

## **SOCIAL, ECONOMIC, POLITICAL AND TECHNOLOGICAL ASPECTS THAT WILL AFFECT BUSINESS IN EUROPE IN FUTURE**

The economic activity of the enterprise, ie its business and market activity plays a key role in today's dynamic economic conditions. External environment factors can be seen as opportunities and threats for the company, their positive or negative impact on the organization will depend on management efficiency and adaptability of the company. Therefore, the main task of the management of each company is a thorough study of the behavioral influence of external factors on the economic viability of the unit, the timely determination on the most significant external factors and optimization of their impact on the company. The external factors include the following:

1. Political factors are determined by the political situations, the stability of society, from all others depend Foreign investment attitude of government to the state of the real economy.

Political risk - the risk of deterioration of the political climate in the country, resulting in the state as a whole and individual enterprise in particular suffers direct financial losses and deteriorating living standards.

2. Economic factors - economic growth, employment, inflation.

These factors involve changes in the global economy. A rise in living standards would ultimately imply an increase in demand for products thereby, providing greater opportunities for businesses to make profits.

3. Scientific and technological factors create enterprises for further development and Opportunity Getting advantage over competitors.

These factors greatly influence business strategies as they provide opportunities for businesses to adopt new innovations, and inventions. This helps the business to reduce costs and develop new products.

4. Social factors allow determine of specific features activities (Between the highest value, and middle and lowest layers of the population, life values of people, traditions, etc.).

These factors are related to changes in social structures. These factors provide insights into behaviour, tastes, and lifestyles patterns of a population. Buying patterns are greatly influenced by the changes in the structure of the population, and in consumer lifestyles. Age, gender, etc all determine the buying patterns and understanding of such changes is critical for developing strategies which are in line with the market situations.

Understanding of these factors is important while developing a business strategy.

This year's World Economic Forum was held from 20 to 23 January in Davos, Switzerland. On the agenda were the fluctuations in the stock markets, Falling prices for oil, solving migration problems and the new industrial revolution. It was about the fourth industrial revolution, the development of world science and influence of technical means on people life. World Economic Forum called fourth industrial revolution tsunami technological advances that transform the economy. "Automation and Communication

lead to all industrial revolutions, but never at such a high level of intensity as now. These two forces will have very different consequences for nations, enterprises and individuals." / Axel Weber, chairman of the Swiss Chairman of the Board largest financial holding UBS/. The fourth industrial revolution characterized fusion technology and erasing boundaries between physical, digital and biological areas. Robotics work in the next decade can be a mass thing and leave millions of people without work.

The forum identified four main risks for the global economy coming years "triple loop" China (transition from industry services, return to the domestic market and stimulate consumption); discounted prices for raw materials; asynchronous process in monetary policy; capital flight from countries that develop to countries that already developed

At the end of 2015 World Health Organization published a report, according to it till 2050, the number of people age 60 years, will doubled and reached 2 billion. This fact completely turn the structure of the global economy and social security.

Among the global economic, environmental, geopolitical, social and technological risk, considered the biggest challenge for the twenty-first century climate changes which will lead international and civil wars in next 50 years.

Where we can get the most complete information about the future of Europe? One of the most useful source is a strategy "Europe 2020" developed in the 2010.

According to this strategy key objectives for the European Union is the implementation of such a plan by 2020:

- 75 % of the population aged 20-64 should be employed;
- 3% of the EU's GDP should be invested in R&D;
- The "20/20/20" climate/energy targets should be met (including an increase to 30% of emissions reduction if the conditions are right);
- The share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree;
- 20 million less people should be at risk of poverty.

For achieve these goals the strategy also includes the following measures:

- "Innovation Union" to improve framework conditions and access to finance for research and innovation so as to ensure that innovative ideas can be turned into products and services that create growth and jobs.

- "Youth on the move" to enhance the performance of education systems and to facilitate the entry of young people to the labour market.

- "A digital agenda for Europe" to speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.

- "Resource efficient Europe" to help decouple economic growth from the use of resources, support the shift towards a low carbon economy, increase the use of renewable energy sources, modernise our transport sector and promote energy efficiency.

