ПАРАДОКСЫ НА РЫНКЕ ТРУДА 21 ВЕКА:АНАЛИЗ
ДЕЯТЕЛЬНОСТИ МИКРОБИЗНЕСА В ЛАТВИИ

Показано, что виртуализация не только изменила структуру экономики в сторону сфер услуг, но и вытеснила из сферы производства наемных работников, вынужденных переходить в разряд мелких предпринимателей. Проведено сравнение предприятий и предпринимателей в Латвии. Доказано, что основной целью любого предпринимательства – получение прибыли – микропредприятия не достигают, но обеспечивают рабочие места и существование своих семей.

Ключевые слова: виртуализация экономики, рынок труда, малый бизнес, микропредприниматели Латвии.

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COMMUNITY ANALYSIS AS SOCIO-ECONOMIC SYSTEM: SPACE-TERRITORIAL NATURE, FUNCTIONS AND FEATURES

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Проведено анализ социально-экономической системы громады. Выявлено основные направления реформы децентрализации, схематично описано этапы формирования громад, вычеркнуто основные функции территориальных громад, резюмировано законодательную часть об щедрия громад. Проанализирован зарубежный досс и углевшие территориальных громад. Авторами найдено важное значени громады как социально-экономической системы.

Ключевые слова: территориальная громада, социальный рост, ресурсное обеспечение, организационное обеспечения, административно-территориальная реформа.

1. Introduction

The reform of local self-government concerns many spheres in the government of the state. That is why a clear understanding of society as a socio-economic system is an important theoretical and methodological basis. Decentralization means the transfer of significant powers and budgets from state bodies to local self-government bodies, as a result of which more authorities had those bodies that are closer to people where such powers can be successfully implemented.

One of the most difficult and urgent tasks on the way of democratization of the socio-political life of Ukraine is the reform of the system of local self-government. The connection between democracy and local self-government is obvious. Democracy is impossible without local government, as the researchers of this problem unanimously point out [1]. The system of local self-government is one of the most important elements and indicators of the democratization of society [2]. It is difficult not to agree with the statement that the key feature of democracy is the existence in the state of an effective model of local self-government [3]. The need to search for an effective model of local self-government makes us turn to conceptual schemes for determining the essence of the phenomenon under investigation, the basic concept of which is the territorial community.

2. The object of research and its technological audit

The object of research is society as a socio-economic system, its spatial-territorial nature, functions and characteristics.

Despite differences in understanding of the essence of local government, almost all scientists agree that the
starting point in its definition is the concept of a territorial community. Ukrainian scholars in the field of local self-government justly point out that the main subject of the science of self-government is the community [4].

Local self-government is recognized as one of the foundations of the democratic regime by representatives of both «primary» concepts of the nature of local government – Gromadov and state [1].

The first of the declared conceptual schemes has an expressive legal direction. Representatives of these concepts consider local self-government as «the right of territorial community», only the people in community call this right natural. The Constitution of Ukraine contains the definition of local self-government, which is in the same plane. In connection with this approach, scientists [5] note that «... local self-government is guaranteed by the state of man’s natural capabilities independently and under its responsibility to address issues of local importance in various spheres of public life».

Representatives of the state concept of local self-government define as the right of a territorial community to solve a certain part of state affairs, but in the interests of the local population. In this regard, they are based on the definition of the European Charter of Local Self-Government [6].

One of the key in determining local self-government in this direction is the word «activity». Although various researchers see this activity in different ways. Some authors consider local self-government as «an activity that is realized by a person» and according to this the state only regulates «the activity of territorial communities» with the help of regulatory and legal acts [5]. Other researchers define local self-government as the activity of local elected bodies with legislatively assigned powers [7].

However, most researchers define local self-government as the activity of the population of a local territorial unit (territorial community) and its elected bodies, directed to manage their own affairs [8]. A number of scientists believe that local self-government is the power of «the local population and is carried out directly through elected bodies, within the law and without interference of state power» [9].

One of the most problematic places is that often there is inconsistency and lagging of the line ministries from the existing rates of decentralization and their response to specific uncertainties. In addition, the problem is personnel shortage in the newly unified territorial communities, there are not enough skilled workers to successfully advance the communities in development.

For the purpose of effective implementation of the administrative-territorial reform, foreign experience has been taken for example. The process of power decentralization in almost all European countries was accompanied by territorial reform, which amounted to the enlargement of territorial units.

3. The aim and objectives of research

The aim of research is identification of trends in the society development as a socio-economic system in Ukraine.

