

UDC 338.242.2(477)

JEL Classification: D4, E01, E61, L16, L52, L64, O14

DOI: [http://doi.org/10.31617/visnik.knute.2021\(140\)02](http://doi.org/10.31617/visnik.knute.2021(140)02)

ROMANENKO Volodymyr,
DSc (Economics), Professor,
Professor of the Department
of Economic Theory and Competition Policy
Kyiv National University of Trade and Economics
19, Kyoto str., Kyiv, 02156, Ukraine

E-mail: v.romanenko@knute.edu.ua
ORCID: 0000-0003-4854-1386

LEBEDEVA Larysa,
PhD (Economics), Associate Professor,
Associate Professor of the Department
of Economic Theory and Competition Policy
Kyiv National University of Trade and Economics
19, Kyoto str., Kyiv, 02156, Ukraine

E-mail: l.lebedeva@knute.edu.ua
ORCID: 0000-0001-8632-5460

BALANCE OF COMPETITIVE CONDITIONS IN UKRAINE: STATE OPTIONS

The article is considered the problem of achieving a balance of competitive forces between real and potential domestic and foreign producers of industrial products in the internal market of Ukraine. It was described the market reforms in Ukraine from the standpoint of balancing competitive conditions on the example of mechanical engineering goods. It was identified the factors that would facilitate ensuring the balance of competitive forces in Ukraine. It was proposed the measures for balancing the competitive conditions manufacturing enterprises due to the intersectoral diversion of capital and involvement the state in investing in high-tech projects.

Keywords: competition, balance competitive conditions, mechanical engineering, industrial enterprises, state competition policy.

Background. The precondition for the formation of the market were important political and economic components: great geographical discoveries, occupation the new lands and their colonization with subsequent looting, slave trade and piracy, monopoly trade in colonial goods and as a consequence – the initial accumulation of capital. The first doctrine of the era of market economy provided active state intervention in market relations, which was embodied the policy of protectionism. Further development of market relations is a prerequisite for the rise the doctrine of classical political economy with its postulates of the invisible hand of the market, the economic man and a radical change in the role of the state, which the role of "night watchman" is assigned.

The question arises as to why such transformations took place: the transition from the active role of the state to the passive one? And what's interesting, the ideas of classical political economy were arisen in England, where Cromwell's protectionist act (1653–1855) operated for a long time, and which was abolished when England has become a workshop of the

© Romanenko V., Lebedeva L., 2021

28

 ISSN 1727-9313. HERALD OF KNUTE. 2021. № 6

world and its goods have flooded all markets. That is, at one time England gained unilateral competitive advantages, which allowed British industrialists to carry out trade expansion to other countries, including Germany. In these conditions, relying only on the market mechanism and the removal of the state from direct participation in the economy contributed to the preservation of the existing state. The German ruling and scientific elite could not accept such a situation. Life itself led to the need for the ideas of F. Liszt with his theory of national economy, which provided for the active role of the state, in contrast to the ideas of the classical school. In fact, F. Liszt almost for the first time proposed to form a competition policy aimed at leveling the playing field. One such tool was the unification of German lands and the creation of a customs union to form a single economic space, as well as educational protectionism to protect the still weak German industry. It was proposed to unite the spiritual and intellectual efforts of the nation to build a powerful state. The economic policies of the United States, tsarist Russia, and Japan were formed on similar principles.

Supporters of classical political economy thought that self-regulation of the market economy takes place in conditions of perfect competition. However, in this context, it arises the question about the existence such perfect competition. A reasoned answer is given by the outstanding economist J. Schumpeter: "... you need to come up with an imaginary golden age of perfect competition, which at some point turned into a monopolistic age, although it is obvious that perfect competition has always been just an abstraction"* [1, p. 124]. That why, it is obvious that there are no equal competitive conditions in economic life. different methods were used for obtaining competitive advantages at all times: from purely economic to military. It is correct the opinion of the famous scientist D. Ajemoglu: "...although economic institutions are critical important for the country's movement towards wealth or poverty, exactly politics and political institutions determine what kind of economic institutions they will be" [2, p. 42].

The course of market reforms in Ukraine has shown that these mentioned statements dealing with the market economy have not been taken into account, and the burden and responsibility for these transformations has been largely placed on the "invisible hand of the market". "During two decades of these reforms industrial production in Ukraine can not still reach the level of 1990, progressive high-tech sectors were disappeared, hundreds of unique enterprises were destroyed, which could become leaders of scientific and technological development of our state and ensure its stability and the formation of high level standards of citizens' lives" [3, p. 8]. That is why, it is relevant and necessary today to study the problem of the possibility establishing equal competitive conditions for all market participants.

