

угіддя підприємств із державною формою власності, які працюють неефективно, малоінтенсивно. Їх пропонують якнайшвидше приватизувати, продати, нехтуючи уроками з дотеперішніх приватизацій. Земельні масиви таких підприємств стали б надійною базою для створення сучасних скотарських комплексів із повноцінною кормовою базою.

**Висновки.** Потенціал вітчизняного сільськогосподарського виробництва буде раціонально використаний за умови створення великого сучасного скотарства. Занепад галузі зумовлений тим, що протягом багатьох років підприємства, які його зберегли, знаходяться у значно гіршій економічній ситуації та втрачають на прибутковості близько

тисячі гривень на гектар сільгоспугідь. Але й при цьому низка підприємств при раціональній організації скотарства і всього виробництва одержують у 2-4 рази більше доданої вартості на одиницю площі, водночас повністю перекриваючи витрати виторгом від реалізації продукції. Вкрай необхідне залучення в скотарство великих інвестицій. Водночас значні кошти можуть бути одержані в самому аграрному виробництві, де частина підприємств з іншими спеціалізаціями одержує багатомільйонні прибутки. Визначальною причиною занепаду скотарства є нестабільність, негарантованість землекористування. Введення купівлі-продажу сільгоспугідь поставить виробників молока й яловичини у ще гірше становище.

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## Stimulation and its role in market economy regulation mechanism

**Scientific problem.** Development of a competitive economic mechanism of economics functioning of the economy and businesses depends on a number of state regulatory systems and market positioning which include in particular the mechanism of stimulation. In turn, and thus, the development of market economy

mechanism and its components depends on various kinds of incentives that are derived from the policy of the state and self-regulatory functions of the market. Thus, participants of market exchange (enterprises, industries, workers) affected states, legislation, market and its institutions, and other entities that should be considered including incentives. It has formed historically, that's why the research preferences are quite motivated the need to deepen the

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question theory for the quintessence of concepts of incentive regulation mechanism of market economy. The above research position gives reasons for our belief in the need to contribute to this process, revealing our own vision of the evolution of concepts and methodological provisions for nature of encouraging the development mechanisms of market-business complex's economic systems. There are many scientific developments highlighting the problems raised, but its theoretical component requires ever deepening.

**Analysis of recent researches and publications.** The development of science about market, a market economy and its regulation dates back to ancient times, the aspects of this problem are shown in philosophy, and with the building of a more or less organized market, research gained even greater scale. Objectively it happened so that science always shown great interest in the economic management, which with the formation of market exchange acquired the status of regulation. Even philosophers of ancient Greece and Rome studied the dilemma of state economic management through the introduction of stimulation incentives, but the awareness of this research concept took place in the era of market. Consciously-proved definition of extremely important stimulation and its role in the mechanism of regulation of market economy is modelled in the works of a number of scientists from the past and to the contemporaries made both directly and indirectly - in overall economic terms. Special mention should go to the works of A. Smith [1] S. Izmalkov [2] S. Mochernyi [3] S. Pokropyvnyi [6] A. Halchynskyi [8] V. Heits [8, 11] and others. We will try to join them with our own theoretical and methodological generalizations of the raised problems in the context of harmonization of the concepts of "stimulation" and "regulation".

**The objective of the article** is to outline the essential and functional characteristics of stimulation and determine its role in the regulation mechanism of market economy in order to deepen the theory and methodology of economic management under market conditions.

**Statement of the main results of the study.** The theory of the covered issue is multifaceted, and its tenets, in our profound conviction, arise

from the concept of regulation and economic governance, because in fact stimulation is a function of management. Scientific awareness of the problem of regulation reaches antiquity, originates from the period when the organized activities of people, producing products to meet the respective needs. The regulation, which includes stimulation, was originally performed as an objective need and wasn't always organized, but it has existed always including the existence through stimulation. On this occasion, scientists as well as practitioners suggest different opinions, that refer to the experience, that is the history has focused respective positions on the concept of stimulation, and the latter developed based on the realities of economic activity.

