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***Теорія і практика перекладу  
(англійська мова)***

**Навчально-методичний комплекс для студентів четвертого курсу  
факультету міжнародних відносин**

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Навчально-методичний комплекс укладено згідно структури програми викладання «Теорії і практики перекладу (англійська мова)» як навчальної дисципліни для студентів IV курсу факультету міжнародних відносин (спеціальностей «Міжнародні відносини, суспільні комунікації та регіональні студії», «Міжнародні економічні відносини»). Видання містить спеціалізовані тексти, орієнтовані на розвиток лінгвістичної і фахової компетентностей студентів-міжнародників. До текстів подано комплекс вправ на засвоєння лексики, тренування різних видів перекладу.

Може слугувати допоміжним матеріалом для поглибленого вивчення англійської мови студентам економічного, географічного, історичного спрямування студій.

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## ПОЯСНЮВАЛЬНА ЗАПИСКА

Навчально-методичний комплекс розроблено з врахуванням структури програми викладання дисципліни «Теорія і практика перекладу (англійська мова)» для студентів IV курсу факультету міжнародних відносин (спеціальностей «Міжнародні відносини, суспільні комунікації та регіональні студії», «Міжнародні економічні відносини»). У рецензованій розробці подано спеціалізовані тексти, орієнтовані на розвиток лінгвістичної і фахової компетентностей студентів-міжнародників, а також розроблено вправи на засвоєння лексики та тренування різних видів перекладу.

Навчально-методичний комплекс складається із чотирьох основних модулів, кожний із яких охоплює зразки суспільно-політичних текстів англійською і українською мовами для удосконалення навичок різних видів перекладу. Запропоновано вправи на подолання труднощів перекладу спеціалізованих лексичних одиниць. Подано завдання для самостійної роботи та перевірки закріплених навичок.

Методично правильно підібрані завдання повністю відповідають програмі підготовки фахівців із врахуванням специфіки факультету та можуть бути використані для тренування навичок перекладу з англійської мови на українську й навпаки. Після засвоєння матеріалу студенти повинні вільно володіти темами, висвітлювати їх англійською мовою, уміти застосовувати набуті знання під час написання контрольних модулів, підсумкових контрольних робіт, а також на заняттях із інших навчальних дисциплін.

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## MODULE 1

### UNIT 1

#### International financial organizations

**1. Read the text given below. Make up a list of unknown words. Make a literary translation of the text in writing.**

#### **What does the future hold for the global economy?**

One reason that the global economy is so sluggish is that, seven years after the collapse of Lehman Brothers, financial stability is not yet assured. Financial-sector weaknesses linger in many countries – and financial risks are growing in emerging markets.

Putting all of this together, global growth will be disappointing and uneven. The global economy's medium-term growth prospects have weakened as well, because potential growth is being held back by low productivity, aging populations, and the legacies of the global financial crisis. High debt, low investment, and weak banks continue to burden some advanced economies, especially in Europe; and many emerging economies continue to face adjustments after their post-crisis credit and investment boom.

This outlook is heavily affected by some major economic transitions that are creating global spillovers and spillbacks, particularly China's transition to a new growth model and the normalization of US monetary policy. Both shifts are necessary and healthy. They are good for China, good for the US, and good for the world. The challenge is to manage them as efficiently and as smoothly as possible.

China has launched deep structural reforms to lift incomes and living standards, seeking a "new normal" of slower, safer, and sustainable growth that relies more on services and consumption and less on commodity-intensive investment and manufacturing. But China's policymakers need to implement these difficult reforms while preserving demand and financial stability.

One spillover effect of this transition was seen this past summer, when investors' fears about the pace of the Chinese economy's slowdown put further pressure on commodity markets and triggered sizeable currency depreciations in a number of commodity exporters that rely on Chinese demand. As it invests less, China's appetite for commodities – it currently consumes 60% of the world's iron ore, for example – will decline. This will contribute to what could be a prolonged period of low commodity prices, which policymakers – particularly in large commodity exporters like Australia and Brazil – will need to manage carefully.

The second major transition concerns the Federal Reserve's determination to raise interest rates. Although the Fed has clearly indicated that rates are

expected to remain low for some time, this transition reflects better economic conditions in the US, which is also good for the global economy.

Low interest rates contributed to a search for yield by investors, which supported financial risk-taking and higher valuations for equities, sovereign bonds, and corporate credit. Therefore, the Fed also faces a delicate balancing act: to normalize interest rates while minimizing the risk of financial-market disruption.

Yet we know that these transitions' downside risks can be managed, by supporting demand, preserving financial stability, and implementing structural reforms. Most advanced economies, except the US and possibly the United Kingdom, will continue to require accommodative monetary policies. All advanced economies, however, should fully incorporate spillover risks in their decision-making and ensure that their communications are clear in this regard.

The eurozone, meanwhile, can upgrade its prospects by fully tackling nonperforming loans worth some €900 billion – one of the major unresolved legacies of the financial crisis. Doing so would enable banks to increase the supply of credit to companies and households, thereby enhancing the potency of monetary accommodation, improving the outlook for growth, and bolstering market confidence.

At the global level, there is a pressing need to complete and implement the regulatory reform agenda – with a special focus on improving the transparency and oversight of non-banks, or shadow banks. Moreover, we have another major task ahead of us as well: upgrading the still-inadequate resolution framework for systemic, globally active financial institutions.

On the fiscal side, countries should use policies that are as flexible and growth-friendly as possible. The International Monetary Fund continues to recommend that advanced economies with room for fiscal stimulus use it to boost public investment, especially in quality infrastructure. Credible medium-term fiscal plans also remain a priority, especially for the US and Japan.

Commodity-exporting countries that have room for fiscal-policy maneuver should use it to smooth their adjustment to lower prices. Others should rely on growth-friendly fiscal rebalancing – by, for example, implementing tax and energy-price reforms and reprioritizing spending, including to protect the most vulnerable.

Finally, all countries need to upgrade their economic structures by reforming their labor and product markets, infrastructure, education and health-care systems, and trade policies. Implementation of course requires skillful and savvy policymaking, especially in this phase of lower growth and higher uncertainty. And, given the collective nature of many of the issues involved – like climate change, trade, migration, and the global financial safety net – increased international cooperation is more urgent and essential than ever.

Yes, the challenges confronting the world are great. However, with the right policies, leadership, and cooperation, we can manage them to the benefit of us all.

## 2. Learn the following collocations:

<b>1) фінансовий</b>	<b>financial</b>
зберігати фінансову стабільність	to preserve financial stability
слабкість фінансового сектору	financial-sector weaknesses
фінансовий ризик	financial risks
наслідки глобальної фінансової кризи	the legacies of the global financial crisis
фінансовий ризик	financial risk-taking
дестабілізація фінансового ринку	financial-market disruption
глобально активні фінансові установи	globally active financial institutions
глобальна фінансова безпека	the global financial safety net
надання фінансових засобів	granting of financial resources
обтяжливе фінансове зобов'язання	heavy financial burden / heavy financial commitment
фінансове регулювання	financial leverage / financial regulation
<b>2) продукт, товар, предмет споживання</b>	<b>commodity</b>
експортери товару	commodity exporters
інвестування і виробництво товарів	commodity-intensive investment and manufacturing
низькі ціни на товар	low commodity prices
товарні ринки, ринки сировини	commodity markets
країни, які експортують товари	commodity-exporting countries
товарообмін	commodity barter / commodity exchanges
товари першої необхідності	essential commodities
міжнародна товарна угода	international commodity agreement / arrangement
ринок сировини	primary commodity market
світовий товарний ринок	world commodity market
товарний запас	stock of commodities / supplies of commodities
<b>3) інвестування, капіталовкладення</b>	<b>investment</b>
невелике інвестування	low investment
інвестиційний бум	investment boom
збільшувати / просувати державні інвестиції / ринкове інвестування	to boost public investment
сукупні інвестиції	aggregate investments
довгострокові інвестиції	long-dated investment
розміщення інвестицій	location of investment

закордонні інвестиції	inward investment
розміри / рівень інвестицій	investment quote
<b>4) той, що з'являється / розвивається / формується / новий</b>	<b>emerging</b>
нові ринки / ринки, що розвиваються	emerging markets
ринкова економіка, що формується	emerging economies
розвинута країна з перехідною економікою	developed emerging country
найменш кредитоспроможна європейська країна з ринковою економікою, що розвивається	the least creditworthy of Europe's emerging economies
вийти з боргів	emerge from the debt
Фонд розвитку ринків, що виникають	Emerging Markets Growth Fund
<b>5) виклик / завдання / проблема / перспектива</b>	<b>challenge</b>
стикатися з проблемою	to face the challenge
вирішувати проблему	to meet the challenge
ставити завдання	to issue the challenge
показати себе з кращого боку / бути спроможним відповісти на виклик	to be up to the challenge
виклик міжнародному співтовариству	challenge to the world community

### 3. Translate into Ukrainian:

sluggish global economy; to upgrade economic structures; the collapse of Lehman Brothers; financial stability; increased international cooperation; skillful and savvy policymaking; financial-sector weaknesses; to be held back; aging population; high debt; investment boom; spillovers and spillbacks; growth-friendly fiscal rebalancing; credible medium-term fiscal plans; upgrading the still-inadequate resolution framework; regulatory reform agenda; enhancing the potency of monetary accommodation; tackling nonperforming loans.

### 4. Translate into English:

впровадження; уповільнитися; фінансові ризики; ринки, що розвиваються; середньостроковий ріст; низька продуктивність; наслідки глобальної фінансової кризи; обтяжувати; розвинута економіка; перехідна економіка; монетарна політика; розпочати фундаментальні структурні реформи; збільшити прибутки; стійкий ріст; глобальна фінансова безпека; захистити найбільш вразливу економіку; фіскальна політика; реформи цін на енергоносії; зміна пріоритетів; тіньові банки; фінансова стабільність;



прозорість і контроль; підтримка довіри до ринків; збільшити надання кредитів, гостра необхідність.

**5. Match the words in column (A) with most suitable words in column (B). Translate the phrases. Make up sentences of your own with the given phrases, ask your fellow students to interpret them:**

<b>A</b>	<b>B</b>
slowdown	a) setting, controlling and changing prices and costs
equities	b) a situation in which something cannot continue because of a problem
interest rate	c) the process of becoming less valuable
sluggish	d) an effect that spreads more than people expected or intended
disruption	e) not moving as quickly as usual
valuation	f) a period when there is less activity
depreciation	g) the value of a company's shares
spillover	h) the percentage that an institution such as a bank charges or pays you in interest when you borrow money from it or keep money in an account

**6. Find synonyms to the following words:**

**A** to burden, to confront, implementation, valuation, fiscal, to boost, credible, oversight, bolstering, loan, unresolved, legacy, advanced, spillover, to upgrade, disruption, commodities, to decline, depreciation, to launch, sluggish, to linger, sustainable.

**B** to start, ratable value, destabilization, carrying into effect, to promote, trustworthy, control, unsettled, credit aid, financial, stable inheritance, to face, developed, abundance, to decrease, loss of value, slow, to encumber, maintenance, to be delayed, to improve, wares.

**7. Translate the following sentences into Ukrainian. Pay attention to the words and word combinations in bold type**

1. Several **bilateral donors** have granted financial resources for strengthening democratic institutions at the national level. 2. Trafficking in persons **challenges to the world community** to find efficient and practical solutions to fight this serious crime against humanity. 3. Despite an **ongoing economic recovery** in the euro area, investment remains low in comparison with pre-crisis levels and its growth has been very weak in comparison with historical precedents. 4. An **emerging** market is a country that has some characteristics of a developed market, but does not **meet standards** to be a developed market. 5.

**A commodity market** is a market that trades in primary economic sector rather than manufactured products. 6. **Commodity-exporting economies** likely to slow further given weak commodity price outlook. 7. With a weak outlook for **commodity prices**, particularly for energy and metals, growth in **commodity-exporting, emerging** and developing economies could slow further over the next few years, says a new study. 8. While the first **investment club** on record dates back to the 1800s in Western America, various online communities devoted to this type of investing have recently emerged and have contributed to the personal **investing boom** in the United States. 9. The European Union possesses all the necessary capabilities and resources **to meet the challenge**. 10. In addition, a greater effort is needed **to meet the challenges** in Ukraine effectively. 11. Today we live longer, but **face the challenge** of how to achieve reasonable incomes in retirement. 12. This is **the huge challenge facing** governments and the world of business and industry. 13. **A market disruption** is a sharp, rapid weakening of market performance in response to external forces. 14. In international 'location tournaments', governments compete **for foreign investment** with tax and other short-run incentives. 15. **A Real Estate Investment Location** is a neighborhood or a set of neighborhoods where there are investment properties that produce positive cash flow after deducting all monthly expenses, including mortgage payments. 16. The International Monetary Fund recently released a major study arguing that, in the current context of a very weak global economy and record low interest rates, well-**selected public infrastructure investments** can boost growth and jobs and reduce public debt.

## 8. Translate the following sentences into English. Pay attention to Active Vocabulary.

1. Дестабілізація міжнародних фінансових ринків призводить до втрати усталених орієнтирів багатьма їхніми учасниками, збільшує турбулентність цін на різні групи товарів, сприяє зростанню ризикованості зовнішньоторговельних операцій та знижує ділову активність у згаданій сфері підприємницької діяльності. 2. Внутрішні проблеми розвитку української економіки зумовлено тим, що після глобальної фінансово-економічної кризи 2008–2009 років вітчизняну економіку не було реформовано відповідно до нових вимог, які поставив на порядок денний новий етап розвитку міжнародних економічних відносин у сучасному глобалізованому світі. 3. Влітку – на початку осені цього року на світовому фінансовому ринку склалась доволі складна й нестабільна ситуація, пов'язана насамперед з трьома значними падіннями фондового ринку Китаю та неочікуваною девальвацією китайської національної валюти – юаня. 4. Посилення міжнародної фінансової нестабільності негативно позначається на темпах розвитку світової економіки, наслідком чого є спад попиту на сировинні та напівсировинні товари й зниження цін на них на світовому ринку. 5. Останнім часом спостерігалось зменшення експорту вітчизняних товарів та імпорту товарів в Україну. 6. Радикальне зменшення

офіційних резервів України та стрімке падіння курсу гривні у 2014 – на початку 2016 рр. є наочним проявом не лише дестабілізації фінансової системи нашої держави, а й симптомом зростання залежності фінансової системи України від іноземних джерел фінансування. 7. УНІАН пропонує своїм читачам поділитись думками щодо того, як вирішувати проблему подорожчання опалення. 8. Тому основними ринками сировинних товарів є ринки продовольства, сільськогосподарської сировини, руд і металів, палива. 9. Використовуючи стратегію впровадження на ринок, фірма встановлює на товар-новинку відносно низьку ціну з метою залучити більшу кількість покупців і завоювати велику частку ринку. 10. Навіть у час народного повстання проти криміналу треба зберігати фінансову стабільність.

## **9. Study the use of italicized words in different phrases, suggest their Ukrainian equivalents**

### **~ ECONOMY ~**

advanced / developed ~ ; advanced emerging ~ ; to boost the ~ ; to bring out of the shadow ~ ; domestic ~ ; to drag down the ~ ; ~ contraction; ~ dependent on natural resources; ~ revitalization; ~ restructuring; emerging ~ ; foreign ~ ; free market ~ ; deterioration in the ~ ; general sluggishness of the ~ ; global ~ ; to handle the ~ ; high-investment ~ ; to keep the country's ~ afloat ; to move the ~ forward ; multi-branch ~ ; priming of ~ ; sick / sluggish ~ ; unfavorable ~ .

### **~ FINANCIAL ~**

~ aid; ~ agreement; ~ activities; ~ appeal; ~ and fiscal policies; ~ assets; ~ assurance; ~ authorities; ~ backing; ~ claims; ~ commitments; ~ crisis; ~ flow; ~ liability; ~ management; ~ market; ~ pressure / difficulties / hardships; ~ trust; ~ means; ~ leverage; ~ insolvency; ~ loan raised abroad; ~ risk; ~ recovery / rehabilitation; ~ saving; ~ strain / stringency; ~ rehabilitation; ~ transactions; ~ restrictions; ~ repression.

### **~ BANK ~**

~ assets / resources; ~ agreement; ~ annuities; ~ clients; ~ crash / smash; ~ credit liabilities; ~ credit rating; ~ crediting; ~ crisis; ~ disbursements; ~ equity; ~ facilities; ~ guarantee; ~ insolvency; ~ management; ~ rate; ~ stock; ~ supervision; ~ supervisory authorities; ~ transaction; liabilities of ~ ; management of ~ funds; ~ bailout program; ~ card association; weak ~ .

**Translate the following sentences. Pay attention to the words and word combinations in bold type.**

## ~ ECONOMY ~

1. Міжнародне рейтингове агентство Moody's очікує **відновлення економіки** України та її повільного зростання в 2016 і 2017 роках після падіння в попередні два роки в цілому на 15%.
2. Ліквідація корупції в оподаткуванні та деякі інші заходи цілком здатні **вивести з "тіні" українську економіку**, включаючи виплату зарплат, вважають експерти.
3. Експерти вважають, що **поліпшити економічне становище** в Україні можливо.
4. **Несприятливі економічні умови** склалися в країнах, орієнтованих на сировинний експорт, – Росії та Бразилії.
5. Важливою особливістю **ринкової економіки** є її нестабільність, що проявляється в циклічному чергуванні піднесення і **спадів у економіці**.
6. **У ринковій економіці** держава виконує другорядну роль, хоча вона відіграє важливе значення в розвитку національного господарства.
7. Це країни, які мають тривалу історію розвитку **ринкової економіки**, високі доходи на душу населення, **стійкі фінансові ринки**, широку і різноманітну структуру економіки, включаючи сектор обслуговування, значні експортно-імпортні можливості.
8. **Перехідна економіка** – це проміжний стан економіки, період перетворення, трансформації, наприклад, традиційної економічної системи в ринкову.
9. Незважаючи на деякий показник **зростання економіки**, українці тільки з часом зможуть відчутти переваги.
10. **Глобальне економічне середовище** зараз не в найкращому стані. Про це свідчить доповідь МВФ, в якому йдеться про надзвичайно **низькі темпи зростання в економіках, що розвиваються**.
11. **Країни з розвинутою економікою**, або промислово розвинуті країни закріпили своє панівне становище в міжнародній економіці.

## ~ FINANCIAL ~

1. **Financial leverage** is the degree to which a company uses fixed-income securities such as debt and preferred equity.
2. **Financial risk** is the risk to the stockholders that is caused by an increase in debt and preferred equities in a company's capital structure.
3. Clients who appoint us on **financial restructuring** and insolvency matters want a recognized leader in complex cross-border insolvencies and workouts.
4. Don't dismiss **financial difficulties** as "temporary." You're either on track towards a viable retirement plan, tucking money regularly into a retirement savings account, or you're off track.

5. **Financial rehabilitation** is a lifelong process, not a quick fix, but once you get your spending habits under control and your savings accounts on track, everything else will fall into place in the long run.
6. Given the fact that college costs have been rising, and will likely continue to rise, any **financial aid** can be a huge benefit.
7. **Financial repression** in China is said to be the cause of its huge accumulation of foreign currency reserves.
8. There are **financial restrictions** for WebMoney Transfer System members that depend on the level of identification used by the member and enabled methods of transactions confirmation.
9. Examples of **financial liabilities** are accounts payable, loans issued by an entity, and derivative financial liabilities.
10. In general, **financial assurance** provisions in settlements and orders require PRPs to demonstrate that adequate financial resources are available to complete required cleanup work.

~ BANK ~

1. **Bailouts** have traditionally occurred in industries or businesses that may be perceived as no longer being viable, or are just sustaining huge losses.
2. **Bank liabilities** are the debts incurred by a bank, what a bank owes.
3. Since the late 1970s **bank insolvencies** have become increasingly common. Where these failures are systemic, they can drain a country's financial, institutional, and policy resources – resulting in large losses, misallocated resources, and slower growth.
4. When you access any of your business **bank accounts** in FreeAgent, you'll see all the **bank transactions** for the current month, including unexplained transactions.
5. The Czech National Bank is a **supervisory authority** of the **financial market** in the Czech Republic.
6. **Bank annuities** can provide a steady income during retirement with a choice of payout options – monthly, quarterly, semi-annually or annually – for as long as you live.
7. **Bank disbursement** is a payment made by a company in cash or cash equivalents during a set time period.
8. **Management of bank funds** can be classified according to client type, the method used for management or the investment type.
9. **Bank equity** is important because it represents the real value of one's stake in an investment.
10. **Weak bank** supervision could give banks the ability to shift risk from themselves to supervisors.
11. Read the text and decide which word A, B, C, or D best fits each space. Read the article again and translate it.

