UDC 339.37(470)

Modern particularities of economic interests demonstration in the exchange phase

In modern conditions the development of retail trade as the key element of the exchange phase is one of the priority directions of economic policy of the Russian Federation. At the same time the galloping increase in trade volumes, connected with economic appeal of branch, has more often started to lead to an aggravation of contradictions between the manufacturer, large distributing networks often inclined to monopolization of the prices, and the consumer. The multidimensional analysis of growth of retail trade, and also the basic spheres of display of economic interests of participants of distribution and their contradictions are given in the article.

Exchange phase, retail trade, distributive processes, trade network, economic interests, resolution of conflicts.

Yuliya E.
GOLOVINA
Graduate of Pyatigorsk State Linguistic University
jilt_2000@mail.ru

For economic crisis and post-crisis periods all phases of reproduction process demand that their own economic-management tools should be corrected in this situation the exchange phase is often a sphere that predetermines the operating efficiency of the rest of the phases. Recently, the trade as the system-formative factor of the exchange phase has consolidated its positions in Russia' economy and has enhanced its importance by some indices as well. According to the data of the Federal statistics service of the RF one can see the following tendency of the specific weight of activity category "Wholesale and retail trade; vehicle and motorbike repairs, personal and household goods repair and maintenance" by the basic economic indices *(fig. 1)* [1].

According to the 2009 year's results the share of wholesale and retail trade without indirect taxes in the structure of Russia's GDP was 19,5%, the volume of tax payments from the branch reached 10% of the whole receipts to the budget. According to the data of Rosstat the number of retail trade enterprises has increased in recent years *(tab. 1)*.

As you can see in the table, recently the trade stably had the share of 8% in the total number of enterprises working in territory of Russia, this fact points out the high importance of this sphere of activity. Slight decrease was observed in 2009 and it was connected with the crisis effects in 2008 – 2009.

It is important to note that in February, 2010, as well as in February, 2009, 86.5% of the

