Honeybee', 'Question Mark', 'Flexed Biceps', 'Water Wave', 'Cross Mark', 'Astonished Face', and 'Sleeping Face' emoji, creating a sort of playful rendition of the play and demonstrating their mastery in using emoji. Also, the author cleverly replaces the irregular verb 'be' with a 'Honeybee' emoji, intended to be understood as 'be', as its pronunciation is very similar to the noun 'bee'. Also, due to the lack of emoji depicting the act of dying and the severeness of the 'Skull' emoji, the euphemious 'Astonished Face' one replaces the verb 'die' instead, reflecting the skills of users in searching for a more suitable compromise. In (8), the Lithuanian phrase 'šimtu procentų' ('by a hundred percent') is replaced by the 'Hundred Points Symbol' emoji, signifying a total acceptance of an opinion made by another user in a short, but visibly emphasised manner.

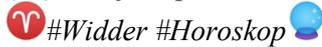
The use of emoji as an element replacing the parts of a sentence is encountered across these two languages, but in varying degrees. It is more often encountered in English, but is quite rare in Lithuanian, suggesting the thought that the bigger and older Internet communities are more inclined to reflect their knowledge of the trends of Internet communication and exhibit their message writing skills, while the smaller ones still prefer to use the more traditional ways of writing online, often avoiding more complex emoji constructions in favour of consistency and clarity of text.

### 3.5. Emoji may form special graphical structures or pictures

(9) Emoji Stories™:



(10) Emojiskop Widder: "EMOJISKOP vom 6.9



LOVE 🌀 🙌 🙏

FUN ❤️ 🐶 😄

JOB 🔔 👑 😌

Dein Glücks Emoji heute: 🙏

<Below is an embedded link leading to the Emojiskop.de web site>

With or without text, emoji may form complex pictures and function as their visual detail, such as in (9), where the 33 'Flag for United States' emoji are used as building blocks to form the English acronym 'USA'. In (10), the 'Aries' and 'Crystal Ball' emoji horizontally surround and present the hashtagged name of the Zodiac symbol and the German horoscope which is designed for it, while the 'Cancer', 'Fishing Pole', 'Hear-No-Evil Monkey' the 'Red Heart', 'Dog Face', 'Grinning Face With Smiling Eyes', and the 'Bell', 'Crown', 'Relieved Face' emoji groups create a sort of table respectively indicating the three sets comprised of three lucky emoji for love, fun, and job for the day of 6th September 2017. More emoji horoscopes for that day are presented with the 'Folded Hands' emoji below, which may also denote a high-five gesture, thankfulness, requests, or even prayer, what suggests that, despite its official name, users may interpret such individual emoji differently.

Across the analysed languages, such constructions are usually an artistic creation, meaning that the visual aspect of the construction is often more relevant, usually helps to effectively organise or even deliver text (if it is present), and may even sometimes function alone without any text at all.

### 3.6. The overabundance of emoji of the same type may be used to emphasise a point

(11) National Music: "3.15beste 😂😂😂😂"

(12) Jaafar: "CAMINO A LA DECIMOTERCERA. || 🥰🥰🥰🥰🥰 🔥🔥🔥🔥 ❤️❤️❤️❤️"

<A photograph depicting the dozens of soccer fans holding a huge poster with the aforementioned Spanish phrase in a stadium and standing right in front of the players in the field is seen below>

Written ideas are emphasised by an abundance of emoji of the same type, as seen in (11), where the user simply expresses his approval for the hilarity of the video content with the 'Face with Tears of Joy' emoji used four times in a row, and also mentions an exact timestamp of what the author thinks is the funniest portion of the video. In addition, a lack of spaces present in this German message indicates fast typing in order to express one's reaction to the video as fast as possible after or during its viewing. In (12), by using five 'Smiling Face With Heart-Eyes' emoji, the user expresses his appreciation for the Spanish phrase 'Camino a la Decimotercera' ('The Path to the Thirteenth'), which is related to the team and the soccer match, and expresses its relevance and impact by using four 'Fire' emoji and four 'Red Heart' emoji afterwards.

As seen above, the speakers of the German and Spanish languages are quite fond of using multiple emoji of the same type instead of a single one. It seems that certain emoji, such as the 'Face with Tears of Joy' or the 'Red Heart' emoji, depicting the most common and effective emotional expressions, are used much more often than others, creating a tendency to express the strongest and most relevant feelings in a

clamorous way. Still, because of their easily-noticed colourful nature and wider dimensions, unlike emoticons, they are usually either repeated in shorter chains or are more commonly paired with text. What is more, the common grammatical and punctuation mistakes of the text, which accompanies such chains of a single or a few types of emoji used, suggests that such messages are written in a hasty manner or with the aim to express oneself as fast as possible.

### 3.7. *Emoji may function as a means to make swearwords more euphemistic*

(13) let.me.get.uhhh: "When a ni  a get his Mountain  ew - Cranky #autisticmemes #swag #fat #milk #goat #nigga #ifb #papafranku #blacklivesmatter #vaporwave #lit #dab #faze #bleach #csgo #mlg #news #sunsetsherbert #topshelflife #losangeles #high\_larry\_us #cannabis #cannabiscommunity #rns #dope #gsc #ogkush #kush #wakenbake #2017"

<A montage of viral and popular Internet videos is attached to the message>

(14) Rosario Guíñez: "  "

The capacity of emoji to make a certain part of the text more euphemistic is observed in (13), where the two 'Negative Squared Latin Capital Letter B' emoji replace the letters 'gg' and make the English ethnic slur 'nigga' less offensive. The same emoji also replaces the capital letter 'D' of the word 'Dew' and adds a stylistic expression to it, following the conventions of a certain meme from the popular Internet meme culture, where such unrelated emoji are often present in two or more words for a humorous effect, just like the overabundance of jocular hashtags after the message. In (14), the 'Negative Squared Latin Capital Letter P' and the 'Circled Latin Capital Letter M' emoji are used as capital letters for the Spanish swear phrase 'puta madre' ('holy shit'), also making the phrase more euphemistic and attempting to draw the reader's attention towards the emoji and their shape instead.

The tendency to follow the global trends of Internet culture and communication, replicate them in one's writings, and in such a way show one's knowledge and stance is visible in these English and Spanish examples. While ones make sure to use emoji according to the 'rules' of meme culture and Internet communication in general, others tend to interpret them individually and devise new ways of expressing euphemism online and creating a novel 'regional' version of such usage, starting from deviations from the 'norm' and ending with their own entirely new and unique trends.

### 3.8. *Emoji may form outlines and add additional flavour to the text*

(15) ronnyayala.01: " | | #os #gusta?    Buenas Noches 

<The photo of the author posing is attached to this text>

(16) Raimonda Yamslaw: "Kokie jus slykstus zmones..geda!!!..va ir pasirodo kokie lietuvii pilieciai neiisilavine ;(, kad tik pazemintu, ikastu....Man tai labai grazu   ..sekmes jums  

The way emoji stress and enhance text is evident in (15), where the two types of separate emoji act as a means of encasing the text and highlighting the two relevant points of the message – the 'Milky Way' emoji mark the phrase on the dedication of one's time to certain people, while the 'Cherry Blossom' emoji outline the phrase wishing good night. In addition to the multiple exclamation marks, full stops, and an emoticon ';(', in (16), the author further intensely shames other commenters and sincerely expresses stressed support to the people mentioned in the news article by using the 'Slightly Frowning Face' and 'Heart Suit' emoji. The multiple heart emoji surrounding the supportive statement 'sekmes jums' ('good luck to you') express stronger emphasis on the supporting aspect of the message.

What is peculiar, though, is that such emoji use in order to outline a certain point of a message is very similar to the one related to symbol use in Internet discourse, where characters such as an asterisk ('\*'), Latin quotation marks ('«' or '»'), exclamation marks ('!'), etc., were once very widely used in online chats, discussion forums, web page comment sections etc., and are still sometimes used to enclose and stress the different words, phrases, or sentences, express descriptive actions or states of subjects, and separate parts of text. This suggests that old methods of online communication are constantly renewed once a new means of expression emerges. Here, the authors of these Spanish and Lithuanian messages have successfully adapted emoji to outline and enhance the separate parts of text.

### 3.9. Emoji may correspond with the concept or object mentioned in the text and act as a sort of a continuation of an idea

(17) Bjornthisyear: "HAVE AN 🍌 AMAZINGLY 🍌 ⚡ RAD ⚡ 📅 DAY 17 📅 🧑 BRO 🧑 BECAUSE I ❤️ CARE ❤️ ABOUT MY 🧑 BRO 🧑. IT MIGHT BE 🌈 GAY 🌈 BUT FOR 🙌 YOU 🙌 IT'LL BE ALL 🌈 GAY 🌈 BECAUSE I ❤️ CARE ❤️ ABOUT MY 🧑 BRO 🧑. IF IT ISN'T 🌈 GAY 🌈 ENOUGH FOR 🙌 YOU 🙌 THEN HOW ABOUT I SEND SOME ✨ POSITIVITY ✨ AND 👍 GOOD 👍 ✨ VIBES ✨? KEEP IT REAL™ 🧑 BRO 🧑. GO MAKE ME 🎉 PROUD 🎉"

(18) \_horsegirly: "Hey Leute ✨ ✨ ich heiße MAJA und bin 14 Jahre alt ❤️ ich reite seit knapp 6 Jahren. Ich habe eine Pflegepferd namens EMMA. Ich werde hier ab und zu Bilder von ihr und von anderen Pferden posten also es sind nicht alles meine Bilder. Über euere Unterstützung würde ich mich krass freuen. Let's go! 🐎 🐎 🐎 🎀 🎀 🍏 🍏 🍏 #horses #riding #pferde #reiten"

< A photograph of Emma the horse is attached to the text >

Emoji can correspond with the object or concept mentioned in the text and extend its idea. In (17), each of the 13 types of emoji is in one way or the other thematically related to the word it accompanies. There are no spaces between the words and emoji surrounding them, so the emoji function as a sort of parentheses, especially the double 'Party Popper' and 'Confetti Ball' emoji combination encasing the last and arguably the most prominent word of the message – 'PROUD'. In (18), the two 'Sparkles' and one 'Two Hearts' emoji accompany the introduction of the horse rider Maja, while the three 'Horse Face', two 'Ribbon', and three 'Red Apple' emoji introduce Emma – the horse she takes care of – and symbolise the animal and the important items related to its care.

The instances in these English and German examples are probably the best opportunities to utilise other lesser-known and rarely-used emoji and enhance text with thematically-related ideograms. Even if there is no way to use them properly, there are plenty of special communities dedicated to gathering and archiving the pieces of creative emoji writing, where users can express themselves, submit their creations, and show their skills in adapting many different emoji for various uses.

## 4. Conclusions

1. Seeing that the highly unconstrained and multifaceted nature of the Internet allows discourse producers to circumvent various formalities and conventions apparent in writing in various languages and present creative, personal, multimedia-enhanced, and often emotionally-charged textual content, the research of the texts on the Internet social networks, such as "Facebook", "Twitter", "YouTube", "Instagram", and "Reddit", has shown that emoji are a welcome addition to the English, German, Spanish, and Lithuanian texts, seeing that they enhance the expressiveness of the text, enrich the message with additional data, and take on numerous functions.

2. The analysis of emoji use across the mentioned languages online reveals their key functions, since it was observed that emoji: (1) may be used with the intention to enrich the text with symbolic elements; (2) may be combined with emoticons; (3) may be mixed with symbols, characters, letters, or even punctuation marks; (4) may replace nouns, verbs, or even set phrases; (5) may form special graphical structures or pictures; (6) may emphasise a point when one type of emoji is used several times repeatedly; (7) may function as a means to make swearwords more euphemistic; (8) may form outlines and add additional flavour to the text; (9) may correspond with the concept or object mentioned in the text and act as a sort of a continuation of an idea. Because of this, they function not only as ideogrammatic symbols which add emotional flavour to the text, expand its meaning, or simply decorate it, but also act as improvised punctuation marks and may be interpreted in different ways.

3. The features and functions of emoji are somewhat the same across the English, German, Spanish, and Lithuanian languages, but with minor specific variations, seeing that most users of social media web sites are aware of the current trends of Internet culture and communication, but still tend to create their own similar ways of using them. Therefore, there are more similarities than differences in the use of emoji across these aforementioned languages.

4. Due to the large scope of the Internet and the seclusion of its certain parts, it is difficult to discern all of the possible uses and functions of emoji, since people tend to employ them differently.

Thus, future research should focus on assessing the more subtle peculiarities of emoji use in online communities.

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# "TOUCH": INTERSEMIOTICITY, INTERMEDIALITY AND INTERTEXTUALITY AS CURRENT MEDIA PRODUCT FEATURES

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## Abstract

The purpose of the paper is to consider manifestations of intersemioticity, intermediality and intertextuality in the first season of "Touch" television series. This study involved the use of the descriptive, data collection and interpretation methods. Etymological, intertextual, intermedial and intersemiotic analyses were used to categorize the interconnections of the collected data. The research showed that the phenomena related to the fundamental openness of texts are represented hierarchically as a taxonomy built at all structural levels of the transcript and the visuals, starting from the entire text, a television series season and an episode architecture to phraseological and lexical units being quotations, allusions or reminiscences, or from the entire show, its separate episodes to titles, headings, characters, their names and images, symbols, visual emblems or manifestations and, obviously, wording. It was found that the images, symbols and emblems of the major world mythologies, arts and science are among the main sources of inter-semioticity/mediality/textuality in the TV series, reflecting the convergence trend of the global religions and cultures. The scope of the study included only one season television series under consideration. The study may be expanded to include both seasons of "Touch" TV series and other works by the same authors to find a deeper insight of these phenomena representation therein. The findings of this research may be applied in studying other works of the same authors, as well as in the context of modern linguistic and cultural studies. The originality of the research is in its combined linguistic and culturological focus.

**Keywords:** intersemioticity, intermediality, intertextuality, intext, quotation, allusion.

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## 1. Introduction

Entertainment media products form a most important element in the modern life of the consumption society. Modern entertainment industry is typically thought to belong to the so-called "low" culture. However, in this paper we seek to prove that some of the modern media texts are of significant semantic depth. These media products encode and decode various signs and images represented by different semiotic systems. In particular, it was decided to study a television series that might be a good specimen of these mass market products. It is to be emphasized that the overwhelming majority of television shows shape a sophisticated phenomenon among the contemporary media. This brings out a synergetic effect, achieved by the inclusion of the texts belonging to fiction, religious, digital and audiovisual genre systems into the television film.

The subject of this research is the Canadian television series "Touch", whose first season was released in 2012 and consisted of 12 stories in 13 episodes. The purpose of the paper is to consider intersemioticity, intermediality and intertextuality in the "Touch" television series (season 1). The above aim determined the need to address a number of issues given below.

- How extensively have the issues under discussion been investigated in the literary works and research papers?
- What are the main sources of intersemioticity, intermediality and intertextuality in the "Touch" television series (season 1)?
- How are these phenomena realized within the first season of the "Touch" television series? (We made an attempt to analyze and categorize the means and elements of the above interrelations).

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## 2. Theoretical background

Media texts have been in the focus of scholars' attention for decades now (R. Barthes (1977), U. Eco (1995, 2011), D. Hesmondhalgh (2012), N. Kirillova (2006), M. McLuhan (2005), M.C. Nussbaum (2014) etc.). Although the series under analysis is not based on any single book as its prototext, it features numerous references of intersemiotic/intermedial/textual nature. Mythological texts and mathematical designs (patterns) served the main sources of the abovementioned links. This symbiosis of science and mythology reflects the late modernity and postmodernity world view, according to which "Science can't explain the phenomenon, but religion does" ("Touch", Episode 7).

It appeared evident that the Bible (as precedent names, texts, words, phrases etc.) is a major pretext (archetext, prototext) of "Touch". In turn, intra-biblical intertextuality, or exegesis, has been in the focus of intensive studies since 1934 (Hepner, 2001, pp. 3-27). The biblical intertextuality as the connection between the Bible and other texts has been in the focus of attention of numerous researchers, inter alia, K. Waaijman, who described the interaction between the archetext (pretext) and mystical phenotexts (recipient texts) (Waaijman, 2010).

The so-called *strong* texts (sacred texts, classical literature, fairy tales and legends) as well as other precedent and intermedial and intersemiotic texts are extensively presented in the series under consideration. Within the framework of this research we are not to dwell on the exegetic issues, but focus on the intertextual (in broad meaning) links between biblical texts and their verbalization/visualization in "Touch" TV series. In addition, it was found out that other major global mythologies are also important semantic and symbolic sources for the television product under consideration.

Intertextuality is a multi-faceted notion, which has broad and narrow senses. According to the broad approach, any text is considered a part of the total universal text, which it depends on in all respects (M. Bakhtin, R. Barthes, J. Genette etc.). Following the narrow, or linguistic approach, the notion of the intertextuality is limited to the marked and deliberate use of intertextual links between prototexts and recipient texts (I. Arnold, U. Eco, K. Lachmann, M. Pfister etc.). Another set of terms was offered by D. Cowart, where he calls the pretext the *guest* and the recipient text the *host* (Cowart, 1993, pp. 4-10). The intertextuality discourse within the fantasy genre was studied by E.V. Medvedeva in her work (Medvedeva, 2015, pp. 133-137). Every part of the series under analysis has their headings, therefore, it is useful to trace the relations between the *title complex* and the main body of the text, which are called paratextuality. For the purpose of the study an intertextual inclusion in the recipient text will be called an intext, or an intertexteme.

The idea of intertextuality had appeared long before the term was offered by Julia Kristeva in 1967. For instance, the examples of intertextuality can be found in the analysis of sacred texts and also in M. Bakhtin's theory of dialogism. Y. Kristeva argued that a current text in one medium resonates with meanings from cultural history as well as from other contemporary media genres and representations (Jensen, 2016). The theory of intertextuality was developed in the works of such scholars as R. Barthes (1977), N. Fateeva (2000), N. Kuzmina (1999), P. Torop (1996), Yu. Lotman (2000) and others.

In this work intersemioticity is understood as synesthetic relations between signs belonging to different information systems. The term of intermediality was introduced by A. Hansen-Löve: "Meanwhile intermediality has become a central research approach of literary and – especially – media studies <...> as it has been used as some sort of a terminological starting point of manifold theoretical and epistemological efforts" (Mueller, 2015, pp. 19-52). The intermediality and intersemioticity were also attended in such research works as (Gorlée, 2016, pp. 587 – 622; McLuhan, 2005; Mueller, 2015, pp. 19-52). It is interesting that these interdisciplinary phenomena have also been in the focus of attention in other scientific fields including medicine, psychology and art, in particular, in music, drama and art therapy, where there is a clear transition of signs and texts from one semiotic system into others (Short et al., 2011, p. 5).

## 3. Research methodology

In order to consider the questions above, several research methods were applied. The descriptive method was used to provide an overview of the subject and its consideration by scholars in their research as well as to identify the main sources of intersemioticity, intermediality and intertextuality in the "Touch" television series. The methods of data collection and interpretation were applied to find the

textual and audiovisual representation of the above phenomena within the first season of the film in question. The methods of etymological, intertextual, intermedial and intersemiotic analysis were used to categorize the interconnections of the collected data.

#### 4. Results and findings

Following the mainstream trend in the postmodernist art products, “Touch” television series is intersemiotically, intermedially, intertextually intensive and heterogeneous (the elements of these phenomena are of various nature and sources). These connections can be observed in the transcript and visuals at all levels, from the highest text level (meaning the texts of all episodes), the level of the texts of separate episodes, the level of textual segments (supraphrasal, phrasal and lexical units).

It should be noted that for the purpose of the research the term “text” is understood broadly as a blanket term not only for a written text, but also for any product of speech, fine, applied and visual art (including television). Accordingly, modern mass media, in particular, advertising, produce their texts containing the signs of different media systems. In the film under analysis the above texts include, inter alia, the audiovisual product advertising intexts (the phenomenon called product placement): the adverts of fizzy drinks, coffee, computers, automobiles etc.

Alongside advertising texts, contemporary intertextual and intermedial references also include such a precedent name as the *Simpsons*, given as an allusion to the Americans who are supposed to know this series very well. It is the confidence of the speaker in the recognition of this allusion that makes communication between the film characters successful. The recognizable precedent name applied facilitates deciphering and leads to the desired recipients’ reaction for the message sender (see the conversation between the Iraqi teenage boy and American soldiers, where the former metonymically uses *the Simpsons* instead of the precedent name originating from the culture possibly unknown to the addressees).

It is hardly possible to make an exhaustive list of all the forms of mythological symbols contained in the visuals and graphics of the analysed film. However, the most frequently used ones are given in the examples below.

A major intertextual and intercultural image-symbol of the “Touch” series is the “thread”. From the etymological standpoint the very word *thread* correlates with the whole text, since the latter (Latin *textus*) developed from the verb *to weave*. It is understood as a mythological image originating from several sources, in particular, the Chinese, Japanese, Greek, and Jewish mythologies. In turn, the corpus of the considered lexical units, related to the semantic field of the “thread” can be further divided according to the part of speech they belong to and the thematic groups.

The groups by part of speech include:

- **nouns**: thread, cable, human chain, route, power line, feed, bars, landline, the idea of keeping going: one step at a time, connection, DNA, linkage, string, verses, path (crossing paths), entanglement (in the text within an episode and in the title), relay, contact, communication, comm, message, bond, cells, relay, vortex, gyre, Polaris/North star, olive branch (as a way restore peace), a (red) scarf, band, azimuth (about the way shown by Polaris) etc.;

- **verbs** (stretch, pull/be tight), entangle, break, orbit; reunite, spin, rotate, reinstate (meaning to restore justice towards a person), feed, be on the way, guide, to right and imbalance, send/receive/relay a message etc.;

- **adjectives/participles**: bound, hard-wired (about people), chained (meaning tied to a place), resilient, lost and found, transcendent, tight, loose, connecting, connected etc.;

Regarding the textual level, the symbol under analysis can be found in individual paragraphs, scenes, episodes and the entire series.

The image-symbol of “thread” is diverse in its semantics and representations, both sound/written and visual/graphic forms. It is understood as a connection or a link, existing in the analyzed film between:

Two or more people (a couple, twins, a father and a son, parents and child/children, a living husband and a wife, a boyfriend and a girlfriend, a widower and his late wife, an individual and a group, father and daughter, a man and society, a son and a late father (ashes), friends, a chosen one and wise Hasid Avram, an aunt and two nephews, brothers, astronauts etc.)

Two or more objects, actions or phenomena – collective motion; collective fear; taming (a man and a horse, a person and his/her Self); a person and his/her homeland; a woman and her café passed down

from her grandmother; a man and his guitar; passed down by his father; Houston and spaceship; spaceship and a radio, astronauts losing and restoring their connection with each other (textually showing the intermediality of sounds and visuals: “*Houston, do you read me?*”) a person and his sword (passed down from generation to generation of samurais);

The reasons why the connection can be stretched loose or broken are given below:

- Human behaviour and values (obstetrician – trading in babies)
- Institutional policies (state agencies, corps)
- Money (a couple, separated by a card debt/victory)
- Death (including alleged/fake death)
- Distance and time (Zone of Exclusion, the effects of natural disasters)
- Knowledge (level of awareness)
- Disability (inability to speak – about two brothers, one of whom is disabled and cannot speak, but learns to express his wishes via the tablet (computer-mediated communication, or CMC)
- Technical problem (Zone of Exclusion) that may be bridged and is bridged by the efforts of common people.

All these situations are expressed verbally, visually, and acoustically (music rendering) in the correspondent episodes. Moreover, different media complement each other providing a more comprehensive picture for the recipient’s perception.

The image of *path* as an allusion to sacred texts stands for human life, a way to person’s aim in life, where there are certain anchors (values) and landmarks (in the series verbalized as *a road map, a sequence, a beacon / Polaris / North Star, and also as a sextant*, which is a device that helps to find the way and navigate). The loss of the key values, moral or material, disturbs the order and leads to entropy. Textually (both in wording and visuals), this loss is represented by different objects that are to be found by their owners in order to restore their sense in life, well-being and happiness. For instance, objects include a *football* (*Every kid grows up dreaming of catching home run ball. Well, my dream came true and then I sold it. That's when it started this whole chain of events, bad to worse. I just want to put it all back right. <...> Cause and effect. That second chance you were talking about. You go now* (Episode 2). Thus, the ball owner’s life is saved), a *sword* (the priceless Samurai sword lost by the Japanese family (Episode 12)) or *Maneki Neko* (*It's a good luck charm. But not for you* (Episode 12), where probably, the words mean that this object was lost by the owner but not found yet). Abstract notions, including *faith* and *trust* in people are expressed, for instance, in the following conversation between an Israeli boy and his uncle Avram: (the boy) *He [Moshe] did not approve of the girl I am in love with.* (Avram): *The Palestinian.* (The boy): *You say it like she has horns.* (Avram): *You already know how I feel, but the Torah says judgment belongs only to God, so we'll leave it at that* (Episode 10). After this talk the boy appears courageous enough to prove the strength and genuineness of his feelings.

On the whole, the image of the *path* is individual for each character. For Jacob Bohm – it is reaching the harmony of the world, for Martin Bohm – it is restoring the link between him, his son and his late wife and to help his son feel well, for men who tried to save women in hazardous situations – it was a kind of a “purgatory” to make up for their feeling of shame, for Teller – it was the work on revealing the capacities of the enlightened and chosen children and this list may be continued.

The story also expresses the allusion to the *red thread* with visual signs being or resembling a thread (e.g. waves, cable, cord, wires, bars, red clothes, most woven (scarves, hats etc.), conduit etc.). In episode 10, Avram introduces the theory of 36 righteous people and advise Martin and Clea to pay attention to Jake’s signs: “*If I were you I would follow the lead.<...> Your son is trying to right an imbalance in the world to actualize a divine potential*”. Avram said that he must believe Martin, because Jacob was the first righteous person know about another righteous one and to find a helper for his activity. Later Avram helps the father and son admitting that knowing them had its cost. This way he makes a sacrifice, helping Jacob and Martin out. There is a reminiscence to the biblical text: “*Behold, I send my messenger, and he will prepare the way before me*” (Malachi 3:1. English Standard Version). The semantics of the *thread* as the way to unite two people meant to be together is shown in multiple parallel stories about believing in love, searching and finding it (Episodes 3, 7 etc.).

It should be noted that all the titles of both the series and episodes refer to the symbol of the *thread* in a more or less explicit way. The title “Touch” can be regarded as an intertextual reminiscence to the sacred text in the meaning of the link between people (Man) and God as well as the inner-textual uniting

element for the entire television art work. It is polysemantic and is represented diversely throughout the film and its transcript. The meanings of the word *touch* might be roughly divided into three areas:

- connection, communication, contact, link;
- a touch of God (about the chosen, selected people/children);
- influence: alter, affect, (not to) harm and damage.

Verbally, these meanings are represented at the lexical level by a number of lexemes, including connection, connect, connected, connecting, contact, communicate, communication, (send & receive) message, bond, and cells. Semantically the word *touch* is related to the titles of separate episodes of the series in the ways that feature different aspects of the human interaction, symbolized by the Leitwort *touch*.

In the television series considered the word *touch* is a Leitwort (the term offered by M. Buber (Buber, 1936, pp. 211-38), which is a frequently recurrent unit throughout the episodes, connecting them into the whole text. In other words, it is one of the connecting parts for the entire intermedial product architecture. Another leitwort of the series is *help*, which is frequent in every part of the text.

The lexical intexts found in the series under analysis include, inter alia, the names of the biblical parts (the Bible (as a precedent name, also intermedial, given as a book with the name on it), the Old Testament and New Testament (as reminiscences of the book storing the knowledge of the mankind, the past, present and future (e.g. “*Jesus Christ is the same yesterday and today and forever*” (Hebrews 13:8)), Exodus, Kabbalah, Numbers, Writings, e.g. the Books of Job, Kings, Isaiah (via numerous allusions and reminiscences), Apocalypse (as a reminiscence to the concept of responsibility, to causative relations in human life, natural and manmade disasters as punishment for human sins, and the survival and forgiveness of the people), as well as biblical characters (Abigail, Avram, Jacob, Job, Mikhail, Prophet (as a reminiscence via Arthur Teller), and Sarah). Here are the definitions and their verbal and visual representations in the TV series considered.

The name of Jacob’s aunt is **Abigail** and the meaning of this name includes that of the *servant* (Behind the Name. Abigail). In the film this character works for the Corps that, according to the plot, is the organization seeking to obtain the world power through the unique key number sequence. Mythologically, the word **Corps** reminds of the dark forces in their struggle against the Good ones.

Another charactonym in the series is **Avram** as a name means “father of many” in Hebrew or else as a contraction of ABRAM and אַמְרָן (hamon) “many, multitude” (Behind the Name. Abraham). In terms of relations this character is connected to Jacob as the grandfather and grandson, which is reflected in the visuals of the series by the fact that the *untouchable* Jacob consciously touches Avram’s hand.

The word **Job** is an allusion to the Book in the Bible and the name of the Old Testament character, a righteous man, whose faith in God was tried and tested but he overcame all challenges sent by the Devil and became stronger. The name of **Job** (from Hebrew אִיּוֹב (Iyyov)) is not directly given to any specific character in “Touch”. However, the biblical **Job** is the prototype of Martin, who is going through various challenges and constant change. When going through these ordeals, the word *job* repeatedly appears in the Touch Series. For example, when in Episode 10 Martin has to pretend to be a truck driver and is forced to do something that is going to be illegal, he just says “*a job is a job*”.

The name of **Jacob** is one of the key names in Judaism. In “Touch” Jacob is also a key element to the whole story. The story of Jacob as a biblical character casts the light on the function of the hero in the television series.

In the Bible (the Old Testament), **Jacob** was the son of Isaac and Rebecca later he was given the name of *Israel* by God. He became the father of the twelve tribes of Israel. He is also known in regards with the story of Jacob's ladder. The latter is the name given to the stairway that Jacob saw in his dream. There are various interpretations of the ladder that is considered to represent the connection between heaven and earth, the history of mankind, a means to achieve spiritual ascension (Charlap, 1997; Zavada, 2016). In the television series under consideration the boy named **Jacob** is a main character whose outstanding mental abilities cause, at first, his exiled state and then a chain of events leading to the positive changes in lives of many people including his own father. However, climbing “up the ladder” appears to be really challenging.

In Jewish, Christian and Islamic mythologies Mikhail is an archangel. He is the Archistratigus, the commander of the heavenly host in the final eschatological battle against the evil forces. This function is also performed by Mikhail in the Apocalypse, where he fights against the dragon (Devil), which may be considered as a variation of the ancient serpent myth (Meilakh, 2000, pp. 158-159).

According to the film, **Sarah** is Jacob's mother's name that in Hebrew means “lady, princess, noble woman”. In the Old Testament that was the name of Abraham’s wife, considered the matriarch of the Jewish people (Behind the Name. Sarah). In “Touch” series she belonged to a wealthy people and worked in one of the prestigious World Trade Center Towers. Sarah became a victim of the terroristic attack on September 11th (9/11).

It is worth dwelling on some of the precedent biblical names since they explain the meaning of many textual elements within the series under consideration. For example, numerous biblical allusions are represented by the images of the Christian churches and the words, related to the study of the Bible (“This month’s Bible study. Exodus” (Episode 5), “Do you have questions? He has answers” (Episode 4). The protagonist takes the book of the Holy Bible and opens it to find the lines prompted to him before (namely, Exodus 22:22) (Episode 5). Regarding this specific biblical allusive reference, it is to be noted that the screenplay writers made an error in the text by showing Exodus 22:22 but providing the text of Exodus 22:4, which led to a discrepancy.

A special focus is set on **Kabbala(h)**, which is defined by encyclopaedia Britannica as follows: “Kabbala, (Hebrew: “Tradition”) also spelled Kabala, Kabbalah, Cabala, Cabbala, or Cabbalah, esoteric Jewish mysticism as it appeared in the 12th and following centuries. Kabbala has always been essentially an oral tradition in that initiation into its doctrines and practices is conducted by a personal guide to avoid the dangers inherent in mystical experiences. <...> (It) gave Judaism a religious dimension whose mystical approaches to God were viewed by some as dangerously pantheistic and heretical. <...> The earliest known Jewish text on magic and cosmology, *Sefer Yetzira* (“Book of Creation”), appeared sometime between the 3rd and the 6th century. It explained creation as a process involving the 10 divine numbers (sefirot; see sefira) of God the Creator and the 22 letters of the Hebrew alphabet. Taken together, they were said to constitute the “32 paths of secret wisdom” (Kabbala. Jewish Mysticism).

The “Touch” series exploits the numerology related to Kabbalah both implicitly and explicitly. An example of explicit reference to the Kabbalah numerology can be traced in this dialogue between a Jewish boy loving a Palestinian girl and his uncle Avram (Episode 9):

*“Kabbalah teaches that numbers have certain meanings, yes?”*

*“Yes. There are writings on numerology in Kabbalah. Whether there is any truth there, you have to decide that for yourself.”*

*“Uh, I have been given a message to relay. I do not know if it will be used for good or for evil. What of the numbers 9808 becoming 2545?”*

*“9 is strife and anger; 8 represents death and decay. Eights – you do not want, hah? 2 on the other hand, stands for attraction, emotional strength. 4 is connected to Venus, which is, of course, the planet of love. 5 is strength and wisdom.”*

*“So, 9808 becoming 2545... is good news...”*

Furthermore, it is hard to overestimate the significance of **numbers** in the text under analysis. Numbers are both source data and metadata (Zappavigna, 2015, 274–291) (as appearing somewhere once, they are repeated over and over again throughout the text, becoming increasingly rich in their semantics).

In particular, they represent the underlying code of the Universe on the whole. The very word *numbers* is the allusion to the fourth book of the Pentateuch entitled “The Numbers”, telling about a nearly forty-year period of Israel’s wandering in the desert in search of the Promised Land. In Episode 11 we encounter the following words: “It’s possible to break free and even after years of circling the same waters it’s possible to find a way to shore”. This intertextual connection between the pretext and the recipient text is reinforced by the framed structure of each episode, where long enumeration of different phenomena is given (e.g. “*The ratio is always the same. 1 to 1. 318 over and over and over again. The patterns are hidden in plain sight. <...> Galaxies, plants, seashells. <...> 7,080,360,000 of us live on this tiny planet. This is the story of some of those people. <...> I was born 4,161 days ago on October 26, 2000. I’ve been alive for eleven years, four months, 21 days and 14 hours. And in all that time I’ve never said a single word*” (Season 1, Episode 1; or after a long enumeration Jacob’s monologue runs as follows: “*The Universe from atom to Galaxy, in a perpetual state of flux*” Season 1, Episode 12).

The text includes the whole cluster of mathematical terms, such as symmetry, circles, points, lines, triangles, triangulation, isosceles triangle, equation, equidistant sides, tessellation, geometrical figures, formula, patterns, shapes etc. As shown in the example above, many numerals are expressed in the text in question as digits, for example,

9/11: as an allusion to the attack, as the source of the trauma, bringing about sorrows and deferred post-effects, e.g. a man obsessed with numbers 9/11, 87, 31, who was involved in the 9/11 terroristic attack due to the (presumed) death of Sarah Bohm, overwhelmed with the feeling of shame. For him the post-terroristic attack life becomes a sort of “purgatory”;

36: this number is translated and pronounced in Hebrew (*Lamed vav...*). It is supposed to be the number of **righteous** people, according to Kabbalah, one of whom is Jacob. These people are in this world to help the sinners, meaning the other peoples, including those who were related to activities of Morton-Starling Financials, whose logo featured the image of the dragon (Episode 3) Here the dragon is also associated with the wealth and power (from the Chinese mythology). They are in the world to “repair the universe”, as Avram says in Episode 9;

22: in Episode 5 it can be found textually as *Exodus 22:22*, which says “Do not take advantage of the widow or the fatherless”;

$1+1=3$ : the title of Episode 2 and also the engraving on Jacob’s mother’s wedding ring, shown in Episode 5.

