

U.B. Shpylyova, c. e. s., s. s. r.
**SI "Institute of environmental economics and sustainable
development of NAS of Ukraine"**

**STATE REGULATION OF RETAIL TRADE IN UKRAINE UNDER
THE MARKET CONDITIONS**

Statement of a problem. In providing of normal functioning of any modern economic system an important role belongs to the State. State throughout the whole history of its existence, together with the support of order, legality, organization of national defense, was made certain functions in the sphere of economics. In the scientific literature there are a lot of contradictions and questions as for proportions in which should be combined State and market regulation, and borders and directions of State intervention, there are a lot of different opinions and approaches – from complete state monopoly to extreme economic liberalism. Along with this, the necessity of implementation of economic functions by State has no doubts.

Analysis of basic researches and publications. To the deciding of problems of retail trade development are dedicated theoretical and methodological works of many home and foreign scientists. Although not enough developed are questions relating to State regulation of retail trade in the modern concept of sustainable development of Ukraine. Certain aspects of this problem were examined in their works by following home scientists-researchers and authors of UIS countries, as V.V. Apopij, O.O. Bakunova, N.O. Goloshubova, V.A. Grosul, S.O. Kanaplytskij, L.O. Ligonenko, A.P. Marchenko, A.A. Mazaraki, V.A. Pavlova, A.A. Sadekova, V.O. Soboleva, I.V. Firstova and others. However, the wide range of questions related to State regulation of retail trade in modern conditions of managing is insufficiently researched. In particular, are needed further studies that analyze the problems of functioning and regulating retail trade in modern conditions, and scientifically ground directions and methods of regulation by this sphere both in state and regional level. Relevance and lack of development of these problems became the basis for the conduct of this study. *The purpose of the article* is to define prerequisites and factors that affect the State regulation of retail trade development in Ukraine in modern conditions.

Basic material. To determine the role of the State in the economy are used different terms “State management of economy”, “State intervention into economy”, “State economic policy”, “State regulatory policy”, “State regulation

of economy” etc. All of them are interrelated to each other and characterize the relationship between the State and society. In our study we, first of all, will concentrate more in details on the ratio of the two concepts: State managing and State regulation. Today scientific literature, publications of different authors, reference books and dictionaries do not contain clear, convincing explanation about the essence and distinctive features between the "State managing" and "State regulation". A considerable part of researchers confidently takes “State regulation of economics” to all types, functions and processes of State managing. Sometimes, these two concepts are used as synonyms. Although in our opinion, it is necessary to divide them clearly and to explain the essence of their difference. First of all, it is needed to emphasize the fact that category management is more general in nature than the regulation which is its integral part. If management is the influence of a subject upon an object that is made to guide its movement appropriately to the subject, then the regulation has on its aim correction, adjustment and restructuring of activities of economic object that is running under management, in general.

Often the State management of economy is considered as organizing and regulatory impact of the State upon the economic activity of the market subjects with the aim of its streamlining and improving the effectiveness. [4, 6].

Instead, State regulation is defined as a set of purposeful forms, methods and directions of influence, that are used by State management institutions for organizing of the system of social-economic relations in order to stabilize and adapt existing social-political systems to conditions that are changed [2, c. 148]. Taking into account all the given definitions, State regulation of economy can be considered as a function of State management as a tool of realization of economic policy of the State. Basic components of State regulation of economy are presented in the figure.

Economic growth and integration of Ukraine into the world economic space foresees ensuring of competitive level of development of all spheres of economics and especially retail trade, which is mostly close to the consumer and provides the demand for various goods and services. The implementation of this task primarily is connected with effective State regulation of retail trade, the creation of a fundamentally new policy concerning the development of this sphere, taking into account the territorial component. Розвиток роздрібної торгівлі України відбувається під впливом різних чинників політичного, правового, економічного та соціального характеру. Development of retail trade occurs under the influence of various factors of a political, legal, economic and social nature. Main factors that influence the development of retail trade and to government regulation by it are: consumer purchasing power, capabilities and preferences of the population; the status and problems of goods providing;

development of material base of retail trade; institutional transformations in Ukrainian trade; increasing of the concentration of commercial enterprises and competition between them [5, p. 116]. To the above factors, in our opinion, you must add a level of consumption of the main types of goods since it affects the specialization of retailing and their territorial concentration.