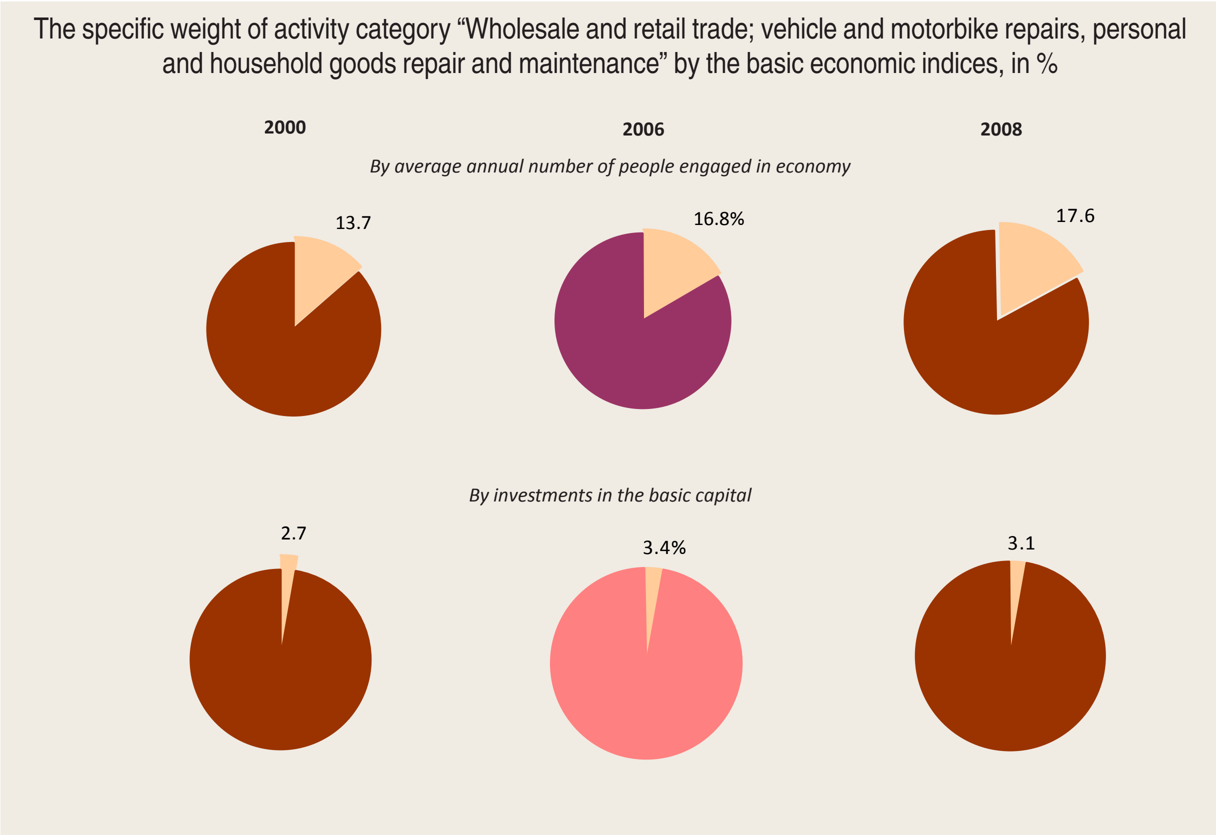

Table 1. The number of retail enterprises and their share in the total number of enterprises (organizations) of Russia (as of January, 1)

Indices	2006	2007	2008	2009
The number of trade enterprises, thousand	366.1	369.6	378.9	375.4
Their specific weight in the total number of enterprises, %	7.7	8.2	8.1	7.9

retail trade turnover was formed by the trade organizations and individual entrepreneurs working within the bounds of fixed trade enterprises; the share of retail markets and fairs made up 13.5% [3]. The trade organizations are traditionally discount houses, supermarkets, hypermarkets, shops close to home, specialized shops ("Fish", "Greengrocery" and others).

Today one of the most popular forms of trade is trading networks forming on the started to reveal in our country 4 – 5 years ago. Today it is seen especially clearly. The tendency of small companies to merge in one large organization working from the common principles and standards is well-founded by the reliability and profit indices. At the same time the growing scopes of functioning of trading networks and their increasing brand cost allow this kind of trade organizations to dictate their terms and to choose the production suppliers (manufacturers) by themselves and ipso facto they make difficulties for the "access" of the supplier to the exchange sphere as to the ultimate consumer. So, it is obvious that the problem of "manufacturer – trading network" is urgent.

The roots of deep changes which today catch the Russian trade market completely stem from the European market of the beginning of 1990's. Uniting and merging, extending and deepening the trading networks started to dominate the rest of retail. Their share is the most part of cash flow. Their representatives obtain super-income and that can't be justified by the logic of competitive market economy. These problems having been solved in Europe are at the peak of their development in Russia. The present-day normative-and-legal basis and particularly the Federal law of the RF (“On the basis of the state regulation of trade in the Russian Federation” from December, 28, 2009 №381-FL [4] coming into force in February, 1, 2010) don’t solve the problem situations in the trade sphere as the issue of balance of manufacturers’, sellers’ and consumers’ interests isn’t solved in this sphere. Their structure in the exchange sphere can be defined shortly in the following way: the economic interests of manufacturer are expressed in price, quality and range of produced goods. The economic interests of distributer are expressed in reduction of logistic expenses and of price as well as in increase in quality of sold products because the final volume of sales and as a result – the speed and the scales of circulation phase and the whole reproduction process – depend on these indices directly. The economic interests of consumers are refracted also in price, quality and range of finished goods. In particular cases, for example, in the situation of seasonal consumption of one or another product the area of consumer’s interests includes the time of delivery as well. One more important aspect is an accessibility of sales outlet and service when buying.

In spite of categorial identity of interests of distribution participants there are some considerable distinctions in their particularities *(tab. 2)*.

We agree with A.G. Avsharov who said in his paper “Formation of effective forms of property in present-day economy of Russia” that the needs dissatisfaction of different trade participants is connected with the contradiction in their economic interests and the lack of economic and legal ways of agreement resulting from inadequacy of legal institution of property in the Russian economic reality [5, p. 42].

It is obvious that the reason of contradiction in the economic interests is connected with their multiplicity determined by the diversity of their subjects and spheres of manifestation. But one of the contradictions is its characteristic as the relations between subject’s aspects, features and tendencies which mutually presuppose and mutually deny each other. Thus, one can say that being common in the end these interests are mutually contradicted at every moment. The community of economic interests is so deep that gives rise to the statement of their interpenetration in a sense.

