

contributions to an AI hedge fund, which has now crowdsourced billions of equity price predictions.

Note that Artificial Intelligence is not only used to develop trading strategies but also in other spheres, for example in developing liquidity searching algorithms and suggesting portfolios to clients. Therefore, with AI applications gaining ground, the number of humans involved in trading and investment decisions decreases and this definitely affects markets and price action. It is early to speculate on the overall effects this new technology will have on the industry but it is possible that extensive use of AI will result in more efficient markets with lower volatility for extended periods of time followed by occasional volatility spikes due to regime changes. This is possible because the impact of subjective evaluation of information by humans will be minimized and with that the associated noise. But that remains to be seen in practice.

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THE IMPACT OF TERRORISM ON ECONOMY

The terrorist threat is now considered to be an everyday hazard. The risk of death caused by terrorists has become an integral component. Such a phenomenon was never as acute as now when it reached an extremely high level of risk in recent years. The practice of terror from year to year is becoming more sophisticated and cynical. In the last century, the main forms of attacks were hostage taking and explosion in a public place. These forms of terrorism are considered classic nowadays. They give way to destruction of residential and office buildings and neighborhoods, chemical and biological attacks, cyber attacks and so on. Therefore, the objective of the study - to reveal a correlation between acts of terrorism and consequences for the economy, and to find the causes of terrorism and ways to fight against it.

According to the Global Terrorism Database a terrorism is: « the calculated use of violence (or threat of violence) against civilians in order to attain goals that are political or religious or ideological in nature through intimidation or coercion or instilling fear » [1].

Let's consider the causes of terrorism. Social and political injustice: Terrorism is directly proportional to injustice. When the grievances of the people are not redressed they resort to violent actions. Hence, the delayed justice is working as an incentive for victims and dragging them to the swamp of terrorist organizations.

Religious: Religious terrorists may use terrorism to punish what they see as 'ungodly' behaviour in society, or to avenge what they perceive as attacks on their beliefs. As a driving force of terrorism, the true danger that religious doctrine poses is its encouragement of attacks that are more violent in nature than other types of terrorism.

Illiteracy: An illiterate can easily be convinced that by killing innocent people he gets automatic ticket to heaven. By being promised rewards in the afterlife, terrorists are more likely to carry out suicide bombings and other such “all in” tactics that are harder to defend against [2].

Let's move on to the impact of terrorism. Economic impact: Terrorist incidents have economic consequences by diverting foreign direct investment (FDI), destroying infrastructure, redirecting public investment funds to security, or limiting trade. If a developing country loses FDI, which is an important source of savings, then it may also experience reduction in economic development. Terrorism also raises the costs of business in terms of higher insurance premiums, expensive security precautions, and larger salaries to at-risk employees.

We have explored the global terrorist index of the two most affected countries and found a correlation between the number and scale of terrorist attacks and GDP. Considering the situation in Iraq, the number of terrorist attacks in 2013 amounted to 1,267 which resulted in 2,409 deaths. And this is almost 2.5 times less than in 2017 [3]. At the same time, the clear dependence of the scale of terrorist acts on the main indicator of the economic wealth of the country is worth noting. GDP has decreased by 18 per cent. A similar situation is observed in other countries, such as Afghanistan, Nigeria, Syria, Pakistan. Consequently, terrorism is one of the factors that affects the economic situation in the country.

Society impact: Terrorism poses a serious law enforcement problem and leads to disintegration of society. The incident of murder, torture, mutilation, kidnapping, arson and extortion create atmosphere of suspicion, fear and panic all around.

Political impact: High incidents of terrorism lead to increased political instability in a country, the undermining of democracy and parliamentary institutions, the opposition to the existing system, conflicts with the authorities.

Following the analysis of causes of terrorism, we can draw a conclusion that terrorism can be reduced by implementing a corrective strategy that consists of three appropriate steps:

Education: education is a primary solution to terrorism. The government should educate people to understand the differences in culture, religion and human behaviors. That is why we propose to organize a compulsory discipline for all students to study in universities. The program of this discipline will include topics that allow to obtain and understand information about the adverse effects of terrorism.

Penalties: Organizations and entrepreneurs which secretly fund terrorist campaigns and weapon funds should be detained and prosecuted. Any person who is convicted of a terrorism offence must be sentenced to imprisonment of up to twenty years.

To conclude, terrorism is a cancer, which everyone must strive to cure. Besides terrorism affects a nation's development economically, socially and politically. It goes without saying that, terrorism has a corrosive impact on our economy. It worsens the international market image of the country and leads to loss of opportunities. Terrorism is a global problem that all countries of the world must confront.

References:

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THE IDEA OF CIRCULAR ECONOMY

Circular economy is a model of economy that functions as a natural ecosystem with some changes. Most experts believe that circular economy (or economy of a closed circle, a cyclical economy) is a way to find harmony between the environment and the economy, because no materials are wasted. Products are designed and built so that they are a part of a value network where reuse and refurbishment on product, component and material level ensures continue re-exploitation of resources [1].

A circular economy is an approach based on the recycling of almost any product. By developing and implementing innovative business models, it is possible to ensure that technical and biological materials continue its participation in the economy, but valuable reserves and natural resources are saved.

The idea of a circular economy is not entirely new. Its popularity has increased over the past decade because of rising commodity prices, the impending shortage of many natural resources, technological developments and changes in consumer attitudes to the environment. In the 1960s, the economist Kenneth Boulding called circular economy «ideal economy». He said that we should have managed the available resources as if we had been in a spaceship where was no hope for fresh food, and there was nowhere to store waste and garbage. In fact, the circular economy is a combination of several concepts: industrial ecology, Cradle to Cradle, «Blue economy», «biomimetics», etc. [2]. Transition to the circular economy will help to create 870 000 new workplaces in the countries of the European Union and to reduce carbon emissions by 410 megatons by 2030 [3].

The concept of a circular economy means direct participation in the planning and development stages of products to ensure a long life cycle and high potential for further reuse, modernization, recovery and recycling. The key principles of the concept of the circular economy are the following:

- complete exclusion of waste;