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INSTRUMENTS OF STATE REGULATION OF MONOPOLIZATION OF ACTIVITIES IN THE FIELD OF E-COMMERCE

Functioning of the e-commerce sector provides a number of benefits, the main of which is the implementation of innovations, primarily in the field of logistics, ICT, financial sector, which causes the emergence of positive effects at all levels of the economic system and contributes to socio-economic development.

State regulation of e-commerce predetermines certain gaps in this area, therefore, there is a need to reveal the mechanisms of their manifestation and develop approaches to their leveling. The need for state regulation is conditioned by the presence of failures in the functioning of a market mechanism, the main of which are: limited competition, public goods; externals; incomplete markets; asymmetry of information; inflation and imbalance [1]. At the same time, the limited competition is one of the key issues in the markets of many countries.

For example, Alibaba, Amazon and eBay are the leaders in B2C e-commerce sales. In most regions of the world ten of the largest companies make up 86% of sales (Table 1). It is indicating the presence of oligopolies in selected regional and local markets, in particular in the US, Asia, and Latin America.

There are also monopolization processes in the e-commerce market in Ukraine. In particular, according to the results of UADM research, in 2015, Rozetka's market share in the electronics and home appliance market is equal to 43% [2]. According to

the Factum Group [3], the coverage of the Internet audience of Ukraine by marketplace Rozetka amounted to 46% in 2017.

Also, the tendency for monopolization is being observed in the market of financial services that provide e-commerce operations. This is due to the incomplete representation on the Ukrainian market of world leaders in electronic payment systems. However, we note the positive developments in this area, first of all, the launch of global financial services Google Pay (2017) and Apple Pay (2018) in Ukraine, which indicates the prospects of the Ukrainian financial services market.

Table 1 - The largest online retailers in terms of sales in 2016 (US, Europe, Asia, Latin America)

The region	USA	Europe	Asia	Latin America
1	Amazon.com (USA)	Amazon.com (USA)	Alibaba Group (China)	B2W Digital (Brazil)
2	Apple (USA)	Otto (Germany)	Rakuten (Japan)	Nova Pontocom (Brazil)
3	Staples (USA)	Staples (USA)	360Buy.com (China)	SACI Falabella (Chile)
4	Wal-Mart (USA)	Home Retail Group (United Kingdom)	Amazon.com (USA)	Wal-Mart Latin America (USA)
5	Sears Holdings (USA)	Tesco (United Kingdom)	Suning Commerce (China)	Netshoes (Brazil)
6	Liberty Interactive (USA)	Apple (USA)	Jia.com (China)	Máquina de Vendas (Brazil)
7	Netflix (USA)	CDiscount.com (France)	eBay (USA)	Dell (USA)
8	Macy's (USA)	Tengelmann (Germany)	51Buy.com (China)	Amazon.com (USA)
9	Office Depot (USA)	Shop Direct Group (United Kingdom)	HappiGo (China)	Magazine Luiza (Brazil)
10	Dell (USA)	Sainsburys (United Kingdom)	Vamcl (China)	Saraiva e Siciliano (Brazil)
Share (%) of the TOP 500 retailers in the region	52%	37%	86%	51%

* Developed by the author on the basis of [4]

There is also a trend towards monopolization in the logistics market, which serves the subjects of the e-commerce market. For example, according to UADM, the share of "Nova Poshta" in the structure of domestic shipments in 2016 amounted to 52.6% [5]. Solve these problems of monopolization of the e-commerce market possible through the use of state regulation tools. There are five types of monopolies: economic, technological, innovative, natural and administrative, of which the first three are the most common in e-commerce [6].

Technological monopolies are quite common in the field of e-commerce due to its innovation and constant improvement of technologies and processes. Under these conditions, there is a basis for cooperation between companies in the IT, marketing, financial and logistics services, etc., which promotes the development of high-tech and knowledge-intensive companies of the global level, such as Amazon.

In Ukraine, an example of technological monopolization is the merger of the Evo and Rozetka Group of Companies, whose goal is to cooperate efforts in the field of infrastructure provision of marketplaces.

Technological competition is ineffective, so the state's task is to create a favorable legal and institutional environment for enterprises that are innovating. It is advisable to stimulate cooperation between enterprises involved in the sale of products through the Internet and service companies (IT, logistics, financial, marketing) with the aim of introducing innovations and achieving a higher level of efficiency of economic activity (for example, by creating special tax conditions).

An interesting example of an innovative monopoly is the Escrow service from the financial company UAPAY, whose analogues are not currently available in Ukraine. The essence of the product is to "freeze" the payment until the consumer receives the goods at the post office and is widely used in the marketplaces of the Evo Group of Companies and the classifide Olx.

The greatest potential threat to the economy is economic monopolies. The main tools for regulating economic monopolies are: the prohibition of mergers and joint activities of companies; control over pricing (in the case of economic expediency of concentration) and the use of tax instruments to avoid monopolizing over-priced or

dumped prices. In Ukraine, the body dealing with the regulation of economic competition is the Antimonopoly Committee, whose activities are carried out in accordance with the provisions of the Law of Ukraine "On the Protection of Economic Competition". The law provides for liability for anticompetitive actions in the form of a fine of up to 10% of the company's proceeds from the sale of products for the last reporting year preceding the year in which the fine was imposed [8].

In general, the antitrust laws of Ukraine, according to experts' findings within the framework of the UN Conference on Trade and Development (UNCTAD), are balanced and developed in accordance with best international practices. However, in the part of vertical agreements, there are some inaccuracies in the formulation of legal provisions that can be used for concerted actions of market players.

The typical e-commerce market violations are:

1. Restrictions on the supply of goods: the contracts specify restrictions on the provision of the goods to selected players engaged in e-commerce. These actions can be considered as distribution of markets in a circle of buyers. According to Article 6 of the Law "On the Protection of Economic Competition", these actions are anticompetitive.
2. Recommended (and also minimal) retail prices. The establishment of recommended retail prices by suppliers of goods is a fairly widespread practice in the field of e-commerce of Ukraine and is considered anticompetitive. In the EU, the practice of recommending a retail price is not an automatic breach of competition law, provided that the market share of each party does not exceed 30%.

Accordingly, the recommendation is to amend p. 8 of the Law "On Economic Competition", which will minimize the negative impact of such vertical agreements on the economy of the country and will ensure the protection of consumers' rights to a fair price for goods.

The development of technological and innovative monopolies will only contribute to the development of the infrastructure of the e-commerce market, therefore it is expedient to stimulate the innovative potential of companies through scientific and technical programs. In addition, it is expedient to develop a general strategy to improve the investment climate and create favorable conditions for entry into the

Ukrainian market of global players in the e-commerce market (first of all, Amazon) and service companies that provide market infrastructure (first of all, PayPal), which will reduce the level of market monopolization and facilitate the introduction of innovations.

Conclusions. On the e-commerce market both in Ukraine and globally, monopolization processes are monitored. However, the situation in the Ukrainian market is not threatening: the antitrust law is balanced and meets international norms, and most monopoly manifestations refer to technological and innovation, which is due to the specifics of this market. Thus, the recommendations are aimed at correcting the provisions of the Law "On Economic Competition" in order to eliminate cases of vertical coordinated actions, as well as the creation of a strategy for increasing the competitiveness of the market through the involvement of foreign players.

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