* All citations from foreign sources are translated by the authors of the article.

Analysis of recent studies and publications. Balance issues of competitive forces have been studied by a number of domestic scientists, in particular O. Verteleva, A. Gerasimenko, B. Kvasnyuk, Y. Kindzersky, V. Lagutin, A. Mazaraki, Yu. Umantsiv, T. Shcherbakova, Yu. Yasko [4–13]. Thus, B. Kwasniuk asserts that "The main method of competition policy is to ensure a level equal competitive conditions for all market participants" [6, p. 12]. V. Lagutin develops this thesis: "The strategic goal of competition policy is state's support effective competition and creation level of equal competitive conditions for all market participants" [7, p. 17]. As A. Mazaraki provides, reality of many domestic commodity markets is quasi-competition, the content of which economics should solve" [9, p. 3]. V. Lagutin suggests "The problem of antitrust competition policy is extremely complex and still isn't properly understandable in conceptual theoretical issue", "... problems improving competition policy require new more comprehensive scientific study for incentives developing the national economy and increase its competitiveness" [8, p. 16, 307].

The final solution of this complex theoretical and practical issue is still far away, so the evidence of it is that fact that the Antimonopoly Committee of Ukraine (AMCU) does not consider this issue as a priority especially concerning equal competitive conditions for domestic producers in the domestic market referring to foreign competitors. This issue also fell out of sight the Ministry of Economic Development, Trade and Agriculture of Ukraine. However, the question of balancing competitive forces with foreign entities is increasingly being raised both at the level of entrepreneurs and in government circles.

The **aim** of the article is to substantiate the theoretical and methodological principles and develop practical recommendations for ensuring the balance of competitive conditions in Ukraine.

Materials and methods. It was applied methods of analysis and synthesis, historical and dialectical for achieving the purpose of the article. The survey is based on statistical data of the State Statistics Service of Ukraine, Eurostat and other data in free access.

Results. Achievement of balance competitive conditions can be considered in three aspects: between domestic producers in the domestic market; between domestic and foreign participants in foreign markets; between actual and potential domestic producers and foreign participants in the domestic market. The importance of the latter aspect is explained by the fact that the share of domestic products in the domestic market is critically small and tends to even more decreasing (*Table 1*).

As can be seen from *Table 1*, in the period from 2005 to 2020 there is a significant decreasing in the share of sales of both food and non-food products that were produced in Ukraine.

Table 1

**Share of retail sales some categories of goods that were produced
in Ukraine,% [13]**

Name of the product group	2005	2010	2015	2017	2018	2019	2020
All goods	70.5	64.3	58.1	52.3	53.2	52.4	53.4
<i>Groceries</i>	<i>90.9</i>	<i>88.2</i>	<i>85.2</i>	<i>82.2</i>	<i>81.4</i>	<i>80.0</i>	<i>79.4</i>
Meat	96.9	97.1	92.6	95.6	96.5	97.1	96.5
Fish, crustaceans and molluscs (including fish products)	80.6	70.4	59.8	61.8	60.6	72.9	73.2
Dairy products	94.5	94.5	93.5	90.4	89.6	89.4	86.8
Eggs	98.9	99.4	98.9	98.5	99.2	99.1	99.1
Edible oils and fats	94.3	93.3	93.7	92.9	92.9	86.5	84.5
Bakery and flour confectionery	98.4	99.1	97.8	95.1	95.3	92.9	92.1
Sugar confectionery	99.0	98.8	97.4	85.9	85.1	76.1	74.9
Tobacco products (including related products)	93.5	93.1	93.1	88.1	87.0	85.7	87.0
<i>Non-food products</i>	<i>57.6</i>	<i>50.0</i>	<i>39.3</i>	<i>32.6</i>	<i>31.7</i>	<i>32.0</i>	<i>32.9</i>
Clothes	23.5	10.7	5.7	8.2	8.8	7.7	7.2
Shoes	9.3	4.2	3.1	3.7	4.2	6.0	7.5
Computers, peripherals, software	22.5	6.1	0.8	1.0	1.9	3.1	3.7
Household equipment for receiving, recording, reproducing sound and images	3.6	4.8	0.7	0.4	0.4	0.5	1.3
Games and toys	40.0	33.7	16.6	13.2	13.1	15.7	19.5
Motorcycles, parts and accessories for them	40.0	0.6	4.9	1.4	2.2	2.0	0.9
Cars, parts and accessories for them	23.1	18.6	7.9	5.3	4.4	4.1	4.0
Furniture	73.8	56.7	42.1	43.6	48.3	51.4	48.9
Pharmaceutical products	56.5	52.1	50.4	49.8	50.2	50.0	49.8
Medical and orthopedic goods	35.9	42.3	35.9	42.6	43.8	46.5	46.6
Motor gasoline	96.5	83.4	61.7	58.6	58.1	60.5	64.4

