

Ihor F. Kolomiyets¹, Nazariy M. Popadynets²
**TRADE AT UKRAINIAN INTERNAL MARKET:
THE DEVELOPMENT MECHANISM**

The article determines and grounds the nature of trade development mechanism at internal market. Regulatory and legal documents are analyzed and the views of domestic and foreign scientists on the necessity of internal trade development mechanism are summarized. The structure of the mechanism which essentially is the instrument of trade development regulation at internal market is proposed to solve the related practical problems.

Keywords: internal market; internal trade; development mechanism.

JEL classification: L81; N70.

Ігор Ф. Коломієць, Назарій М. Попадинець
**ТОРГІВЛЯ НА ВНУТРІШНЬОМУ РИНКУ УКРАЇНИ:
МЕХАНІЗМ РОЗВИТКУ**

У статті визначено та обґрунтовано сутність механізму розвитку торгівлі на внутрішньому ринку. Проаналізовано нормативно-правові документи та узагальнено думки вітчизняних і зарубіжних учених, що обґрунтовують необхідність механізму розвитку внутрішньої торгівлі. Запропоновано структуру механізму, який є інструментом врегулювання процесів розвитку торгівлі на внутрішньому ринку та вирішення практичних проблем.

Ключові слова: внутрішній ринок; внутрішня торгівля; механізм розвитку.

Рис. 2. Літ. 11.

Ігорь Ф. Коломиец, Назарий Н. Попадинец
**ТОРГОВЛЯ НА ВНУТРЕННЕМ РЫНКЕ УКРАИНЫ:
МЕХАНИЗМ РАЗВИТИЯ**

В статье определена и обоснована сущность механизма развития торговли на внутреннем рынке. Проанализированы нормативно-правовые документы и обобщены взгляды отечественных и зарубежных ученых, в которых обоснована необходимость механизма развития внутренней торговли. Предложена структура механизма, который является инструментом урегулирования процессов развития торговли на внутреннем рынке и решения практических проблем.

Ключевые слова: внутренний рынок; внутренняя торговля; механизм развития.

Problem setting. Problems of trade development at internal Ukrainian market are related to the negative influence of deterrent factors of the institutional subsystem in social, economic and regulatory subsystems. Subsystems' misbalance and contradictions decrease the efficiency of trade development at internal market in general.

It is hard to develop trade at the internal market under the influence of a range of external factors in the context of the country's European integration aspirations. In order to regulate the development processes the relevant mechanisms are used as instruments for practical problems solution.

Latest research and publication analysis. The following scientists have devoted their studies to the research of theoretical and methodological basis for internal market trade: O.I. Abornyeva (2005), V.V. Apopiy (2012), I.A. Chernysh (2011), L.O. Lihonenko (2003), N.Y. Voziyanova (2013) etc.

¹ Institute of Regional Research named after M.I. Dolishniy, NAS of Ukraine, Lviv, Ukraine.

² Institute of Regional Research named after M.I. Dolishniy, NAS of Ukraine, Lviv, Ukraine.

Unresolved issues. There is no trade development mechanism formed at internal market on the state level. This complicates the solution of the related practical problems.

The research aim is to define and rationalize trade development mechanism at the Ukrainian internal market.

Key research findings. Rationalizing the trade development mechanism at the Ukrainian internal market in terms of transformation is the necessary scientific and practical task. Its solution contributes to settling both practical and theoretical problems that slow down the sectoral development.

The practical aspect of the problem appears to be partly outlined in the Ukrainian Internal Trade Development Concept adopted by the Ukrainian Cabinet of Ministers (CMU) Resolution # 1449 as of December 20, 1997. It stipulates that the shortcomings of organizational mechanisms and legislative and regulatory basis of entrepreneurship activity public management to a large extent have caused the trade efficiency decrease. Besides, market mechanisms of cooperation between separate links of the single cycle "research-production-distribution-consumption" have not achieved the efficient level. However, the Concept does not rationalize or define any mechanism of internal trade development.

Internal Trade Development Program till 2012 adopted by CMU Resolution # 632 as of June 24, 2009 is another important document on this issue. It stipulated only one mechanism – "the mechanism of socially important foodstuffs prices regulation". This indisputably is an important solution mechanism for artificial prices raising problem. But introduction of only this one mechanism will not settle the trade development problem at internal market.

Nowadays CMU develops another document – "Internal Trade Development State Policy Implementation Concept" (www.kmu.gov.ua) which also stipulates the introduction of mechanisms that will give additional incentive for trade development at internal market on the basis of functions and tasks distribution between central and local executive authorities.

The positive moment of this Concept under development is that the majority of measures planned to be taken are focused on overcoming important problems that exist in the trade at internal market.