It is necessary to note that according to the basic ideas of Pyatigorsk scientific school “Economic interests and stimulation in the making of market relations” and “the opportunity to solve the contradictions exists because there is some community of interests along with them” [6, p. 93], and we are going to say about it below.

So, the power of influence over the market is passing from the manufacturer to the seller at a rapid rate. The retail trade dictates their own terms because the goods and the consumer meet face to face at the trading shelves in the supermarkets. Furthermore, today the main trouble of many manufacturers is that they don’t know the market tendencies well enough and don’t respond to the changes of consumers’ demand quickly enough [7, p. 34].

The researches of retail development tendencies in Russia show that the number of large trading objects will increase. The maximum share of trading networks will be close to the American model – 75 – 80% out of the whole retail market. It’ll lead to an even

Table 2. The market expression of economic interests of distribution participants

	Price	Quality	Range of goods
Manufacturer	High	Low quality for saving	Concentrated
Distributer	Low purchase price, high selling price	As the consumer wants	Sorted out
Consumer	Low	High	Wide variation

greater exclusion of middle and small trading outlets. Further this process will manifest itself in oligopolistic impact of large-scale trading networks in the market, and it will inevitably prevent from realising the economic interests of ultimate consumers as for both the price and the range of goods. Moreover at the macro level such development of events is contrasted with the priorities of state power in the sphere of small and middle-scale business which has the calling to increase the population employment, the tax proceeds into the budgets of all levels as well as the competition level, the latter leads to maximization of satisfaction of consumers' needs. In spite of the rapid development of retail market, Russia is still far behind the European countries if we compare the size of goods turnover per capita. According to the researches by the company "AMIKO", by the middle of 2010 this index will reach 70% out of the current level in Great Britain.

It is obvious that the distributor follows up the true consumers' needs and preferences better than the manufacturer or the supplier does. It is trading networks that know how to satisfy the consumers as quickly and completely as possible. In fact this is the ground for statement that so-called "propelling system" dominates in today's distribution when the retail trade determines the volumes and the rates of production to a large extent while researching the consumer market and making out the order to the supplier or directly the manufacturer. Since such tools as discount programmes, bonus, bargain offers and competent making of the trading space are available mostly to the large-scale trading networks one can speak about the network trade dominance.

However in the crisis period the Russian economy is also characterized by the following tendency that mustn't be forgotten by the retailers: the consumer demand being decreased the population reoriented from the shops to the retail markets in 2009. In spite of the fact that on the whole from January to November in 2009 the sale volumes were being reduced as compared with the respective period in 2008, the reduce rate of sales at the retail markets was much more low than the reduce rate of retail trade turnover in whole (by 1.8 and 5.7%). The share of retail markets in the retail trade turnover made up 13.7% in January – November, 2009 against 13.2% in January – November, 2008.

In 2009 the population bought 10% of foodstuffs at the retail markets, by nonfoods these markets made about 17% out of the total sale of the mentioned goods. The role of the markets is still important when providing the population with meat and poultry, fruit and vegetables, clothes, footwear, hosiery, carpets and rugs. At the same time the specific weight of the retail markets in the total sale of audio and video equipments, household appliances was no more than 4% [8]. Thus, the peculiarities of the Russian mentality form the tendency of traditional shopping at the retail town and rural markets under the instability.

As of January, 1, 2009 there were 3,682 retail markets working in the territory of the Russian Federation. For 2008 (compared with January, 1, 2008) their number had been reduced by 217 (5%; *tab. 3*). The markets were generally transformed into the trading centers, the supermarkets and other modern forms of trade [8].

In February, 2010 at the average over the Russian Federation the retail trading networks formed 31.4% of the retail trade turnover of the trading organizations (in February, 2009 – 30.6%) and 16.1% of the total volume of the retail trade turnover (15.8% respectively).

The share of network trading organizations in the retail trade turnover of the trading organizations in 34 constituent territories of the RF was higher than the average level in Russia.