Numbers are verbalized as nouns and nominative phrases (*numbers, the Golden Ratio, “Jake’s pattern is actually a number”* (Episode 5), *heptagonal number image,* ) and visuals (e.g. *some of, single, “Safety in Numbers”* (the title of Episode 3), *the Fibonacci sequence, or ratio, which, in turn, is shown by means of numerals as well as various objects of nature and reality, including spirals, seashells, stairs, flowers, constellations, curve of a wave, segments of a pineapple, bubbles, gyre, sphere, tessellation, circle, circuit* (circuit breaker in Episode 8), *ring* etc.). The word *sequence* is also given intermedially in Episode 9 in reference to music, where the latter is compared to mathematics, which comprises “*harmony and dissonance, tension and resolution, all can be described by the mathematical ratios between tones*” (Jacob’s internal initial framing monologue of Episode 9). Intermediality of different channels of information is then referred to in the following sentence of the same monologue: “*If we could translate all ratios into sound?*” (or *turn into*), and also by the nominative phrase *transcendent beauty*. The sound of music is compared by Jacob to the universe. Moreover, the boy affirms that some people can **hear the beauty in the numbers themselves**, which is intermedial and intersemiotic. The representation of the intermediality is further shown by the correlation between the letters and numbers (similarly to the historic parallels in alphabets, which is still active in Hebrew, for example). At the end of Episode 9 it is suggested by Jacob that every soul on the planet emits sounds and adds up to the overall harmony at the same time being a harmonious whole by themselves (the notions of macrocosm and microcosm).

Jake sees the entire Universe as a sequence of numbers, as the whole comprising the past, the present and the future. Mr Teller mentions that “*when the numbers don’t add up, it means that there’s some cosmic pain - that has to be healed.*” (Read more at (TV Show Episode Scripts. Touch s01e02)). This sequence is also called by analogy to the Fibonacci sequence “The Amelia Sequence”. This set of numbers represents a road map that leads to the harmony of the world, where random numbers suddenly become ordered. This sequence is a through-element appearing in multiple episodes. In Episode 7 the math professor calls this sequence *a mind of God, a deterministic algorithm*, where *the probability, chance is distilled to its essence, the perfect formula for winning*. The sequence is a road map, a clue, and a key to restoring the harmony and making the world fair. The image of the key is represented verbally and visually.

Another precedent phenomenon related to mathematics in the film is the Möbius strip (or band), which is a one-sided surface that can be constructed by affixing the ends of a rectangular strip after first having given one of the ends a one-half twist (Möbius strip. Mathematics). It is not explicitly mentioned as a mathematical symbol but an informed addressee recognizes an allusion thereto when seeing different options of this band on the screen in a number of episodes of the series. In episode 10 the word Möbius appears on the branded containers in the port and then it is voiced that Möbius shipping company funded Mr Teller’s research into the chosen children’s mental abilities. Textually, the symbol of the Möbius strip forms a semantic field that includes such lexical units as a *band, entangle, entanglement, knot, stretch* and the unity of “*the past, the present and the future*”.

In addition, it is a reminiscence to the building elements of the Universe, on the one hand, and to the path that never ends / the thread that stretches but never breaks, on the other, as the film transcript says.

The text also includes biblical allusions related to mathematical terminology: *to balance the scales* reminding of the expression *tit for tat* or *an eye for an eye* (Episode 5).

Another perspective shown in the film and related to the mathematics, rules, sequences, logic in a very secular way is **gambling**. In the text this semantic field is represented by such words as *aces and eights, poker, a dead man's hand, debt, fail etc.*

Multiple intermedial allusions and reminiscences to the problems of mathematics and philosophy interconnection, including the issues of mosaic nature of the world and the questions of choice, can be found in the texts belonging to various fields of knowledge. For instance, one of the most famous graphic artists, Maurits Cornelis Escher (1898-1972) created a lot of works that represent the signs from different semiotic systems. During the comparative analysis of the series and the prints by M.C. Escher numerous correlations were found. For example, such works as *the Tower of Babel, Hand with Reflecting Sphere, Double Planetoid, Circle Limit II, Reptiles, Spirals, Cycle, Bond of Union, Möbius Strip II, Snakes, Angels and Devils, Predestination, Knots, and Sphere Spirals*. The content of the episodes under consideration correlates with the content of the prints. Compare to the titles of the first season episodes: *Tales of the Red Thread, 1+1=3, Safety in numbers, Kite strings, Entanglement, Lost and found, Noosphere Rising, Zone of exclusion, Music of the Spheres, Tesselations, Gyre, and The Road not Taken*.

As evident from Escher's works, one of them is devoted to the biblical story of *the Tower of Babel*. In "Touch", Episode 9 shows the division or even segregation of people due to their different religious beliefs and language codes. These are visually represented by differences in clothing, in printed (a newspaper in Hebrew) and spoken language. As a result, people lose their ability to understand and trust each other, thus building up the clear allusion to the image of the Tower of Babel. Episode 9 tells a story of a Jewish boy and a Palestinian girl who love each other but are constrained by the hostility of the two sides. Their love is questioned and tested: "(Girl) *How far can this go? A Palestinian and a Jew. Now I have my answer*". This way the girl challenges the boy's feeling for her. Similarly to the narration of the above chapter of Genesis, it turns out that people are still capable of restoring the trust and mutual understanding despite any differences imposed on them by the environment. This scene reminds the recipients of the lost and found unity. The person is not regarded as the master of his/her life (relevant to the idea conveyed by the thread of Fate/destiny): "*Our inability to influence the outcome is the great equalizer*" (Episode 7).

The Oriental (in particular, Chinese) mythological symbol of dragon is manifested in several episodes of "Touch", namely, in sound, written and visual representation. It is to be mentioned that this symbol is also present in the Christian mythology, often as a snake or a serpent. It stands for the Evil and for the Oriental New Year festivities. It goes along with other mythological images, including those of a sword (e.g. the Sword of Truth) and a knight (Martin becomes a knight). The imaginary and the material sword is an instrument to kill a real *dragon* and the *dragon* living inside ourselves.

The *Olive branch* (Episode 10) is an allusion to "the story of Noah in Gen. 8:1, in which a dove returns with an olive branch after the Flood, taken as a symbol of peace after God's punishment of mankind" (Olive Branch. Oxford *living* dictionaries). This biblical allusion appeared in the verbal form and was echoed in the visuals as a pinwheel toy, first given by Jacob's father to his sister-in-law, Jacob's aunt, in order to stop hostility in their relations and help Jacob stay at the facility and Clea get reinstated in her position.

The series raises the issues of the flexibility and the evolution of the attitudes and strength of moral values not only in the Jewish-Christian religious mythology but also in the Islamic one (see Episode 5, *haram* and *shame* issues, such as female driving, equality of male and female rights, the delivery of a child etc.).

## 5. Research limitations

The scope of this study enabled us to consider only the text and the visuals of the first season of the television series. However, it did not allow us to make the exhaustive list of the inter-semiotic/medial/textual units presented in the series under analysis, thus providing an opportunity to deepen the research and further extend it by including the material of the series second season as well as other works of the same or different contemporary authors.

## 6. Conclusions

The linguocultural analysis of the intertextuality and intermediality of TV Series Touch showed that the phenomena related to the fundamental openness of texts are represented hierarchically as a taxonomy built at all the structural levels of the transcript and the visuals, starting from the entire text, a television series season and an episode architecture to phraseological and lexical units being quotations, allusions or reminiscences, or from the entire show, its separate episodes to titles, headings, characters, their names and images, symbols, visual emblems or manifestations and, obviously, wording. It was found that the images, symbols and emblems of the major global mythologies are among the main sources of inter-semioticity/mediality/textuality. The study showed that these processes have also been typical of arts (e.g. Maurits Cornelis Escher) and sciences (e.g. Leonardo Fibonacci). They co-exist in the TV series under consideration, showing the (contemporary) strive for convergence of world religions and cultures. This research of “Touch” TV series has enabled to describe the range of intertextual and intermedial links referring to the first season of the show to be further continued and extended based on the material of Season 2.

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# PRINCIPLES OF REPETITION AND VARIATION IN RHETORIC

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## Abstract

The purpose of this paper is to discuss the principles of repetition and variation in rhetoric and music as time-based arts and from this point of view to examine one of the oldest genres of rhetoric – sermons. Several tasks are raised in this research paper: to discuss the ontological fundamentals of musical principles of repetition and variation and main musical models, to describe the possibilities of musicality of the text and the relationship between the principles of traditional rhetoric of sermons and its musicality, also to present a detailed analysis of such rhetorical texts. Research is performed using a comparative method, method of functional analysis and the concept of intermediality and is based on the systematicity of the forms of music. After discussing the principles of repetition and variability in terms of interactions between music and rhetoric, the rhetoric of Father Stanislovas's sermons was examined from the perspective of the theory of intermediality. Analysis shows that these texts are characterised by the distinct musicality based on the principles of repetition and variation and are established on three-part rhythmicity at different text levels (thematization, word music, musical form etc.). Research is based on the general theory of rhetoric and musical form, attention is paid to the main relationship between the principles of repetition and variation for both arts. Sermons of Father Stanislovas, which are famous for their rhetoric and musicality, are selected for analysis. After analysing the relationship between rhetoric of sermons and their musicality, it is possible to use a number of musical principles to strengthen persuasion. This research is original and innovative in terms of usage of theory of intermediality and functional analysis for its application for the detailed analysis of sermons.

**Keywords:** rhetoric; music; repetition; variation; intermediality; form; analogues; sermons.

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## 1. Introduction

Rhetoric from the times of antiquity refers to various achievements of other sciences: philology, music, logic, philosophy, psychology and ethics. At present its innovations are based on discoveries and methodology of the modern disciplines such as communication, psycholinguistics, sociolinguistics, hermeneutics, semiotics etc. Rhetoric is the science where theoretical and practical methodological elements of other disciplines penetrate each other, highlighting the new perspectives for exploration. One of the most important features of the art of rhetoric is persuasion, consequently, the greater it has to be the reference to the classical language structures, the wider should be their informational and appellative aspects, such as form dynamics and expression. Intonational dimensions must be balanced, expressive and effective, based on the principles of composition, developed through the centuries and which are the most accurately expressed in the science of music.

Exploration of interaction of music and literature, as the object of interdisciplinary comparativistics, got its start at the end of the 18th century, although its common genesis reaches the times of syncretic arts and over many centuries the interactions of literature, rhetoric and music have been very close. As Blake Wilson writes, "all rhetorically related musical concepts originated in the extensive literature on oratory and rhetoric by ancient Greek and Roman writers, principally Aristotle, Cicero and Quintilian" (Wilson *et al.*, 2001). However, over time this relationship changed because of the inaccessibility of old tractates and due to the different conceptions of rhetorical functions in different epochs and cultures. On the other hand, not only the vocal music but also the art of composing of musical works until the 19th century was subjected to rhetoric doctrines. Later this science lost its former influence and was withdrawn from study list. In the 20th century the concept of rhetoric (New Rhetoric)

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was not only reformed but at the end of the century there was a comeback to interactions between the rhetoric and other arts.

Studies of the relationship between the music and literature in the middle of the 20th century studies have grown tremendously (the School of Calvin S. Brown) too. Separate directions of research of these interactions have formed (Steven Paul Scher, Michael Halliwell, Albert Gier, Ulrich Weisstein, Lawrence Kramer, Erico Prieto, John Neubauer, Walter Bernhard, Claus Clüver etc.). At the end of the 20th century the conception of intermediality started to develop and its fundamentals were based on the works of Werner Wolf. Looking from this perspective, it could become a new way of analysing rhetorical texts, interpreting the genesis of the time-based arts, developmental features and interactions of expression in the contemporary way.

One of the oldest genres of rhetoric is the sermon and its established varieties have long existed in many cultures. The aim of this article is to analyse the samples of sermon genre referring not only to traditional rhetoric but also to discuss the persuasion on the basis of possibilities provided by the science of music as well. The originality of this study is enriched by sermons not only in terms of rhetorical syntax or other rhetorical devices but also in various levels of aspects of musicality (thematization, analogues of musical forms and techniques, word music etc.) and the basics of ontological principles of musical form.

## 2. Theoretical background

This article is based on comparative methodology, the concept of intermediality, the method of functional analysis, the basics of analysis of musical forms and the theory of rhetoric.

**The ontological foundations of repetition and variation** in the time-based arts were discussed by musical semiotician Vladimir Karbusický. Searching for similar primary forms, he reveals six existential musical modes corresponding to six archetypal universal principles, which create these forms and which he describes in detail in his article *Anthropological and Natural Universals in Music* (Karbusický, 1997, pp. 7–28). In his opinion, the first principle relates to the initial, meaning silence, chaos and formless state; i.e. “zero” condition (ibid.). The second principle (I form) is a reproduction of infinity where time is running on the principle of energy: repetition-variation. The third principle (II form) is a tectonic sequence, compiled by the principle of addition (as an elementary imitation or heterophony, canon, fugato or fugue). This is also a principle of repetition when the same melody is repeated after a time interval and often at a different height. The fourth principle (III form) is the rotation with a constant return to the starting point. The main movement of energy is the movement in a circle (classical rondo form ABACA etc.). Here the same segment – refrain A – is repeated. The basis of the fifth principle (IV form) is the starting point –mixing – coming back. This symmetry of  $ABA_1$  was later introduced into the principle of the triads: thesis – antithesis – synthesis. In this case the starting material is repeated. The principles of repetition can be various: the third part can be precise, variable, synthetic, dynamised etc. reprise. This is a specific German song Lied (as  $ABA_1$ ) or the form of sonata (a three-part form of the complicated structure). The sixth principle (V form) is based on the mythical quadrangular dimension. All these principles during the course of cultural evolution formed basic archetypal musical models (two-part form (AB), three-part form ( $ABA_1$ ), variations, rondo and a form of sonata). Musical models (forms) and analogues of techniques in literature can be analysed on the basis of the method of functional analysis (Viktor Bobrovskij), on the basis of classical analysis of musical forms (Hugo Riemann, Algirdas Ambrazas) and systematics of the principles of formation of contemporary music (Hermann Erpf, others).

**Repetition and variation as general principles in time-based arts.** Interaction and specific expression of repetition and variation in the composition of a time-based art works is consistently discussed by the pioneer in comparative studies of music and literature Calvin S. Brown in his book *Music and Literature. A Comparison of the Arts* (1948). According to the scholar, the most common formants of literature and musical structures are repetition (homogeneity or identity) and contrast. Repetition and variation have the same basis, only the first one is an exact repetition, but the second one already has some changes. Both, repetition and variation can be observed in the smallest actual elements of literary and musical pieces. Repetition determines the choice of strophe, variability and contrast, which is the basis of a two-part (AB) form. Both of them are combined in symmetrical forms (three-part  $ABA_1$ , 3–5 parts, rondo etc.), and the principle of continuous development can be both, the main and complementary of both of the above. Describing the ways of themes’ development, C. S. Brown focuses

on repetition and variation, principles of theme balance and contrast. These principles create the basis of the unity of form. Interactions of the principles of unity and contrast in different epochs manifest in different ways accordingly creating a variety of musical forms (Ambrazas, 1977, p. 124). Methods of the theme development in “pure” musical theory are repetition, variation, alteration of the theme (it changes theme’s structure) and the principle of the free development when new elements of the theme appear, which are intonationally related to the original theme but its motifs are not repeated (Ambrazas, 1977, pp. 115–117).

Poetry has a special type of repetition, which also requires variation: these are rhymes, alliterations, and assonances. There is also a repetition of same ideas, expressed in different words-synonymy. Such varied repetitions are ornaments of poetry. Thus, the simplest ones would be repetitions of sounds, metres (correlating with musical strokes), words, phrases or ideas. Wider repetitions shape up certain poetic structures: ballad, rondo, villanelle, triolet etc. Another type of poetic repetition is found in well-developed metaphors and comparisons. In this case, although the basic values of the figures are parallel or identical, their different images give freshness and diversity for the repetition of every idea. It is rather difficult to describe a theme and its musical analogue in a literary work. Any element can become the base of a shift of theme’s processuality. As Wolf writes, “the compositional function can be fulfilled by the motif, its development, variation, syntax (identical or similar sentences structure, anaphoras, epiphoras), intonation, sound structures – everything that has the ability to shift, scatter or concentrate” (Wolf, 2002, p. 138). From the point of view of the concept of intermediality, analysis of principles of repetition and variation should belong to the subgroup of transmediality, and the study of the forms, which emerged from these principles, would be in the domain of intermediality in the narrow sense.

**Model of development of time-based arts.** *A universal model* of the development of time-based arts which is known since Antiquity as formula *i (initium): m (motus): t (terminus)*, i.e. impulse, movement and end, reveals the general development of music and manifests at all levels of the time-based arts. In creative works, this formula is realised in accordance with a strict system of functions, which V. Bobrovskij (1978) describes in detail. The first level of his system reveals *general logical functions of the work*, which are valid for all epochs and styles and shows not only the most general principles of musical but also of general thinking. The second level includes the *general compositional functions*; partially, they are also constant and cover the evolution of European music from its inception to the present (expression of archetypal models). The third and the fourth levels are combined from *special* and *concrete compositional* functions. Historically and stylistically they change the most. Analysis of the composition of the time-based arts is usually based on its external structure, i.e. architectonics (in prose texts these are chapters, paragraphs etc.) and on the inner form (i.e., a processuality of form). There is no possibility of describing the inner form more precisely in literary texts, therefore, they are analysed on the basis of compositional principles of music and the analogues of its form (Brüzgienė, 2007).

**Theory of intermediality.** Intermedial interactions of time-based arts are divided into two groups: extracompositional intermediality in a broad sense and intracompositional intermediality in a narrow sense (Wolf, 2009). The first one is classified into two sub-groups: transmediality (quality of non-media specific phenomena occurring in more than one medium, for example, narrativity in music and literature) and intermedial transposition (“transfer” of the content or formal features from one medium to another, e.g. a novel into a film, opera) (Wolf, 2009, p. 147). The category of transmediality becomes more important for rhetoric. Wolf writes that transmediality “comprises formal historical devices, which can be traced in more than one medium, such as the repeated use of motifs, thematic variation, narrativity, descriptivity or historical traits with meta characteristics, which are common to either formal media or the content of several media in given periods, e.g. the pathetic expressivity, which is characteristic in the 18th c. (in drama, fiction, poetry, opera, instrumental music and the visual arts)” (Wolf, 2011, p. 6). Therefore, for the rhetoric in terms of transmediality the importance is the sensuality of discourse, the pathetic expressiveness, which in different historical periods and in different types of discourse/medium is manifested in terms of the form. All this can be significant for the general periodisation of culture and comparative studies of aesthetics including periods of development of the science of rhetoric and its schools too.

There are two basic forms of intracompositional intermediality, which constitute intermediality in a narrower sense: plurimediality (quality of a semiotic entity displaying signifiers which appear to belong to more than one semiotic system, i.e. opera, song etc.) and intermedial reference (referral to another medium using only the means of the reference medium) (Wolf, 2009, p. 147). Intermedial reference is

divided into two subgroups: explicit reference (intermedial thematisation, i.e. discussion of music in a novel) and implicit reference (individual or system reference through the form of heteromedial imitation). Implicit reference is arranged into such variants: a) evocation (“graphic” description of a musical composition in a novel), b) formal imitation (structural analogies to music in a novel, to literature in programme music), c) (partial) reproduction (re-presenting song through the quotation of the song text) (ibid.). The scholar states that in “formal intermedial imitation there is especially interesting phenomenon because in this case the intermedial signification is in fact the effect of a particularly unusual iconic use of the signs of the source medium” (Wolf, 2011, p. 5). For instance, researching the musicality of the text one has to rely on strategies, which are equivalent to decoding the interactions of the text, where most of them are interlinked and complement each other in various aspects.

**Principles of repetition and variation in rhetoric.** Stylistic devices of rhetoric are extremely numerous and diverse, their priorities varied in different epochs depending on the concept of rhetoric, which dominated at that time. Regina Koženiauskienė (2001) has comprehensively described many stylistic devices of rhetoric used since the times of antiquity in her book *Retorika. Iškalbos stilistika* [*Rhetoric: The Stylistics of Oratory*]. The first group consists of tropes based on similarity or conformity and also on their various interactions (metaphor, metonymy, catachresis, oxymoron, sinecdoque, emphasis, onomatopoeia, antonomasia, periphrasis, hyperbole). The other group consists of rhetoric devices, which are put together into several subgroups. These are the syntactic instruments of development (anaphora, epiphora, anadiplosis, framing, polyptoton, gradation, polysyndeton, accumulation, amplification, period). Devices of contraction include ellipse, adjunction, asyndeton and aposiopesis, devices of composition include consonance of grammatical forms, antithesis, chiasmus, inversion and parcellation. Devices of thought encompass rhetorical addresses of various types, rhetorical questions and rhetorical exclamation. Such detailed classification is the tradition of the classical rhetorical canon although the discussion about the attribution of certain means to particular groups constantly goes on (Koženiauskienė, 2001, p. 205).

R. Koženiauskienė in her later work *Retorinė ir stilistinė publicistinių tekstų analizė* [*Rhetorical and Stylistic Analysis of Publicistic Texts*] highlights the most current stylistic devices of rhetorical discourse especially suited for publicistic genres, which she describes as “the key to success in rhetoric” (Koženiauskienė, 2013, p. 118). Here she classifies stylistic devices: the first group is rhythmic and euphonic instruments (these are the consonances of grammatical forms, alliteration and assonance, anagram, metathesis), and the second group includes the devices of echo or repetition (framing, paromoiosis, polyptoton, chiasmus, etymological devices, anaphora, symploce, anadiplosis and gradation, synonymy and accumulation). The scholar distinguishes means for creating contrast as the third group in rhetorical stylistics: antithesis, correction, antiphrasis, antimetabole, catachresis, synesthesia, oxymoron and paradox. The fourth group consists of tropes, which list has changed slightly. Certainly there are traditional metaphors and metonymy, sinecdoque, antonomasia, onomatopoeia, hyperbole, litotes. Comparison is also included in this group but emphasis and periphrasis is “taken out” (as it was in the previous classification), yet catachresis and oxymoron, as they are presented, are attributed to the devices of contrast (Koženiauskienė, 2013). Two new subgroups are included: updated phraseology, humour and wit. Of course this one is a common feature of the style of speaking.

The classification of artistic stylistic devices can be diverse and their attribution to one or other group often depends on the content of the term which may vary in different epochs, from the type of discourse. Many of the abovementioned instruments are based on the principles of repetition and variation, in terms of euphony and the elements of word structure, the levels of syntactic derivatives, and in terms of devices of thought. Some variations of the repetition are elementary and obvious, especially at the level of euphony, for example, assonance, alliteration, or syntactic devices, such as anaphora, epiphora, symploce, anadiplosis, polysyndeton. However, there are more complex derivatives related to synonymy and devices for creating contrast, to the multiplicity semantics of the text and its multivalent references which manifest themselves at all levels: for example, anagram, metathesis, gradation, anadiplosis, rhetorical questions, period, antithesis, synesthesia. The study of rhetorical devices, their content and the features of their application for the texts of different epochs and types would be different.

**Rhetoric of sermons.** The rhetoric of sermons is subject to extremely strict requirements applicable to the speaker as a personality, his theological knowledge and communication skills how to convey the Word of God to listeners of various readiness, social status and susceptibility and to analyse the text of the *Bible*. The structure of a sermon has evolved over many epochs and nowadays it depends

upon compositional structures of sermons, which rely on the evangel, the interpretational aspect of the theme (theological, phenomenological, semiotic, existential, hermeneutical) (Engemann, 2011), audience structures, knowledge, purpose and conception. Here is presented the most common model, which is typical to many sermons. It consists of 6 parts: the first is the theme (the title of the sermon), the second is the passage of the evangel, the third is the description of the idea (what is the purpose of the sermon?), the fourth is the introduction (the initial situation, history, personal experience, and question). The fifth part is the main one, consisting of two or three sections, each of which can be based on two arguments, references, other examples, illustrations, stories, personal experiences and another aspects. These sections have to enlighten the theme from the angles of development, enrichment and explanation. The sixth part is the conclusion. It is the culmination of the whole sermon, it must be short and simple but its nature can vary (e.g., referral, appeal, motivation, question, concern, challenge, illustration), repeated and newly interpreted theme of the sermon, and the quote from the *Bible*, which was read at the beginning. The structure of sermon is based on a logical arrangement although it is the nonverbal language, which has a greater influence on persuasion. Logic of the text affects only 7 percent of its suggestibility, while the non-verbal language reaches 93 percent (Lachmann, 2001, p. 18). The inner form of the musicality and emotional dialectic of the sermon, which is based on the intonational semantics and syntax, that is to say its processuality, is one of the foundations of persuasion, which act on the energy of the subconsciousness of man.

### 3. Research methodology

The article is based on the comparative methodology, the method of functional analysis (V. Bobrovskij), the basics of analysis of musical forms (H. Riemann, A. Ambrasas et al.). It uses the postulates of musical semiotics (V. Karbusický) and the theory of rhetoric. A comparative methodology based on the theory of intermediality allows comparing and investigating the spectrum of interactions between different time-based arts (literature, rhetoric, music etc.) for individual cases and for research purposes, using different methods. The typology of interdisciplinary interactions (Wolf et al.) makes it possible to modernise and extend the research range of structural, intonational-rhythmic and other relations of rhetoric and music.

This research briefly discusses the spectrum of intermedial concepts of relations of rhetoric and music, ontological principles of musical forms and archetypal musical models. Attention is paid to the levels of processuality of form and its logic. The main differences in repetition and variation in both time-based arts and the most common devices of rhetorical repetition are described. Based on these methodological provisions, the article further analyses the ways of creating persuasion in sermons in terms of rhetoric and musicality.

### 4. Findings and results

Two short texts by Father Stanislovas (1918–2005), who was one of the most prominent preachers in Lithuania, were selected to discuss the principles of rhetoric and musicality of homilies. They are *Tėvo Stanislovo pamokslai – Išpažintys (I) Šviesa* and *Išpažintys (II) Apie laiką* [Sermons of Father Stanislovas. Confession (I) Light and Confession (II) About time.] Father Stanislovas, OFM, the Capuchin friar and a priest, suffered from KGB persecution and was twice imprisoned in the Soviet Gulag camps in Siberia. After returning to Lithuania, he kept and distributed prohibited literature (*Chronicle of the Catholic Church of Lithuania, Aušra*) and in 1976 he was interrogated at the KGB headquarters in Vilnius. During the period of Lithuania's independence several collections of his sermons and essays were published: *Tėvo Stanislovo pamokslai* [Sermons of Father Stanislovas], 1994, *Apie meilę ir tarnystę* [About Love and Service], 1997, 2003, *Atsidūsėjimai* [The Sighs], 2003. In Lithuania 2018 was declared as The Year of *Sjūdis*, Father Stanislovas etc.

These texts started a cycle of sermons by Father Stanislovas in the online newspaper *Bernardinai* and they explore the essential themes of his preachings about light and time. In addition to general theological reflections, the commentaries of daily gospels, philosophical thoughts about time and its fragility, love, the meaning of suffering, existence and minuteness, search for the light and the loneliness are especially important in the texts of Father Stanislovas. His sermons are sound, rhetorical and uplifting,

while a dynamic contrast is evident as well. Both sermons can be interpreted as two-part form (model) where the second complements the first.

**Aspect of explicit reference (thematization).** In the first sermon (*Light*) there are no direct musical images. In the second one (although it is called *About time*, the motifs of time and light intertwine, as if they are supposedly extended in another dimension) the musical genres are named (hymn, psalm is listed twice), the motif of rhythm of divinity and irregularity of human motif is repeated three times (the calm rhythm of life, the arrhythmia of a human heart and contraposition of a calm divine rhythm), likewise it speaks about the monotonous flow of days. Also this text includes indirect references to the genres of music, for example, the *Missal* is mentioned twice (and the *Missal of Times*). In sermon the *Breviary* (it consists of *Psalms* of the *Old Testament*, religious hymns, extracts from the *New Testament* and the Church Fathers' writings) is mentioned three times. As for such a short text, there are many musical images and, furthermore, they are philosophical-theological, associated with the infinity of the universe, the rhythm of eternity, and the Creator.

**Aspects of implicit reference and transmediality.** In the first sermon there is a theme of the light (it is determined semantically, structurally, in poetry and in a background. Here it is its core: *Religija – tai šviesa*. [Religion is the light.], which is expanded using other images of light [*Taip dažnai mūsų Šventasis Raštas ir liturgija kalba apie šviesą* [Often our Holy Scripture and liturgy speak about light]]) [all translations of sermons by Daiva Judges, unless otherwise noted]. Further, it is developed by the contrast method, where in almost every segment, division or even sentence, the images of light and darkness are presented. The sentence structure is short, and they are not very elaborate. The text seems to be improvisational but also emotionally powerful and effective. The statements are rich and have strong and almost well-polished structure. There are no unnecessary functional words, the presentation of statements corresponds to traditional canons of rhetoric about the clarity of the argumentation, their layout, strength, efficiency, contrasts the adaptation to the closeness of the audience, i.e. addressee, as well as the requirements to imagination.

The theme of light in the sermon is repeated in multiple meanings each time developing more of its semantics (diaphora): *Tikintysis vaikšto šviesoje – eina į šviesą. Jis klumpa gal tiek pat, kaip ir netikintysis, bet jis toluomoje mato šviesą*. [Believer walks in the light – goes to the light. He may fall as many times as the non-believer but he sees light in the distance.] Further the theme is contrastingly overturned, and the motifs of unbelief and darkness are juxtaposed: the believer “goes to the light” and “the non-believer gropes around” [*Netikintysis vaikšto apgraibomis*]. There is gradation as well, which in these structures progressively establish the most important idea: *Po kelių minučių jie vėl grįš į gyvenimo labirintus, tačiau jiems reikia įžiebtį kelionei žibintuvus. Jų širdys būna taip išblėsusios, tokiuose baisiuose skersvėjuose jie gyvena*. [After a few minutes they will return to the labyrinths of their lives, but they need to light lanterns for the journey. Their hearts are very much worn out because they live under such terrible winds.]

The second part of this text is like an extension on the basis of the first one. It starts with: *Ak, anas palyginimas apie penkias paikas ir penkias išmintingas mergaites*. [Oh, it is a comparison of five foolish and five wise girls]. Here seemingly contrasting motifs of the theme of the first part (*Light*) are being developed, where wisdom is associated with the light of the lantern, and foolishness is linked to the usage of oil for the lantern for everyday passions. After this harmonious “low” (in the dynamic profile of the piece it would be the lowest tonal place) there are three short paragraphs, where the first and the third are composed of two sentences, and the middle one is made from three sentences of emotional gradation in a progressive intonational line: *Kaip baisu, kai reikia lipti sakyklos laiptais, kai reikia rasti pamokinimą klausykoje, kai žiburys jau užgesęs*. [It's scary, when you need to climb the steps of pulpit, when you need to find a teaching in the confessional, when the light has already died away...]. Here polysyndeton, in this case the word when is repeated (*kai* [when]), starts to shape the intonational curve. On the other hand, number three is the main rhetorical structure, which gives the impression of musicality and emotional surge. The last paragraph has a summarising character for the second part, and the whole text: *Šešias dienas iki sekmadienio vaikščiojome su šviesa. Ir išėikvojome alyvą aistroms, tušties užsiėmimams...* [Six days before Sunday we walked with light. And we used the oil for passions and empty actions...]

From the point of view of the traditional composition of sermons this text is shorter and more persuasive. There are no introductory parts and the theme with its contrasting variations, which are developed in two paragraphs, begins immediately and has a short final part. In literature it would be close

to the frame of architectural form where the transformed motif of light sounds. The analogue of a musical composition, which is close to the two-part form (though here we do not examine the principles of composition in detail), allows you to feel the development of the theme and the pulsation of the whole form in more subtle way. It is the musicality of the text, which provides the philosophical depth, sense of eternity, suggestibility, affects a listener not only with symbolic images but also makes the sermon influential. Without musical development of such statements, their gradation, change of rhythm, sermon would lose its enticing power, and its suggestibility.

The second sermon *About Time* by Father Stanislovas has more complex semantics and structure, but only its main principles of composition and some rhetorical features will be introduced in this paper. Its composition starts with introduction where the theme is presented as a comparison: *Visata it koks didžiulis Mišiolas, kurio raidės, visi atskiri reiškiniai, įvykiai, viskas turi mūsų širdy įžiebtį meilės jausmą ir pagarbą Kūrėjui* [The Universe is like a huge Missal, which letters, all individual phenomena, events, everything has to light a feeling of love and respect in our hearts for the Creator]. The parts of comparison (i.e. the *Missal*, letter, book, Universe, phenomena, events) are linked in synergy as a source of light and worship as expression of love to Creator. Comparison is developed using the principle of a chain of progressive dynamics where every member continues and widens the image or thought from the previous chain element: *Kad labiau užsidegtume meile Dievui, vaikštome Kryžiaus Kelius, garbiname Jėzaus Širdį. Atidžiai skaitome apie šventuosius, jų gyvenimus.* [In order to increase our love for God, we walk our roads to Calvary, we worship the Heart of Jesus. We read carefully about the saints and their lives.]

In the first part a theme of the *Breviary*, where God's wisdom is set out, is developed by gradation in three stages: *Tarp daugybės maldaknygių ir knygų yra kone visai užmiršta knyga, apie kurią daug kalba mūsų senieji mokytojai. Tai – Brevijorius bei Brevijoriaus himnai.* [Among many prayer books and other books, there is almost completely forgotten book many of our old teachers were speaking about. It is the Breviary and Breviary's anthems.] The gradation is completed with the images of sacrality where the holy hymns are mentioned in the first place: *Brevijorius – knyga, sudaryta iš psalmių, himnų, Bažnyčios Tėvų raštų ir skirta kasdienėms maldoms ir apmąstymams.* [The Breviary is the book, which consists of psalms, hymns, writings of the Church Fathers and is designated to everyday prayers and thoughts.] Further the rhetorical question of anti-cadence character is heard, which is answered in two sentences with the waving intonation. *Kodėl ji tokia svarbi, reikalinga? Todėl, kad ji padeda prižiūrėti mumyse įsižiebusią ugnį. Tai – nepakeičiama atrama, kelrodis kiekvienai dienai, nepakeičiamas vadovas, mokytojas einant per gyvenimą...* [Why is it so important? Because it helps to look after the fire we have inside. It is an indispensable support, a road sign for each day, an irreplaceable leader, a teacher when passing through life...]

There is a shift from the book as from the available source of light towards the wider semantic comparisons: sunrise reminds us the eternal light. Further text sounds like an ode, like a song of ascetic monk to the Creator, the Sun, where every sentence is inspired by adoration to the Universe, the Sun, the Light, and the eternity of Time, where each paragraph strengthens the philosophical sub-text, the opening of heart and soul to the worship of Being. (We can remember *Regula* – the way of life of Capuchin friars to pray to God sometimes during the day and approximately at 1 am and 5 am.) Here, each segment starts with a new line and generates waving dynamics of rising intonation: *Su kokia pagarba reikėtų stebėti tekančią saulę. Teprimena jinaį mums apie amžinosios Šviesos neišsenkamas versmes.* [Watch the rising sun with great respect. Let it remind you about inexhaustible sources of the eternal light.]/*Kaip godžiai turėtume rankioti Šviesos spindulėlius iš studijų, iš matytų gerų pavyzdžių. Ir iš maldos.* [How devouringly we should pick up the rays of light out of studies, from the known good examples. And from the prayer.]/*O tas paslaptingas, nepastebimas šviesos bangavimas dienos metu!* [And this mysterious, invisible surge of light during the day!]. The philosophic calmness of the preacher is surprising: the wish to finish the first three sentences with exclamation marks is strong but the wording has been agreed with him, so sometimes the energy of light becomes stronger if more it is held inside and spoken quietly. In terms of rhetoric amplification (extension of the motif of light) and framing are used here, from a musical point of view these three paragraphs could be close to the second section (part) of the three-part form analogue.

