

COMPETITIVENESS OF AGRICULTURAL ENTERPRISES – THEORIES AND DETERMINANTS

Petar Borisov¹, Dragan Miladinovski

¹peterborisov@gmail.com

ABSTRACT

The purpose of the article is to determine the factors, main determinates shaping and influencing the level of competitiveness of agricultural enterprise. Competitiveness of the enterprise is the result of many factors, which have a complex influence on him. Competitiveness exist as a state of agricultural enterprise only in market conditions. Market is characterized by its three forces - demand, supply and competition. Depending on the manifestation and the dominance of these three forces, the market is defined as a monopoly with perfect competition or monopolistic competition. In this context, it appears that competition is an engine of development and a reason to explore, study and manage the competitiveness of the market players. It has become clear that the competitiveness is a complicated and complex economic category. This determines the difficulty in determining the performance assessment. In the literature there is no uniform opinion on the number and composition of indicators to assess the competitiveness of enterprise. This stems mainly from differences in the opinions of the authors of the nature of the economic category "competitiveness". On the one hand there is a desire for maximum characterize the competitiveness of the company. This leads to excessive expansion in the number of proposed indicators to assess, which in turn hinders their practical use. On the other hand there is a desire to develop a separate indicator, which easily and quickly measures the aggregate competitiveness of the company.

KEY WORDS: competitiveness, market share, adaptability, production costs, innovations, comparative ability

ABSTRAKT

Ziel des Artikels ist es, die Faktoren und Hauptdeterminanten zu bestimmen, die das Niveau der Wettbewerbsfähigkeit eines landwirtschaftlichen Unternehmens bestimmen und beeinflussen. Die Wettbewerbsfähigkeit eines Unternehmens ist das Ergebnis vieler Faktoren, die einen komplexen Einfluss auf das Unternehmen haben. Die Wettbewerbsfähigkeit als Zustand eines landwirtschaftlichen Unternehmens existiert nur unter Marktbedingungen. Der Markt ist durch seine drei Kräfte - Nachfrage, Angebot und Wettbewerb - gekennzeichnet. Je nach Ausprägung und Dominanz dieser drei Kräfte wird der Markt als Monopol mit vollkommenem Wettbewerb oder als monopolistischer Wettbewerb definiert. In diesem Zusammenhang zeigt sich, dass der Wettbewerb ein Motor der Entwicklung und ein Grund ist, die Wettbewerbsfähigkeit der Marktteilnehmer zu erforschen, zu untersuchen und zu steuern. Es ist deutlich geworden, dass die Wettbewerbsfähigkeit eine komplizierte und komplexe wirtschaftliche Kategorie ist. Daraus ergibt sich die Schwierigkeit bei der Bestimmung der Leistungsbewertung. In der Literatur gibt es keine einheitliche Meinung über die Anzahl und Zusammensetzung von Indikatoren zur Bewertung der Wettbewerbsfähigkeit von Unternehmen. Dies ist vor allem auf die unterschiedlichen Auffassungen der Autoren über die Art der wirtschaftlichen Kategorie "Wettbewerbsfähigkeit"

zurückzuführen. Auf der einen Seite besteht der Wunsch nach einer maximalen Charakterisierung der Wettbewerbsfähigkeit des Unternehmens. Dies führt zu einer übermäßigen Ausweitung der Zahl der vorgeschlagenen Indikatoren, was wiederum ihre praktische Anwendung behindert. Andererseits besteht der Wunsch, einen separaten Indikator zu entwickeln, der einfach und schnell die gesamte Wettbewerbsfähigkeit des Unternehmens misst.

STICHWORTE: Wettbewerbsfähigkeit, Marktanteil, Anpassungsfähigkeit, Produktionskosten, Innovationen, komparative Fähigkeit

RÉSUMÉ

L'objectif de l'article est de déterminer les facteurs, les principaux déterminants qui façonnent et influencent le niveau de compétitivité de l'entreprise agricole. La compétitivité de l'entreprise est le résultat de nombreux facteurs, qui ont une influence complexe sur elle. La compétitivité n'existe en tant qu'état de l'entreprise agricole que dans les conditions du marché. Le marché est caractérisé par ses trois forces - la demande, l'offre et la concurrence. Selon la manifestation et la dominance de ces trois forces, le marché est défini comme un monopole avec une concurrence parfaite ou une concurrence monopolistique. Dans ce contexte, il apparaît que la concurrence est un moteur de développement et une raison d'explorer, d'étudier et de gérer la compétitivité des acteurs du marché. Il est devenu clair que la compétitivité est une catégorie économique compliquée et complexe. Cela détermine la difficulté de déterminer l'évaluation de la performance. Dans la littérature, il n'y a pas d'opinion uniforme sur le nombre et la composition des indicateurs pour évaluer la compétitivité des entreprises. Cela découle principalement des différences d'opinion des auteurs sur la nature de la catégorie économique "compétitivité". D'une part, il existe un désir de caractériser au maximum la compétitivité de l'entreprise. Cela conduit à une expansion excessive du nombre d'indicateurs proposés pour l'évaluation, ce qui à son tour entrave leur utilisation pratique. D'autre part, il existe un désir de développer un indicateur distinct, qui mesure facilement et rapidement la compétitivité globale de l'entreprise.