To achieve this aim, the following tasks are defined: 1. To conduct a comprehensive analysis of the spatial and territorial nature of society.

2. To conduct a comprehensive analysis of the functions of the combined communities and their main features.

3. To give recommendations on improving the legislative regulation of the association of territorial communities.

4. Research of existing solutions of the problem

The study of socio-economic development of territorial entities involved many scientists and practitioners:

- in work [2], the main problems of improving the legal regulation of local self-government in Ukraine are analyzed;
- definition of the territorial community as the primary subject of municipal authority is made in [10];
- in [11], local economic development is investigated: implications for the practice of social social work;
- about the impact of the economic crisis on social inequality in the communities said by the author [12];
- development of the eco-social economy and its impact on the relevant communities is defined in [13];
- studies of fiscal decentralization and its impact on community development are reviewed in [14];
- in work [15], the process of development of communities on ethnic decentralization is investigated;
- the general approach to the creation of an effective system of social assistance in the field is investigated by the author of [16];
- in work [17] the influence of the social security system on the satisfaction of life for the inhabitants of individual territories is investigated;
- definitions that the decentralization of local government useful for development, are given in [18].

Thus, the results of the analysis lead to the conclusion that the study of the decentralization process is more promising in more detail. Special attention should also be paid to the constitutional reform of local self-government, because without making changes to the Constitution, decentralization can not be fully implemented.

5. Methods of research

To solve the problems, the following methods are used: logical generalization, analogies, comparative comparison, analysis and synthesis.

6. Research results

The decentralization reform in Ukraine shows that it is not simple and covers all areas – budgetary and tax systems, administrative and territorial structure, land relations, education, medicine, social sphere. With this reform, it is possible to identify 3 areas (Fig. 1). The first direction determines regional development and means that the main goal of the reform is creation of conditions for sustainable development of the regions, and the vast majority of issues should be resolved on the ground. The second direction defines the resource capacity, and the third direction determines the transparency and effectiveness of local government: new institutions that can provide quality services, be under the control of community residents and operate openly are functioning in communities [19].
At the same time, it is fair, in our opinion, that some scientists insist that the most important thing in understanding the essence of local self-government is the very possibility of realizing the community’s right to self-government [20].

However, it should be noted that the essence of local self-government is accurately disclosed from the position that it is one of the forms of purely social activity that flows from the natural rights of citizens. It is this that gives the state the opportunity to resolve its own issues arising in the day-to-day management of territorial affairs without the interference of public authorities [21].

For example, the Scandinavian experience can be cited. Sweden has 150 years of experience in decentralization of local self-government and, indeed, the practice of this country has made a significant contribution to the development of reform in Ukraine. Decentralization opens the way to greater efficiency and growth in other areas (the rule of law and the judiciary). Decentralization in the Scandinavian countries has provided an opportunity for citizens to be closer to the decision-making process related to all spheres of their lives, to be part of the adoption of these decisions and, in general, to influence all spheres of society’s life. Sweden supports the decentralization reform of local self-government in Ukraine for ten years already and it can be said that this country is a donor in this direction and thanks to this, bilateral (Ukraine-Sweden) projects are being implemented. Although the decentralization reform in the Scandinavian countries has been completed for a long time, but this can not be directly stated, since improving governance is an ongoing process and it always continues.

It is also possible to analyze the general characteristics of the Scandinavian countries:

1) high GDP per capita and a high standard of living;
2) great emphasis on solidarity (especially for Sweden), a strong capitalist economy and a socialist redistribution of wealth. The government’s goal is creation of opportunities for social elevators so that the person from the very bottom, thanks to his own individual qualities, could move to the upper levels of society.

Scandinavian countries are small and fairly homogeneous countries, and in decentralized countries it is much easier to decentralize. The main aspects of the local self-government of Scandinavia are a high level of partnership between local governments, high citizens’ trust and strong resource incentives for local authorities. Let’s believe that the experience of the Scandinavian countries and joint projects with these countries will help Ukraine to quickly improve and so well begun the reform of the administrative and territorial structure. That is why it is necessary to improve the legislative system for the successful continuation of the administrative and territorial reform.

In addition, let’s suggest that in the new Law «On the administrative and territorial structure of Ukraine» there be an article on the possibility of joining territorial units to the existing communities which inhabitants historically, territorially and culturally enjoy the benefits of the corresponding center of the community, but decides of another area. An example of this is the village Gusyatin in Khmelnytsky region and the village Gusyatin in Ternopil region (Fig. 2).