**The role of international financial institutions in macroeconomic crises: improving the architecture of the World Bank and the IMF for managing shocks in developing countries**

In their response to the global financial crisis, the international financial institutions (IFIs) have not only increased funds for 1) \_\_\_\_\_ financing, but have also significantly reformed their instruments. Nevertheless, some gaps remain. IFIs should consider the fact that most advanced low-income countries (LICs), which tend to have sound records of macroeconomic performance and are to some degree 2) \_\_\_\_\_ into international financial markets, will graduate in the foreseeable future. For this group of countries, an International Development Assistance (IDA) blended financing facility with a lower degree of 3) \_\_\_\_\_ would be appropriate and would also help IDA to 4) \_\_\_\_\_ its funding. Similarly, the question arises about whether the 5) \_\_\_\_\_ policy of the International Monetary Fund (IMF) is sufficiently differentiated among LICs. The lending framework appears to not fully meet LICs' needs for 6) \_\_\_\_\_ financing, especially the most advanced of them.

To be prepared for future crises, IDA should investigate other funding models to 7) \_\_\_\_\_ its dependence on annual donor budget processes and increase the volume of its shock windows. With regard to middle-income countries (MICs), the IFIs' quick response helped to contain a larger systemic crisis. However, for various reasons, the IMF's 8) \_\_\_\_\_ were not used much, while the International Bank for Reconstruction and Development (IBRD) greatly 9) \_\_\_\_\_ its policy lending, thus using up a large part of its lending headroom. This calls 10) \_\_\_\_\_ a revision of the IBRD's crisis instruments for MICs.

1	A	better	B	shock	C	advanced	D	increased
2	A	linked	B	connected	C	integrated	D	fixed
3	A	concessionality	B	concession	C	concealment	D	consideration
4	A	sustain	B	hold	C	restrain	D	keep
5	A	borrowing	B	lending	C	granting	D	presenting
6	A	contiguity	B	continent	C	contingency	D	contingent
7	A	cut	B	increase	C	enlarge	D	reduce
8	A	means	B	probabilities	C	facilities	D	tools
9	A	diminished	B	expanded	C	decreased	D	dragged
10	A	at	B	to	C	for	D	with

**12. Find in the text English equivalents for the following words and collocations. Read and translate the text.**

1) головні проекти 2) фінансова допомога для банків 3) вибиратися з 4) надмірна ліквідність 5) банківські активи 6) Федеральна корпорація по страхуванню вкладів 7) Єдиний механізм санації банків 8) незахищений вкладник 9) в умовах / в період 10) правила реструктуризації боргових зобов'язань 11) платник податків 12) гарантії по депозитах 13) впроваджувати 14) нові виклики 15) структурні перетворення 16) проблеми міжнародних банків 17) рецесія 18) економічний і валютний союз 19) вирішувати проблему 20) низький рівень процентної ставки

### **Europe's Financial Reforms: What Are the Next Big Changes?**

Europe is in the midst of three major financial restructurings: the banking union, capital markets union and the deepening of economic and monetary union. Each will make Europe's financial and business worlds more efficient and competitive.

Europe has emerged out of the biggest recession in 80 years' time, and it is doing so armed with new initiatives that should fundamentally change the economic and business environment. Over the last few years, Europe has launched three flagship projects: banking union, capital markets union and the deepening of economic and monetary union. Europe also faces some tremendous new challenges: integrating more than a million migrants, a low interest rate environment and growing excess liquidity.

### **The World Is Changing for Banks – Europe's Banking Union**

The euro crisis proved that Europe was not ready to deal with cross-border banking problems. Financial institutions were supervised and resolved, in case of bankruptcy, nationally. Countries with large financial sectors, like Ireland, were overstretched and bank bailouts meant the country's bailout. To tackle the problem, Europe acted fast, creating the Banking Union within two years. This was a game changer. Between 2012 and 2014, Europe's largest financial institutions – including Deutsche Bank, BNP Paribas and ING – moved to European from national supervision. This new watchdog, the European Central Bank's Single Supervisory Mechanism (SSM), directly oversees a total of 129 financial institutions, representing 82% of the euro area's total banking assets.

During the same period, the U.S. Federal Reserve performed a similar exercise for the 31 largest U.S. banks, representing more than 80% of the country's assets. Large financial institutions must these days deal with two powerful supervisors.

Europe's banking union is further on the move. On January 1, 2016, the new European mechanism to resolve failing banks went live. The Single Resolution Mechanism's (SRM) goal is to resolve failing banks at the lowest cost to taxpayers. It includes the participation of the private sector, such as unsecured

depositors or junior creditors, according to the bail-in rules under the Bank Recovery and Resolution Directive.

**The final step to completing the banking union is a common deposit guarantee scheme similar to the U.S.'s Federal Deposit Insurance Corporation (FDIC)**

In 2016, a European Commission proposal to establish a European Deposit Insurance Scheme (EDIS) will be hotly debated. The aim is to guarantee individual deposits up to \$108,000 at all banks in the euro area – benefiting around 340 million citizens in 19 countries. When this is implemented, both sides of the Atlantic Ocean will share a similar approach to supervision, stress testing, resolution, and deposit guarantees.

**13. Render the following text into Ukrainian. Give a short summary of the article in English.**

**Do We Need a World Financial Organization?**

International trade law under WTO is a mature field of international economic law (IEL). In contrast, international monetary and financial law is still emerging as a discipline within IEL. With the exception of the International Monetary Fund (IMF), international monetary and financial law is still characterized by the predominance of soft law, soft obligations, and an informal institutional structure. Financial markets have become much more international in recent decades, while their regulation, supervision and – if necessary – resolution remain constrained by the domain of domestic jurisdictions. The global financial crisis has taught us several lessons. One of them is that banking crises often lead to sovereign debt crises because of the vicious link between bank debt and sovereign debt (the so-called ‘doom loop’, the catalyst for the adoption of banking union in the EU). Another lesson is that financial institutions retrench to national frontiers when things turn sour (they live globally, but die nationally). This state of affairs has to change if financial institutions and markets can remain credibly global. It is urgent and important to devise adequate international structures and international norms to govern financial markets and to control systemic risk in finance. The debate about the need for a World Financial Organization ought to be understood in this context.

**14. Decipher the following abbreviations**

- 1) WTO
- 2) EDIS
- 3) EMGF
- 4) IFIs
- 5) LICs
- 6) IDA



- 7) MICs
- 8) IBRD
- 9) SSM
- 10) SRM
- 11) IMF
- 12) IEL

**15. Read and translate into Ukrainian.**

**INVESTMENT**

<p>In economies, the word <b>“investment” (1)</b> does not mean <b>buying shares (2)</b> on the <b>Stock Exchange (3)</b> or <b>putting money into a savings account (4)</b>. The word is used to describe the production of <b>real capital goods (5)</b>. Investment takes place when capital goods are produced. <b>Gross investment (6)</b> is the <b>total output of capital goods (7)</b> during a given period of time, usually one year.</p> <p>But capital goods are always <b>wearing out (8)</b> or <b>becoming out of date (9)</b>. Some part of the total output of capital goods, therefore, will be required <b>to replace the worn-out and outdated equipment (10)</b>. <b>Depreciation (11)</b> describes the extent to which a <b>stock of capital (12) loses its value (13)</b> owing to <b>wear and tear (14)</b> and <b>obsolescence (15)</b>.</p> <p><b>Net investment (16)</b> is the <b>annual increase (17)</b> in the total stock of capital. This will obviously be less than gross investment, because some of the new capital will be required to replace the outdated capital. Therefore, net investment equals gross investment without depreciation. The <b>rate of net investment (18)</b> in a country is a very important item. It tells us the rate at which that country’s stock of capital is increasing. <b>Future productivity (19)</b> depends very much on the present rate of net investment.</p>	<ul style="list-style-type: none"> <li>1. інвестиції</li> <li>2. купівля акцій</li> <li>3. біржа</li> <li>4. внесення грошей на банківський рахунок</li> <li>5. реальні товари виробничого призначення</li> <li>6. валові капіталовкладення</li> <li>7. загальний випуск товарів виробничого призначення</li> <li>8. зношуватися 9. застарівати</li> <li>10. замінити зношене та застаріле обладнання 11. амортизація</li> <li>12. основні фонди</li> <li>13. втрачати вартість</li> <li>14. зношення</li> <li>15. застарівання</li> <li>16. чисті інвестиції</li> <li>17. річний зріст</li> <li>18. рівень чистих інвестицій</li> <li>19. майбутня продуктивність</li> </ul>
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<p>Also, investment takes place in the form of <b>aid to developing countries (20)</b>. The developing countries will need a great deal of help from the richer countries if they are to <b>make satisfactory economic progress (21)</b>.</p> <p>There are two main arguments for helping the poorer countries: <b>humanitarian and economic motives (22)</b>. One way in which the stock of capital in poor countries can be increased is by foreign firms setting up factories, mines, quarries, etc. in these countries, and this is described as <b>direct foreign investment (23)</b>.</p>	<p>20. допомога країнам, що розвиваються</p> <p>21. досягти задовільного рівню економічного розвитку</p> <p>22. гуманітарні та економічні мотиви</p> <p>23. прямі іноземні інвестиції</p>
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**16. Match the phrases in column (A) with their equivalents in column (B).**

A	B
1. Net investment is the annual increase in the total stock of capital.	A. Майбутня продуктивність значною мірою залежить від теперішнього рівня чистих інвестицій.
2. Gross investment is the total output of capital goods during a given period of time, usually one year.	B. Амортизація – це певний ступінь втрачання вартості основними фондами через зношення та застарівання.
3. There are two main arguments for helping the poorer countries: humanitarian and economic motives.	C. Валові капіталовкладення – це загальний випуск товарів виробничого призначення за певний період часу, звичайно один рік.
4. Depreciation describes the extent to which a stock of capital loses its value owing to wear and tear and obsolescence.	D. Певна частина нового капіталу піде на заміну застарілих та зношених фондів.
5. Some of the new capital will be required to replace the outdated and worn-out capital.	E. Існують два головних аргументи на користь допомоги біднішим країнам: гуманітарні та економічні мотиви.
6. Capital goods are always wearing out or becoming out of date.	F. Чисті інвестиції – це річний зріст загальних основних фондів.
7. Future productivity depends very	G. Товари виробничого призначення

much on the present rate of net investment.	постійно зношуються або застарівають.
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### 17. Translate the following words and word combinations into Ukrainian.

1) net investment; 2) stock exchange; 3) future productivity; 4) capital goods; 5) to buy shares; 6) direct foreign investment; 7) humanitarian motives; 8) make satisfactory economic progress; 9) economic motives; 10) gross investment; 11) to wear out; 12) to become out of date; 13) the present rate of net investment; 14) a stock of capital; 15) depreciation; 16) obsolescence; 17) annual increase; 18) to put money into a savings account; 19) aid to developing countries; 20) replace the outdated and worn-out capital; 21) to lose value; 22) help from the richer countries; 23) to set up factories; 24) quarry; 25) total output of capital goods; 26) to be replaced by a more efficient machine; 27) wear and tear.

### 18. Translate the following words and word combinations into English.

1) товари виробничого призначення; 2) амортизація; 3) теперішній рівень чистих інвестицій; 4) гуманітарні мотиви; 5) застарівання; 6) купівля акцій; 7) допомога країнам, що розвиваються; 8) основні фонди; 9) загальний випуск товарів виробничого призначення; 10) вносити грошей на банківський рахунок; 11) чисті інвестиції; 12) економічні мотиви; 13) втрачати вартість; 14) досягти задовільного рівню економічного розвитку; 15) допомога від багатших країн; 16) майбутня продуктивність; 17) налагодити роботу фабрик; 18) зношення; 19) валові капіталовкладення; 20) замінити зношене та застаріле обладнання; 21) застарівати; 22) зношуватися; 23) річний зріст; 24) біржа; 25) прямі іноземні інвестиції.

### 19. Study the active vocabulary and translate the text given below.

banking union	банківське об'єднання
capital markets union (CMU)	об'єднання ринків капіталу
integrated capital markets	об'єднані ринки капіталу
bank financing	банківське фінансування
to reduce risk exposure	зменшити ризик
to dry up	припиняти, закінчувати
an initiative	ініціатива, початок, стимул
to increase the flow of funding	збільшити потік фінансування
venture capital	підприємницький капітал; капітал вкладений в нове підприємство
private equity	ринок прямих інвестицій; приватний

	акціонерний капітал
equity capital market / debt capital markets	ринок акціонерного капіталу / ринки позикового капіталу
covered bond market	ринок облігацій з покриттям / ринок іпотечних облігацій
securitization market	ринок сек'юритизації
to align bankruptcy laws	встановити / впорядкувати закони про банкрутство
cross-border capital investments	іноземні інвестиції
economic and monetary union	валютний союз / економічний і валютний союз
risk-sharing	розподіл / розміщення ризиків
to create headwinds	створювати перешкоди
low interest rate	низький рівень процентних ставок
to generate returns	створювати прибутки
excess liquidity	надмірна ліквідність
to reap huge benefits	отримувати величезні переваги / компенсації / прибутки
to issue securities	випускати цінні папери
institutional investors	інвестиційні організації / інвестори
diversification of assets	диверсифікація активів
implications	можливі наслідки / ускладнення
turn them to advantage	мати користь / зробити прибутковим

### **The world is about to change for market players – Capital Markets Union**

While the banking union is advancing at rapid speed, Europe also launched another big project last year: the capital markets union (CMU). The CMU's goal is to create deeper and more integrated capital markets. Traditionally, Europe has been dominated by bank financing: when an entrepreneur needed funding, banks were the go-to partner. During the crisis, banks tried to reduce their risk exposure and, as a result, financing for entrepreneurs, small- and medium-sized enterprises (SMEs) and some corporations dried up. The CMU aims to address this issue.

The CMU initiative could transform Europe's capital markets over the 2016-2019 period. The CMU is designed to reduce dependency on banks. It should increase the flow of funding from venture capital, to private equity, to IPOs, and eventually equity and debt capital market financing. It aims to standardize prospectus legislation across countries (currently there are large differences across European countries, not to mention the different language requirements), grow the covered bond market, develop a stronger securitization market, align bankruptcy laws and stimulate more cross-border capital investments.

## **Bringing It All Together – Deepening Economic and Monetary Union (EMU)**

The Presidents of the European Central Bank, Eurogroup, European Commission, European Council and European Parliament presented a plan, the Five Presidents Report, to further deepen economic and monetary union over the next 10 years, or through 2025. The goal is to pull all these initiatives together, complete the banking union, make progress on the capital markets union and introduce new initiatives for the euro area. The latter could include establishing a new fiscal council concentrating on the euro area, a euro area macroeconomic stabilization function and a euro area treasury.

Combining these initiatives has one big advantage: it would allow for better risk-sharing across the euro area and reduce the need for the public sector to divert taxpayer money into shock absorption. In the U.S., economic and business cycles are smoothed out across the 50 states to a much greater degree than in Europe, with market mechanisms doing the lion's share of the work. Fiscal transfers play only a limited role.

### **New challenges may create headwinds**

While Europe already has a very ambitious agenda for the next 10 years, it faces some significant new challenges. More than 1 million migrants arrived in 2015 and many more are expected in 2016. A low interest rate environment is making it tougher for insurance companies and pension funds to generate returns and the excess liquidity flooding financial markets is potentially feeding future risks. These challenges are leading to tough debates in many European countries, creating headwinds for progress on Europe's three big topics.

Instead of running large compliance and legal departments in 19 euro area jurisdictions and complying with 19 different sets of regulations, one centralized function dealing with the SSM will now suffice.

It is crucial for businesses to closely follow advances in the three big topics. The best informed can reap huge benefits from many of these initiatives, given significant first-mover advantages. The capital markets union will create new opportunities for investors and new funding sources for entrepreneurs, SMEs, and large corporations globally.

The first banks to create new products under the securitization initiative may well be setting the new market standard, the new prospective legislation will make it easier to issue securities across all EU countries, the covered bond market will open up new financing opportunities, and a stronger equity and debt capital market will increase the equity capital markets (ECM) and debt capital markets (DCM) business for those banks that first come to grips with the changes. Lastly, easing EU cross-border capital investment means that companies can start tapping retail, wholesale and institutional investors across 28 countries and 500 million citizens. This will benefit Europe's population as well (e.g. more investment options, diversification of their assets and more market vs. fiscal risk-sharing requiring less taxpayer money).

The changes above will create many new opportunities. The winners of the game will be the businesses that allocate executive time to follow these changes, invest in understanding their implications and rapidly turn them to their advantage.

**20. Fill in the blanks with the suitable word or phrase from the text.**

1. \_\_\_\_\_ is financing that investors provide to startup companies and small businesses that are believed to have long-term growth potential. 2. The entity (usually a company) that \_\_\_\_\_ is known as the issuer. For example, the issuer of a bond issue may be a municipal government raising funds for a particular project. 3. The experts were in broad agreement that investment in research and development could \_\_\_\_\_ large \_\_\_\_\_ for the agricultural sector. 4. The fallout from the UK's Brexit vote is likely to \_\_\_\_\_ to the world economy. 5. This briefing note anticipates how a Brexit will impact on tax law and the \_\_\_\_\_ for companies doing business with and within the UK. 6. \_\_\_\_\_ is a technique that reduces risk by allocating investments among various financial instruments, industries and other categories. It aims to maximize return by investing in different areas that would each react differently to the same event. 7. Technology risk management professionals often start down the road of proposing the implementation of new controls without examining the effectiveness of existing ones. Often existing controls can be upgraded or shored up enough to \_\_\_\_\_ to an acceptable level without undertaking a costly new deployment. 8. \_\_\_\_\_ is the liquidity that banks hold in excess of the aggregate needs arising from minimum reserve requirements and autonomous factors amount. 9. Ever since the Great Recession, central bankers around the world have been deploying \_\_\_\_\_ policies to revive global economic growth. Some central banks have gone too far, pushing official interest rates below zero. 10. The objective of the \_\_\_\_\_ is to diversify and amplify sources of finance and ensure that capital can move freely across borders in the Single Market and be put to productive use.

## INDIVIDUAL WORK

### **The World Economy Looks a Bit Like It's the 1930s**

#### **Now, like then, a financial crisis has left deep scars**

To understand today's global economy, look back 80 years.

Just like in the 1930s, growth is being constrained by companies unwilling to spend, falling inflation expectations and governments backing away from fiscal stimulus.

The trigger for the current malaise was the financial crisis that left a hangover of debt and deleveraging amid tighter banking regulations that are exacerbating deflationary pressures. It's similar to the kind of shock that preceded the 1930s slump, according to an analysis by Morgan Stanley economists led by Hong Kong-based Chetan Ahya.

"We think that the current macroeconomic environment has a number of significant similarities with the 1930s, and the experiences then are particularly relevant for today," they wrote. "The critical similarity between the 1930s and the 2008 cycle is that the financial shock and the relatively high levels of indebtedness changed the risk attitudes of the private sector and triggered them to repair their balance sheets."

Like then, the end result could be a prolonged weak period and subdued inflation expectations, with a risk that those price expectations are un-anchored. The danger is that central banks move too quickly to raise interest rates or governments cut back on spending, triggering an even deeper slowdown.

"In 1936-37, the premature and sharp pace of tightening of policies led to a double-dip in the U.S. economy, resulting in a relapse into recession and deflation in 1938," the analysts wrote. "Similarly, in the current cycle, as growth recovered, policy-makers proceeded to tighten fiscal policy, which has contributed to a slowdown in growth in recent quarters."

Still, not every country is moving to tighten policy given the pessimism for global growth. The World Bank earlier this month cut its outlook for global growth as business spending sags in advanced economies including the U.S., while commodity exporters in emerging markets struggle to adjust to low prices.

