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Малигіна В.Д., д.е.н., проф.,

Донецький національний університет економіки и торгівлі імені Михайла Туган-Барановського, м. Донецьк, Україна, e-mail: mvd-51@mail.ru

Холодова О. Ю., к.т.н., доц.,

Дніпропетровський університет імені Альфреда Нобеля, м. Дніпропетровськ, Україна, e-mail: milava1984@mail.ru

МЕХАНІЗМ ЗАБЕЗПЕЧЕННЯ ЗАХИСТУ ПРАВ СПОЖИВАЧІВ: РЕГІОНАЛЬНИЙ АСПЕКТ

Малигина В.Д., д.э.н., проф.,

Донецкий национальный университет экономики и торговли имени Михаила Туган-Барановского, г. Донецк, Украина, e-mail: mvd-51@mail.ru

Холодова О. Ю., к.т.н., доц.

Днепропетровский университет имени Альфреда Нобеля, г. Днепропетровск, Украина, e-mail: milava1984@mail.ru

МЕХАНИЗМ ОБЕСПЕЧЕНИЯ ЗАЩИТЫ ПРАВ ПОТРЕБИТЕЛЕЙ: РЕГИОНАЛЬНЫЙ АСПЕКТ

Maligina V. D., Prof.,

Donetsk National University of Economics and Trade named after Mykhailo Tugan-Baranovsky in Donetsk, Ukraine, e-mail: mvd-51@mail.ru

Kholodova O. J., Ph. D., Assoc.,

Dnepropetrovsk University of Alfred Nobel, Dnepropetrovsk, Ukraine, e-mail: milava1984@mail.ru

ARRANGEMENTS FOR THE PROTECTION OF CONSUMER RIGHTS IN DONETSK REGION

The main Purpose of the study is the substantiation of the necessity to reform the arrangements for the protection of consumers rights (the case of Donetsk region) and the improvement of certain legal controlling instruments for the protection of consumer rights in Ukraine.

Methods. During the research it was used the methods of theoretic generalization, analysis and synthesis. The research results were processed by the methods of mathematical statistic involving the latest computer technology.

Results. It was quoted the analysis of the economic entities verification. And the structure of fines and penalties for the violations of Consumer Right Protection Law, which were detected in Donetsk region by the results of the verification, was analyzed. .

Academic Novelty. It was proposed a scientific-methodological approach to study the arrangements for the assurance of consumer rights. The method in contrast to the existing ones allows protecting consumers from consumer risks and

consumption ones improving significantly the protection of consumer rights in Ukraine.

Practical Implications. The detection methods of the customer's risk and consumption ones key features were recommended. They are a part of the arrangements for the assurance of customer rights and improvement of domestic business climate.

Key words: consumer rights protection, free-trade zone, enterprise, risks, business entity.

Introduction. The Ukraine construction of socially-oriented economy brings to the fore the human figure as a citizen, because of his rights become the basic value in society. In this regard, the question of customer rights protection, labour and service one acquires increased relevance. The particular relevance is acquired by the question of customer protection in the conclusion of Free Trade Agreement with the European Union (EU). A free trade zone involves not only an abolishment of trade custom tariffs but also an adjustment of the Ukrainian regulatory environment to the EU. The free trade zone, which provides easier import access of high quality goods from the EU to Ukraine, will create more competition to Ukrainian manufacturers and require on them to apply rigorous control checks.

Today's organizational and legal framework of the quality and food safety State regulation in Ukraine partly satisfies the interests of consumers. This fact is proved by the researches described in the article.

Recent Research Analysis. The arrangements for the protection of consumer rights and problems in this field became relevant more than one hundred years ago. The first researchers on the development of the domestic consumer movement were Tugan-Baranovski M.I. [1], Zieber M. I., Charles Gide [2], Gurzhiy I.O. [3], Vysochanskiy P. [4]. These issues remain relevant and are investigated nowadays. This is shown by the works of the domestic authors Ivanenko L.M. [5] and Dudla I.O. [6].

