
Structural Models of the Consumer Goods Industry in China, Turkey and Italy

Natalya Aleksandrovna Rubtsova¹, Anna Vitalievna Baychik²,
Sergey Borisovich Nikonov³, Natalia Vladimirovna Bakirova⁴,
Tatiana Valerievna Belenkova⁵

Abstract:

The work researches foreign experience of developing consumer goods enterprises to define methodic basics of the economic entity management system, and optimal use of positive external and internal forces.

Within the comparative analysis the history of developing the countries that have strong competitive positions in the consumer goods industry is systemized, factors that had an impact on industrial production are revealed, the role of the state in the development is analyzed, and mechanisms of regulating the consumer goods industry are defined.

The authors form structural models of the industry functioning that make it possible to analyze competitiveness, sustainability and economic safety of the industry in the countries under consideration. Based on the conducted research, the main factors that make the basis for development and growth of the industry in foreign countries are generalized.

Besides, methods and techniques are recommended by the authors for domestic enterprises. These recommendations can improve the efficiency of active internal production counteraction to both internal and especially external destabilization forces.

Keywords: *development, efficiency, competitiveness, enterprise, consumer goods industry, products.*

JEL Classification: *L26, O10, Q18.*

¹ Saint-Petersburg State University, E-mail: n.a.rubtcova@mail.ru

² Saint-Petersburg State University, E-mail: annabaichik@gmail.com

³ Saint-Petersburg State University, E-mail: NikonovS@mail.ru

⁴ Saint-Petersburg State University, E-mail: afnat1963@yandex.ru

⁵ Saint-Petersburg State University, E-mail: belenkovatatyana@inbox.ru

1. Introduction

In the modern context many Russian and foreign experts agree that the role of some Asian and European countries in the global economy and international relations has increased and will dynamically grow in the future (Nikonov *et al.*, 2015; Nikonov, 2013; Nikonov *et al.*, 2016; Labush *et al.*, 2015; Chursin *et al.*, 2017). At the same time the forecasts rather coherently predict quick social and economic development and transformation of some of them into new centers of the economic development. And this is not news because the production of highly developed countries has focused on extending the range of goods at the expense of flexible innovation technologies, development of international marketing activity, improvement of the quality of products, considerable investments to create powerful equipment. And to a great degree all such efforts define successful development of the industry.

Fast development of economies of these countries that are focused on providing the growth of the manufactured products strengthen the interest in researching competitive advantages of national economies, their components and separate factors (Epifanova *et al.*, 2015).

In the context of the increasing competitiveness on the international market and high ability of foreign goods to comply with consumer demands, Russian enterprises have weak positions due to many reasons. In such situation there is an inevitable issue about maintaining and developing the production potential of Russian enterprises. To understand the processes that are taking place in the consumer goods industry, and to form competent industrial policy focused on supporting this industry, the international practice of developing highly developed production is analyzed. This analysis will allow to estimate achievements and failures of highly developed countries, as well as to use the foreign experience in Russian realities.

2. Methodology

The research applied the method of comparative analysis, and considered the Chinese, Turkish and Italian experience. These countries have been selected because for many years they have been successfully working on the international market, and have strong competitive positions in the consumer goods industry. Within the comparative analysis of the industry development in the above countries, their history is generalized, and models of key factors that make up the basis of the formation and growth of enterprises working in the consumer goods industry of these countries are formed.

When making the analysis, the following tasks were solved:

- The factors that had an impact on the growth of the industry's production were revealed;
- The role of the state in the industry development was analyzed;
- Mechanisms of regulating the industry were defined;

- Techniques and methods recommended for developing national enterprises based on the experience of foreign countries were shown.

The comparative analysis was made in 2 stages. At the first stage the history of the selected states development was systemized, and structural models of the industry functioning by 4 main blocks were formed:

1. Production process (number of enterprises, areas of industry);
2. Facilities and resources;
3. Technological infrastructure;
4. Selling products.

