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**TRUST FORMING IN THE CASE OF IMPLEMENTATION OF ECONOMIC INTERACTION IN THE VIRTUAL SPACE**

The article describes a research on the influence of the truss factor upon the implementation of economic interaction in the virtual space. The mechanism of forming of reputation and trust and also creation of the image of activity subject in the economic of networks is considered.

Keywords: trust, virtual space, economy of networks, economic interaction, mechanism of forming of trust.

Tab. 1. Fig. 2. Ref. 15

**Problem statement.** Essential changes of the social order and economic relations led to transformation of conditions of creation and functioning of economic mechanisms. Due to the development of information technologies, the considerable transformations of crucial elements of economic system and causal-sequence relations between them took place. The rate of life permanently increases, social and economic changes are respectively accelerated and managing conditions are transformed. In this way the cooperation and fast reaction to environment become possible only under condition of attraction of new technologies of interaction in virtual space which cannot function without forming of institute of trust. The trust creates the economic activity, motivates cooperation, forms conditions for accomplishment of the liabilities undertaken, and does possible the operational cooperation of subjects in the economy of networks.

Within the Group of Eight summit in 2000, the Charter of global information society which determines the future of development of humanity was accepted. This
document witnesses that is information - communication technologies are one of the most important factors of the society forming in XXI century. Therefore, evolution of the instrument of fast electronic reaction changed the order and interaction principles in the society with the creation of virtual space. The successful use of information technologies turns the organization into the network structure. This aspect opens new qualities which are not inherent in the previous, traditional form of interaction. The essential prize when forming the new relations consists in the improvement of use of all resources of the organization, growth of its flexibility and adaptability to external and internal problems that leads to high-quality and operational decisions and directly influences competitiveness.

**Analysis of the last researches and publications.** The trust phenomenon was studied based on the philosophy, sociology, political science, psychology, and theory of economic doctrines and economics. The problem of an assessment of trust in the economic was formulated by D. Akerlof [2], Zaman A. [9], and others. The trust as a factor of economic development was studied by S. Kovi [12], Sukhikh V.V [13]. Among researches of the trust theory it is necessary to mention the works by Fukuyama [14] works, R. Schiller [2], P. Shtompki [15]. The question of transformation of the virtual space and its influence on the society interested A. A. Domrachev [7], O. Zerniskaya, P. Zernitsky [10], and others.

The mentioned works rather narrowly consider a trust factor in economy of networks and do not contain recommendations concerning its forming in the course of interaction between subjects of the economic relations in virtual space.

**Unresolved part of a problem.** In the economy of networks in the case of active use of virtual space, the development of the relations depends on a capability of world and national economy to provide the trust in the case of interaction of subjects. That determined a problem of the trust forming in the case of implementation of interaction of subjects agents of the economic relations in the virtual space.

The research purpose is to determine the term "trust" in the today economic environment and determination of the mechanism of its forming in the case of interaction implementation in the virtual space.

**Main results of research.** The essential value of trust is recognized in the global economic space both by theorists and practice experts. Acting as a non-financial (imperceptible) asset, the trust considerably influences the reputation and image both on macro- and microeconomic levels. The today competitive environment assumes not only the development of new technologies and release of quality products, it requires also considerable investment injections in the trademark, brand, a goodwill and the
other intangible assets creating reputation of the subject of the economic relations. The economy development at macroeconomic level depends on the trust to the country as to a potential partner in business. So, a rating of economic freedom of Ukraine (Heritage Foundation) (table 1) carries it to the countries of "repressive economy".

Positive changes of data testify to the trust growth to Ukraine as to a partner country, however, the mentioned tendencies are not essential, it speaks about the delay in the development of world economy against the background of the crisis phenomena, and the careful relation of rating agencies to developing countries.

It is difficult to not note that thus, the world community notes essential a quality degradation of democracy in Ukraine that considerably influences the rate of forming of trust to the government and state economy.

The meaning of the term "trust" origins from words "belief, trust, confidence". Sources of these expressions are in Latin as "fido" that means "I trust". Latin "credo" is translated as "I trust" and exactly from here originates crediting. The trust (confidence) is a sociological and psychological category for designation of open, positive relations between the people (parties) reflecting confidence of decency and goodwill of other party from which the principal is in these or those relations.