In studies possibilities ensuring the balance of competitive conditions, it is necessary to rely on dynamic retrospective analysis. The current state of Ukraine's industry is largely determined by the trends that were laid down during the Soviet era. That is why it is relevant to analyze starting conditions under competitive conditions of Ukraine's industrial potential for the moment of getting independence and their dynamics through three decades.

Ukraine inherited from the economic complex of the USSR rather powerful industrial potential, but different in level of development and structure [14]. Basically in mechanical engineering structure production potential was represented mainly by universal enterprises, such as PA (Production Association) named after S.P. Korolyov (PLC (Public Limited Company) Meridian) that had in its composition the whole range of workshops from metalworking to plastic. It was established own production microelectronics and began to found relevant Research institute. Such universality multiplied by poor production volumes especially in connection with the general crisis of the 1990s has led to low products competitiveness even in the domestic market. Thus, the cost price production the latest radio receiver "Meridian" has exceeded the retail price of a similar product foreign production in the domestic market in Ukraine.

On relationship between productivity and specialization by A. Smith emphasized "The amount of materials that can be processed by the same number of workers increases significantly with the growing division of work ...Preliminary accumulation of stock is necessary to achieve increasing in productivity, and such accumulation naturally leads to increased work productivity" [15, p. 306–307]. Namely the growth of specializations requires an increase in capital and therefore size of production. An example is large modern companies. So, "Phillips", such as S.P. Korolyov's PA has a wide range of production: from Research institutes, production of micro-electronics to a wide range of household goods. But the amount attract capital and size of production couldn't be comparable with the activities S.P. Korolyov's PA (PLC "Meridian").

The action economic laws directly depends on the political factor, i.e. the mechanism of influence on the market forces of elements of conscious influence [10]. It can be both the state and supranational structures (IMF, World Bank, transnational corporations). According to competition policy as a component of economic policy [16] it is a part of it in industry. Yu. Kindzersky mentions that one of the goals industrial policy may be realizing the potential competitive advantages of certain sectors that can not be realized over unequal starting conditions [17]. Appropriate competition policy in the field of industry in Ukraine was pursued, but it was destructive in nature and actually led to the destruction of much of the industrial potential, and above all high-tech.

In the 90s of the twentieth century competition policy was based on the practice of determining the level of monopolization based on the concentration of national production in certain markets. The task was to reduce the level of concentration by increasing the number of national producers of the same type of products and in such way to increase competition. However, such actions led to collapse in output. About it says A. Kostusev's study. "Highly competitive are the markets of different household consumer goods, TV and radio equipment. However, they are dominated by imported goods, and the production of televisions, radios, vacuum cleaners, etc. at Ukrainian enterprises has decreased ten times" [18, p. 235]. Further the author argues that competition of foreign manufacturers is felt much more strongly in mechanical engineering [18, p. 235], because such global giants as Siemens, General Electric, Samsung, Sony, etc. have entered the domestic market. Nothing like this and in such concentration has existed in Ukraine. But instead of strengthening the concentration and forming integrated structures from disparate enterprises, which could approach to some extent foreign competitors, it was begun the process of deconcentration of PA, RPA (Research and Production Association) and even individual structural units. The consequences were predictable – complete disorganization with subsequent destruction and liquidation of production. A. Kostusev writes about such consequences "During the demonopolization it was not possible to avoid mistakes ... when there was a rupture of technological chains, uncompetitive enterprises were coming" [18, p. 98].

Such a competition policy was completely contrary to world practice. For example, in the Netherlands, 100 % of the electronics industry is concentrated in Philips, in Sweden – Ericsson, in France – Thompson, but they are not considered monopolists, as there are other global manufacturers in the market. "Analysis of world experience allows us to conclude that the governments of most developed countries have taken a rather soft position on concentration, allowing national companies to act as monopolies and eliminate foreign competitors from the market" [19, p. 318–319].