World gross domestic product will grow by 2.4 percent this year, a pace that's unchanged from 2015 and down from the 2.9 percent estimated in January.

That soggy outlook is fueling a debate about how policy responds. One example is the U.S., where a move by the Federal Reserve in December to lift interest rates for the first time in nine years provoked criticism that the hike came too soon, given the subdued inflation outlook. Former U.S. Treasury Secretary Lawrence Summers has argued that the Fed should not raise rates until it sees the "whites" of the eyes of inflation.

At the same time, finance chiefs from the world's top economies promised in February that their governments would do more to boost demand. Since then,

though, it has been central banks who have continued to stoke growth with easing by monetary authorities from Australia to Europe.

To avoid a new downward spiral, governments will need to step up, according to the Morgan Stanley analysts.

“Activating fiscal policy, particularly at a time when the monetary policy stance is still accommodative, could lead to a virtuous cycle where the corporate sector takes up private investment, and sustains job creation and income growth,” they wrote.

## **Міжнародні фінансові організації**

Міжнародні фінансові організації відіграють дедалі більшу роль у міжнародних економічних відносинах. Це пояснюється тим, що саме через канали цих організацій проходить значна частка світових інвестицій, купівля та продаж валюти для фінансування експорту й імпорту. Особливо важливою є діяльність цих організацій для країн, що здійснюють перехід до ринкових відносин і готові використати як управлінський досвід міжнародних фінансових організацій, так і власні реальні можливості.

У світовій практиці основні міжнародні фінансові інституції об’єднані під загальною назвою “Світовий банк”. Підрозділами Світового банку є Міжнародний банк реконструкції та розвитку, Міжнародна фінансова корпорація та Багатостороннє агентство гарантій інвестицій.

МІЖНАРОДНИЙ БАНК РЕКОНСТРУКЦІЇ ТА РОЗВИТКУ заснований у червні 1944 р. на валютно-фінансовій конференції в Бреттон-Вудсі (США) під егідою ООН.

Метою діяльності Міжнародного банку реконструкції та розвитку (МБРР) є сприяння економічному розвитку країн, що розвиваються. Капіталовкладення спрямовуються на будівництво доріг та електростанцій, шкіл і зрошувальних систем, на розвиток сільськогосподарських структур, перекваліфікацію вчителів, програми підвищення життєвого рівня населення тощо.

Деякі позики Світового банку призначаються для зміни структури економіки в цих країнах із метою її стабілізації, розвитку й орієнтації на ринок. Світовий банк надає “технічну допомогу” або дає рекомендації щодо підвищення ефективності окремих галузей і пристосування специфічних секторів економіки до цілей економічного розвитку.

Перші позики Світового банку були використані на фінансування зруйнованою війною економіки країн Західної Європи. Сьогодні пріоритетним напрямком діяльності Банку є надання позик країнам Африки, Азії, Латинської Америки, Близького Сходу і Європи, особливо Східної.

Роботу Світового банку координує Рада управляючих. Кожна з країн-учасниць представлена в Раді одним управляючим, як правило, посадовою особою в ранзі міністра. Рада управляючих делегує свої повноваження нечисленній групі представників – Раді директорів-розпорядників. Місцезнаходження Ради – Вашингтон. Рада директорів-розпорядників



відповідає за рішення, що стосуються операцій Світового банку, і за затвердження позик. Рішення щодо останнього приймаються на основі економічних, а не політичних критеріїв. Президент Світового банку є одночасно Головою Ради директорів-розпорядників. Керівництво і щоденні операції Банку виконують понад 7 тис. співробітників із більш ніж 100 країн світу.

Нині в Банку працюють 24 виконавчі директори. Відповідно до статей Угоди, кожна з п'яти країн – найбільших власників акцій (США, Японія, Англія, Німеччина, Франція) – призначає одного виконавчого директора. Решта країн об'єднані в 19 виборчих груп, кожна з яких представлена одним виконавчим директором, обраним країною або групою країн. Члени МБРР самі вирішують, на яких принципах створюється угруповання. Переважно групи формуються за географічною ознакою з урахуванням певних політичних і культурних чинників.

На регулярних щотижневих сесіях виконавчі директори розглядають роботу Банку, у тому числі питання надання позик, визначення бюджету, напрямків політики та ін.

У статтях Угоди зафіксовані основні правила, за якими працює Банк. Так, він надає позики тільки на продуктивні цілі, насамперед для сприяння країнам, що розвиваються. Банк одночасно приділяє увагу перспективам погашення позик. Кожна позика надається урядові, і оплата його має бути ним гарантована. Рішення Банку щодо надання позик може ухвалюватися тільки на основі міркувань економічного характеру.

Позики на перебудову економічної структури можуть допомогти країнам, що розвиваються, ефективно використовувати ресурси і, таким чином, забезпечити довгостроковий кредит. Позики Банку на здійснення конкретних проектів також впливають на економічну політику. Наприклад, робота експертів на місцях щодо створення нової системи газопостачання часто потребує нової політики ціноутворення, спроможної зробити використання електроенергії більш ефективним.

## **MODULE II**

### **UNIT II**

#### **Business contracts**

**1. Read the text given below. Make up a list of unknown words. Make a literary translation of the text in writing.**

#### **Understanding business contracts**

Dealing with contracts is part of running a small business. You will have a number of business relationships involving some type of contractual commitment or obligation.

You may be:

- a purchaser of goods and services – as a borrower of money, in rental agreements and franchise agreements
- a supplier of goods and services – retailer, wholesaler, independent contractor
- have a partnering agreement with other businesses – partnerships, joint ventures, consortium.

Managing your contracts and business relationships is very important.

#### **Verbal and written contracts**

Contracts can be verbal (spoken), written or a combination of both. Some types of contract such as those for buying or selling real estate or finance agreements must be in writing.

Written contracts may consist of a standard form agreement or a letter confirming the agreement.

Verbal agreements rely on the good faith of all parties and can be difficult to prove.

It is advisable (where possible) to make sure your business arrangements are in writing, to avoid problems when trying to prove a contract existed.

Regardless of whether the contract is verbal or written, it must contain four essential elements to be legally binding.

#### **Essential elements of a contract**

For a contract to be legally binding it must contain four essential elements:

- an offer
- an acceptance
- an intention to create a legal relationship
- a consideration (usually money).

However it may still be considered invalid if it:

- entices someone to commit a crime, or is illegal
- is entered into by someone that lacks capacity, such as a minor or bankrupt
- was agreed through misleading or deceptive conduct, duress, unconscionable conduct or undue influence.

## **General terms and structure of an agreement**

There is no specific format that a contract must follow. Generally it will include some terms, either expressed or implied, that will form the basis of the agreement. These terms may outline contract conditions or contract warranties.

Contract conditions are fundamental to the agreement. If the contract conditions are not met it is possible to terminate the contract and seek compensation or damages.

Contract warranties are less important terms and not fundamental to the agreement. You cannot terminate a contract if the warranties are not fulfilled, however, you may be able to seek compensation for any losses incurred.

When negotiating the contract terms make sure the conditions of the contract are clearly defined and agreed to by all parties.

Contracts may follow a structure that can include, but are not limited to, the following items:

- details of the parties to the contract, including any sub-contracting arrangements
- duration or period of the contract
- definitions of key terms used within the contract
- a description of the goods and/or services that your business will receive or provide, including key deliverables
- payment details and dates, including whether interest will be applied to late payments
- key dates and milestones
- required insurance and indemnity provisions
- guarantee provisions, including director's guarantees
- damages or penalty provisions
- renegotiation or renewal options
- complaints and dispute resolution process
- termination conditions
- special conditions

## **Standard form contracts and unfair terms**

A standard form contract is a pre-prepared contract where most of the terms are set in advance with little or no negotiation between the parties. These contracts are usually printed with only a few blank spaces for adding names, signatures, dates etc.

Examples of standard form contracts can include:

- employment contracts
- lease agreements
- insurance agreements
- financial agreements

Standard form contracts are generally written to benefit the interests of the person offering the contract. It is possible to negotiate the terms of a standard form contract. However in some cases your only option may be to 'take it or leave it'. You should read the entire contract, including the fine print, before signing.

If you intend to offer standard form contracts you must not include terms that are considered unfair. This could include terms that:

- allow one party (but not another) to avoid or limit their obligations
- allow one party (but not the other) to terminate the contract
- penalise one party (but not another) for breaching or terminating the contract
- allow one party (but not another) to vary the terms of the contract.

There are laws protecting consumers from unfair contract terms in circumstances where they had little or no opportunity to negotiate with businesses (such as standard form contracts).

## **Unfair contract terms and small businesses**

A new law protecting small businesses from unfair contract terms in standard form contracts will apply to contracts entered into or renewed on or after 12 November 2016, where:

- it is for the supply of goods or services or the sale or grant of interest in land
- at least one of the businesses employs less than 20 people
- the price of the contract is no more than \$300,000 or \$1 million if the contract is for more than 12 months.

## **Before signing a contract**

Before you sign a contract:

- read every word, including the fine print
- ensure that it reflects the terms and conditions that were negotiated
- seek legal advice if you do not understand any of the terms
- if required, take the contract home overnight to consider it
- don't be pressured into signing anything if you are unsure
- never leave blank spaces on a signed contract – cross them out if you have nothing to add so they cannot be altered later
- make sure that you and the other party initial any changes to the contract
- obtain a copy of the signed contract for your records.

Once you've signed a contract you will not be able to get out of it without paying a penalty (sometimes the full amount of the contract) or you may be taken to court by the other party to compensate their loss. Some contracts may allow you to terminate early, with or without penalty. You should seek legal advice if you want to include an opting-out clause.

## Ending a contract

Most contracts end once the work is complete and payment has been made. Contracts can also end:

- by agreement – both parties agree to end contract before the work is completed.
- by frustration – where the contract cannot continue due to some unforeseen circumstances outside the parties' control.
- for convenience – where the contract allows a party to terminate at any time by providing notice to the other party.
- due to a breach – where one party has not complied with an essential contract condition, the other party may decide to terminate the contract and seek compensation or damages.

If a contract warranty or minor term has been breached it is unlikely that it can be terminated, though the other party may seek compensation or damages. Some contracts may specify what will be payable if there is a breach. This is often called liquidated damages.

If there is a dispute regarding the contract it is important both parties communicate clearly to attempt to resolve the matter.

## 2. Learn the following collocations:

<b>1) контракт</b>	<b>contract</b>
умови контракту	contract conditions / terms
гарантії контракту	contract warranties
розірвати контракт	to terminate the contract
учасники / сторони контракту	parties to the contract
стандартний / типовий контракт	standard form contract
трудовий договір / контракт	employment contract
несправедливі договірні умови	unfair contract terms
повна сума контракту	full amount of the contract
зміни умов контракту	changes to the contract
контракт укладений заздалегідь	pre-prepared contract
<b>2) угода, договір</b>	<b>agreement</b>
орендний договір	rental agreement
договір про франчайзинг / пільги	franchise agreement
партнерська угода	partnering agreement
фінансова угода	finance agreement

основа угоди	basis of the agreement
договір субпідряду / субконтрактний договір	sub-contracting arrangement
договір оренди	lease agreement
договір страхування	insurance agreement
фінансова угода	financial agreement
<b>3) умови / терміни</b>	<b>terms</b>
ключові умови	key terms
обговорити умови	to negotiate the terms
змінювати умови	to vary the terms
другорядна умова	minor term
домовитися про прийнятні умови	to agree to acceptable terms
пільгові умови	concessionary terms
порушувати терміни поставки	to exceed the term for delivery
закінчення терміну	expiration of a term
дотримуватися терміну	to keep the term
<b>4) оплата / платіж</b>	<b>payment</b>
реквізити оплати	payment details
дата / строк сплати	payment dates
несвоєчасний платіж / затримка платіжу	late payment
здійснювати платіж	arrange for payment
затримувати оплату	to withhold payment
оплата на вимогу	payment on sight
платіж частинами	payment by installment
дострокова оплата	payment ahead of schedule
своєчасний платіж	due payment
<b>5) сторона, учасник</b>	<b>party</b>
сторона, яка отримує користь від угоди	beneficiary party
сторона, яка порушила умови	defaulting party
сторона, яка не виконує своїх обов'язків	non-performing party
постраждала сторона	a party harmed / aggrieved party
винна сторона	a party in breach / a party in default
за бажанням будь-якої із сторін	at a wish of either party
сторона, яка фінансує	finance party

### 3. Translate into Ukrainian:

to run a business; contractual commitment; rental agreements; franchise agreements; retailers and wholesalers; joint ventures; real estate; letter confirming the agreement; to be legally binding; to be considered invalid; misleading or

deceptive conduct; undue influence; expressed or implied terms; to outline contract conditions; contract warranties; to terminate the contract; sub-contracting arrangements; key deliverables; late payments; indemnity provisions; penalty provisions; renewal options; termination conditions; employment contracts; lease agreements; insurance agreements; to benefit the interests; standard form contracts; to penalise one party; breaching or terminating the contract; to vary the terms of the contract; unfair contract terms; supply of goods or services.

#### **4. Translate into English:**

підписати контракт; відобразити умови контракту; шукати юридичну допомогу (консультацію юриста); перебувати під тиском; залишати пропуски (порожні місця); бути зміненим; викреслювати; отримати копію; заплатити штраф; повна вартість контракту; компенсувати збитки; стаття договору про вихід; у випадку недосягнення мети договору; непередбачені обставини; у зв'язку з порушенням; виконувати умови; суттєва умова контракту; уточнювати; відшкодовані збитки; з'ясувати; намагатися вирішити (владнати) справу.

#### **5. Translate the following tips dealing with contracts and learn them.**

**TIP 1:** Contracts can be complex. It is important that you fully understand the terms of a contract before signing anything. You are advised to seek legal and professional advice first.

**TIP 2:** You should be aware that the majority of contracts entered into will have goods and services tax (GST) implications.

**TIP 3:** In almost all cases of creative work (such as a logo you pay to have designed) copyright will remain with the creator, regardless of whether they created it on your behalf. If you engage a contractor to produce material that attracts copyright protection make sure the contract includes assignment of these protections, so that you own all the rights to the materials you paid to have created.

**TIP 4:** If it is not possible to have a written contract make sure you have other documentation such as emails, quotes, or notes about your discussions to help you identify what was agreed.

**6. Match the words in column (A) with most suitable words in column (B). Translate the phrases. Make up sentences of your own with the given phrases, ask your fellow students to interpret them:**

<b>A</b>	<b>B</b>
1. consortium	a. intended to make someone believe something that is not true
2. deliverables	b. going far beyond what is usual or proper, extremely bad, unfair, or wrong.
3. milestones	c. the fact of being prevented from succeeding or doing something
4. frustration	d. contract between employer and employee
5. lease agreement	e. items named in a contract, course, or project that must be delivered for its successful completion
6. employment contract	f. a contract whereby, for specified consideration, one party undertakes to compensate the other for a loss relating to a particular subject as a result of the occurrence of designated hazards.
7. insurance agreement	g. a group of people, companies, etc., that agree to work together
8. financial agreement	h. a contractual agreement by which one party conveys an estate in property to another party, for a limited period, subject to various conditions, in exchange for something of value, but still retains ownership.
9. unconscionable	i. a significant event or stage in the life, progress, development, or the like of a person, nation, etc.
10. deceptive	j. an agreement or option to buy, sell, lend, swap, or repurchase, or other similar individually negotiated transaction commonly entered into by participants in the financial markets.

**7. Fill in the gaps with the following words and word-combinations:** *terminate a contract; price of the contract; franchise agreement; contractual commitment; unforeseen circumstances; joint venture; opting-out clause; liquidated damages; standard form contract; rental agreement;*

- \_\_\_\_\_ is a contract that is not specially set out for the transaction in question but is drawn up in advance and applied to numerous transactions.
- \_\_\_\_\_ is a commitment to do something that is made legal by being included in the terms of a contract.
- According to her \_\_\_\_\_ no pets are allowed in the house she will be renting so she will need to make arrangements for her 2 dogs when she moves in.
- I was required to receive \_\_\_\_\_ from the company because I had suffered a great loss at their hand.



5. To \_\_\_\_\_ means to end the contract prior to it being fully performed by the parties. In other words prior to the parties performing all of their respective obligations required by the contract, their duty to perform these obligations ceases to exist.

6. Due to \_\_\_\_\_ beyond our control, we have been forced to close the exhibition for the next two days.

7. \_\_\_\_\_ permits signatories to a contract to opt out of particular provisions, or to terminate the contract early.

8. Mutually agreed upon total amount that a principal (client or project owner) pays to a contractor on completion of the contract, in accordance with contract terms, conditions, and their subsequent modifications (if any) is called \_\_\_\_\_.

9. \_\_\_\_\_ is a legal contract in which a well established business consents to provide its brand, operational model and required support to another party for them to set up and run a similar business in exchange for a fee and some share of the income generated.

10. A business entity created by two or more parties, generally characterized by shared ownership, shared returns and risks, and shared governance is called \_\_\_\_\_.

## 8. Translate the following sentences into Ukrainian. Pay attention to the words and word combinations in bold type.

1. The body of **finance agreement** along with general terms and conditions both reflect the accuracy and correctness. 2. **Letters of confirmation** are used by individuals, organizations and businesses every day, for a number of different purposes. Broadly speaking they are used to recognize a previous agreement or to verify certain information upon request. 3. An illegal action, such as forcing, tricking, or coercing a person into an agreement, is not **legally binding**. 4. The requirement of **intention to create legal relations** in contract law is aimed at sifting out cases which are not really appropriate for court action. Not every agreement leads to a **binding contract** which can be enforced through the courts. 5. Even if the act was **considered to be invalid**, it may entail the responsibility of the organization. 6. At one extreme are people who have zero taste for crime; nothing will **entice them to commit a crime**. At the other end are those for whom no penalty is severe enough to deter them. 7. To be considered **unconscionable, conduct** it must be more than simply unfair – it must be against conscience as judged against the norms of society. 8. A range of remedies are available in the event of misleading or **deceptive conduct**. 9. Although a **contract warranty** is in its simplest form an element of a contract, some warranties run with a product so that a manufacturer makes the warranty to a consumer with which the manufacturer has no direct **contractual relationship**. 10. If you decide **to terminate a contract**, you should make sure that the termination will result in the least amount of damages for you. 11. **Sub-contracting** is an arrangement where a Contractor defers day-to-day

responsibility for all or part of the management and conduct of training delivery and assessment activities for funded training to another individual or organization (the Sub-Contractor). The Contractor pays the **Sub-Contractor** for providing these services. 12. The project is broken down into major components leading up to the objective: these are the **key deliverables**. These key deliverables are then broken down into specific tasks that need to be completed. 13. **Indemnity provisions** in a contract allocate the risk of a business transaction between the two parties by obligating one party to pay the expenses incurred by the other party under certain circumstances. 14. The **renewal option** appears as a covenant in the original lease and provides specifications under which the leaseholder can renew or extend the original lease term for an additional, specified time and rate (rent).

## 9. Translate the following sentences into English.

1. При **несвоєчасній оплаті** Замовником послуг Виконавця, в разі відсутності попередньої письмової домовленості про перенесення строку платежу, Замовник сплачує Виконавцю пеню за кожний день прострочення. 2. **Непередбачені обставини** включають: заборони експорту, війну, блокаду, валютні чи обмеження інші заходи урядів і урядових органів, пожежі, повені, інші стихійні лиха, замерзання моря, закриття морських проток, відхилення в шляху, викликані воєнними діями і ін. 3. У випадках, передбачених законом, замовник має право повністю або частково відмовитися від товарів, поставка яких передбачена контрактом, за умови **відшкодування** постачальнику **збитків**, завданих такою відмовою. 4. Організаторів страйку можна притягнути до відповідальності і змусити **компенсувати збитки**. 5. **Суттєвими умовами** договору купівлі-продажу є предмет договору і ціна. 6. У разі **невиконання мети** цього Договору сторони несуть відповідальність відповідно до чинного законодавства та умов цього Договору. 7. Закон передбачає, що договір оренди землі укладається у письмовій формі і **за бажанням однієї із сторін** може бути посвідчений нотаріально. 8. Фахівці вважають, що **дострокова оплата позики** дає можливість позичальникові знизити фінансове навантаження на сімейний бюджет. 9. Третій пункт контракту містить у собі **обговорення умов** оплати або надання клієнту інформації про те, скільки це може коштувати. 10. Статтями 18, 21, 22 Закону України про захист прав споживачів, визначено, що продавець не повинен включати у договори із споживачем **умови**, які є **несправедливими**. 11. **Порушення строків поставки** веде до недовиконання плану виробництва і реалізації продукції. 12. Якщо порушення достатньо серйозне за своїми наслідками, потерпіла сторона може **розірвати контракт**. 13. Водночас доцільно визначати **пільгові умови** проведення **попередньої оплати** за товар, про що необхідно зробити відповідні посилення у тексті контракту. 14. **Сторона, яка не виконує свого обов'язку**, повинна дати на протязі 3-х робочих днів

дати письмове повідомлення другій стороні про перешкоди і їх вплив на виконання зобов'язань за даним договором.