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<p>In the theoretical aspect State regulation of economy – is a system of knowledge about the essence, principles and rules of application of typical methods and means of influence of the State upon the progress of the social-economic development aimed at achieving the goals of State economic policy.</p> <p>State regulation of economy is a sphere of activity of the State in a purposeful influence on the behavior of economic entities to ensure the priorities of State economic policy.</p>
<p>The main <i>purpose of State regulation of economy</i> is to ensure social-economic stability in the society.</p>
<p>Most aggregated subject of State regulation of economy is the economic system of the State (national economy) and also: economic subsystem (economy of regions, spheres of activity); social-economic processes (economic cycles, demographics, employment, inflation, science-technical progress, ecology); relations (industrial, financial, credit, foreign trade, lease); markets (of goods, services, investments, securities, currencies, funds. capital. etc.)</p>
<p>The primary subject of state regulation is the person who transfers his powers (during elections) to State authorities, that automatically makes State Institutions (the President, Parliament, Government, local administrations, etc.) as the subject of the State regulation of economy.</p>
<p>Methods of State regulation of economy – are means of State influence upon the sphere of entrepreneurship, market infrastructure, non-profit sector of economy in order to create conditions for their effective functioning in accordance to the directions of the State economic policy. They distinguish the legal, administrative and economic ones that, in their turn, can be divided into direct and indirect.</p>
<p>Economic regulation is carried out by tools of fiscal, budgetary, tax, monetary, amortization and other directions of state economic policy.</p>

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The new situation on the consumer market requires qualitatively new solutions in the field of State regulation of retail trade. When it is performing is important to observe such fundamental principles as the rejection of management of economic subjects and focusing on management by processes occurring on the consumer market, as well as a putting of administrative clout to legal regulation.

Strategic objectives of regulation of trade activity, in our opinion, should recognize the creation of the necessary conditions under which we can in time

control the saturation of the consumer market, its security and interests of buyers.

Taking into account the realities that happen in the Ukrainian consumer market, the main tasks of State regulation in retail trade can be outlined as follows: the development of a competitive environment and warning of possible appearing of monopoly in the consumer market; development and improvement of infrastructure that will provide new (innovative) forms of trading activities; strengthening of the regulatory framework in the trade sector; effective control of retailing in compliance with quality and safeness of implemented products, the level of provided services and legislation of consumer protection; protection of the internal market on the basis of support of home producers; regulation and improvement of investment, licensing, financing, taxation, quotas; support of necessary comings of goods to ensure state needs, etc. Along with this, particular attention needs State regulation at the level of individual regions and ensuring just rural population (as by relevant infrastructure as by quality components of products that are offered by already operating retail objects). The above tasks are the prerogative of the State not only in the domestic but also in the world practice, it must define a function, construction and orientation of activities of bodies of executive power in the sphere of retail trade at all levels.

Concrete aims of regulation of retail trade are: formation of market relations in the sphere of retail trade, forming a complete system of trade service for the most complete integrated service needs of population and local labor market, creating of a legal framework that ensures the effective functioning and development of trade and, eventually, sustainable economic growth.

The need for State regulation by retail trade in the economic mechanism of the market type is caused by objective action of group of factors, including: the factors of production, namely: the uneven location, concentration and specialization in separate regions, seasonal nature of many manufactures, organizational and technological features of different production cycles, etc – are making the need for territorially even distributed networks, is capable of effectively provide barter; transport factors (status and width of communication, the level of technical equipment of rolling stock and transport means, working out of schemes and routes of delivery) equally influence the level of development of retail trade; commercial factors, level of development, the concentration and location of wholesale trade, their expertise and capacity, and more — are playing a prominent role for the development of retail trade.

Applying of certain principles and mechanisms of State regulation of retail trade will depend on the model of market economy which we want to have. In the conditions of socially oriented market economy, the basic principles are dynamics, systematics, stability, adaptability, flexibility, rationality

(optimality), efficiency, responsibility, reliability, efficiency, etc. Along with them, in modern conditions more important becomes the principle of decentralized regulation that is derived from the other principles and follows from the properties of economic system. It reveals in the absence of the State plan, that must be done compulsory, it is not allowed to interfere by the State into the economic activities of operational organizations. In such circumstances, the rights of the State apparatus are limited and do not give it the opportunity to change radically the activity spheres of trade.

State regulation of retail trade in the country should take into account the development priorities of this sector and overall economic development. In particular, among the social priorities of State regulation of trade can be distinguished: the formation of the consumer market; insurance of stable functioning of enterprises and organizations of trade as the most important factor to regional and State economic security; creating an effective mechanism for the implementation of the Complex program of development of commodity markets; changing the strategy of scientific and technical, information development; implementation of a comprehensive system of measures to enhance the investment attractiveness of retail trade, as a whole, and at the level of a particular region.

With the aims and priorities of State regulation of retail trade, directly are related the functions of regulation. Importance in terms of realization of the socially oriented market economy model has the social function of government regulation; the amount of redistribution of total social product, taking into account that various social groups must be sufficient to achieve the aim of government regulation. State must act as guarantor of the socially disadvantaged groups (participants of war, the disabled, large families, etc.)