If we follow the logic of D. Adzhemoglu, then the question arises: why the political factors that were in power in Ukraine failed to form a balanced competition policy that would promote the development rather than decline of the domestic economy, and there are several explanations for this phenomenon.

First, the postcolonial nature of political and economic establishment in Ukraine, which was dependent from Moscow and continued to be an instrument of its influence on economical and political situation in Ukraine. There are many examples with former "red" directors and leading specialists, who have stolen design and technological documentation for the production of critically important products, found themselves abroad – and not only in the Russian Federation. Similar destructive actions were observed at the level of central administration.

Secondly, the lack of understanding from the side central authorities the complexity of problems and challenges which arise on Ukrainian industry in its transition to the market in a non-established production system, and disparate unconnected with each other fragments single economic complex of the USSR. Indeed Ukraine lacked specialists who would systematically study the problems of industrial development and especially mechanical engineering (in fact, the only scientific institution that comprehensively and systematically studied the problems of its development was the Council for the Study of Productive Forces of Ukraine NAS of Ukraine, which is now disbanded) a third consisted of enterprises of the Military-Industrial Complex (MIC) of the USSR, namely: the electronics industry, instrumentation, rocket and space, aviation and shipbuilding. In the last decades of Soviet Ukraine significant part of the party-nomenclature elite in Ukraine was formed of representatives of the mining and metallurgical complex. And already in the conditions of independent Ukraine they continued to "take care" of this branch. What is worth only an economic experiment in ferrous metallurgy, which provided for tax cuts and other preferences. Although in developed countries support is provided primarily to new, high-tech, science-intensive industries. It is significant that the project of Comprehensive Program Scientific and Technological Progress in Mechanical Engineering, which provided for the relationship between research and production of relevant products in Ukraine (developed in 1993) was never adopted. In future, such programs were not developed at all. It is known that one of the most science-intensive industries is the electronics industry, and its development today determines the level of development of

many others – from computers and mobile communications to space technology and unmanned aerial vehicles and various military weapons. The project of Law on Support of the Electronic Industry was never adopted by the Verkhovna Rada of Ukraine. What is this as not a political factor? This strategically important industry is dead, more than 100 enterprises with 250 000 employees were liquidated.

Third, the nature of market reforms in Ukraine, which provided for maximum removal the state from influencing economic processes. In conditions when all countries protect their market high-tech products, the relevant Ukrainian markets have become available to competitors, it turned out to be paradoxical, at first sight, the situation when uncompetitive became the most high-tech industries especially engineering and the most technologically stay afloat and occupied a niche in international markets. However, this is a natural phenomenon every civilized state since the days of the mercantilists has contributed to the import raw materials and semi-finished products, restricting the import of finished products. Thus, most machine-building enterprises are faced with an unresolved problem when foreign markets are inaccessible and from the domestic they are gradually being replaced by foreign competitors. As a result, the share of mechanical engineering in Ukrainian industry decreased from 30 to 7 %.

The Ukrainian state acted in the opposite way, instead of using competition policy as a tool to balance the competitive conditions of domestic and foreign producers at least in the domestic market "Dominance of low-grade foreign goods, smuggling" In world history, there have been no cases when the state has achieved economic prosperity at a time when the consumer needs of its own people are met by imported goods... " [19].

A very important aspect in ensuring the balance of competitive conditions in Ukraine, compared to other countries, is access to cheap credit resources. The lending rate in commercial banks directly depends on the policy of the Central Bank of the country. In the *Table 2* it is shown the discount rates of different countries a condition on October 2021.

Table 2

Discount rates of the Central Banks of the world [20]

Land	Discount rate CB
Japan	-0.10
Eurozone	0.00
Norway	0.25
Australia	0.10
USA	0.00-0.25
Canada	0.25
Saudi Arabia	1.00
China	3.85
India	4.0
Brazil	5.25
Russia	6.75
Ukraine	8.5
Belarus	9.25
Turkey	18.0
Argentina	38.0

Of course, the lower discount rate, the lower lending rate will be, so it is not surprising that loans on 1.5 % are available in developed countries. In particular, in the EU the lending rate for business a condition on June 2021 is 1.47 % [21], while in Ukraine the average loan rate for business development reaches 18.32 % [22], which prevents free access of domestic enterprises to credit resources, and hence to stable functioning and development. Consider the factors that would help balance the competitive forces in Ukraine.