## 10. Study the active vocabulary and translate the text given below

hereinafter referred to as	що далі називається
integral part	невід'ємна частина
on FOB (free on board) / CIF (cost, insurance, freight) basis / conditions	ФОб умови / СІФ умови
to the amount of ...	на суму ...
Supplement	додаток
Total Amount	загальна сума
delivery of the goods	постачання товарів
to be effected	бути виконаним, відбутися
stipulated	вказаний, обумовлений
Bill of Lading	коносамент
to conform to the technical conditions	відповідати технічним умовам
transshipment	перевалка, пересадка
indelible paint	фарба, що не змивається
consignor	вантажовідправник
consignee	вантажодержувач
in respect of quality / quantity	за якістю / кількістю
irrevocable, confirmed, divisible Letter of Credit	безвідзивний, підтверджений, ділимий акредитив
to be valid	бути дійсним
invoice	накладна, рахунок
in triplicate	у 3-х екземплярах
to bear the expenses	нести витрати
claims	рекламації
non-conformity	невідповідність
contents and ground	зміст та обґрунтування
after expiration of the said date	після закінчення зазначеного терміну
cessation of the circumstances	припинення обставин
to be null and void	втрачати силу
amendments and supplements	зміни і доповнення
duly	належним чином
authorized representatives	уповноважені особи

**CONTRACT No**

Kyiv

“ \_\_\_\_\_ ”

20\_\_

\_\_\_\_\_ hereinafter referred to as the Sellers, on the one hand and \_\_\_\_\_, hereinafter referred to as the Buyers, on the other hand have concluded the present Contract as follows:

**1. Subject of the Contract**

The Sellers have sold and the Buyers have bought on (FOB) \_\_\_\_\_(port) basis the goods to the amount of \_\_\_\_\_ in the quantity, assortment, at prices and according to technical conditions as stated in Supplements No 1,2... which are the integral part of the present Contract.

**2. Price and Total Amount of the Contract**

The prices for the goods are fixed in \_\_\_\_\_(currency) and are to be understood \_\_\_\_\_(FOB, CIF...) packing and marking included. The Total Amount of the present Contract is \_\_\_\_\_

**3. Dates of delivery**

Delivery of the goods under the present Contract should be effected within the dates stipulated in the Supplement No \_\_\_\_ to the present Contract. The data of the Bill of Lading and / or the date of frontier station stamp of the Sellers' country stated in railway bill to be considered as the data of delivery.

**4. Quality of the goods**

The quality of the goods should conform to the technical conditions stated in the Supplement No \_\_ .

**5. Packing and Marking**

Tare and inner packing should secure full safety of the goods and protect the goods from any damages during transportation by all kinds of transportation means taking into consideration transshipments. Each case is to be marked with indelible \_\_\_\_\_ paint \_\_\_\_\_ as \_\_\_\_\_ following:

Case N. \_\_\_\_\_

Contract N. \_\_\_\_\_

Consignor \_\_\_\_\_

Consignee \_\_\_\_\_

Gross weight \_\_\_\_\_

Net weight \_\_\_\_\_

**6. Delivery and Acceptance of Goods**

The goods shall be considered as delivered by the Sellers and accepted by the Buyers: in respect of quality – according to the Certificate of Quality issued by the Seller; in respect of quantity – according to the number of cases and weight as shown in way-bill or Bill of Lading.

**7. Payment**

Payment for the goods delivered is effected in \_\_\_\_\_ under an irrevocable, confirmed divisible Letter of Credit established by the Buyer with the Bank \_\_\_\_\_ . The Letter of Credit to allow transshipment and partial shipment and to stipulate that all the expenses connected with the opening and the

extension of the Letter of Credit and any other bank charges to be for the Buyers' account. The Letter of Credit is to be valid for \_\_\_\_\_ days. The terms and conditions of the Letter of Credit should correspond to the terms and conditions of the Contract; the terms which are not included in the Contract to be not inserted in the Letter of Credit. The Letter of Credit to be available against presentation of the following documents:

1. Full set of clean on board Bills of Lading issued in the name of \_\_\_\_\_(Buyer) for shipment of the goods to \_\_\_\_\_(destination port);
2. Invoice in triplicate;
3. Specification in triplicate stating Contract No, Numbers of shipped cases;
4. Quality Certificate issued by the Seller in duplicate confirming that the quality of the goods corresponds to the conditions of the present Contract;
5. Master's Receipt confirming the receiving for delivery of 4 non-negotiable copies of

Bill of Lading and 4 copies of specification together with the goods. The Sellers should submit the above said documents to the Bank for payment within \_\_\_\_\_ days after loading of the goods. Should the Seller fails to do this he is to bear the expenses for prolongation of the Letter of Credit.

#### **8. Claims**

Claims in respect of the quantity in case of shortage inside the case may be submitted by the Buyers to the Sellers not later than \_\_\_\_\_ days and in respect of the quality of the goods in case of non-conformity of same to that stipulated by the Contract not later than \_\_\_\_\_ days after the arrival of the goods at the port of destination. Contents and ground of the claim should be certified either by Expert's Report or by a Report made up with the participation of a representative of \_\_\_\_\_ an \_\_\_\_\_ uninterested \_\_\_\_\_ competent \_\_\_\_\_ organization. The Sellers should consider the received claim within \_\_\_\_\_ days counting the date of its receipt. In case of no reply from the Sellers after expiration of the said date the claim will be considered as admitted by the Sellers. The Buyers have the right to return to the Sellers the rejected goods for their replacement by the goods of proper quality. All the transport and other expenses connected with delivery and return of defective goods are to be paid by the Sellers.

#### **9. Arbitration**

All disputes and differences which may arise out of the present Contract or in connection with the same are to be settled without application to State courts by Arbitration Court, Kyiv in accordance with the Rules of procedure of the above Court the awards of which are final and binding upon both Parties.

#### **10. Force-majeure**

Should any circumstances arise which prevent complete or partial fulfillment by any of the Parties of their respective obligations under the present Contract, namely: fire, war, military operations of any kind, blockade, prohibition of export or import or any other circumstances beyond the control of Parties, the time stipulated for the fulfillment of such obligations shall be extended for the period equal to that during which such circumstances will remain in force. Should the

above circumstances continue to be in force for more than \_\_\_\_\_ months, each Party shall have the right to refuse any further fulfillment of the obligations under the Contract and in such case neither of the Parties shall have the right to make a demand upon the other Party for the compensation of any possible damages.

The Party for whom it becomes impossible to meet their obligations under the present Contract, shall immediately advise the other Party as regards the beginning and the cessation of the circumstances preventing the fulfillment of their obligations.

The certificates issued by the respective Chamber of Commerce of the Sellers' or of the Buyers' country shall be sufficient proof of such circumstances and their durability.

### **11. Other Conditions**

All dues, taxes and customs duties levied in the territory of the Sellers' country connected with execution of the present Contract are to be paid by the Sellers and for their account. The Seller is bound to obtain Export Licenses if such are required. From the moment of signing the present Contract all the previous negotiations and correspondence connected with same are null and void. None of the Parties has the right to assign their right and obligations under the present Contract without written consent of the other Party. Any amendments and supplements to the present Contract are valid only if made in writing and signed by duly authorized representatives of both Parties. The present Contract is made up in two copies both having the same value.

### **12. Legal Addresses of the Parties**

#### **11. Translate the following sentences.**

1. Постачальник зобов'язується в порядку та на умовах, визначених цим Договором, виготовити і поставити продукцію, а Покупець зобов'язується в порядку та на умовах, визначених цим Договором, прийняти і оплатити таку продукцію. 2. Якісні і кількісні характеристики продукції, що є предметом поставки за цим Договором, строки поставки продукції за цим Договором визначаються у специфікації, що додається до цього Договору і є його невід'ємною частиною. 3. Якість продукції, що є предметом поставки за цим Договором, має відповідати державним стандартам і технічним умовам. 4. Продукція, що є предметом поставки за цим Договором, підлягає обов'язковому маркуванню згідно з вимогами відповідних стандартів або технічними умовами. 5. Продукція, що є предметом поставки за цим Договором, пакується у тару відповідно до вимог відповідних стандартів або технічних умов, зазначених специфікації, що додається до цього Договору. 6. Постачальник відвантажує продукцію на адресу Покупця за цінами, що визначені чинними прейскурантами Постачальника. 7. У випадку порушення своїх зобов'язань за цим Договором Сторони несуть відповідальність, визначену цим Договором та чинним в Україні законодавством. 8. Сторони

не несуть відповідальності за порушення своїх зобов'язань за цим Договором, якщо воно сталося не з їх вини. **9.** Усі спори, що пов'язані із цим Договором, його укладанням або такі, що виникають в процесі виконання умов цього Договору, вирішуються шляхом переговорів між представниками Сторін. Якщо спір неможливо вирішити шляхом переговорів, він вирішується в судовому порядку за встановленою підвідомчістю та підсудністю такого спору у порядку, визначеному відповідним чинним в Україні законодавством. **10.** Цей Договір набуває чинності з моменту його підписання і діє до повного виконання Сторонами своїх зобов'язань за цим Договором. **11.** Зміни та доповнення, додаткові угоди та додатки до цього Договору є його невід'ємною частиною і мають юридичну силу у разі, якщо вони викладені у письмовій формі та підписані уповноваженими на те представниками Сторін. **12.** Цей Договір складений українською мовою, на 2 сторінках у 2 примірниках, кожний з яких має однакову юридичну силу.

**12. Read through the text quickly. Pay attention to underlined words. Then match these questions (a – e) with the paragraphs that answer them (1-5).**

- a Upon which grounds related to the formation of a contract may its validity be attacked?
- b What are the elements of an enforceable contract?
- c What form can an enforceable contract take?
- d What are the essential terms of a contract?
- e When do third parties possess enforceable rights in a contract?

1. Under the common law, a promise becomes an **enforceable** contract when there is an **offer** by one **party (offeror)** that is **accepted** by the other party (**offeree**) with the exchange of legally sufficient **consideration** (a **gift** or **donation** does not generally count as consideration): hence the equation learned by law students: offer + acceptance + consideration = contract. The law regards a **counter offer** as a **rejection** of the offer. Therefore, a counter offer does not serve to form a contract unless, of course, the counter offer is accepted by the original offeror.

2. For a promise to become an enforceable contract. the parties must also agree on the **essential terms** of the contract, such as price and **subject matter**. Nevertheless, courts will enforce a vague or **indefinite** contract under certain circumstances, such as when the conduct of the parties, as opposed to the written **instrument**, manifests sufficient certainty as to the terms of the agreement.

3. An enforceable agreement may be manifested in either written or oral words (an **express contract**) or by conduct or some combination of conduct and words (an **implied contract**). There are exceptions to this general rule. For example, the **Statute of Frauds** requires that all contracts involving the sale of **real property** be in writing.

4. In a contractual dispute, certain defences to the **formation** of a contract may permit a party to escape his/her obligations under the contract. For example, **illegality of the subject matter**, **fraud in the inducement**, **duress** and the **lack of legal capacity** to contract all enable a party to attack the validity of a contract.

5. In some cases, individuals/companies who are not a party to a particular contract may nevertheless have enforceable rights under the contract. For example, contracts made for the benefit of a third party (**third-party beneficiary contracts**) may be enforceable by the third party. An original party to a contract may also subsequently transfer his rights/duties under the contract to a third party by way of an **assignment of rights** or **delegation of duties**. This third party is called the **assignee** in an assignment of rights and the **delegate** in a delegation of duties.

**enforceable contract** – контракт, забезпечений правовою санкцією

**counter offer** – зустрічна пропозиція

**indefinite contract** – безстроковий

**written instrument** – письмовий документ

**express contract** – спеціальний договір / терміновий договір / виражений д.

**implied contract** – контракт, що “мається” на увазі

**Statute of Frauds** – Статут про шахрайство

**real property** – нерухомість

**illegality of the subject matter** – незаконність предмета договору

**fraud in the inducement** – введення в оману відносно намірів

**duress** – тиск, загроза, позбавлення волі

**lack of legal capacity** – недієздатність

**third-party beneficiary contracts** – договір на користь третьої особи

**assignment of rights** – передача прав

**delegation of duties** – делегація обов’язків

### 13. Match these phrases (1-4) with their definitions (a-d).

1 illegality of the subject matter

2 fraud in the inducement

3 duress

4 lack of legal capacity

**a** when one party does not have the ability to enter into a legal contract. i.e. is not of legal age, is insane or is a convict or enemy alien

**b** when one party induces another into entering into a contract by use or threat of force, violence, economic pressure or other similar means

**c** when either the subject matter (e.g. the sale of illegal drugs) or the consideration of a contract is illegal



**d** when one party is intentionally misled about the terms, quality or other aspect of the contractual relationship that leads the party to enter into the transaction

**14. Match these types of contract clauses (1-10) with their definitions (a-j).**

<b>1</b> Acceleration	<b>a</b> clause stating that the written terms of an agreement may not be varied by prior or oral agreements because all such agreements have been consolidated into the written document
<b>2</b> Assignment	<b>b</b> clause designed to protect against failures to perform contractual obligations caused by unavoidable events beyond the party's control, such as natural disasters or wars
<b>3</b> Confidentiality	<b>c</b> clause outlining when and under which circumstances the contract may be terminated
<b>4</b> Consideration	<b>d</b> clause concerning the treating of information as private and not for distribution beyond specifically identified individuals or organisations, nor used other than for specifically identified purposes
<b>5</b> Force Majeure	<b>e</b> clause in a contract requiring the obligor to pay all or a part of a payable amount sooner than as agreed upon the occurrence of some event or circumstance stated in the contract. usually failure to make payment
<b>6</b> liquidated Damages	<b>f</b> clause setting out which party is responsible for payment of costs related to preparation of the agreement and ancillary documents
<b>7</b> Entire Agreement	<b>g</b> clause expressing the cause, motive, price or impelling motive which induces one party to enter into an agreement
<b>8</b> Severability	<b>h</b> clause referring to an amount predetermined by the parties as the total amount of compensation a non-breaching party should receive if the

	other party breaches a part of the contract
<b>9</b> Termination	<b>i</b> clause prohibiting or permitting assignment under certain conditions
<b>10</b> Payment of Costs	<b>j</b> clause providing that, in the event that one or more provisions of the agreement are declared unenforceable, the balance of the agreement remains in force

## INDIVIDUAL WORK

### Contracts: remedies

When there has been a breach of contract, the non-breaching party will often seek remedies available under the law. This area of the law, known as “remedies”, is a broad area, but can be summarised generally.

Most remedies involve money damages, but non-monetary relief is also available in some cases. The basic remedy for breach of contract in the Anglo-American legal system is pecuniary compensation to an injured party for the loss of the benefits that party would have received had the contract been performed. Some examples of this kind of remedy include expectation damages or “benefit of the bargain” damages. Certain damages are recoverable regardless of whether the loss was foreseeable, while the recovery of other damages hinges on foreseeability. Where the damage is the direct and natural result of the breach, the breaching party will be held liable to pay damages for such without regard to the issue of foreseeability. When lawyers plead these damages in court, they commonly refer to general damages. However, where the damage arises due to the special circumstances related to the transaction in question, damages are limited by the foreseeability rule, which states that they are only recoverable when it can be established that the damage was foreseeable to the breaching party at the time the contract was entered into. When lawyers plead these damages in court, they commonly refer to special or consequential damages.

Where it is not possible to prove expectation damages, the non-breaching party can seek reliance damages, where the compensation is the amount of money necessary to compensate him for any expenses incurred in reasonable reliance on the contract. The non-breaching party is thus returned to the status quo ante with no profit or benefit from the contract.

Another measure of damages is restitution damages, which compel the breaching party to give up any money benefit it obtained under the breached contract. Restitution damages are, for example, awarded when one party (the breaching party) completely fails to perform its obligations under the contract.

The parties to a contract may, however, agree at the time they enter into the contract that a fixed sum of money shall be awarded in the event of a breach or to a formula for ascertaining the damages or for certain other remedies, e.g. right of repair. This type of damages is known as liquidated damages or stipulated damages.

In some cases, a party will be able to obtain punitive or exemplary damages through the court which are designed to punish the breaching party for conduct which is judged to be particularly reprehensible, e.g. fraud. This type of damages is normally only awarded where specifically provided by statute and where a tort in some way accompanies the breach of contract.

Where monetary damages would not be an adequate remedy, such as in a case where two parties enter into a real-estate contract and the seller decides to

sell to a third party, the court may order specific performance. Specific performance involves an order by the court compelling the breaching party to perform the contract.

Finally, there are other remedies available: for example, if there has been a default by one party, the other party may rescind or cancel the contract. This constitutes an undoing of the contract from the very beginning. In addition, legislation such as sale of goods legislation also allows for various remedies, including a right to reject goods in certain cases and a right to return or demand repair or replacement.

## MODULE III

### UNIT III

#### Diplomacy

**1. Read the text given below. Make up a list of unknown words. Make a literary translation of the text in writing.**

#### **Does Diplomacy (Still) Matter?**

“States receive so much benefit from uninterrupted foreign negotiations,” Cardinal Richelieu, the founder of the first-ever professional diplomatic service, once argued, but the nature of the much praised “benefit” has not always been clear.

As I have argued elsewhere, diplomacy, at its core, is about relationship management and maintaining international order. At the micro-level, this translates into diplomats building and managing relations of friendship. At the macro-level, diplomacy contributes through its core functions of representation, communication and negotiation to producing and distributing global public goods (security, development, sustainable environment, etc.) Diplomatic success is therefore arguably an equal matter of maximizing the number of allies and friends and reducing that of enemies and rivals on the one hand, and of creating a stable and self-sustainable international order, on the other hand. However, what is less clear is how diplomats can actually accomplish these worthy undertakings. What exactly do they need to do in order to live up to these expectations, especially since their profession is going through some critical transformations with respect to the nature of the actors, issue areas, and methods of diplomatic engagement? Put differently, what is the value of diplomacy in the 21st century?

#### **Actors**

We are witnessing a multiplication of diplomatic actors in Europe as well as worldwide. The field of diplomacy is no longer populated just by representatives of foreign services, but also by representatives of other ministries, multinational corporations, civil society organizations, and even influential individuals who do not represent a particular state, organization or corporation. As insightfully noted by the authors of the Future of Diplomacy Report (2013), the nature of the national diplomatic environment is changing from one which privileges the role of the Ministry of Foreign Affairs (MFA) to one which places it within a broader construct – that of the national diplomatic system (NDS), which covers the complex network of governmental and non-governmental institutions that inform and shape a country’s international policy objectives. Assessing the value of diplomacy in this context is no longer an issue of measuring solely MFA

performance. It has to involve a more sophisticated analysis of mapping and comparing NDS configurations that prove most conducive to addressing and managing core files of foreign policy. The European refugee crisis has shown, for instance, how important it is for MFAs to collaborate with local NGOs, charities, international institutions (such as the UNHCR), aid agencies, and industry groups in order to make sure that countries' immigration policies and their humanitarian commitments remain reasonably aligned with each other.

### **Issue Areas**

Diplomacy, on the one hand, and regional and global governance, on the other, are inextricably intertwined. As a key mechanism of regional and global ordering, diplomacy increasingly gets involved in issue areas that, until quite recently, had been primarily dealt with at the domestic level (economics, environment, health, migration).