The Formulation of the Article's Purposes (Problem Statement). The main purpose of the study is the substantiation of the necessity to reform the arrangements for the protection of consumers rights (the case of Donetsk region) and the improvement of certain legal controlling instruments for the protection of consumer rights in Ukraine. To achieve the purpose, the following problems were stated: to analyze the problems state connected with the protection of consumer rights in Donetsk region; to identify the state of legal protection of consumer rights in Ukraine and the feasibility of further legal regulation mechanisms development in this area.

The Main Research Material. It is considered that the consumption level of goods and services is an indicator of the citizens' life quality which includes the total value of the goods and services (fee-based, subsidized and free) consumed by a population at the expense of labour income, property and business one, social transfers, etc. According to the terminology dictionary, the quality of life is a generalized social and economic category, which is a generalization of the term "living standards" and involves not only the consumption of goods and services but also the satisfaction of spiritual needs, health, life expectancy, human environment,

staff morale and peace of mind.

The State must provide a guaranteed level of consumption by stimulating the production of goods, works execution and services provision; by the introduction, if necessary, of the normalized distribution of goods, when there is no guarantee for their free acquisition by each consumer, and the introduction of compensatory payments, various forms of assistance and benefits for citizens.

The protection of consumer rights is performed by a specially authorized central body of Executive Power in the field of consumer rights protection and its territorial bodies, the Council of Ministers of the Autonomous Republic of Crimea, local government organizations, bodies and institutions which carry out the state sanitary inspections, other executive authorities, units of local self-government, in accordance with the law, and courts.

The development of market relations in Ukraine at the beginning of the 90's led to the need to develop an effective mechanism for the protection of consumer rights and legitimate interests. The implementation of State consumer policy is impossible without the appropriate legal regulation. The legislative framework in the field of consumer protection has been established in Ukraine, and is constantly being refined. The legal and regulatory framework in Ukraine has more than 50 laws and regulations in the field of consumer rights protection, in particular, the Law of Ukraine On Consumer Rights Protection (now operates in accordance with the Decision of 01.12.2005), the resolution of the Cabinet of Ministers of Ukraine from June 1, 1992 "On the establishment of State Committee For Consumer Rights Protection in Ukraine", as well as the Constitution of Ukraine, the Articles that guarantee the State has a duty to establish for manufacturers the certain requirements for goods quality and obligate them to give all citizens the information about the properties of the goods offered.

On the assumption of the constitutional provisions, one of the basic constitutional rights of the citizen, the implementation of which requires the establishment of guarantees, is the right of consumers to purchase the goods of proper quality. Thus, according to the Article 50 of the Constitution, everyone has the right to a safe environment for life and health and to the compensation of damages caused by a violation of this right. Everyone is guaranteed the right to free access to information on the state of the environment, food and customer goods quality and the right to spread it, because such information cannot be confidential [7].