We have outlined certain positions in the scientists' works that can be taken into account while rationalizing the mechanism of internal market trade development.

The mechanism developed by O.I. Aborneva (2005: 57) is directed at state regulation of trade organizations' economic activity in the form of an integrated system. Such a mechanism is based on the necessity to improve institutional and management subsystems at different levels of national economy in order to solve the trade development problems of economic and social origin.

N.Yu. Voziyanova (2013: 111–118) has rationalized the mechanism of trade development at internal market as the system consisting of the section of state regulatory policy and the relevant reactions of the market. The principle of system approach that stipulates close connection of economy with the variety of institutional relations is the basic principle in this mechanism.

I.A. Chernysh (2011) builds the state trade regulation mechanism at internal market also on the principles of system approach. This scientist describes it as the

complex of legal measures, with the help of which the regulation of public relations in trade is performed.

Taking into consideration theoretical research and practical problems it is necessary to define the nature and the structure of internal trade development mechanism. It should possess: methods and leverages of influence on trade development as well as internal structure consisting of subsystems. The efficiency of subsystems testifies to the efficiency of mechanism and the ability to secure trade development at internal market. This mechanism has to reflect certain social and economic relations between producers and consumers of goods and services, where the interests of both parties meet. This testifies to the level of mechanism efficiency on one hand and to the level of trade development intensity at every stage – on the other hand.

Introduction of internal market trade development mechanism and its efficiency depends on the ability of management to perform the following managerial functions:

- Planning function is performed through defining the criteria, selecting the factors, setting the planned targets, on the basis of which trade development diagnosis is conducted (Kramarenko, 2014: 31).

- Organization function is performed through coordinated relations between the management at every stage, and also economic entities on one hand, and goods producer and consumer of goods and services through internal trade – on the other (Апопій, 2012: 6).

- Motivation function is performed through motivating economic entities to provide qualitative goods and services to consumers, by increasing labour productivity, restraining unreasonable price increase for consumer goods and services (Popadynets, 2014: 89).

- The control and evaluation functions are performed through management controlling of achieving the planned targets concerning trade efficiency at internal market and the established requirements to the quality of goods and services.

Introduction of this mechanism is grounded on the adherence of management to the range of principles:

- systematic introduction through setting the priorities on trade efficiency increase;

- system regulation that stipulates defining the entities responsible for trade development at every level of national economy;

- financial interest of trade entities in the quality assurance of goods and services provided to consumers.

Trade development mechanism at internal market has certain structuring features. Interdependence between the subsystem elements is peculiar to this mechanism. Therefore, the mechanism of trade development at internal market can be expanded by the elements of external environment that reflect, to a certain extent, the level of performance by trade of its social and economic function.

Moreover, the intersystem elements can be added to the structural elements of trade development mechanism, in particular: productive forces, technical-economic and organizational-economic relations, productive relations and economic property relations.

The mechanism is the well-organized integrity that encompasses producers and consumers connected by different links. They are its major entities.

The management subsystem is an important structural element of internal market trade development mechanism. It forms the internal structure of management and regulates interrelations between trade entities, producers and consumers (Popadynets and Stotonyanska, 2011: 48). Therefore, the vertical links between the management entity and entities in trade and horizontal links between producers and consumers are established through this subsystem.

Basing on all of the abovementioned the structure of trade development mechanism at internal market can be represented as follows (Figure 1).