Table 1. Position of Ukraine accordingly to the international ratings is developed from [6]

<table>
<thead>
<tr>
<th>Consecutive №</th>
<th>Rating</th>
<th>Place of Ukraine in 2012 r.</th>
<th>Total number of countries in the ranking in 2012 r.</th>
<th>Place of Ukraine in 2011 r.</th>
<th>Total number of countries in the ranking in 2011 r.</th>
<th>Place of Ukraine in 2010 r.</th>
<th>Total number of countries in the ranking in 2010 r.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Doing Business</td>
<td>137</td>
<td>185</td>
<td>152</td>
<td>183</td>
<td>149</td>
<td>183</td>
</tr>
<tr>
<td>2</td>
<td>Heritage Foundation</td>
<td>163</td>
<td>179</td>
<td>164</td>
<td>179</td>
<td>162</td>
<td>179</td>
</tr>
<tr>
<td>3</td>
<td>Ranking of economic globalization</td>
<td>44</td>
<td>60</td>
<td>44</td>
<td>60</td>
<td>44</td>
<td>60</td>
</tr>
<tr>
<td>4</td>
<td>Global Competitiveness Ranking</td>
<td>73</td>
<td>144</td>
<td>82</td>
<td>144</td>
<td>89</td>
<td>133</td>
</tr>
</tbody>
</table>

The trust is category likelihood also is based on knowledge of other party to which trust. Thus, it is expected that the parties which consist in trusting relationships, will observe moral and interaction precepts of law to carry out of the liabilities undertaken.

Accordingly to the Nobel Prize winner George Akerlof, the trust is the behavior which is beyond a rational approach to decision making. The situation becomes complicated as the rational perception at all does not guarantee rational actions [2]. The
high level of trust guarantees a high level of development of economy as in the conditions of creation of positive image and reputation the demand growth is observed that stimulates the further development of economy. The existence of causal–consequence relations between the trust and wealth is noted not for the first time. In work [3], researches were carried out which showed that increase of an index of trust for 1 % at the end of the XX century corresponded the growth of gross domestic product per capita in five years for 659 dollars.

If to consider the trust as an economic factor, it is necessary to note that the trust is an integral component of the economic relations that reflects expectations of their participants concerning observance of statutory rules of interaction by them and the liabilities undertaken. Trust in economy is an irrational expectation allowing people to interact without an excessive regimentation and excessive control, accelerating economic processes, promoting unity in achievement of effective objectives. [13]

Trust researches in the economic field of knowledge showed that at present there is no consensus concerning essence of this concept. Often authors refer "trust" to the economic category, institution or factor. The category expresses genetic features of certain economic events and processes and though it is an abstract theoretical expression, but from our point of view, rather describes relations of production which arise in interaction with development of productive forces, economic events and processes in a material world. The term «economic institution» is used as an element of social structure which characterizes the mechanisms, forms of the organization and regulation of the economic life. Economic institutions are considered as forms of social structures more often. A factor means the essential circumstance in any phenomenon or process. The factor also can be an initial component of something [1]. So, "trust" is more suitable for the definition determination. The trust as a factor operates in information economy in the case of creation of the modern social-economic relations and under condition of their virtualization obtains a huge value.

In our opinion the trust as an interaction factor in the virtual space is an integral component of the economic relations reflecting expectations of their participants concerning observance by them of statutory rules and liabilities in the course of virtual interaction, carries not only national but also cross-border nature in the case of development and implementation of communications in the world IT - society.

Studies of process of forming of trust relationships in the case of interaction in the virtual space become more complicate due to the interdisciplinarity of the study object research and inaccessibility of an empirical material. The trust creation process is considered by such base sciences as: philosophy, sociology, political science,
psychology, economy (Fig. 1). In the modern conditions of managing it is necessary to accumulate for further use elaboration each of them.

![Diagram of trust relationship]

Figure 1. Classification of trust [author's development].

If to consider the trust from the viewpoint of sociology, it should be perceived as a certain basis on which human relations and social institutions are built. F. Fukuyama saw in the trust the base of benefactor and well-fare. He characterized the trust as arising expectation within a certain community that its members will behave normally and fairly, showing the readiness for mutual assistance accordingly to the commonly accepted regulations, cultural traditions, customs, common ethical values [14]. This author considered the similar behavior as more effective than the behavior based on the rational calculation and formal rules which need to be developed, approved, defended permanently in court, and then to provide their observance, including use of means of enforcement measures. Fukuyama comes to the conclusion that the prevalence of mistrust in the society is equivalent to entering of an additional tax on all forms of economic activity from which societies with high trust level [3] are free.