The third part of a sermon starts from the development of a dimension of time in everyday life. Here again in three stages people are encouraged to stop and calm down, the imperative mood is used in all sections: *įsižiūrėkime, pažvelkime, priimkime, sekime* [take a look, glance at, accept, follow]. From the phonics point of view, the attention can be paid to the abundance of semivowels *m, n, r, l* and long

syllables (their basis is formed by mixed diphthongs, diphthongs, long vowels), which together with the syntactic structures create a mood of calmness and magnificence. Rhetorical synesthesia is also used: *įsižiūrėkime į laiką* [take a close look at the time] with its unexpected poetics, which is *entranced with restlessness* and comes as a shock, an opportunity to shine and to stop, altogether teaching not only how to feel respect (to be devout) but to keep the sensitive look on the letters of Time:

*Kai aplinkui mus visi daiktai ir žmonės taip prisigėrę neramumo, atidžiai įsižiūrėkime į laiką – kiek jame didingos ramybės. Pažvelkime į šviesos ir sutemų didingumą.* [When all things and people around us become so entranced with restlessness, take a close look at the time – how much of a majestic peace is in it. Look at the greatness of light and dusk.] *Priimkime su dievobaimingu kantrumu tą dienų slinktį. Ji mus suvargina savo monotoniškumu. Bet ar tai nėra tas kasdienis kryžius, apie kurį kalba Evangelija?* [Accept the flow of the day with devout patience. It makes us tired of its monotony. But is it not the daily cross that the Evangelist speaks about?]

The next paragraph summarises the third part of the sermon and at the same time is the final part of the whole text. Here again incredibly many of *m*, *n* and other semivowels are heard which seem to be singing and humming. It becomes like references to the elements of an archetypal song-lullaby and surround us with their philosophical calmness:

*Su atidumu sekime Dievo rašančią ranką Laiko mišiole. Laiko raidės pamokina mus ramaus gyvenimo ritmo, jos nuolat mus ragina eiti į gyvenimo džiaugsmą ir siekti atsigalvavimo. Jeigu Šventajame Rašte įskaitome Dievo Išmintį, šventųjų gyvenimuose pastebime Dievo apvaizdos ir Gailestingumo veikimą, tai laike mes jau ne skaitome, ne stebime, bet juste pajuntame Dievo alsavimą.* [Carefully follow the God's hand writing in the Missal of time. Letters of time teach us a quiet rhythm of life, they constantly urge us to go towards a joy of life and seek refreshment. If we see the wisdom of God in the Holy Scriptures, if we notice God's providence and the act of Mercy in the lives of Saints, so we not just read or watch the time, but we feel the breathing of God.]

The climax of the sermon announces the calmness of God and joy as wisdom of time and life. The last paragraph of sermon should sound like coda, which is formed from different images and intonations – the calmness of ascend and descend: *O mūsų širdys taip neritmingai plaka! Tegul klausos jos to dieviško, ramus ritmo.* [And our hearts beat so out of rhythm! Let them listen to this divine and calm rhythm.]

The form of this sermon is close to the analogue of three-part form (with the introduction and the coda) where each part is formed of three sections too. The first one is designated to the *Breviary*, the second one is dedicated to the worship of light, and the third one-the climax encompasses the previous motifs in dimension of time and is close to a synthetic dynamised reprise, where in the short form the motifs of the first partitions are transformed and dynamised. From the point of view of the structure of classical sermons it almost corresponds to their number of sections but they are based on the development of statements in two partitions while the structure of Father Stanislovas's sermon rests on the variation, which is based on the support of number three. Therefore, in this sermon the favourite principles of rhetoric of Father Stanislovas are also used: repetition, often based on the number 3 (does it imply on the Blessed Trinity and crossing yourself with words in the name of the Father and of the Son and of the Holy Spirit, which is so rooted in the sub-consciousness of a monk?), variation of a theme and development of contrasting images. There is also a rhythmic sentence structure, intonational anti-cadences and cadences, rhetorical questions, framing, amplifications, gradation, exclamations, and waving, swinging dynamic profile. All this is connected with a sensation of the musical pulse, poetic-philosophic and theological worldview (it should be remembered that Father Stanislovas beautifully sang Gregorian chants, deeply forgotten during the Soviet times, and many people learned from him). On the other hand, the Biblical language also forms a way of thinking and is one of the foundations of dimensions of nobility and chivalry in human soul. (After all, in the first sermon it is not said the "stupid girls" or as we could say directly, "pure idiots" but it is said "foolish". In Lithuanian it sounds more playful, warmer, softer and with a touch of humour and compassion.)

These two sermons (*Light* and *About time*) by Father Stanislovas may in fact be as the coded ones of his worldview, not only in aspects of semantics, but also in aspects of creating a form, a sound, and a deep musicality. Only the most important aspects of musicality are presented here and it is impossible to analyse the broad musicality scale due to the scope of the article. They, resembling the worship of the Universe, Light, the Creator and Love, the search for the Wisdom of life in the Calmness of Time, are based on similar but complementary elements of the theme, poetics, elements of rhetoric and structures of

archetypal musical models, where foundation is repetition and variation, which are the most general principles of the time-based arts.

## 5. Conclusions

Though rhetoric, as a time-based art, has long been closely associated with the genesis and expression of music and literature, not only the traditional rhetorical devices are applicable to the analysis of rhetorical texts, but also the modern theory of intermediality, which allows to analyse various aspects of musicality of the text in more detail, as well as its persuasion.

Expression of musicality in terms of the theory of intermediality in texts can appear in different levels: as transmediality, thematisation, partial reproduction, formal imitation and evocation. One of the aspects of the formal imitation is the analogue of musical technique and form and the word music. The most common formants of literary and musical texts are the repetition and the contrast, on which the variability is based. The foundations of ontological forms, which create archetypal musical models and are common to all time-based arts, are established on these principles.

The study of Father Stanislovas's sermons, which are characterised by concentration of thought, philosophical and theological depth, stylistic completeness and combined with numerous rhetorical repetitions, variational development of thematic motifs established on the principles of analogues of musical form and technique, is innovative and original.

Analysis of the deep structure of a rhetorical text, which is based on the principles of ontological forms and analogues of musical forms, reveals the new possibilities of rhetorical influence: allows to define the internal form of a text, its processuality and shape the devices of persuasion more precisely and more subtly.

## 6. Suggestions

For analysis of rhetorical texts, not only traditional but also contemporary concepts of art research (intermediality, functional analysis, musical semiotics etc.) can be applied. Particularly fruitful are comparative concepts of rhetoric and music, which are determined not only by the characteristics of the expression of time-based arts but also by development itself (the commonality of terms and expressions of music – rhetoric).

Not only media tendencies but also trends of traditional art bring new challenges. One of them would be to turn to the science of music, its various theories, concepts, the specifics of the characteristics of expression and the general features of the time-based arts (rhythmics, metrics, intonational expressions, features of the development of motifs etc.) trying not only to renew but also to deepen the semantics of terminology and its potential for its usage in rhetoric, and, in particular, in such a significant, multi-layered and multi-voiced field as homiletics.

A new stage in sermon research would be turning towards music. The science of music is characterised by a particularly refined knowledge of composition, starting from the formation of archetypal models and systematics of classical forms and ending with contemporary concepts of musical form and techniques, which is why the science of music is especially relevant for the description of the inner form of the text as its processuality.

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# THE SCOPE OF POETIC DISCOURSE IN *CÁNTICO*. THE CASE OF T.S. ELIOT AND O.V.DE L. MILOSZ TRANSLATIONS

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## Abstract

The paper offers an overview on the scope of foreign literature translations in the literary journal published by the *Grupo Cántico* poets during the Franco regime. It aims to establish the characteristic poetry translation strategies and the “modus operandi” applied by the translators with a special emphasis on the translated works in different languages by two Modernist poets. An in-depth analysis of the issues of the *Cántico* literary journal was performed initially, grouping the translations of the foreign authors under the countries and languages represented. Descriptive method enabled to present the full scope of poetic discourse in different tongues by the publishers of this journal. Further, samples of the poems by T.S. Eliot and O.V.L. Milosz, both in the native and target languages, supplemented with their translation into English, are subjected to comparative analysis in order to deduce and illustrate the translation strategies. The research revealed an impressive representation of the wide poetry geography. It established prevailing translation strategies which demonstrate a remarkable fidelity and adherence to the source text. The paper focuses on translations of the poetic works published in *Cántico* during the two decades of mid-twentieth century. The research emphasises universality, openness and heterogeneity of the *Cántico* publications. The offered insights are believed to be valuable for literary studies and contemporary poetry translators. The research presents one of the first attempts in English to closely examine and compare poetic discourse in translation in the 5<sup>th</sup> and 6<sup>th</sup> decade of the 20<sup>th</sup> century in the Spanish literary journal.

**Keywords:** *Cántico* Journal; poetic discourse; translation.

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## 1. Introduction

The purpose and the object of the research. The paper is one of the first attempts to offer an overview in English on the scope of foreign literature translations in the poetry journal published by the *Grupo Cántico* poets (Ricardo Molina, Pablo García Baena, Mario López and Juan Bernier) along with a set of painters (Miguel del Moral and Ginés Liébana) during the 1940s and 1950s in Spain. *Cántico* was published in Córdoba, Spain, within two periods: the first, from 1947 to 1949, and the second, from 1954 to 1957. Different editions of the *Cántico* literary journal are introduced and defined in the research.

The present qualitative research is inductive and aims to understand culture processes within the described particular social context. It was apparent from the outset of the analysis that the literary journal *Cántico* was the venue for many translations of poetry, therefore, the following objectives were pursued:  
-to define the languages and geography of the poetry translations presented in the literary journal *Cántico*;  
-to establish the characteristic poetry translation strategies and the “modus operandi” applied by the translators into the Spanish language in the literary journal *Cántico* publications.

It should be highlighted that the possibilities of the poetic discourse of that time were bound due to the physical factors: there was the absence of modern technologies and no books on-line, therefore, a book of poems could be acquired only-and mainly- by travelling to other country’s bookstores or by corresponding directly with an author. The research had 2 hypotheses at the outset: a) due to the

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restricted availability of the contemporary authors' creations, probably the translations, if any, will be found of predominantly classical writers, and not the poets' contemporary to the publication of the literary journal *Cántico*; b) it was assumed that the translation standards were different. Due to limited numbers of comprehensive dictionaries and other, now taken for granted, resources, the translations were expected to be "beautifully unfaithful", i.e. verging more on interpretation than translation.

Research methodology was determined by the inductive qualitative research mode. An in-depth analysis of the issues of the *Cántico* literary journal was performed initially, grouping the translations of the foreign authors under the countries and languages represented. Descriptive method enabled to present the full scope of poetic discourse in different tongues during the 5<sup>th</sup> and 6<sup>th</sup> decade of the 20<sup>th</sup> century in this journal. Further samples and fragments of the poems both in the native (English and French) and target (Spanish) languages by T.S. Eliot and O. V. L. Milosz (in the latter case, supplemented with a translation into English), were subjected to comparative analysis in order to deduce employed translation strategy.

## 2. Scope and characteristic features of *Cántico* literary journal

This paper tackles the issues that made *Cántico* a unique literary journal not only in Spain, but also in Europe of that time as it embraced the poetic translations on a grand scale of geographic and literary movements. It also seeks to expose and to corroborate the vitality and the opening up of the journal *Cántico* to other creative realms and locations.

In 1947 several Córdoba poets responded to the call to compete for the prize "Premio Adonáis", but the winner was José Hierro for his book *Alegría (Joy)*. It was then that *Cántico* would silently embrace one of its firmest characteristics, one it would never abandon: its clearly independent voice.

The publication founded by Ricardo Molina, Pablo García Baena and Juan Bernier in October 1947 has been a dramatic step forward introducing foreign literature in Spain. "The advent and activity of this group of artists, in what was an unbending and conservative provincial city, a mirror of that Francoist Spain that only upheld the epic language of crusades and victory, is surprising." (Prieto, 2003, p. 9). Naturally, the publication also contained poems by the "founding fathers", e.g. García Baena's "Agatha", Mario López "El Angel Custodio" (*Guardian Angel*), Ricardo Molina's "Himno a Santa Cecilia" and Juan Bernier's "Canto del Sur" (*The South Song*).

Moreover, a ground-breaking step for its time, in comparison to the Spanish poetry journals of the time, was the Córdoba publication's extensive attention to foreign verses. It presented a diverse thematic tapestry and an unprecedented number of poets from a range of literary movements and geographical areas. Thus, the poets of the publication extended "their hand to kindred universality, erecting a cosmopolitan spring to nourish the barren salt field that isolates them in that universal, provincial, inquisitorial and indifferent city, walled in angelic custody and beauty." (Nacimiento de *Cántico*, 2007, p. XVIII). The "Grupo Cántico" paid notable attention to foreign poetry, revealing that neither the group nor the creation of its publications were isolated (Torrallbo Caballero, 2017). This group of poets did not share the aesthetic sensibilities of post-war social poetry. The poets of the "Grupo Cántico" stood out for their epicurean desire for indulgence and the enjoyment of life.

### 2.1. Multilingual literary creations represented in *Cántico*

*Cántico* was a ground-breaking, vital and enriching journal that contained a commendable list of translated poems, from geographically distant but temporally proximate points. The "Hojas de Poesía" (*Pages of Poetry*) translated compositions written in various foreign tongues, including French, English, Italian, Chinese, German, Portuguese, Hungarian, Arabic, Russian and Polish, and there were also Brazilian, Cuban and Chilean poems, as well as Peninsular literature, such as Catalán and Galician poetry, in addition to Spanish.

To mention just a few translations from less-spoken languages, there are six sonnets from the Portuguese Forbela Espanca (on page 28), translated by Juan Bernier in the second issue of the publication. There are four pieces written in Hungarian by Dezső Kosztolányi, translated by Carlos Benedek and Julio Aumente (109), accompanied by an explicatory article by Carlos Benedek on the poet who was born in Serbia, with some notes and observations on the content translated. From Arabic, there is "Confesión" by Mohammad Sabbag (195). There note is given below the verse indicating that it was

"translated from the Arabic by the author, with a free version by Trina Mercader". Russian poetry is also present in the journal, with a brief poem by Aleksandr Pushkin entitled "Como yo te he querido, desengañate..." translated by Antonio Tovar (316).

There is also a translation of the classic poet from Venusia, Horace, ("A Hirpino Quintio") authored by Miguel Romero Martínez (108); in addition to verses by Brazilians (Augusto Frederico Schmidt, Ribeiro Couto, Carlos Drummond de Andrade and Mario de Andrade) (76), Cubans (Octavio Smith) (102); and Chileans (Roque Esteban Scarpa) (103).

The literary journal *Cántico* in the eighth issue of the second period also introduced poetry from far East - Chinese poems, e.g. Tu Fu's "En el pueblo al borde del río" (*In the village at the edge of the river*), translated into Spanish by Marcela de Juan (315). The translator presents the essay "Cartasobre la poesía china" (*Letter on Chinese Poetry*) (325-327), preceded by the poem "Otoño" (*Autumn*) by SunTje Kao. The article establishes a clear timeline from the third century A.C. to the modern period, tracing the evolution in the Chinese literature. The essay is followed by the translations of various Chinese poets on several pages 328-331 of "Del libro de odas" (*From the Book of Odes*) by Che King; "Canción del viento de otoño" (*Autumn Wind Song*) by Emperor Wu; "Construíuna casita" (*I Built a Little House*) by Tao Ch'ien; "Carta a un amigo" (*Letter to a Friend*) by Wang We; "Pensamientos de primavera" (*Spring Thoughts*); "Recuerdo en la serenidad de la noche" (*Memory in the Serenity of the Night*); "Adiós a la orilla del río" (*Farewell to the Riverbank*) authored by Li Po; "La batallafuera del puerto" (*The Battle Outside the Port*) and "Celebrando la lluvia" (*Celebrating the Rain*) by Tu Fu; and, concluding the series, "Canto de la provincia de Cantón" (*Song from the Province of Canton*) by Su Che.

It is noteworthy to point out that translations of the Chinese poetry outnumber the introduction of creations in Italian. As for Italian poetry (in the fourth issue of the second period), first there is the fifth canto of "La morte meditate" (*Meditation on Death*) (215), along with Giuseppe Ungaretti's meditative poem on lost childhood, "Tutto ho perduto" (*I Have Lost Everything*) (216), both translated by Ricardo Molina. This issue also contains the article "Carta sobre la poesía italiana del siglo XX" (*Letter on 20<sup>th</sup>-century Italian Poetry*), written by Oreste Macrí (229-231). It is illustrated by five Italian poems presented in both languages and translated by R. Molina: "La Anguila" (*The Eel*) by Eugenio Montale; "Casi un madrigal" (*Almost a Madrigal*) by Salvatore Quasimodo; as well as the five stanzas entitled "Italia. Capítulo II" by Pier Paolo Pasolini. Two issues later the publishers return to the Italian poetry with a brief but detailed review of "La Meglio Gioventú" (*The Best of Youth*) by P. Pasolini (290) addressing its style, content, and the parts of the book.

Poems in German mainly appear in the last issue of the literary journal *Cántico* (number 13, 1957) which already introduces the poems in the language of creation as it contains three bilingual versions of German poems by Erwin Walter Palm, translated by his wife Hilda Palm. The first is "Promesa" (*Promise*) and consists of four verses in the original text but seven in the target; the second is entitled "Música", with five verses in the original, translated quite faithfully; the third is "Divinidad Mexicana" (*Mexican Divinity*), divided into three stanzas, which are rendered accordingly by the translator.

As it is evident from the overview, the literary journal *Cántico* provided a forum for an unexpected for the time number of foreign poets and clearly enriched the post-war Spanish literary scene. The following chapters deal with the analysis of the poems translation by two representatives of the Modernism in English and French.

## **2.2. Translations of poetry in English and reviews of the English language literary movements in *Cántico* literary journal**

During the period of publication of the literary journal *Cántico* the English language has not reached the status of the *lingua franca* of the world. However, creations in English by British, Irish and American poets take up a prominent place throughout the different issues of *Cántico*. The initial edition contained a lyric piece by W.H. Auden, translated by J. Carandell, which begins: "Deja amor mío reposar tu cabeza / sobre mi brazo desencantado" (*Lay your sleeping head, my love, Human on my faithless arm*) (9). The third issue of the journal contains two compositions by Rupert Brooke, translated by the founder of the publication Jose Luis Cano (45), which concur with an illuminating biographical note on the author. The sample works by such eminent figures as H.W. Longfellow, John Milton, Dylan Thomas are translated.

The 4<sup>th</sup> and 5<sup>th</sup> issues introduced translations of the 20<sup>th</sup> century English poets, such as Vita Sackville-West and Louis MacNeice, as well as Laurie Lee, who was an International Brigade volunteer in the Spanish Civil War (1936–39). To his honour a statue was erected in 1988 by the citizens of Almuñécar, Andalusia, Spain. [<http://www.almunecartoday.com/plaque-to-laurie-lee/>]. Almuñécar is an important setting in Laurie Lee's account of the outbreak of the Spanish Civil War in "As I Walked Out One Midsummer Morning". It is with these issues that the readers are offered a more profound overview on the literary trends in English poetry and the review of "Los poetas ingleses metafísicos" (*The English Metaphysical Poets*) (62) highlights them. The reviews are followed in the next issues of the literary journal with an insightful article by Marià Manent "Carta sobre la actual poesía inglesa" (*Letter on Current English poetry*), (145-146), which analyses poems by Edith Sitwell, Dylan Thomas, Kathleen Raine, Lawrence Durrell and Nicholas Moore. The vast scale of the journal founders' literary interests is reflected in the essays "Panorama de la poesía" (*Overview of Poetry*) and review of contemporary creations like "Publications of the British Council and the National Book League" (334).

However, the most important feature of the journal are the translations offered that allow poetry, composed in English, to resound in the Spanish language. Due to the limited scope of the paper, the translations of the American Modernist poet, later a British citizen, Thomas Stern Eliot will be analyzed.

José Antonio Muñoz Rojas chose to present in the translation of T.S. Eliot's "The Hollow Men" (*Los hombres huecos*) (124-125) which follows and echoes the barren world of his famous "The Waste Land" written in 1922. "The Hollow Men", published in 1925, halfway through the modernist decade of the 1920s, is an elusive poem, like much of T. S. Eliot's work. It presents a challenge to comprehension as it is a poem on immobility and a sense of being trapped. The "Hollow Men" of the poem are in a between-world, a limbo or purgatory between death and life, existence and nothingness, light and darkness. The first four sections of "The Hollow Men" describe the situation of the titular men, dwelling in the "dead land" (recalling the waste land of Eliot's earlier poem) and desert space, "cactus land" (again, shades of **The Waste Land** here), in a sort of twilight world between "death and dying". There is a "tumid river" which might be interpreted as the river across which the dead were ferried to Hades.

José Antonio Muñoz Rojas translation is very accurate in rhythm, overcoming differences in English and Spanish language grammar, versification and metaphors rendered, as seen from those initial stanzas:

We are the hollow men  
We are the stuffed men  
Leaning together  
Headpiece filled with straw. Alas!  
Our dried voices, when  
We whisper together  
Are quiet and meaningless  
As wind in dry grass  
Or rats' feet over broken glass  
In our dry cellar. (Eliot, 1963, p. 89)

Somos los hombres huecos,  
los hombres disecados,  
apoyados juntos  
llenos de paja de pies a cabeza. Ay.  
Nuestras voces secas, cuando  
cuchicheamos juntos  
son tranquilas y nada significan  
como el viento en la yerba seca  
o los pies de las ratas sobre el vidrio roto  
en nuestra bodega seca.  
(Muñoz Rojas, (1948-1949) 2007, p. 124)

The poet-translator chose to leave the title in English, although the first verse is a translation of “Somos los hombres huecos”, showing total fidelity to the original text. The poem in Spanish is divided into five sections, which also observes T.S. Eliot's sequencing. The second verse of the target text omits the subject, avoiding alliteration and anaphora. Its syntactic symmetry is also exhibited in the fifth verse (“Our dried voices, when”), which maintains the possessive adjective, pre-modifier, and noun, as well as the temporal adverb. The sixth maintains the meaning perfectly intact, dispensing with the first person plural pronoun, which is the subject in the source text, omitted in the translation. The seventh verse displays the symmetry that has been pointed out (“Are quiet and meaningless”, “*son tranquilas y nada significan*”), as after the verb there are two coordinated complements whose semantic load is parallel in the two languages, and the suffix “-less” in English has been transmitted by means of the word “*nada*”. The three verses that complete this first stanza maintain the same lexical, morphological and syntactic components, with the addition of only five definite articles before the Spanish names, which add a greater concretion, where the original textual universe conveys a more general sense (“wind” - *el viento*; “dry grass” - *la yerba seca*; “rats' feet” - *los pies de las ratas*; “broken glass” - *el vidrio roto*).

The end of the poem again features the aforementioned loyalty and fidelity of the translated text to the original. T.S. Eliot wrote that: “This is the way the world ends / This is the way the world ends / This is the way the world ends / Not with a bang but a whimper” (Eliot, 1963, p. 92). José Antonio Muñoz Rojas translated these words as follows: “Así acaba el mundo / así acaba el mundo / así acaba el mundo / no con un puñetazo sino un sollozo” (Muñoz Rojas, (1948-1949) 2007, p. 125). In these “twin” texts the only mutation carried out by the Spanish writer is the transformation of the demonstrative pronoun followed by the verb (“This is”), which appears at the beginning of each one of the three verses with the demonstrative adverb *así*, which maintains the meaning as well as the emphatic, phonetic and musical effect of the anaphora.

### 2.3. Analytical studies of the French poetry and its translations

French poetry, along with English, predominates amongst the verses translated in the literary journal *Cántico*. Right from the first issue there are translations, such as “El espíritu y el agua” (*The Spirit and the Water*), (12-13) a fragment of a work by the French poet Paul Chaudel. The second issue of the journal contains works by André Gide (26-27), featuring an intimate tone, like “El parquet” (*The Park*) and “La paloma” (*The Dove*). The third issue presents a translation of a poem by Louis Aragon, entitled “Noche del destierro” (*Night of Exile*) (45). The translator of all these fragments is Ricardo Molina.

The 5th publication introduces three compositions by Francis Jammes (77), entitled “Pascua florida” (*Flowery Easter*), “La partida de los rebaños” (*The Flocks' Departure*) and “El regreso otoñal” (*Autumn's Return*). Finally, the 7<sup>th</sup> issue features a translation of René de Chateaubriand (97), entitled “El bosque” (*The Forest*). At the end of the publication the translator adds an article on the forerunner of Romanticism in France, highlighting the “penetration and originality of his art”(110), stating that his poetry “left an indelible mark on Europe; its unique charm, inimitable, is of a depth that we would seek in vain in any other Romantic prose.” This device, presenting the translated poem, followed by a critical clarification on its author, would be a recurring element throughout the journals, sagaciously designed by its directors to expose Spanish readers to foreign poets.

Consequently, the issues of the second period contain an extensive article entitled “Carta sobre la actual poesía francesa” (*Letter on Current French Poetry*) by Leopoldo Rodríguez Alcalde (174 -176) along with six translated poems including verses in original language. The final issue published in 1957 ends with an in-depth, seven-page study of the French philosopher Jacques Maritain “Maritain y la intuición creadora” (*Maritain and Creative Intuition*) by Marià Manent (456-462).

To the authors of this paper translation of the “Symphonie de Septembre” (*September Symphony*) by Oscar Vladislav de Lubicz Milosz has been of particular importance and interest due to several parallels in the personal life of both poets and their creations. Similar to a Nobel prize winner T.S. Eliot, he is a poet of literary Modernism. There are further parallels between these two poets. Both of them were expatriates: T.S. Eliot was born in St. Louis, Missouri. He moved from his native United States to England at the age of 25, settling, working, and marrying there. He eventually became a British subject in 1927, renouncing his American citizenship (Worthen, 2009). O.V.de L. Milosz, a cousin of Nobel prize winner Cz. Milosz, moved from Lithuania to France at the age of 12. He stayed in Paris at the Lycée Janson de Saille, first as a boarding student and later as a day student (Buzaité, 2000). In 1931 he became

a French citizen and was awarded the “Légion d'honneur”. Both poets creations were visionary and tormented, concerned with love and loneliness, as might be best illustrated by the initial verses of *September Symphony* (written in 1915) by O.V.de L. Milosz and translated into Spanish by Julio Aumente Martínez-Rücker:

Sé bienvenida, tú que vienes a mi encuentro  
en el eco mismo de mis pasos por el corredor oscuro y frío del tiempo.  
Sé bienvenida, Soledad, madre mía.  
Cuando la alegría marchaba con mi sombra  
cuando los pájaros de la risa chocaban con los espejos de la noche,  
cuando las flores, las terribles de la piedad ahogaban mi amor  
y los celos inclinaban mi frente y se miraban en el vino,  
yo en ti pensaba, Soledad, en ti pensaba yo, Desasida. (Aumente, (1947) 2007, 10)

Soyez la bienvenue, vousquivenez à marencontre  
Dansl'écho de mes proprespas, du fond du corridorobscur et froid du temps.  
Soyez la bienvenue, solitude, ma mère.  
Quant la joie marchait dans mon ombre, quand les oiseaux

Du rire se heurtaient aux miroirs de la nuit, quand les fleurs  
Quand les terribles fleurs de la jeune pitié étouffaient mon amour  
Et quand la jalousie baissait la tête et se regardait dans le vin,  
Je pensais à vous, solitude, je pensais à vous, délaissée.  
(Milosz, 1929)

The English word-for-word translation by J.de D. Torralbo Caballero might serve to highlight the points of the faithful rendering into Spanish the meaning and atmosphere of the verse:

Be welcome, you who come to me  
in the very echo of my steps, through the dark and cold corridor of time.  
Be welcome, Loneliness, my mother.  
When happiness walked with my shadow

when the birds of laughter struck the mirrors of the night when the flowers,  
the terrible flowers of piety, drowned my love  
and jealousy inclined my forehead, and they gazed at each other in the wine,  
I thought of you, Loneliness, I thought of you, Released One.

Interestingly enough, C. Bamford's translation of these stanzas into English deviate from the original by choice of words and metaphors, as seen in:

Welcome, you who come to meet me  
In the echo of my footsteps, from the bottom of the cold, dark corridor of time,  
Welcome, solitude, my mother.  
When joy walked in my shadow, when birds

Of laughter knocked against the mirrors of the night, when the flowers,  
When the terrible flowers of youthful pity choked my love  
And when jealousy lowered its head and looked at itself in the wine  
I thought of you, solitude, abandoned. (Bamford, 1985, p. 109).

The metaphors, figurative speech and the overall atmosphere created by the poets is skilfully rendered in Spanish translations, thoughtfully presented by the publishers of the literary journal *Cántico* alongside the verses in the original language.

The most outstanding special characteristic of this O.V.de L. Milosz' poem, like T.S. Eliot's "The Hollow Men", is an extreme delicacy of tone, a sentimental irony which is without hope but which is not without humor. Both poets' passionate nature felt the emptiness of existence. O.V.de L. Milosz was hungry for love and longing for home, but could not find them either in time, or space. Similarly, T. S. Eliot's recurring theme is the solitude of man in a big city.

### 3. Conclusions

The publication of the literary journal *Cántico* in the 5<sup>th</sup> and 6<sup>th</sup> decade of the 20<sup>th</sup> century materializes a dramatic step forward in the presentation of foreign literature in Spain. The poetic discourse in the *Cántico* publications amazes by its scope as it embraces translations from diverse languages and cultures. The compositions written in various foreign tongues, including French, English, Italian, Chinese, German, Portuguese, Hungarian, Arabic, Russian and Polish are translated, alongside with Brazilian, Cuban and Chilean, as well as Peninsular (Catalán , Galician, in addition to Spanish) poetry is presented.

It can be stated that the literary journal *Cántico* was a ground-breaking, vital and enriching journal that contained a commendable list of translated poems, from geographically distant but temporally proximate points. All the issues of the journal demonstrate a renewed interest in contemporary foreign poetry.

The preceding inclusion of an extensive critical article, as a kind of gateway to the translated poems, is another repeated element that must be emphasized, as part of the aforementioned approach designed to familiarize the Spanish reader with the content and to contextualize an author's role in the specific literary movement before proceeding to read the poems in translation. The design and arrangement of poems in bilingual versions allow a critical reader to comparatively appreciate the works of an author and a translator.

The research revealed, in most cases, a remarkable fidelity and adherence to the source text. The equivalency of translation is evident keeping the original versification and rhythm. Images, metaphors, and figurative speech – all the specific features of poetry are faithfully rendered, with very few cases of domestication and omission noted.

It could be stated that the perennial hallmarks of the literary journal *Cántico* were of openness to contemporary foreign literature and heterogeneity, i.e. diverse in character and content, striving to present accurate literary translations to its reader.

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# LITHUANIAN TRANSLATION AND EDITING ASPECTS OF SHAKESPEARE'S TRAGEDY *ROMEO AND JULIET*

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## Abstract

This paper aims to look at the tradition of translating and editing canonical literature into Lithuanian language on the basis of a case study of the translator's and editors' notes on the proofs of Shakespeare's tragedy *Romeo and Juliet* in Lithuanian. The focus in this paper will remain on several most revealing places of the translator's and the editors' debates. The paper also looks into the contextual publishing and translation situation in 50s, 60s and 70s of the previous age. Methodological approach used in the study is the method of close reading of *Romeo and Juliet* text and notes on the text published in Horace Howard Furness' compilation in 1913 in a *New Variorum*. Among the key findings in reviewing the Lithuanian translation and editing queries of *Romeo and Juliet* are the critical concerns which lay in the basis of creating the tradition for domesticating and foreignization, and Lithuanization of texts for local readership in Churginas' and his editors' understanding. Research limitations of this paper lie in the fact, that the Lithuanization features are not compared with other Churginas' translations of Shakespeare nor with other authors' translations. Nor the editors' work with other translations at about the same period of time is reviewed in a more extensive way. The scope of generalization is limited. The document supported discoveries are important points for reference for further and deeper studies or translation and editing tradition from English into Lithuanian. The value of this study is in its new revision of the historical debates of translation values recorded on the pages of the manuscripts and in the editing effect on the translation of canonical texts into Lithuanian language.

**Keywords:** translation, editing, Shakespeare, Churginas.

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## 1. Introduction

### 1.1. *Translations of Romeo and Juliet into Lithuanian*

Ortega y Gasset in his essay *The Misery and the Splendour of Translation* (1936) stresses the impossibility and the importance of translating literature since it reflects the real language, which "individuals use to understand each other without prior agreement" while terminology studied texts of special interests such as mathematics, biology, chemistry reflect an artificially constructed exchange of meanings on prior individual agreement of those who give information and those who imbibe it. Thus regarding literary translations means, in fact, contributing to the whole pool of knowledge on translation as well as contributing to the narrower areas of translation in the fields of terminology. Ortega y Gasset's ideas could have been familiar to Aleksys Churginas, who was already active in his career undertakings at the time the essay was published in Spanish. Aleksys Churginas, a polymath, a reader in and translator from English, French, German, Italian, Latin, Spanish, first translated and published William Shakespeare's tragedy *Romeo and Juliet* in 1950, then in 1961 he reviewed this translation for its inclusion into the opening volume of the collected works of William Shakespeare in Lithuanian published by *Vaga* publishers; in 1989 Churginas' translation was included into a *Learner's Shakespearean Reader* and published by *Šviesa* publishers in Kaunas; in 1997 Churginas' translation came out with *Baltos lankos* publishers' logo, in 2012 this version of Churginas translation was digitalized according to European Structural Funds financed programme for schools and is now available in open source. Each version has been edited either by the author himself (this fact vicariously is commented by L.Pažūsis (1987, p. 123) or through cooperation with a publisher's appointed editors. Pažūsis, a Lithuanian

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translator and scholar of translation arts, noticed Churginas' inclination to introduce changes in his later works. Apart from Churginas, it is known that Antanas Danielius, a former editor-in-chief of the literature translation magazine *Vilnius*, a psychologist and translator himself, by the end of his life, in 2002 on a theatre director's, Oskaras Koršunovas' commission started a new translation of *Romeo and Juliet*, however, he left only under 20 pages of completed text; these pages were published on the premiere day in the theatre programme (this information is provided by Dovydas Judelevičius, a Shakespeare scholar and a theatre critic, in the interview to the weekly *Literatūra ir menas* (Tidikytė, 2007). So, though not the only contributor to the Lithuanian Shakespeareana, Churginas appears to be the only and, so far, unrivaled translator of *Romeo and Juliet*.

### **1.2. Critical appreciation of Churginas' translations**

Churginas is known to have translated Shakespeare as early as 1946 and this work was Shakespeare's tragedy *Hamlet*. Since then Churginas was regularly returning to Shakespeare's works and contributed to the creation of the canon of Shakespeare's texts, however, many literary critics, for example, Judelevičius found him guilty of reductionism and simplification of Shakespeare's texts (Tidikytė, 2007). Sigitas Geda, a modern Lithuanian poet, held Churginas translations weak, cut to fit inferior mold and subject to rewriting. Churginas' translations of Dante's *Divine Comedy* in Lithuanian critic's Dručkutė's (2008) review are also approached with some reservation. Dručkutė notes that Churginas in his translations tended to ignore subtlety and nuances, she writes: "*Churginas nuasmenina, suabstraktina, suromantina, skambumo dėlei aukoja tikslumą ir originalo prasmę.*" ("*Churginas resorts to impersonal, abstract and romanticized structures and seeks a better turn of the phrase at the cost of accuracy and the original meaning.*"). In conclusion, Churginas as a Shakespearean translator and as translator in general deserves critical revision, however, Churginas' defense is often found on the pages of his manuscripts where he fought his fierce battles with the editors.