Regulation as a means of state influence on the economic process and other spheres of society was at first scientifically understood by ancient philosophers, but they regarded it as a common social perspective. With position close to the modern market economy, regulation was considered quite systematically by Adam Smith, stressing its necessity in view of the recognition of the highest importance to its features such as stimulation [1]. However, the functions were considered as situational attributes of state influence on the market process, regardless of its features. The system of knowledge on regulation was formed around scientific schools, theories, paradigms, each of which interprets its essence through functional priorities. In this regard it should be noted that the regulation, as the concept of state and performance of institutions on the activities of economic agents recognized by science, is considered within the scientific trends, formed historically, such as: mercantilism, physiocracy, classical theory, Marxism, Keynesianism, monetarism, institutionalism. In the same perspective, within these concepts the social and functional features of stimulation should be interpreted by science as extremely important, comprehensive control functions. Also the models of state regulation (American, Japanese, Swedish, German, Anglo-Saxon) are distinguished, which are put into practice through the mechanism as a combination of appropriate regulations and tools.

The mechanism of regulation, in this case - to stimulate economies, is a set of instruments,

techniques, standards, ensuring implementation in practice management policy. History tells us that the stimulation process and molded as a result of its implementation of the motives of the individual, and therefore - and the organizations that he creates and ensure their functioning, crucially affect the results - at all levels of their manifestation. Motivation is the defining management function; mechanism of stimulation is the defining development system determines the socio-economic development.

Thus, expressing the view of the exceptional importance of motivational attributes of socio-economic process in society, economy and some of its branches, in our case - agriculture, we note that the economy develops under special institutional conditions and under the influence of certain interim factors, among which the appropriate mechanism plays the regulating role (depending on specialization), for example, stimulation. The last we position as a set of factors of functional and regulatory plan, which organizationally assure the economic process, forming the attitudes towards certain actions. It can also be viewed in different ways, but at first attention should be focused on the first principle of conditionality and the historical evolution of the essence of this concept (concept mechanism). The principles of understanding and methodological and practical knowledge of the "mechanism" category are mechanistic. That is the logic of the research process accepts the opinion that the mechanism is a certain instrument of implementation and ensuring the effective use of resources and capital. The mechanism mediates the performance of management solutions, regulatory functions stimulation measures to ensure the development of institutions, economy, human, and thus determines the effects.

Theoretical identification of the category of "mechanism" in the economic sense and conceptual positions of other researchers is concentrated within certain scientific schools. Specifically L. Hurwitz, E. Maskin and R. Leson [2] considered the mechanism as a some kind of game, the shape and content of which are aimed at achieving a certain result, which defines the behavior of economic agents. These authors are the founders of the economic concept as an organizing mechanism of formation, which con-

stitutes relevant institutions. The mechanism in their opinion is a form of combination of resources, assets, mediated by a specific set of actions [2]. Thus, the design of the regulation and stimulation structural formations in the economy is functional due to mechanism that finds expression in a variety of organizational and practical ways. Economic agents form an appropriate set of choices (motivation), but from the objective-market point of view, the economic mechanism plays an important role which in turn identifies combined factors to ensure results of economic management. In this context, it defines the system of incentives and is close to the concept of economic institute, which also builds a system of incentives and is close to the concept of economic mechanism that builds a whole system of incentives by creating appropriate rules [2]. Thus, for the mechanism is characterized by certain organizational framework, which depends on Stimulating activity of participants and the conditions of coexistence of economic agents with incentives.