The political science considers the trust as a resource which lack is a catalyst of transformation of a state regime. The trust and its determination as the psychological feeling distinguishing the person as the personality and at the same time measurable and
manifested at society level, gives the chance to analyze reaction of mentality on uncertainty and unpredictability, to research process of development of culture of behavior which determines trust the level, nature of interaction of people and degree of value of society.

In the sphere of business, trust relations are considered as the capital of organization that reflects the relations between partners, suppliers, customers, consumers and other participants of economic processes.

Studying the structure of trusting relationships (the Fig. 1), it is necessary to notice that it includes the classification of objects, considering interpersonal, system positions which has inductive or deductive nature, and a priori deductive.

The interpersonal trust is related with the interaction process of two parties, exchange which is built relying on the economic and legal practice of interaction of individuals in society. In the case of this type of interaction the huge importance has a time interval between actions of individuals. In the case of creation of the virtual relations they more often speak about the system trust which is created in the case of interaction of the individual and social group, or several social groups. At this, the question of cultural values and standards of behavior of groups appears. In the course of economic and political activity, groups are also forced to trust politicians, experts in various fields of knowledge, to producers of the goods, works, services and other agents of virtual interaction. In this case, the trust acts as the catalyst of implementation of any relations, and its shortcoming assumes additional financial investments on the increase of its level.

What about a priori – deductive trust, it is treatise as the trust to abstract systems on which the modern information economy is based. The need of its creation is connected with universal distribution of electronic types of economic activity. The main ways of forming of similar trusting relationships are: simplification of access to the necessary market information, firms, goods, content; ensuring transparency and openness of virtual interaction with public authorities; provision of possibility to organize effective business activity on the basis of technologies of electronic business, including the use of possibilities of the Internet on the promotion of goods, works, services, implementation of electronic commerce.

The classification of trust relationships concerning the sphere of their origin assumes trust at the levels of family, company (firm), customers, suppliers, shareholders and final consumers of products, goods, works, services. The classification by this attributes is not top-priority in this research, its only specifies the sphere of emergence
of trust relationships and gives the chance to match the specific methods of trust forming for various agents of the economic relations.

The question of the assessment of trust rose not once in works of various scientists – economists. Today, there is no the universal technique of the trust assessment that puts this question as requiring further research. There is the trust assessment through measurement of efficiency of business activity [12] where the author places emphasis for the speeds and costs. The animator of trust accounts public polls. The trust in this model acts as a forecast indicator of future expenses [2]. They determine a set of trust indexes which are considered at the international level and account macroeconomic indicators of countries [6]. In this work, we provided the generalized classification on trust levels which does not give a possibility to determine the economic effect of investments in information channels of impact on the objects and the subject of business. The offered classification of trust degree is intended only for the acceptance of general decision concerning possibility of creation of trust relationships between agents.

It is necessary to note also, that the factors exist which are essentially influencing trust forming. They can be divided into three groups: regulatory, exogenous (external) and endogenous (internal). As a result of action of these factors, the economic mechanisms which are developed in the society are destructed or are significantly transformed. The mentioned factors influence the trust forming in the case of implementation of virtual interaction.

Today, the value of the companies is determined by their capability to creation and maintenance of the high level of trust to themselves. The development of trust have to act as the art of harmonization and finding of general tasks and reference points of cooperation around which institutions of the trust creation and maintenance [13] will be developed.

Accordingly to the authors' treatise, the trust arises in the course of interaction in the virtual space between subjects of the economic relations. The organizational-economic mechanism of trust forming in the virtual space is shown in the Fig. 2. The mutual advantages and reciprocity of trust feeling are basic elements of its creation. Trust forming is inseparably linked with its objects (subjects).
Figure 2. Organizational-economic mechanism of trust forming in the virtual space [authors’ development].
The appearance of trust between the partners in business, business and consumer, business and power institutions, power institutions, power institutions and final consumers of goods, works, services in the information space has the same sources. In the case of implementation of similar information interaction it is necessary to allocate only certain channels of receipt of information which will depend more on agents of trusting relationships. So, for example, trust forming between the producer and the consumer of end product in the virtual space generally is based on information received through advertizing in a network and on television. Thus, the share of information received through official sites, forums and blogs actively grows. In the conditions of development of the modern society the share of mass media in the total amount of information on which the final consumer is oriented.