The formed models will allow analyzing competitiveness, sustainability, and economic safety of the industry in the countries under consideration. At the second stage of the comparative analysis, the main factors that make up the basis of the formation and growth of the industry in foreign countries are generalized, as well as methods and techniques recommended by the author for developing the consumer goods industry in Russia are given.

3. Results

3.1 Development of Consumer Goods Industry in China

Over one century of its development, especially after 20 years of economic reforms and openness policy, the Chinese industry has achieved high results and made up a strong basis for the further activity.

Speaking about a variety of measures and tools of the economic reform, we will consider basic stages of the economic construction that had an impact on the development of the consumer goods industry (Table 1).

Table 1. Stages of Developing the Consumer Goods Industry in China

Period	Event	Comments
Late 1970s	Delegating the economic autonomy to enterprises (1978-1980)	The policy of privatization became the beginning of these reforms. The reform was carried out in the system of PRC import-export trade declared as "openness to the whole world". Limited rights for the economic self-government were transferred to the subjects of the international economic activity. By the end of 1999 the number of mixed (38.5% as compared to 22%) and private enterprises (33% as compared to 0.2%) had increased.
	Forming the innovation policy	A new investment policy was adopted to attract both domestic and foreign investments in the country's economy. The use of credits and loans of foreign states is applied to create new or modernize

		operating enterprises. At the same time, joint Chinese enterprises of the consumer goods industry with a different share of foreign participation become the main form of economic cooperation in China.
	Creation of special economic zones (since the 1980s)	Since 1980 in the seaside regions five special economic zones and several zones of economic reclamation had been created. They obtained investment and tax incentives from the state. These actions were focused on attracting foreign capital and technologies that are competitive on the world market.
Early 1980s - late 1990s	Introduction of the system of production responsibility for the result at enterprises among employees and managers (1984)	The system of “modern enterprises” is introduced. According to it, functions and responsibility must be clearly allocated between the government and enterprise. The government as the owner and macro-economic regulator has the right to control the activity of economic subjects. In their turn, enterprises get the status of the legal entity and must bear responsibility at the expense and within their property.
	Price formation reform (since the beginning of reforms to 1988)	The state sets prices only for products of natural monopolies, specific goods, and prices of the consumer goods industry are defined by the market. The share of market prices for consumer goods achieved 90%, and 80% for means of production (Pan Zhijian, Wu Di & Yanhui Dong, 2009). The result of changing the system of price formation for the PRC was the equal competition between enterprises and optimization of allocating economic resources.
	Formation of the system of private and state partnership in the area of innovations (1985-1995)	The state changes the system of supporting the consumer goods industry. It replaces subsidizing by implementing the project system of financing sciences. Research organizations are selected. As a result, by the end of 1990s one third of all research institutes had become a part of large industrial enterprises.
	Reform of the system of joint stock companies (since 1998)	Using actual loans from new shareholders, a low of enterprises of the consumer goods industry carried out technological modernization.
	Improving the reform on allocation systems and social provision	The reform in terms of labor is carried out. As a result, the excess personnel of publically owned enterprises – state and collective – decreases. It contributed to the transfer of the labor force from one industry to another. Tempos of the salary growth started complying with the tempos of the labor efficiency growth.

	China joining the WTO (2001)	When entering the WTO, China maintained some non-customs limitations for the consumer goods industry. The policy of quoting till 2006 limited the growth of textile and provided stable growth of export within the quote. This break point contributed to higher tempos of the textile and clothing industry development.
Early 2000s until now	Implementation of the program on developing the consumer goods industry (2011-2015)	The strategy pays much attention to the independent innovation and development of technologies. The increase in the share of central and western regions in the gross products of the consumer goods industry from 32% in 2010 up to 40% is considered.

When considering historical periods of the industry development in details, over the recent two decades and more the economic growth in the PRC has been ensured due to extensive factors. Great capital investments including foreign ones, stable flow and employable population and mass move of the labor force from the agrarian to the industrial sector played a special role.