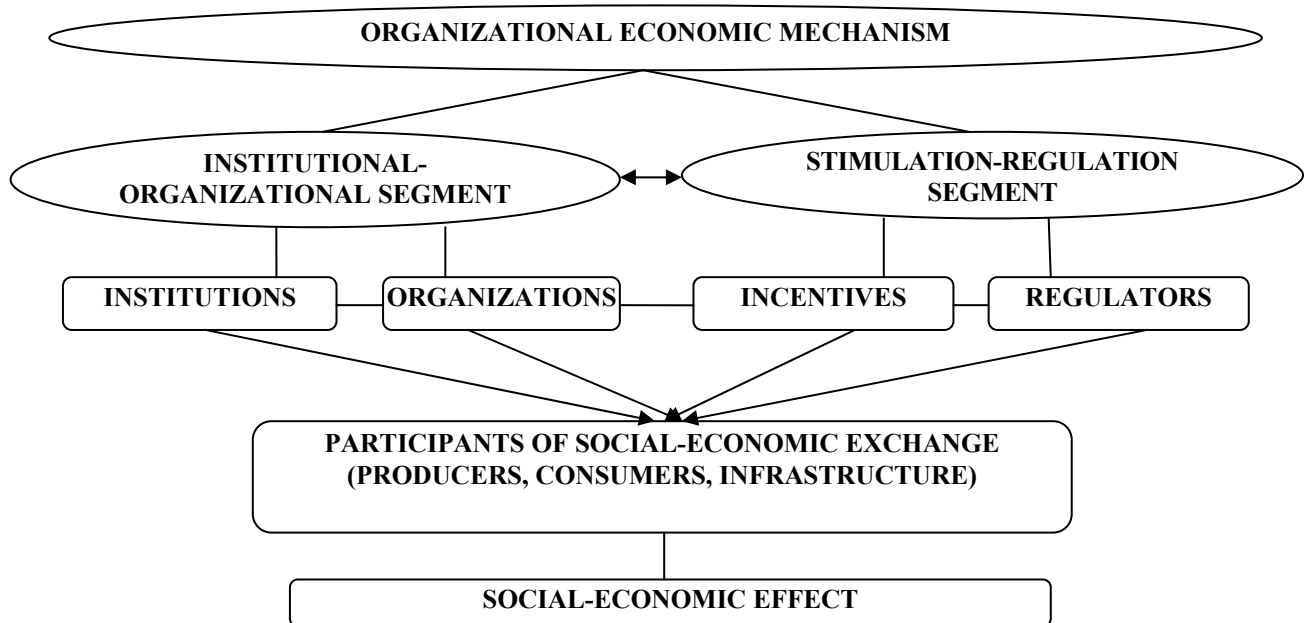
In the existing system mechanisms of economic development, which as appropriate is considered by us as an object of stimulation, economic mechanisms of enterprise is also important, collectively it is connected with the fact that the company is the basic functional and organizational basis for various kinds of socially efficient economic processes. for this reason, we believe the right step in theoretical and methodological terms is to consider the essential and functional features of a given mechanism.

Content description of the term "economic mechanism" gives us grounds to assert and emphasize the organizational nature of this phenomenon, particularly in economic science presented as a systemic formation, whose design makes it possible to reveal and effective use of heterogeneous economic agents by: functionality; performance; efficiency and so on. To such "dependent" of the economic mechanism entities we include consumer, an enterprise, enterprise associations, industry, the state's economy, the global economic system. The term "mechanism" is widely used to display a series of economic processes - is interpreted differently from "... a set of measures" aimed at spe-

cific research purposes, to "... set of institutional and organizational structures" and complex forms and methods they use [3]. According to the vast majority of researchers, with whom we agree, economic mechanism is a system of activities, forms, methods aimed at company management, industrial relations, financial stability and profitability, balance of the interests of business entities, formation of an effective system of motivation and strengthening the status of innovation and investment attractiveness of economic structures. For the state and the population, that exist, and most importantly develop in conditions of transitive, transformational economy is extremely important to harmonize economic interests with minimal losses, as comprehensive harmonization of these interests is: a guarantee of various kinds of stability (social, economic, industrial, financial etc.); basic factor of improving living standards. However, general economic motivation is formed at the enterprise level because the social effect depends on the development of stimulation mechanisms. The economic mechanism, which target are the market agents, per-

forms stimulation function, creating the appropriate level of interest of the participants of economic interest in ensuring the achievable level of performance.