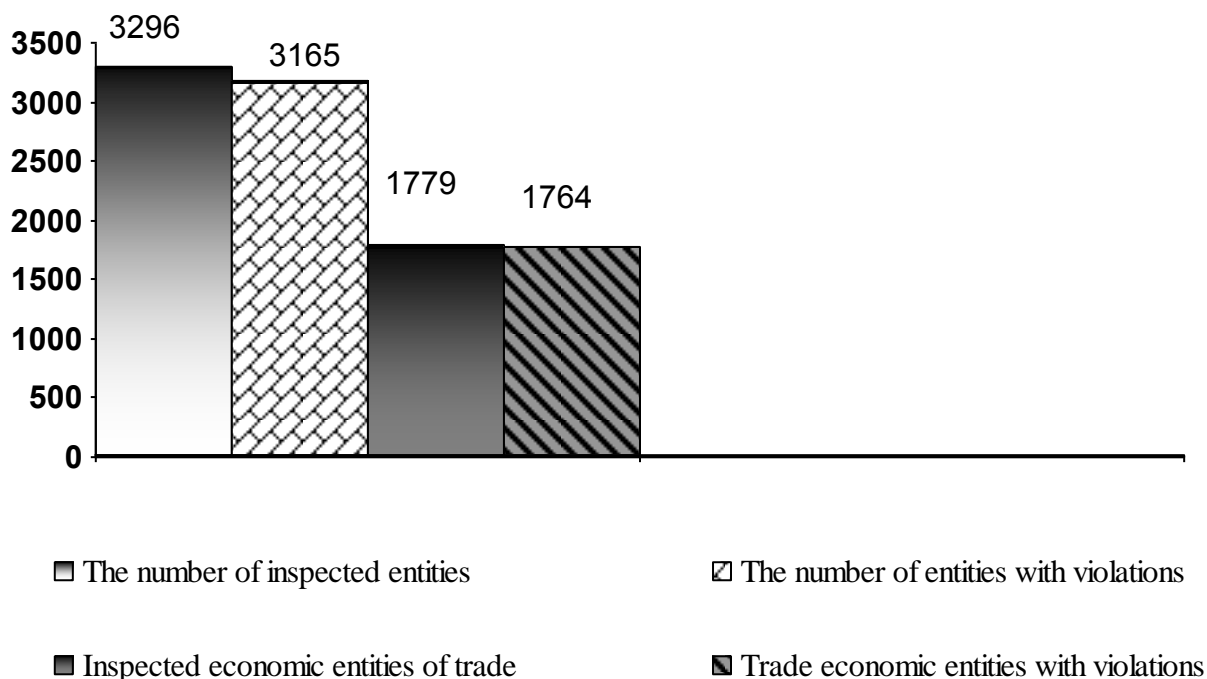
Proceeding from the position that the Constitution proclaimed the right of citizens to a safe environment for life and health and information on the food and customer goods quality, the State, local self-government authorities must create procedural and institutional, social, economic and power-coercive guarantee to ensure this right. In their turn, all citizens and legal persons are obligated to observe established rules, which are required to guarantee the above-mentioned right.

In accordance with the powers described in the Regulation №225 and Article 26 of the Law № 1023, the State Committee of Ukraine for Technical Regulation and Consumer Policy takes charge of the consumer protection statutory compliance. In particular, the Committee checks economic entities of trade, services, restaurant business concerning the products quality, compliance with the product safety

requirements, trade and services rules as well as providing consumers with relevant, affordable, reliable and timely information about the products.

In Donetsk region the enforcement in the field of consumer protection is carried out by the territorial bodies of the State Committee of Ukraine for Technical Regulation and Consumer Policy. And their powers are defined in Regulation 217.

In 2012 the number of the inspected entities was 3296 in Donetsk region, and the violations of 3165 entities were detected, as demonstrated in Picture 1.