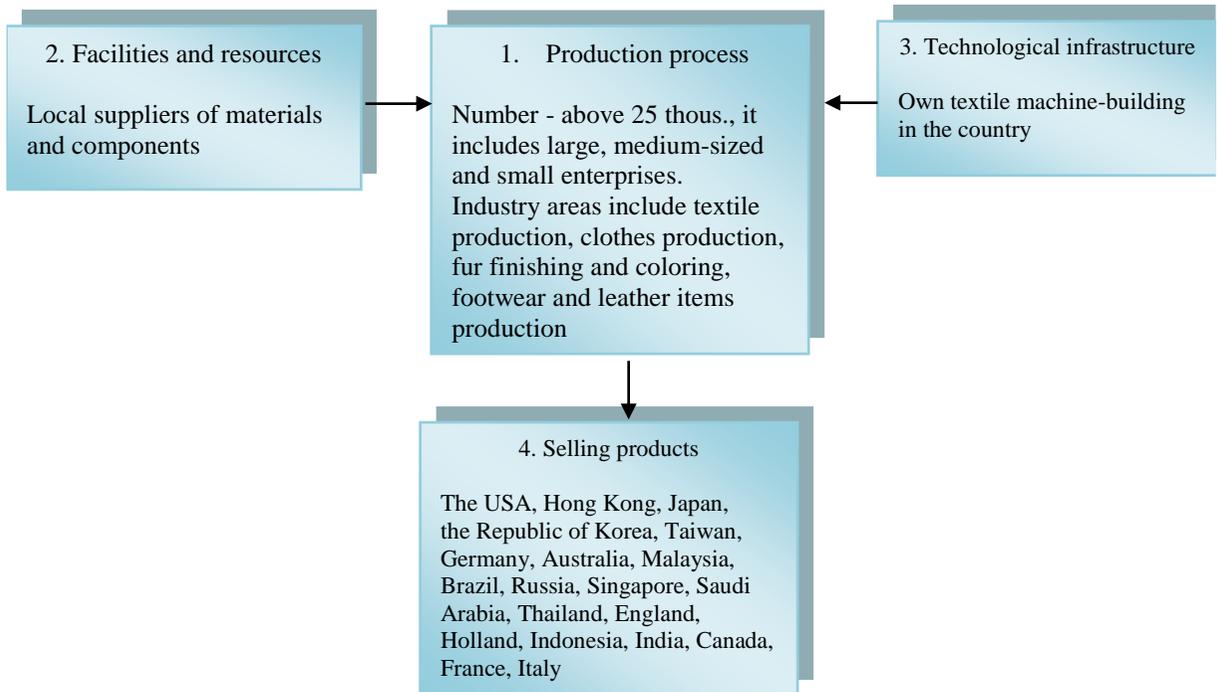
Due to the implementation of the indirect mechanism of regulating macro-economy, indicators of the production efficiency in the consumer goods industry improved, the economic independence of enterprises extended, and technical re-equipment took place. The innovation-focused development of enterprises also contributed to the growth of the economic efficiency in the sector. It is important to note that the PRC government pays a lot of attention to the aspects of attracting foreign investments. There are various organizations specializing in issues related to the development of the investment activity, systems to appraise foreign investors, and tax incentives for investment enterprises. Due to direct foreign investments, China made up a strong competitive advantage for the customer goods industry.

Today the PRC is the world global producer of textile and garment goods Due to their low cost, larger ratio of hand work, and more loyal investment mode as compared to other countries. As for the external trade, the use of the pursued “openness” of the economy and participation of the PRC in the WTO is rather considerable. Now let’s consider the structural model of the Chinese consumer goods industry (Figure 1).

China produces synthetic fibers, yarn, cotton textile, wool, woolen cloth, silk, store clothes and footwear, and holds the first position in the world by these areas where the production of cotton is the fourth part of the whole world production (Block 1, Figure 1). Consumer goods industry is distributed around the country. The main textile centers are Shanghai, Guangzhou, and Harbin. The production grows due to applying synthetic fabric. It is important to note that Chinese products are characterized by reliability, and if over the recent 20 years the label “Made in China”

had associated with the low-quality products, now the situation has changed essentially (Mu, 2012).