The virtual interaction with consumers solves a number of problems of the seller or the producer of goods, works, services:

- enables to represent the enterprise and its goods most effectively;
- enables to create a favorable image;
- on the basis of analytical data and statistical information about site attendance, solves strategic problems of development;
- enables to establish feedback with final buyers of products, works, services by means of a forum, e-mail, phone, fax;
- helps to correct in the current plan the existing strategic tasks accordingly to changes of consumer tastes and preferences and so on.

In the case of use of the supposed mechanism, the subjects of interaction in the virtual space will obtain a number of benefits:

- will cut considerably the expenses and transactional expenses;
- accelerate all processes;
- will reduce risks of nonfulfillment of the obligations undertaken;
- will increase level and dynamics of management of the organization, enterprise, firm;
- will obtain the additional possibilities on attraction of investments for implementation of new projects;
- will have an opportunity of collection and handling of information about rather innovative products and services in the market, with the subsequent transformation of an existing sustainability strategy;

- will analyze a possibility of additional attraction of investments about use of a capital stock and tools of the stock market at the expense of obtaining of information on the new scientific developments, the received patents for the inventions, useful models, industrial designs;

- will increase a probability of receipt of offers concerning implementation of patent, authors' rights, means of individualization of products.

The creation of a modular set of network services based on the information – marketing network will give a opportunity to carry out a virtual interaction by means of electronic exchange of information and carrying out electronic paperless transactions, using possibilities of the Internet and mobile communication. Thus, using the corresponding modern developments in the field of the software, it is easy to prove that placed information is the intellectual property of the user, to establish the personal responsibility for provision of obviously false information, to confirm primacy of its placement. Except everything listed higher, the interaction virtualization in the case of high degree of trust of agents of the economic relations considerably increases speed of their reaction to brought and internal factors, allowing to make quickly any changes without prior notice.

In the case of sale of this mechanism instruments of control and coercion of any third party are absolutely not obligatory. Implementation process of products, works, services by means of the virtual networks, based on trust, does not require additional costs for the lease, salary of sellers, protection, collectors and so on. The process of interaction based on trust in the virtual space cuts down expenses of suppliers, customers, institutions of the power, shareholders and final consumer. Trusting the acquired information, the consumer does the order through the network, the seller, trusting the customer, sends the courier if the goods of the corresponding quality and the buyer has to it no claims, payment is performed on a place through the same courier, or on-line, using technologies for business and electronic commerce. Thus, the economy of time of the buyer and the seller on delivery and payment of the goods, works, services has huge value. The provision of the financial reporting in the electronic form entered included firmly into life of the Ukrainian entrepreneurs. Carrying out on-line conferences in the case of decision making in the course of functioning of the organizations increases the mobility and speed of reaction to change of a market situation of the goods, works, services.
In the case of above stated positive tendencies it is necessary to remember that in the conditions of information space unification it will be necessary to consider also the international requirements to creation of the relations in the course of virtual interaction, however, as of today this process is not complete and requires additional researches.

Conclusions. Analyzing told above, it is possible to draw the following conclusions and to formulate recommendations:

1. In the conditions of interaction in the virtual space against background of permanent economic, political and social changes, the trust becomes result of the purposeful actions directed on the implementation and support of trust institutions in the economy and society.

2. Long-term development of the subjects of economic relations in the modern world is determined by a possibility of their adaptation to dynamic changes which occur in the endogenous and exogenous environment. The level of development of the markets does not give a possibility to provide essential benefits only at the expense of material and financial factors, doing them public. A competitive advantage becomes a consequence of effective use of unique by their factors such as trust, reputation, image.

3. Accordingly to the international rating agencies, Ukraine has an image of country with considerable natural-resource potential, however not favorable conditions for economy, rather high level of the corruption, difficult taxation system and not stable legislation that is complicated by a difficult economic situation, low level of growth of gross domestic product and the actual fall of population incomes at the expense of inflationary tendencies. Under existing conditions, the trust forming to Ukraine and its government becomes one of the main questions of its development.

4. Against the background of universal financial crisis which produces a crisis of confidence, forming of positive image of Ukraine becomes possible only under condition of interaction of subjects of activities taking into account possibilities of economy of networks and transition to virtual cooperation.

5. Implementation of the mechanism of trust forming supposed in this work in the case of implementation of economic interaction will enable to involve information channels of impact that will allow to improve image of the state, government and national companies in the virtual space. The development of the virtual types of economic activity will lead to considerable economy of time and costs of all participants of trust relationships.