Use of own raw material base for production final products. Examples are:

- production of titanium, which is a critical component in the manufacture of missiles, aircraft and engines for them. Today, Ukraine imports these important products because the technological chain is limited by producing raw materials and semi-finished products – titanium sponge;
- production of fuel elements for nuclear power stations, focused on its own uranium warehouses. This will get away from dependence on world monopolists, especially on the Russian company "Twell";
- the available raw material base can be a factor in revival electronics industry and other high-tech industries. So, Ukraine has quite powerful deposits of rare earth minerals i.e niobium, tantalum, lithium. Niobium and tantalum are raw materials for production capacitors with unique properties which are used in military and space technology. Lithium is today a strategic raw material for production lithium-ion batteries, which is revolutionizing many areas from cars to household power tools. However, the "Subsoil User Investment Atlas", that was developed by the State Service of Geology and Subsoil of Ukraine, provides for attracting investment only in mining development. The statement of the head of this structure that this could be a driver of growth national economy is a source of great question. Thus, in the territory of Kyiv region there is Tarasiv deposit of titanium-zirconium ores. Over the last 10 years it was made attempts to attract private investors. But the problem is that this mine is located in densely populated region of Kyiv region (Bila Tserkva district) and is directly adjacent to the river Ros. Proposals to build a mining and processing plant here (the village of Mykhailivka) will cause long-term and irreversible consequences in the environmental sphere. Ore development is envisaged in an open way, and the beneficiation technology is extremely water-intensive, which will have an extremely negative impact on the Ros River, which is already in a critical condition. The consequence of such investment will be that the relatively environmentally friendly part of Kyiv region, which did not experience significant pollution after the Chernobyl accident, may turn into a zone of ecological disaster. Therefore, such investments provoke opposition from local authorities and the population. The problem is that investors do not take into account the side effects (externalities). This allows them to make imperfect environmental legislation that minimizes the effects of negative impact on the environment.

So what about the development of such deposits? First of all, if the development technology involves mining in a barbaric open way (and not somewhere in the desert, but on fertile chernozems, and these lands will forever fall out of agricultural use), then you need to use a more economical mining method, but it is more expensive. Therefore, a comprehensive assessment is needed within the framework of the relevant state program.

The development of mineral deposits has great risks, and the mass sale of such sites, which is proposed in the Investment Atlas of the subsoil user, may have only a short-term effect, but then there will be long-term and irreversible negative consequences. Therefore, the development of such deposits must be approached taking into account all possible consequences, including issues of national security and defense.

The state must guarantee access to local producers for public procurement. Of course, given Ukraine's international commitment to open tenders, it is extremely difficult for national producers to compete with powerful foreign companies that also have state support (including Chinese ones). Therefore, it is necessary to develop a mechanism based on international experience, which would guarantee a certain part of government orders for domestic producers.

It is an unfortunate situation that for state (communal) cash it is bought up public transport of foreign production (buses, trolleybuses, trams) when we have appropriate unused national production facilities. The situation is similar with fire equipment, when there is its own manufacturer (plant "Pozh-mashina"), but it is bought imported equipment.

Public procurement is extremely important for military equipment. The availability of appropriate weapons in its own army opens the prospect of entering the international market. Public procurement is especially important for high-tech products, which are just being born and are taking their first steps in the market. Ukraine's purchase of propellers in France with its own development based on Motor Sich engines that has become a stepping stone for development its own helicopter industry. World practice shows that, despite international obligations and certain financial losses, preference is usually given to local producers. The story of the AN-70 military transport aircraft is illustrative. Despite the technical and economic advantages of this aircraft, it couldn't be entered the European market, as the EU decided to develop its own similar model – A400, which is still inferior technical characteristics to AN-70.

An important component of supporting a national producer is a thoughtful real investment policy. This is especially true for large infrastructure projects, in particular those related to road construction. Building roads is good, but what impact will it have on the national economy, in particular industry and its core, engineering? The practice of road construction has shown that the companies that do this use almost all construction and road equipment of foreign production. And why are there no Ukrainian KRAZ

dump trucks, road rollers, excavators of other equipment that Ukraine produces or has the potential for its production? That is, significant funds (more than 50 % of investments) go to the development foreign production. Thus, the picture is not very happy because of the production of high-tech products in Ukraine is declining, the country is becoming a global supplier of various raw materials another "banana country" and this is not the path to wealth but to poverty.