Most critically, many of these issue areas mutually influence each other, and consequently, they are often discussed in the same breath in international fora (e.g., migration and security, environment and trade, economics and health etc.). What this means is that the value of diplomacy may not be properly captured by sector-specific measures, but rather by compact-sensitive tools that take into account the complementary and added value of integrated issues areas. For example, the 3D concept (Diplomacy, Development, and Defense) put forward by the U.S. Department of State in collaboration with USAID and the Department of Defense recognizes the mutually-reinforcing capacity of the three dimensions and seeks to leverage their joint potential through combined strategic planning. One could probably add "Digital" as the fourth logical extension of this approach (4D), as digital technologies are becoming indispensable tools for conducting diplomacy, promoting development, and boosting defense.

What needs to change is our method of assessing the mechanisms by which these objectives can be reached.

### **Methods**

The multiplication of actors and issue areas also changes the ways diplomats do their work. It changes both their daily practices and their methods for handling international negotiations, public engagements and situations of international crisis. The 2015 Quadrennial Diplomacy and Development Review (QDDR) calls attention, for instance, to the fact that the fluid nature of global events requires the U.S. State Department to respond quickly and to deploy expertise whenever and wherever it is needed. The 20th century mantra of diplomats being able to excel in their work as long as they had a strong sense of history and a good grasp of general economic, political, and international issues is no longer sufficient. Rather, professional aspects of diplomacy can be found in a range of different occupational roles requiring multiple competences and trans-professional skills (strong leadership qualities, good analytical intuitions in economics and data science,

proven negotiation abilities, deep know-how of organizational management etc.) Good diplomatic performance is therefore not only an issue of suitably linking capacities to outcomes, but also of demonstrating the capacity and talent to do this in a way that embraces multi-tasking, welcomes improvisation, controls uncertainty and complexity, and maximizes real-time impact. In short, the method of evaluating diplomatic performance must take note of the hybridity of professional competences required to function efficiently in the diplomatic environment of the 21st century.

To conclude, the core mission of diplomacy to manage relationships and maintain international order has hardly changed in the 21st century. What needs to change is our method of assessing the mechanisms by which these objectives can be reached. A stronger focus on the strength and efficiency of national diplomatic systems, on the added value and degree of compactness of integrated issues areas, and on the level of hybridity of professional competences and skills required for delivering results in a dynamic environment, could offer a more balanced perspective to understanding the value of contemporary diplomacy.

## 2. Learn the following collocations:

<b>1) дипломатичний</b>	<b>diplomatic</b>
дипломатична служба (дипломатична діяльність)	diplomatic service
дипломатичний успіх	diplomatic success
дипломатична взаємодія (дипломатичні відносини / дипломатична активність)	diplomatic engagement
дипломатичні суб'єкти (діячі)	diplomatic actors
дипломатичне середовище (умови)	diplomatic environment
національна дипломатична система	national diplomatic system
дипломатична діяльність	diplomatic performance
приймати дипломатичного представника	to accept a diplomatic agent
закулісна дипломатична діяльність	behaviourism diplomatic activities (behind-the-scenes diplomatic activities)
позбавляти дипломатичної недоторканності	to withdraw diplomatic immunity
викликати дипломатичний скандал	to trigger (to spark) a diplomatic row
розірвати дипломатичні відносини	to sever (to rupture / to break off ) diplomatic relations
відкликати дипломатичного представника	to recall (to withdraw) a diplomatic representative
<b>2) дипломатія</b>	<b>diplomacy</b>

дипломатичний крок	a stroke of diplomacy
займатися дипломатією	to conduct (to implement) diplomacy
перемога дипломатії	victory for diplomacy
дипломатичні засоби	instruments of diplomacy
дипломатія стримування	deterrent diplomacy
мистецтво дипломатії	art of diplomacy
атомна дипломатія (дипломатія загрози застосування ядерної зброї)	atomic diplomacy
впливати на хід дипломатичних переговорів	to influence diplomacy
майстерна дипломатія	adroit diplomacy
сучасна дипломатія	contemporary diplomacy
<b>3) цінність / важливість / значення / сенс</b>	<b>value</b>
значення дипломатії	value of diplomacy
визначити цінність	to assess (to capture) the value
сукупна вигода / додаткові переваги / результативний внесок / додана вартість	added value
ринкова вартість	trading value / mark value / commercial selling value
професійна майстерність дипломата	professional value of a diplomat
цінувати, дорожити / давати оцінку / вимірювати	to value
<b>4) представник</b>	<b>representative</b>
представники дипломатичної служби / зовнішньополітичного відомства	representatives of foreign services
представники міністерств / міжнародних (багатонаціональних) корпорацій / громадських організацій / впливових (авторитетних) осіб	representatives of ministries / multinational corporations / civil society organizations / influential individuals
призначити дипломатичного представника	to appoint a diplomatic representative
уповноважити виступати в якості представника	to authorize a representative to act for
уповноважений представник	authorized representative
співробітник дипломатичного представництва (у складі делегації)	representative of the diplomatic mission
виступати в якості представника / виступати як офіційна особа	to speak in representative capacity
представники, уповноважені вести переговори від імені глав своїх	representatives charged to negotiate in their heads of government name



урядів	
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### 3. Translate into Ukrainian:

to maintaining international order; distributing global public goods; diplomatic engagement; sustainable environment; to accomplish worthy undertakings; with respect to the nature of the actors; multiplication of diplomatic actors; to shape a country's international policy objectives; core files of foreign policy; the European refugee crisis; remain reasonably aligned; humanitarian commitments; mutually-reinforcing capacity; indispensable tools; to assess the mechanisms; fluid nature of global events; to deploy expertise; to require multiple competences; hybridity of professional competences; authorized representative; adroit diplomacy; deterrent diplomacy; a stroke of diplomacy; to spark a diplomatic row; to recall to withdraw a diplomatic representative.

### 4. Translate into English:

за своєю суттю; відповідати очікуванням; іншими словами; багатонаціональні корпорації; прозорливо; дипломатичне середовище; урядові і неурядові організації; визначити цінність; залучати більш складний аналіз; взаємодіяти з міжнародними організаціями; імміграційна політика; нерозривно пов'язана; міжнародна арена; спільно з; ефективно використовувати спільний потенціал; спільне стратегічне планування; сприяти розвитку; управляти міжнародними переговорами; Чотирирічний Огляд Дипломатії і Розвитку; професійні аспекти дипломатії; сучасна дипломатія; дипломатичне середовище; головна місія дипломатії; підтримувати міжнародний порядок.

### 5. Decipher the following abbreviations.

1. MFA
2. NDS
3. NGOs
4. UNHCR
5. USAID
6. QDDR

6. Match the words in column (A) with most suitable words in column (B). Translate the phrases. Make up sentences of your own with the given phrases, ask your fellow students to interpret them:

A	B
1. insightful	a. tending to promote or assist the development of something, facilitative
2. to assess	b. united by twining one with another, mutually involved
3. commitment	c. to determine the rate or amount of
4. intertwined	d. to surround or cover closely
5. indispensable	e. having or showing a very clear understanding of something
6. to leverage	f. impossible to do without
7. conducive	g. to use efficiently
8. to embrace	h. an agreement or pledge to do something in the future

**7. Translate the following sentences into Ukrainian. Pay attention to the words and word combinations in bold type**

1. **Adroit diplomacy** is needed to tackle pressure from big powers. 2. The **value of linking capacities** can be most usefully **assessed** in relation to their development purpose. 3. Today it seems there is no revelation in the fact that numerous public nongovernmental, nonprofit organizations and associations, which often incorporated the general name of **NGOs**, have institutionalized and took active actions in conditions of profound social and political reforms in **contemporary** world. 4. **Public diplomacy** has become a **full actor** in the world political process in the beginning of the XXI century. 5. The main aims of this project are to understand what place NGOs occupy in the range of **diplomatic actors**, what advantages they can bring to **diplomatic engagement**, and what risks they might pose for diplomacy. 6. Strengthening of the role of **multilateral diplomacy** in the framework of international organizations is also mentioned by many other authors. 7. The events soon showed that a posture of **deterrent diplomacy** was unviable. 8. Diplomatic representatives might be recalled from Tokyo. 9. Under this procedure one or more individuals can **speak in a representative capacity**. 10. The visit was a successful **stroke of diplomacy** that deepened China's traditional friendship and practical cooperation with the three countries and the region as a whole, and **contributed to** regional reconciliation, peace and development.

**8. Translate the following sentences into English. Pay attention to the words and word combinations in bold type.**

1. **Дипломатичне представництво** України в іноземній державі може одночасно представляти інтереси України в інших державах за їх згодою. 2. **Дипломатична діяльність** держав реалізується через систему органів зовнішніх зносин. 3. Представники з їх боку заявили, що не **уповноважені**

**вести переговори** і висувати вимоги. 4. Вірчі грамоти підписуються головою акредитуючої держави і адресуються главі держави, що **приймає дипломатичного представника**. 5. Європейці будуть і надалі використовувати усі **дипломатичні засоби**, включаючи нові санкції, щоб домогтися розв'язання конфлікту в Україні. 6. Як дипломатія, так і економіка **нерозривно пов'язані** з такими термінами як універсалізація та глобалізація. 7. Необхідно **здіяяти** висококваліфікованих **спеціалістів** для проведення успішних переговорів. 8. **Дипломатичні відносини** встановлюються між країнами, які визнають одна одну й заявляють про готовність розвивати відносини на основі принципів міжнародного права. 9. Початок ХХІ ст. позначився суттєвими змінами в організації **дипломатичної служби** провідних держав світу, зокрема – інституційних основ і моделей підготовки дипломатів. 10. Принципи організації та функціонування державної служби провідних країн світу повинні адекватно реагувати на нові виклики часу та **відповідати очікуванням** громадянського суспільства ХХІ століття.

**9. Fill in the gaps with the following words and word-combinations:** *indispensable, to assess mechanisms, capturing value, are aligned, embrace multitasking, diplomatic actors, authorized representative, sparked diplomatic row, mutually reinforcing, at its core, diplomatic values, diplomatic engagement.*

1. But for many years, the U.S. has shaped its own \_\_\_\_\_ and gained the trust of most countries in the world. 2. We find that results on the sphere function alone can be rather misleading \_\_\_\_\_ to control overall population diversity. 3. Donald Trump has \_\_\_\_\_ a major \_\_\_\_\_ with China. 4. We have understood what place NGOs occupy in the range of \_\_\_\_\_, what advantages they can bring to \_\_\_\_\_, and what risks they might pose for diplomacy. 5. This education is \_\_\_\_\_ for whatever career you select. 6. The shops that \_\_\_\_\_ realize many benefits. 7. \_\_\_\_\_ activities ensures that the significant efforts and activities of collaborators \_\_\_\_\_ towards achieving the common agenda and shared measures. 8. The human rights discourse at the United Nations is, \_\_\_\_\_, a political problem. 9. When evaluating value-added enterprises, it is important to recognize the difference between \_\_\_\_\_ and creating value. 10. The \_\_\_\_\_ must keep all documentary records for at least 5 years in order to provide access to them upon the request of public authorities.

**10. Study the use of italicized words in different phrases, suggest their Ukrainian equivalents.**

## ~ DIPLOMACY ~

back-and-forth ~ ; adroit ~ ; multilateral ~ ; military ~ ; kick (subtle) ~ ; commercial ~ ; behind-the-scenes ~; carrot-and-stick ~; quiet (low-key / lot) ~; defense ~; cultural ~ ; to be at the forefront of international ~ ; to become involved in European ~ ; deterrent ~ ; atomic~ ; coercive ~ ; experience in ~ ; conference ~ ; instruments of ~ ; resort to ~ ; dollar ~ ; be achieved through concerted ~ .

## ~ DIPLOMATIC ~

break of ~ relations; break off ~ relations with; call for a ~ settlement; by ~ means ; ~ activity; ~ courtesy rules; ~ credentials; ~ deception; ~ decorum (etiquette); ~ defeat; ~ efforts; ~ exchanges; ~ immunity; ~ intercourse; enter into (establish) ~ relations; ~ assignment; ~ co-operation; resolve issues through ~ channels; host the heads of the ~ missions; full-fledged ~ relations.

## ~ DIPLOMAT ~

able ~; distrust in a ~ ; expulsion of ~s from a country; highest-ranking ~; to recall a ~; discreet ~; recognized privileges of ~s; military ~; mid-ranking (mid-level) ~; to appoint a ~; career ~; independence of the ~'s property.

**11. Translate the following sentences. Pay attention to the words and word combinations in bold type.**

## ~ DIPLOMACY ~

1. **Coercive Diplomacy** is essentially diplomatic strategy, one that relies on the threat of force rather than the use of force.
2. A State is in no way obliged to take up its national's case and **resort to diplomacy** if it considers this not to be in its own political or economic interests.
3. The desired objective will only **be achieved through concerted diplomacy**.
4. In international politics, **defence diplomacy** refers to the pursuit of foreign policy objectives through the peaceful employment of defence resources and capabilities.
5. Realizing that Arab nationalism was not invariably in conflict with American interests, Washington began shifting to a more **subtle diplomacy**.
6. US diplomats spill the beans on years of **behind-the-scenes diplomacy** in Africa.
7. **Quiet diplomacy** has been aimed that an authority can concessions do without face loss, because not confessed is made that they have admitted to very from outside.
8. Complications with the Turk were avoided by the **adroit diplomacy** of the king.

9. **Dollar diplomacy** was a policy intended to increase American influence abroad by guaranteeing loans made by American banks to foreign countries.

10. The United States must continue **to be at the forefront of progressive diplomatic efforts** and be a key player in gathering intelligence in hostile and volatile areas of the world.

### ~ DIPLOMATIC ~

1. Першим кроком на шляху **встановлення дипломатичних відносин** є визнання тієї чи іншої держави та її уряду з боку іншої держави.

2. У сфері зовнішньої політики Президент представляє державу, укладає і ратифікує міжнародні договори, **приймає керівників дипломатичних місій, призначає і відкликає керівників дипломатичних місій**.

3. **Правила дипломатичного етикету** ґрунтуються на принципі міжнародної ввічливості, тобто поваги до всього, що символізує чи представляє державу.

4. Можна виділити такі види **дипломатичних місій**: посольства або дипломатичні представництва, представництва держав при міжнародних організаціях, спеціальні дипломатичні місії.

5. **Вірча грамота** носить характер загальних повноважень дипломатичного представника: будучи акредитованим, він не потребує подальших повноважень для своїх виступів і заяв в країні перебування, відповідальність за всі його посадові дії, листи і слова повністю лягає на уряд, що призначив його.

6. **Розірвання дипломатичних відносин настає**, зазвичай, при суттєвому погіршенні політичних стосунків між двома державами, а також напередодні і під час збройного конфлікту між ними.

7. Китай **закликав** усіх учасників процесу переговорів **до врегулювання конфлікту засобами дипломатії** у ситуації навколо іранської ядерної програми.

8. Ізраїль намагається винести користь зі своєї **дипломатичної поразки** в ООН.

9. Сторони будуть **вирішувати питання**, що виникають у ході виконання положень цього Меморандуму, **по дипломатичних каналах** або шляхом проведення консультативних зустрічей у Києві та Тегерані.

10. **Дипломатична недоторканність** – сукупність прав та привілеїв, наданих дипломатичним керівникам та працівникам дипломатичних установ на території конкретної країни а також у країнах їхнього перебування.

11. Постійне **дипломатичне представництво** за кордоном (посольство або місія) – це особливого роду державна установа, на яку покладено завдання підтримувати й розвивати офіційні стосунки з країною перебування, захищати в ній права та інтереси акредитуючої держави, її громадян і юридичних осіб.

12. Мистецтво встановлювати, підтримувати і розвивати *дипломатичні контакти* з офіційними особами, мистецтво вести дипломатичні бесіди в різних умовах і на різних рівнях як у діяльності зовнішньополітичного відомства своєї країни, так і в роботі дипломатичного представництва за кордоном, має неогіненне значення.

13. Уряд України високо оцінив офіційне визнання Урядом Республіки Корея незалежності України та пропонує встановити *дипломатичні відносини* між Україною і Республікою Корея на рівні посольств шляхом *обміну дипломатичними нотами*.

14. Імідж України за кордоном залежить від *зусиль* культурної *дипломатії*, в якій велику роль відіграє українська діаспора.

## ~ ДІПЛОМАТ ~

1. *Загальновизнаними дипломатичними особистими привілеями* є митні привілеї (право на безмитне перевезення багажу і звільнення його від митного огляду), вільне пересування дипломатів та членів їх сімей на території іншої держави.

2. У разі, якщо будь-хто із членів дипломатичного персоналу представництва є *persona non grata*, акредитуюча держава повинна відповідно *відкликати дипломата* або припинити його функції в представництві.

3. Заступник посла КНДР у Великій Британії Тхе Ен Хо втік зі своєю сім'єю у Південну Корею. Це *найбільш високопоставлений дипломат* Північної Кореї, який втік з країни за всю її історію.

4. На керівні посади на дипслужбу потрібно *призначати дипломатів*, які мають дипломатичний досвід і пройшли відповідну підготовку для роботи у тій чи іншій країні.

5. *Висилка* зі США 35 російських *дипломатів* – це не стільки рішення діючого президента Барака Обами, скільки позиція американської розвідки, яка має відповідну інформацію.

6. *Дипломати середньої ланки*, та дипломати нижньої ланки (другі, треті секретарі та аташе) для виконання своїх службових обов'язків змушені купувати автомобілі за власні кошти.

7. Аташе або *військові дипломати*, зазвичай офіцери Генерального штабу або аналогічного військового відомства – це особи, що здійснюють дипломатичну розвідку.

8. Якщо випадки порушення недоторканності особи дипломата траплялись досить рідко, то спроби вплинути на незалежність дипломата і його дії в багатьох державах спостерігались часто. Причиною була занадто велика *недовіра до дипломата*, якого здебільшого розглядали як засланоного шпигуна.

9. Густав Кальнокі Зайняв пост міністра імператорського дому і закордонних справ після смерті барона Хаймерле. Характеризувався як *обережний дипломат*.

10. **Професійний дипломат** – це особа, яка присвятила себе дипломатичній діяльності і послідовно пройшла ієрархічні сходи дипломатичної служби. Досягнення таким шляхом найвищих посад називається дипломатичною кар'єрою. Тому **професійні дипломати** іноді називаються кар'єрними дипломатами.

12. Find in the text English equivalents for the following words and collocations. Read and translate the text.

1) дипломатична діяльність 2) двосторонні переговори 3) втратити статус, припинити існувати 4) вербальна нота 5) чітка уява 6) бути далеким від (відірваним від) 7) дипломатична практика 8) незалежна суб'єктивність 9) перервані і короткі переговори 10) міністерство закордонних справ 11) двосторонні контакти 12) тривалість у відносинах 13) встановлення і активізація співробітництва 14) поточна діяльність (повсякденна практика) 15) вести переговори і діяти від імені 16) повсякденні проблеми 17) дипломатичні представництва 18) значні внески 19) незалежне утворення (організація) 20) згуртованість і єдине ціле 21) співробітництво між державами 22) взаєморозуміння і тісні відносини 23) багатостороння співпраця 24) оголошений небажаним 25) діяльність дипломатичних представництв 26) органічно пов'язані 27) спотворений імідж.

## **Diplomacy and diplomatic functions**

### **Text 1. Characterization of official, work and other types of State visits**

Diplomacy in the 20th century introduces new principles and methods. Diplomatic activity widened its range considerably and it grew in the political field, especially through the introduction of new components. Aside from intense bilateral negotiations, multilateral negotiations become highly important in international conferences and organizations. Community diplomacy will also gain a significant place. Diplomacy ceased to be clerical or belong to international organizations only. Diplomacy with a top secret, confidential character, with verbal notes and artful writing, with excessive importance shown to protocol ceased to exist. The new type of diplomacy required true understanding of economic and financial data, besides a clear vision on political issues. This new diplomacy estranged from the old one owing to the idea of equality and to faith in diplomacy through conferences and experts.