Table 3. The number of retail markets in the Russian Federation (as of January, 1)

The year of 2006	The year of 2007	The year of 2008	The year of 2009
5,831	5,892	3,899	3,682

Table 4. Classification of the constituent territories of the RF by their specific weight of the retail trade turnover of the trade networks in the retail trade turnover of the trading organizations in December, 2009 [9]

Specific weight of the retail trade turnover of the trade networks in the retail trade turnover of the trading organizations, %	The number of constituent territories of the RF*, units	The name of constituent territories of the RF with minimum and maximum value in the group in December, 2009, %
Up to 9.5	9	Yamal-Nenets Autonomous Area (0.4) Amur region (9.5)
9.6-15.4	5	Tyumen' region (11.5) Smolensk region (15.4)
15.5-21.3	14	Vologda region (15.9) Kemerovo region 21.2)
21.4-27.2	8	The Republic of Komi (22.8) Pskov region (26.9)
27.3-33.1	10	The Mari El Republic (27.5) Novosibirsk region (33.1)
33.2-39.0	16	Ivanovo region (33.7) Tula region (38.3)
39.1-44.9	9	Penza region (39.2) Oryol region (44.8)
Over 45.0	6	Volgograd region (46.8) The city of St. Petersburg (66.0)
* There are not any trade networks in 6 constituent territories of the RF.		

At the same time in February, 2010 the network organizations in 9 constituent territories of the RF provided less than 10% of the retail trade turnover of the trading organizations. It has more detailed reflection in *table 4.*

But in 2009 against the background of hard economic situation in the country the condition of trade sector was characterized by negative rate of the retail trade turnover in connection with the recession in consumer demand and the decrease in available cash income of the population. These factors are the main reason for that the price rise was low in the results of 2009. The consumer preferences of the population were characterized by more active purchase of foodstuffs compared with nonfoods that ultimately had an impact on the general turnover structure. The latter was characterized by the increase in the share of foodstuffs in the total retail trade volume and the priority decline rates of nonfood selling [10].

Thus, the modern trade field in Russia is unstable. It is under the influence of various negative factors such as low solvent demand of population, high tax level, high rental payment [3]. It gives a cause to speak about the necessity to improve the state regulation of trade sector: though the state can't rule the consumer prices, it mustn't keep itself aloof from the control over the trade and the exchange sphere in whole.

References

1. The specific weight of activity category “Wholesale and retail trade; vehicle and motorbike repairs, personal and household goods repair and maintenance” by the basic economic indices (in percents) [Electronic resource]. – Access mode: http://www.gks.ru/bgd/regl/B07_58/IssWWW.exe/Stg/d01/01-12.htm, http://www.gks.ru/bgd/regl/b09_58/IssWWW.exe/Stg/d1/01-14.htm

2. The distribution of enterprises (organizations) by the kinds of economic activity (as of January, 1) [Electronic resource]. – Access mode: http://www.gks.ru/bgd/regl/b09_58/IssWWW.exe/Stg/d1/01-15.htm

3. Retail trade [Electronic resource]. – Access mode: http://www.gks.ru/bgd/regl/b10_01/IssWWW.exe/Stg/d02/2-2-1.htm

4. The Federal law of the Russian Federation “On the basis of the state regulation of trade in the Russian Federation” from December, 28, 2009 №381-FL” [Electronic resource]. – Access mode: http://www.consultantplus.ru/online

5. Avsharov, A.G. Formation of effective forms of property in present-day economy of Russia / A.G. Avsharov. – M.: Lazur', 2009. – 160 p.

6. Gershkovich, B.Ya. Economic interests, stimulation, motivation and issues of economic policy in the RF / B.Ya. Gershkovich. – Pyatigorsk: PGLU, 2005. – 202 p.

7. They just dream about the peace // Foodstuffs promotion Prod&Prod: publication of Advertising Agency "Habeas Corpus". – 2009. – №10-11(12-13). – P. 34.

8. The reference on the situation at the retail markets in 2006 – 2009 / was made up by the author after the materials of the Federal service of statistics of the RF [Electronic resource]. – Access mode: http://www.gks.ru/bgd/regl/B07_58/IssWWW.exe/Stg/d01/02-00-1.htm, http://www.gks.ru/bgd/regl/b09_58/IssWWW.exe/Stg/d1/02-00.htm, http://www.gks.ru/bgd/regl/b10_01/IssWWW.exe/Stg/d02/2-2-1.htm

9. On the condition of the industrial production and retail trade in January – December, 2009 (03.02.2010) [Electronic resource]. – Access mode: http://www.minprom.gov.ru/activity/avia/stat/25

10. The trade networks will make us take the production manufactures into consideration [Electronic resource]. – Access mode: http://www.destiny.ru/1828-torgovye-seti-zastavyat-schitatsya-s.html