Economic stimulation mechanism is system organized by market and state institutions, that's why its content should also be considered in the organizational context that is as organizational and economic mechanism (Figure). The components of this mechanism, which according to the influence and institutionalization at stimulating objects level are levers, incentives, events, rules enforcement, implemented from the organizational perspective of usage of administrative and economic institutions. The organizational and economic institutions are moderators of mechanism functions, namely provide direct stimulation of market exchange, to streamline the certain areas of economic exchange in the context of potential satisfaction of society needs. The mechanism of stimulation combines organizational, economic, legal aspects of regulatory action by the Government and subject-business interactions in the market.



**Figure. Organizational and economic stimulation mechanism of economic interaction under market conditions\***

\*Source: Compiled by the author based processed literature.

Organizational and economic stimulation mechanism due to its essence and institutional base of its positioning in the market economic system, evolved depending on the goals facing the state and society. Therefore we can offer a

range of improvements to the concept of stimulation mechanism based on the institutional aspects of economic systems development. For example such approach is cultivated, which is identified in the mechanism functionality ac-

according to the type of economic system management (market and administrative-command). Thus, we can talk about market-type mechanisms (taking into account competition and the demand-supply), and the administrative-command (based on the universal enforcement).

Both structures of stimulation mechanism are marked with the research and scientific achievements of the scientists of past and present, what allow understanding the positives and their defects of their usage with the recognition of causal basis for society, economy, entrepreneur and consumer. We know that under the market system the above mentioned stimulation mechanism is mainly focused on consideration of interests of major participants of market exchange - producers and consumers, and under the administrative-command - mostly of the state and collective society. In the first case the mechanism operates more focused, and in the second its influence is blurred. On the above mentioned facts depends the effectiveness, efficiency, innovation manifested in the socio-economic welfare.

Action of the said mechanism (mechanism of stimulation) in a certain direction is crucial precondition for the interests of businesses in the marketplace. The process of economic development stimulation provides the appropriate economic interest of economic agents, which is shown on the micro-, meso- and macro level by providing relevant result, appropriate for a particular business agent.

Mechanisms of the development economy, including the level of the enterprise, objectively influence the formation of a competitive environment, so under theoretical and methodological issues of mechanisms, for the development of economy as the object of stimulation completely covers the issue of formation of the competitive environment, which should be considered from the theoretical point of view. A. Halchynskiy and V. Geiets think that competitive environment is a necessary condition for the development of market relations. It should be one of the main drivers to ensure the progress of the national economy with the innovative model of development [8]. The design of the competitive environment from a position of projection methodology of economic systems

functioning, in the institutional and organizational dimension is to ensure that the competitive environment is a system of socio-economic interactions within and under which economic agents form desires, goals and opportunities to meet needs. In particular, the competitive environment of the company is the subject of competition (competitor) and its actions to ensure their own interests, resulting in forming certain conditions of the company. The competitive environment is actually created in each sector. Industry aspect of the competitive environment specific character gives reason to believe that the company as a central link in economic-economic development, should conduct their own competition. The task is rather complex – the adequate estimation of competitors, their market capacity; prioritization and competitive strategies of competitors. The need for these actions connected with motivation to earn additional income and generally "survive" under fierce competition for resources, consumer, market outlets.