The easternmost district center of the Ternopil region was once located on both banks of Zbruch, but at one time it was divided by the Austrian-Russian border, and in the interwar period – by the Polish-Soviet border. Although most residents of Gusyatin in Khmelnytsky region currently work, study, and enjoy the entire infrastructure of Gusyatin of the Ternopil region. Let’s believe that it would be appropriate and justified to integrate settlements with similar socio-economic factors into one community. The boundaries of the regions will not change significantly and it will be more convenient for the residents of the corresponding village to use the services of the territorial community, closer to them by distance and in which they are historically and territorially accustomed to stay. Therefore, let’s believe that this is one way of improving the economic and social development of society, taking into account the need to balance the interests of its subjects.

The reform can’t be carried out without preliminary careful modeling of new administrative-territorial units (hereinafter ATU). After all, it is to agree to clarify the main conceptual provisions, to detail, identify bottlenecks, the possibilities of deviating from the conceptual framework, to assess their scope, as well as threats to the implementation of the entire set of measures. Modeling allows to analyze a set of new ATUs, to determine their common and distinctive features, to calculate the profile of ATUs and to develop recommendations with legislation, first of all – budgetary, in the development of social norms based on model ATUs [21].

On the spatial-territorial nature of the formation of territorial communities, then thanks to the support of the Swiss-Ukrainian project, it is possible to put forward...
certain recommendations on the formation of communities. It should be noted that the optimal is the socio-economic option of forming communities, and therefore it should be taken as the main one. And with this option completely agree.

It is important in the reform of the administrative and territorial structure the correct attitude to the projects of any changes in administrative boundaries. The development of these projects is based on:

1) analysis of historical changes in the administrative-territorial structure for a certain period;
2) study of the parts of the departmental division of the country, the totality of which reflects the economic, transport and social division of the territory;
3) comparison of existing schemes of sectoral and integrated economic, social and other types of zoning and the development of a new regionalization model;
4) study of the areas of attraction of major cities: first of all, labor and other communications of the population;
5) analysis of the socio-cultural provision of cities of various ranks for the performance of the functions of administrative centers in nodal areas;
6) solution of a set of socio-geographical problems that provides for the determination of cultural and geographical differences in the country, territorial disagreements in terms and conditions of living, the level of barrier to existing administrative boundaries, and the like.

In determining the boundaries of communities, it is advisable to adhere to the following recommendations:

1) existing rural councils, as persistent formations, are highly undesirable to tear;
2) the boundaries of the regions change only in special cases: if it is necessary to fulfill the condition of continuity of the territory of the region as an ATU;
3) the boundaries of communities can cross existing boundaries of districts, if the settlements are closer to the centers of communities;
4) it is desirable that the areas of the newly established communities be commensurate;
5) in determining the boundaries of communities, it is desirable to ensure that the roads that connect the settlements are within the community;
6) between communities there should not be «blank spots»: this does not apply to the exclusion zone near Chernobyl [21].

According to the above recommendations of the researchers, regarding the territorial nature of the communities, it is worth noting that on their basis were fixed later in Article 4 of the Law of Ukraine «On the Voluntary Association of Territorial Communities» the basic conditions for the voluntary association of territorial communities. It is possible to reflect the stages of community formation, as in Fig. 3.

As for the functions of communities, they flow from the directions of their activities. At the present time, all communities have not yet been formed, but this process is inevitable. Therefore, it is entitled to characterize functions.

As the Ukrainian researchers note: «The functions of territorial communities are the main directions and types of municipal activity of these communities in realizing the right of citizens to participate in local self-government. These functions express the will and interests of local residents and ensure their implementation of relations with the state, its bodies, local governments within the Constitution and laws of Ukraine.

The functions of territorial communities are conditioned by the nature of local democracy, its principles, goals and tasks, which are aimed at local self-government» [21]. We fully agree with this concept and it fully concerns the functions of the newly united territorial communities.

Fig. 3. Stages of community formation
The most important component of the legal (constitutional) status of territorial collectives is the functions corresponding to them [22]. In the scientific literature in recent years, many publications on the theory of the status of the territorial community, but in general the issue of the constitutional and legal status of these local communities, especially such an element as their functions, is almost unexplored. The range of functions carried out by territorial communities is very wide. The system of functions of territorial communities consists of functions analogous to the functions of the state, in particular its objective functions (political, economic, social, cultural, environmental) [23].

It is possible to agree with the above provisions regarding functions. However, it should be borne in mind that the territorial community as a set of people in a certain territory and a territorial community as a legal entity are quite different concepts. Although in spite of this, it is possible to more accurately characterize the powers of territorial communities.