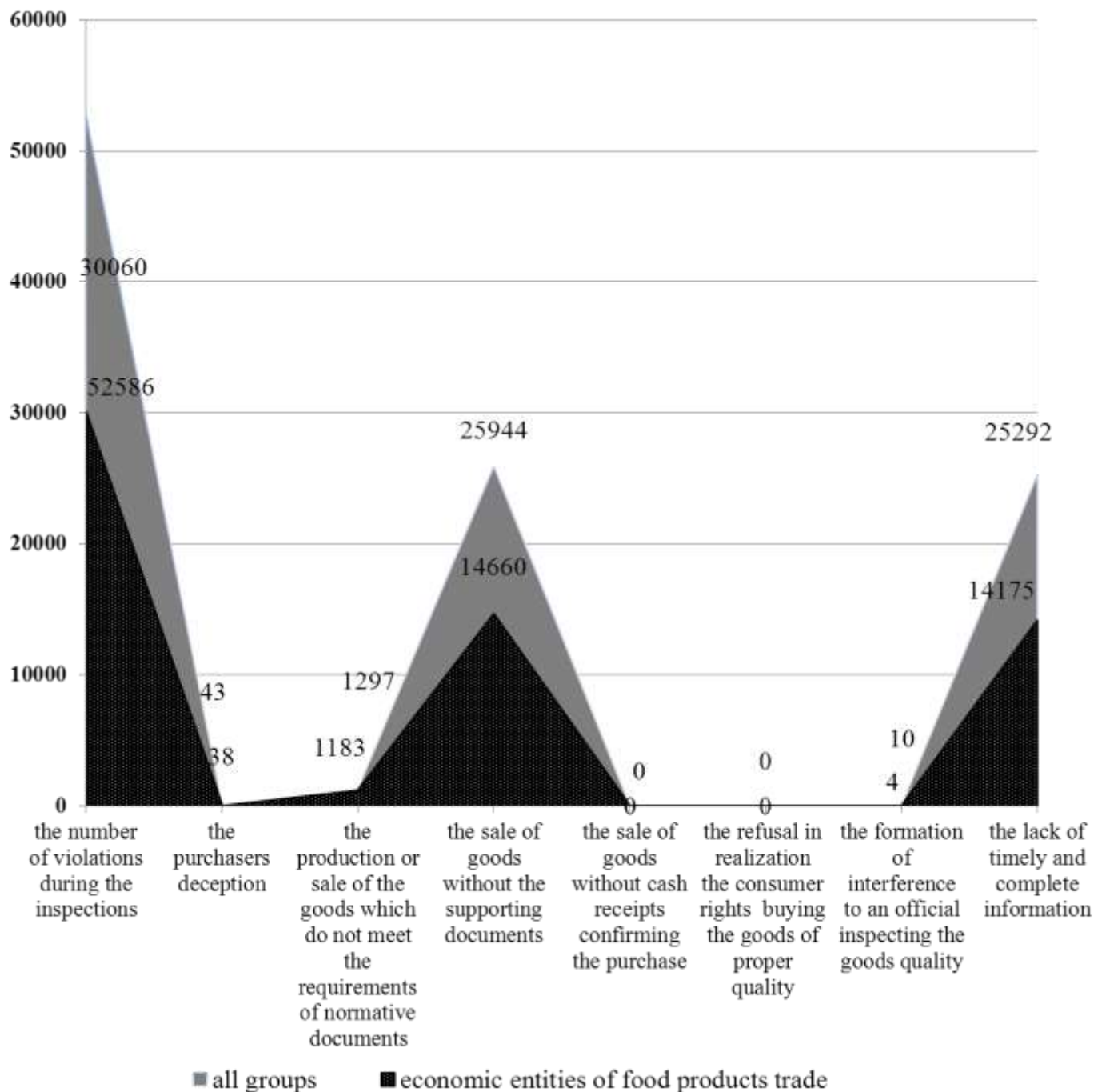


Picture 1. The dynamic of number of inspected economic entities with violations in Donetsk region

It was determined that not all the goods being sold by enterprises have the certificates confirming their safety for life and health of the consumer. It is about counterfeit goods and products with expired shelf-life terms, a large number of which are sold through trading network without proper instructions. The observed situation on the market of food in Donetsk region creates a menace for the enforcement of the consumer rights and contributes to the emergence of consumer risks and consumption ones. In particular, among the 1779 inspected trade entities selling goods there were 1764 ones with violations.

The aim of the further analysis was to identify the types of violations during the inspections and their thorough analysis. Often, as a result of trade entities inspections, the sale of goods without proper documents was detected, as follows in 14660 such cases. It was not infrequent (in 14175 cases) that inspectors noted the lack of timely and complete information during the inspections. There were a large number (1183) of the cases of commodities production and goods sale that do not meet the requirements of the regulations. Also it was found 38 cases of cheating

customers and 4 occasions when people interfered with an official performing their official duty. The analysis data is demonstrated in Picture 2.



Picture 2. The ratio of violations by economic entities identified in Donetsk region during the inspection.