After World War II, new conditions and new diplomatic practices came into sight, while the role of chiefs of State and Governments increased. Fading sovereign subjectivity and diminishing secrecy brought diplomacy closer to real problems of peoples, but didn't deplete it of its specific features. Along with public debate of treaties, discrete and small negotiations still take place, thus

defending secrecy of discussions and of highly important information. Various problems that emerge in the sphere of international relations cannot be totally solved by the chief of State or by international affairs ministries, since they can't approach nor directly treat international political, economical or juridical matters between States. Meetings at congresses or bilateral contacts between chiefs of State assure the approach of a limited number of problems and under no circumstances can they replace constant activity, claimed by maintaining and developing relations between States.

In addition, the element of continuity in relations between States must be assured, required by the fact that establishing and intensifying collaboration and friendship relations are the result of an ongoing activity. Hereby, the necessity to institute and maintain State representations abroad, whose task is to negotiate and act in the name of their State and help solve numerous and intricate mundane problems. At first, these trustees were generically called diplomatic agents and later diplomatic representations or missions. Accordingly, the diplomatic mission is a State organ, belonging to the sending State.

One of the most significant contributions of the Vienna Convention as regards diplomatic relations is the importance given to the diplomatic mission institution, considering it an independent entity. Enjoying immunities and distinctive privileges, the mission offers cohesion and organic unity in the actions of its members. The diplomatic mission constitutes the main instrument in founding and maintaining diplomatic relations and as such it contributes overtly and directly to collaboration between States. Wishing to establish relations with other countries, all States independently of their size, economic power or political regime institute a greater or a smaller number of diplomatic missions. The diplomatic mission performs functions corresponding to its goals, contributing to mutual understanding and close relations between two States, as well as to promoting friendly multilateral cooperation between them. The sending State must give its diplomatic mission instructions that do not exceed its functions, otherwise diplomats risk to be declared as undesirable. Also, the sending State must show due respect to diplomatic representatives' activities, related to their functions.

Functions of diplomacy are organically interlinked and segregation could lead to a distorted image of the diplomatic institution.

**13. Render the following text into Ukrainian in written form. Give a short summary of the article in English.**

## **Diplomacy and diplomatic functions**

### **Text 2. Functions of diplomacy**

**1) Representation** – it is the function which permanent missions performed more visibly since their establishment as organs of external relations of States. The representation function means that diplomatic agents participate to events in



public life, standing for the sending State, i.e. the approval attitude which it assumes with respect to significant moments in the public life of the country of residence. The diplomatic mission doesn't represent the chief of State nor the Government, but the sending State as subject of international law. This is why it is necessary to make a clear distinction between the function of representation of a diplomatic mission and the juridical act of representation in international law. International representation of States is a juridical rapport on whose ground a State grants another State the right to fulfill juridical actions towards a third State. Subsequently, in the case of international representation we can identify three subjects of international law. It is not the case of diplomatic mission, which is not a subject of international law, but an organ that helps maintaining and developing relations between two States as subjects of the diplomatic rapport.

**2) Negotiation** – similar to representation, it is one of the functions that permanent diplomatic missions performed since their establishment. Negotiation means examining a problem of common interest in order to solve it.

From this point of view, negotiation cannot be limited to discussions in the process of sealing international accords. Currently, they represent an important field in the activity of a diplomatic mission, performing the negotiation function when conducting discussions with competent organs of the receiving State on problems of mutual concern: defending the interests of the sending State's citizens on the territory of the receiving State, solving litigations, obtaining advantages and preventing any political and economical measures that would handicap one State or the other etc. Negotiations can be official (initiated formally in the name of two States) or officious (probe contacts that do not commit the States in any way). Official negotiations are direct (between the chief of the diplomatic mission and the chief of State) or indirect (between the chief of the diplomatic mission and the international affairs ministry or the subordinates of the latter). Negotiation is often considered a mixture of scientific and artistic methods, since the diplomat must have knowledge, experience and talent to be a good negotiator. Study of history, in general, and history of diplomatic relations, in particular, are very useful in developing the mastery of negotiation.

**3) Information.** Promoting friendly relations, neighborliness and cooperation between States depends on mutual understanding of States' economical, social and political realities.

Hereby the information and observation function. By performing this function, the diplomatic mission provides the sending State data obtained by lawful means, regarding domestic life and international politics in the country of residence. The diplomatic mission must perform its functions using official and officious contacts, mass media and local journals, literary and scientific publications.

**4) Diplomatic protection.** Actually, when the diplomatic mission represents its State and negotiates with authorities in the receiving State, then it acts in the name of specific interests, in order to accredit and promote these interests. The defense function as recognized by international law allows the diplomatic mission to offer diplomatic protection to citizens of the sending State, who are or live in

the receiving State. Interventions at a diplomatic level can eliminate prejudicial pursuit, repair prejudice suffered by these citizens and try by lawful means to defend them against unlawfulness they could be subjected to.

**5) International cooperation.** The aim of the diplomatic mission is expressed by a central function that polarizes the attitude of all other functions in the direction of the other goal: promoting friendly relations and cooperation between the sending State and the receiving State. Hence, diplomatic missions fulfill an essential role when investing in the bilateral relation virtues that transform it in the primary positive element in the process of placing international relations on moral, fairness and lawful principles. If we imagine international relations as an immense network, the bilateral relation constitutes the basic rapport of this structure, while the dominating climate of this bilateral rapport, cultivated according to requests of neighborliness, friendship, cooperation, mutual understanding and respect between peoples, can be disseminated in the whole structure of international relations causing their positive development.

**6) Consular functions.** Performing consular attributions by the diplomatic mission is a recent date practice. It developed as the role of consular institution became more important, thanks to growth in commercial relations and tourism. The Vienna Convention stipulates in the second paragraph of article 3 the following: “Nothing in the present Convention shall be construed as preventing the performance of consular functions by a diplomatic mission”. In doctrine, this stipulation can mean that the sending State may establish an embassy, a consular division, without permission of the receiving State. This conclusion is drawn from the principle of States’ sovereignty and mutual consent – fundamental principle of diplomatic and consular relations.

#### 14. Translate the following words and word combinations into English

- 1) **Representation:** постійні представництва; органи зовнішніх відносин; країна перебування; суб’єкт міжнародного права; юридичний акт представництва; юридичні відносини (контакт); право виконувати юридичні дії; підтримка і розвиток відносин.
- 2) **Negotiation:** затвердження міжнародних угод; проводити обговорення; взаємна стурбованість (інтерес); вирішувати суперечки; отримати перевагу; перешкоджати державі; неофіційні переговори; підлеглі; розвивати майстерність переговорів.
- 3) **Information:** сприяти добросусідським відносинам; дані, отримані законними засобами.
- 4) **Diplomatic protection:** дипломатичний захист; втручання на дипломатичному рівні; усунути згубні переслідування; ліквідувати попередженість; захищати проти беззаконня; піддавати дії.
- 5) **International cooperation:** суттєва роль; ефективність двосторонніх відносин; моральні, справедливі і законні принципи; розповсюджений у всій структурі; двосторонні відносини.

**6) Consular functions:** консульські функції; обумовлювати; тлумачити; перешкоджання виконанню консульських функцій; взаємна згода.

### 15. Translate the following sentences into Ukrainian.

1. We know little about how the experience of *sovereign subjectivity* moves from location to location – Europe to North and South America, Africa and Asia. 2. The regional advisor reported on the *ongoing activities*, the main focus of which was on the creation of a sustainable business environment. 3. When faced with everyday *mundane problems*, people tend to come up with their own solutions that don't involve fancy gadgets or expensive equipment. 4. MOFA (Ministry of Foreign Affairs) succeeded in inserting Korea's successful history of development into foreign textbooks and tried to revise *distorted image* of Korea described in foreign media or textbooks. 5. *Organic unity* is the common thread that keeps a theme from becoming broken and disjointed as a work moves forward. 6. The right of the host state *to declare undesirable* the representative of a State to the international organization situated in its territory can hardly be denied. 7. Only the central organization of the movement located in Tehran acts as an *independent entity*. 8. If you *are estranged from* your family or friends, you have had a serious argument with them and are no longer friendly with them. 9. *Verbal note* is an unsigned diplomatic memorandum serving as an informal reminder of an unanswered question or request. 10. The Strategy's plan of action provided *clear vision* and guidance on action-oriented measures to be taken by the international community, particularly Member States, in addressing the serious threat posed by terrorism. 11. Dialogue was maintained with black and other anti-discrimination movements, which had made *significant contributions* to policy development. 12. Furthermore, negotiating in the counterpart's country could enable you to maintain low disclosure in cases where you would prefer *discrete negotiations*.

### 16. Translate the following sentences into English.

1. Одним із напрямків вказано *формування добросусідських відносин* з сусідніми країнами і сприяння усуненню вогнищ напруженості. 2. Відповідно до Статті 2 Віденської конвенції встановлення дипломатичних відносин між державами і встановлення постійних дипломатичних представництв здійснюються зі *взаємної згоди*. 3. Серед важливих *консульських функцій* адміністративного характеру доцільно виділити видачу паспортів та віз або інших документів, необхідних для перетину кордону та здійснення міжнародних поїздок. 4. *Двосторонні відносини* – це державні контакти між двома країнами у політичній, економічній, культурній, інформаційній областях. Для взаємодії утворюються спеціальні місії і постійні представництва, укладаються угоди, договори, *Modus vivendi*. 5. Головний політичний результат полягає в тому, що консультації підтвердили життєздатність і *ефективність двосторонніх відносин* і

засвідчили зростаючу взаємну довіру та практичну готовність сторін до поглиблення співробітництва у різних сферах. 6. Директора українського представництва фонду Конрада Аденауера в Україні Ніко Ланге затримали в аеропорту “Бориспіль” на 10 годин, намагаючись депортувати як людину, чия присутність в Україні є небажаною. І тільки *втручання на найвищому дипломатичному рівні* рятувало Ніко Ланге від депортації. 7. Зміст принципу суверенної рівності держав передбачає такі обов’язки кожної держави стосовно інших: поважати їхні права, визначені міжнародним правом; не *перешкоджати державі* і не застосовувати засобів тиску на неї; поважати їхню територіальну цілісність та політичну незалежність. 8. Завдання цього Додатку полягає у наданні інструкцій, які дадуть можливість податковим службам *вирішувати суперечки* шляхом процедури взаємного узгодження. 9. Держави-учасниці цієї Угоди погодилися про наступне: представники держав і посадові особи Комітету, що користуються привілеями й імунітетами відповідно до цієї Угоди, поважають суверенітет і законодавство *країни перебування* й інших держав-учасниць цієї Угоди, а також зобов’язуються не вчиняти дій, що наносять збиток законним інтересам держав-учасниць. 10. Будь-які *неофіційні переговори* з бойовиками негативно впливають на роботу Тристоронньої контактної групи в Мінську і можуть використовуватися з маніпулятивною метою.

## **INDIVIDUAL WORK**

### **Diplomacy of tomorrow**

In the course of the twentieth century diplomacy has undergone enormous transformations. At its beginning diplomacy was still the art of conducting bilateral relations between states as an alternative to violent confrontation. Diplomats were cultivated men of the upper strata of society, who often got along with each other across borders much better than they were able to communicate with other circles of the population at home. One was supposed to be born a diplomat and professional requirements were merely an excellent general education, perfect manners, good appearance and of course full fluency in French, the only language of diplomacy.

The First World War brought a first revolution in diplomacy. The Peace Conference in Paris was the beginning of high level multilateral diplomacy, where English rapidly became the second working language alongside French. Politicians became increasingly active on the diplomatic floor and career diplomats were required to understand such complex matters as international economic and financial relations, arms control and disarmament, regulation of international transport, and communications. Diplomats were more often recruited for their professional competence than for their social background. Female diplomats made their first timid appearance and gradually occupied a growing percentage of diplomatic positions.

Loyalty to a country's ideology became an essential element. The use of force as a means of conducting a country's external relations was restricted and eventually prohibited, thus giving diplomacy a theoretical monopoly. Bilateralism increasingly gave way to multilateralism and multilateral relations now tended to be conducted within the framework of international organisations with either general or specialised competencies. In the latter case, diplomats were no longer necessarily members of a country's foreign service but could be representatives of specialised government agencies.

The last decades of this century have witnessed an even more profound transformation of diplomacy. The barrier of sovereignty, which protected states against interference in their internal affairs by other states or international bodies, has begun to crumble. Diplomatic activities often take place outside the traditional framework of conference rooms and consist of getting involved with ordinary people at all levels. Information technology (IT) and the Internet are overcoming distance and making continuous contact with all segments of one's own diplomatic establishment as well as with international institutions feasible. Information technology also frees the diplomat from a lot of routine work and enormously enlarges his capacity for action, while leaving him free to concentrate on his core duty: to establish and maintain personal contacts and relations. It is this new revolution that will shape the diplomacy of tomorrow.

### **New Developments**

East-west and north-south confrontations among groups of states obscured evolutions which suddenly became fully evident after the collapse of the communist system in 1989-91. The United Nations itself and various regional organisations had tended to become involved in internal affairs of states for a considerable time. The two main motives for such interventions were internal conflicts and the disregard of human rights and even basic humanitarian principles. The rationale for such activism was the fear that internal conflicts and confrontations resulting from intolerable violations of human rights might spill over the borders and endanger peace and security in the neighbourhood and even beyond. The plight of people affected by such developments is always stressed but not the dominant consideration, as evidenced by the reluctance of outsiders to get involved in large-scale situations that look difficult to handle, e.g., the genocides in Rwanda and Burundi or the endless civil war in Afghanistan.

Globalisation has recently become a new catchword in the field of economics and finance. But the globalisation of problems like the degradation of the natural environment, the population explosion, epidemics and particularly the AIDS pandemic have been with us for decades. The general issue here is that individual countries, however big and powerful, can no longer handle such problems themselves or in small groups but that these have to be tackled by the international community as a whole. Moreover, simple solutions such as the adoption of regulatory systems no longer suffice. The flow of people, ideas, money, germs and viruses, and indeed communication over the Internet, so far have largely defeated national, regional and even world-wide efforts to control

them. This is in part due to the failure to involve non-governmental entities and the ordinary people themselves. Tomorrow's diplomats will have to consider this.

Involvement of the media and through them, the ordinary people, in international affairs has led to what is known as public diplomacy. This means that at home the public puts pressure on the authorities to follow or abandon certain courses of action, often in disregard of international commitments or true national interests. Diplomats must therefore justify their action or inaction before the public and strive to convince it of the appropriateness of external policies of the government. Conversely, diplomats on bilateral assignments may have to interact with local media of the receiving country in order to explain or even justify their country's policies and try to get support for or at least reduce hostility to them.

### **New Methods**

Professional diplomacy itself is undergoing considerable changes as regards the methods used. In bilateral relations, the need to maintain diplomatic missions and consular posts has been questioned, and, as far as the traditional way of doing things is concerned, this may well be justified. However there is still one essential element in bilateral relations, the human interaction, which cannot be replaced by distance communication. Provided that missions and posts are properly trimmed and only manned by people who are there to cultivate human contacts and, in the case of diplomats, report on the thinking and feeling of closed circles, they will remain invaluable instruments for bilateral relations. Moreover, they will be better placed to conduct public diplomacy in the receiving country than would action from the sending state. In the multilateral field too things are changing quickly. The fruitless ideological and political confrontations are giving way to co-operative interaction aimed at actually dealing with the problems at hand. This is partly due to financial constraints. Neither individual countries nor international institutions can afford any more the endless conferences and meetings of yesteryear. The number of days and of hours within each one of those days are being restricted and few countries are willing to afford the cost of sending delegates to such events if no results are achieved. This has led to an increasingly informal approach to discussions, with few formal meetings, dealing mostly with organisational matters and the proper adoption of whatever conclusions have been reached. The preparatory role of international secretariats and the importance of interaction with them through permanent missions (or over the Internet) is constantly growing. As a result of all this it has become possible to handle far more complex issues in less time than the rather fruitless debates took up in past meetings.

A more striking departure from traditional methods is the growing involvement of non-professional human actors in what used to be purely diplomatic activities. Non-governmental organisations, pressure groups and lobbies of all kinds now surround bilateral as well as multilateral events and insist on being heard and consulted. External involvement in internal issues and conflicts also increasingly relies on specialised and also non-governmental institutions. The

International Red Cross Movement is a case in point. With its triple instruments, the International Committee of the Red Cross, the International Federation of the Red Cross and Red Crescent Societies, and the national societies present in each country, it is ideally prepared to mix local and international action. Red Cross delegates as well as representatives of other non-governmental institutions, especially in the humanitarian field, have already been and are playing an important role as intermediaries and even negotiators. We also note a proliferation of non-governmental bodies at national and regional levels directly aimed at helping to resolve conflicts. Some have been quite successful in at least promoting talks among representatives of conflict parties.

Involvement of diplomacy in internal conflict situations means dealing at local and even grassroots levels. Diplomats active in such fields have to accept a lot of hardship and develop the ability to interact with often difficult military field-commanders and even simple leaders of armed bands loyal to no one in particular. This means a lot of preparation as the diplomat will have to know the history, culture and religion as well as the language of the people he is going to deal with. In order to establish and maintain the kind of mutual confidence required for the job, the diplomat will also have to stay at it for long periods of time or, if the confidence is lost, have to be withdrawn immediately and then replaced. Traditional rules regarding the duration of diplomatic assignments are irrelevant in such contexts. Personal qualities such as good health, ability to withstand physical and emotional hardships, patience, and willingness to listen endlessly to the same litanies are more important than profound knowledge of international law, international economics or international relations, or perfect manners in rarefied international spheres. Thus the same person may not necessarily make a good traditional diplomat as well as a good grassroots diplomat.

### **New Tools**

The telegraph, the telephone, the telex, and the fax machine have gradually allowed for continuous contact of the diplomat abroad with his home base. IT continues on this road but its main contribution is networking. At the level of ministries, this means that all divisions and sections can constantly interact, including accessing each other's files. The same can be achieved with missions and posts abroad, at their level as well as together with the home base. As a result, most administrative work, accounts and consular matters can be automated and handled in a single place at the home base, with the outside mission or post merely providing input and implementing the results. Networking can also be extended to other government departments, thus bringing together all administrations active in external relations both at preparatory and decision-making levels and when implementing policies, e.g., by acting abroad. A further circle can be added by extending the network to the private sector and to non-governmental bodies of all kinds having a stake in external relations.

Networking could go beyond national establishments. Members of a regional group could enhance their capacity and efficiency of intervention if they were

networked and their agents therefore in constant contact. Such a system would be particularly useful for groups of small countries like those of the Caribbean and the Southern Pacific. It would also involve their regional organisations and thus ensure that at all times a delegate of one country could serve the others by being in constant liaison with everyone involved. Bigger institutions such as NATO or the OSCE may consider networking their members. As national establishments of bigger countries are very wary of networking beyond the limits of their own institutions, and as even networking of such institutions still leaves a lot to be desired because of resistance of tradition and security minded groups, the overcoming of such obstacles may not be possible very soon.

A much less controversial form of networking is already under way and will again be especially useful for small countries. International institutions are creating internal networks including access to libraries and documentation facilities. Their output is accessible to member countries over the Internet. The United Nations even offers support to permanent missions of small countries in New York for installing easy access to their network. Recently the Trade and Development Board of UNCTAD in Geneva and the Second Committee of the UN General Assembly in New York held a joint session over audio-visual facilities. In the future this may allow a poorer country to be represented only in one body if all important matters are discussed in joint sessions with the other.

Public diplomacy relies both on traditional media and IT facilities. This means that the diplomat of today and tomorrow must be thoroughly familiar with them. Privacy of diplomatic relations is increasingly invaded by the media. Thus the diplomat must be prepared both for impromptu encounters with them and for facing them in a more organised manner for statements, interviews and media conferences. He will have to learn how to use IT facilities to reach the media when this has to be done quickly or when he wishes to reach media with no representation in the region where he works. The diplomat must also know how to handle media hostility and, hopefully, turn it around into neutrality or even sympathy. This has mostly to do with the content of the message rather than the way in which it is delivered.

### **Looking Ahead**

The time of diplomacy is far from over. Its role will on the contrary become ever more central as most important affairs will have to be handled at global, regional and sub-regional levels. The full implementation of the prohibition of the use of force in international relations will mean that states have only diplomacy left to overcome their differences.

