

Study of factors influencing the competitiveness of domestic enterprises

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In this scientific article it is examined the problem of determining the place of the enterprises' competitiveness in the system of national economy, as well as characterization of factors influencing the enterprise's competitiveness. In the interaction of business with environment there are some contradictions between the need to integrate into the world economy, on the one hand, and ensuring effective domestic economic integration, protection of national interests, on the other. Thus identified two areas that impact on the competitiveness of the company – research components of the internal environment (resource potential; accounting system at an enterprise; financial opportunities; marketing research; supply chain; logistics and marketing activities; information resources; business location; organizational structure) and external environment (public policy; legal environment; resource potential of a country; economy monopolization; economic and social conditions; commodity markets; market infrastructure).

Under current conditions there are almost no competitive enterprises in Ukraine, especially in the real sector of economy. The main reasons for this situation are often called the technological backwardness of industrial enterprises, the use of outdated technologies and equipment, the lack of resources and, therefore, low innovation activity of business entities compared to the competitors from the economically developed countries, small production capability of high-tech goods and modern quality services.

It is necessary to introduce a complex of the following measures:

- Improving the quality of public institutions. Effective public institutions are necessary to ensure contracts' performance and more broadly to make the rule of law the norm of economic activity. Private companies cannot operate effectively in an environment where contracts are not met, or the rule of law is adhered to a small degree or not observed at all.

- Development of competition institute, namely the creation of conditions for a competitive environment in the domestic markets, increasing the efficiency of competition policy, the implementation of measures to protect competition, etc;

- Reducing barriers of market entry and exit in order to increase the pressure of potential competition (in particular, reducing the number of procedures for starting a business, strengthening antimonopoly control over the activities of state and municipal authorities, creating additional barriers, etc.);

- Ordering the system of benefits and public assistance, as companies whose activities are subsidized by the state often worsen the competitive environment and promote the establishment of prices higher than competitive. When consumers are forced to buy products of protected local producers, it could negate all the positive effects of the introduction of incentives;

- Red tape reduction in economy through administrative reform. State policy should be aimed at dissolving the power economic groups or limiting their negative impact on enterprises. This is especially about reduc-

ing the number of regulatory bodies, clarification and clear distribution of functions between them and optimization of their rights and responsibilities;

- Implementation of the strategy of "efficient competitor", i.e. selection of the firm serving as an innovator in the field of product range, production technology, is involved in an aggressive pricing strategy aimed at reducing the price of goods. Any interac-

tion of firms, which can lead to removal from the market or absorption of "vigorous competitor", should be considered as aimed at reducing competition and usually should be prohibited.

- Transfer from the aggressive policy on restricting import to the export promotion policy in order to create incentives for domestic companies to enter the international markets and others.