### **1.3. Establishing Lithuanian translation school in the early 50s and 60s**

In 2012 Vida Repšienė published an article in the culture review magazine *Naujasis židinys-Aidai* on the formation of the Anglophone literature canon in Soviet Lithuania and stressed the fact that Shakespeare's works judging by the numbers of published copies always enjoyed a particular favor by the Soviet publishers. Shakespeare belonged to the officially canonical literature and translation of his works and subsequent publication met general ideological assent. However, a translation of Shakespeare's *Romeo and Juliet* in that period seems to have been ventured by Churginas alone.

Valdas V. Petrauskas, an eminent Lithuanian translator from Spanish, French, English, Portuguese, Swedish, Polish, Russian, Catalan languages, in his interview to the monthly *Metai* in 2005 reminisces that in the 60s *Vaga* publishers did not care for the translators from foreign languages who themselves were of urban background. The editors were looking for the representatives of the countrified language considering it a better source for new meanings required in rendering translated texts. Lithuanization, associated with language ruralisation of the translations was the key stylistics and an important measure of the texts for the generations of translators in the 50s and 60s. Among the key theoretical influences works by Russian writer and translator K.Chukovskij, German W. von Humboldt, Leo Weisberger, American Eugene Nida, Edward Sapir and Benjamin Lee Whorf were listed. The focus on establishing a Lithuanian school of literary translation was mentioned in many other overviews of the *Vaga* publishing house Division of Translated Literature that opened in 1945. To some extent, though Friedrich Schleiermacher, was not mentioned in the discussions of the translators at that period his ideas of domestication and foreignization of the texts also seem to come through in the discussions between the editors and the translators of that period.

## **2. Theoretical background**

The character of this research: reading edited proofs in the archive at the State Archive of Lithuanian Literature and Art provides many historical insights into the process of debate and publication of the translation of *Romeo and Juliet* in 1960. Therefore, contextual reading of publishing standards was carried out to identify to what extent the editors and the translator were forming the understanding of the

translation tradition of the canon. Works of Genette, Ortega y Gasset, Fedorov and Venuti are referred to because of two reasons. The works are either published around the decades when Churginas was working on the translation and the ideas might be relevant timewise for interpreting his or his editors' choices; or the ideas help to establish the key principle of controversy between the translator and the editors. For the purpose of this paper, three extracts from the discussion recorded on the margins of the archival documents are selected.

### 3. Paratextual comments. Case study

Translation as a whole, in Gerard Genette's opinion (2001, p. 405), may be held to construct large commentary upon the authentic text, the editor's and translator's comments on translation proofs appear to construct yet a new level of paratextual reading. In the proofs prepared for publication of the collected works of Shakespeare in Lithuanian translation by *Vaga* publishers in 1961 Churginas' debate with his editors, and especially with the editor-in-chief Juozas Subatavičius reveal many important concerns in forming translators' canon in the 60s. The issues of the translator's value, credibility, dissatisfaction with the lack of commentary for the benefit of "an average" Lithuanian reader make a large bulk of notation on the margins of the pages. Churginas keeps his position in the discussion unchanged and in very rare instances submits to the editor's interference. For this article, we selected three exemplar debates where the ideas of domestication and foreignization of the translation appear to reveal the key positions of the translator Churginas and his editor Subatavičius.

The first case in question is Act I Scene IV Mercutio's monologue. It is difficult to determine which texts were used by Churginas or by his editors in reading and translating *Romeo and Juliet*. However, reviewing the debates on the margins of the first and the second proofs of translation both editor-in-chief Subatavičius and the translator Churginas often refer to Horace Howard Furness (1880, digitalized 2008) who compiled comments of numerous editors and produced the key edition – a collation of quartos and folios texts. Therefore, the English text will be taken from this publication which appears to be known to both the translator and the editor. Along with the English text the translation by Churginas is added with specifically picked places by two editors I.Volfsonas and J.Subatavičius, see Table 1.

**Table 1. Act I Scene IV Mercutio's monologue in English and Lithuanian**

<p>(Furness, 1888) pp. 61-67  MERCUTIO:  O, then, I see Queen Mab hath been with you.  She is the Fairies' midwife, and she comes  In shape no bigger than an agate stone  On the forefinger of an alderman,  Drawn with a team of little atomies  Athwart men's noses as they lie asleep:  Her wagon spokes made of long spinners' legs,  The cover, of the wings of grasshoppers;  The traces, of the smallest spider's web;  The collars, of the moonshine's wat'ry beams;  Her whip, of cricket's bone; the lash, of film;  Her wagoner, a small grey-coated gnat,  Not half so big as a round little worm  Pricked from the lazy finger of a maid;  Her chariot is an empty hazelnut,  Made by the joiner squirrel or old grub,  Time out of mind the fairies' coachmakers.  And in this state she gallops night by night  Through lovers' brains, and then they dream of love;  On courtiers' knees, that dream on curt'sies straight;  O'er lawyers' fingers, who straight dream on fees;  O'er ladies' lips, who straight on kisses dream,</p>	<p>(Ch. 1961) Iv. IV sc. 59-62  MERKUCIJUS  Tave aplankė karalienė Meb*;  Ji – pribuvėja** fejų viešpatystėj.  Mažytė kaip agato akmenėlis,  Kurį ant smiliaus burmistro matai,  Ji, šešetą musyčių*** pasikinkius,  Po**** miegančiųjų nosis važinėja.  Kojytės voro – vietoj stipinų*****  Sudėtos į ratus; vežimo dangtis  Iš laumžirgio sparnelių padarytas,  Vadelės – iš voratinklio ploniausio,  O pavalkai- iš spindulių mėnulio.  Prie svirplio kaulo***** pririštas plaušelis –  Tai jos botagas; aprengtas pilkai,  Priešakyje vežėju sėdi uodas,  Turbūt mažesnis net už kirmėlytę,  Kurią gali surast panagėse  Be darbo slampinėjančių merginų.6  Jos kariataitė***** – riešuto kiautelis:  Padirbo ją dailidė voverė  Ar vabalas senukas, račius vėjų.  Taip ji kas naktį lekia sau risčia  Per mylinčiųjų smegenis, ir jiems</p>
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<p>Which oft the angry Mab with blisters plagues,          Because their breaths with sweetmeats tainted are:          Sometimes she gallops o'er a courtier's nose,          And then dreams he of smelling out a suit;          And sometimes comes she with a tithe-pig's tail          Tickling a parson's nose as 'a lies asleep,          Then dreams he of another benefice:          Sometimes she driveth o'er a soldier's neck,          And then dreams he of cutting foreign throats,          Of breaches, ambuscadoes, Spanish blades,          Of healths five fathom deep; and then anon          Drums in his ear, at which he starts and wakes,          And being thus frightened, swears a prayer or two          And sleeps again. This is that very Mab          That plats the manes of horses in the night          And bakes the elflocks in foul sluttish hairs,          Which once untangled much misfortune bodes:          This is the hag, when maids lie on their backs,          That presses them and learns them first to bear,          Making them women of good carriage:          This is she -</p>	<p>Vaidenasi tuojau sapnai meilingi*****;          Čia šmėsteli jinai didiko kelias,          Ir jam iškart vaidenas reveransai;          Čia užkabina ji pirštus teisėjo*****,          Kuriam prisispaužia riebus kyšiai;          Čia damos lūpom pralekia staiga,          Ir jai tuojau sapnuojas bučiniai,-          O kartais lūpas joms spuogais nubarsto,          Už tai, kad jos pamėgo saldumynus. *****          Užrieda ji ant nosies ir dvariškiui,          Kur per miegus malones sosto regi,          Paršiuko uodegyte pakutena          Klebono šnerves, – ir bematant jam          Vaidenasi parapija turtinga;          Jei ant kareivio kaklo ji užklysta,          Jis pradeda sapnuoti kautynes*****,          Žabangus, puolimus, ispanų durklus          Ir sieksnines taures raudono vyno;          Ūmai jis girdi būgną ausyse,          Akis atmerkęs krūpteli, pašoka          Ir, sodriai nusikeikęs, miega vėl.          Tai karalienė Meb nakties tamsybėj          Karčius gauruotus suvelia arkliams          Ir juos bjauriais mazgais susukinėja,          Kuriuos atnarpliot, sako, pavojinga.          Ji – ragana; jei tik užsnūs mergaitė          Aukštiekninka, ji spaudžia ją visaip          Ir pratina, ir moko ateity          Pakelti saldžią naštą moterystės.          Tai ji...</p>
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Lithuanian editors Volfsonas (V) and Subatavičius (S) and Churginas (CH) himself discuss the points of phonetic transcribing of the names, idiomatics of the imagery and resort to existing texts that support their opinion.

Point \* is V suggestion to keep the orthographic transcription of the name of the fairy while S insists on the phonetic transcription of a foreign name.

Point \*\* is where S and CH enter a discussion similar to that, which Furness detects among editors of the early publications of the play and in the interpretation of the identity of Queen Mab. Lithuanian editor Subatavičius quotes Furness (“Fairies` midwife – this does not mean the midwife to the fairies but that she was the person among the fairies whose department it was to deliver the fancies of sleeping men of their dreams, those children of an idle brain as king’s judge the fairy midwife.”) and S even recommends to omit Lithuanian word “pribuvėja” / *Eng. midwife* for his seeming uneasiness with this profession (S Gal išleisti? Pribuvėja – sapnų įkvėpėja / *Eng. Is it possible to avoid? A midwife – an inspirer of dreams?*). The editor suggest to avoid the foreignization of the language, actually, recommends a failure for the translator, avoidance of the text in translation, however, Churginas accepts this foreignization, his strategy is to follow the suit of other translations into other languages and he provides examples “ – dar negimė toks žmogus, kuris šią garsią vietą būtų išvertęs kitaip: rus. „rodopriemnica“, „povitucha“, vok. „Entbinderin“, pranc. „sage – femme“ ir t.t. / *Eng. he who translates this place in a different manner is not born yet: ...*”.

At point \*\*\* S insists on the narrower and more straightforward translation of “atomies” into Lith. *dulkėliu*. CH insists on a broader interpretation of the variant meanings, he explains possible English interpretations as small particle or a mite: *angl. atomies – tas žodis reiškia „dulkeles” arba (perkeltine prasme) „mažą padarėlį“ / Eng. this word means “dust” or in (a figurative meaning) a small creature*). S narrows the variant interpretation while CH resorts to the broader meaning of the foreign word and tries

to foreignize Lithuanian text offering this new reading of the line and extends the contextual meanings of the Lithuanian word.

At point \*\*\*\*\* editors again offer to omit, to round translation without using the word “bone” which appears strange in description of Mab’s paraphernalia. (V.,Kaulo „ gal nereikia. S -Koks tas kaulas? / Eng. *V Can we do without “bone”? S What kind of bone is there?*) S suggests that Furness showed the way of how to edit unintelligible places by avoiding verbatim interpretations. (S - Kam būtinai kabintis už pažodinio vertimo. Fernesas juk aiškiai sako, kaip reikia suprasti. / Eng. *Why should we clinch to word for word translation. Furness is clear about how we should read.*) Churginas does not respond and leaves his version using the word “bone”-”kaulo”.

AT point \*\*\*\*\*S suggests to domesticate the phrase “cutting foreign throats” and supplant it with a more used Lithuanian phrase “cutting enemies’ heads” (priešams kapoja galvas) CH contradicts, he defends the authentic text and again brings in foreign idiom into Lithuanian use so extending the possibilities of Lithuanian language in a manner Ortega y Gasset sees this possibility (1938). (CH – NB: Nieko panašaus! Originale pasakyta / Eng. *Nothing of the kind! The original states clearly: “cutting foreign throats” Nė vieno iš man peršamų žodžių. / Eng. None of the words that are offered for me here.)*

Though the above quotes show the editors’ and the translator’s concerns with foreignization and domestication of the translation on the lexical level, however, different spots of the play *Romeo and Juliet* appear to pose quite insolvable problems.

Another example of controversy in the editors’ and translator’s daring to extend the semantics of words in Lithuanian language as seen in the discussion around the introduction into Act I Scene III, is in the quotes provided in Table 2.

**Table 2. The introduction into Act I Scene III in English and Lithuanian**

<p>Act I Scene III p. 52                  Servingman                  Madam, the guests are come, supper served up, you called, my young lady asked for, the nurse cursed in the pantry, and every thing in extremity. I must hence to wait; I beseech you, follow straight.</p>	<p>p. 39                  Tarnas                  Sinjora, svečiai jau susirinkę, vakarienę ant stalo, visi ieško jūsų, klausia, kur panelė, viralinėje* keikia auklę, visur baisi maišatis. Turiu bėgti prie svečių. Prašau jus negaišuoti nė valandėlės.</p>
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Point \* is noted by S as improperly chosen Lithuanian word to denote “the pantry“ of an Italian palace. The stylistic and social connotation of Lithuanian word is in the editor’s opinion too lowly and thus cannot be associated with a rich standard of living. S comments that Lithuanian word means a location where farmers heated fodder for the farm animals. (S – viralinė – labai išplitusi prasmė kaip vieta, kur gyvuliams verdamas pašaras. Gal pakeisti / Eng. *“viralinė” is widely used in the sense of a location for preparing fodder for the farm animals, is it possible to be omitted*). The recommendation is to omit the place. CH reserves from comments and does not change the word. Perhaps, the editors position towards domesticated Shakespearean lexis was acceptable, however, no better word appeared to offer itself to replace “viralinė”. The situation may be interpreted in Venuti’s (1995, p. 20) words that in the attempt to produce a “fluent translation” the translator resorts to thorough domestication and impacts exclusionary “not only on foreign values but on those at home”. The word pantry is not represented by the Lithuanian choice of word “viralinė”, but “viralinė” in the Lithuanian context acquires new unknown connotations that do not work outside this text.

A similar concern of different reading of the English text by the editor and by the translator is present in the following example in Table 3.

**Table 3. Act V Scene III in English and Lithuanian**

<p>Act V Scene III pp. 277-8                  O, give me thy hand,                  One writ with me in sour misfortune's book!                  I'll bury thee in a triumphant grave;                  A grave? O no! a lantern, slaughter'd youth,</p>	<p>p. 123                  Duok ranką man. Tu su manim drauge                  Rūsčion nelaimių knygon įrašytas!                  Į kapą iškilmingą paguldysiu                  Aš tavo kūną jaunąjį. Į kapą?</p>
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For here lies Juliet, and her beauty makes This vault a feasting presence full of light. Death, lie thou there, by a dead man interr'd	O, ne, – į šviesų rūmą, nes čionai Džuljeta miega, ir grožybė jos Spindėjimo pripildo šitą rūšį*, Kurs tviska tartum salė prabangi. Negyvėli, ilsėkis čia ramybėj, Palaidotas negyvėlio ranka
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Point \* in S opinion is not mentioned in the English text. CH quotes the lines (“aiškiai pasakyta / *Eng. Its clearly stated*: “her beauty makes this vault a feasting presence” (atseit paverčia tą rūšį prabangia sale! / *Eng. so to say turns the cellar into a formal parlour!*) Ko čia dar pageidaujama? / *Eng. What else is required here?*”) and rests his case. The discussion again reveals a rather reductionist position of the editor standing on the guard of the exactitude but not adequacy, understood in Fedorov’s type of interpretation of adequacy (1953 quoted from Pym and Ayvazyan, 2014) as a full spectrum of contextual meanings.

#### 4. Conclusions

Lithuanian translating and, particularly, editing tradition of the canon literature has not been researched in depth so far. Archival documents reveal a heated debate left on the margins of the proofs. The review of the comments within the contexts of Lithuanian translation orientations and world translation theories throughout the decades when the actual Lithuanian translation of Shakespeare’s *Romeo and Juliet* was processed reveal the strengths and the weaknesses of both translator’s decisions and the editors’ reviews. Although it is recorded that Churginas’ translations of Shakespeare and other works are subject to critical valuation because of the decisions the translator takes in conveying the nuanced meanings and the subtle atmosphere in his translations, Churginas’ courage in foreignizing Lithuanian language and reticence about domestication strategies suggested by the editors deserve respect and acceptance.

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# SOME CORRUPTION AND ECONOMIC CRIME RELATED TERMS IN THE LAW ENFORCEMENT ENVIRONMENT OF THE CZECH REPUBLIC

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## Abstract

The purpose of the paper is to map the “terminological” situation in the Czech Republic taking into account the chosen terms. It should be noted at this point that terminology related to security issues (crisis management, law enforcement, economic crime and corruption, etc.) suffers from considerable inconsistency. Legislation that has arisen at different times, in different contexts, contains more or less different terminology. Another dimension of the topic is the understanding (or rather the misunderstanding) of certain terms by non-professionals (journalists, the general public). This paper aims to make the topic at least partially transparent in relation to the specific terms chosen. From a methodological point of view, content analysis approaches are used, with an emphasis on the legal environment and, in part, regarding the daily press discourse. The authors mapped the occurrence of specific legal instruments in the Czech Republic (ASPI database, but also with regard to national language corpus, professional discourse, and daily press or internet search engines). As far as the limited scope of the contribution allows, the authors tried to briefly summarize these findings and compare them with respect to the chosen concepts. Some specific concepts from a transnational environment are being introduced gradually within the Czech Republic, however not always in a standardized way; the broader public does not know some terms or interprets them inconsistently. Only real basic information can be used in the defined text space, without using the full range of possible backgrounds. The practical effects of the contribution concern both teaching activities within the Police of the Academy of the Czech Republic in Prague and the permanent accreditation of terminological documents for the needs of public administration in the Czech Republic. Originality/value lies within the original synthesis based on some recent outcomes of the members of the author’s team.

**Keywords:** Corruption, economic crime, experience, harmonisation, legal terminology, security.

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## 1. Introduction

Fight against corruption is one of the “evergreens” of social, political and media discourse not only in the Czech Republic. However, some of the concepts related to this area are necessarily not identically understood by the general public or even professionals. The paper will discuss terms such as “insider trading”, “whistleblowing”, “trading in influence” or “integrity” (especially in the sense of “integrity testing”, often misinterpreted as “agent provocateur”), with the emphasis on their reflection in law enforcement theory and practice in the Czech Republic. The team of authors will provide an indicative overview of the presence of the respective terms in the current legislative framework of the Czech Republic, including the point of view of some other non-governmental players. It will also focus on the occurrence of individual terms, their possible nuances, or the development of the use of terms in time. The authors will also exploit some experience from the drafting of the United Nations Convention against Corruption (from 2001 to 2003). In particular, terminological debates were one of the major leitmotifs of the completely international negotiation.

The existing coverage or efforts to address “terminological issues” within the professional environment of the Czech Republic are still fragmented. In spite of the fact that there are some subject-

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related thematic working groups (for example, the "Crisis Management Vocabulary of the Ministry of the Interior of the Czech Republic" or "Cyber Security Glossary"), the issue is still unsolved.

As far as the topic is concerned or devoted to individual researchers, the practical implications of their effort are limited. Terminological nuances remain in the background of the heated political and content debates (Baloun, 1999 – terminology in the area of economic crime as a whole; Pichrt, 2013; Pichrt et al., 2016, Kavěna et al., 2012 – especially regarding the term whistleblowing; Vangeli, 2009 – integrity testing). This also applies to the outputs involving the members of the author's team (Hruška et al., 2016).

## **2. Theoretical background**

### ***2.1. International legal instruments adopted under the United Nations***

The most severe forms of corruption are the ones, which have international or even supranational reach and effect. Currently, there is a pressing need to deal with corruption concerning multinational corporations or entire governments (United Nations Convention against Corruption; Corruption Perceptions Index 2016, 2017).

The most basic division of anti-corruption regulations in the international field is into the so-called "hard law" and "soft law". Hard law means international law in the narrower sense – it is immediately binding. As regards combating corruption, this concerns international contracts which are analogous to law on the national scale, but where the so called "application priority principle" is applicable – if an international contract contradicts domestic legal regulations, provisions of the international contract shall apply (Constitutional Act No. 1/1993). Soft law means various recommendations, action plans, declarations, guidelines, etc. Their breach shall not strictly establish direct legal liability.

Regarding the United Nations, it is possible to mention the key anti-corruption tool, the United Nations Convention against Corruption (hereinafter the "Convention"), adopted in 2003. Article II of the United Nations Convention against Corruption defines terms, used as the content base of the Convention. This regards especially the following terms: public official, foreign public official, official of a public international organization, property, proceeds of crime, freezing or seizure, confiscation, predicate offence and controlled delivery. The terminology used in the legal system of the Czech Republic will be outlined in the following sub-chapters hereof (Ad Hoc Committee).

The treaty came into effect on 14th December 2005, ratified by a sufficient number of countries. The Czech Republic became the 169<sup>th</sup> country, acceding to the Convention (on 29<sup>th</sup> November 2013 as the last but one European Union Member State). The official reason for the postponement of the ratification process in the Czech Republic was the refusal of the requirement to introduce criminal liability of legal persons for corruption offences. This reason was no longer applicable in 2011 after the adoption of the Act on criminal liability of legal persons and proceedings against them (Act No. 418/2011).

### ***2.2. Corruption related offences as seen through a prism of the legal system of the Czech Republic***

The Criminal Code, as amended, as well as the now ineffective criminal law, do not directly use the term "corruption". Corruption offences shall a priori mean accepting bribes, bribery and indirect bribery. A wide range of other offences closely connected with corruption can be included as well. An analysis of Act No. 40/2009 Coll., Criminal Code, shows that this regards especially the following: Sec. 331: Accepting bribes; Sec. 332: Bribery; Sec. 333: Indirect bribery; Sec. 226: Machinations in insolvency proceedings; Sec. 248, par. 1 (e): Breach of regulations on rules of economic competition; Sec. 256, par. 1 and 3: Arranging [undue] advantage in the award of public contracts, in public tenders and public auctions; Sec. 257, par. 1 (b) and (c): Machinations in commission of public contracts and in public tenders; Sec. 258, par. 1 (b) and (c): Machinations in public auctions; and Sec. 351: Obstruction of preparation and course of elections and referendum.

The issue of corruption in the Czech Republic is very often connected with the public procurement (public contracts). Successfully conducted criminal proceedings and operative investigation in this area

require extensive know-how and skills on the part of the police body, regarding not just penal law, but also private law regulations.

The so-called large-scale contracts include all contracts not classified as small-scale contracts. A small-scale contract shall mean a public contract whose expected value will not exceed CZK 2,000,000 [EUR 78,400], exclusive of value added tax, in case of public contracts concerning deliveries or services – or CZK 6,000,000 [EUR 235,200], exclusive of value added tax, in case of public contracts concerning construction works.

Large-scale contracts include both over-limit and under-limit contracts. It is not so easy to distinguish between over-limit and under-limit contract categories. The limit values set vary depending not only on the kind of the contract, but also on the type of the contracting authority. The limits change usually every two years following a transposition of a European directive in the legal system of the Czech Republic (Government Regulation No. 172/2016).

Via public procurement contracts, more and more public finances are being reallocated (in 2016 CZK 600 billion [EUR 235,200,000]). Therefore, it is possible to label public contracts as an attractive place for various corruption activities (Hruška et al., 2016, pp. 40-65).

The ways of committing offences related to public procurements contracts are very diverse. Committing of such offences is largely connected with Criminal Code, namely with the provisions of Sec. 248: Breach of regulations on rules of economic competition; Sec. 256: Arranging advantage in the award of public contracts, in public tenders and public auctions and Sec. 257: Machinations in the award of public contracts and in public tenders) (Act No. 40/2009).

### **3. Individual terms**

#### ***3.1. Trading in Influence***

The term “trading in influence” is used in the Convention in the article No. 18 (United Nations Convention against Corruption):

*Each State Party shall consider adopting such legislative and other measures as may be necessary to establish as criminal offences, when committed intentionally:*

*(a) The promise, offering or giving to a public official or any other person, directly or indirectly, of an undue advantage in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority of the State Party an undue advantage for the original instigator of the act or for any other person;*

*(b) The solicitation or acceptance by a public official or any other person, directly or indirectly, of an undue advantage for himself or herself or for another person in order that the public official or the person abuse his or her real or supposed influence with a view to obtaining from an administration or public authority of the State Party an undue advantage.*

During the drafting of the Convention, the term itself was defined as a process usually involving at least three persons: the bribe-giver, the decision maker and the assistant to the decision maker. The assistant is bribed to “adjust” the documents in such a manner that the politician or other person in authority is guided to make the required decision.

From the beginning, the subject is perceived as difficult to tackle and criminalize; it is largely understood as the “tax on democracy”. Counter proposals seeking to revoke this article pointed out that the whole subject may be divided into other punishable acts. Translation difficulties were apparent in most delegations; terms that were used included, for example, „influence peddling“, “non mandatory acting, exploitation of influence”, „hidden lobbying“ etc. (Corruption Dictionary)

The notion of “influence” is, in this article, the key one: nobody bribes persons who lack influence; what else than influence can an ordinary official offer? The influence is not entailed with the person, but with their function within the system. There are cases in which somebody promises to do/not to do something, s/he accepts a bribe without being able to fulfil the promise or without possessing the influence that would allow it, later apologizing to the bribe-giver for the failed intent, but s/he does not return the accepted money or other benefit. In such case, the person does not misuse his/her influence, but merely the fact of being in a particular position.

Possible translation of the respective term into the Czech language can be as follows: “trading in influence” [obchodování s vlivem] (see the United Nations Convention against Corruption, Article 18 and Criminal Law Convention on Corruption of the Council of Europe, Article 12), or “undue influence regarding the decision-making process/competence” [nepříčinný vliv na rozhodovací proces/pravomoc], “intentionally undue advantage” [úmyslná nenáležitá výhoda] or a broader term “indirect participation (to crime)” [nepřímé účastenství].

Apart from the two international agreements mentioned above, there are in fact only three legal regulations and one judicature in the Czech Republic that use – though marginally – this terminology:

- Decree of the Czech National Bank of 6<sup>th</sup> November 2002, No. 501/2002 Coll., which implements certain provisions of Act No. 563/1991 Coll., On accounting, as amended.
- Notification of the Ministry of Finance No. 104/1972 and 536/1997, on conditions and terms for the granting of a license to trade rights under the Securities Act.
- Decree of the Ministry of Finance of 17<sup>th</sup> December 2003, No. 473/2003 Coll., which amends Decree No. 501/2002 Coll., which implements some provisions of Act No. 563/1991 Coll., On accounting, as amended.

None of the documents, not even any comprehensive study in the framework of the Czech Republic deal with the topic in detail or literally. Overall, the topic in the Czech Republic is scarcely monitored and is understood as difficult to prove.

More or less the same situation is related to the “general public” or media use of the term. The term is only mentioned – usually along with other terms – in materials of civil anticorruption initiatives (“offering an undue advantage” or “inciting to an undue advantage”) or audit platforms (as a synonym of the term “indirect bribery”) (Boj proti korupci; Koalice pro transparentní podnikání).

### **3.2. Insider Trading**

Insider trading is implicitly defined as abuse of internal information from a certain environment to which others have no access. Some shares are traded by people who know about its future price development more than is publicly known (employees, shareholders, key people in its management and executive of the respective firm).

Regarding the legal instruments in the Czech Republic, such activities are illegal from the mid 90’s of the 20<sup>th</sup> century. The official term used in Czech is “misuse of the information in business” [zneužití informací v obchodním styku]. The most relevant norm in this regard is the Act No. 256/2004 Coll., on capital market business, as amended. It is also mentioned in Section 255 of the Criminal Code of the Czech Republic (Baloun 1999, pp. 273-281).

Only a few cases were investigated by the Czech National Bank or (till 2006) by the Commission for the Stock Market Regulation. However, the reason for this is probably not the ethics of respective managers, but rather the incompetence of control authorities to disrupt suspicious cases (Hudema et al., 2006).

However, the meaning of the term is often shifted among the public or in the media and the term such as insider trading is interpreted as a theft of information that may be misused on securities and stock market for a particular corporation.

### **3.3. Whistleblowing**

The term itself was mentioned several times in the United Nations Convention against Corruption. The best way to explain the meaning of the term “whistleblower” (literally “the one who blows a whistle”) is probably to unveil the discussion that took place during the Ad hoc Committee for the drafting of the Convention. The term “whistleblower” is referred to by the resolution which stood at the birth of the Convention. The term itself was present in a number of articles of the text under discussion. Many delegates did not understand the meaning of the word at all, not to mention the confusion arising from the translation of the term into individual negotiating languages of the world organisation.

The equivalent in Dutch is the term “klokkenluider” („bell-ringer”) and in German “Alarmschläger” (“the one who sets the alarm bells ringing”). The same term can be used for football referee (Deyl, 2003).

It was especially the delegation of Canada who took up the role of the “interpreter”. The North-American term “whistleblower” means a boy who watches over the crop. When he finds out that there is a robber in the field of in the orchard whom he cannot defeat, he blows sharply and calls for help, meaning that he frightens the robber and makes him run away. He also blows the whistle preventively, not only when he is sure that the robber is already ravaging the crop, but even if something suspicious is happening (somebody is approaching the field with a sack at night). This boy is not here to fight the robber, let alone to initiate the criminal complaint or testify against the robber in court. However, he is at risk if he meets the unsuccessful robber some time in the future in a secluded spot.

In the figurative meaning, the term describes a person who encounters some behaviour he or she does not agree with and begins to draw attention to the facts and seeks redress. This behaviour is very often connected to corruption, but it can also be something else, like concealment of unpleasant facts, etc. An example of such activity may be an employee of a firm who reveals some malpractice but makes it known, raises public opinion and forces the law enforcement authorities to deal with the situation.

Whistleblowing can occur both within the public and private sectors. In both, employees can become aware of malpractices of superiors where the public, or the public interest, is put at risk. The first people to know of misconduct inside an organisation are usually those who work there, yet employees often fear the loss of their jobs or the friendships of colleagues.

If other people are involved in the process and want to contribute to its resolution, it is possible to talk about them as whistleblowers as well. For example, it may be a journalist who is not the person who discovered the wrongdoing, but who will make its circumstances more known by the public.

Regarding the legal instruments in the Czech Republic, there is not yet included a comprehensive regulation of whistleblowing, including the area of labour law.

The term whistleblowing itself is only directly mentioned in the Decree of the Czech National Bank No. 123/2007 Coll., On the rules on prudential undertakings of banks, credit cooperatives, and securities dealers. In this regulation, this concept designates a mechanism of communication of major fears of employees regarding the functionality and effectiveness of the control system outside the normal flow of information. The concept of whistleblowing was supplemented into the mentioned Decree only with effect from 1 January 2011, and with no change in provisions laying down procedures in question. It was in fact a technical rather than substantive amendment of the relevant provision and this change was not directly legislatively justified.

In November 2012, the government approved the outline of a bill to protect notifiers of criminal offenses (whistleblowing). The Proposal was submitted by the former Deputy Prime Minister, Chairman of the Legislative Council of the Government and the President of the Government Committee for the coordination of the fight against corruption Karolina Peak. An employee who encounter the offense in his work, particularly corruption, should in future be protected against dismissal. The articulated version will contain a list of offenses to which notification will relate the protection and also possibilities to defence of those who have been wrongly accused.”

In the day-to-day reality, however, it is possible to identify situations which may be included under the general perception of whistleblowing. In the Czech Republic, this can be seen through legislation in relation to particular areas of law. (see Pichrt et al. 2016, p. 115)

The absence of whistleblowing related legislation in labour law partly replaces the decision-making practice of the courts. The Constitutional Court, for example, in its judgment of 13<sup>th</sup> December 2012 decided that validity of the immediate cancellation of employment relationship for a particularly serious violation of labour discipline must be assessed on a case-by-case basis while considering the public interest protected by the employee on the one hand, and the loyalty of the employee to the employer on the another.

In scientific literature and other sources in the Czech Republic, not enough attention was paid to whistleblowing. Exceptions include several studies elaborated by some non-profit organizations and the Parliament Institute, as well as several articles in professional journals and a collective monograph of the Faculty of Law at Charles University in Prague (2013) (see Pichrt, 2013; Pichrt et al. 2016; p.121, Kavěna et al., 2012)

Regarding the “general public“ or media use of the term, unless we exclude terms that can be affected by negative associations (“informant”, “denunciator”, “collaborator”) or complex phrases (“reporting person”, “reporter of the illegal behaviour”, “voluntary associate of justice”), the term “notifier” will remain to be used, though it is not an ideal one.

However, the concept certainly does not only meet the support. As an example of misunderstanding the concept, the case of Senator Jaromír Štětina can be used. During the hearing of the proposal of the Act on the protection of whistleblowers, he repeatedly stated that it is a tool protecting the “denunciator”. Whistleblowers are criticized because of the fact, they does not want to participate in the criminal procedure, often providing information anonymously. Efforts to preserve anonymity are not surprising, as many whistleblowers have been exposed to negative effects of all kinds (Pichrt, 2013, pp. 11-14).

To some extent, protection of the whistleblower is part of the activities of the Anti-Corruption Foundation that has been trying to help in detecting corruption since 2011, and that financially supports courageous people who highlight important cases and who often risk their jobs and a peaceful life.

Among the public, the most illustrative stories of individual people who have become known as whistleblowers are the following ones:

Mrs. Ludmila Havráňková (2004 to 2011) fighting for her rights during the D11 motorway construction around Hradec Králové. (Littera, 2004)

Mrs. Marcela Urbanová (2006 to 2014) accused her boss, Jiří Čunek, Mayor of district city Vsetín, of corruption (related to the privatisation of municipal residence flats) and sexual harassment. Her life was ruined, Mr. Čunek’s political career continues. A specific aspect of this affair was the emergence of the term „to Čunek someone out“ [vyčunkovat], that means „getting someone in troubles on grounds of the person’s inability to explain the origin of his/her property“. (Dárek za pomoc Čunkovi)

Mrs. Miloslava Pošvářová (2011 to 2012) refused to elaborate a positive construction report regarding the D47 highway for the auditory firm Mott MacDonald. She was fired and subsequently hired by the national Directorate of Roads and Motorways. After some time, she was fired again and now she works as a professional whistleblower for the Anti-Corruption Foundation, regarding the transport projects.

### 3.4. Integrity Testing

Integrity test in the Czech Republic means any measure by which the integrity of a particular person can be “evaluated”. The integrity test, associated with a status of respective person (police officer, a customs officer, a judge, etc.) can be understood as a measure to verify compliance with the statutory obligations attached to such status. The term “integrity of personality” is understood in general terms as the person’s value orientation and behaviour (integrity, honesty).

The effort to introduce integrity testing first appeared in the Czech Republic in 2003, in connection with the document “Analysis of the Possibility of Using the Integrity Test in the Conditions of the Czech Republic”, drafted on the basis of Government Resolution No. 391 of 17<sup>th</sup> April 2002 on the “Report on Corruption in the Czech Republic in 2001 and the Implementation of the Government Program for Combating Corruption”.

This Analysis distinguishes between the narrower and the broader form of the integrity test. The test in a *narrower form* was intended to allow using the tool called “feigned bribe offering”, regarding the precisely defined circle of people. The *broader version* of the integrity test included a check on asset ratios. Both institutes should apply to civil servants, members of the security force, armed forces, judges, prosecutors and local government officials (persons whose income is paid out from the public budgets, and have competences, for example, to prepare background material for important decisions, etc.).