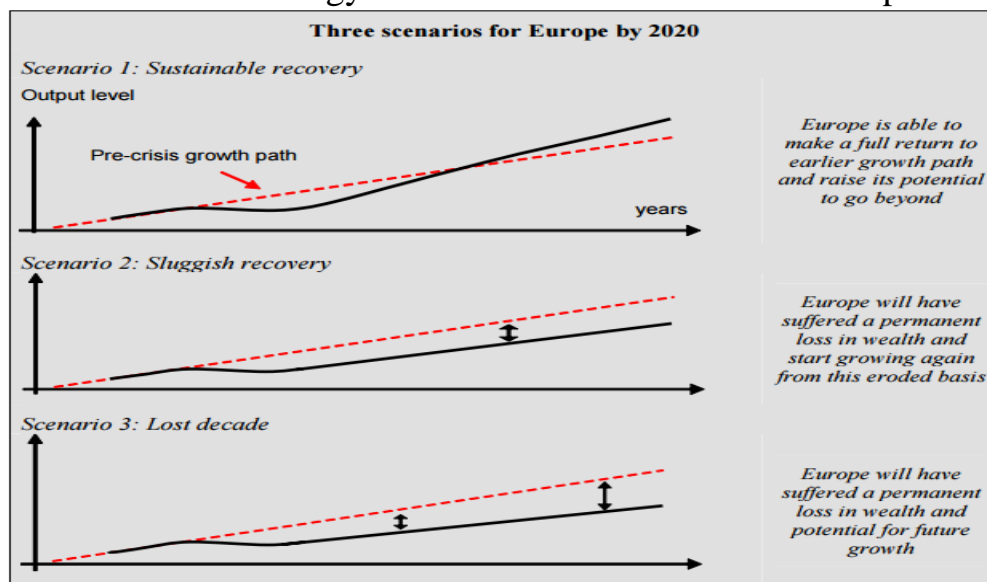
- "An industrial policy for the globalisation era" to improve the business environment, notably for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally.

- "An agenda for new skills and jobs" to modernise labour markets and empower people by developing their of skills throughout the lifecycle with a view to increase

labour participation and better match labour supply and demand, including through labour mobility.

– "European platform against poverty" to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.

Also in the strategy described three scenarios for Europe for 2020.



According to this strategy Europe must act:

– Innovation: R&D spending in Europe is below 2%, compared to 2.6% in the US and 3.4% in Japan, mainly as a result of lower levels of private investment. It is not only the absolute amounts spent on R&D that count – Europe needs to focus on the impact and composition of research spending and to improve the conditions for private sector R&D in the EU. Our smaller share of high-tech firms explains half of our gap with the US.

– Education, training and lifelong learning: A quarter of all pupils have poor reading competences, one in seven young people leave education and training too early. Around 50% reach medium qualifications level but this often fails to match labour market needs. Less than one person in three aged 25-34 has a university degree compared to 40% in the US and over 50% in Japan. According to the Shanghai index, only two European universities are in the world's top 20.

– Digital society: The global demand for information and communication technologies is a market worth € 2 000 billion, but only one quarter of this comes from European firms. Europe is also falling behind on high-speed internet, which affects its ability to innovate, including in rural areas, as well as on the on-line dissemination of knowledge and on-line distribution of goods and services.

Social factors such as increased level of education provide training to future professionals of different industries. As a result of higher employment will lead improvements of life level and after it will be new potential customers, that will be good on demand. The fight against poverty, it will also result in a more favorable external environment for business. Doubtless, economic aspects are one of the most important for effective doing business. Help Small business will open for it more possibilities and

simplify formalities and as a result small business will develop rapidly. Political factors also are key, opening new frontiers for product promotion through the New members of the European Union will have both positive and negative sides for European enterprises. On the one hand it is a new market, new consumers, but the other side of the coin is, also new competitors. Technological progress can give impetus to more efficient and attractive, by minimizing the costs of doing business.

The EU is a good place to do business. Rapid technological developments, open and expanding global markets, and ever-increasing access to information mean that regulation is under constant review and is being adapted to keep pace. Indeed, EU member states have been improving regulations and, on average, rank 31st among 189 economies. One-third of the top 20 countries in the world for Doing Business are European, and practically all EU countries are in the top 50.

### **REFERENCES**

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