An important is the function of strategic planning, sometimes economists call it planning and forecasting. Strategic planning, as noted economist V. Leontyev, is aimed at obtaining internally coherent descriptions of different states, in which the economy can appeal after applying alternative combinations of different measures of economic policy [3]. In a market economy the role of the State for retailers, first of all, is to establish "rules of the game", to define strategic directions of development, maintain the normal functioning of regulatory mechanisms, but not in exact regimentation of activities. The prerequisite for organizing of impact is the regimentation, grounding and functioning of rules and limits of market activity. It makes by State planning, government regulations. Development of the system of rules of economic behavior for all participants of economic process is necessary for the provision of its objects with independence in their activities.

Organizational feature covers a wide range of issues related to the choice of the organizational forms of trade organizations on the basis of different forms of ownership, schemes and structures of governance: definition of the functions, rights, responsibilities of each level of regulation, improving of the information base, staff system, i.e. a system of hiring and remuneration, training and placement. In general, this feature improves the efficiency of the regulation of trade, covering the entire range of issues regarding the achievement of goals.

The last is the integrative function, which allows most clearly to see the future development of retail trade take into account in complex the interests of consumer and manufacturer. Just implementation of new approaches in the State regulation of trade is the most effective through the mechanism of mutually beneficial trade -economic, trade - industrial integration [1].

Conclusions. Analysis of theoretical and practical developments in the sphere of retail trade allows to make a conclusion that modern conditions of forming of social-economic relations and processes, insufficient balance of home consumer market cause the increased role of government agencies, sufficient rigidity and intensity of regulatory influences on retail trade. With the development of competition, stabilizing of consumer market, self-organization and self-regulation of trade character of ruling activity, role and methods of regulation are changed, the intensity of regulatory influences of the State is somewhat reduced. Important forms of influence are economic methods. Taking into account the complexity of trade system, the introduction of modern technologies of information processing, commercial business, expansion of the branch and interbranch relations, vertical and horizontal integration, changes in preferences of buyers is increasing the role of information-oriented methods and techniques of consumer protection.

The main problem that has emerged and prevents in our country today is reassessing of opportunities for self-regulation of the market and bad estimation of the role of government regulation. In our opinion, a sensible combination of advantages of the competitive development and government regulation of market relations, taking into account the effective formation of diversified commercial structures, is one of the reserves of economic transformations in the sphere of retail trade.

The existing legal framework, which regulates relations in the sphere of domestic trade, in particular the Decree of the Cabinet of Ministers of Ukraine from 15.06.2006 №. 833, which approved “The procedure for conducting of sales activities and sales service of population”, does not provide the proper level of legal regulation of internal trade.

It is true about some laws also, which deal with the specific issue of regulation of trade activity, namely: “About protection of consumer rights”,

“About licensing of certain types of economic activity”, “About patenting of certain types of entrepreneurial activity” etc. In this case, there is a necessity in systematization of attraction of bases of retail trade State regulation and legal and organizational foundations for implementation of trade activities in a separate Law of Ukraine “About internal trade”.

Effective and purposeful State regulation of retail trade will allow to provide: reducing of regulatory loading on business (replacement of direct regulation by indirect methods); increasing of opportunities of involvement and volumes of investments; creation of conditions for the development of real competition in the trade; rational allocation of trade network; creating of opportunities for use of innovative organizational forms and methods of commercial entrepreneurship; rising of quality of population life through the improved quality and availability of goods and services; ensuring of systematic new comings and expanding of range of goods and services; providing with opportunities to get the necessary information about the market of goods and services; creation of conditions to increase the degree of legal protection of entrepreneurship and consumers; introduction of transparent tools and procedures of managing.

So, State regulation of retail trade is necessary to carry out through various economic and noneconomic methods, should help to coordinate social-economic processes in the country and connect various, sometimes contradictory to each other, private and public interests, which, finally, should lead to the formation of a highly developed economy and business environment in Ukraine.

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Shpylyova U.B. State regulation of retail trade in Ukraine under the market conditions. In the article it is grounded the need of State regulation of retail trade in Ukraine and its impact upon the efficiency of the development of this sphere of economy. Are highlighted the functions and methods of State regulation of retail trade.

Шпильова Ю.Б. Державне регулювання роздрібної торгівлі України в ринкових умовах. У статті обґрунтовано необхідність державного регулювання роздрібної торгівлі України та його вплив на ефективність розвитку цієї сфери економіки. Висвітлено функції та методи державного регулювання роздрібної торгівлі.