However, the integrity test in the form of feigned bribe offer has never been adopted. Yet, the Act No. 273/2008 Coll., on Police of the Czech Republic, brought a new concept into the domestic law order – the authorization of the Inspection of the Police of the Czech Republic to perform the so-called reliability tests. Introducing reliability tests was considered the first success in an effort to strengthen proactive tools in the hands of crime combating authorities, but which at the same time did not constitute tools to provoke unlawful activity by the state. (Vangeli, 2009, p. 340)

The reason for strengthening proactive operational investigations against police officers was the fact that they are familiar with the criminal proceedings and the investigation in the case of a criminal offense, so they can be described as potential “professional criminals”, not mentioning their contacts inside the police force. The most appropriate body to first introduce (and test) the new institute into the legal order appeared the Inspection of the Police of the Czech Republic, as it has most experience in detecting such criminal activities.

At the same time, already during the adoption of the Act of the Police of the Czech Republic it was clear that the General Inspection of Security Forces was going to be established that would replace the Inspection of the Police of the Czech Republic and that would have powers extended to other members of the security forces.

Act No. 341/2011 Coll., On General Inspection of Security Forces, and on amendments to related acts came into force on January 2012 and the present version of the reliability test is included in its Section 41. The most fundamental change related to this Act is the extension of the scope of potential tests to personnel of the Police of the Czech Republic, the Prison Service, the Customs Administration and the General Inspection of Security Forces itself, as well as the introduction of a substantive exemption for the person who carries out the test for the misdemeanour or another administrative offense (but not for a criminal offense, such as offering a bribe) if such conduct is necessary to achieve the purpose of the test (it means “to prevent and detect unlawful conduct” of the tested persons).

If we summarize the related terminology at this point, the reliability test is a version of the integrity test, an already existing administrative law institute introduced by the Act on Police of the Czech Republic and currently used in the Act on General Inspection of Security Forces. The **integrity test** is then a general term under which all possible forms of this tool including its analogical institutes can be included, including reliability test. (Act No. 273/2008 Coll. ...)

Regarding the legal instruments in the Czech Republic, the term **integrity test does not appear in any legal norm**. It only appears in the legislative material of 2003 mentioned above, and it is used as a synonym of reliability test. On the other hand, the **concept of reliability test** appeared in two legal norms specified above, i.e. the Act on Police of the Czech Republic and the Act on General Inspection of Security Forces. (Act No. 341/2011 Coll., ... Sec. 41):

*“(1) A Member is allowed, to prevent, avoid and reveal illegal behaviour, to perform the Integrity test at a Member or an Employee (hereinafter „test person“).*

*(2) Integrity test consist in induced situation, which has to be handled by the test person.*

*(3) Performing the Integrity test mustn't immediately threaten or harm person's life or health, their property or restrict personal freedom. As well as the human honour has to be saved ...*

*(5) A Member or another person performing Integrity test may provide false information during the test.*

*(6) The process of Integrity test is audio-visually documented, an official record is taken about the Integrity test. “*

The concept of reliability testing is further reflected in other analytical and conceptual documents, derived from the Government's Strategy of the Fight against Corruption, most recently in the “Evaluation of the Use of the Reliability Test Tool with a Proposal for a Possible Extension to Other Persons in the Public Authorities” from 2016. The document, elaborated by the General Inspection of Security Forces, concluded that the seven-year experience of applying the tests can not be considered sufficient. The analysis proposed to keep the current state unchanged and to support it by enhancing the financial limits for conducting the tests.

The Government of the Czech Republic took note of the heard material and ordered the Director of the General Inspection of Security Forces to continue to monitor reliability tests and to submit to Government in June 2021 the re-evaluation of the tests, including the analysis of their possible extension.

It is possible to anticipate that in the future, there will be legislation regulating the specific employment relationships of the persons to be covered by such “tests” (e.g. the Act on the employment relationship of members of the security forces, the Act on Civil Servants) or some separate Act on “reliability tests”.

In this political and conceptual context, the reliability test is perceived (mistakenly) as an anti-corruption tool, despite the fact that the purpose of the test is to detect any unlawful conduct, both administrative offenses and criminal offenses, as well as the potential unethical behaviour.

Regarding the “general public” use of the term, it is no surprise that in the Czech Republic is the tool considerably simplified. A significant part of the public still believes that “provocation” in the narrow sense of the word is possible, and even claims to be “volunteers” to intrude the different

environments. The same term might be used regarding the construction industry (integrity test related to the concrete etc.).

### 3.5. Usage of the analysed terms in different corpora

For the range of the given article, the contribution is limited to a few interesting terms. It is uneasy to set some research framework in this regard. Based on practical experience, it is possible to sort the respective terms according two variables.

First variable is the **presence of the term** (some terms are more common in general discourse, like whistleblowing, public procurement and integrity testing; some are less common, or even almost unknown – like trading in influence). Second variable is the potential **ambiguity of the respective term**. The position of the terms in following „field of variables" is subject of further – even international – discussion.

For this purpose, the authors have mapped the occurrence of specific concepts within the legislation in the Czech Republic (national legislation database ASPI, but also the national language corpus, professional discourse, daily press or internet search engines). To a limited extent, authors attempted to summarize these findings and compare each other with respect to the chosen concepts.

This is an indicative overview created by the authors for the purpose of this study. This may be the basis for further efforts in the future that would include other relevant terms.

**Table 1. “Variables” related to respective terms**

	Number of legal instruments in the Czech Republic	Number of other documents in “ASPI”	Presence of the term in national language corpus	Presence of the term in Google Search (in Czech)	Presence of the term in media monitoring database	Ambiguity of the term
Public procurement	803	1,842	frequent	more than 25 searches a day	103,720	very clear term
Trading in influence	3	10	none	negligent	0	very unclear term
Insider trading	0	20	limited	up to 10 searches a day	638	very clear term
Whistleblowing	0	33	very limited	up to 15 searches a day	526	some ambiguities
Integrity testing	2	4	negligent	negligent	424	many ambiguities

### 4. Practical implications of the research

The practical effects of this contribution concern the teaching activities within the Police of the Academy of the Czech Republic in Prague. The same is applied regarding the permanent re-accreditation of terminological documents for the needs of public administration in the Czech Republic (“Crisis Management Vocabulary of the Ministry of Interior of the Czech Republic” etc.) (Terminologický slovník ..., 2016).

A key argument for introducing and extending the reliability tests in the Czech Republic is its potential contribution to preventing unwanted conduct regarding numerous public positions. This effect was also unambiguously confirmed by the research project of the Police Academy of the Czech Republic in Prague called “Reliability Test Examination, Exploration, Application and Effectiveness”.

## 5. Conclusions and Suggestions

Regarding the respective terms that are related to some serious forms of economic crime (not only) in the Czech Republic, only basic information can be used in the defined text space. The issue of relevant concepts and their consistent interpretation remains a significant issue not only at national but also at international level.

The authors have concluded that at least some of the chosen concepts remain the peripheral concern for both the general and professional public. In some cases, the concepts have not even become the content of general communication. However difficult it may seem, there is a vision to extend the scope of terminological bodies existing in the Czech Republic to cover not only the area of crisis management and information security, but also the creation of a professional platform that would release recommendations every two or three years for Terminology in the Field of Economic Crime. This task does not need to be carried out only by the central public administration, but it may be a topic important to the academic community (as one of the possible outcomes of scientific research activities or as a content of a newly formulated research assignment).

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# HYPER-HYPONYMY OF CORRUPTION TERMS IN INTERNATIONAL CONVENTIONS AND LITHUANIAN LEGAL ACTS

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## Abstract

The purpose of the research presented in the paper is to compare the conceptual-terminological structure of corruption offences in two international conventions (The United Nations Convention against Corruption and The Council of Europe's Criminal Law Convention on Corruption) and national legal acts of the Republic of Lithuania. The research is performed using the methodology of contrastive conceptual analysis which focuses on logical relationship among the concepts, namely hierarchical genus-species relations, in linguistic semantics referred to as hyper-hyponymic relations. The international and national hierarchical conceptual structures are described and contrasted and the terminological denotations of the closest concepts are compared. The research disclosed important semantic and formal differences between the international and Lithuanian conceptual-terminological structures of corruption offences. These incongruities are caused by different conceptualisation and denotation of certain legal concepts, as well as imprecise Lithuanian translation of some English terms in the international conventions. Due to the limited scope of the research only two international conventions were examined. The research may be developed by encompassing the EU legal acts and other international documents on corruption. The offered insights into the differences between the conceptual-terminological structures of corruption offences in the international and national legal settings are believed to be valuable to translators and add to efficient international professional communication. The research constitutes the first attempt to apply conceptual analysis methodology for comparison of corruption offences in the international and national documents.

**Keywords:** corruption, bribery, conceptual-terminological structure, contrastive conceptual analysis.

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## 1. Introduction

Corruption continues to be a major social issue as not a single country in the world according to *Transparency International* recently released Corruption Perceptions Index 2016 boasts to have dealt with corruption completely (Corruption Perceptions Index 2016).

The burning relevance of corruption cases are daily tackled by media and new studies are dedicated to different aspects of it. Interestingly enough, during the period of 2015 the term "corruption" was registered as a most recurring word in the media (Blog of Oxford Dictionaries) and was named among several ones that "defined" the year of 2015. This and successive year saw major publications on the corruption research released, such as *Debates of Corruption and Integrity: Perspectives from Europe and the US* (Hardi et al., 2015); *Corruption and Government: Causes, Consequences, and Reform* (Rose-Ackerman, 2016); *Between Morality and the Law: Corruption, Anthropology and Comparative Society* (Pardo, 2016), *Criminal Liability of Political Decision Makers* (Zimmermann, 2017). Several transdisciplinary studies, among them Gephart (2015) and Mancini, Mazzoni, Cornia and Marchetti (2017), on various aspects of corruption concepts in different societies have been published lately.

Most scholars in the field agree that: "While steering away clear from cultural relativism, it is also important to bear in mind that different conceptions of corruption are found in different societies and among different groups and persons in the same society at any given time, raising the issue that the concept of corruption is not easily translated across cultures" (Pardo, 2016, p.3). However, it is undisputable that "...the accurate translation of international treaties is of major importance: translation

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errors, diverging language versions, ambiguous wording or misleading terminology might lead to interpretation problems” (European Commission, 2012, p. 20). Apart from the need for translation precision, the complexity of the corruption phenomenon poses a problem of discrepancy between the corruption concepts and their usage according to hierarchical relation structure not only in different languages, but also within the same language.

The issues outlined call for the systematic study of the corruption terminology in the international documents forged in English and national legal acts in the Lithuanian language by establishing counterparts of terminology denoting different subcategories of corruption and examining semantic differences of the analysed terms and the degree of their equivalence.

The purpose of the research is to compare the conceptual-terminological structures of corruption offences in the international and national legal documents and analyse their conformance. In order to achieve this purpose, the following objectives are pursued:

- To analyse the conceptual-terminological structure of corruption offences in two international conventions – The United Nations Convention against Corruption and The Council of Europe’s Criminal Law Convention on Corruption;
- To analyse the conceptual-terminological structure of corruption offences in the Lithuanian legal acts;
- To contrast and compare the international and national conceptual structures of corruption offences and the Lithuanian terminological denotations used in the international conventions and in the national legal acts.

The analysis enables to assess the precision of translation of English terms in the Lithuanian versions of international conventions and point out occurring semantic and formal incongruity in the international and national legal documents. Due to the limited scope of the paper, the detailed contrastive analysis focuses mainly on the basic concepts of corruption and their Lithuanian terminological denotations: *corruption*, *acts of corruption*, *corruption offences*, *bribery* (and its various subtypes: *active bribery*, *passive bribery*, *bribery in the public sector*, *bribery in the private sector*, etc.).

## 2. Theoretical Background and Methodology of the Research

Translation of legal terminology is one of the most challenging translation tasks due to incongruity of legal conceptual structures in different legal systems (De Groot, Laer, 2007; Biel, Engberg, 2013). Globalisation and international law adds one more dimension to legal translation. The international law has also developed its own conceptual structure which generalises the conceptual knowledge of the legal systems worldwide and often does not coincide with a particular national legal conceptual structure.

Therefore, both translators of national and international legal documents constantly encounter cases of conceptual non-equivalence. Legal terminology translation researcher Sandrini emphasizes that for the translator it is “of utmost importance to know what kind of knowledge the addressee of a translation will have with regard to legal concepts and norms. Every legal expert can be regarded as such only for his specific legal system: he will be familiar with the concepts, with the norms, with the principles and ideas as well as with the language and the phraseology of his particular legal system. When he reads a text in his language, he will automatically establish a link to this framework of reference and interpret the text accordingly. <...> The most important parameter for a translation will be then to know the framework of reference or the legal system of the target text reader as well as the addressee of the translation” (Sandrini, 2009, p. 43). Consequently, translators of international legal documents have a double task – to use the terminology which reveals the legal conceptual structure of the international legal setting and which enables the user to establish links to the legal conceptual structure of the national legal setting. The immense importance of terminology conformance here is the main prerequisite.

In order to achieve the most possible congruity between international and national terminology, terminologists perform conceptual analyses of relevant legal areas and thus establish the closest conceptual equivalents and their terminological denotations in different legal settings. Legal conceptual analysis requires interdisciplinary approach which is emphasized in the legal translation research works: knowledge of a particular legal area in the source and target legal settings, principles of comparative law methodology, logical and ontological relationships among concepts, as well as development of knowledge organization systems (classification schemes) and their comparison (cf. Galdia, 2003; Bajčić, 2017).

In the given research, a contrastive conceptual analysis deals with the conceptual-terminological structure of corruption offences in two international conventions and national legal acts of Lithuania. It aims to compare the conceptual structures, point out to the cases of semantic and formal incongruity and assess the Lithuanian translation of the basic corruption terms in the international conventions.

The performed conceptual analysis focuses on logical relationship among the concepts, namely hierarchical genus-species relations. In such relationships, the concepts are categorised either as generic or specific according to the degree of their abstraction. A generic concept is superordinate to specific concepts which respectively are subordinate to it. The concepts of the same hierarchy share basic characteristics, but the specific concepts have at least one additional characteristic that differentiates them from the generic concept and from each other (Cabr , 1999, p. 100; Baj i , 2017, p. 17). In linguistic semantics, such hierarchical relations are referred to as hyper-hyponymic relations. The terms referring to generic concepts are called superordinate terms or hypernyms while the terms referring to specific concepts are named hyponyms. The terms denoting the concepts at the same level of abstraction are referred to as co-hyponyms (Jackson, Ze Amvela, 2012;  e kauskien , 2013).

The hierarchical conceptual-terminological classifications are knowledge organization systems of specific domains, they reveal conceptual knowledge of a particular domain and provide comprehensive information about the functions of the concepts in it. In the given research, the hierarchical relations among the concepts in the international and national documents are established. The concepts are classified according to their relations and are ascribed the position of superordinate concepts denoted by generic terms (hypernyms) or subordinate concepts denoted by specific terms (hyponyms) in the structural hierarchy. The international and national hierarchical conceptual structures are contrasted and the Lithuanian terminological denotations of the basic concepts, chosen for the detailed contrastive analysis, are compared.

### **3. Analysis of corruption concepts and terminology**

#### **3.1. Definition of corruption**

*Transparency International*, an international non-governmental organisation fighting corruption in the countries all over the world, defines it as “the abuse of entrusted power for private gain” (TI glossary). The EU terminology database *IATE* supplements this definition and formulates it as “abuse of entrusted power, or incitement to abuse entrusted power, for private gain” (IATE).

Corruption is mostly associated with offences committed by public officials, i.e. ‘private-to-public’ corruption. However, in the last decades, ‘private-to-private’ corruption has been widely discussed as well: its nature, social and ethical consequences, the legal treatment it receives in different countries and the measures to combat it (Argando a, 2003). *Transparency International* characterises private sector corruption as corrupt acts performed by “groups from this sector influencing decisions and actions that lead to abuses of entrusted power” (TI glossary).

#### **3.2. Conceptual-terminological structure of corruption offences in the international conventions**

Corruption and specific corruption offences are defined in both international conventions and national legal acts adopted to promote and strengthen measures to combat corruption. The most prominent international instruments dealing with corruption offences are *The United Nations Convention against Corruption (2003)*, *The Council of Europe’s Criminal Law Convention on Corruption (1999)*, *The Council of Europe’s Civil Law Convention on Corruption (1999)*, *OECD (Organization for Economic Co-operation and Development) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997)*.

The first two documents define the various forms of corruption activities while the third document deals with liability issues, acquisition of evidence, protection of employees who report corruption, compensation of damage, etc. For the purposes of the given research, the first two documents were analysed: The United Nations Convention against Corruption (further the UN Convention) and The Council of Europe’s Criminal Law Convention on Corruption (further the CoE Convention). The UN and CoE Conventions are multilateral agreements adopted by many states and translated into the official languages of the state parties. Both documents are translated into Lithuanian. This enables to compare not

only the conceptual structure in the international and national legal settings, but also the terminological structures, i.e. the Lithuanian denotations of the concepts in the different legal settings.

In the current section, the analysed English terms of the international conventions are presented with the Lithuanian counterparts which are used in the Lithuanian translations of the UN and CoE Conventions.

In both the UN Convention and the CoE Convention, the term referring to the generalized concept of corruption phenomenon is *corruption* (LT *korupcija*). In addition, the conventions include generalized concepts referring to corruption activities: in the UN Convention this concept is broader and is denoted by the term *acts of corruption* (LT *korupcinė veikla, korupciniai veiksmai*), while in the CoE convention this concept is narrower referring only to those corruption activities which are held to be criminal offences, it is denoted by the term *corruption offences* (LT *korupciniai nusikaltimai, su korupcija susiję nusikaltimai*). The concept *corruption* includes the concepts referring to corruption activities as corruption is a complex phenomenon consisting of various factors (activities, their patterns, social context, causes, etc.), but corruption activities is the main component of the phenomenon and therefore, these concepts often function synonymously.

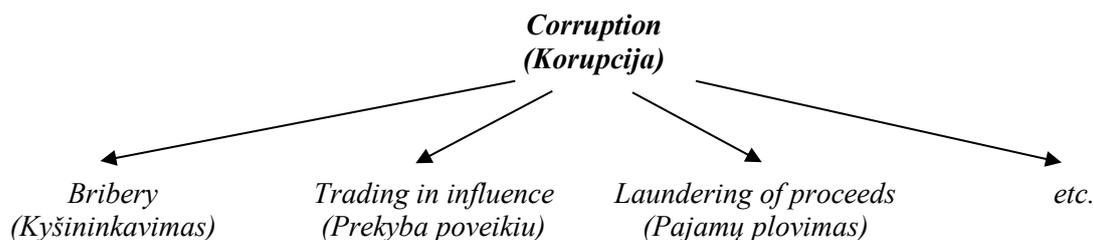
These generic terms are generalized names of the whole class of the terms referring to various types of corruption offences positioned on the lower level of the conceptual hierarchy. The UN Convention defines 11 types of acts of corruption which are to be considered as criminal offences, while the CoE Convention enumerates 14 of them. The offences are differently categorised and denoted. Their contrastive analysis allows giving the following generalisations:

- The offences that are included in both UN Convention and CoE Convention are *bribery* (LT *kyšininkavimas*), *trading in influence* (LT *prekyba poveikiu*) and *laundering of proceeds* (LT *pajamų plovimas*).

- Other types of offences are different: UN Convention includes *embezzlement, misappropriation or other diversion of property* (LT *turto iššvaistymas, pasisavinimas ar kitasnaudojimas ne pagal paskirtį*); *abuse of functions* (LT *piktinaudžiavimas pareigomis*) and *illicit enrichment* (LT *neteisėtas praturtėjimas*), while CoE Convention includes *account offences* (LT *buhalteriniai nusikaltimai*). UN Convention also defines *concealment* (LT *nuslėpimas*) and *obstruction of justice* (LT *kliudymas vykdyti teisingumą*), while CoE Convention defines *participatory acts* (LT *bendrininkavimas*).

(UN Convention, Chapter III; CoE Convention, Chapter II).

Thus, the terms denoting corruption and corruption offences create a conceptual-terminological structure. In this structure, the term *corruption* functions as a generic term (hypernym) which denotes a broad category of offences denoted by specific terms (co-hyponyms). The number of specific corruption offences and their denotations vary in the conventions, but the same systemic principle of hierarchical relations is observed (see Figure 1).



**Figure 1. Hierarchy of corruption offences in UN and CoE Conventions**

*Bribery* (LT *kyšininkavimas*) is the most common corruption offence and, therefore, is often used as a synonym of corruption. In both conventions, several subtypes of *bribery* are distinguished which create a conceptual-terminological substructure within the whole conceptual structure of corruption offences.

Both documents distinguish clear opposition between *bribery in the public sector* (LT *kyšininkavimas valstybiniame sektoriuje*) and *bribery in the private sector* (LT *kyšininkavimas privačiame sektoriuje*). *Bribery in the public sector* concerns public officials in state institutions while *bribery in the private sector* concerns employers and employees in private companies.

Both agreements distinguish two forms of bribery (giving a bribe and accepting a bribe) though only in the CoE Convention they are denoted by separate terms:

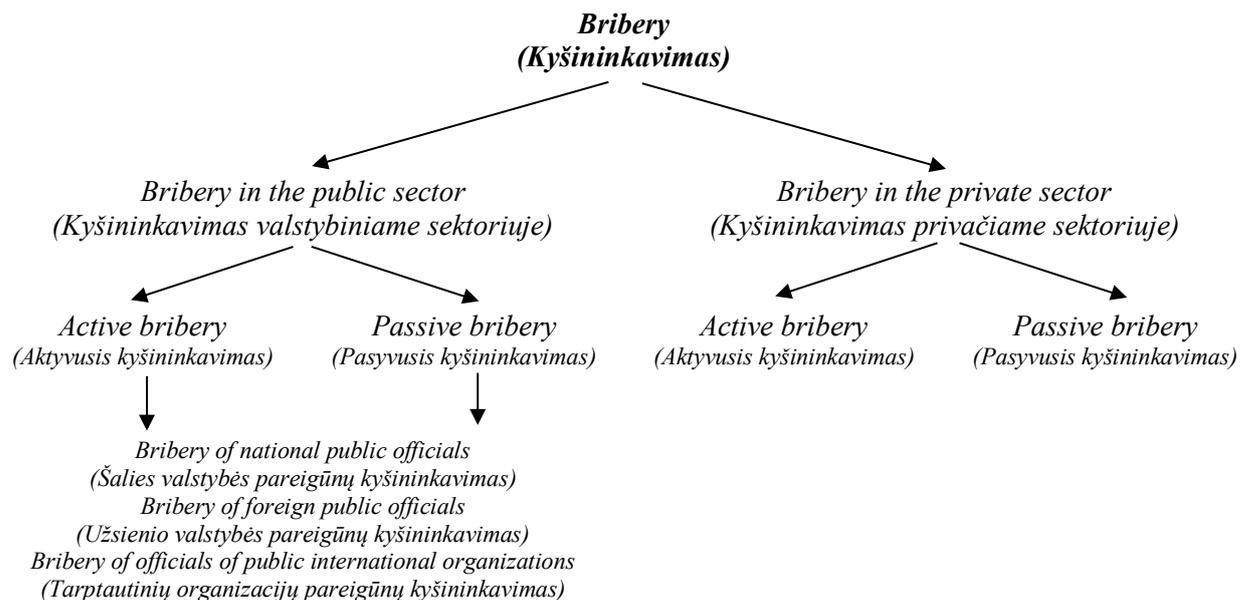
1) *active bribery (LT aktyvusis kyšininkavimas)*– promising, offering or giving, by any person, directly or indirectly, of any undue advantage, for himself or herself or for anyone else, for him or her to act or refrain from acting in the exercise of his or her functions;

2) *passive bribery (LT pasyvusis kyšininkavimas)*– request or receipt by such a person of such undue advantage, for himself or herself or for anyone else, for him or her to act or refrain from acting in the exercise of his or her functions (CoE Convention, Chapter II).

The UN Convention also clearly distinguishes between the two types of bribery, but only in the definitions which are divided in two parts: the first referring to “the promise, offering or giving, to a public official, directly or indirectly, of an undue advantage” and the second referring to “the solicitation or acceptance by a public official, directly or indirectly, of an undue advantage” (UN Convention, Chapter III).

The activities of active and passive bribery in the public sector are further divided into subtypes according to the types of public officials. The term *official* is defined differently in the documents; therefore, different types of officials are distinguished in them. The UN Convention distinguishes 3 subtypes of corruption activities according to the type of public officials: *activities relating to national officials*, *activities relating to foreign officials*, *activities relating to officials of international organizations*. The CoE Convention distinguishes 8 subtypes of corruption activities depending on whether public officials hold domestic, foreign or international office in an administrative, legislative or judicial branch.

Thus, a substructure of the terms denoting bribery offences is created which constitutes a part of a conceptual-terminological structure of corruption offences. The substructure consists of the hypernym *bribery (LT kyšininkavimas)* and its hyponyms which in turn are superordinate to their hyponyms at lower levels. Taking into account the most important divisions according to the types of activities and people involved, the following scheme may be provided (in Figure 2, the term *public official* is used in the same meaning as it is used in the UN Convention and refers to a person holding legislative, executive, administrative or judicial office):



**Figure 2. Hierarchy of Bribery offences in UN and CoE Conventions**

### 3.3. Conceptual-terminological structure of corruption terminology in the Lithuanian legal acts

Corruption offences are defined in the following legal acts of Lithuania: Republic of Lithuania Law on the Special Investigation Service, 2000 (further LT SIS LAW) and Prevention of Corruption Law of the Republic of Lithuania, 2002 (further LT PoC LAW), the Criminal Code of the Republic of Lithuania, 2000 (further LT Criminal Code). Corruption activities and prevention measures are

comprehensively discussed in The National Anti-Corruption Programme 2015-2025 of the Republic of Lithuania (further LT Anti-Corruption Programme).

In the current section the analysed Lithuanian terms of the legal acts of the Republic of Lithuania are presented with the English counterparts provided by the authors of the article. The suggested counterparts do not always coincide with the counterparts in the official English translations of the legal acts of the Republic of Lithuania.

In the LT SIS LAW, LT PoC LAW and LT Anti-Corruption Programme, the generic concept of corruption phenomenon is denoted by the hypernym *korupcija* ('corruption'). The generic concept referring to corruption activities is named by the hypernyms *korupcinio pobūdžio nusikalstamos veikos* ('corruption-related criminal acts') and *korupcinio pobūdžio teisės pažeidimai* ('corruption-related legal infringements'). Meanwhile, the LT Criminal Code, does not include the term with the meaning 'corruption'. However, it defines the corruption activities and activities which might be related to corruption in several chapters. The main of them is the Chapter 33 *Nusikaltimai ir baudžiamieji nusižengimai valstybės tarnybai ir viešiesiems interesams* ('serious and petty offences against public office and public interest').

The meanings of the generic terms *korupcija*, *korupcinio pobūdžio nusikalstamos veikos* are explained in the LT SIS LAW and LT PoC LAW:

“**Corruption** is a direct or indirect seeking for, demand or acceptance by a public servant or a person of equivalent status of any property or personal benefit (a gift, favour, promise, privilege) for himself or another person for a specific act or omission according to the functions discharged, as well as acting or omission by a public servant or a person of equivalent status in seeking, demanding property or personal benefit for himself or another person, or in accepting that benefit, also a direct or indirect offer or giving by a person of any property or personal benefit (a gift, favour, promise, privilege) to a public servant or a person of equivalent status for a specific act or omission according to the functions of a public servant or a person of equivalent status, as well as intermediation in committing the acts specified in this paragraph.” (LT SIS LAW, 2000)

“**Corruption-related criminal acts** shall mean taking bribes, receiving bribes via an intermediary, offering bribes, and other criminal acts committed in the pursuit of private or other persons' advantage in the public administration sector or by providing public services...” (*ibid.*).

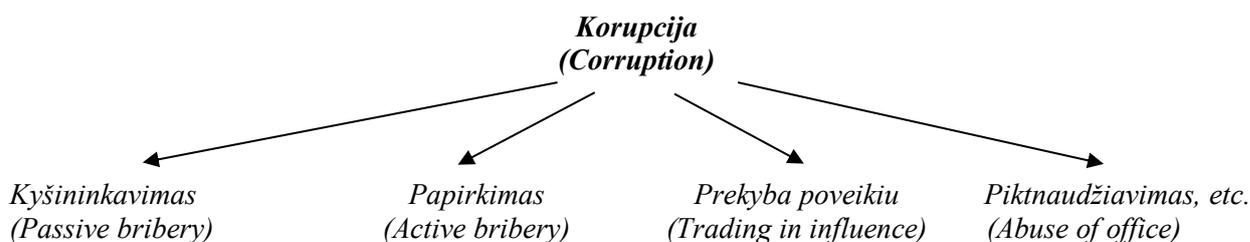
These hypernyms are superordinate to a range of co-hyponyms denoting various types of corruption offences. Both LT SIS LAW and LT PoC LAW define a wide range of corruption activities: *kyšininkavimas* ('passive bribery'); *prekyba poveikiu* ('trading in influence'); *papirkimas* ('active bribery'); *piktnaudžiavimas tarnybine padėtimi arba įgaliojimų viršijimas* ('abuse of office or exceeding one's authority'); *piktnaudžiavimas oficialiais įgaliojimais* ('abuse of one's authority'), *dokumentų ar matavimo priemonių suklastojimas* ('tampering with official records and measuring devices'), *sukčiavimas* ('fraud'), *turto pasisavinimas ar iššvaistymas* ('misappropriation or embezzlement of property'), *tarnybos paslapties atskleidimas* ('disclosure of an official secret'), *komercinės paslapties atskleidimas* ('disclosure of a commercial secret'), *neteisingų duomenų apie pajamas, pelną ar turtą pateikimas* ('misrepresentation of information about income, profit or property'), *nusikalstamu būdu įgytų pinigų ar turto legalizavimas* ('laundering of the proceeds of crime'), *kišimasis į valstybės tarnautojo ar viešojo administravimo funkcijas atliekančio asmens veiklą* ('interference with the activities of a public servant or a person discharging public administration functions') and other criminal acts “if these acts are committed with the aim of seeking or demanding a bribe, offering a bribe, or concealing or covering up the act of taking or offering a bribe” (LT SIS LAW, 2000; LT PoC LAW, 2002).

In the LT Criminal Code, corruption and corruption-related offences are defined in several chapters. The main of them is the Chapter *Nusikaltimai ir baudžiamieji nusižengimai valstybės tarnybai ir viešiesiems interesams* ('Serious and petty offences against public office and public interest'). This chapter defines the following types of offences: *kyšininkavimas* ('passive bribery'), *prekyba poveikiu* ('trading in influence'), *papirkimas* ('active bribery'), *piktnaudžiavimas* ('abuse of office'), *neteisėtas teisių į daiktą įregistravimas* ('unlawful registration of rights to an item'), *tarnybos pareigų neatlikimas* ('failure to perform official duties'). Other offences, enumerated in the LT SIS LAW and LT PoC LAW are defined in other chapters of the LT Criminal Code: chapter defining offences against constitutional and government order, economy and business order, finance system, activities of public servants, property rights, etc.

The analysis shows that the Lithuanian legal acts define mainly corruption activities in the public sector, i.e. ‘private-to-public’ corruption. Corruption offences in the private sector (‘private-to-private’ corruption), i.e. corruption involving only natural and legal persons in the private sector, are not separately defined. However, the corruption offences may be interpreted as the ones in the private sector because of the term *a public official or a person of equal status*, which is included in all definitions of corruption offences. This term is explained in Article 230 of LT Criminal Code. According to it, “a person who works at any state, non-state or private body, undertaking or organisation or engages in professional activities and holds appropriate administrative powers or has the right to act on behalf of this body, undertaking or organisation or provides public services” is held equivalent to a public official. Corrupt activities in the private sector are widely discussed in judicial research papers (Ragauskas, Kavoliūnaite-Ragauskienė, Vitkutė, 2014); however, there are no clear provisions defining them in the national legal acts so far.

In Lithuanian national acts, corruption offences are not classified according to the type of public officials. Once again, the offences may be interpreted as the ones concerning not only domestic, but also foreign public officials and officials of international organizations because of the term *a public official or a person of equal status* included in all definitions of corruption offences. According to Article 230 of LT Criminal Code, “a person holding appropriate powers at a foreign state institution, an international public organisation or international judicial institutions, also official candidates for such office“ is held equivalent to a public official.

The analysis shows that in the Lithuanian legal setting, the generic concept referring to corruption activities is denoted by the hypernym *korupcija* (‘corruption’). However, it is not included in the LT Criminal Code in which corruption offences are scattered over different chapters. Nevertheless, it could be concluded that the highest level in the conceptual-terminological hierarchy is taken by the hypernym *korupcija* (‘corruption’) and the lower level – by the co-hyponyms denoting the main types of corruption offences (see Figure 3).



**Figure 3. Hierarchy of corruption offences in the Lithuanian legal acts**

### **3.4. Comparison of the conceptual-terminological structures in the international and national legal settings**

#### **3.4.1. Comparison of the concepts**

The performed analysis allows to contrast and compare the conceptual-terminological structures in the international and national legal settings. In both international and national legal settings, the concepts constitute a hierarchical structure. The highest position in the structures, is taken by two generalized concepts:

- the generalized concept of corruption phenomenon (‘corruption’)
- the generalized concept of corruption activities (‘acts of corruption’ or ‘corruption and corruption-related offences’)

The first concept includes the concepts referring to corruption activities and they often function synonymously.

The second level in the conceptual hierarchy is taken by various types of corruption offences. Their number and nature are different in the analysed international conventions and in the Lithuanian legal acts. The offences which coincide in all three documents are: *bribery; trading in influence; laundering of proceeds*. The UN Convention and the Lithuanian legal acts also include: *abuse of functions/office; embezzlement and misappropriation of property*.

Lithuanian legal acts include much bigger number of offences ascribed to corruption phenomenon than international Conventions which is natural as the international conventions focus only on the main types of offences.

It is evident that both in the international and national documents, the main corruption offence is *bribery* which is given most attention. However, categorization of this offence and its forms is different in the international and national legal settings. In the international conventions, bribery offences are subdivided further according to their forms (active or passive), the sector (public or private) they are committed in and the type of public officials they are committed by. Thus, the types of bribery offences constitute a substructure which is illustrated in Diagram 2 and the different subtypes of this offence take the third, the fourth and the fifth levels in the whole corruption structure.

In the international setting (the CoE Convention), the concepts referring to different forms of bribery (*active bribery* and *passive bribery*) are subordinate to the generalised concept *bribery*. Meanwhile, in the Lithuanian legal setting, the conceptualization is different. There are two concepts referring to different forms of bribery, but there is no generic concept which would encompass both forms of the offence. Therefore, we have to conclude that the conceptual substructure of bribery offences does not exist. The differences in the international and national legal settings are illustrated in Figure 4.



**Figure 4. Subordination of forms of bribery in CoE convention and LT legal acts**

Moreover, in the Lithuanian legal setting, conceptualization of other bribery subcategories (bribery in the public sector vs. bribery in the private sector and bribery committed by different types of public officials) is also different from the one in the international conventions. In the Lithuanian legal acts, the definitions of corruption and corruption offences include the concept denoted by the term *a public official or a person of equal status*, and the whole information about the natural and legal persons which might be involved in corruption offences is given in the explanations of this term in the LT Criminal Code.

### 3.4.2. Comparison of the terminological denotations

#### Terms denoting generic concepts

The generic concept of corruption phenomenon is denoted in both international and national setting by the hypernym *korupcija* ('corruption'). The situation is different when talking about the hypernyms referring to corrupt activities. The Lithuanian terms that are used to denote them are enumerated in Table 1.

**Table 1. Terms denoting generic concepts in UN and CoE conventions and LT legal acts**

International Conventions	Lithuanian legal acts
<b>UN Convention:</b> <i>Korupcinė veikla</i> ('corrupt activity') <i>Korupciniai veiksmai</i> ('corrupt acts')	<b>LT SIS LAW; LT PoCLAW</b> <i>Korupcinio pobūdžio nusikalstamos veikos</i> ('corruption-related criminal acts and omissions')
<b>CoE Convention:</b> <i>Korupciniai nusikaltimai</i> ('corrupt serious offences') <i>Su korupcija susiję nusikaltimai</i> ('corruption-related serious offences')	<b>LT Anti-Corruption Programme:</b> <i>Korupcinio pobūdžio teisės pažeidimai</i> ('corruption-related legal infringements')

This formal incongruity between the terminology in the national acts and translation of the international acts raises questions about their equivalency and requires further analysis.