MOTS CLÉS: compétitivité, part de marché, adaptabilité, coûts de production, innovations, capacité comparative

INTRODUCTION

Competitiveness of the enterprise is the result of many factors, which have a complex influence on him. Competitiveness exist as a state of agricultural enterprise only in market conditions.

Market is characterized by its three forces - demand, supply and competition. Depending on the manifestation and the dominance of these three forces, the market is defined as a monopoly with perfect competition or monopolistic competition (Mirkovic, 2000). In this context, it appears that competition is an engine of development and a reason to explore, study and manage the competitiveness of the market players.

According to (Stoyanov D, 1995), (Ribov, 1997), (Chobanyaneva, 1998), (Marinov 1998) competition in its essence is a rivalry between people, companies, regions, countries to achieve certain goals. (Ribov, 1997); (Drucker, 2000) identify "Theory of competition as the highest form of knowledge.

A. Smith explains the competition as a permanent mechanism for removing the inadequate and maladjusted from market. It is an engine of social development. To exist such a phenomenon, there should

be the following conditions: be a person behavior justified self-interest; clearly defined property rights; sovereignty of the individual economic entity manifesting itself in complete freedom in deciding to change his behavior.

The purpose of the article is to determine the factors, main determinates shaping and influencing the level of competitiveness of agricultural enterprise.

RESULTS AND DISCUSSION

In an inductive approach, there are two types of relations between economic entities: a ***alternativeness and solidarity***. According to (Trifonov, 2003) The first type of relationships are those in which the realization of the objective of a subject preclude the realization of a similar order of another entity. This is regarding alternativeness. The second type of relationships are those in which the realization of the purpose of an entity is a condition for the realization of similar purpose to another. This is an attitude of solidarity. Of this total production resulting rivalry relations and coordination of the actions of the subjects in any economic system. A basic condition for the emergence of a relationship of rivalry is designated entity to be located in an area of interest to another entity - in the situation of alternativeness (or he, or other entity). Between economic players there is always a relation of rivalry (competition) at some point of their market relationship caused by the scarcity of production factors and the unlimited needs of individuals. In satisfying their needs individuals exhibit two types of behavior: rivalry or solidarity, depending on their personal interest.

Competition phenomenon exists only in the free market. The market is one that provides an assessment of how to allocate scarce factors of production and how to meet unlimited needs of society and individuals. Competition in a market economy following several functions as: matching - competition is a versatile tool for comparing the effectiveness of different economic players for the detection and stimulation of economically most able-bodied; election - competition is a "natural selection" in a market economy. As a result, increases the overall level of production efficiency; encouraging - competition encourages creativity and entrepreneurship of economic players. Thereby achieving efficient use of scarce production factors and stimulating innovation activity; disciplining function - competition creates a situation of alternativeness. This is the reason every economic player carries out its activities no worse than others.

Given the immanent characteristic of market power called competitive ability - can put basic understanding of what constitutes economic and managerial category "competitiveness". Various are the opinions of the nature of the category "competitiveness" of the enterprise. Some authors – (Ribov, 1997); (Chobanyaneva, 1998); (Danailov, 1998); (Marinov, 1998); (Minyko, 2004); (Krichevskiy, 2004); (Ivancevich, 1994) and (Lifits, 2001) connect "competitiveness" of the enterpris with the ***notions of products manufactured by him***. According to The Report Aldington – “products are competitive when they are produced in higher quality at minimum production costs compared with those of competitors”.

Another part of the authors like (Drucker, 2000); (Petkov, 1994); (Sergeev, 2003); (Avila, 1997); (Porter, 1998) define "competitiveness" of the enterprise as a result ***of effective management of production, expressed with high productivity of factors of production***. According to this group of authors, competitiveness is the result of effective management of production. If managers effectively manage

production resources put into production, the enterprise will have a good competitiveness and can be developed into specific market conditions.