Figure 1. *Structural Model of the Chinese Consumer Goods Industry*



Block two of the structural model - the availability of local suppliers – is one of the key advantages of the industry development. PRC is the largest producer of cotton. It annually produces on average about 6 mln. t. of this valuable product and provides Chinese enterprises with raw materials (Cherny, 2010).

Besides, modern equipment and its quick replacement are extremely important for the industry competitiveness (Block 3, Figure 1). The Chinese consumer goods industry has its own machine-building. Approximately 80% of the production capacity of enterprises has been created at the expense of the domestic equipment (Minvey, 2012). Considering block four of the model, it is necessary to note that European and American markets are the top priorities for Chinese textile producers.

3.2 Development of Consumer Goods Industry in Turkey

Today Turkey is finalizing the decade of the large-scale reforms, the implementation of which allowed the country to overcome several economic crises and create

powerful industry that comes with the increase in the production volume, labor efficiency, quality and competitiveness of the manufactured products. When considering historical period of the industry development, it is necessary to single out the following stages (Table 2).

Table 2. Stages of Developing Consumer Goods Industry in Turkey

Period	Event	Comments
Early 1960s - late 1970s	Establishment of organizational industrial zones (OIZ) (since 1962)	These actions were taken to support and appraise the development of industry in the country. OIZ are powerful industrial complexes that get a wide range of organizational and technical services from the state. Zones on producing leather became the first OIZ.
	Establishment of a voluntary organization "Trade Union Confederation of Turkish Employees" (TUCTE) (1962)	This organization was the only highest instance that represented employers in terms of production. The Confederation consisted of 22 trade unions and 9,600 enterprises that operated in the industry (Anadolou Turkish Information Agency, 2008). TUCTE took efforts to adopt laws to protect its members and increase the salary.
	Fulfillment of the "high tempos of industrial production" plan of the industrial development designed for five years (1963-1967)	Structural changes in the industrialization policy take place. Special attention is paid to the creation of the mixed economy, i.e. participation of the foreign capital in the construction of enterprises, creation of joint import and export unions, trade and credit and bank institutions. The policy of counteracting import is pursued.
Early 1980s - late 1990s	Supporting export of national products	Since the second part of the 1980s investments in the industry were made quicker. Equipment for developing productions focused on export was actively modernized. In order to focus funds on the industry, the Council for Capital Markets was established, bank services were improved, and the process of improving services related to transportation and communication was accelerated.
	Establishment of free trade zones (1987)	20 free trade zones were established. Enterprises that located their production in free economic zones obtained various tax incentives (release from corporate and income tax) from the state. Today above 96% of the gross trading volume in free economic zones is related to the industry including 16.4% - textile goods (Anadolou

		Turkish Information Agency, 2008).
	Implementation of the Agreement about the Customs Union between Turkey and the European Union (1996)	The fact of Turkey entering the Customs Union with the European Union was an impulse for the further productive development of the industry, improvement of the competitiveness on international markets, and continuing development of the export potential of the consumer goods industry.
Early 2000s until now	“On Improving the Investment Environment” reform (2001)	The activity of foreign enterprises became equal to the activity of local forms. Conditions of purchasing property by foreign individuals and legal entities were simplified. Subsidies for investors, small and medium-sized enterprises, free trade zones and technological zones were introduced.
	Financial economic crisis (2001 and 2008)	The national currency is depreciated. Limiting loans for enterprises causes the decrease in orders and disruption of stable activity of industry. Due to competent measures for stabilizing economy after 2001 and 2008 crises, it is since 2010 when the government has managed to achieve generally sustainably high tempos of growth in the industry, as well as to decrease inflation indicators.
	Adopting the National Strategy (NS) and plan on implementing innovations (2008-2010)	The scheme of control over the development of science, innovations and engineering both domestically and internationally was created to strengthen the activity of state and private members in the area of innovations, providing competitiveness and production forces.
	Approval of the country industrial strategy for 2011-2014 titled “On the way to the EU membership”	The document provides 72 measures on developing the industry related to improving the operation environment, international trade and investments, availability of financing, technological development, development of the infrastructure sector, and industrial policy (general and industrial).
	Implementing the project “National research and Technological Policy. Strategic Plan for the Period of 2003-2023”	The document provides the fulfillment of a number of tasks in the areas defined as strategic: nanotechnologies, production processes and technologies, materials technologies, energy-saving technologies (Kasaev, 2013).