The terms in the UN Convention *korupcinė veikla* ('corrupt activity'), *korupciniai veiksmai* ('corrupt acts') include the constituents which refer only to acts, while the terms in the national documents include the constituents which refer to both acts and omissions. Though it may seem that the Lithuanian translations are precise literal counterparts of the English word *acts*, the translation might be questioned. The English term *criminal act* may refer to both criminal acts and omissions: "Criminal acts are offenses against the public which are punishable. It can be any act or omission or possession which poses a threat to the public" (US Legal). In the UN Convention, the term *acts of corruption* denotes namely criminal corruption acts. Therefore, it might be translated as *korupcinės veikos* ('corrupt acts and omissions'). Thus, the international terminology would be more harmonized with the national one.

Another important difference between the Lithuanian terms in the international and national documents is the content of the constituent which means 'a criminal act, offence'. The terms in the CoE Convention *korupciniai nusikaltimai* ('corrupt serious offences'), *su korupcija susiję nusikaltimai* ('corruption-related serious offences') include the constituent *nusikaltimai* which refers only to serious offences. Meanwhile the Lithuanian terms in the national documents include the constituents which refer to all kinds of criminal offences: *nusikalstamos veikos* ('criminal acts and omissions'), *teisės pažeidimas* ('legal infringements'). The LT Criminal Code includes corruption offences in various chapters, but all of them are titled *nusikaltimai ir baudžiamieji nusižengimai* ('serious offences and minor offences'). English term *offence* encompasses both serious and minor criminal acts (q.v. The Law Dictionary). Therefore, the Lithuanian counterpart should also refer to both serious and minor criminal activities. The closest Lithuanian counterpart would be *nusikalstamos veikos* which refers to criminal offence while *teisės pažeidimai* refers to infringements of law in general. The incongruity might be explained by the fact that the CoE Convention was adopted in 1999 and the new Criminal Code of the Republic of Lithuania, clearly stating the difference between serious and minor offences, was adopted in 2000.

#### Terms denoting offences of bribery

Bribery and its forms (active bribery and passive bribery) are denoted by different terms in the international and national legal settings. In the CoE Convention, the generic concept of bribery is denoted by the hypernym *kyšininkavimas* while the specific concepts are denoted by two co-hyponyms formed of two-word phrases including the head-term *kyšininkavimas*: *aktyvusis kyšininkavimas* ('active bribery') and *pasyvusis kyšininkavimas* ('passive bribery'). Meanwhile, in the national acts of Lithuania, there is no term denoting the generalised concept encompassing both active and passive bribery activities. The two forms of bribery are denoted by two terms formed of completely different words: *papirkimas* ('active bribery') and *kyšininkavimas* ('passive bribery') (Table 2). The translators of the CoE convention did not use the terms in the national acts, but created new ones which reflected best the conceptual structure of corruption offences in the convention. Consequently, the same legal concepts have different terminological denotations in the international and national legal settings.

**Table 2. Terms denoting forms of bribery in CoE Convention and LT legal acts**

CoE Convention	Lithuanian legal acts
<i>Aktyvusis kyšininkavimas</i>	<i>Papirkimas</i>
<i>Pasyvusis kyšininkavimas</i>	<i>Kyšininkavimas</i>

#### 4. Conclusions

The analysis focused on two international conventions (UN Convention and CoE Convention) and Lithuanian legal acts on corruption. It disclosed important semantic and formal differences between the international and Lithuanian conceptual-terminological structures of corruption offences. This incongruity is caused by: different conceptual-terminological structures in the international and national legal systems; different denotations of the same legal concepts; imprecise translation of the English terms in the Lithuanian translations of the international conventions.

The applied methodology enabled to assess the Lithuanian translation of the English terms in the international documents, as well as gave ideas for the development of national terminology. Due to the limited scope of the paper only two international conventions were examined, further research may encompass the EU legal acts and other international documents on corruption. The applied methodology

would also allow to assess the English translation of the Lithuanian terms in national legal acts and suggest the counterparts which would correspond to the international terminology.

The incongruity between the international and national terminology of the same language requires double-checking of the meanings of the terms, and is inconvenient for the users. Unification of the terminology (in the areas where it is possible) would help to develop a coherent conceptual-terminological structure which could be used both nationally and internationally.

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# ENGLISH COMPOUND TERMS ON MIGRATION AND ASYLUM POLICY AND THEIR LITHUANIAN EQUIVALENTS

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## Abstract

The purpose of the given research is to analyse the formal structure of a group of English terms denoting concepts related to migration and asylum policy in the EU legal acts and investigate the formation patterns of their Lithuanian equivalents used in the translations. The analysis focuses on English compound terms, i.e. terms, which are formed with pre-modifiers replacing post-modifying elements (*border crossing point ← point of crossing border*). Such terms are called compound terms in the paper as they are formed on the same principles as compounds in English. The research was carried out using analytical-descriptive, quantitative and contrastive methodology enabling to reveal the formal structure of compound terms on migration and asylum policy in English and their Lithuanian equivalents and give insights into the tendencies of term formation in this area. The results of the analysis reveal important peculiarities of formation of compound terms in English and their Lithuanian equivalents. They are determined not only by the structure of the language, but also by the term formation practice in the particular language. The research focused on a limited group of terms denoting migration-related concepts, i.e. compound terms in English and their Lithuanian equivalents. Further study might encompass other formal types of terms and give a more comprehensive picture of formation tendencies of migration terminology in these languages. The findings of the research are believed to be valuable to term developers, translators and users of migration and asylum terminology. The paper presents a case study on migration and asylum terminology and seeks to reveal certain term formation peculiarities in English and Lithuanian, which are not discussed in terminology works so far.

**Keywords:** migration and asylum policy, terminology, compound terms, pre-modification, post-modification, contrastive analysis.

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## 1. Introduction

The topic of migration and asylum has taken a significant part of our life. Treatment of migrants and refugees is widely discussed in the state institutions, international organizations and the media. New laws, which regulate migration, are adopted worldwide. Drafters of legal acts, politicians and lawyers, constantly create new terms, denoting a range of migration-related concepts. Therefore, translators of legal acts often become developers of new terminology in their native languages, as they have to coin equivalents for the new terms in the source language.

When translating a new term in the source language, it is important to understand not only its semantics, but also its formal structure. Thorough awareness of the formation pattern of the term contributes to the development of its most suitable equivalent in the target language.

**Object of the research.** The object of the research is a group of English compound terms denoting concepts related to migration and asylum issues in the EU legal acts and their Lithuanian equivalents. The paper focuses on those English terms, which are formed with pre-modifiers replacing post-modifying elements (*border crossing point ← point of crossing border*). Such terms are called compound terms in the paper as they are formed on the same principles as open and hyphenated compounds in English.

Compounding is a significant means of term formation in English and other Germanic languages as in analytic languages it is unproblematic to join several words together and compounding is a very productive type of word-building. The main reason for the widespread of the use of nominal compounds in terminology is the linguistic economy principle. They are usually formed with pre-modifiers, which

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replace post-modifiers. Pre-modification adheres to the principle of language economy, i.e. it saves space as it enables to convey information in shorter, compressed way though too long compounds may lead to confusion and misunderstanding, as more background knowledge is required to understand the subject matter (Ferčec and Liermann-Zeljak 2015). Compounding has become a productive term formation pattern in English in which the principle of brevity and user-friendliness is very important and is often preferred to precision and unambiguity as the whole semantic information about terms is given in their definitions (Mockienė 2016; Janulevičienė, Rackevičienė, 2014). However, in Lithuanian, compounding is not a common means of term formation, as compounding is a much more complicated word formation process in synthetic languages. Therefore, English compounds are usually translated by phrases having various syntactic structure.

**Aim and objectives of the paper.** The paper aims to analyse formation patterns of English compound terms of migration and asylum policy and establish what linguistic structure are used for their translation into the Lithuanian language. In order to achieve the aim, the following objectives are set:

- 1) To analyse theoretical works on the phenomenon of compounding and define the principles of the empirical analysis;
- 2) To investigate the selected English compound terms and classify them according to their formation patterns;
- 3) To analyse the formation patterns of the Lithuanian equivalents of each formal type of the English compound terms;
- 4) To conduct a contrastive quantitative analysis and establish which patterns prevail in the formation of the English and Lithuanian terms focusing on their modification patterns, syntactic structures and number of their constituents.

**Scope of the research.** In all 55 English compound terms and their Lithuanian equivalents were selected. The terms were extracted from the Asylum and Migration Glossary produced by the European Migration Network and the Eur-lex database, the database of European legal acts. The full list of legal acts is presented at the end of the paper.

## 2. Theoretical background and methodology of the research

### 2.1. Definition of compounds and their orthographical forms in English

Compounds are structurally complex units, which take an intermediary position between one-root words and phrases. Though they are regarded as words, they exhibit “a type of ‘internal syntax’” (Scalise and Vogel, 2010, p. 2), i.e. in order to understand a compound one must add a syntactic relation between its constituents (e.g. *taxi driver* is ‘a driver of a taxi’, *armchair* is ‘a chair with arms’). Thus, compounds represent a contact point between morphology and syntax (Scalise and Vogel, 2010, p. 2).

Different linguists differently define compounds. According to Quirk et al. (1985, p. 1567) explanation, a compound as a lexical unit consisting of two or more *bases* and functioning both grammatically and semantically as a single word, whereas Jackson and Zé Amvela's define compounds are “stems consisting of more than one *root*” (Jackson & Zé Amvela, 2012, p. 92). I. Šeškauskienė states that compounds are “semantically integral words consisting of at least two *free morphemes*” (Šeškauskienė, 2013, p. 160).

Compounds differ in the degree they have been accepted as lexemes by the speaker of the language, and this different conception of compounds is reflected in their orthography (Jackson and Stockwel 2011, p. 38). English compounds may be of three orthographical forms: **solid**, written as a single word (e.g. *bedroom*, *housekeeper*), **hyphenated**, written with a hyphen (e.g. *tax-free*), and **open**, written as two or more separate words (*reading material*, *washing machine*) (Quirk et al. 1985, p. 1569; Jackson and Stockwel 2011, p. 38).

The paper analyses English open and hyphenated compounds as only these types of compound terms were found in the empirical material.

### 2.2. Criteria for distinguishing compounds from phrases in English

The orthographical variation of English compounds shows that compounds take an intermediary position between phrases and words consisting of a single root (Jackson & Zé Amvela, 2012, p. 92). Two

or more words that are written separately making a compound can be easily confused with a free phrase. There are not any universally accepted criteria to define compounds. The ones that most linguists rely on in reference to English are: phonological, syntactic, morphological and semantic criteria (Jackson & Zé Amvela, 2012, pp. 93-94; Šeškauskienė, 2013, pp. 177-182; cf. also Lieber, R. and Štekauer, 2009, pp. 8-14; Brinton and Brinton, 2010, pp. 103-104).

According to **phonological** criterion, stress is a distinctive characteristic in compounding. Compounds have a specific stress pattern, i.e. stress falls on the first syllable, whereas, both words bear a primary stress in phrases (e.g. *'blackboard* vs. *a 'black 'board*) (Jackson and Zé Amvela, 2012, p. 93).

Several **syntactic** criteria are applied to distinguish compounds from free phrases:

- a) Interruptibility. Compounds are syntactically inseparable. No other word can be inserted between constituents of a compound (e.g. *asylum shopping, blackboard*); meanwhile, in free phrases it is possible (e.g. *a black big board*);
- b) Modification. Constituents of a free phrase can be modified independently (e.g. *a very black bird*), but in compounds it is not possible (not *a very blackbird*);
- c) Word order. This criterion refers to the position of constituents of a compound in relation to one another. Some compounds are characterised by unusual word order in English (e.g. *sea-sick, sky-blue, snow-white, merry-go-round, forget-me-not*).

**Morphological criterion** implies inflexibility. A compound may be inflected according to its grammatical class, but its separate constituents cannot be inflected, e.g. *bottle necks* (not *bottles' necks*).

Under the **semantic** criterion compounds are considered to be conceptual units. They acquire specialized meanings, and in this respect are much like idioms. Compounds express a single idea rather than the meaning of each constituent separately.

In the paper, all of the described criteria were considered when distinguishing the compound terms. Compound terms are considered to be syntactically inseparable units having a specific phonological and morphological pattern and denoting one concept.

### 2.3. Classification of English compounds by word classes of constituents

There are three major word classes in English – nouns, adjectives and verbs, which take part in compounding. Other word classes are less frequently involved in this word formation process (Šeškauskienė, 2013, p. 166).

The number of constituents of compounds may vary from two to four or even more. Constituents may belong to the same or to different word classes. The grammatical category of the resulting compound is in most cases determined by the last (right-handed) constituent. This constituent is usually the dominant constituent both semantically and grammatically and is treated as the **head** of the compound, while other constituents (left-hand constituents) are its **modifiers** (Plag et al. 2009, pp. 102-103). Thus, most compounds exhibit a **modifier-head structure** based on **right-hand head rule** established by Williams (Williams, 1981; Plag 2003, p. 135).

In English, the most common pattern of compounds according to the number of their constituents is two-root compounds, while the most frequent patterns according to the grammatical category are noun compounds and adjective compounds (Šeškauskienė, 2013, p. 166, p. 169).

**Noun compounds** are the most productive compounds in English. They are composed of nouns pre-modified by constituents of any word class – a noun, an adjective, a verb or an adverb. The most common formation patterns are presented below:

N+N→N	<i>asylum application; war refugee</i>
Adj+N →N	<i>blue-collar</i>
V+N→N	<i>pick-pocket</i>
Adv+N→N	<i>Backtalk</i>

**Adjective compounds** take the second place among English compounds according to their productivity. Formation patterns of adjective compounds are as follows:

N+Adj→Adj	<i>world-famous; gender-sensitive</i>
Adj+Adj →Adj	<i>light-blue</i>
Adv+Adj→Adj	<i>near-sighted</i>
V+Adj→Adj	<i>fail-safe</i>

Among other categories of English compounds are **verb compounds** (*baby-sit*), **adverb compounds** (*through-out*), **some special noun compounds** composed of verbs and adverbs (*drive-in*) (Jackson and Zé Amvela, 2012, pp. 96-97).

This paper analyses compound terms, all of which are noun compounds. Some of them include compound constituents, which function as adjectival modifiers.

#### 2.4. Previous contrastive research on the topic

There is no contrastive studies devoted especially to English compound terms and their Lithuanian equivalents. However, there are a few contrastive works relevant to the topic of the given research, namely the works on pre- and post-modification patterns of multi-word terms in English and Lithuanian.

Džežulskienė examined pre- and post-nominal modification of English and Lithuanian three-word terms of telecommunication science (Džežulskienė, 2010). Her study reveals that pre-modification dominates in formation of multi-word terms in both languages. Mockienė in her dissertation on formation of constitutional law terms examined formation patterns of one-word and multi-word terms in English, Lithuanian and Russian. Her research reveals the same tendency: the majority of dependent constituents in multi-word terms in English, Lithuanian and Russian are in the pre-head position (Mockienė, 2016).

This paper seeks to contribute to this research and reveal which term-formation patterns (pre-modification or post-modification) are used in the Lithuanian translations of the English compound terms, all of which are pre-modified.

#### 2.5 Methodology of the research

The research presented in the paper consists of several stages. Firstly, the analytical-descriptive investigation is carried out to systematize the extracted English compound terms and describe them according to the following criteria: 1) number of constituents, 2) orthographical forms and 3) syntactic structures of the terms. Subsequently, the formation patterns of the Lithuanian equivalents of the English terms are investigated focusing on: 1) modification patterns, 2) syntactic structures, 3) length of the terms. Finally, the contrastive quantitative analysis is performed to establish the prevailing formal types of English compound terms and their Lithuanian equivalents.

The comparison of the results of the analysis allows us to offer insights into the formation of compound terms in English and development of their equivalents in Lithuanian.

### 3. Empirical analysis

#### 3.1. The analysis of the English compound terms

In the investigated material, the English compound terms are of three types according to the number of their constituents: 1) two-constituent compound terms; 2) three-constituent compound terms and 3) four-constituent compound terms. No compounds of more constituents were found among the extracted terms. The ratio of the English terms according to the number of their constituents is given in section 3.3. In the current section, every type of compounds is analysed separately focusing on the following aspects: orthographical forms of compounds and their syntactic structures. The results are presented in the tables and commented on below.

**Table 1. English two-constituent compound terms**

<b>Open Compounds</b>	
N+N	<i>accommodation centre, asylum application, asylum flow, asylum seeker, asylum shopping, asylum system, border area, border control, border crossing, border resident, brain circulation, brain drain, brain gain, brain waste, chain migration, child labour, convention refugee, cooperation platform, credibility assessment, detention facility, enforcement measure, exclusion clause, expulsion decision, family migration, family reunification, family ties, family unit, frontier worker, human rights, migrant stock, migrant worker, migration flow, mobility partnership, war refugee</i>
<b>Hyphenated Compounds:</b>	
N+N	<i>asylum-seeker, case-law, cost-effectiveness, responsibility-sharing, time-limit</i>

As it is shown in the table above, most two-constituent compound terms are open, and only some of them are hyphenated. The dominant formation pattern of both open and hyphenated compounds is N+N, where the second constituent is the head noun pre-modified by another noun (see Table 1).

**Table 2. English three-constituent compound terms**

<b>Open Compound terms</b>	
N+N+N	<i>border crossing point, refugee status determination, contract migrant worker</i>
<b>Mixed Compound terms (include open and hyphenated links):</b>	
N+N+N	<i>burden-sharing operations</i>
Adj+N+N	<i>long-stay visa, short-stay visa, long-term migration, long-term resident</i>
Num+N+N	<i>third-country nationals, first-degree relatives</i>
V+N+N	<i>cross-border worker</i>
N+Adj+N	<i>programme-specific indicators, child-friendly justice</i>
V+V+N	<i>push-pull factor</i>

The investigated three-constituent compound terms are of two orthographical forms: open compounds written as three separate words and mixed compounds including open and hyphenated links. In most cases, the link between the modifiers is hyphenated, while the link between the modifiers and the head is open.

The formation mechanisms of the terms are different. In most cases, the head is pre-modified by the constituent, which is additionally pre-modified by another constituent (e.g. *border crossing point, long-stay visa*). In one case, the head attaches two modifiers both of which are directly governed by the head (e.g. *contract migrant worker*).

The investigated three-constituent compounds include modifiers of various word classes. In most cases, the modifiers are nouns pre-modified by another noun/adjective/numeral/verb. The formation patterns established during the analysis are presented in Table 2.

**Table 3. English four-constituent compound terms**

<b>Mixed compound terms (include open and hyphenated links)</b>	
N+Adj+N+N	<i>gender-sensitive asylum procedure</i>
Adj+N+N+N	<i>high-quality asylum procedures</i>

Only 2 four-constituent compound terms were found in the investigated material. It might be explained by the fact that long compounds often lack clarity and understanding their semantic content requires more background knowledge.

Orthographically both four-constituent compound terms are mixed compounds including both open and hyphenated links. The link between the first two modifiers is hyphenated (*gender-sensitive / high-quality*), while other links are open.

The sequence of their formation stages is as follows: the head *procedure* is pre-modified by the constituent *asylum*, which is additionally pre-modified by the constituent *sensitive/quality*, which is in turn pre-modified by the constituent *gender/high*. Both terms include 2 nouns and 1 adjective functioning as modifiers of the head noun. The formation patterns of the four-constituent compound terms are presented in Table 3.

### 3.2. The Lithuanian equivalents of the English compound terms

All Lithuanian equivalents of the analysed English compound terms are noun phrases. No Lithuanian compound terms were found, however some compounds are presented in the investigated material – they function as adjectival modifiers of the head nouns of the Lithuanian phrases. The Lithuanian noun phrases are analysed in three groups according to the type of the equivalent English compound terms. The analysis focuses on the following aspects: modification (pre-modification/post-modification) patterns and syntactic structures used for formation of the Lithuanian terms, as well as length of the Lithuanian terms.

**Table 4. Lithuanian equivalents of English two-constituent compound terms**

English pattern	Lithuanian pattern	English-Lithuanian examples
N+N	N Gen + N Nom	<i>accommodation centre</i> – <i>apgyvendinimo centras</i> <i>asylum application</i> – <i>prieglobsčio prašymas</i> <i>asylum seeker</i> – <i>prieglobsčio prašytojas</i> <i>asylum system</i> – <i>prieglobsčio sistema</i> <i>border area</i> – <i>pasienio teritorija</i> <i>border control</i> – <i>pasienio kontrolė</i> <i>border crossing</i> – <i>sienos kirtimas</i> <i>brain circulation</i> – <i>protų apykaita</i> <i>brain drain</i> – <i>protų nutekėjimas</i> <i>brain gain</i> – <i>protų pritraukimas</i> <i>credibility assessment</i> – <i>patikimumo vertinimas</i> <i>family migration</i> – <i>šeimų migracija</i> <i>family reunification</i> – <i>šeimų susijungimas</i> <i>migrant stock</i> – <i>migrantų skaičius</i> <i>migration flow</i> – <i>migracijos srautas</i>
N+N	Adj + N Nom	<i>chain migration</i> – <i>grandinė migracija</i> <i>migrant worker</i> – <i>migruojantis darbuotojas</i>
N+N	N Gen + N Gen + N Nom	<i>asylum flow</i> – <i>prieglobsčio prašytojų srautas</i> <i>exclusion clause</i> – <i>prašymo atmetimo pagrindai</i>
N+N	N Nom + Prepositional Phrase	<i>convention refugee</i> – <i>pabėgėlis pagal Konvenciją</i> <i>expulsion decision</i> – <i>sprendimas dėl išsiuntimo</i> <i>war refugee</i> – <i>pabėgėlis dėl pilietinio karo</i>
N+N	N Nom + Subordinate Clause	<i>asylum shopping</i> – <i>ieškojimas, kur geriau gauti prieglobstį</i>

The list of schematic syntactic structures presented in the table above reveals two major types of formation patterns of the Lithuanian equivalents: 1) pre-modification patterns in which the head nouns N Nom are pre-modified; 2) post-modification patterns in which the head nouns N Nom are post-modified.

In the first type of patterns, the head nouns are pre-modified by nouns in Genitive or adjectives (in Lithuanian, adjectives always conform to the head nouns in gender, number and case). Meanwhile, in the second type of patterns, the head nouns are post-modified by prepositional phrases, in one noun phrase the head is post-modified by a subordinate clause. Most Lithuanian terms of the first type have the same number of constituents as the English terms. However, the Lithuanian terms of the second type are longer than the equivalent English terms. The Lithuanian terms including a subordinate clause stand out among other terms for its complexity (see Table 4).

Table 5. Lithuanian equivalents of English three-constituent compound terms

English patterns	Lithuanian patterns	English-Lithuanian examples
Adj+N+N	Compound Adj + N Nom	<i>long-stay visa – ilgalaikė visa</i> <i>short-stay visa – trumpalaikė visa</i> <i>long-term migration – ilgalaikė migracija</i> <i>long-term resident – ilgalaikis gyventojas</i>
N+N+N	N Gen + N Gen + N Nom	<i>burden-sharing operations – naštos pasidalijimo operacijos</i> <i>border crossing point – sienos perėjimo punktas</i>
V+N+N	N Nom + Participial Phrase	<i>cross-border worker – darbuotojas, kertantis vidaus sienas</i>
Num+N+N	Num + N Gen + N Nom	<i>third-country nationals – trečiųjų šalių piliečiai</i> <i>first-degree relatives – pirmos eilės giminaičiai</i>
N+Adj+N	Participial phrase + N Nom	<i>programme-specific indicators – su konkrečiomis programomis susieti rodikliai</i> <i>child-friendly justice – vaiko interesus atitinkantis teisingumas</i>
V+V+N	N Gen + N Gen + N Nom	<i>push-pull factor – stūmimo-traukos veiksnys</i>

Most Lithuanian equivalents of the English three-constituent terms have the structure of pre-modification patterns. In these patterns, the head nouns N Nom are pre-modified by the following types of modifiers:

- 1) Compound adjectives (*ilgalaikė visa*);
- 2) Genitive constructions consisting of two interdependent constituents: a noun in Genitive pre-modified by another noun in Genitive (*naštos pasidalijimo operacijos*) or a noun in Genitive pre-modified by a numeral (*trečiųjų šalių piliečiai*);
- 3) Genitive construction consisting of two homogenous nouns directly governed by the head (*stūmimo-traukos veiksnys*);
- 4) Participial phrase consisting of present or past participial pre-modified by a prepositional phrase or a noun phrase (*su konkrečiomis programomis susieti rodikliai, vaiko interesus atitinkantis teisingumas*).

Only one Lithuanian term has a post-modification pattern. Here, the head noun N Nom is post-modified by a participial phrase in which a present participle is post-modified by a noun phrase (*darbuotojas, kertantis vidaus sienas*).

In this group, most Lithuanian terms have the same number of constituents as the equivalent English terms (see Table 5).

Table 6. Lithuanian equivalents of English four-constituent compound terms

English	Lithuanian
N+Adj+N+N <i>gender-sensitive asylum procedure</i>	N Gen + N Nom + Participial phrase <i>prieglobsčio procedūra, atsižvelgiant į lyčių skirtumus</i>
Adj+N+N+N <i>high-quality asylum procedures</i>	Adj + N Gen + N Gen + N Nom <i>kokybiška prieglobsčio suteikimo procedūra</i>

The Lithuanian equivalents of the English four-constituent terms follow two different modification patterns: pre- and post-modification pattern and pre-modification pattern.

In the first pattern, the head noun *procedūra* is pre-modified by the noun in Gen *prieglobsčio* and post-modified by the adverbial participle *atsižvelgiant* which is additionally post-modified by the prepositional phrase *į lyčių skirtumus*. In the second pattern, the head noun *procedūra* is pre-modified the following modifiers: the adjective *kokybiška* and the Genitive construction consisting of two interdependent nouns in Gen *prieglobsčio suteikimo*.

The Lithuanian term formed according to the pre-modification pattern has the same number of constituents as the equivalent English term. Meanwhile the Lithuanian term including both pre- and post-modifiers is longer than the equivalent English term.

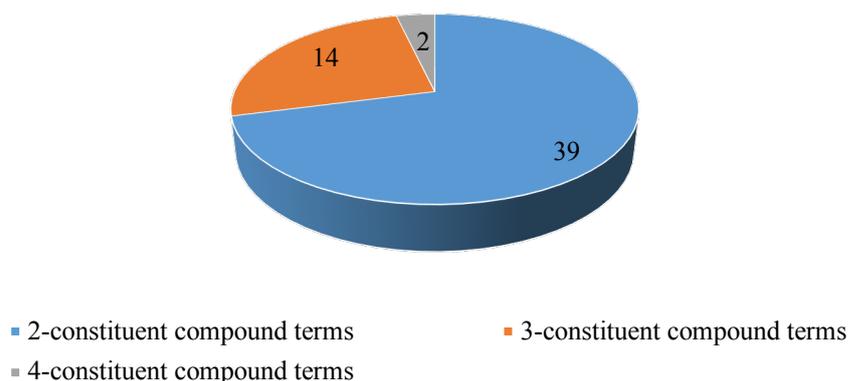
### 3.3. Contrastive analysis of the English compound terms and their Lithuanian equivalents

In the current section, the English terms are compared with their Lithuanian equivalents on the following parameters: 1) number of constituents; 2) modification patterns and syntactic structures.

#### 1) The number of constituents in the English terms and their Lithuanian equivalents

The ratio of the investigated English compound terms according to the number of their constituents is as follows: out of 55 compound terms 39 are 2-constituent compound terms, 14 are 3-constituent compound terms, whereas 2 of them are 4-constituent compound terms (see Picture 1).

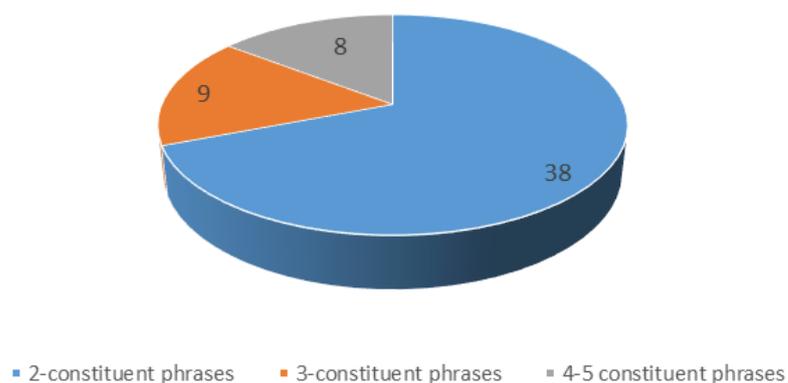
English compound terms according to the number of constituents - 55



Picture 1. English compound terms according to the number of their constituents

The ratio of the Lithuanian equivalents of the English compound terms is as follows: out of 55 terms 38 are 2-constituent phrases, 9 are 3-constituent phrases and 8 are 4-5- constituent phrases (see Picture 2).

Lithuanian equivalents of English compound terms - 55



Picture 2. Lithuanian equivalents of English compound terms according to the number of their constituents

The contrastive analysis shows that in many cases the number of constituents in the English compound terms and their Lithuanian equivalents coincide, e.g. *EN border crossing point* – *LT sienos*

*perėjimo punktas, EN long-term migration – LT ilgalaikė migracija* (‘ilgalaikė’ is a compound consisting of two roots *ilgas* ‘long’ and *laikas* ‘time’). However, in some cases, the Lithuanian terms are longer than the equivalent English terms, e.g. *EN asylum shopping – LT ieškojimas, kur geriau gauti prieglobstį; EN child-friendly justice – LT vaiko interesus atitinkantis teisingumas*.

## 2) Modification patterns and syntactic structures of the English terms and their Lithuanian equivalents

All English compound terms are formed on the basis of a pre-modification pattern in which the head noun takes the right-hand position while the modifiers are positioned on the left-hand side. The dominant syntactic structure of the English compound terms is N+N, which is used in 39 terms, while other patterns (N/Adj/Num/V + N + N; N + Adj + N; V + V + N, N/Adj + Adj/N + N + N) are represented by 16 terms.

In the Lithuanian material, three modification patterns are observed, each of which has typical syntactic structures:

**Table 7. Modification patterns and syntactic structures of the Lithuanian terms**

<b>Pre-modification pattern</b> (48 terms)	<b>N Gen + N Nom</b> (31 term)	<i>apgyvendinimo centras</i> (accommodation centre)
	<b>Adj + N Nom</b> (6 terms)	<i>grandinė migracija</i> (chain migration) <i>ilgalaikė viza</i> (long-stay visa)
	<b>N Gen + N Gen + N Nom</b> (5 terms)	<i>prieglobsčio prašytojų srautas</i> (asylum flow)
	<b>Num + N Gen + N Nom</b> (2 terms)	<i>pirmos eilės giminaičiai</i> (first-degree relatives)
	<b>Participial phrase + N Nom</b> (3 terms)	<i>vaiko interesus atitinkantis teisingumas</i> (child-friendly justice)
	<b>Adj + N Gen + N Gen + N Nom</b> (1 term)	<i>kokybiška prieglobsčio suteikimo procedūra</i> (high-quality asylum procedures)
<b>Post-modification pattern</b> (6 terms)	<b>N Nom + Prepositional Phrase</b> (4 terms)	<i>pabėgėlis pagal Konvenciją</i> (convention refugee)
	<b>N Nom + Participial Phrase</b> (1 term)	<i>darbuotojas, kertantis vidaus sienas</i> (cross-border worker)
	<b>N Nom + Subordinate Clause</b> (1 term)	<i>ieškojimas, kur geriau gauti prieglobstį</i> (asylum shopping)
<b>Pre- and post-modification pattern</b> (1 term)	<b>N Gen + N Nom + Participial phrase</b> (1 term)	<i>prieglobsčio procedūra, atsižvelgiant į lyčių skirtumus</i> (gender-sensitive asylum procedure)

Most Lithuanian terms follow the pre-modification pattern in which the head noun is pre-modified by a noun in Genitive case. Other syntactic structures of the pre-modification pattern are much less frequent. The terms formed on the basis of the post-modification pattern include two main types of post-modifiers – prepositional phrases and participial phrases. The pre- and post-modification pattern was observed only in one term in the investigated material.

## 4. Conclusions

The conducted research allows drawing the following conclusions:

1) English compound terms are multi-constituent terms formed with pre-modifiers replacing post-modifying elements (*asylum application* ← *application of asylum*). Such terms share the same phonological, syntactic, morphological and semantic properties as compounds in English. In line with other compounds, they may be of different orthographical forms. In the investigated material, three orthographical forms of compound terms were observed: open compounds, hyphenated compounds and mixed compounds including both open and hyphenated links.

In the Lithuanian language, compounds are only of one orthographical form, which is solid, i.e. their constituents are always written together as a single word. Such compound terms were not found in the investigated Lithuanian material. All the Lithuanian equivalents of the English compound terms are

noun phrases. However, some compounds are presented in the investigated material – they function as adjectival modifiers of the head nouns in the Lithuanian phrases, e.g. *ilgalaiškė migracija* (long-term migration).

2) In the investigated material, two-, three- and four-constituent English compound terms were detected. The number of constituents in the Lithuanian terms in many cases coincide with the one in the equivalent English terms, e.g. *EN border crossing point* – *LT sienos perėjimo punktas*. However, in some cases, the Lithuanian terms are longer and much more complex than the equivalent English terms, e.g. *EN asylum shopping* – *LT ieškojimas, kur geriau gauti prieglobstį*.

3) All English compound terms are formed on the basis of a pre-modification pattern in which the head noun takes the right-hand position while the modifiers are positioned on the left-hand side. The dominant syntactic structure of the English compound terms is N+N (*brain circulation*).

The Lithuanian terms are based on three modification patterns: pre-modification, post-modification and pre- and post-modification. Each of the patterns has typical syntactic structures. The dominant modification pattern is pre-modification, other modification patterns have only several representatives in the investigated material. The dominant syntactic structure of the pre-modification pattern is N Gen + N Nom *protų pritraukimas* (*brain gain*), it corresponds to the prevailing syntactic structure in English N+N.

4) The analysis shows that Lithuanian translators and terminologists seek to adhere to the principle of language economy and, in line with the English term developers, create mostly two-constituent terms based on the pre-modification pattern. However, there is still room for improvement as some terms are long and complex. Such terms meet the criterion of clarity and precision as, they have semantically transparent structure and precisely denoted the concepts, but do not meet the criterion of user-friendliness, as they are inconvenient for use in texts.

The offered insights on formation patterns of migration and asylum terms are believed to contribute to term formation research in different languages and give ideas to translators and other developers of terminology.

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# PREMISES OF MULTICULTURALISM IN LITHUANIA FROM A HISTORIC PERSPECTIVE

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## Abstract

The public interest of numerous researchers worldwide in issues of multiculturalism has increased lately. Migration is a serious challenge for local communities of the host countries. To be able to reflect the current situation appropriately, the historic transformation of this process needs to be analysed in more detail. The present research focuses closely on the historical context of the premises of multiculturalism in Lithuania and aims to establish its ties with the present. The methods of the research include application of the principles of historicity, case study, and critical assessment of the situation. Historically, Lithuania has been viewed as a relatively homogenous European country with insignificant flows of migration. Lithuania has introduced some legislative framework to regulate entry of foreigners into the country, protect their right to integrate into the Lithuanian society, and provide for the procedure of acquisition of citizenship. However, the development of multiculturalism in Lithuania is hindered by lack of mechanisms for promoting public tolerance issues and cooperation between various institutions. The paper focuses on the analysis of historic implications for multiculturalism in Lithuania. Further research can be developed to cover the analysis of premises of multiculturalism in other European countries and comparative analysis thereof. It is likely that the subject discussed in the article will stimulate new research, so that it could provide comprehensive insights that would contribute to the formation of positive public opinion about the arriving foreigners in Lithuania. Research on multiculturalism issues in Lithuania, like in many other post-communist countries, is quite sporadic and usually deals only with certain issues of public multiculturalism. The paper discusses potential reserves for developing conditions for integration of foreigners into the Lithuanian society.