But diplomacy will keep evolving and changing, partly in ways that we cannot yet imagine. It is thus important for those involved in the study and teaching of diplomacy to keep their eyes open and take note of changing patterns and needs, so as to prepare diplomats of tomorrow and re-train diplomats of today in such a way that they may serve their countries and international institutions in the best possible manner. In particular, small and poor countries should be enabled



to fully exploit the possibility given to them by the new tools of diplomacy to be effectively present on the international scene for the first time.

## MODULE IV

### UNIT IV

#### NEW CHALLENGES FOR THE MODERN DIPLOMACY

**1. Read the text given below. Make up a list of unknown words. Make a literary translation of the text in writing.**

One hundred years ago the question of the future of diplomacy was raised as a result of technological progress – the invention of the radio and telegraph and the intervention of public into the domain of foreign policy. The first factor brought the apprehension that diplomats would become «honorary mailmen» and the second raised the issue of open diplomacy. However, the role of diplomacy in the twentieth century has not been restricted by these two factors.

The functioning of diplomacy is influenced by a complicated combination of different interrelated factors.

To begin with, there is a set of *political factors*. During most of the twentieth century, two world wars, the Cold War, the rivalry of two super powers, the ideologization of international affairs and military confrontation have made diplomacy a subsidiary instrument of power politics and ideology. As a consequence, diplomacy has often been on the verge of collapse. The end of the Cold War has radically changed the international political scene. Moreover, today the world is facing the shift of the civilization paradigm, which affects not only the major units of world politics – the states – but which also brings new actors into the forefront of international relations.

The major political factor influencing diplomacy is the relative decline of the role of the national governments. Today governments are confronted with stern competition from other actors. Private sector, religious groups, immigrants, media and other entities of the civil society are demanding from the government that their interests be taken into consideration and that they have a say in making and implementing foreign policy. People want to travel freely, to conduct business abroad or to be deeply involved in various types of cultural exchange.

Perhaps the most active «intruders» into the modern diplomacy from outside are nongovernmental organisations (NGOs). This is particularly well seen from the UN viewpoint. For example, in Geneva there are currently about 1,400 NGOs officially registered with the UN Office. All of them are international, and have branches in at least two or more countries. Although their status is different from that of the diplomats, in practice they often participate in the diplomatic process, in particular in the promotion and discussion of such issues as human rights and environmental protection. Nowadays, international decisions are more often shaped in accordance with the opinions of the NGOs. Gradually they are expanding the sphere of their influence. For example, in 2014 NGOs prevented the adoption of the Convention on the Copyright Law in Electronic Media which

had been prepared by the International Telecommunications Union. Perhaps the most vivid example of their influence is the world-wide campaign to ban antipersonnel

land-mines which led to the signature in Ottawa of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Antipersonnel Mines.

Curiously, not only NGOs but legislative branches of the states themselves are contributing to this diplomatic process. Parliamentarians of the world have successfully set up a structure of global and regional interaction and are now claiming a role in diplomatic meetings which was traditionally reserved for the executive branch.

An important aspect of the “degovernmentalization” of foreign affairs is the growing involvement in the international interactions of local or provincial authorities. It is not uncommon for the heads of a local government to visit a UN agency because they wish to participate in its programmes directly rather than through the national government. A few years ago this was difficult to imagine. During the conference of the mayors of the Mediterranean cities in Barcelona, many recognised that they often have more close economic or cultural ties with their partners across the sea than with their national capitals. Many big cities and provinces have enough resources not just to influence the national governments but also to actually maintain their own “diplomatic” agencies.

The immediate implication of this development for the diplomatic practitioners is that now, in addition to their colleagues representing formally recognised states, they also have to deal with numerous other non-state counterparts who conduct their own “foreign policy”.

On the macro level, one of the major developments is the proliferation of multinational institutions and regional and subregional organisations. The EU, APEC, ASEAN, CIS, NAFTA, – this is just a short list of the most well known transnational structures which claim part of their member’s sovereignty. The major motive behind their creation is the same as in the case of the increased activity of the local authorities – to facilitate crossborder co-operation and to weaken or eliminate restrictions imposed by the national states, such as customs tariffs.

The second set of factors that makes the life of a modern diplomat increasingly difficult is of an economic nature. In general *economic diplomacy* is gradually taking over the traditional politics-oriented diplomacy. A lot has been written in recent years about the phenomenal growth of transnational economic interactions. Indeed, with the huge expansion of international trade, the power of private companies and the electronic transfer of money, private entrepreneurs and fund managers are eclipsing central bankers and finance ministers.

Meanwhile the international economy is becoming more and more competitive. With the rapid development of the Pacific Rim countries, and the opening to the outside world of the economies of such huge states as China, the world market has expanded dramatically, but so has the number of economic actors. Governments everywhere are primarily concerned with maintaining the competitiveness of their economies. Accordingly, private economic decisions are now largely controlling political choices of the governments, and diplomats have to devote more time and energy than ever before to the creation of a favourable environment for trade and commerce.

Last but not least, an important factor influencing modern diplomacy is the *revolution in telecommunications*. This is a big issue that deserves special attention. Of particular relevance to the diplomatic services are two technological developments – satellite broadcasting and digital networks including the Internet. Here are some examples of the use of modern technology at the United Nations.

One of the functions of the diplomatic missions accredited to UNOG is to collect UN documents and send them to their Foreign Ministries or other government agencies in their capitals. A few years ago UNOG introduced an electronic system of document distribution. It is no longer necessary for the missions' staff to collect documents from the Palais des Nations – they can obtain them via computer connection without leaving their offices. Now another innovation is about to be introduced. Soon the documents database will be connected to the Internet. Accordingly, the Foreign Ministries will be able to retrieve the documents they need, directly bypassing the missions. In fact, some Foreign Ministries have already subscribed to this new service. This could mean in particular that the missions are losing one of their functions.

To take a further example, currently the senior managers at the UN are being provided with video-conferencing equipment. This technology is already widely used in many large companies. The cabinet meetings of the Secretary-General are held with the participation of Geneva, Vienna and Nairobi senior managers using video equipment. National foreign services are also experimenting with this kind of facility. In future a situation where presidents, prime ministers or foreign ministers would be able to hold direct instantaneous face-to-face communication with each other, in addition to simultaneous data transfer can be easily imagined. The consequences of this technological development for the diplomatic services could be quite significant. How should the role of the embassies or the missions change in this environment?

All this testifies to the increasing interdependence in the world. Now, problems which affect one part of the world's population can spread very rapidly to the entire planet. Like passengers of Leonardo da Vinci's ship, all of us – rich and

poor, women and men, young and old, white and black – share a common destiny. In the words of Albert Einstein ‘the world is one or nothing’.

The process of globalisation, which strengthens the «oneness» of the world is, at the same time, accompanied by the fragmentation and localisation by the growing gap between rich and poor nations. Moreover, this process is characterised by the acceleration of the pace of events. Time has become ‘compressed’.

All these transformations bring new challenges for diplomacy on a global level: the

maintenance of positive peace and comprehensive security, democratisation, the promotion of human rights, economic co-operation and sustainable development, facilitation of humanitarian actions, prevention of terrorism and criminal activity.

Today diplomacy is called upon to help political and economic leaders to channel the global changes in an evolutionary, non-violent, democratic rule-based manner. One of its top priorities is facilitation of good governance, both on national and international levels. The prospect of good governance provides an opportunity for the renaissance of diplomacy which, throughout the centuries, played the role of an intermediary between governments and acquired a unique experience in this field. Now it has a chance to become an instrument of international governance.

*(after Vladimir Petrovsky)*

### **Vocabulary List**

actor of international relations	regional authorities
apprehension	subsidiary instrument
as a consequence	vivid example
diplomatic practitioner	to acquire experience
domain of foreign policy	to ban
emergence of an organization	to be confronted with
executive branch	to contribute to a process
formally recognized states	to be involved in
global and regional interaction	to bring into the forefront of
implication of a circumstance	to channel changes
in a rule-based manner	to claim a role / part of
intermediary between	to expand the sphere
legislative branch	to face a shift in
local authorities	to facilitate cross-border co-operation
military confrontation	to have a say
multinational institutions	to make / implement foreign policy
non-governmental organizations	to impose / weaken restrictions
non-state counterparts	to raise an issue
on the verge of	to restrict the role
open diplomacy	to set up a structure
power politics	to shape decisions
rivalry of superpowers	

### Exercise 1. Find in the text the English for:

сфера зовнішньої політики	послаблювати обмеження
суперництво	правовим шляхом
військове протистояння	набувати досвіду
послабити обмеження	посередник
бути свідками змін	порушити питання
побоювання	виконавча влада
провадити зовнішню політику	регіональні органи влади
неурядові організації	як наслідок
актор міжнародних відносин	дипломат-практик
законодавча влада	на межі
відкрита дипломатія	зіткнутися з
глобальна та регіональна	політика з позиції сили
співпраця	висувати на перший план
	мати вплив
місцева влада	брати участь
офіційно визнана держава	обмежувати роль
формувати рішення	розширяти сферу
неурядові партнери	наслідки ситуації
додаткові засоби	яскравий приклад
накласти обмеження	забороняти
створити структуру	робити внесок у процес
багатонаціональні установи	претендувати на роль
сприяти транскордонному	скерувати зміни
співробітництву	створення організації

### Exercise 2. Fill in the gaps using the following words.

*apprehension*

*consequences*

*counterpart*

*domain*

*face*

*facilitate*

*impose*

*intermediary*

*proliferation*

*rivalry*

*vivid*

1. The two periods of expansion of the country were fundamentally different because overland expansion was the product of land hunger in which new territories were being added to the national \_\_\_\_\_ with the expectation that they would eventually become equal states in the federal Union.
2. Both countries tended to ignore the long-term \_\_\_\_\_ of radioactive wastes while focusing on the immediate priority of surviving their \_\_\_\_\_.
3. She began her study expecting to find female voices offering a dissenting view, or at least a more critical response to American continental expansionism than their male \_\_\_\_\_.
4. Latin America needed US capital, which Latin Americans both sought and viewed with \_\_\_\_\_.
5. Decision-makers in Washington must \_\_\_\_\_ the awkward and enduring fact that the sum total of the United States' global interests and obligations is now far larger than the country's power to defend them all simultaneously.
6. The parties also signed an agreement on the protection of classified information, which will \_\_\_\_\_ cooperation in a wide variety of areas, such as justice and crisis management.
7. Language policies are another example of the politics of mutual respect. They can be driven so far as to \_\_\_\_\_ the use of one language, as in French speaking Quebec.
8. Macmillan's attempts to act as a(n) \_\_\_\_\_ between the United States and the USSR ultimately failed.
9. Kennedy was deeply concerned about nuclear \_\_\_\_\_ and with providing the Israelis with incentives to slow down.
10. The author provides a(n) \_\_\_\_\_ reading of the intertwining rhetorics of Am".
11. The convention contained no enforcement mechanism, so a country that chose to violate the rules it had agreed to would \_\_\_\_\_ no more than a potentially embarrassing lecture.

**Exercise 3. Paraphrase the highlighted expressions using the words and phrases from the Vocabulary List.**

1. "Critical" history views history as *the field of knowledge and special interest* of the conqueror, especially in the colonial period.
2. American power grew so great after World War II that it engendered legitimate *fears and anxiety* about security issues in the Soviet Union.
3. The advance of commerce was virtually inseparable from the *support* of and defense of American nationalism.
4. While dictators of the right ("authoritarians") allowed private life to continue largely undisturbed, dictators of the left ("totalitarians") *tried to exert* control over every aspect of existence.
5. Two years before Castro announced his conversion to Marxism-Leninism, the United States decided to *kill* him.

6. Although it happened on a tiny, English-speaking island in the Caribbean, the 1983 invasion of Grenada by US troops had *consequences* for inter-American relations.

7. The important themes in US relations with Africa represent the entire spectrum of critical *problems* in the field of international relations: culture, economics, national security, domestic influence, Cold War confrontation, decolonization, and race relations.

**Exercise 4. Match the words with their synonyms or definitions.**

1. to claim	a. understanding
2. rivalry	b. to direct towards a particular end or object
3. emergence	c. to formally request or demand; say that one owns or has earned
4. implication	d. a person or thing that corresponds to or has the same function as another person or thing in a different place or situation
5. to acquire	e. an area of territory owned or controlled by a particular ruler or government; a specified sphere of activity or knowledge
6. consequence	f. to completely remove or get rid of
7. to ban	g. to make an action or process easy or easier
8. to have a say	h. the leading or most important position or place
9. domain	i. to have the right to give your opinion and influence decisions relating to it
10. apprehension	j. a likely consequence of something
11. intermediary	k. a person who acts as a link between people in order to try and bring about an agreement; a mediator
12. verge	l. competition for the same objective or for superiority in the same field
13. to confront	m. to create or arrange
14. forefront	n. less important than but related or supplementary to smth
15. to set up	o. very clear and detailed
16. vivid	p. a result or effect, typically one that is unwelcome or unpleasant
17. to facilitate	q. the process of coming into existence or prominence



<b>18.</b> to channel	<b>r.</b> an extreme limit beyond which something specified will happen
<b>19.</b> subsidiary	<b>s.</b> to buy or obtain (an asset or object) for oneself; learn or develop (a skill, habit, or quality)
<b>20.</b> counterpart	<b>t.</b> to face up to and deal with (a problem or difficulty)

**Exercise 5. Comment on the meaning of the following notions.**

domain of foreign policy  
open diplomacy  
ideologization of international affairs  
power politics  
civilizational paradigm  
non-governmental organizations  
subregional organizations  
intermediary between  
civil society  
good governance

**Exercise 6. Agree or disagree with the following statements. Give your reasons.**

1. The role of diplomats in the twentieth century was confined to the function of dispatching official documents from their governments to foreign officials and to the communication with foreign publics.
2. Due to a number of reasons rooted in politics, diplomacy has frequently found itself in a very critical situation.
3. States are the only entities that are involved in modern international relations.
4. Every now and then NGOs have a say in the adoption of important international treaties.
5. Parliaments of states have lately assumed importance as actors of world politics.
6. The participation of local and regional authorities in international relations results in conflicts with non-state counterparts.
7. The task of regional and sub-regional organizations as actors of international relations often coincides with that of local and regional authorities.
8. The main task of modern diplomacy is to prevent global changes.
9. Modern diplomacy can secure good governance due to long experience in being a mediator between states.

**Exercise 7. Fill in the gaps with prepositions.**

1. The International Committee of the Red Cross (1864) was set ... to help ounded soldiers ... the battlefields ... the war between France, Austria-Hungary and Italy ... Italian reunification in the 1860s.

2. We had helped to channel Willy Brandt's Ostpolitik ... a direction compatible ... Allied cohesion ... linking recognition of East Germany ... a guarantee ... free access ... Berlin.

3. There are two kinds ... values in politics: ideological values and cultural values. If the former dominated politics ... 1945 and 1989, then the latter are very much ... the forefront today.

4. This progress ... price stability reflects a number of important policy choices, including a shift ... the orientation of monetary policy towards the primary objective of price stability.

5. With the United States and Russia ... the verge ... signing a far reaching arms control treaty, the U.S. and its G8 allies will have new credibility and legitimacy ... which to confront states ... violation of the global non-proliferation regime like North Korea and Iran.

### **Exercise 8. Translate the sentences.**

1. Завданням цієї конвенції є **заборонити** або принаймні **обмежити** використання зброї масового знищення, а також **сприяти співпраці у цій сфері** як держав, так і **недержавних акторів міжнародних відносин**.

2. Сучасна міжнародна політика характеризується **обмеженням** використанням **політики сили** та **переходом до відкритої дипломатії**, що передбачає участь у переговорах зацікавлених спостерігачів, **представників органів регіональної та місцевої влади**.

3. **Дипломати-практики зіткнулися** з необхідністю **залучати неурядові організації та органи місцевої влади** до участі у **формуванні рішень щодо** реалізації зовнішньополітичних цілей, і перш за все, щодо **зниження рівня військової конфронтації**.

4. **Створення цієї організації**, яка разом з іншими **недержавними партнерами** візьме на себе роль **посередника** між **ворогуючими сторонами**, котрі зараз знаходяться на **межі війни**, може мати **далекосяжні наслідки**.

5. Делегат **порушив питання** про необхідність **підтримки транскордонного співробітництва** попри **застереження** щодо **зменшення ролі** центральних **органів виконавчої влади**.

6. Сьогодні **на перше місце виходить питання щодо розширення ролі** нових **учасників міжнародних відносин**, які **заявляють про себе** як структури, котрі хочуть **мати вплив** на **реалізацію зовнішньої політики**.

7. Одним із завдань **міжнародних організацій** та їх **неурядових партнерів** є участь в процесі розвитку глобального та регіонального співробітництва.

8. Сьогодні ми стали свідками змін у міжнародній політиці, коли у результаті розвитку громадянського суспільства не тільки **офіційно визнані держави**, але й органи виконавчої, регіональної та місцевої влади, а також неурядові структури стали повноцінними учасниками міжнародних відносин.

9. Погіршення стану навколишнього середовища *висуває на перший план* питання про створення структур, які в *законний спосіб* могли б *накласти обмеження* на діяльність великих транснаціональних корпорацій.

10. Застосування політики з *позиції сили* та загострення військової конфронтації є *яскравими прикладами* та логічним результатом *суперництва* великих держав.

**Exercise 9. Match the words from (A) box with all their synonyms from (B) box.**

A	B
apprehension	aid
consequence	alarm
domain	anxiety
implication	association
intermediary	apparent
promotion	encouragement
shift	fear
vivid	go-between
to acquire	link
to ban	mediator
to channel	striking
to claim	strong
to expand	substitution
to face	support
to implement	transfer
to set up	to accomplish
	to achieve
	arrange
	to confront
	to complete
	to forbid
	to found
	to fulfill
	to interdict
	to obtain
	area
	change
	clear
	connection
	definite
	effect
	mistrust
	negotiator
	outcome
	result

	scope sphere transformation variation to achieve to create to deal with to direct to divert to establish to execute to outlaw to prohibit to realize to receive to resolve to route
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## B

### Exercise 10. Choose the appropriate word.

- Such treaties shall *acquire* / *achieve* the force of law after their conclusion, ratification and publication in accordance with the requisite procedures.
- War is an inevitable *consequence* / *result* of the human condition; wars happen because (some) people are violent and warlike.
- The terms of the Nobel Peace Prize are that the winner „shall have done the most or the best work for fraternity between nations, for the abolition or reduction of standing armies and for the holding and *promotion* / *support* of peace congresses“.
- Now is the time to completely *ban* / *forbid* and eliminate all nuclear weapons.
- Identity is the conceptual foundation by which states define themselves, defend their interests and action the outcome in *civil* / *public* and foreign policy.
- Woodrow Wilson's speech began by stating that international diplomacy should be based on open covenants of peace, openly arrived at“ and went on to *claim* / *demand* „freedom of the seas“, the removal of barriers to trade and offensive armaments, before arriving at the last point: „a general association of nations“ to preserve peace.
- UNESCO is working to strengthen and *expand* / *extend* this network.
- Europe is a gigantic *civil* / *public* society operating on cosmopolitan principles in which the four freedoms successfully reduce national differences.
- The fact that EU member states have consented to a limitation on their internal (and positive) sovereignty does not *imply* / *infer* a change to their external (and negative) sovereignty.

**Exercise 11. Make up collocations combining the words from boxes A and B and prepare a brief report using them.**

**I.**

<b>A</b>	<b>B</b>
convention co-operation decision foreign policy issue restriction role structure	accept adopt arrive at conform to eliminate encourage impose make promote restrict settle set up claim duck facilitate implement pursue raise shape weaken

**II.**

<b>A</b>	<b>B</b>
issue consequence involvement role shift experience	advisory alleged beneficial burning considerable contentious crucial devastating direct disastrous discernible dramatic essential far-reaching first-hand gradual

	invaluable long-term personal political potential profound radical relevant secondary side slight thorny vital
--	--

**Exercise 12. Paraphrase the underlined fragments using the appropriate antonym from the list.**

*apprehension*

*to ban*

*to expand*

*to facilitate*

*rivalry*

1. The recent emergence of new actors in the form of intergovernmental organizations, non-governmental organizations and multinational corporations requires that a sound and continuous process of communication, amongst not only state actors but also nonstate actors, is paramount to *ensuring international harmony*.
2. Asylum cannot be granted in the embassy *unless this is permitted* by the receiving government.
3. Europe is at once a gigantic civil society operating on cosmopolitan principles in which the four freedoms successfully *reduce national differences*.
4. An ABM treaty designed to meet the Cold War need to insure the mutual vulnerability of Soviet and American societies and thus to deter Soviet-American nuclear war may well *obstruct the ability of the United States and other societies to protect themselves against unpredictable nuclear threats or attacks by terrorist movements and irrational dictators*.
5. State level joint co-ordinating committees were set up in 1996 *to create more friendly relations between the parties*.