Studying the history of the Turkish consumer goods industry development, it is necessary to note a vivid focus on export. To a definite degree, it contributed to

joining the Customs Union by Turkey. Within fulfilling the task on entering the European Union, European industrial standards are imported, which has a positive impact on the competitiveness of the consumer goods industry. Now the government pays much attention to small and medium-sized enterprises that operate in the external economic area, provides financial support, takes measures on the information servicing, industrial and marketing consulting, and contributing to the export development at the expense of participation in foreign exhibitions and fairs. Within supporting and developing exporting enterprises in Turkey, there are various departments and regional agencies.

It is necessary to note that textile production actively developed due to the system of state investments. Considerable investments in the technical modernization and implementation of modern technologies at every stage of the production cycle led products of the consumer goods industry to the new level of competitiveness that complies with European quality standards (Pociovalisteanu *et al.*, 2010; Thalassinos and Politis, 2011; 2012; Thalassinos *et al.*, 2012; 2015).

The closest attention of the country's government (20 clauses of 72 ones adopted in the Strategy) is paid to the improvement of the Turkish production feasibility. To implement plans in the research and technical area, departments and agencies, private business, financial and credit institutions are involved. The international experience is researched to adapt it to Turkish conditions. Transfer of technologies from abroad causes special interest (Starodubtsev, 2011; Sedova *et al.*, 2017). Now let's consider the structural model of the Turkish consumer goods industry (Figure 2).

Availability of local suppliers in the country is a factor of successful development of the industry (Block 2, Figure 2). Suppliers are represented by numerous small and medium-sized firms that participate in the production, as well as producers of components that provide producers with all they need.

The greatest part of products supply goes to countries of the European Union (basically Germany and Great Britain) (Block 4, Figure 2). Other important markets for Turkish producers are France, the Netherlands, and Russia. Closeness of Turkey with the EU market, Russia and Turkic republics, as well as the development of relations with these economies are the most important opportunities the country has.

3.3 Development of Consumer Goods Industry in Italy

The Italian experience of developing consumer goods industry is of great interest. Italy is one of the largest producers and suppliers of textile items and footwear on the global market (Table 3).