State control needs to be restored over the privatized strategic enterprises. The experience of privatization of such enterprises as Motor Sich, Azovmash, Avtokraz, Lviv Bus Plant and a number of others shows that the new owners often aimed not at the development of the enterprise, but at its destruction. This is especially evident in the example of the Lviv Bus Plant which is the largest in Ukraine and the USSR, where production was liquidated and unique equipment was exported by Russian owners to Russia. The experience of privatizing such enterprises in the UK shows that first state brought them out of the crisis and then they were privatized. No country in the world loses indirect control over such important enterprises, so the actions of the Ukrainian authorities regarding the strategic enterprise Motor Sich are absolutely justified. The experience of countries that have succeeded in the development of industry shows that this did not happen spontaneously but with the direct participation of the state. This was the case in Japan when powerful Sumitomo and Mitsui companies were created and this was the case in the Republic of Korea when the state encouraged the creation of large companies. "The experience of France is significant when the government created large national companies that held leading positions in a number of strategic areas, including the aviation industry, nuclear energy, microelectronics, and car building. To support such companies, state subsidies Research and Development state programs and public procurement systems were combined into a single complex. Also French government actively introduced nationalization as a tool for modernizing large private companies in addition to founding national companies what allowed them to become competitive in the world market. The implementation of large collaborative projects of the state and business was carried out thanks to a specially created for these purposes development bank" [3, p. 73].

Attempts have also been made in Ukraine to create powerful national companies. Thus, in the early 90's scientists of the Council for the Study Productive Forces of Ukraine of the National Academy of Sciences of Ukraine, practitioners proposed to create such companies as "Ukrelekor" (Ukrainian Electronic Corporation), "Ukrverstatoinstrument", "Ukrsilhospmash" an association in energy and railway engineering. But such attempts were opposed by the Antimonopoly Committee which saw this as a manifestation of monopolization which was not true as Ukraine opened its markets to foreign competitors (Siemens, Samsung, Philips, etc.) whose potential was greater

than all enterprises of Ukraine in the relevant industries. Today the Ministry of Strategprom has finally been established in Ukraine which is engaged in reform, so there is hope for positive changes.

An important factor that would help balance the competitive opportunities for domestic producers is the *development of a promising strategy for economic development* that would reconcile the interests and capabilities of producers with the needs of the domestic market. This is especially important for high-tech projects that require long-term investment. There is such a practice in the world, in particular in Japan, which is called the "Japan Corporation", where the actions of government and business are aimed at achieving a common goal. Currently, there is a multi-vector movement of business and government in Ukraine. Thus, the state enterprise Ukrzaliznytsia at one time purchased Korean Hyundai trains when it has its own production of similar trains at the Kryukiv Carriage Plant. Today it is planned to sign a multibillion-dollar contract with the French company Alstom for the supply of a large batch of locomotives, although Ukraine has a fairly high potential in the field of railway and electrical engineering, which allows to create its own model with some international cooperation. Engineering bureau Pivdenne has developed the Kilchen anti-aircraft missile system, which is absolutely necessary for the Armed Forces, which is not inferior to the American "Patriot", but is 5 times cheaper, but has not received funding yet.

Conclusion. The main danger of imbalance of competitive opportunities is the long-term negative impact on the structure of the economy. The inability to compete due to the acquired competitive advantages, which are ultimately the result of certain intellectual efforts, pushes the country's economy in the direction of natural competitive advantages (land, minerals, other resources). These natural competitive advantages become the sphere of attraction of foreign technologies, machines, equipment, which are the result of creative efforts of human capital other countries. If the human capital of Ukraine didn't find its application it degrades, declines, and the remaining remains migrate abroad where the conditions for its use are much more attractive.

In order to equalize the competitive opportunities of domestic and foreign market participants, it is needed a set of asymmetric measures, as Ukraine today can't create identical conditions, in particular in the field of lending. An important element of such measures can be a purposeful public policy aimed at developing the sphere of attracting human capital. We are talking not only about scientists, engineers and technicians, but also about skilled workers in various specialties. The main place of attraction of these labor resources should be industry, especially mechanical engineering. Ukraine has all the opportunities for this i.e. its own raw material base of metals (from rare earths to non-ferrous and ferrous), developed metallurgy and not fully spent scientific and technical potential in this area yet.