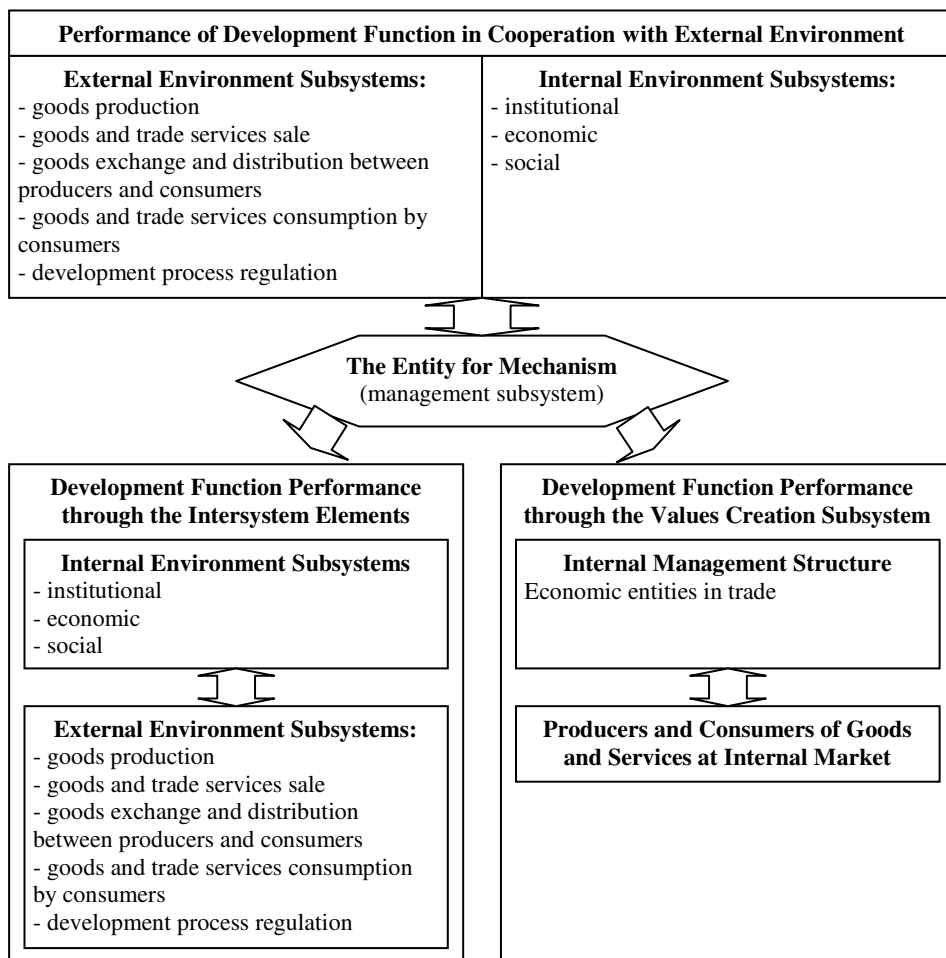


Figure 1. Structure of Trade Development Mechanism at Internal Market, authors'

Trade development mechanism at internal market under the EU integration processes should be implemented stage by stage as far as the mechanism takes into consideration all potential changes in further periods.

The essence of this mechanism and its implementation stages can be expressed schematically (Figure 2).

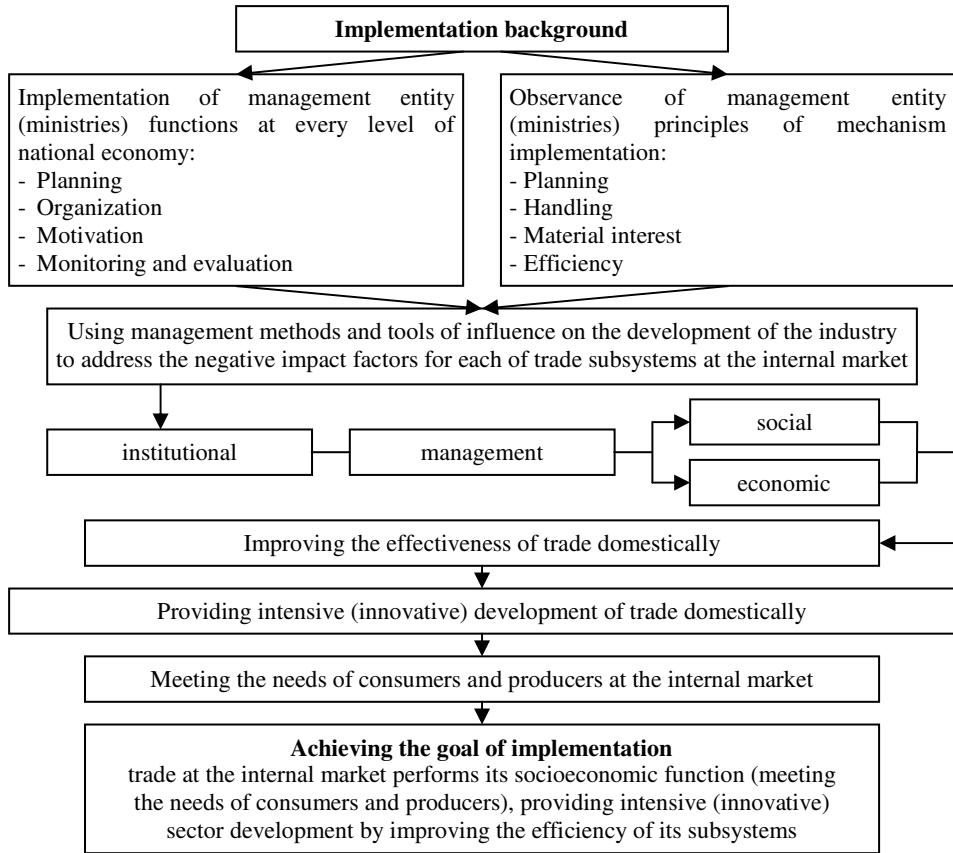


Figure 2. The essence of trade development at the internal market in its phased implementation, authors'