Others authors like (Pettigrew, 1987); (Galbraith, 1990); (Rumelt, 1992); (Lockshin, 2000); (Twomey, 2002); (Barinov, 2000); (Rezear, Borisov, Radev and Osmani (2019); (Borisov & Popova, 2021) related "competitiveness" with ***the degree of adaptability to the changing environment***. According to this group of researchers of the problem, if the enterprise is adaptive to market changes and not only to survive but also to develop its marketing abilities should be considered with good competitiveness.

(Buckley, 1998; (Pride, 1989); (Paounov, 2000); (Osmani, Kolaj, Borisov & Arabska, 2021). related competitiveness with ***the ability of enterprise to generate profit (value)*** from its participation in the market. According to them, if it happens that means enterprise has a good competitiveness, also its maintained that profit must increased.

(Lipsey, 1987); (Kirkpalani, 1987) and (Van Duren, 1991); (Armstrong and Collopy, 1996); (Borisov and Garabedian, 2020) related "competitiveness" with the ***size of the market share*** of the products. According to them, the greater is the amount of reclaimed market share of enterprise products, the better competitiveness has it. According to (Tirole, 1998); (Bloodgood and Katz, 2004) there is a correlation between ***market share and production capacity of the enterprise***. With large production capacity enterprise has the potential to gain an greater market share, taking advantage of all the benefits of large-scale production. Therefore, the competitiveness of the enterprise, expressed by achieving a growing market share as ability of management to build large-scale production (with large production capacity), whose products quickly realize the market.

According to (Zikmund, 1995); (Kleiman, 1997); (Emilova, 2005); (Gorynia, 2004); (Zhdanin, 2000); (Borisov and Radev, 2020) "competitiveness" of the enterprise is determined by two factors: ***cost leadership and product differentiation***.

Price leadership is the ability of an enterprise to produce at lower cost its product compared to its competitors. Main reason for this, according to (Owen, 1983); (Paounov, 1995) is the ability of the enterprise to achieve economies of scale. This factor at enterprise make him to be able to minimize production costs and to sell manufactured products at lower prices than its competitors.

Product differentiation is a marketing based approach of management, based on the idea that clients are vital and if enterprise make strong connection with them will have better competitiveness. The marketing managers should convince clients that consuming the products they receives an additional benefit that is missing in the consumption of competing products. Product differentiation is the ability of the enterprise to build a loyal demand for products manufactured by him.

Others authors like (Terptsra, 1994); (Chankova, 2001) "competitiveness" of the enterprise is determined by the ***availability of innovation***. (Liao, 2005) points out that the lack of innovation in the enterprise will degrade its competitiveness. According to (Ikherd and Jansen, 2002) introduction of new production technologies is key to improve the competitiveness of companies. The purpose of the introduction of new production technology has lead to higher productivity of factors of production and also minimize the production costs.

According to representatives of the institutional approach on the competitiveness of the agricultural enterprise affected asymmetry of market information, a major component of the imperfection of the institutional environment and the specifics of agricultural enterprise as a production

system. In clarifying the nature of "competitiveness" of the enterprise and its evaluation is necessary to examine the ***effectiveness of management in the enterprise***. Management efficiency is one of the most important indicators of good competitiveness of the company. High performance of management, now permanently established mutually beneficial relationships with market counterparties with which minimizes market risk and improve its market position and power.

Synthesizing the expressed opinions of different groups of authors on "competitiveness" of the enterprise shows that enterprise must have the following characteristics to be in a good competitiveness: ***productivity of factors of production used in production; increasing return on assets; permanent and/or increasing market share; to produce high quality products at minimal production costs; high adaptability to changes in the environment; to develop innovation; to be able to realize economies of scale; to create loyal demand for its products and to implement effective management.***

Different starting points in defining the "competitiveness" make of the different opinions of the authors of who is the crucial factor for market success. The market introduction of agricultural enterprise depends on: the effects of resource management, the effects of the management of the acquired knowledge and experience in the enterprise as well as the effects in the management of the adaptability of the enterprise to market conditions. These effects should contribute in a situation of market dominance on over its competitors.

According to (Rajaram and Fitzgerald, 2000) competitiveness of enterprise is expressed in that it has the ***ability to create defensible market niches***. (Barney, 1999) indicating the presence of unique resources as a source of competitiveness. The author defines as unique those resources that have the following characteristics: scarcity value, unique and indispensability.