To make such changes, it is necessary to change the situation when the main source of enrichment in Ukraine are raw materials industries, markets of natural monopolies (gas supply, electricity), supply and trade in imported goods (from cars to second-hand). Thus, the profitability of all activities in the mining industry and quarrying in 2020 was – 28 %, in processing – 4.4 %, including in mechanical engineering – 4.5 %. In January – March 2021, these indicators were 52.7 %, 7.7 %, 2.1 %, respectively [7]. Ensuring a balance of competitive opportunities for Ukrainian machine builders (who unlike raw materials do not receive a natural rent) should be an incentive to attract investment which is extremely necessary: after all, Ukraine has not created any high-tech production and technologically obsolete companies can not compete with modern foreign companies that come to our market. It is necessary to develop an effective mechanism for intersectoral flow of capital from raw materials to knowledge-intensive industries. It is advisable to study and implement the experience of countries that have made such a restructuring. This also applies to the taxation of natural rents, increasing the cost of environmental measures for the extraction of minerals.

The impetus for attracting private investment may be public investment in high-tech production. Such an example could be the implementation of the State program for the production of LED light sources, which was not implemented due to the termination of funding. Therefore, it is necessary to analyze this negative experience to prevent mistakes in the future.

REFERENCES

1. Shumpeter, J. A. (1995). Kapitalizm. Socializm i Demokratija [Capitalism. Socialism and Democracy]. (Trans). V. S. Avtonomov (Ed.). Moscow: Jekonomika [in Russian].
2. Adzhemoglu, D. (2019). Chomu nacii' zanepadajut'. Pohodzhennja vlady, bagatstva ta bidnosti [Why nations are declining. The origin of power, wealth and poverty]. (Trans. O. Dem'janchuk). 4nd ed. Kyiv: Nash format [in Ukrainian].
3. Kindzers'kyj, Ju. V. (2013). *Promyslovist' Ukraï'ny: strategija i polityka strukturno-tehnologichnoi' modernizacii'* [Industry of Ukraine: strategy and policy of structural and technological modernization]. Kyiv [in Ukrainian].
4. Verteljeva, O. V. (2020). Vektory vdoskonalennja derzhavnogo kontrolju za monopol'nym cinoutvorennyjam [Vectors for improving state control over monopoly pricing]. *Ekonomichna teorija ta pravo – Economic theory and law, 1*, 74-97. DOI: 10.31359/2411-5584-2020-40-1-74 [in Ukrainian].
5. Gerasymenko, A. G., & Nesterec', A. O. (2019). Vplyv informacijnoi' asymetrii' na konkurenciju [Influence of information asymmetry on competition]. *Ekonomichnyj visnyk – Economic Bulletin, 3*, 25-32. DOI: 10.33271/ev/67.025 [in Ukrainian].
6. Konkurentospromozhnist' nacional'noi' ekonomiky [Competitiveness of the national economy] (2005). B. Je. Kvasnjuk (Ed). Kyiv: Feniks [in Ukrainian].