To start with it is necessary to improve legal and regulatory field, in particular, to adopt the "Law on Internal Market". As far as the mechanism is built on the basis of system approach, balancing the interrelation between public institutions and trade entities is the second step, including self-governance at the level of trade entities. Further implementation steps include: creation of attractive conditions to do business and at the same time to control efficiently the activity of trade enterprises; promotion of investment attractiveness; introduction of innovative technologies; maintenance of goods' availability at internal market; raising the internal producers' competitive ability; regulating the relations related to organization and functioning of retail markets.

This mechanism implementation will complement the development program of internal trade, and namely will focus on the implementation of the following points:

- meeting the needs of population, in particular in high-quality goods and services at affordable prices;
- preventing unjustified price increases at consumer market, especially for socially important foodstuffs;

- introduction of the most advanced standards in trade and consumer services, creation of conditions for organized forms of trade;
- improvement of product competitiveness, support for domestic producers;
- ensuring respect for the rights and interests of enterprises engaged in trade activities, production and delivery of goods, balancing the economic interests of all these business entities;
- ensuring respect for the rights and legal interests of consumers;
- regulation of relations associated with organization and operation of retail and wholesale markets.

Conclusions and further research perspectives. The proposed mechanism is the instrument for trade development regulation at internal market and for the related practical problems solving.

Implementation of this mechanism will become the precondition for forming the competitive environment in trade at internal market. It will result in organizational rebuild of trade, demonopolization, commercialization and trade objects privatization; creation of the environment to liberalize commercial activity and develop free entrepreneurship; forming the conditions in order to remove the barriers for business organization and successful competitiveness.

At the same time, introduction of the rationalized mechanism is related to the selection of factors that influence every subsystem and define both their efficiency and the efficiency of the whole mechanism. At this management entities (ministries) are to take measures on trade development efficiency increase on the basis of are finding the factors to rely on to secure trade development at internal market. It is also necessary to ground scientifically this selection of trade development efficiency dominant factors. Research on trade development at internal market should be conducted in order to detect the problems in trade development and problems emerging in every of its subsystems. This requires: selection of indicators that characterize the influence of factors and the condition of every trade subsystem at the internal market; rationalization of trade evaluation principles; development of a methodology for trade efficiency evaluation taking into account changes that take place in internal and external environment.

References:

Про затвердження Програми розвитку внутрішньої торгівлі на період до 2012 року: Постанова Кабінету Міністрів України від 24.07.2009 № 632 // zakon.rada.gov.ua.

Про Концепцію розвитку внутрішньої торгівлі України: Постанова Кабінету Міністрів України від 20.12.1997 № 1449 // zakon.rada.gov.ua.

Аборнева О.И. Организационно-управленческие и экономические аспекты механизма государственного регулирования внутренней торговли в Российской Федерации: Дис... докт. экон. наук по спец.: 08.00.05. – М., 2005. – 401 с.

Анопій В.В. Внутрішня торгівля України: нові вектори розвитку // Вісті ЦССТУ.– Діловий випуск.– 23.11.2012.– №47. – С. 1–8.

Возіянова Н.Ю. Організаційно-економічний механізм розвитку внутрішньої торгівлі України: Дис... докт. экон. наук: 08.00.03. – Донецьк, 2013. – 527 с.

Крамаренко О.М. Напрями стабілізації роботи банків в умовах кризових явищ // Фінансовий простір.– 2014.– №4. – С. 27–34.

Лігоненко Л.О. Проблеми та перспективи розвитку роздрібно торгівлі // Вісник Львівської комерційної академії.– Серія економічна.– 2003.– Вип. 14. – С. 90–97.

Попадинець Н.М. Внутрішній ринок продукції лісової промисловості України: проблеми та напрями розвитку: Монографія. – Львів: ІРД НАН України, 2014. – 182 с.

Попадинець Н.М., Сторонянська І.З. Внутрішній ринок: концептуалізація поняття // Вісник Інституту економіко-правових досліджень НАН України.— 2011.— Вип. 1 (2). — С. 46–51.

У Мінекономрозвитку працюють над проектом Концепції реалізації державної політики розвитку внутрішньої торгівлі // Прес-служба Міністерства економічного розвитку і торгівлі України // www.kmu.gov.ua.

Черниш І.А. Механізм адміністративно-правового регулювання внутрішньої торгівлі в Україні, 2011 // pravoznavec.com.ua.

Стаття надійшла до редакції 8.07.2015.