According to (Ling, 2000); (Gorynia, 2004) choice of ***organizational form of the enterprise*** determines its potential for competitiveness. This critical factor determines the ability to accumulate capital required to build a successful business model on opportunities to increase productivity of factors of production in the enterprise, the possibility of specialization, concentration and intensification of production process. Conquest of market share, to develop innovation and the degree of adaptability of the enterprise to changes in the environment.

Acquisition and storage of each factor of production generates two groups of expenditure: acquisition costs of production factors and costs for use of production factors.

The owners of production factors make these costs in order to obtain benefits, wealth, income, resulting from the operation of production factors in the production process that benefits wealth and income of enterprise and will meet its specific needs.

Referring to the hypothesis for reconciled advantage of every factor of production can be supplied for use in various industries, enterprises and regions and can have different uses. The owners of production factors in the choice of organizational form for their use in the manufacture is governed by the rules to maximize the useful effect (E).

Owners compare the benefits of the productive use of a factor in a variety of organizational forms of management, and choose the best from their point of view.

The choice of organizational form in its essence is a choice of mode of use of owned limited factors of production in one of many possible organizational forms.

Every entrepreneur is guided by two criteria in choosing the organizational form of realization - monetary (money) and non-monetary.

Monetary criterion- This is the income that brings the production factor involved in the production process in the organizational form of the enterprise. The owner chooses this form of organization for the realization of it owned by the production factor that brings him the greatest income. Under the highest income is understood that exceed earnings, which are obtained from alternative organizational forms.

Non monetary criterion -These are all other non monetary determinants that determine the choice of organizational form for the realization of owned production factor. These determinants are associated with the psychology of the individual, having a production factor. Adopted this criterion solutions are defined as irrational from the standpoint of economic efficiency of use of production factors. Only after equalization of income that brings him the individual alternative, the owner of the production factor in the choice of organizational form are not resorting to monetary criterion.

Factors determining the competitiveness of private / family and sole / agricultural enterprises. According to (Handler, 1989); (Dyer, 1986) family enterprise is "an organization where decisions of owners and managers take account of family ties." The reason for the emergence and spread of single-family businesses is the need to seek the realization of holdings of family factors of production in order to obtain income necessary to meet their needs. The purpose of a family enterprise is to maximize the received income from a source of the needs of family members. The main competitive advantages of the family enterprise are based on property and labor of the family. A central role in it played the family, and it is the fundamental unit of society, where members' interests coincide; extremely important socio-economic characteristics of a family enterprise is that it in an individual combines the functions of three characters - owner, developer and contractor (worker). This achieves unity between ownership and management; Detached enable enterprises to overlap the objectives of the owner, the contractor and the worker, which is vital to the motivational process. According (Lutsovand Petkov, 1993); (Doichinova, 2003) this kind of organizational forms predetermine strong to motivation for entrepreneurial process and a strong motivation to work with the contractor. In single enterprise has freedom of entrepreneurship, the choice of goals and ways to achieve them, the procurement of necessary resources, the choice for distribution of the income received by the enterprise; as private producer is guided by personal economic interest, it appears highly material incentive, carefully manage production resources occurs frugality in their spending, strive to minimize production costs, achieve lower cost of production and thus higher competitiveness; ownership of land property and other productive resources concentrated in a very strong level interests. Only the owner of the factors of production in manufacturing is the utmost interest to use them the most complete because it makes for itself. The literature found allegations that the joining of the owner, the contractor and the worker in one person is a decisive factor for the successful development of agricultural enterprise production in Western Europe and North America; contractor responsible for performance not only with capital, but with all his possessions; in single enterprise moving motive is income. He is dependent on social and market conditions. So the one-family enterprise is an effective form agricultural production only under normal market and socio-economic conditions that can ensure cost recovery and profit. The above factors determine these vital characteristics of single-family enterprises: a high degree of adaptability to changes in the environment, striving for innovation, striving

for higher productivity of factors of production. Detached enterprises have limited opportunity for socialization of production and can not benefit from economies of scale. Inadequacy of management, mostly due to insufficient professional knowledge and experience and to comply with the dynamic changes in the environment compromise on the competitiveness of these companies. Another factor limiting competitiveness sole organizational forms is the inability to share the risk in the implementation of entrepreneurial process.

Factors determining the competitiveness of cooperative agricultural enterprises. According to (Stankov, 1999) cooperative as an agricultural enterprise is a system that is oriented to receive income and profit from production and sale of plant and animal products from their processing products or services rendered.