The most common concepts of competition policy are those based on: 1) domination of the market - entrepreneurs are able to possess a monopoly on the market, but it prevents the abuse by market power application; 2) power over the market - based on the laws of states use the determination of market share of business entities and market structure, learning the market conditions, the presence of barriers and substitutes. Z.M. Borysenko regards competition policy of the state as a set of targeted government measures aimed at the creation and protection of a competitive environment, prophylaxis and immediate cessation of violations of competition law, promotion of fair competition in product markets [9]. The Commercial Code of Ukraine stipulates that the antimonopoly and competition policy is a policy that aims at creating optimal competitive environment of business entities, ensuring their interaction in terms of prevention of discrimination of some other subjects, especially in monopoly pricing and at reducing the quality of products and services, promote growth of effective socially oriented economy. [10]

Fundamental aspects, such as social, economic and even political aspects of competition policy, fundamentally affect the behavior of en-

trepreneurs and efficient business development options. Therefore, objectively confirmed is the fact that the state, if it cares about efficiency, competitiveness and institutional business adaptability should: minimize interference in the business environment, limiting the formation of a favorable institutional environment; prevent manifestations of monopoly on the production as well as in respect of sales channels; form the system of state support adapted to the business traditions; harmonizing industrial and competition policy; minimize barriers to entry and exit on markets, especially with oligopolistic structures; ensure the systematic monitoring of markets and the availability of information about their members and consumers.

Many economists, theorists and practitioners certify their commitment to this type of competition policy that was developed from the standpoint of balancing its typological structures such as industrial, structural, innovation and investment, pricing and more. Thus, V. Geiets notes that the connection of a competitive industrial policy with the innovation, technological and foreign trade one should be considered. [11] As for issues of competition policy in Ukraine, there is an opinion, supported by many scientists, that in the domestic economy there are unequal opportunities for entrepreneurs in the area of access to public information and political power, that is the so-called "new monopoly".

There are two approaches to the understanding of competition policy: 1) wide, according to which competition policy is the unity of the main parts of the state policy on the regulation of in-house operations of enterprises of all forms of ownership; 2) narrow, according to which competition policy is defined as a set of laws that regulate the competitive behavior of companies.

Prominent place in the theory of development mechanisms of economic systems takes an institutional theory and particularly the concept of transaction costs, i.e. cost sharing. Transaction costs are of great importance to resource allocation and structure of economic organization. A variety of transaction costs is caused by diversity of contractual arrangements, types of ownership, types of companies [12].

The transaction costs are the costs in the exchange connected with the transfer of property rights. This category was introduced in economics in the 30's by Ronald Coase in his work "The Firm, Market and Law" and now is widely spread. The author's explanation of the essence of transaction costs is as such: "To make a market transaction, you must determine whom it is desirable to conclude an agreement, notify those who want to make a deal and on what terms, to conduct preliminary negotiations to prepare a contract to gather information in order to make sure that the contract executed and so on ... "[13].

Neo-institutionalism treats acts of exchange in terms of value mediation of property rights, as exchange of their bundles. Transmission of the set of rights is accompanied by the fixation of the event in the contract, in particular, terms of which are subject to transfer relevant powers. In terms of neo-institutionalism any act of exchange is nothing like sharing "bundles of property rights." These rights are transmitted through a contract that fixes what powers and the conditions under which transferable. The more complex the benefits involved in the exchange of goods are and the more complex structure of related transaction costs, the complex contract. There are five basic forms of transaction costs, namely the search for information; negotiation and conclusion of contracts; measurement; specification of property rights; opportunistic behavior [14]. Expenses for the information search are connected with the search of potential buyers and sellers. Incomplete information available leads to additional costs connected with buying goods at prices higher than normal (or selling lower than normal), with losses connected with the purchase of goods-substitutes. The negotiation costs and conclusion of contracts also require time and resources. Costs connected with the negotiation of sales conditions, legal registration of transactions, often significantly increase the price of items sold. [14]

The measurement costs are often related not only to the direct costs of measuring equipment, but to the errors that inevitably arise in this process. The standardization of products provides a certain saving as well as the guarantees provided by the company (free warranty,

the right to exchange defective goods for quality one). However these measures can not completely eliminate the cost of measuring [15].