Figure 2. Structural Model of the Turkish Consumer Goods Industry

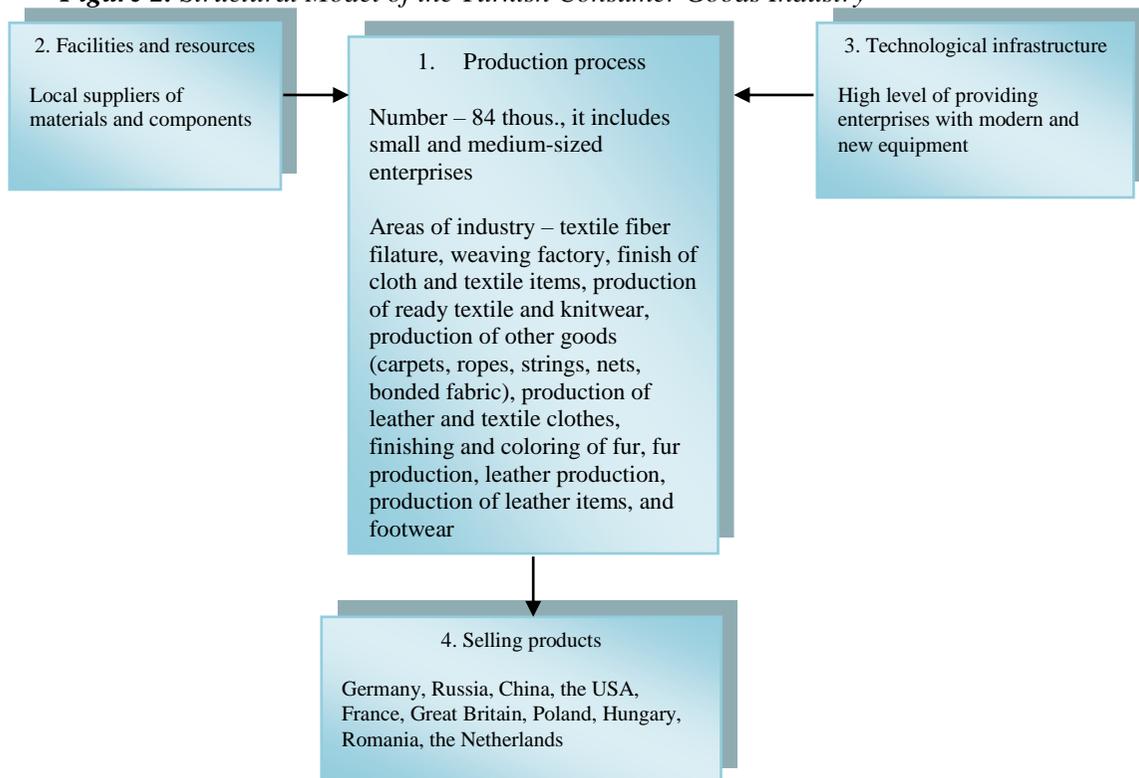


Table 3. Stages of Developing Consumer Goods Industry in Italy

Period	Event	Comments
Early 1960s – late 1980s	Implementation of the law for privileged acquisition of the machine-tool equipment (1965)	This law allows small and medium-sized enterprises to purchase equipment by installments at a privileged price if the equipment is new. As a result, new technologies are distributed, and the technical level of the industry enterprises improves.
	Transnational corporation joining the footwear industry (late 1970s)	Such companies as Reebok, Intersport, Timberland, Fila, etc. have research departments and develop programs jointly with enterprises. Joining the transnational corporation contributes to improving the industry competitiveness.
	Globalization	In the middle of the 1980, the consumer goods industry opened itself to the world market. There are intensive production and commercial interrelations with external consumers and suppliers.

	Fall of the Berlin Wall (1989)	It provided enterprises with opportunities to cooperate with East-European countries. The process of transferring some stages of the production to other countries begins. It provides enterprises with the opportunity to focus on such important issues as the analysis of design and fashion, production of special components, and researches. It causes the change of the demand structure in favor of high quality goods.
Early 1990s until now	Creation of industrial districts (1991)	Uniting enterprises allowed financing the implementation of projects, solving issues of mutual crediting, improving the local production infrastructure. These actions provided the impetus for economic development of the consumer goods industry.
	Plan of equaling the level of the industrial development of the Italian North and South (2009)	Zones of freedom and zones with zero bureaucracy, as well as the Autonomous Bank of the Southern Italy were established for more efficient implementation of programs on providing enterprises with small loans.
	Implementation of "Integrated territorial projects"	Municipalities jointly with trade and commerce chambers, trade unions and other parties in interest develop projects of industry economic development.
	Providing estimation of the negative impact and possible consequences of taking statutory and administrative acts by state and regional bodies of power (2011)	These actions were introduced to minimize administrative taxes and bureaucratic burden on enterprises of small and medium-sized business.
	Implementation of the national program on Italian export for the period of 2013-2015	According to this program, it is planned to increase the volume of export by 2015 by 30% (from EUR 473 to 620 bln.). The program emphasizes the intention of the government to pay special attention to the developing markets and use new mechanisms of export insurance by establishing the Export Bank according to the American model.

Success of the consumer goods industry in Italy is related to the industry's focus on export. The government pays much attention to the issues on supporting enterprises focused on export and performs actions in such areas as:

-
- Providing organizational and technical, and informational contribution;
 - Applying a system of budgetary support and other financial assistance;
 - State insurance of export credits.