In these organizational forms relies achieve the goals is through solidarity, cooperation, collectivity. The personal interest of cooperative members gave way to self-help and mutual assistance. The motivation for the work of the members of the cooperative is defined in better management of their property by joint labor. (Ivanov, 1994) certain economic cooperation category as "joint action or behavior by operators of cooperation aimed to achieve mutually beneficial common goal." For the emergence of behavior na cooperation between the various economic operators should have the same economic interests / goals /. History has proven that cooperation is successful form of organization only if it is achieved through voluntary consent of the agricultural enterpriseers. Raiffeisen F., who was the ideologist of the comprehensive agricultural cooperative movement in Germany, formulated the basic principle of the cooperative, namely free and equal access to it. According to (Treneva, 1994) and (Lutsov, 19993). The building is built on the following principles: self - means the members of the cooperative to rely on their own strength in achieving the goals, but not necessarily seeking assistance. The building relies on the principle: the individual can not achieve as much as the team through united labor. Self-help means and autonomy, striving for economic self-sufficiency and independence; Relief - every individual in need of help, realizing their interests is a potential member of the cooperative; democracy: one member - one vote regardless of the size of the property which is involved in cooperative agricultural enterpriseer cooperative. All involved in the process of deciding on the activities of the cooperative ie Self is realized. Democracy: each member has one vote regardless of the size of the property with which he participated in the cooperative. In these circumstance allows and irrelevance and landless members have the opportunity to participate in the activities and management of the cooperative. Typical of these structures is that the number of their members is unlimited, anyone who has the desire can participate in cooperative; collectivity: in these organizational forms collectivism resist individualism. The objectives of individuals are subordinated to the objectives of the team. So individual initiative runs in total joint efforts to achieve a common goal; Freedom: The member cooperative can choose what activities to engage; personality development. Typical of these structures is that the number of their members is unlimited, anyone who has the desire can participate in cooperative; collectivity: in these organizational forms collectivism resist individualism. The objectives of individuals are subordinated to the objectives of the team. So individual initiative runs in total joint efforts to achieve a common goal; Freedom: The member cooperative can choose what activities to engage; personality development. Typical of these structures is that the number of their members is unlimited, anyone who has the desire can participate in cooperative; collectivity: in these organizational forms collectivism resist individualism. The objectives of individuals

are subordinated to the objectives of the team. So individual initiative runs in total joint efforts to achieve a common goal; Freedom: The member cooperative can choose what activities to engage; personality development. So individual initiative runs in total joint efforts to achieve a common goal; Freedom: The member cooperative can choose what activities to engage; personality development. So individual initiative runs in total joint efforts to achieve a common goal; Freedom: The member cooperative can choose what activities to engage; personality development.

Summing up the review of the opinions of the authors (Treneva and Trendafilov, 1999); (Stankov, Lutsov., Zinda, 1994) and (Alexandrov, 1992) – “the nature of the cooperation established that this is a business enterprise that aims to increase the income of its members and to develop their economy. The cooperative has set specific business objectives to the benefit of member cooperative. The cooperative operates through joint performance of the activity. Income distribution in this enterprise has democratic character.

Specific relationships between member - the agricultural enterpriseers who are owners, managers and workers in the production building set within the competitiveness of the cooperative. The production building has the following sources of competitive advantages: socialization of production factors owned by the members of the cooperative determines economies of scale, which is distributed fairly between them and increases their motivation to work; high degree of adaptability to changes in the environment, driven by the possibility of diversification of production; It creates an opportunity for the introduction of innovative products into production; create conditions for increasing specialization and qualification; creates conditions for increasing the concentration and intensification of production;

Despite the many advantages, the competitiveness of cooperatives is limited by: the type (model) of the cooperative in wrong made model, the cooperative could prove uncompetitive; democracy (one member - one vote regardless of the size of the equity contribution) in the management of these structures creates conditions for low motivation for entrepreneurship and labor compared to other organizational forms and delays making management decisions; slower development of innovation compared to other organizational forms; greater social focus of the cooperative, to satisfy the needs of cooperative member, cause under adverse economic conditions to worsen its economic efficiency, reducing its competitiveness; creates opportunity for corruption among its management,

Factors determining the competitiveness of agricultural enterprises – Companies Ltd. In modern conditions in the majority of these organizational forms there is a division between ownership and management ie these organizational forms clearly distinguish these characters - owners of the enterprise managers and workers who follow their own purposes.