Economic entities of trade, catering and services in case of consumer protection law violation are responsible for: the refusal in realization the consumer rights set out in paragraph 1 of Article 14 and paragraph 3 of Article 15 of this Law; the production or sale of the goods, work performance, rendering of services which do not meet the requirements of normative documents and the realization of goods, work performance and rendering of services which are liable to the certification

process, but have no accordance certificates (adopting international standard product marking certificates). They are also responsible for: the production or sale of the goods, work performance, rendering of services which do not meet the requirements of normative documents concerning the safety of life, health, customers' property and environment; the realization of the goods, work performance and rendering of services which are banned for the production and realization by corresponding state body; the realization of dangerous goods (poisons, toxic chemicals, explosive and flammable materials) without proper warning labeling and information about the rules and terms of their safe use. In case of non-compliance with one or more of the above paragraphs, they are required to compensate the damage caused to a customer or his property in the amount of 100 % of the value received for the realization of goods batch, and no less than 20 exception amounts in case of the economic entity is exempt from doing statutory income and expenditure recognition; the lack of sufficient, affordable, reliable and timely information about the goods, work, services; in the case when the economic entity interferes with an official authorized by Executive Body in the field of consumer protection and performing their official duty: inspecting the goods quality, performed works, provided services and trade rules, etc; in the case of the realization of goods and products with expired shelf-life terms. If there is a terms violation of the Agreement on the performance of work or service provision between the consumer and service provider, the compensation will be 100 % of the value of work or service. The same actions committed against a group of consumers.

The analysis of the structure of fines and penalties for violations of legislation on consumer rights protection, identified in Donetsk region during the inspections, showed: the total amount of fines for violations of legislation on consumer rights protection was about 535 thousand UAH, and 305,7 thousand UAH was the fines from economic entities of food products trade. About 107 improvement notices were given. The entities of food trade received 46 ones. And 36380 entities were forbidden to produce, load cargo and provide services, of which 20680 were engaged in trade of foods services. It was suspended the production, goods dispatch, commodity sale and service provision by 451 entities.

The data on the results of the inspections in Donetsk region indicate the seriousness of the situation at the regional consumer market. In the total number of indicated violations the sale of goods without the supporting documents and the lack of timely and complete information on the goods are more than a half of all inspections and are the biggest dangers because of their connection with the adulteration and insecurity of food products. And it gives rise to consumer risks and food consumption ones.

It should be noted that today the population remain priority issues, which are discussed at the State level. In particular, they are: the inadequacy of the market mechanism in the absence or distortion of the information of goods and services; inflated prices and the availability of monopolist structures; the necessity to implement measures for more equitable distribution of income, reduction of living

standards, provision of services in education, health care, accommodation, transport, and environmental protection. In the exercise of consumer rights protection, the State is focusing on creating and improving the regulatory framework, reforming the management system for the protection of consumer right. The State, when applying laws and regulations, seeks for the force sellers, entrepreneurs and manufacturers to offer the customers only quality goods.

It is hoped that the creation of free trade zone with the EU will improve significantly consumer rights protection in Ukraine. The rules, imposed by the agreement will solve the problems with non-transparent pricing, with the presence on the market of dangerous good and poor control over product quality. On the other hand the free trade zone will contribute to the gradual decline in the prices of some goods. The free trade zone with the EU provides potential benefits for Ukrainian business. In addition to access to the world's largest markets, it will provide better consumer protection and some improvements of domestic business climate. Such benefits will give a new impetus to the development of business in Ukraine. The agreement will also have a particular impact on daily lives of ordinary Ukrainians.

Conclusions. Thus, the protection of consumers as the main participants of market relations in modern conditions is priority. The primary mechanism for ensuring the protection of the consumer rights in the regional aspect can be considered as the effectiveness of the inspection on consumer rights protection.

The prospects for further research in this field are the improvement of the regulatory framework that covers all aspects of this problem. Also, it is necessary to encourage the development of public educational programs and information ones taking into account the cultural traditions of the population, to obligate the authorities to publish by media the results of comparative trials, which would contain general information about product features, traditions of consumption and goods production.

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