Besides, a factor of the economic efficiency of the industry development is its attractiveness for investors. Unlike other European countries, the Italian economy is diversified and does not depend on a definite sector. The stability of its banking system ensures active character of foreign investments. It is important to note that during crises Italy managed to maintain sustainability both in the industry and economy.

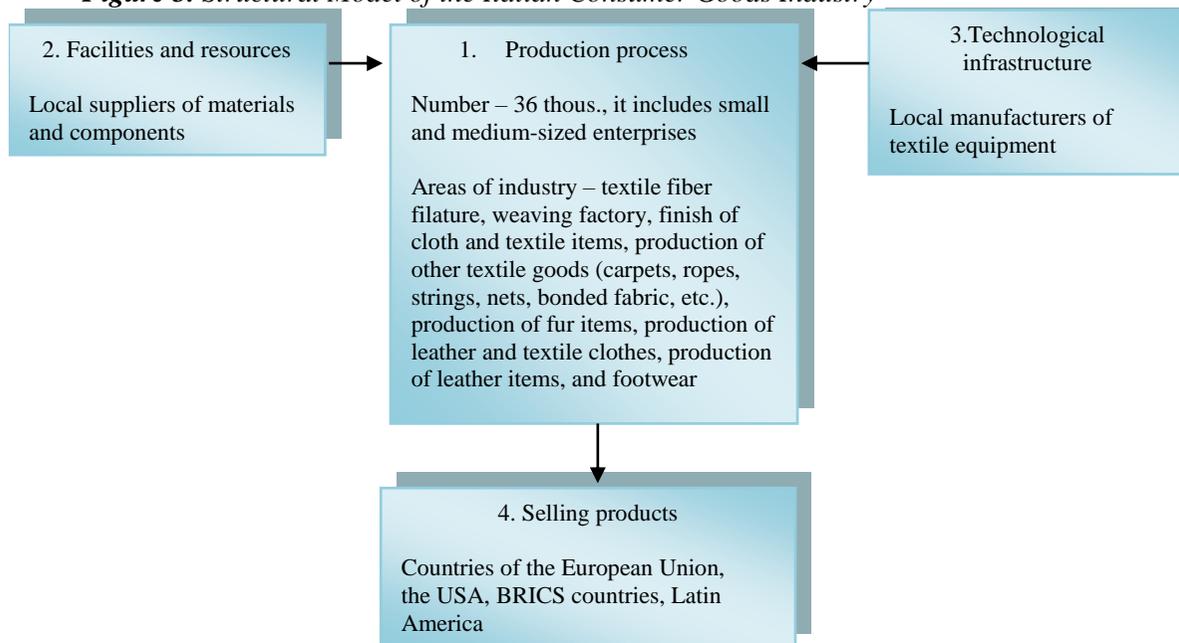
Considering the history of the industry development, it is possible to observe a rather manifold system of contributing to the small and medium-sized entrepreneurship. The system of state support of the industry in Italy is focused not on taxation but on such areas as concessional lending of the enterprises expenses for purchasing machine-tool equipment and elements of the basic capital (machines, patents, and licenses), providing organizational and financial assistance when establishing an enterprise, and mastering new technologies and investment projects. It is important to note that considering the high demand for Italian goods, the state pays much attention to promoting the activity of enterprises abroad via online mass media. Now let's consider the structural model of the Italian consumer goods industry shown on Figure 3.

The consumer goods industry in Italy is one of the largest producers and exporters of cotton and woolen fabric, clothes, footwear, accessories, etc. in the world (Block 1, Figure 3). The textile industry that includes above 15 thous. enterprises produce fabric and yarn from various types of materials. According to the footwear production, Italy holds the second position after China, and produces 28% of the world volumes. 15.7 thous. enterprises are involved in producing leather, leather items and footwear production (National Institute of Statistics of Italy, 2015). It is also necessary to note a high level of the products quality and fame of Italian brands that contribute to high competitiveness of the industry.

The sustainability of the industry development is achieved at the expense of the local world-class suppliers who provide producers with materials and components required for the production (Block 2, Figure 3).

