THE MECHANISMS OF SELF-REGULATION IN VARIOUS SECTORS OF THE ECONOMY: THE CASE OF THE FOOD INDUSTRY

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SUMMARY

The paper examines the mechanisms of self-regulation in various sectors of the economy taking the case of the food industry. The factors for the introduction of self-regulation of economic activity such as expediency and efficiency are studied. The role of governing and regulatory bodies in the field of food security regulation is presented. The main aspects of food safety are examined and the significance of self-regulation in the implementation of food policy in ensuring the quality and safety of food products is revealed taking the case of food safety standards when self-regulation allows industry players independently resolve issues related to product quality, consumer safety and health, as well as ensuring competition on the market.

Keywords: *self-regulation, efficiency, governing and regulatory bodies, sectors of the economy, food industry, food security regulation, food safety standards.*

Self-regulation is treated as regulation carried out by internal forces, without outside intervention or influence. The draft Law of Ukraine «On the Principles of Self-Regulation in the Agricultural Sector of Ukraine» defines the basics of self-regulation as one of the most important elements of civil society for their implementation in the regulation of the agricultural sector of Ukraine, agricultural products and food markets. It establishes the principles of the relationship of sectoral, inter-sectoral and professional self-regulatory organizations with public authorities, local self-government bodies, individuals and legal entities in the agricultural sector of Ukraine [1]. In this document, self-regulation is defined as a form of regulation in the agrarian sector of the economy, which is carried out through granting the status of a self-regulatory organization to an association of subjects of economic and/or professional activity as holders of managerial powers regarding the initiative and independent regulation of agricultural products and food markets, spheres of professional activity.

The factors for the introduction of self-regulation in economic activity are expediency and efficiency. In particular, their advantages include [4, c.55] a better understanding of market features, a direct interest in its transparent regulation by business entities

and their self-regulatory organizations; flexibility, innovation and adaptability of the rules that are established on the market by the representatives themselves; clear and convenient supervision and control over the activities of market participants and compliance with the rules; «collective brand» as an effective signal that ensures an increase in demand for services whose producers are known for guaranteeing the quality of their services.

The governing and regulatory bodies in the field of food security formation are the Cabinet of Ministers of Ukraine, the central executive body for agrarian policy and food, the central executive body for economic development and trade, the central executive body for health protection, which exercises control and coordination of the activities of all central and local executive authorities on issues related to the formation of food security of Ukraine [3, c.77].

At the same time, a self-regulation is an important tool in the implementation of food policy, as it allows to regulate and control the quality and safety of food products effectively.

Self-regulation is the adoption of voluntary commitments regarding the quality and safety of their products by enterprises and industry organizations. It also means the establishment of internal standards and procedures that ensure compliance with these commitments.

For example, industry organizations can develop production and quality control standards that businesses must adhere to. In addition, they can establish certification and labeling systems for products that confirm their quality and safety.

Self-regulation can also involve the exchange of experience and information between businesses to raise their standards and improve product quality.

As a result, self-regulation can ensure food safety and quality, reduce the risk of food crises, and increase consumers' confidence in food. At the same time, it can contribute to the development of competition and innovation in the food industry.

Self-regulation is thus a process by which enterprises or industries establish voluntary standards and rules of conduct to ensure high product quality and food safety. The main aspects of food safety are:

- *quality standards.* This should include the adoption of regulations and quality standards that must be followed during the production, transportation, storage and sale of food products. The state must establish mandatory requirements for the quality and safety of food products and conduct regular inspections of their compliance;

- *thorough control.* Quality and safety control of food products must be carried out at all stages of their production, processing, storage and transportation. This may include testing for harmful substances, microorganisms and other contaminants that may be harmful to health;

- *consumer awareness.* One of the most important aspects in ensuring food safety is increasing consumer awareness of the quality and safety of the products they consume. Consumers should be trained to recognize the signs of food quality and safety in order to be able to determine which products are safe and which are not;

- *ensuring the appropriate level of training and skills* of all employees involved in the production and processing of the product;

- *a system of monitoring* that products meet national and international safety and quality standards;

- *a system for tracking and withdrawing products* from the market in case of detection of any dangerous or quality deviations;

- support of *openness and transparency* in the production and distribution of information about products;

- *increasing responsibility.* Food producers and sellers must be responsible for the quality and safety of their products.

In the implementation of food policy, self-regulation can play an important role in ensuring the quality and safety of food products. For example, industry organizations may set food safety standards that exceed the minimum legal requirements. Businesses can voluntarily agree to adhere to these standards to ensure high product quality and increase consumer confidence.

In addition, self-regulation can be a useful tool for managing consumer health risks. For example, businesses can set standards for the content of harmful substances in food products to reduce the risk of consumers' illnesses.

The government can also support self-regulation by providing financial and other support to industry organizations. It can develop standards and self-regulatory systems. However, self-regulation cannot replace state control and regulation, especially in the area of food safety.

Thus, self-regulation allows industry entities to resolve various issues related to product quality, consumer safety and health independently. This is ensuring competition in the market.

For example, many countries have organizations that promote self-regulation in the food industry. There are cooperative associations of manufacturers that set their own standards and codes of conduct.

Self-regulatory initiatives can take many forms: codes of conduct, declarations, statutes, agreements, regulations, standards and labels. Their relation to regulation can also be extremely diverse, ranging from legally compatible autonomy to obligations imposed in relation to framework legislation (co-regulation) or even local definition of rules.

Foreign experience shows that self-regulation continues to be the most common global approach to solving food industry problems. Industry groups and companies benefit from self-regulation which is a public relations tool, signaling corporate social responsibility and positioning itself as «a part of the decision-making process».

Self-regulation can become an important addition to state control and contribute to the effective implementation of food policy. And the lack of legal regulation of the institution of self-regulation of industries and markets makes it impossible to fully apply all possible instruments of control in the market while simultaneously reducing administrative regulation and increasing the role of self-responsibility of the participants in relations [2, c. 64] for instance, regarding the sphere of food policy implementation.

The conclusion is the following: the purpose of self-regulation is to increase the efficiency of management in the agrarian sector of the economy by fostering decision-making closer to subjects of economic or professional activity in the agrarian sector of the economy.

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