In accordance with Article 143 of the Constitution of Ukraine: «Territorial community directly or through local self-government bodies of the community in accordance with the law:

1) manage property in communal ownership;
2) approve the budget of the relevant community and monitor its implementation;
3) approve programs for socio-economic and cultural development and monitor their implementation;
4) establish local taxes and fees;
5) ensure the implementation of the results of local referenda;
6) forms, reorganizes and liquidates public utilities, organizations and institutions, and also monitors their activities;
7) solves other issues of local importance, referred by the law to its competence» [24].

Thus, the powers of the territorial community under the Constitution of Ukraine extend to all issues of local importance. Also, according to Article 6 of the European Charter of Local Self-Government: «Territorial communities have the ability to determine their internal administrative structures, taking into account local needs and the need to ensure effective governance». In modern Ukraine, the functions and powers of territorial communities were illegitimately taken over by local councils and executive committees. As a result, there is a lack of any effective control over their activities by the territorial communities. And this entails the flourishing of corruption in all its possible manifestations. Creation of territorial communities as legal entities of public law allows the territorial communities to regain the functions and powers provided for by the Constitution of Ukraine [25]. The range of functions that are carried out by local self-government (territorial communities and bodies and local government officials) is very wide. However, among them one can single out political, economic, social, cultural, environmental functions, which, according to some classifications of scientists, are both internal and external. Chemically they can be displayed, as in Fig. 4.

If talk about the functions of local councils as representative bodies of local self-government, then one of the most common type of their classification, namely, the ways and means of the councils’ activities, distinguishes:

- representative;
- standard-setting;
- financial and budgetary;
- control;
- material and technical;
- defensive and others. Legislation gives local councils also functions of management, provision, organization, control [26].

**Fig. 4. Functions of community**
Each local government should have its own field of activity. Therefore, the legal regulation of the competence of this body is primarily to determine the range of its activities, the sphere of local life in which this local government operates. So, the subject matter as a structural element of the general concept of «competence» is a method of legal definition of those areas of local life, which are defined as the subject of the actions of the local government [22].

In general, the most important issues related to the conduct of local self-government, as defined by the Constitution of Ukraine, article 143 (Part 1) of which provides (Fig. 5):

- territorial communities of the village, township, city directly or through the local self-government bodies formed by them manage property in communal ownership;
- approve programs for socio-economic and cultural development and monitor their implementation;
- approve the budgets of the relevant administrative-territorial units and monitor their implementation;
- establish local taxes and fees in accordance with the law;
- ensure the holding of local referenda and the implementation of their results;
- form, reorganize and liquidate public utilities, organizations and institutions, as well as exercise control over their activities;
- solve other issues of local importance, attributed by the law to their competence.

The corresponding bases of authority lay down in Article 19 of the Constitution of Ukraine. According to this article, local self-government bodies and their officials are obliged to act only on the basis, within the limits of their powers and in the manner provided for by the Constitution and laws of Ukraine. Also in Article 71 of the Law of Ukraine «On local self-government of Ukraine», it is indicated that territorial communities, bodies and officials of local self-government independently exercise the powers granted to them.

Given the above, it is possible to give the following definition of society: «Society is a socio-economic entity, a set of residents of a clearly defined territory that live together in a city or rural settlement, has collective interests and legal status determined by law».

Actually, in the Western state-administrative and legal sciences the concept of «territorial community» is absent. Legislation of the leading countries of the world ignores it. At the same time, much attention is paid to the study of local communities, territorial collectives, communes, etc. Thus, in 1955, after studying 94 definitions of territorial communities, the American researcher [27] came to the conclusion that, in spite of the disagreements, in most of them the most important are the following characteristics: social interaction, territory and general connection (or connections).

Undoubtedly, the further implementation of the decentralization policy in Ukraine should be considered in the context of Ukraine's European choice. The experience of decentralization and regionalization in France, Germany and Poland offers a number of relevant examples for studying and adapting them for the needs of the Ukrainian present. The key point that many experts single out is that territorial reform and decentralization should be carried out in a democratic manner, based on the principles of the European Charter of Local Self-Government and the draft Charter on Regional Self-Government [28].

The viability of territorial communities requires the real possibility of territorial communities to solve independently and in full the issues of local and regional importance assigned to their jurisdiction. The basis for this is a sufficient material and financial and resource base at the level of state-guaranteed social standards.