**Exercise 13. Note the difference between the following synonyms and fill in the gaps.**

### *civil – public*

1. We have been working with our partners to deliver humanitarian assistance to all parts of Sudan to address the needs of people affected by this \_\_\_ strife.
2. \_\_\_ society organisations could play a role in running \_\_\_ awareness campaigns.
3. One can make a strong case that foreign relations so dominated the \_\_\_ discourse during the first forty years of our national existence that no domestic issue seems worth considering.
4. Scholars have reached different conclusions about the importance of \_\_\_ opinion on the making of US foreign policy.
5. I've worked in the \_\_\_ sector all my life, mainly in local government.
6. Other types of de facto states have emerged from \_\_\_ conflicts in the Middle East and elsewhere, which have left breakaway states or areas such as Kurdistan (Iraq) and in Libya.

### *rivalry – battle – confrontation*

1. While foreign \_\_\_ for influence in Latin America was real, German and Japanese intelligence operations were rarely efficient.
2. The President's advisors were engaged in a fierce \_\_\_ for power.
3. European citizens need a European Parliament, in the same way that they need their national parliaments, and the relationship between these should not be based on \_\_\_ but on cooperation.
4. The disagreement about the direction of the Soviet threat (East or West), and the best means to combat it (military \_\_\_ or negotiating a détente), continued throughout the 1970s.

### *imply – infer*

1. Nascent theorists do not \_\_\_ that state actors and power politics are unimportant, but merely that they are not axiomatic.
2. This is not to \_\_\_ that legislative measures will always be the most effective means of seeking to eliminate discrimination.
3. It is reasonable to \_\_\_ that Machiavelli favoured permanent and widespread diplomatic representation since he was aware that princes liked to have high-ranking ambassadors in attendance on them.

### **Exercise 14. Choose the appropriate derivative.**

#### *apprehend – apprehension – apprehensive*

1. To speak about justice is to \_\_\_ the system as a whole.
2. As a result, Aboriginal peoples continue to regard research, particularly research originating outside their communities, with a certain \_\_\_ or mistrust.

3. Many people are afraid, they are \_\_\_\_, they dare not openly express their views.
4. While the Kosovo Albanian community is confident about the future, the Kosovo Serb community is \_\_\_\_ about its prospects for the future.

***consequence – consecutive – consequential***

1. International historians began their subsequent reasoning about war principally with reflections on the causes and \_\_\_\_ of World War I.
2. World War I began in August 1914 with brutal \_\_\_\_ for those in Europe and its empires.
3. Westphalia, Utrecht and Vienna represent three occasions when the rules regarding state claims to internal authority and external autonomy were \_\_\_\_ consolidated.
4. In the long run, the development of diplomacy resumed its previous trajectory, keeping pace with the extension of a state system that required continuous and \_\_\_\_ diplomatic activity in order to function effectively.

***implicate – imply – implication – implicit***

1. NGOs should only be subject to regulation if they \_\_\_\_ a legitimate government interest.
2. What conventions does this integration \_\_\_\_?
3. Focusing too heavily on the \_\_\_\_ of the information revolution can detract from the traditional role of the diplomat.
4. By \_\_\_\_, their relations with states, which do not adhere to the rules of International Law, are of an altogether different nature.
5. The Committee recalled that \_\_\_\_ in a State's adherence to the Protocol is an undertaking to cooperate with the Committee in good faith so as to permit and enable it to consider the communications submitted to it.

***expand – expandable – expansion – expansionism – expansive***

1. The balance of power among civilizations is shifting: the West is declining in relative influence; Asian civilizations are \_\_\_\_ their economic, military, and political strength.
2. This germinated from the perceived need to \_\_\_\_ the premier Western institution, NATO, to include the Western countries to the east.
3. That capacity must be \_\_\_\_ if necessary to guarantee the level of security.
4. Civilizations grow, because they have an «instrument of \_\_\_\_,» that is, a military, religious, political, or economic organization that accumulates surplus and invests it in productive innovations.
5. The growth of the railways, the needs of the West and American \_\_\_\_ serve as additional catalysts in the movement to form a Canadian union.
6. Some institutions have \_\_\_\_ delegation, with various people involved in approvals and sign-offs, which protracts the approval process.



### **Exercise 15. Issues for discussion.**

1. Developments that radically influenced the modern diplomacy.
2. New actors of modern international relations and their role in modern diplomacy.
3. Comment on the sentence: “Now the diplomacy has a chance to become an instrument of international governance”.
4. The influence of political factors on the tasks and methods of modern diplomacy.
5. Which of the mentioned factors – political, economic or telecommunicational – have a greater impact on the change of the tasks and methods of modern diplomacy?

### **Exercise 16. Decipher the following abbreviations denoting international and regional organizations. Prepare a presentation on their activities.**

APEC

ASEAN

CIS

IAEA

ICRC

IOM

NAFTA

UNEP

UNICEF

UNOG

### **Exercise 17. Debate Circuit.**

#### **‘Old diplomacy’ vs ‘New diplomacy’**

##### *Points for old diplomacy*

Old diplomacy takes its roots from the times immemorial. It has worked out a whole number of attitudes, principles, rules of conduct and methods which proved effective in conducting international relations.

- It is much more efficient to conduct relations on a state-to-state basis as it gives possibility to settle conflicts between states solving specific problems which became the reason for the rivalry.
- Resident ambassadors are the most important actors of international relations as living in the host country, being actively involved in its life, knowing its law, customs and traditions, being acquainted with people having a say in its home and foreign policy issues they can very effectively contribute to the process of the development of mutually beneficial relations of two countries.

##### *Points for new diplomacy*

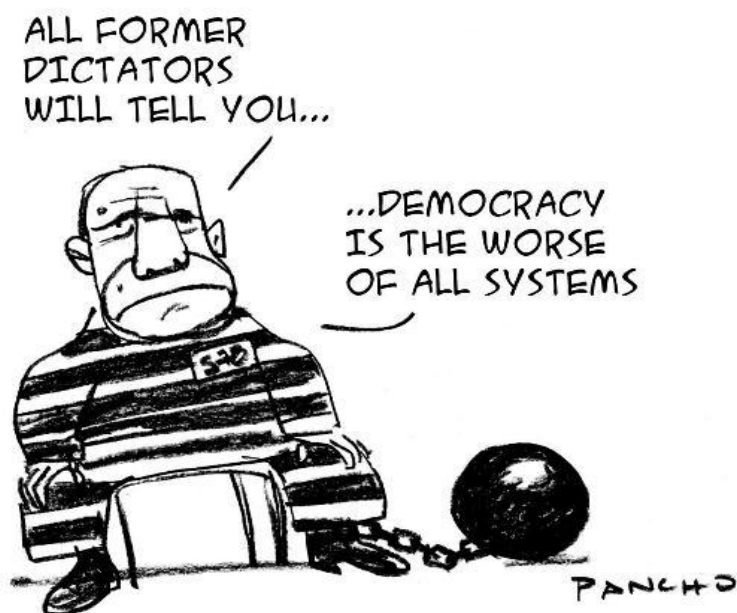
- Modern society is facing new challenges by virtue of globalization and the development of civil society. Modern diplomacy and international relations can no longer be a closed sphere which is conducted by chosen people only. Modern society claims ever greater role in participation in conducting international relations.
- Globalization has created an absolutely new situation in which all developments on the international arena have become very closely intertwined and thus much more complex. That is why active involvement of international organizations and a shift from bilateral to multilateral diplomacy should be essential features of the modern diplomacy.

**Exercise 18. Write an essay.**

1. The role of power politics and ideology in the modern diplomacy.
2. Internationally, sport has become a substitute for war.
3. Globalization and challenges for diplomacy.

**INDIVIDUAL WORK**

**Democracy**



*No one is born a good citizen, no nation is born a democracy. Rather, both are processes that continue to evolve over a lifetime. Young people must be included from birth.*  
Kofi Annan

**What is Democracy?**

The word democracy comes from the Greek words «demos», meaning people, and «kratos» meaning power; so democracy can be thought of as «power of the people»: a way of governing which depends on the will of the people.

There are so many different models of democratic government around the world that it is sometimes easier to understand the idea of democracy in terms of what it definitely is not. Democracy, then, is not autocracy or dictatorship, where one person rules; and it is not oligarchy, where a small segment of society rules. Properly understood, democracy should not even be «rule of the majority», if

that means that minorities' interests are ignored completely. A democracy, at least in theory, is government on behalf of all the people, according to their «will».

### ***Why democracy?***

The idea of democracy derives its moral strength – and popular *appeal* – from two key principles:

1. **Individual autonomy**: The idea that no-one should be subject to rules which have been imposed by others. People should be able to control their own lives (within reason).
2. **Equality**: The idea that everyone should have the same opportunity to influence the decisions that affect people in society.

These principles are intuitively appealing, and they help to explain why democracy is so popular. Of course we feel it is fair that we should have as much chance as anyone else to decide on common rules!

The problems arise when we consider how the principles can be put into practice, because we need a mechanism for deciding how to address conflicting views. Because it offers a simple mechanism, democracy tends to be «rule of the majority»; but rule of the majority can mean that some people's interests are never represented. A more *genuine* way of representing everyone's interests is to use decision making by consensus, where the aim is to find common points of interest.

### ***The development of democracy***

#### ***Ancient history***

The ancient Greeks are credited with creating the very first democracy, although there were almost certainly earlier examples of primitive democracy in other parts of the world. The Greek model was established in the 5th century BC, in the city of Athens. Among a sea of autocracies and oligarchies – which were the normal forms of government at the time – Athenian democracy stood out. However, compared to how we understand democracy today, the Athenian model had two important differences:

1. There was a form of direct democracy – in other words, instead of electing representatives to govern on the people's behalf, «the people» themselves met, discussed questions of government, and then *implemented policy*.

2. Such a system was possible partly because «the people» was a very limited category. Those who could participate directly were a small part of the population, since women, slaves, aliens – and of course, children – were excluded. The numbers who participated were still far more than in a modern democracy: perhaps 50,000 males *engaged* directly in politics, out of a population of around 300,000 people.

#### ***Democracy in the modern world***

Today there are as many different forms of democracy as there are democratic nations in the world. No two systems are exactly the same and no one system can be taken as a «model». There are presidential and parliamentary democracies, democracies that are federal or unitary, democracies that use a proportional voting system, and ones that use a majoritarian system, democracies which are also monarchies, and so on.

One thing that unites modern systems of democracy, and which also distinguishes them from the ancient model, is the use of representatives of the people. Instead of taking part directly in law making, modern democracies use elections to select representatives who are sent by the people to govern on their behalf. Such a system is known as representative democracy. It can lay some claim to being «democratic» because it is, at least to some degree, based on the two principles above: equality of all (one person – one vote), and the right of every individual to some degree of personal autonomy.

#### ***Improving democracy***

People often talk about countries «becoming» democracies, once they start to have relatively free and open elections. But democracy includes far more than just elections, and it really makes more sense to think about the will of the people idea, rather than about institutional or voting structures, when we are trying to assess how democratic a country is. Democracy is better understood as something that we can always have more – or less – of, rather than something that either is, or is not.

Democratic systems can nearly always be made more inclusive, more reflective of more people's wishes, and more responsive to their influence. In other words, there is room to improve the «people» part of democracy, by including more people in decision making; there is also room to improve the «power» or «will» part of democracy, by giving the people more real power. Struggles for democracy throughout history have normally concentrated on one or the other of these elements.

Today, in most countries of the world, women do have the vote but the struggle has been won only relatively recently. New Zealand is said to be the first country in the world to have introduced universal suffrage, in 1893, although even here, women were only granted the right to stand for parliament in 1919. Many countries have granted women the right to vote first of all, and only several years later, have allowed them to stand for elected office. Saudi Arabia has only granted women the power to vote in elections in 2011. Today even in established democracies, there are other sections of society, which commonly include immigrants, migrant workers, prisoners and children, who are not given the right to vote, even though many of them might pay taxes and all are obliged to obey the laws of the land.

### ***Democracy and participation***

The most obvious ways to participate in government are to vote, or *to stand for office* and become a representative of the people. Democracy, however, is about far more than just voting, and there are numerous other ways of engaging with politics and government. The effective functioning of democracy, in fact, depends on ordinary people using these other *means* as much as possible. If people only vote once every 4 or 5 years – or do not vote at all – and if they do nothing else in the *interim*, then government really cannot be said to be «by the people». It is hard to say that such a system is a democracy.

You can read in more detail about ways of participating in the section on Citizenship and Participation. Here are a few ideas – perhaps the minimum that might be needed for members of parliament to be able to act democratically, on your behalf: Stay informed about what is happening, what is being decided «in the name of the people», and in particular, about the decisions and actions being taken by your own representative. Make your opinions known – either to your representatives in parliament, or to the media, or to groups working on particular issues. Without feedback from «the people», leaders can only lead according to their own will and priorities.

Where decisions appear to be undemocratic, or against human rights, or even when you just feel strongly about them, make efforts to get your voice heard, so that the policies may be reconsidered. The most effective way of doing this is probably by joining with other people so that your voice is louder.

Vote, when the possibility arises. If people do not vote, then members are effectively unaccountable.

### ***Democracy and Human Rights***

The connection between human rights and democracy is deep, and goes both ways: each is in some way dependent on the other, and incomplete without the other.

First of all, the values of equality and autonomy are also human rights values, and the right to take part in government is itself a human right. Article 21 of the Universal Declaration of Human Rights (UDHR) tells us that «The will of the people shall be the basis of the authority of government»: so democracy is in fact the only form of government which *is consistent with* human rights.

However, a «democracy» is also incomplete without a *thoroughgoing* respect for human rights. Taking part in government, in a genuine way, is almost impossible to do without people having other basic rights respected. Consider the following, as examples:

1. **Freedom of thought, conscience and religion** (UDHR, Article 18). This is one of the first rights which are essential in a democracy: people need to be able to think freely, to hold whatever beliefs are important to them, without being punished for doing so. Governments throughout history have tried to limit this right because they are afraid that if people think about other forms of government, this will *endanger* the current system. So they have locked people away simply for

thinking the «wrong» thoughts. (Such people are known as prisoners of conscience.) However, a society without a pluralism of views is not just intolerant; it also limits its own possibilities to develop in new and possibly improved directions.

2. **Freedom of Expression** (UDHR, Article 19). It is important not just to be able to think what you want, but also to be able to express that opinion out loud, whatever that opinion may be. If people are prevented from discussing their views with other people, or presenting them in the media, how can they «take part» in government? Their opinion has essentially been *discounted* from the possible alternatives under consideration.

3. **Freedom of peaceful assembly and association** (UDHR Article 20). This right allows you to discuss ideas with others who want to do so, to form interest groups or lobbying groups, or to gather together for the purposes of protest against decisions you disagree with. Perhaps such an activity is sometimes inconvenient for governments; however it is essential if different views are to be made known and taken into account. And that is part of what democracy is all about.

These are just three human rights which are intrinsically bound up with the idea of democracy, but any infringement of other human rights will also affect the extent to which different people are able to take part in government. Poverty, poor health, or the lack of a home, can all make it more difficult for someone to have their voice heard, and diminish the impact of their choice, compared with others. Such infringements of rights almost certainly make it impossible for the person concerned to be elected to government office.

### ***Problems with democracy***

#### ***Voter apathy***

For a number of years, there has been concern about the status of democracy, perhaps particularly in the more established democracies. Much of this is based on the decreasing levels of citizen participation at elections, which appear to indicate a lack of interest and involvement on the part of citizens. A low voter turnout calls into question the legitimacy of so-called democratically elected governments, which are, in some countries, actually elected by a minority of the total electorate.

Although it is undoubtedly a problem that people are increasingly failing to vote in elections, there are some studies which indicate that participation in different forms may actually be on the increase, for example, pressure groups, civic initiatives, consultative organs, and so on. These forms of participation are just as important to the effective functioning of democracy as voter turnout at elections, if not more so.

#### ***Rule of the Majority***

There are two problems that are more intricately connected to the notion of representative democracy, and these concern minority interests. The first problem is that minority interests are often not represented through the electoral system: this may happen if their numbers are too few to reach the minimum level necessary for any representation. The second problem is that even if their numbers are represented in the legislative body, they will have a minority of representatives and these may not therefore be able to summon up the necessary votes to defeat the majority representatives. For these reasons, democracy is often referred to as «rule of the majority».

Majority rule, if not backed up by a guarantee of human rights for all, can lead to decisions which are harmful to minorities, and the fact that these decisions are the «will of the people» can provide no justification. The basic interests of minorities as well as majorities need to be safeguarded in any democratic system by adherence to human rights principles, reinforced by an effective legal mechanism, whatever the will of the majority may be.

#### ***The rise of nationalism***

A related problem is the worrying trends across Europe towards support for extreme right parties. These parties have often played on nationalist feelings, and have targeted «non-indigenous» members of the population, particularly asylum seekers, refugees, and members of religious minorities, and sometimes in violent ways. As a defence, such parties often appeal to their support among the population, and the democratic principle that they represent the opinions of a large number of people.

However, where a party advocates violence in any form, and where it fails to respect the human rights of every member of the population, it has little right to appeal to democratic principles.

Depending on the extent of the problem, and the particular cultural context, it may be necessary to limit the right to freedom of expression of certain groups, despite the importance of this right to the democratic process. *Most countries, for example, have laws against inciting racial hatred.* This is regarded by the European Court as an acceptable limitation of freedom of expression, justified by the need to protect the rights of other members of society, or the structure of society itself.

### ***Young People and Democracy***

Young people often do not even have the vote, so how can they be a part of the democratic process?

Many people would answer this question by saying that young people are not ready to be part of the process, and that only when they are 18 (or at whatever age their country gives them the vote) will they be able to participate.

In fact, many young people are politically very active long before they get the vote, and in some ways, the impact of such activity can be stronger than the single vote they receive later on – and may or may not decide to use – once every 4 or 5 years. Politicians are often anxious to appeal to the youth vote, so they may be more likely to listen to the concerns of young people.

Many young people are engaged in environmental groups, or in other protest groups campaigning against war, against corporate exploitation, or against child labour. Perhaps one of the most important ways that young people can begin to be engaged in community life and political activity is at a local level: here they will be more aware of the particular issues that are of concern to them and those with whom they come into contact, and they will be better able to have a direct impact. Democracy does not only deal with national or international issues: it needs to begin in our own neighbourhoods!

Youth organisations are one of the ways through which young people experience and practise democracy and, therefore, have an important role in democracy, provided, of course, that they are independent and democratic in the way they function!

### ***Work of the Council of Europe***

Democracy is one of the core values of the Council of Europe, together with human rights and the rule of law. The Council of Europe has a number of programmes and publications looking at the improvement and future of democracy. In 2005, the Forum for the Future of Democracy was established by the Third Summit of Heads of State and Government of the Council of Europe. The aim of the Forum is to «strengthen democracy, political freedoms and citizens' participation through the exchange of ideas, information and examples of best practices». A meeting of the Forum takes place every year, and brings together about 400 participants from the 47 Council of Europe member States and observer States.

Support for development and implementation of standards for democracy is carried by the European Commission for Democracy through Law – also known as the Venice Commission – which is the Council of Europe's advisory body on constitutional matters. The commission has been particularly active in assisting in the drafting of new constitutions or laws on constitutional courts, electoral codes, minority rights and the legal framework relating to democratic institutions.

In addition to this standard-setting work, the Council of Europe promotes democracy and its values by programmes on democratic participation, education for democratic citizenship and youth participation, because democracy is much more than voting in elections!

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