Specific relationships between three characters (owners, managers and workers) in joint stock companies formed the competitive advantages of these structures but also set limits to their competitiveness. These organizational forms allow for the accumulation of substantial financial capital through the issuance and sale of shares, which is a prerequisite for building large-sized production facilities, enabling the realization of economies of scale. Major financial capital is used to build barriers to new competitors in the sector, thus maintaining and increasing market share; Krupp financial capital makes it possible to build cost leadership and product differentiation of our products; the possibility of higher income workers which ceteris paribus increases their motivation to work; a large number of shareholders (owners now) to promote risk sharing by the enterprise on a substantial number of persons,

which determines the choice of high-risk industries where profitability is higher; it is possible to implement a system of total quality production; Krupp capital of public limited companies allows management to create competitive advantages through lobbying of government and other organizations. Despite the large number of advantages, joint stock companies have the following disadvantages: due to the high specialization, intensification and concentration of production, caused by the large amount of financial capital, they have high adaptability to changes in the environment, as other forms of organization; their large size complicates their management. High specialization and concentration of capital in these forms in elasticity limit of the production. As is known, the elasticity of production is greater as higher share of variable costs of total production costs, which are protruding optimization costs and consequently, the smaller the share of fixed costs. With the increasing intensification of production in the enterprise occurs displacement ratio of variable to fixed costs as higher saturation capital is associated with a high level of fixed costs, and greater specialization - lower-level variables costs.

Effectiveness of management of competitiveness of the agricultural enterprise. There are many criteria for evaluating the effectiveness of management of the competitiveness of the agricultural enterprise. We believe that when assessing the effectiveness of management is imperative to use the criteria to minimize market risk. This is necessary in view of the increasing competition in the market as a result of which increased market asymmetry among market agents.

The management of agricultural enterprise seeks to use a system of contracts for the provision of production inputs and sale of finished products in order to minimize market risk. To achieve this, made transaction costs. These expenses are presented as "economic line of friction in physics", ie they take into account the asymmetry of market information (varying degrees of awareness of market participants in the exchange) and the impact of institutional environment on the exchange of goods on the market. (Coase, 1937) defines transaction costs as costs of carrying out transactions through exchange open market. According to (Barzel, 1997); (Douglas, 2000) transaction costs associated with the transfer and establishment of the protection of ownership of the factors of production and goods.

(Arrow, 1997) defines transaction costs as expenses necessary for the operation of the economic system enterprise. (McEachern, 1989) and (Eggertsson, 1990) define them as the price of time and information necessary for the implementation of trade on. According to (Tapscott and Tico, 2001) transaction costs consist of three types of costs: Cost of study - the reason for their existence is information asymmetry in the market, which is expressed in the fact that not all market participants are equally informed. Costs of negotiation - these are the costs of negotiating the deal between the company and its contractors. Coordination costs - these are the costs of coordinating the resources and processes required to implement the agreed deal. According to (Matthews, 1986) production costs are being made for the actual implementation of a contract, and include transaction costs for its conclusion. In this connection (Todorova, 2004) notes that the production and transaction costs coexist in the economic activity of the enterprise and together form the full economic costs. The latter shall be subject to optimization in order to maximize the profits of the enterprise. Hence the essence of effective management of the enterprise is to optimize the size of the transaction costs that are part of the full economic cost. While production costs can be optimized when their size is minimized in the applied technology, it does not apply to transaction costs. Transaction costs actually reflect a price management of the enterprise pays to minimize risks when negotiating deals. The optimization of these costs is

achieved by minimizing the size. Therefore, the optimal size of transaction costs is one in which minimize market risk by agreeing to the terms of exchange of goods and resources. Hence the optimal size of transaction costs is one that achieves durable mutually beneficial market behavior between the enterprise and its partners.

CONCLUSION

It has become clear that the competitiveness is a complicated and complex economic category. This determines the difficulty in determining the performance assessment. In the literature there is no uniform opinion on the number and composition of indicators to assess the competitiveness of enterprise. This stems mainly from differences in the opinions of the authors of the nature of the economic category "competitiveness". On the one hand there is a desire for maximum characterize the competitiveness of the company. This leads to excessive expansion in the number of proposed indicators to assess, which in turn hinders their practical use. On the other hand there is a desire to develop a separate indicator, which easily and quickly measures the aggregate competitiveness of the company.