As for the features of communities as socio-economic systems, it can be distinguished (as noted in the method of forming capable territorial communities [29]) that now the communities will be able to have their own passports. These passports will contain quantitative characteristics of the population and the area of the territorial community, social infrastructure institutions (schools, hospitals, kindergartens), income levels, availability of premises for the placement of state bodies, in-

| Territorial communities (directly or through the local government bodies that they have formed) |
| --- |
| Control |
| Property in communal ownership |
| Approve |
| Local budgets; programs of socio-economic and cultural development |
| Control |
| Implementation of local budgets; programs of socio-economic and cultural development; activities of public utilities, organizations and institutions |
| Set |
| Local taxes and fees |
| Form, reorganize and liquidate |
| Utilities, organizations and institutions |
| Provide |
| Conducting local referenda and implementing their results |
| Decide |
| Other issues of local importance, attributed by the law to their competence |

Local authorities may be provided by law with separate powers of executive bodies.

Fig. 5. Competence of local self-government.
stitutions, and local self-government bodies. Also, as noted in the methodology, the formation of capable territorial communities is carried out taking into account certain features:

1) ability of local government to resolve public issues related to their competence, to meet the needs of the population of the relevant administrative-territorial units;
2) historical, geographical, socio-economic, cultural features of the development of the relevant administrative-territorial units;
3) development of the infrastructure of the relevant administrative-territorial units;
4) financial support of the relevant administrative-territorial units;
5) labor migration of the population;
6) accessibility of services in relevant areas.

Therefore, let’s believe that the goal of local government reform is, first of all, to ensure its ability to solve local issues independently at the expense of its own resources. It is about allocating large resources to territorial communities and mobilizing their internal reserves.

7. SWOT analysis of research results

Strengths. The strength of research is that in the process of unification, socio-economic advantages arise in communities: financial resources, property resources (the ability to effectively manage movable and immovable property, land, and natural resources owned by the community). It is proposed in the work of changes in the Law of Ukraine «On the administrative and territorial structure of Ukraine» on the possibility of uniting communities from different areas to facilitate this.

Weaknesses. The weak side is that there is a weakening of the state control of local government bodies at the regional and sub-regional levels to implement the powers that will be delegated to the executive bodies of local councils, given the weakness of civil society institutions outside of large cities. A negative consequence of this may be the growth of violations of Ukrainian legislation (including encroachment on the rights and freedoms of citizens) in the process of local self-government bodies. At the moment, this trend, in particular, can be traced to the example of the norms of the statutes of individual territorial communities that limit the right of local initiative.

Opportunities. Opportunities for further research are borrowing the experience of foreign countries to improve the conduct of administrative and territorial reform.

Threats. Threats to the results of the conducted research are that achieving the expected socio-economic results is difficult to achieve if there is a low level of competence of local government employees. There is also an imperfect system of selection of local councils for the deputies and for posts of rural, settlement, city heads.

8. Conclusions

1. A comprehensive analysis of the territorial nature of the community has been carried out, and certain recommendations regarding the formation of communities have been identified. Let’s agree with the opinion of the authors [21, 22], that the socio-economic option of community formation is optimal, and therefore it should be taken as the main one. Also it is schematically reflected the stages of community formation. In addition, they determined that today’s restriction on the possibility of uniting settlements from different areas is socio-economically unjustified.

2. A complex analysis of the functions of the united communities is carried out and their main features are determined. They substantiate and schematically reflect that the territorial communities have the following functions: political, economic, social and cultural, and environmental. In addition, it is determined that the most common type of classifications of functions of local councils are the ways and means of their activities, which can be distinguished: representative, rule-making, financial-budget, control, material, technical, defense and others.

3. The recommendations for improving the legislative regulation of the association of territorial communities are proposed. In particular, let’s believe that it would be appropriate and justified to connect the border settlements of different regions with similar socio-economic factors to one community. Let’s propose that the new Law «On the administrative-territorial system of Ukraine» should include an article on the possibility of joining territorial units to existing communities, which inhabitants historically, geographically and culturally use the benefits of the appropriate community center, but de jure is the part of another region.

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Development of the Methodical Approach to the Formation of a Competitive Strategy of Bilgorod-Dnistrovskiy Sea Trading Port

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1. Introduction

Competition as a rivalry for the best conditions for the production and sale of goods and services requires the continuous search and implementation of new technical, technological, marketing, management, organizational and psychological methods and investment funds aimed at satisfying the needs of customers and profit. [1] Ukraine seeks to take not the last place in export and import of the world by sea transport, so ports need to develop the right approach to competition with the neighboring ports and improve the efficiency of its services. High competitive-ness of ports is primarily ensured by their market share in the structure of the sea port services of Ukraine. This