The specification costs and protection of property rights costs are quite high. In a society where there is no legal protection of property rights, the violations of property rights are quite frequent. These costs include the cost of maintaining the judicial and public authorities that protect law and order. The behavior of the parties after the contract is too difficult to predict. Dishonest partners can fulfill the minimum conditions of the contract or even evade their implementation. Thus, the individual's behavior that deviates from the terms of the contract in order to profit at the expense of partners is called opportunistic [15].

Transaction costs arise before the exchange process as well as after it. The deepening of division of labor and specialization development contributes to the growth of transaction costs.

A significant contribution to the development of intra-company approach made A. Alchian and R. Demsets. In the work "Production, information costs and economic organization" they showed the core of the company from the benefits of the corporation when jointly using any resource in the "team" it is possible to achieve better results than by acting alone. However, the production of a single "team" makes it difficult to assess the contribution of each participant in the overall result. Therefore there is a need to control. The agent, who by agreement with other participants takes over the functions of the controller, becomes the owner of the company. Developing this approach, U. Meckling and M. Jensen identified the company as a "network of contracts". The problem of the company they understand as the problem of choosing the optimal contract form that ensures maximum savings on transaction costs. The challenge boils down to the conclusion of those contracts that would be best suited to the characteristics of each contract operations [16].

Unlike the individual owner of a private firm the corporation owners (shareholders) do not have the right to change membership in the "team." The right to control the rest of the company members (from the owners' side) is reduced to a right of control over senior managers,

but not directly, but through the board of directors. Thus, the ownership of shareholders of corporations narrowed slightly compared with the rights of the individual entrepreneur [15]. Consequently, transaction costs are the costs in exchange, based not only on the fact of physical transfer of goods but the property rights exchange, primarily bundles of eligibility.

In terms of neo-institutionalism there is no fixed bundles powers, so there is no absolute advantages of one species to all other companies; Each form of ownership has its own set of transaction costs, which under certain conditions can be converted into the most effective one [13].

The stimulation mechanism according to its nature and functional features, is part of economic categories, since under market conditions any stimulation, in fact, is seen as a set of economic incentives. Even the "invisible market hand" - the main, fundamental incentive is characterized by exceptional efficiency, because the stimulation information aggregated through price. In this case the stimulation mechanism acts as a specific set of "rules" formed by the state and the market. Thus, through the formalization of rules in the legislation the state formalizes appropriate incentives, and hence the structural components of the mechanism of economic process stimulation. Market forms objective incentives of the similar mechanism but these can be replaced by state regulatory measures. Therefore, the definition of the concept of stimulation mechanism is based on the assumption that the mechanism is a description of the ways, procedures and forms of interaction of socio-economic and other agents involved in a particular process of organizing the search and use of resources to meet social needs. If to follow the given theoretical concept in the mechanism of stimulation, form and procedure for the use of certain incentives largely norms the certain result (effect). The mechanism action and effective parameters of its operation depend entirely on the information input.

**Conclusions.** Stimulating the economy in the economic market environment is natural and objective process, which is caused by the market itself, and stems from the state and its institutions, embodied in practice through an

appropriate mechanism. Regulatory impacts in one form or another is the result of objective market processes and also the state regulated legislative and administrative process measures. Research in this field of scientific research is

needed globally, as market covers all spheres of human activity, as problem stimulation will always remain in the field of science, so any developments, including submitted one, will continue to demand, meaning their availability.

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## Шляхи оптимізації виробництва у зернопродуктовому підкомплексі для збільшення доданої вартості

**Постановка проблеми.** Виробництво оптимальної кількості зерна і зернопродуктів із високою доданою вартістю має велике значення для забезпечення не тільки продо-

вольчої безпеки країни та наповнення державного бюджету, а й розвитку найбільшого підкомплексу країни – зернопродуктового.

**Аналіз останніх досліджень і публікацій.** Проблеми ефективності зерновиробництва та переробки зерна, збільшення величини доданої вартості у зернопродуктовому під-

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