REFERENCES

- Alexandrov K. Boyadjiev E. Strategy cooperative. Ed. Economy, Sofia. 1992. p.43.
- Armstrong, JS, Collopy, F. Competitor orientation: Effects of objectives and information on managerial decisions and profitability. *Journal of Marketing research*, 33, 1996 str.188-199.
- Arrow, KJ The Organization of Economic Activity Issues Pertinent in The Choice of Market versus Nonmarket Allocation. The Analysis and Evaluation of Public Expenditures: The PBB - System, Joint Economic Committee, 91st Congress, 1st session, vol.1 Government Printing Office: Washington DC 1997, p. 60.
- Avila, H. Evaluating the Competitive Position of an Industrial Firm, The George Washington University, Washington DC 1997 p. 56.
- Barinov, V. A. Development organizations in the competitive environment. Magazine. Management UES and rubezhkom 6/2000 p. 35.
- Barney, J. Firm resources and sustained competitive advantage. *Journal of Management* vol.17, (1) pp. 99-120.
- Barzel, Y. Economic Analysis of Property Rights: second edition Cambridge University Press: Cambridge. 1997. p. 4.
- Bloodgood, J., Katz, JPManufacturing capacity, market share and competitiveness. *Competitiveness Review* vol. 14, 1-2, 2004.
- Borisov, P. & Popova, Iv. (2021). Approach to change management to achieve a stronger level of competitiveness of wine companies in Bulgaria. *Bulg. J. Agric. Sci.*, 27 (Suppl. 1), 3–9
- Borisov, P., H. Garabedian (2020). The impact of the product strategy on the market share. The case of Bulgarian wineries. *Journal of Bio-Based Marketing*, vol.2, 2020, 42-50, ISSN 2683-0825
- Borisov, P., T. Radev (2020). Profiling the drivers of market power of wineries. The case of Southern Bulgaria. *Journal of Bio-Based Marketing*, vol.2, 2020, 21-29, ISSN 2683-0825
- Buckley, P. Measures of International competitiveness: A critical survey. *Journal of Marketing Management*, 1988. p. 176.

- Chankova L. Increasing market the notions of small business by improving its innovation activities. magazine. Mechanization machines 4/2001. pp. 35-38.
- Chobanyaneva, and. Quality management and competitiveness. Ed. TU Varna. 1998. p. 141.
- Chobanyaneva, and. Quality management and competitiveness. Ed. TU Varna. 1998. p. 141.
- Coase, RH. The Nature of the Firm - In The Firm, The Market and The Law. Chicago, The University of Chicago Press 1988, reprinted from *Economica*, New Series, vol. IV, 1937, pp. 386-405.
- Danailov, D. International business analysis, SC. Lyuren, S. 1999.
- Douglas N. Institutions, Institutional Change and Economic Performance. Ed. Lik, Sofia. 2000. p. 4.
- Drucker, P. Management challenges in the 21st century. Ed. Classic style, Sofia. 2000. str.69-70.
- Drucker, P. Management challenges in the 21st century. Ed. Classic style, Sofia. 2000 str.69-70
- Dyer, WG Journal Cultural change in Family Firms, San Francisco, Jossey Bass Publishers 1986.
- Eggertsson, T. Economic Behavior and Institutions, Cambridge University Press, Cambridge, 1990, p. 15.
- Emilova I. The impact of company policies on market the notions of travel agencies. Ed. Avangard Prima, Sofia. 2005. p.11.
- Galbraith, C. Transferring Core Manufacturing Techniques in High - Tech Firms, California Management Review. 1990. pp. 56-70.
- Gorynia, M. Competitiveness of Polish firms and the European Union enlargement. Competitiveness Review vol.14, 1-2, 2004.
- Handler, WC Methodical Issues and considerations in studying business, Family Business Review 2-3, 1989. p. 256-276.
- Ikherd, J. Jansen J. Agriculture, Energy and Sustainability. Agraria 253. Swedish University of Agricultural Sciences. 2002. p. 35.
- Ivancevich, J. Management: Quality and Competitiveness. Burr Ridge etc., Irwin 1994
- Ivanov, C. Cooperation and cooperatives in agribusiness. ed. PSSA, St. Zagora. 1997. p. 23.
- Kirpalani, VH, Balcome, D. International marketing success: On conducting more relevant research. Managing Export Entry and Expansion, NY 1987
- Kleiman L. - Human resource management: A tool for competitive advantage New York, West 1997.
- Kunev, K. Competition: theoretical aspects and corporate behavior. Ed. DATzenov, Svishtov. 2001. p. 13.
- Liao, J. Corporate restructuring, performance and competitiveness: An empirical examination. Competitiveness Review vol.15, 1, 2005, pp. 15-33.
- Lifits, I. M. Theory and practice assessments load the notions market and services. Yurait Moscow. 2001.
- Ling, XL. An analysis of sources of competitiveness and performance of Chinese manufacturers. International Journal of Operations and Production management 20 (3), 2000, p. 299.
- Lipsey, RE, Kravis, IB. The competitive advantage of US multinationals 1957-1984. Banca Nazionale Del Lavoro, Quarterly Review 1987, 161 str.147-165.
- Lockshin, L., Bruning, E. Fundamental Elements in the Definition of Organizational Competitiveness, Gestion 2000.