**Keywords:** globalization, migration, multiculturalism, multicultural competence.

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## 1. Introduction

Scholars of different fields of science, such as history, political science, cultural science, management and others, who focus on history of the evolution of countries and world regions, agree that achievements or losses of different countries are often determined by the prevailing values and attitudes, advocated religious beliefs, customs and fundamental features characteristic of culture of each nation (Harrison, 2016). The concept of multiculturalism in its general form has a social nature and reflects the multicultural diversity of the living environment of an individual or a certain group of people, which is expressed through a combination of racial, linguistic, customary, confessional and other cultural features of various ethnic communities.

There are numerous examples of individuals who view multiculturalism as a positive phenomenon, also positively accept other cultural groups and are able to learn, work and live together. Features of intercultural communication both nationally and within a separate community should not be perceived as hindrances, threats, or weaknesses, they should be viewed as an opportunity to benefit from strengths of another culture and seek additional advantage. Hence, the internal policy agenda should focus on the importance of educating public tolerance, raising awareness of the positive impact of multiculturalism, and development of intercultural competence, etc. (Adams, 1995; Adler, 2002; Deardorff, 2006; London and Sessa, 1999; Parekh, 2000).

The origins of the concept of multiculturalism are found in the Charter of the United Nations, which formulates the fundamental principle that countries which have signed the Charter must educate and promote respect for rights and fundamental freedoms of individuals regardless of their race, gender,

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language or religion (UN Charter, 1945). A significant impact on the perception of multiculturalism was made by the United Nations on 19 December, 1966 which, pursuant to the Charter of the United Nations, 1945, adopted the International Covenant on Civil and Political Rights, which guarantees the right of persons who belong to national, religious and linguistic minorities “shall not be denied the right, in community with the other members of their group, to enjoy their own culture, to profess and practise their own religion, or to use their own language” (ICCPR, Article 27).

Quite a number of publications and public speeches on the topic of the phenomenon of multiculturalism show that there are both proponents and opponents thereto. Without perception of the historic transformation of this process, most researches, speeches and publications reflect the current situation only partially, thus it is necessary to analyse more closely the historical origins of the multiculturalism process and establish its ties with the present with the emphasis on the historic context of the topic and the importance of perception of this process for contemporary society.

**The aim** of the research is to analyse steps made by Lithuania towards multicultural society.

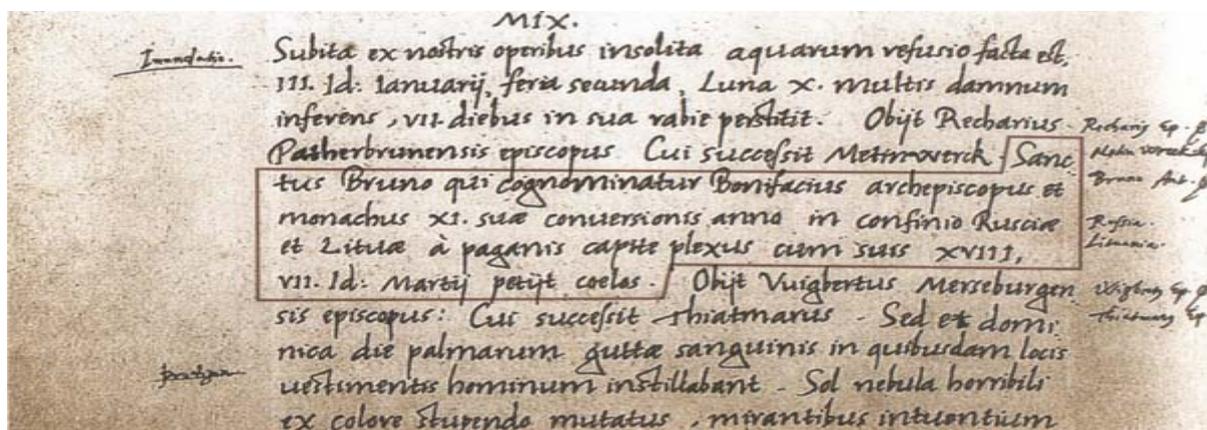
**The objectives** of the research are:

- to analyse and generalize sources of historical, management and other scientific literature and legal documents on the selected topic;
- to discuss the development of multiculturalism ideas in Lithuania from early historic period to modern times; and
- to evaluate the penetration of multiculturalism ideas into the Lithuanian society.

**The methods** of the research are applying the principles of historicity, comparative case study, and critical assessment of the situation.

## 2. Multiculturalism in the Early Historic Period in Lithuania

The name of Lithuania (*Lituae*) was first mentioned in the Annals of Quedlinburg on 9 March, 1009 in a passage about St. Bruno's death: “Sanctus Bruno qui cognominatur Bonifacius archepiscopus et monachus XI. suae conuersionis anno in confinio Rusciae et Lituae a paganis capite plexus cum suis XVIII. VII. Id. Martij petijt coelos” (*St. Bruno, an archbishop and monk, who was called Boniface, was slain by Pagans during the 11th year of this conversion at the Rus and Lithuanian border, and along with 18 of his followers, entered heaven on March 9th*) (Albinus, 1025). Thus, the history of Lithuania as a nation state already counts the second millennium of its existence.



It is estimated that in 1009 only about 170 thousand people resided in the territory of Lithuania (100% of Lithuanian nationals), in 1260 the population rose to 300 thousand people, where every tenth was not a Lithuanian national (Vaitekūnas, 2006, p. 32, 42-43). Obviously, having such population density, only small (5-10 houses) rural-type settlements were created, whereas rural communities developed in a monoculture environment based on ethnic isolation, though characterised by peculiar culture (Baranauskas, 2000).

Only the Xth century saw a new period of cultural uplift, characterized by the coexistence of different ethnos (Lithuanian, Curonian, Polish, and German) in neighbouring territories. Recent research shows that during this period, new types of settlements (i.e. urban prototypes), such as Palanga, were

created, with people from different ethnic groups involved in trade and crafts: smothery, pottery, etc. utensil production (Kiaupa et al., 1995, p. 45). However, the emerging urban prototypes were essentially agrarian in nature, and the communities that lived in them were weak, therefore, the towns of that period, as for their purpose, urbanization and culture, hardly resembled the neighbouring cities of Riga and Gdansk, which already had the Magdeburg, or self-government, rights.

In spite of making steady progress, the Baltic tribes remained the last pagans of Europe, and their communities were for centuries characterized by cultural separation and lagging behind the world, thus, the Catholic Church and the Western countries made serious efforts to christen these tribes.

### 3. Multiculturalism during the Formation and Development of the State of Lithuania

In the 11th century, Lithuania had to resist the frequent pressure from the bordering Kievan Rus, at the same time, Lithuania began economic and political contacts with this state which laid foundations for the civilizational influence of Rus. Because of such contacts, in the early 12th century many borrowings came from the Old Russian language, for example, through the Orthodoxy, first the concepts of 'kreščeniene' (*christening*) or 'božnica' (*church*) came, which implies that the influence of the West on the Lithuanian language was minimal at that time.

Unfortunately, in the 12th-13th c. there was no Lithuanian written language yet, therefore, due to living together and communicating with people from Rus' territories - the process of losing certain original national Lithuanian features started.

As the Grand Duchy of Lithuania expanded its territory to eastern Slavic regions, the internal written communication was in the Old Russian language with Cyrillic alphabet (Eidintas et al., 2013, p. 58). For international correspondence such other languages were also used as German (Prussian and Livonian), Czech and, if necessary, Arabic; however, diplomatic documents, as a rule, were drafted in Latin.

In 12th-13th c. the feudal state of Lithuania – the Grand Duchy of Lithuania (LDK) – was formed, which included the ethnic Lithuanian lands and the Baltic and Slavic duchies contiguous to Lithuanians. After Grand Duke of Lithuania Mindaugas was baptised as a Catholic in 1251 and after he was crowned as the King of Lithuania in 1253, the Pope Innocent IV signed a bulla in Milan whereby Lithuania was acknowledged a Catholic Kingdom. This bulla was extremely important for Lithuania, as up to that time almost no one was aware of the existence of Lithuania (Gudavičius, 1999).

The process of shaping the foundations of the state and increasing the number of its population, was closely related with search for the specific forms of state governance and coexistence of different ethnicities, therefore it is quite natural that Grand Dukes of Lithuania, at the initial stages of formation of the state, by means of their enjoyed privileges guaranteed trade freedom to both East and West merchants. This created favourable conditions for the formation of dukes' cities, for example, Vilnius, Kaunas, Trakai, where mainly German and Rus'ian merchants settled. It should be noted that foreigners enjoyed freedom of conscience and could have their houses of prayer to perform their ceremonials.

In his letters to Pope John XXII, Duke Gediminas expressed his desire to receive the Catholic faith and to establish the Catholic Archdiocese, while announcing that there were already three churches built in Vilnius and Naugardukas. Simultaneously, Duke Gediminas created an Orthodox metropolis in Lithuania. Unfortunately, at that time, Gediminas' desire to be christened was not implemented due to the resistance of Samogitian and Orthodox feudal lords, but this fact did not diminish the ruler's desire to direct Lithuania towards the European civilization.

In order to bring Lithuania closer to the European civilized countries, Duke Gediminas on 25 January, 1323, addressed a letter to citizens of Liubek, Zund, Bremen, Magdeburg, Köln and other cities:

*To all Christians spread all over the world, men and women, ..... to every person of good will we open our land, possessions, and the entire kingdom. .... To knights, squires, merchants, doctors, blacksmiths, wheelwrights, cobblers, furriers, millers, shopkeepers and any other craftsmen – to all these mentioned people we wish to assign land to each one according to his position. Those farmers who want to come, shall farm our land without any tax. Merchants can arrive and depart freely, without any charges and duties, without any obstacles at all. .... If knights and squires wish to stay, I will grant them income and possessions, as appropriate* (Classic Lithuanian Literature Anthology, 2017).

Evaluation of this appeal of the ruler of Lithuania to Europeans in the context of our times, shows that the Grand Duke of Lithuania Gediminas was well aware that in order to establish the young state in

Europe of that time, it is necessary to apply a new approach to the priorities of the country's political and economic development. In terms of the present-day terminology, the ruler of Lithuania "opened the door" to European experience with new competences to be introduced in the land of Lithuania, at the same time he declared that one of the priorities of the state is development of a multicultural society.

Under the rule of Gediminas, Lithuania considerably expanded its territory and became the largest state in Europe. The population reached 700 thousand, 53 percent of which were Lithuanians and 47 percent - Slavic (Ukrainians, Byelorussians, Russians, and Poles) (Vaitekūnas, 2006, p. 43 pagal Pakštą, 1968a, p. 451). On the other hand, in the new territories of the Grand Duchy of Lithuania, Lithuanians could not impose their own language or customs or religious convictions on others, because paganism was not able to compete with Orthodoxy, which had much earlier established administrative structures and written language, especially among monks. In addition, when the state of Lithuania began to rule the lands of Rus', the dukes of Lithuania, who had become the locals of those lands, often, adopted Orthodoxy, for example, the oldest son of Mindaugas Vaišelga in 1245 adopted Orthodoxy. Such facts resemble the nominal power of the state of Lithuania in relation to new territories; on the other hand, it inspired tolerance for people of different religions, which in the future became a serious precondition for developing the basis of tolerance for multi-ethnicity.

Unfortunately, it is not documented what impact Gediminas' address to the people of European countries had on the extent of arrivals of foreigners to the country, but it is well known when and how the Jews settled in Lithuania, the two-Turkic tribal communities (Tatars and Karaites, who belong to the oldest Turkic tribes in terms of language and ethnogenesis) and some people of other nationalities.

As we see, the cultural environment of Lithuania was formed from the very first stages of the state's formation on the basis of different nations with different cultural and confessional traditions, but the geographical position of the country objectively determined its peripheric nature (Alisauskas et al., 2001). At the same time, it can be argued that in the period of formation and development of the state of Lithuania, christening of the Lithuanian nation and peaceful co-existence of different cultures are considered to be the main impetus of multiculturalism.

After joining Poland in 1569 in the union of Lublin and becoming an integral part of the Republic of Two Nations (ATR), the statehood of Lithuania was not abolished, however, it was significantly curbed, for example, not only general rulers but also joint chambers were introduced. After formation of a joint state, Lithuanian, Russian, Polish and Latin linguistic models of culture coexisted together as an outstanding feature of Lithuania.

However, it is universally recognized that the Republic of Two Nations introduced many significant innovations to the 16th-18th centuries European culture, including traditions of religious tolerance and the nobility democracy.

Over the centuries the capital of the Grand Duchy of Lithuania, Vilnius, embraced multiculturalism and peaceful coexistence of various national communities and religious confessions. Today it is acknowledged that in the 18th-19th centuries, Vilnius was rightly attributed to the top ten of the Jewish world cultural centres, alongside Amsterdam, London, Warsaw, Lvov, Thessaloniki, Istanbul, Tunisia and Baghdad (Eidintas et al., 2013, p. 84).

The Grand Duchy of Lithuania formally ceased to exist after adoption of the constitution of the Republic of Two Nations in 1791, and in reality, in 1795, when the Republic of Two Nations was finally divided between neighbouring countries - Russia, Prussia and Austria. After the collapse of the state, all the cities of the Grand Duchy of Lithuania lost their self-governance. This period of Lithuanian history is marked by the destruction of previously developed multiculturalism.

#### **4. Multiculturalism in Lithuania under the Rule of the Russian Empire (1795-1918)**

After the collapse of the Republic of Two Nations in 1795, Lithuania became a part of the Russian Empire. The administration of the Russian Empire began to destroy the authorities and all other Lithuanian institutions, which hindered operation of administrative structures in the territory of the rest of the empire, the use of the Polish language was replaced by the Russian language. The official use of the name of Lithuania after the uprising of 1831 was banned – it was replaced by the "North West Land" or just Western Russia. After the uprising of 1831, the administration of the Russian Empire changed its official position towards the Catholic church as well, and accused it of assisting the rebels, thus closing down a number of Catholic churches and monasteries and expropriating the land belonging to the church.

Through all these actions, the tsarist government strived to strengthen the position of the Russian Orthodox Church in Lithuania, mainly in order to make it a tool in the process of russification of the society (Eidintas et al., 2013, p. 106, 113).

After the uprising of 1863–1864, the Lithuanian press in Latin characters was banned, newspapers or prayer books in the Lithuanian language became a taboo. Publishing and dissemination of any papers in Lithuania was prohibited. Thus, the tsarist government hoped to change the cultural identity of the country and the mentality of the nation. Nevertheless, the Lithuanians opposed the press ban, and thus began to print Lithuanian publications abroad (in Prussia, Lithuania Minor and America), and almost six thousand ‘book smugglers’ illegally transported the press across the border and distributed them in the territory of Lithuania. Apprehended and convicted ‘book smugglers’ were exiled to Siberia and imprisoned for one to five years (Kaluškevičius, Misius, 2004).

However, after abolition of serfdom in Russia in 1861, a new transformation of the Lithuanian society began with a definite stratum of national intelligentsia formed. During 1865-1904 about 130 Lithuanian periodicals were printed in Lithuanian, including such prominent papers as ‘Aušra’ (‘Ausra’, 1883–1886), which focused on the Lithuanian history and was edited by J. Basanavičius (1851-1927), and ‘Varpas’ (1858-1899), which advocated ideas of liberal democracy, criticised the tsarist regime, fostered formation of the common Lithuanian literary language and was edited by V. Kudirka (1889-1905) ([http://www.spaudos.lt/Spauda/Periodines\\_spaudos\\_raida.htm](http://www.spaudos.lt/Spauda/Periodines_spaudos_raida.htm)).

Publication of the Lithuanian press reinforced the position of the Lithuanian language. In Polonised regions of Lithuania, a struggle for the mass in churches to be held either in Polish or in Lithuanian began. Proponents of the Polonised Lithuania did not want to give up so easily, although in the main ethnic part of Lithuania they no longer had any chance of dominating. The idea of the union of two nations at that time had already died in the minds of many pragmatically oriented Lithuanians. It was time to choose the nationality – Polish or Lithuanian, whereas in the Belarusian or borderland territories – Byelorussian (Baranauskas, 2012). Consequently, the concept of modern Lithuania fostered by the best Lithuanian minds faced a huge problem – in the early XX c. the Lithuanian language had given way to the Polish and Byelorussian languages in the south-eastern parts of ethnic Lithuania. However, some of the nobles in the Polonised part of Lithuania still considered themselves as ‘Litvinai’ or ‘Old Lithuanians’, but most of them became integrated into the Polish nation, whereas Lithuania was considered a part of Poland (Eidintas et al., 2013, p. 16).

## **5. Multiculturalism in Lithuania during the 20th c.**

The interwar period (1918-1940) in Lithuanian state policy can be reasonably defined in terms of obvious features of a multicultural society with active participation of national communities in the life of the country.

In general, a retrospective review of the centuries-long period of mutual coexistence of various national communities with Lithuanians leads us to the conclusion: over the long period of time, the image of an ‘intranational’ Lithuanian coexisting with other national communities was established, including such features as the possibility to use their own language and customs, to celebrate their traditional holidays, to prepare educational programs corresponding to national needs", etc.

In the interwar period, all foreigners in Lithuania equally enjoyed political and civic rights and freedoms guaranteed by the Constitution, whereas national communities were legally attributable to the Lithuanian traditional ethnic communities.

During the Soviet era (1940 – 1941 and 1944 – 1990), all the customs that emphasized the ethnic identity of national minorities were transferred to the private family dimension, which helped people throughout decades of occupation to protect their identities as much as possible, thereby avoiding assimilation and loss of national identity imposed by the government. There is no doubt that such behaviour during the Soviet period was crucial for survival and partly preserved the foundations of Lithuanian multiculturalism.

Lithuania in the 20th century was removed from the world political map due to the Soviet occupation which lasted for 50 years. During this period, Lithuanians suffered great losses in the areas of social and human potential development (loss of state self-management skills, lack of relevant skills of employees, etc.), economy (lack of response to changes, inability to use the competitive advantage, etc.), culture (constraints on the development of national culture, poor knowledge of foreign cultures and

ignorance of links between different cultures, etc.), finally, restrictions on the freedom of conscience of people and their direct destruction. As the Western world constantly develops national management experience and looks for new developmental solutions in the economy, social, cultural and spiritual life, Lithuania, under the Kremlin's Soviet policy, underwent the period of stagnation and lagged behind the standards of the time. At the same time, it must not be forgotten that during the Soviet times the Lithuanian nation accumulated a huge internal potential, which at the end of the 1990-ies helped to make a breakthrough in the form of the movement of national revival. People of other national communities also actively participated in this movement.

## **6. Contemporary trends of multiculturalism development in Lithuania**

Article 45 of the Constitution of the Republic of Lithuania adopted by the national referendum on 2 November 1992, provides that 'ethnic communities of citizens shall independently manage the affairs of their ethnic culture, education, charity, and mutual assistance'. It also says that 'ethnic communities shall be provided support by the State' (<http://www3.lrs.lt/home/Konstitucija/Konstitucija.htm>). There are eleven religions registered in Lithuania, which are professed by more than one thousand citizens, thus Article 43 of the Constitution states that the State recognises traditional churches and religious organisations in Lithuania and other churches and religious organisations provided that they are supported by the society, and their teaching and practices do not contradict with the law and public morals.

According to the survey data in 2011 Lithuania hosted citizens of 154 nationalities (in 2001 – 115), however, only 11 ethnic groups were made of a thousand or more people. Lithuania, due to low ethnic diversity is traditionally attributed to the relatively homogenous European countries, characterized by stability of ethnic composition and insignificant flows of arriving foreigners.

After the restoration of Lithuania's independence in 1990, the presence of foreigners lawfully staying in the territory of the state has been regulated under the norms of the Law on the Legal Status of Aliens, besides, the state has assumed responsibility for creating favourable conditions for newly arriving foreigners to integrate into the Lithuania's political, social, economic and cultural life.

Best practices of other countries (Canada, Australia, Great Britain, Germany, Sweden, Norway, and Denmark) show that due to consistent implementation of the integration of foreigners this process can be seen not only as expenses but also as an investment contributing to the country's social and economic development.

On the other hand, cultural expression of most nations often lies in the national traits, with the domination of either peasant (rural) monoculture or urban culture with its wider variety of intercultural communication. Up to the mid-20th c., peasant culture with a monocultural perception of the world was considered to be a national trait of Lithuania, thus this factor, together with the country's small national diversity and historical events has so far limited the need for the development of multiculturalism and does not provide for a more comprehensive discourse on this phenomenon. Studies conducted in 2015 show that the majority of Lithuanians communicate with foreigners without leaving Lithuania (52%), almost every third of them (28%) go abroad once in several years and only every fifth goes abroad several times a year. This is usually the case with senior officials. Almost 50% of Lithuanians are not at all interested in this problem (Gražulis, 2016).

The Lithuanian Migration Policy Guidelines adopted by the Government on 22 January 2014, recognize that public opinion has traditionally been characterized by predominantly closed cultural nature, what is considered one of major barriers to the development of multiculturalism (Government of the Republic of Lithuania, Resolution No. 29, cl. 11.8).

The 2015–2017 Action Plan for Implementation of the Policy for the Integration of Foreigners still identifies as problematic issues of public tolerance and the existing gap in cooperation between institutions, e.g., up to now there is no clear distinction between the function of the state/municipalities and NGOs in integration of foreigners.

The identified problems of integration of foreigners hold back the development of multiculturalism in Lithuania, thus it is reasonable to say that Lithuania is making merely the first steps towards perception and management of cultural diversity.

## 7. Conclusions

Multiculturalism should not be perceived as an obstacle or threat; it should be viewed as an opportunity to benefit from strengths of another culture and seek additional advantage, as it is evident that since the period of ancient civilizations, this process continuously goes hand in hand with progress. Countries with established principles of multicultural coexistence benefit from immigration in the sense that arrivals bring not only linguistic diversity, but also increase the local residents' competence related to heritage of other cultures, which contributes to the country's competitiveness and development of international relations.

Lithuania, for various historical reasons, up to now has been considered a homogenous European country with insignificant flows of migration of foreigners, thus penetration of multiculturalism into the society is characterized by initial steps (the legislative framework has been introduced to regulate the entry of foreigners into the country, their right to integrate into the Lithuanian society, the procedure of acquisition of citizenship). However, in comparison with Canada, Australia and Great Britain, Lithuania has not yet developed a mechanism for promoting public tolerance issues and cooperation between institutions, which hinders the development of multiculturalism. A more comprehensive legal framework should be developed and expanded to provide for the development of multiculturalism in Lithuania.

The national policy agenda should focus on the importance of educating public tolerance, raising awareness of the positive impact of multiculturalism, and seeking to acquire the necessary intercultural competence, including its linguistic dimension.

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# COMMUNICATION IN FOREIGN LANGUAGES: THE NEED FOR GENERIC COMPETENCE IN LABOUR MARKET AND SOCIAL PROCESSES

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## Abstract

The article aims at determining the relevance of the communication competence in foreign languages for Lithuanian citizens in the following areas: job search, occupational activity, career pursuit. The study conducted in 2015 is based on the framework of the communication competence in foreign languages embracing three major domains: (i) knowledge, (ii) skills, (iii) values and attitudes. The survey sample was composed of 201 adult participants who represented four target groups: employed persons, business owners, job seekers and seniors. The survey instrument was a structured questionnaire composed of six major parts (demographic data, languages in use, ways of acquisition the competence of communication in foreign languages, degree of relevance of communication in foreign languages for work-related areas). The descriptive statistical methods were used to collect and process data, frequency tables used for comparing groups, correlations of quantitative variables were investigated. Correlations were analysed to identify differences in approaches based on the occupational status of the study participants. The research findings reveal the relevance of communication in foreign languages for work-related areas. The paper is limited to presenting the findings on the competence of communication in foreign languages for work-related areas. The obtained results can serve as data basis for those who are involved in adult education processes, as well as business people and employment agencies. There has been little rigorous research on adults' linguistic competence, therefore, the findings provide insight on the adults' approach to foreign languages, the meaningfulness of acquiring foreign language skills and their use for work-related purposes.

**Keywords:** generic competence, communication in foreign languages, knowledge, skill, labour market, social process.

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## 1. Introduction

The aging population and the growing shortage of workforce require finding ways to help adults stay longer in the labor market. In today's globalizing world, the need for communication and cooperation has grown to unprecedented level. In 2006 the European Parliament and the Council of the European Union in the document *Recommendation on key competences for lifelong learning, the European Framework of Reference* defined generic competences that everyone needs in order to achieve personal and professional goals, social inclusion and active citizenship in today's rapidly-changing world. Communication in foreign languages is one of the eight competences defined in the document. Generic competences are often associated with a lifelong learning perspective. However, understanding the importance of these competences for future citizens, their education is also foreseen in general education programs. The most widely discussed factors that have led to the need for various competences and the preconditions for their emergence are globalization, increased human mobility, job and study mobility, and migration. The processes of globalization and the growing internationalization of the economy affect the world of work, the introduction of new technologies and the appearance of new forms of work organization. Innovation, productivity and competitiveness are essential factors for generating new knowledge, skills and attitudes as they contribute to the motivation, job satisfaction and quality of work (European Parliament and Council of the EU, 2006). There is a growing concern about social cohesion

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and democratic citizenship, so people need to be informed, engaged and active. Therefore, the required knowledge, skills and attitudes have been changing in line with growing societal demands.

Language knowledge is a recognised asset today. The ability to speak foreign languages is indeed an asset for developing employability and intercultural skills. Languages are particularly related to creativity and the management of feelings, and thus to social and personal well-being. Linguistic skills are clearly necessary for further learning and are promoted through the acquisition and application of other key competences. Broadly speaking, bilingualism and multilingualism mean coexistence, contact and communication in different languages. Giving high priority to the indicated societal issues multilingualism and plurilingualism are encouraged in multiple EU documents. However, in real life context the reverse process is observed, when English is becoming the dominant language (*lingua franca*) and suppresses other, less commonly used languages.

In 2015 a survey on Lithuanian adults' generic competences including the communication competence in foreign languages was carried out and a quantitative study of the obtained data was conducted. The object of this study is the relevance of the communication competence in foreign languages in the defined areas: work-related and social communication. The article aims at determining how much the communication competence in foreign languages is important for Lithuanian citizens. The main factor behind the research was the document on the key competences for lifelong learning (European Parliament and Council of the EU, 2006), which addressed the issues of the constant change in the social and economic life of society. Thus, the document aimed at enabling European citizens to adapt to the ever-changing conditions. Eight key competences, among them communication in foreign languages were defined as ensuring quick adaptation to societal changes.

Referring to the above-mentioned factors of societal life and the aim of the study to research adults' approaches to the communication competence in foreign languages, four target groups were distinguished: working people, business owners, job seekers and seniors. The research tool was a structured questionnaire survey. The descriptive statistical methods were used to collect and process data, cross-frequency (two-variable), frequency tables were used for comparing groups, correlations of quantitative variables were investigated.

## 2. Theoretical background

It has been argued that generic competences increase labour market capacity, efficiency and productivity (Kelly, 2001; Young and Chapman, 2010). These processes have led to the emergence of universal, contextually adaptive competences. Personal development, social inclusion, aging society, active citizenship, employment are among a few preconditions for the emergence of key competences in the EU documents (European Commission, 2002; European Parliament and Council of the EU, 2006; Europos komisija, 2009; European Commission, Review of the 2006 framework..., 2012; European Commission, Rethinking education..., 2012).

In Europe the issue of generic competences was discussed as late as 2000 compared to the US national research into essential skills necessary for those who seek to establish themselves in the labour market was conducted in 1980. The Council of the EU met in Lisbon to define eight generic competences, among them the communication competence in foreign languages as the key competence was mentioned for the first time.

One of the distinct features of generic competences is their transferability. In view of the ever-changing world of work and the changing paradigm of higher education, the development of these competences is particularly relevant for modern society.

In scholarly literature on generic competences as well as in EU documents, these competences are alternatively labelled as *core skills*, *employability skills*, *life skills*, *soft skills*, *transferable skills*, *workplace competences* and *key competences*. Despite the differences in the labels assigned to these competences, they generally refer to skills and attributes that are useful across different job and life contexts. For the sake of clarity, the term *generic competences* is used throughout the remainder of this paper drawing on the definitions:

- *Competence* in this study is understood as the ability to perform a particular job (task) in a real or simulated operational situation, which is determined by the knowledge, abilities and skills acquired in various ways.

- *Generic competences* (GCs) are life-long learning abilities that can be applied in a variety of areas of human and professional life. GC include: ability to communicate in native and foreign languages, ability to learn, initiative and entrepreneurship, digital literacy, ability to use information technology, ability to participate in social and civic activities.

The research analysis of the need for generic competences at the European Union level was carried out only in 2001 when the European Commission created a working group of national experts to gather information on the definition of generic competences in different countries. The results of the conducted survey showed that all peoples participating in the study supported the development of school graduates' competences. The extensive research information disclosed a variety of competences distinguished in different countries. Great Britain was the only country to integrate generic competences into the content of teaching as a separate unit, separated from subject competences (Eurydice, 2002). The Council of the EU, in pursuit of the creation of a knowledge-based society in Lisbon in 2000, was discussing the possibilities for Europe to become a competitive and knowledge-based economy able to compete globally. The European reference framework of key competences for lifelong learning, released at the end of 2006, identifies and defines eight competences that everyone needs to acquire in order to achieve personal and professional goals, social inclusion and active citizenship in today's rapidly-changing world (Communication in the mother tongue; Communication in foreign languages; Mathematical competence and basic competences in science and technology; Digital competence; Learning to learn; Social and civic competences; Sense of initiative and entrepreneurship; Cultural awareness and expression) (European Parliament and Council of the EU, 2006).

### **3. The competence of communication in foreign languages**

*The Common European Framework of Reference for Languages, Education and Assessment* (2002) is currently the most important document in the field of European language policy and its practical application. This document defines the concept of language competence, its structure, scope, levels of language proficiency, language competence and assessment aspects. The linguistic communicative competence consists of several components: linguistic, sociolinguistic and pragmatic. However, discussion on the competence of communication in foreign languages reveals the problem of different conceptions of the linguistic competence(s). Some scholars approach multilingual competence and intercultural competence as separate constructs.

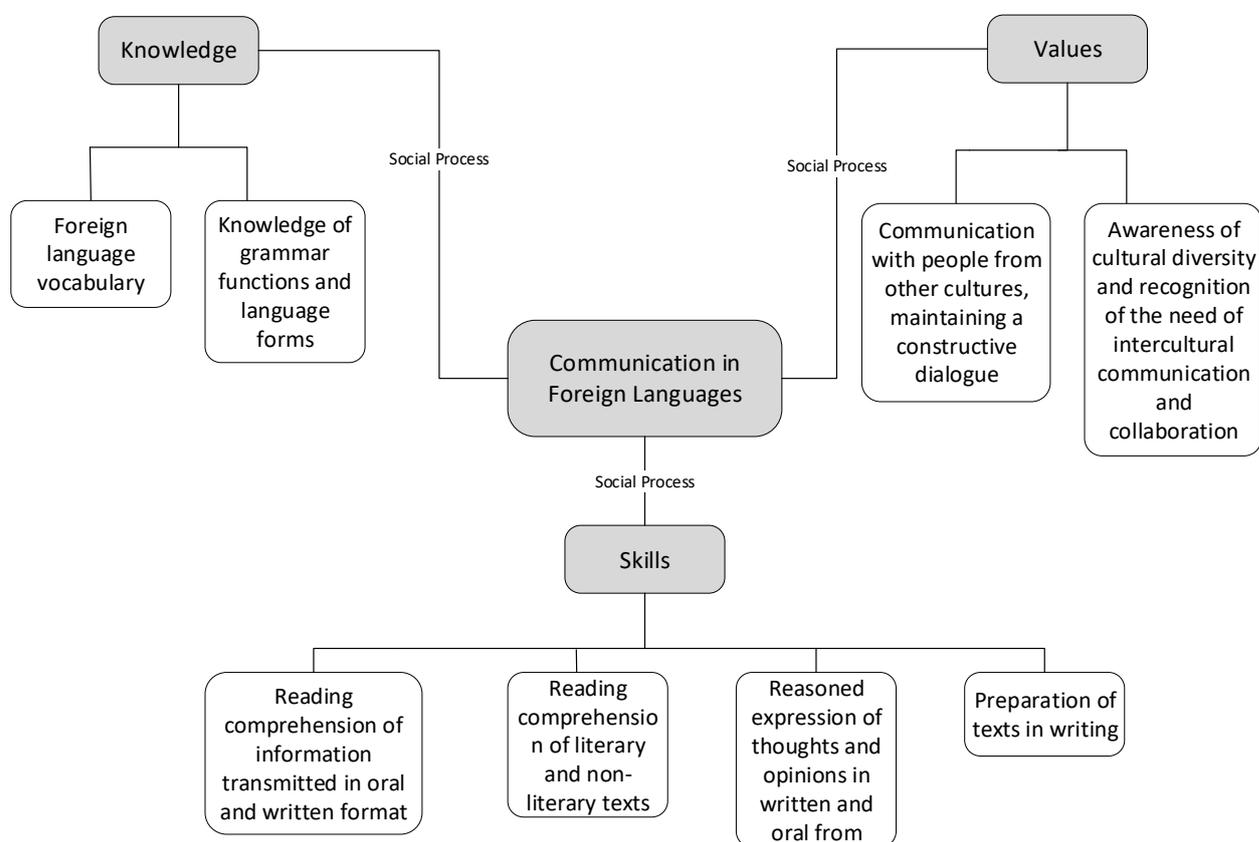
#### **3.1. The framework of the competence of communication in foreign languages**

As has been argued before, the acquisition of linguistic competence is not enough in a modern globalized and mobile society. Thus, simultaneous involvement of sociocultural aspects and cultural dimension in foreign language teaching and learning is an important element (Paulston, 1992; Nazari, 2007).

Our understanding of communication in foreign languages is based on the theoretical approaches to linguistic competence of such scholars as Chomsky, 1965; Byram 1997, Nazari, 2007, Coste et. al., 2009; Dearsdorf, 2011; Witte, 2011; Strohner and Rickheit, 2008; Council of Europe, 2002; European Parliament and Council of the EU, 2006. Communication in foreign languages is a multifaceted phenomenon which implies the elements of linguistic competence, communication competence and intercultural competence. The relevance of cultural dimension in language acquisition is viewed as an intrinsic element of the communication competence in foreign languages. One of the most significant changes over the past few decades has been the recognition of the cultural dimension as a key component of language studies. Therefore, in terms of its contents, aims and competence development foreign language teaching is a complex process today.

The theoretical research discussed in the paper evidences the rationale for communication in foreign languages as a key competence for lifelong learning. The definition worked out for the *Competence of Communication in foreign languages* includes skills in understanding, expressing and interpreting concepts, thoughts, feelings, facts and opinions in written and oral teaching, at work, at home, while spending free time according to the aspirations and desires of each person. This competence

includes four areas of language use: speaking, reading, listening and writing. It also requires skills such as mediation and intercultural understanding.



