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# Економічні проблеми сталого розвитку

# Экономические проблемы устойчивого развития

# Economical Problems of Sustainable Development

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# MONOPSONY AS A KIND OF IMPERFECT COMPETITION

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Monopsony is a market situation where only one buyer can respond to the offer of the majority of sellers, dictating their own terms of interaction (prices and sales volume). Often a monopsony appears on the labor market, when there are many employees and only one enterprise that is interested in this labor force.

Conditions for the emergence of monopsony:

1. When a large number of specialists are interacting in the market, which are not united into a trade union and the only company-employer (or a group of firms that act as the sole employer);
2. When the company-employer is interested in hiring specialists only of a certain profession;
3. When the specialty of the bulk of the staff is characterized by low mobility due to social or geographic situation, or the need to improve qualifications or obtain a new specialty;
4. A monopsonical company sets a wage level, forcing workers to either agree to terms, or waste time looking for work.

The main features of monopsony include:

1. The concentration of the main part (or even all) of those employed in the sphere of a certain type of labor in one firm;
2. Complete (or almost complete) lack of mobility of employees who do not have a real opportunity to change their employer when selling their labor;
3. Establishment monopsony (sole employer) control over the price of labor in the interests of maximizing profits.

Monopsony can appear on the stock exchange, when the owner of securities increases the price, because of which the majority of buyers refuses to participate in the auction. Such monopsony is called false. In the markets of this type, buyers have a determining influence on the formation of prices. An example of a monopsony is a labor market with a larger number of employees, and only one enterprise - a buyer of labor. The labor market with elements of monopsony is not uncommon.

It can be said that monopsony as a kind of imperfect competition serves as the back side of a monopoly: a monopoly company often acts as a monopsony for its suppliers, who are forced to sell their products under the conditions that it dictates, since they do not have other markets.

And what about the signs of monopsony. The main characteristic is the availability of the only possible consumer. As a result, the only buyer is free to dictate his price for the purchased products, and he is limited only by the risk of inter-industry overflow. Proceeding from these considerations, it is advantageous for a monopsony to keep an acceptable price. Many sellers, manufacturers compete hard with each other, it is advantageous for them to strive to minimize the production costs, because for them this is the only way to increase profitability.

Pure monopsony is rare, more often oligopsony appears on the market - the presence of several buyers who jointly keep prices at a favorable level for them, but are limited by internal competition, which does not allow them to underestimate prices excessively.

With an absolute competitive labor market, entrepreneurs have a wide choice of specialists, absolute mobility of labor, each firm hires labor at a fixed price, and the labor supply curve in the industry reflects the marginal costs of hiring a resource - labor. In the conditions of monopsony, the monopsony company itself personifies the industry, therefore the labor supply curves for the industry and firms coincide. But for a particular monopsony company, the labor supply curve indicates not the marginal but average costs of hiring labor, for the monopsony, the labor supply curve is the average cost curve (ARC), not the marginal cost curve.

In relation to stock exchanges, monopsony can also be false, for example, when a high price of most buyers in the auction does not turn on. If a monopoly is a phenomenon of controlling the market price by a monopoly firm, when only one seller acts, then under monopsony, the power over the price is held by the existing buyer in the singular.

So, the buyer, who is a monopsony, controlling the volume of his own purchases, can influence the market price of the goods received. That is, he is a "price seeker". The market price of the offer from the point of view of the monopsony will reflect the existing dynamics of the average costs of the industry as a whole. The aggregate supply of the industry is characterized by a curve that reflects the average costs of various firms in the industry.

Also, it is important to note that, like any market of imperfect competition, monopsony requires state regulation, since it tends to restrict the rights of citizens. Its only plus is the stimulation of enterprises-providers of a monopsony to improve the production process and increase efficiency.

Actually, the state itself is obliged to actively promote the limitation of monopsony, if only for the reason that in the recent past it was precisely the caring parent of monopsonical structures. And most importantly, because the elemental forces with this problem can not cope. After all, they act only in a competitive environment, which is not available for monopsony. In this case, state intervention is not at all an anti-market measure.

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## PERSPECTIVES OF GLOBAL USING A CRYPTOCURRENCY AS A MEDIUM OF EXCHANGE: EVIDENCE FROM UKRAINE AND THE WORLD ECONOMIES

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Society's natural order and the evolution of commodity money required an adequate common value equivalent. The money, or more specifically, the mediate tools needed for commodity exchange, came through a long history of its development.

The evolution of money is as an endless process as the process of society's development. In emerging and developed economies, it is commonly acceptable and economically grounded to use fiat money, a real value of which isn't tied to its nominal value. Towards further enhancing of efficiency of money circulation, there are serious global steps to refuse from paper technologies. These technologies are aimed at cashless payments. The level of cash money in a certain economy depends upon the following factors: general state of economic development; share of shadow economy; availability of terminal networks; financial culture; population literacy; motivation etc.

Developed countries tend to contract cash operations. This causes economic growth, increases transparency and leads to the active development of modern online services and technologies.