7. Konkurentna polityka derzhavy v umovah transformacii' nacional'noi' ekonomiky [Competitive policy of the state in the conditions of transformation of national economy] (2008). V. D. Lagutin (Ed). Kyiv: Kyiv. nac. torg.-ekon. un-t [in Ukrainian].
8. Lagutin, V. D. (2017). Ekonomichna polityka derzhavy ta efekty i'i' realizacii' [Economic policy of the state and the effects of its implementation]. *Visnyk Kyi'vs'kogo nacional'nogo torgovel'no-ekonomichnogo universytetu – Bulletin of Kyiv National University of Trade and Economics*, 4, 5-20 [in Ukrainian].
9. Mazaraki, A. (2004). Konkurentna polityka: naukovе zabezpechennja i kadry. Konkurencija [Competition policy: scientific support and personnel. Competition]. *Visnyk AMKU – Bulletin of Antimonopoly Committee*, 1, 2-10 [in Ukrainian].
10. Umanciv, Ju. (2021). Teoretychnyj dyskurs rozvytku korporacij u XXI st. [Theoretical discourse of corporate development in the XXI century]. *Visnyk Kyi'vs'kogo nacional'nogo torgovel'no-ekonomichnogo universytetu – Bulletin of Kyiv National University of Trade and Economics*, 3, 33-51 [in Ukrainian].
11. Umanciv, Ju. M., & Zolina, D. O. (2020). Konkurentna polityka derzhavy za umov global'nyh transformacij [Competitive policy of the state in the conditions of global transformations]. *Naukovyj visnyk Uzhhorods'kogo universytetu – Scientific Bulletin of Uzhhorod University*, 2 (56), 52-61 [in Ukrainian].
12. Shherbakova, T. A. (2016). Modyfikacija konkurentnoi' polityky za umovy transformacii' ekonomichnyh vidnosyn [Modification of competition policy under the condition of transformation of economic relations]. *Ekonomika Ukrai'ny – The Economy of Ukraine*, 4, 45-56 [in Ukrainian].
13. Jas'ko, Ju. I. (2020). Instytucijne zabezpechennja konkurentnoi' polityky derzhavy [Institutional support of the state competition policy], 19, 74-79. DOI: 10.32702/2306-6814.2020.19-20.74 [in Ukrainian].
14. Oficijnyj sajt Derzhavnoi' sluzhby statystyky Ukrai'ny [Official site of the State Statistics Service of Ukraine]. Retrieved from: <http://www.ukrstat.gov.ua> [in Ukrainian].
15. Romanenko, V. A., & Lebedeva, L. V. (2020). Koncentracija (centralizacija) i dekoncentracija (decentralizacija) v promyslovosti: istorija, suchasnist', naslidky [Concentration (centralization) and deconcentration (decentralization) in industry: history, modernity, consequences]. *Efektivna ekonomika – Efficient economy*, 5 [in Ukrainian].
16. Anthology of economic classics (1991). Vol 2. Moscow: Econov [in English].
17. Kindzers'kyj, Ju. (2020). Polityka inkljuzyvnoi' ta staloi' industrializacii' v Ukrai'ni: vyklyky ta priorytety realizacii' [The policy of inclusive and sustainable industrialization in Ukraine: challenges and priorities for implementation]. *Ekonomichnyj analiz – Economic analysis*. Vol. 30. Part 1, 1, (pp. 105-117) [in Ukrainian].
18. Kostusev, A. A. (2004). *Konkurentna polityka v Ukrai'ni [Competition policy in Ukraine]*. Kyiv: KNEU [in Ukrainian].
19. Koval'chuk T. T. (2004). *Ekonomichna bezpeka i polityka: iz dosvidu profesijnogo analityka [Economic security and policy: from the experience of a professional analyst]*. Kyiv: Znannja [in Ukrainian].
20. Oblikovi stavky Central'nyh bankiv krai'n svitu [Discount rates of the Central Banks of the world]. Retrieved from: <http://www.cbrates.com> [in Ukrainian].

21. Euro area bank interest rate statistics (2021). June, 2 August/ Retrieved from: <https://www.ecb.europa.eu/press/pr/stats/mfi/html/ecb.mir2106~6e093f1360.en.html> [in English].
22. Kredyty na rozvytok biznesu v bankah Ukrai'ny [Loans for business development in Ukrainian banks]. www.prostobiz.ua. Retrieved from: <https://www.prostobiz.ua/business/developcredit> [in Ukrainian].

The article submitted to editor's office on 27.08.2021.

Романенко В., Лебедева Л. Баланс конкурентних умов в Україні: опції держави.

Постановка проблеми. Досліджено проблему збалансування конкурентних можливостей між реальними і потенційними вітчизняними та іноземними виробниками промислової продукції в Україні. На основі статистичних даних проілюстровано актуальність саме цього аспекту конкуренції.

Аналіз останніх досліджень і публікацій виявив, що питання збалансування конкурентних можливостей хоч і розглядалося рядом вітчизняних науковців, проте остаточно не вирішено й потребує подальших досліджень.

Метою статті є обґрунтування теоретико-методичних засад та розроблення практичних рекомендацій щодо забезпечення балансу конкурентних умов в Україні.

Матеріали та методи. Для досягнення мети використано методи аналізу та синтезу, історичний та діалектичний. Дослідження побудовано на основі статистичних даних Державної служби статистики України, Євростату та інших даних у вільному доступі.

Результати дослідження. Проаналізовано історичний аспект виникнення сучасних ринкових відносин та становлення конкурентної політики, спрямованої на збалансування конкурентних умов. Надано характеристику ринкових реформ в Україні з позицій збалансування конкурентних сил в Україні. Розкрито положення, які впливали на формування конкурентної політики в Україні. Визначено чинники, що сприяли б збалансуванню конкурентних умов в Україні.

Висновки. Головною небезпекою незбалансованості конкурентних можливостей є довготривалий негативний вплив на структуру економіки. Запропоновано заходи для збалансування конкурентних умов підприємств обробної промисловості за рахунок міжгалузевого перетоку капіталів та залучення держави до інвестування у високотехнологічні проекти.

Ключові слова: конкуренція, баланс конкурентних умов, машинобудування, промислові підприємства, конкурентна політика держави.