**Figure 1. The competence of communication in foreign languages**

The framework of the competence of communication in foreign languages embraces three major domains: (i) knowledge, (ii) skills, (iii) values and attitudes. The knowledge domain covers knowledge of vocabulary, grammatical functions and language forms, the domain of skills embraces text comprehension, written and oral communication, text preparation in writing, the value domain includes interaction with other cultures, awareness of cultural diversity and the need for intercultural cooperation. However, language is best applied in a communicative act, *id. est*, social context. This is emphasised in the framework of communication in foreign languages (see Figure 1).

### ***3.2. Needs and demands of communication in foreign languages***

Several extensive studies evidence the importance of the competence of foreign languages for the work area. ELAN (European Commission, 2007) and PIMLICO (European Commission, Report on Language Management Strategies..., 2011) studies revealed the necessity of linguistic competences for work by providing data on the impact of languages. ELAN evaluated and measured the impact of language deficiencies and presented data on business losses. According to the ELAN study, a large proportion of European small and medium-sized businesses lose their contracts each year due to linguistic and intercultural weaknesses (European Commission, 2007). Among the languages that will be needed in the coming years, English is leading (25.84 per cent), followed by the German (17.84 per cent), French (13.19 per cent), Russian (11.74 per cent) and Spanish (6.55 per cent). The demand for other languages is considerably smaller. English is globally recognised as the first foreign language *de facto*. Yet, the EU directives and regulations on language policy emphasize the acquisition of two or more foreign languages. This controversial policy and real-world mismatch encourages consideration of problems and barriers to the implementation of future plans. The referred studies highlighted the link between language skills and

work, emphasizing that knowledge of languages and cultures offers better opportunities for better work. The PIMLICO study focused on success of businesses in relation to languages. The surveys indicated that success was associated with: the employment of native speakers; recruiting employees with existing language skills. The study findings are seconded by the EC document *Languages mean Business. Companies work better with Languages* (European Commission, Languages mean Business..., 2011) which claims that small and medium-sized businesses experience big losses due to weak linguistic and intercultural communication skills and provide guidance on how to achieve better business performance through language potential. Similarly, the Communication on Multilingualism *Multilingualism: an asset for Europe and a shared commitment* (European Commission, 2008) highlights the link between language skills and work, emphasizing that knowledge of languages and cultures offers better opportunities for better work. The findings presented in the section validate the relevance of the research into adults' skills to communicate in foreign languages.

#### 4. Research methodology

The aim of the study (2015) on the competence of communication in foreign languages was to determine the relevance and necessity of generic competences (communication in foreign languages) in modern society in parallel with the societal needs and areas of their application.

This paper is limited to presenting findings on the competence of communication in foreign languages for work-related area.

##### *Participants of the research*

The research sample was composed of 201 study participants who represented four target groups: i) working people, ii) business owners, iii) jobseekers, iv) seniors. Describing the demographic characteristics of the respondents, it is evident that 41 per cent of the respondents were young people aged 18 - 29. Nearly half of all the respondents (49.7 per cent) were married, the majority live in the city (81.4 per cent) and have a job or their own business (69.3 per cent). The most active research participants were young persons and the least active –70 + (6 per cent). The majority were female (73 per cent) and higher education graduates (65 per cent).

*The research instruments.* The instrument used in this study was a structured questionnaire composed of six major parts:

- Demographic data (place of residence, age, education, employment, marital status, gender)
- Degree of relevance of communication in foreign languages for work, personal and social life
- Languages in use (languages respondents are able to use, their competence level)
- Ways of acquisition the communication in foreign languages competence
- Factors encouraging learning foreign languages
- Acquisition hindrances of foreign languages.

Internal reliability of the survey instrument was determined on the basis of Cronbach's alpha - 0.867.

##### *Research methods*

Quantitative analysis of the research data was carried out using a descriptive method and statistical data analysis. Descriptive statistical methods were used for data location, frequency distribution and correlation between them. The differences between the groups of respondents (based on social factors) and statistical significance were determined using appropriate tests. The primary empirical data were coded and statistically processed using SPSS 17 for Windows (Statistical Package for Social Sciences) program. The correlation analysis was carried out to research the relationship between the respondents' occupational status and the major domains of the communication competence in foreign languages: (i) knowledge, (ii) skills, (iii) values and attitudes. The tables present the distribution of frequencies in per cent of all the study participants.

#### 5. Results and findings

The data analysis proved that respondents consider generic competences to be very significant and important for all the researched areas (professional activities and work, career advancement, participation in social, cultural activities, and citizen's duties). The research focused on the impact of the

communication competence in foreign languages (according to the domains presented in the framework, see Figure 1) on the respondents' professional life (job search, workplace retention, career pursuit).

It is noteworthy to mention that work-related needs were recognized as one of the most important factor encouraging the development of communication in foreign language competence.

### ***5.1. Relevance of the competence of communication in foreign languages for job search***

The research on the relevance of foreign language knowledge and skills for job search was focused on four activities: 1) Helps prepare documents for employment, 2) Helps search information about job vacancies, 3) Helps communicate with employers in job search, 4) Helps present oneself in the candidate selection process. The findings indicate the diversity of opinions (see Table 1). *Foreign language vocabulary and grammar knowledge* are seen as the most helpful for the second activity (36,8 per cent), the *skill to read and understand texts* is also necessary for the same activity (31,8 per cent). A similar number of the respondents view *understanding of information in written/oral format* as an important skill for preparation of job documents (30,5 per cent) and communication with the employers (29,9 per cent). The *ability to express ideas and opinion in foreign languages* is reported as a key skill for communication with employers by more than a half of the study participants (52,6 per cent). This finding is seconded by Henry (Henry, 2011): "The ability to speak foreign languages is indeed an asset for developing employability and intercultural skills". A *skill to prepare a text in written and oral formats* is considered as important for preparation of employment documents (47,3 per cent). A *skill to communicate with people from other cultures*, that falls into the domain of values and attitudes is also viewed as a relevant factor for a successful job search (47,4 per cent).

**Table 1. Relevance of foreign language skills for job search (frequency in per cent)**

	<b>Helps prepare documents for employment</b>	<b>Helps search information about job vacancies</b>	<b>Helps communicate with employers in job search</b>	<b>Helps present oneself in the candidate selection process</b>
Foreign language vocabulary and grammar knowledge	27,5	36,8	17,5	18,1
Skill to understand conveyed information in written and oral format	30,5	26,3	29,9	13,2
Skill to read and understand literary and non-literary texts	22,9	31,8	21,8	23,5
Skill to express ideas and reasoned opinion	8,2	4,7	34,5	52,6
Skill to prepare a text in written and oral format	47,3	5,9	28,4	18,3
Skill to communicate with people from other cultures	6,9	8,6	47,4	37,1
Skill to acknowledge diversity of cultures and need for intercultural communication	8,2	9,4	40,4	42,1

The differences of respondents' opinions according their occupational status were not statistically significant.

### ***5.2. Relevance of the competence of communication in foreign languages for work place retention***

The next question was related to the study participants' opinion on the impact of communication in foreign languages on workplace retention according to the importance of the skills for completion of certain activities: 1) achieve better results; 2) save time and efforts; 3) communicate and cooperate with colleagues; 4) solve work related problems; 5) meet quality requirements, 6) develop new ideas and solutions, 7) protect their rights at work (see Table 2.).

The impact was also compared according to the employment status. The obtained data revealed that *knowledge of foreign language vocabulary and grammar* helps achieve better results (39,5 per cent). For a quarter of the respondents who have their own business this knowledge helps save time and efforts (25,0 per cent). We disclosed the difference in opinions in relation to the category *understanding of information conveyed in written or spoken format* according to the respondents' employment status: similar number of the working respondents and business owners agree that this skill helps achieve better results, but a small part of job seekers agree with this statement (12,8 per cent). Quite many of this group (28,2 per cent) consider the skill as helping them to *save time and efforts*. None of the business owners considers this ability to be helpful to solve work-related issues, but almost a quarter of the working respondents (23.9 per cent) state the opposite. Very few agree that this ability can help *develop new solutions and ideas* or *defend their rights*. Differences in the respondents' attitudes are statistically significant (Chi-Square -, 017\*). 3) According to a distinctive part of the respondents' opinion *the ability to read and understand literary and non-literary texts in a foreign language* is the best way to achieve better results (21.8 per cent) and least helps protect their rights (3.4 per cent). A statistically significant difference was found (Chi-Square -, 019\*). *The ability to express ideas and opinions in foreign language(s)* is important for achieving better results (21,0 per cent), helps communicate and co-operate with colleagues (25,0 per cent), but it does not save time and effort (6,8 per cent) and does not help comply with quality requirements (5.7 per cent). The distribution of the responses is statistically significant (Chi-Square -, 001\*). *The ability to prepare written and oral texts in a foreign language / language* is most helpful for solving work-related issues (21.3 per cent). When comparing responses according to the participants' employment status, opinions mostly differed in the category helps *deal with work issues*: 27.3 per cent of seniors, 22.7 per cent employed participants, 13.3 cent business owners and a bit more job seekers (18.4 per cent) support this claim. Another statement *helps develop new ideas and solutions* is also evaluated differently: 19.1 per cent of the working respondents, 13.3 per cent having their own business and 10.5 per cent of jobseekers supported the statement; conversely seniors did not agree with it (Chi-Square - , 042\*). 37.1 per cent of the study participants consider the *ability to communicate with people from other cultures maintaining a constructive dialogue* helps to communicate and co-operate with colleagues. However, this skill is viewed as not important for maintaining quality or defending their rights. There was no statistical difference in this category. *The ability to recognize cultural diversity and the need for intercultural communication and cooperation* helps communicate and co-operate with colleagues (32.4 per cent). Fewer respondents (22.5 per cent) think that this ability helps achieve better results. The participants' opinions have not significantly differed in this respect.

\*p value is significant at p=0.05

**Table 2. Competence of communication in foreign languages for work place retention (frequency in per cent)**

	Achieve better results	Save time and efforts	Communicate and cooperate with colleagues	Solve work-related problems	Meet quality requirements	Develop new solutions	Protect their rights at work
Foreign language vocabulary and grammar knowledge	39,5	39,5	7,3	13,0	14,7	5,1	1,7
Skill of conveying information in written and oral format	1,7	23,3	17,0	20,5	8,5	5,7	3,4
Skill to read and understand literary and non-literary texts	21,8	14,9	13,2	17,8	13,8	14,9	3,4
Skill to express ideas and reasoned opinion	21,0	6,8	25,0	15,9	5,7	13,1	12,5
Skill to prepare a text in written and oral format	18,4	17,2	8,0	21,3	14,4	15,5	5,2
Skill to communicate with people from other	18,9	6,3	37,1	10,3	3,4	19,4	4,6

	Achieve better results	Save time and efforts	Communicate and cooperate with colleagues	Solve work-related problems	Meet quality requirements	Develop new solutions	Protect their rights at work
cultures							
Skill to acknowledge diversity of cultures and need for intercultural communication	22,5	5,2	32,4	11,00	6,4	20,8	1,7

### 5.3. Relevance of the competence of communication in foreign languages for career pursuit

The relevance of the competence of communication in foreign languages for career pursuit was researched according to the following categories: 1) Independently plan a career, 2) Find information about career opportunities, 3) Communicate with HR professionals in career issues, 4) Evaluate suggestions for higher positions, 5) Present personal advantages to employers, 6) Create and develop self-employed business/activities (see Table 3).

**Table 3. Relevance of the communication skills in foreign languages for career pursuit (frequency in per cent)**

	Independently plan a career	Find information about career opportunities	Communicate with HR professionals on career issues	Evaluate suggestions for higher positions	Present personal advantages to employers	Create and develop self-employed business
Foreign language vocabulary and grammar knowledge	24,3	30,6	9,8	9,8	16,8	8,7
Skill of conveying information in written and oral format	12,6	28,6	13,1	17,7	17,7	10,3
Skill to read and understand literary and non-literary texts	13,2	22,4	16,1	15,5	17,2	15,5
Skill to express ideas and reasoned opinion	12,6	8,6	18,3	8,0	38,9	13,7
Skill to prepare a text in written and oral format	16,1	13,2	10,9	9,8	32,8	17,2
Skill to communicate with people from other cultures	14,5	11,0	23,7	8,7	22,5	19,7
Skill to acknowledge diversity of cultures and need for intercultural communication	16,0	10,9	21,7	16,0	10,9	21,7

The importance of *foreign language vocabulary and grammar knowledge* on career pursuit is understood similarly by all four groups of the study participants. One third of the respondents (30,6 per cent) agree that it aids them in finding information about career opportunities. The comparison of data on this category according the occupational status does not reveal a statistical difference. Conversely, a significant difference (Chi-Square - ,003\*) was found comparing respondents' responses according their

occupational status in the category *skill of conveying information in written and oral format*. None of the seniors think that this skill can help plan a career and none of the business owners agree with the statement that this skill can help *communicate with HR professionals in career issues*. However, the opinions mostly differed in the category helps create and develop self-employed businesses / activities (more than one third of entrepreneurs agree with this statement - 38.9 per cent, and only 5.3 per cent of job seekers and 6.4 percent of employees (Chi-Square - 0,003\*). *The skill to read and understand literary and non-literary texts* was treated also differently according to the respondents' occupation: none of the seniors and business owners consider this skill to be relevant for career planning. Business owners also disagree with the statement that it helps communicate with human resource professionals in career issues. Nearly half of the group representing business owners (42,9 percent) agree that the skill is very important in the category create and develop self-employed business/activity which stands in disagreement with the employed respondents' opinion (9,9 per cent). The *skill to express ideas and reasoned opinion* is the most important in the category *present personal advantages to employers* (32,8 per cent). However, we found big differences in opinions among the target groups. None of the business owners think that the skill is helpful to evaluate suggestions for higher positions, meanwhile it is important for creating and developing self-employed business/activities (60,0 per cent) in comparison only 10,5 per cent of job seekers think similarly. Moreover, 50,0 per cent of senior respondents view the skill as helpful for presenting personal advantages to employers, one third of job seekers (31,6 per cent) and only 6,7 per cent of business owners, who are potential work place providers. According to the occupational status a significant difference is observed (Chi-Square -,005\*). The respondents have the same opinion about the *skill to prepare a text in written and oral format* (32.8 per cent).

The distribution of the responses about the *skill to communicate with people from other cultures* is rather even. The biggest number of responses is given to helps communicate with HR professionals in career issues (23,7 per cent) and *present personal advantages to employers* (22,5 per cent). The *skill to acknowledge diversity of cultures and need for intercultural communication is mostly important for communication with HR professionals in career issues* (21,7 per cent) and creating and developing self-employed business / activities (21,7 per cent), thus, implying the respondents' acknowledgement of diversified and global labour market. The differences of opinions in this category is not statistically significant.

## 6. Conclusions

The study conducted in 2015 with the aim to identify the relevance of communication in foreign languages for work-related area (job search, retention of workplace and career pursuit) revealed the impact of certain foreign language skills on particular activities:

1. The most important for job search are the skills to present ideas and reasoned opinion in foreign language(s) and communicate with people from other cultures. Correlation analysis based on occupational status (employed persons, business owners, job seekers and seniors) does not indicate a statistically significant difference as regards the job search area.

2. The competence of communication in foreign languages is evenly relevant for workplace retention activities as it helps achieve better results and communicate with employers. The impact on workplace retention has highlighted such skills as to express ideas and reasoned opinions that help present oneself in the candidate selection process and collaborate with employers. The skill to communicate with others by maintaining a constructive dialogue is also identified as relevant in this area. Correlation analysis by the participants' occupational status reveals certain statistically significant differences in assessing certain skills necessary for workplace retention (the skill to understand conveyed information, the skill to understand literary and non-literary texts, the skill to express ideas and opinion).

3. In career pursuit such skills as expressing ideas and reasoned opinion and preparing a text in written and oral format are mostly beneficial for the activity of presenting personal advantages to employers. Foreign language vocabulary is important for finding information about career opportunities. Correlation analysis by occupational respondents' status reveal statistical difference in approaches to the knowledge of vocabulary and grammar, skill to read and understand texts, express ideas and opinion, prepare text in written or oral format, communicate with others, thus implying differences in life experience.

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# UNCONVENTIONAL TASKS OF FORENSIC LINGUISTIC EXPERTISE: INVESTIGATION OF PLAGIARISM

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## Abstract

The purpose of the paper is to analyze non-conventional possibilities, problems and ways of improvement of forensic investigation tasks such as linguistic expertise and plagiarism. Alongside the traditional identification of authorship, i.e. individual and group identification and diagnostics, in modern expertise two more unconventional trends of linguistic investigation should be distinguished: the analyses of text (investigation in order to ascertain the meaning of certain words and to clarify if the copyright was infringed, examination of content and sense of a discourse, etc.) and the investigation of plagiarism. The present article tackles the problems of the investigation of the appropriation of authorship (i.e. the issues of the investigation of plagiarism) in the cases of linguistic investigation instituted in the Forensic Science Centre of Lithuania. In the practice of forensic linguists such investigations are scarce but they reach the court. The research was conducted using the methodology – state-of-the-art literature analysis. The issues of the investigation and interpretation of texts and oral discourse, defamation, insult, incitement of racial, national or religious hatred, infringement of copyright or plagiarism are not less and at times even more significant. Due to the limited scope of the research the paper excludes an explicit analyse of such unconventional task of the linguistic investigation as a text analysis including an investigation in order to ascertain the meaning of certain words, examination of content, the sense of a discourse, etc. Although the expertise practice in various countries is different, acute problems are similar: search of scientific substantiation, creation and improvement of methodological recommendations, development of concepts, etc. The article introduces the practice of foreign court linguistics in other countries in the aforementioned sphere and defines the possibilities concerning the expertise of the appropriation of authorship in present-day Lithuania.

**Keywords:** forensic linguistic expertise, authorship identification, linguistic features, plagiarism.

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## 1. Introduction

Linguistic knowledge may be widely applied in the modern practice of expert examination. Linguistic knowledge and techniques primarily constitute a framework for forensic linguistic investigation, also known as the identification of authorship. Apart from linguistic examination, linguistic knowledge and techniques are used in a variety of expert examinations such as the examination of handwritten texts and printed documents as well as in phonoscopic examination.

Alongside the traditional identification of authorship, i.e. individual and group identification and diagnostics, in modern expertise two more unconventional trends of linguistic investigation should be distinguished: the analysis of text (investigation in order to ascertain the meaning of certain words and to clarify if the copyright was infringed, examination of content and sense of a discourse, etc.) and the investigation of plagiarism.

The present article tackles the problems of the investigation of the appropriation of authorship (i.e. the issues of investigation of plagiarism) in the cases of linguistic investigation instituted in the Forensic Science Centre of Lithuania. In the practice of forensic linguists such investigations are scarce but they reach the court. While carrying out such expertise, taking part in the hearings of the aforementioned cases and studying special field literature, the problems encountered by experts were clarified and the possibilities of such investigation were determined. In this article plagiarism is analysed by three aspects. First, the issue of precise definition of plagiarism is discussed as there are no general rules about what should be considered plagiarism and what are its limits. Second, as most information about plagiarism is

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found in the context of science and studies, the article reviews the problems related to plagiarism emerging in the academic community. Third, the article introduces the practice of foreign court linguists in other countries in the aforementioned sphere and defines the possibilities concerning the expertise of the appropriation of authorship in present-day Lithuania.

## 2. Theoretical background of the unconventional forensic linguistic investigation

It is common knowledge that the theoretical and methodological basis of forensic linguistic expertise is called forensic linguistics. The main objective of forensic linguistics is to investigate linguistic features in documents as well as to develop methods of investigation in order to identify or define the author of the text and to establish other circumstances significant for the case (Ryngevič, 2009).

In Anglo-Saxon countries, the application of linguistic knowledge is traditionally orientated towards the solution of such issues as the authenticity of interrogation protocols, the peculiarities of courtroom translation and communication during judicial proceedings on the whole (Shuy, 2006, 2014, 2016, Shuy et al. 2015). Meanwhile in Germany, particular attention is given to the analysis of anonymous texts in cases of blackmail, threats, abduction, etc. The establishment of the authorship of an anonymous author for judicial needs is performed by the Federal Criminal Police Office of Germany and investigation is conducted in especially complicated cases of blackmail, threats, abduction or confession to a crime. Regarding the needs of civil law, such investigation is carried out by private experts (Dern, 2009).

Generally, the possibilities of the use of linguistic knowledge and methods in expertise are considerably extensive. The analysis of linguistic texts for judicial needs can embrace the solution of the issues of not only the traditional authorship of the text (i.e., individual and group identification and diagnostics) but also such problems as, for instance, the investigation of the content and meaning of linguistic discourse, in order to establish if the text contains offensive words, threats, blackmail, defamation, insult, incitement of racial, national or religious hatred, as well as in order to identify the meaning of certain words and to discover if there was a violation of copyright, etc.

The main tasks of linguistic (authorship) expertise are as follows: 1) investigation of authorship; 2) investigation of linguistic aggression; 3) investigation in cases of the misappropriation of authorship. The aims of the investigation (expertise) of authorship are as follows: 1) to identify the author of the text among the suspected persons; 2) to describe the state of the author when creating the text and the conditions of the process of the creation of the text; 3) to characterise the anonymous author in case of the absence of any suspects.

The aim of the investigation of linguistic aggression is to establish certain aggression in the investigative linguistic discourse, this aggression violating the articles of the Criminal, Civil or Administrative Codes (containing traces of humiliation, blackmail, threats, incitement, etc.). Linguistic aggression is purposeful communicative activity aimed at causing a negative psychological state to a person. Such investigation may be conducted in dignitary torts or in cases of incitement of hatred and humiliation, insult, defamation, threats and terrorising, incitement of discord, or other kinds of incitement. The investigation in cases of the misappropriation of authorship (plagiarism) can establish which linguistic fragments coincide in two works as well as analyse if the same ideas are conveyed while paraphrasing the text.

Forensic linguistic investigation may also be connected with the cases when patent rights, copyright or related rights are infringed. A court linguist's help may be necessary when it is vital to prove that a newly registered trademark does / does not entirely resemble another, already existing trademark or name. Thus a linguist analyses the phonetic and graphic expression of the names, their morphemic structure, grammatical construction, meaning, or associative potential and establishes the level of resemblance (Levontina, 2005). An instance of such investigation could be as follows: in 2010 *Apple* filed a lawsuit against *Koziol* which called one of its products *eiPott* in order to ascertain whether the name with this similar sound infringed the rights of the creator of the *iPod* brand (Fobbe, 2011, p. 31).

Linguistic expertise may be carried out in order to determine whether advertising and propaganda of narcotic drugs and psychotropic substances are presented in a particular text. The objectives of the aforementioned linguistic expertise could be as follows: the analysis of linguistic text with the aim of detecting information regarding the production of narcotic drugs and psychotropic substances, their

manufacture and usage, methods, their distribution sites, or seeking to discover any information in the text, advertising or promoting the sale / consumption of drugs.

Forensic linguistic expertise (excluding cases of ascertaining authorship) may also be applied:

- while investigating and disclosing crimes (defamation, insult, incitement of racial, national or religious hatred, blackmail, infringement of copyright, etc.);
- while hearing criminal cases and civil actions, administrative cases (damage to honour and dignity, infringement of copyright, etc.), economic disputes (violation of copyright and related rights, interpretation of contracts, protocols, documents of economic circulation, etc.) (Rossinskaja and Galjashina, 2005);
- in cases of the investigation of advertising texts (Chubina, 2013, pp. 180-190).

In the clash between linguistic expertise investigation and legal evaluation based on the knowledge of the norms of intellectual property, names and naming expertise, close to linguistic expertise, is being currently developed (Sokolova, 2013, pp. 170-180).

According to specialists of forensic linguistic expertise, the least developed area of forensic linguistic expertise is related to the investigation of extremist texts. The analysis of judicial cases indicates that the practice of appointing and conducting expertise of this kind is different. In forensic linguistic expertise, the most problematic issue concerning extremism is the absence of the evaluation of legal concepts of “verbal extremism” and social group” as well as the absence of special knowledge necessary for the analysis of extremist texts and of uniform scientific methodological provisions of forensic linguistic expertise related to extremism (Kuznetsov and Olennikov, 2014). Theretofore there is not any uniform interdepartmental methodology for diagnosing extremist content in texts as well as in audio and video materials, or for identifying the competence of an expert. According to specialists of forensic linguistic expertise, the solution of these problems would allow the people to combat extremism more effectively around the world (Podkatilina, 2013, pp. 159-170).

In dignitary and defamation cases, a linguist expert can identify the meaning and content of the investigated linguistic discourse, discern negative information about an individual in utterances or establish if it is being formulated as ascertaining information or as an opinion, or if the text contains words or utterances depreciating an individual (Žalkauskaitė, 2013, pp. 139-159).

Offensive words can appear in the text while using a swear word, an insulting word or a comparison which is directed to the mind, body, or any other special features of the individual. Linguistic expertise favours such cases of investigation which have to clarify if a certain utterance means insult at all. The task on an expert linguist is to determine if the text seeks to depreciate an individual at all as only then can it mean insult (Fobbe, 2011, p. 32).

As mentioned previously, alongside the establishment of authorship and diagnostics, the following current trends of linguistic investigation can be distinguished: analysis of the text (investigation of linguistic aggression) and investigation of plagiarism (investigation in cases of the misappropriation of authorship). The investigation of plagiarism may identify and name which linguistic extracts from two works coincide as well as analyse if, while paraphrasing the text, the same ideas are conveyed.

In Lithuania, references are made to foreign literature as the methodological foundation for such investigation is still in the stage of development.

### **3. Plagiarism as the concern of the academic community**

Plagiarism is defined as deliberate appropriation of a science, literature or art or other work or its part created by someone else. Two types of plagiarism can be distinguished: literal quotation of texts and paraphrasing texts of other authors by changing words and sentences without changing the content of the text. Linguistic investigation is imperative in the second case. Namely here the individuals accused of plagiarism contend that they merely referred to the same literary sources or accidentally chose the same quotations, etc. (Valūnė and Žalkauskienė, 2013, pp. 131-139).

The essence of plagiarism is intellectual theft. In different dictionaries, encyclopaedias or various social spheres plagiarism is defined differently. In academic community, plagiarism is defined as intellectual theft of different kinds (of texts or visual materials), or as deliberate misappropriation of research data and simulation and falsification of scientific research. In journalism, plagiarism is understood as theft of literature, science or art, its publication as one’s original work or literal misappropriation of other authors’ thoughts. However, none of the spheres agree upon what is precisely

considered to be plagiarism. Law on Copyright and Related Rights of the Republic of Lithuania, Article 21, stipulates that it shall be permissible to reproduce a relatively short passage of a published work or a work made available to the public, /.../ in the form of a quotation in another work, /.../ provided that such reproduction is compatible with fair practice and its extent does not exceed that justified by the purpose (Autorių teisių ir gretutinių teisių įstatymas, 1999).

However, there are not any mutual agreements upon what a relatively short passage of a published work means or what should the extent of quotation be. Therefore, in case of suspicion of possible misappropriation of authorship, there are always some scholars, artists or journalists claiming that the work is not plagiarism. Measures of prevention of plagiarism are most frequently applied to students. Plagiarism is considered to be one of the greatest academic sins. As a matter of fact, plagiarism is a serious issue of academic community, it is complicated and difficult to solve (Bennett, 2005). In various countries, considerable notice of this problem is taken in different publications. It is notable that numerous countries have the same problem of definition of plagiarism: what should be considered as plagiarism and what are its limits. Incidentally, the possibilities of control of plagiarism have recently increased. Electronic anti-plagiarism systems, enabling to match the text with the sources available in the internet and special data bases, are currently being developed. These systems are being constantly updated and improved. Anti-plagiarism systems can be used to check not only students' but also researchers' works, e.g. articles for scientific publications (Park, 2003).

One of the instances of the attempts to define plagiarism is the assessment procedure of study results, being improved by the Senate of Mykolas Romeris University. The Senate has changed Sections 29, 37 and 56 of the assessment procedure of study results of Mykolas Romeris University approved of by the Senate on March 16, 2012, by the decision No ISN-30. Thus, Section 29 concerning plagiarism currently runs as follows:

“29. A student or unattached student can be expelled from University for the violation of the principle of fair competition, copying, plagiarism or any other form of academic dishonesty related to the assessment of the study results, as for the violation of academic ethics.

29.1. A student's written assignment can be considered plagiarism if:

29.1.1. Written assignment or its parts have been written while literally rewriting another author's text without indicating the source or indicating the source without using inverted commas in the copied text. Literal copy of another author's text without indicating the source or indicating the source without using inverted commas in the copied text is considered to be plagiarism if this text is longer than half of the page, i.e. 900 characters, including spaces;

29.1.2. Written assignment or its parts have been written while paraphrasing another author's text without indicating the source. Paraphrasing another author's text without indicating the source is considered to be plagiarism if this text is longer than one page, i.e. 1800 characters, including spaces;

29.1.3. The text of written assignment, tables or pictures contain data without indicating the source (except the cases when the data have been gathered by the authors themselves) /.../” (Nutarimas dėl Mykolo Romerio Universiteto studijų rezultatų vertinimo tvarkos patvirtinimo, 2012).

Even the best universities face the issue of plagiarism. E.g., Oxford University also uses the electronic programme for detecting plagiarism; the regulation of plagiarism is included into the policy and standards of the regulation of studies, and it is considered to be part of quality assurance of the studies (Quality Assurance, 2015).

The internet has opened endless possibilities to use the work created by others. Its opportunities enable the people to use other authors' intellectual work in literature, cinema, photography, music, advertisements and other spheres of creative activities. In cases of plagiarism in academic spheres, “there are suggestions to speak about the degree of plagiarism – from inaccurate quotation and improper presentation of references to sources to deliberate deceit, thus distinguishing between intentional and unintentional plagiarism” (ETD dokumentų plagijavimo patikros galimybių studija, 2008). Intentional plagiarism exists when the whole work (or its parts) is deliberately misappropriated and its authorship is assumed. Unintentional plagiarism is present when the requirements of quotation and documentation of sources are not met. In this case, editing and stylistic changes as well as the changes of the form and

content of the misappropriated work are usually made. The plagiarist modifies the work with the aim of concealing the fact of plagiarism.

Recently then concept of auto-plagiarism has spread among scholars. It means the repeated use (e.g. publication) of one's own work or one's own modified work under a different name with the aim of presenting it as a new work. However, disregarding the negative aspect of auto-plagiarism, it is not a kind of plagiarism as the authors can freely dispose of their work and distribute it until they have not transferred the copyright to another subject (e.g. the publisher).

#### **4. Plagiarism as the object of linguistic expertise**

As a matter of fact, in the texts of two authors there may appear a coinciding expression, phrase or quotation, which could be treated as random coincidences. However, due to the personal identity of an individual and even the use of the same sources, two people cannot write absolutely identically as their linguistic expression and skills are different. Thus, the issue is not coincidence. It is possible to ascertain the fact of using another author's text only having established the wholeness of overlapping facts in the texts. Even when lexical elements have been exchanged with synonyms, in case of plagiarism functional words (e.g. conjunctions) frequently remain the same.

It is possible to distinguish four types of coincidences.

The first type of coincidences is text extracts which reflect four factors supplementing one another:

- two authors choose the same facts for description;
- while discussing the same facts, they evaluate them in the same way;
- they use the same words for the layout of their thoughts;
- they construct sentences in the same way; sometimes they paraphrase them, however, without distracting from the essence.

The second type of coincidences is manifest when the authors refer to the same sources. For instance, the information from three or four sources is presented almost literally and in the same order.

The third type of coincidences is the same quotations. The authors of two works quote the same work, the beginning and end of quotations coincide, the quotations are of the same length; they contain the same changes and mistakes, or the same places of omissions.

The fourth type of coincidences occurs when there is a uniform set of signs of computer literacy (when the texts have not been edited) (Valūnė, 2014, pp. 277-283).

Some authors suggest to detect plagiarism of authorship relying on the author's way of thinking and expressing the thoughts which are unique and cannot be changed without the author's edit. While determining the authorship of the text, the following characteristics may be considered:

- Subjective relationship between the author and the subject about which he speaks as well as how he expresses it.
- Whether the author uses references to vague authors or vague sources or whether he presents precise sources of information.
- Whether the author's view is based on personal or impersonal constructions.
- The degree of categorization (e.g., the use of words with imperative connotation).
- The use of words with evaluative meaning.
- The style of presenting thoughts (construction, reflection, etc.).
- Whether the author uses constructions as questions due to which a monologue gradually turns into a dialogue (Steksova, 2005, pp. 269-273).

#### **5. The possibilities of expertise in the appropriation of authorship**

In cases of the misappropriation of authorship special linguistic knowledge is required and linguistic expertise is then assigned. In Lithuania, in criminal cases, linguistic expertise in plagiarism is assigned pursuant to Article 191 of the Criminal Code of the Republic of Lithuania: The Misappropriation of Authorship. In cases of the protection of intellectual property linguistic expertise is also carried out in Germany, Russia, Ukraine and other countries; however, heretofore scientific generalizations of expertise activities are scarce. In English-speaking countries, linguistic investigation aiming at the establishment of authorship and resolving other related issues falls into the category of authorship attribution and encompasses oral discourse and written texts. The object of written discourse analysis is contested written

texts such as the testimony of witnesses, farewell letters, contested wills and confessions, as well as texts of threatening or defamatory content. The latter also comprise the investigation of plagiarism.

While writing about reality, each author creates an individual image of objective reality. The very selection of informative message has the author's evaluative marks: it is precisely this information that is important to a person from the abundant information surrounding him. While discussing the facts, events or phenomena, the author evaluates them. The author chooses linguistic means for the presentation and evaluation of information according to his character, temperament, education or certain writing skills. Therefore, in the texts of two authors based on the same topics, random coincidences cannot be numerous.

Having identified all the set of coincidences, it is possible to draw a conclusion that one author has used another author's work. When one person thinks that another one has misappropriated his entire work, the expertise in authorship is conducted, the aim of which is to establish the actual author of the work. Some examples of literary writings of both authors are presented for the expertise; the features of the controversial text and the texts of both authors are compared, and a conclusion is drawn.

Whether another author's text, text extracts or distortions of the text are attributable or not attributable to copyrighted objects is not an issue of linguistic competence but of court jurisdiction.

Standard questions for the expert could be as follows:

Do work X and work Z contain any coincidences?

Is work X based on work Z?

Is the author (of work X) A or C?

If there is a need to formulate other questions, an expert is invited for a consultation. The texts under investigation and the information about their authors are presented: native tongue and other languages used by the author, their education, profession, position; in order to answer the third question, some examples of writings of persons A and C are presented. The circumstances of the linguistic investigation related to the case are indicated in the ruling of the court or in the task for a specialist of Forensic Science Centre of Lithuania (Lingvistinė (autorystės) ekspertizė).

## 6. Conclusions

1) In accordance with the literary analysis, alongside the establishment of authorship, i.e. individual and group identification and diagnostics, currently the issues of the unconventional investigation and interpretation of texts and oral discourse, defamation, insult, incitement of racial, national or religious hatred, infringement of copyright or plagiarism are not less and at times even more significant.

2) Plagiarism is primarily a serious problem of the academic world; it is complicated and difficult to solve.

3) Investigation in cases concerning the appropriation of authorship (plagiarism) may determine and name which linguistic extracts from two works coincide as well as analyse if, while paraphrasing the text, the same ideas are conveyed.

4) A case of plagiarism, when one author made use of another author's text, is indicated by specific coincidence of those texts. It is possible to distinguish four types of coincidences: 1) text extracts which reflect the factors supplementing one another, two authors choose the same facts for description, they evaluate them in the same way, they use the same words and construct sentences identically, 2) the coincidences are obvious when the authors refer to the same sources, 3) the same quotations are used; and 4) the same sets of features of computer literacy (when the texts have not been edited).

5) Although the expertise practice in various countries is different, acute problems are similar: search of scientific substantiation, creation and improvement of methodological recommendations, development of concepts, etc.

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