- Lutsov I. Private agricultural enterprises and cooperatives. S., ed. Printing facilities, 1993
- Marinov, D. Product quality and market the notions of enterprises. Ed. Alma mater international, Gabrovo. 1998. p. 4.
- Matthews, RCO The Economics of Institutions and The Sources of Growth - Economic Journal 96, December, 1986, p. 906.
- McEachern, W. Economics: A cotemporary Introduction South-Western Publishing Co., Cincinnati, Ohio, 1998 p. 60.
- Minyko, B., Krichevskiy, M. Quality and market predstavanyey. Ed. Pieter Moscow. 2004.
- Mirkovitch, K. Microeconomics. Classic style, Sofia, 2000, p. 15.
- Osmani, M., Kolaj, R., Borisov, P. & Arabska, E. (2021). Competitiveness between figures and metaphors; are farmers' apple producers enough competitive? Bulg. J. Agric. Sci., 27 (Suppl. 1), 31–43
- Owen, N. Economies of Scale, Competitiveness and Trade Patterns within the European Communities, Clarendon Press Oxford 1983.
- Peacock, M. Strategies of the business. Ed. Dino - IM, Sofia 1995, p. 24.
- Petkov, L. Market factors the notions of agricultural cooperatives. magazine. JSI 6/1994.
- Pettigrew, A. Context and Action in the transformation of the Firm. Journal of Management studies 24: 6. 1987. pp. 649-670.
- Porter, M. On competition, Harvard Business press. 1998.
- Pride, W. Strategic Adaptability and Firm Performance: A market - contingent perspective. Journal of Marketing 53: 3. 1989. str.21-35.
- Rajaram, V., Fitzgerald, E. Firm capabilities, business strategies, customer preferences, and hypercompetitive advantages: The sustainability of competitive advantages with implications for firm competitiveness. Competitiveness Review Vol.10,1, 2000 pp. 56-57.
- Rezezar, K., P. Borisov, T. Radev, A. Osmani (2019). Social and Climate Changes in Agriculture: Challenges as Opportunities for Adaptation. New Knowledge Journal of science, vol.8 (4), 2019. 41-47.
- Ribov, M. Competition and competitiveness of the tourism product. Ed. Economy, Sofia. 1997. p. 12.
- Rumelt, R. Diversification strategy and Profitability. Strategic Management Journal 3-4 (1992), str.359-369.
- Sergeyev, A. Market predstavanyey rosiyskih Enterprises porches vstupleniya UES st semirnuyu trgovuyu organizatsiyu: Directions and metodyy marketingovyih izsledovaniy, II international konfekrencyiya - Marketing in the era of globalization; concepts and trends Burgas. 2003.
- Stankov C. Adaptation of cooperatives to contemporary conditions. Alada. ed. AU of Plovdiv. 1999. p. 22.
- Stoyanov D. Competition and strategies: analysis and selection. Ed. Economy, Sofia. 1995. p. 3.
- Tapscott, D. Tico, D. The digital capital - to obuzdaesh power of business networking. Ed. Classic style, Sofia. 2001. p. 8.
- Terptsra, DEHRM: A key to competitiveness. Management Decisions 32 (9), 1994 str.10-14.
- Tirole, J. The theory of industrial organization. Cambridge, The MIT press 1988.
- Todorova, T. The company in the context of the theory of transaction costs. Magazine. Economic Thought 1/2004.

Trendafilov, P. Agricultural Production Cooperatives in Bulgaria - theoretical analysis. Acad. Ed., Plovdiv. 1999. p. 39.

Trenea, M. Theory cooperative. Ed. Economy, Sofia. 1994. p. 126.

Trifonov, E. Market: microeconomic issues. Ed. UR, Ruse. 2003. p. 216.

Twomey, DF Organizational competitiveness: Building performance and learning. Competitiveness review 12 (2) 2002, page 10

Van Duren, Martin, L., Westgren, R. Assessing the competitiveness of Canada's Agrifood Industry. Canadian Journal of Agricultural Economics (39), 1991 pp. 727-738.

Zhdanin, C. D. Management razvitiem enterprises to establish povyishenie the notions ego market. Abstract, Nizhny Novgorod. 2000. p. 9.

Zikmund W. - Business: The American Challenge for Global Competitiveness Burr Ridge, Irwin 1995, pp. 6-7, pp. 216-217.

Zinda, Y. Organization and management of agricultural enterprises and cooperatives. Ed. "Papageorgiou Patissia" Athens. 1994. p. 11