The leading consumer of the industry products in EU countries is Germany, and then France. The USA remains the most important trading partner of Italy among industrially developed countries that are not members of the EU. China is a leader among BRICS countries (Block 3, Figure 3).

Figure 3. Structural Model of the Italian Consumer Goods Industry



One of the key factors of the industry development is local productions of mechanic machines and specialized equipment that allows making high quality products (Block 4, Figure 3). Now Italy is the fourth country in the world by the volume of textile equipment production where about 300 Italian companies are involved.

At the second stage of the comparative analysis basic factors that make up the basis of the industry formation and growth in the selected countries are generalized, as well as methods and techniques recommended by the author for developing the consumer goods industry in Russia based on the foreign practice are given (Table 4). When forming this data, the analysis made at the first stage is used.

Table 4. Second stage of the comparative analysis

Main factors that make up the basis of the efficient functioning of the industry in foreign countries	Basic techniques and methods recommended for developing national enterprises based on the experience of foreign countries
China	
Efficient socialistic market model of economy	Strengthening and improvement of macro-control
Low cost of production as a consequence of the following factors: climate conditions, availability of own raw materials, low level of salary	Taking measures on state support of projects related to raw materials (development of own base of raw materials by focusing on production of

	synthetic fibers). State regulation in the area of establishing a preference price for electricity
Developed infrastructure to maintain competitiveness	Creation of an efficient infrastructure to process and deliver raw materials to the production place
Large inflow of direct foreign investments as a consequence of active investment policy of the state	Formation and pursuing active policy of attracting foreign investments on the legislative level
Accessibility of loan resources of financing	Improvement of the credit resources availability
High level of the innovation activity	Innovation-focused development at enterprises by using program and target techniques
Favorable taxation mode	Systematization and strengthening of regulation of statutory and regulatory area of tax incentives, as well as other indirect taxes in accordance with the principles of taxation burden and fair competition
Availability of own textile machine building	Recovery of domestic textile machine building together with the leading foreign companies
Orientation on the efficiency of corporate management, system liberalization of the goods market in terms of the WTO requirements	-
Turkey	
Active state support of small and medium-sized enterprises in the external economic area. The industry focus on export	Implementation of the state program of long-term financing of enterprises focused on export
Use of industrial standards in compliance with the EU standards	Implementation of European systems of quality management
Optimal "price-quality" correlation, focus on any markets and a wide range of consumers	Pursuing policy of extending and adjusting the range of products to the market requirements at the expenses of flexible production technologies
High level of technological equipment of the industry enterprises, availability of own raw materials, highly developed infrastructure, availability of loan sources of financing	-
Italy	
Manifold system of contributing to small and medium-sized entrepreneurship	Development of the system to support and manage the industry

	on the level of self-regulating organizations (focusing attention on small and medium-sized enterprises that have a high level of flexibility and mobility)
High quality production focused on various demands of consumers	Focus of the industry on high quality production demanded on international markets. Functioning of systems of continuous improvement of employees' qualification
Demand for famous Italian brands in expensive segments of markets	Contribution to promoting the activity of enterprises via online mass media
High share of science-driven products in the total volume of the consumer goods production	Project and innovation cooperation of enterprises with research organizations
State support of export-focused enterprises, investment attractiveness of the industry, availability of own raw materials, availability of local productions of mechanic machines and specialized equipment	-

According to the data from the table, methods of state support and regulation are the most wide-spread among the factors of the industry development. As for Russian enterprises of the consumer goods industry, they must rely only on themselves because the state stimulation of the industry is not sufficient for developing highly efficient production.

4. Discussion

It is possible to find various definitions of the development notion in references, including economic ones. However, most often the development is characterized by such features and interrelatedness of quantitative and qualitative changes. As applied to the enterprise, the development is defined as strengthening its positions on the market, extending the range of consumers, expanding the volume of selling products, and harmonic interrelation with the environment.

Issues related to the development of productive forces have been researched in works of many national authors working in various areas. As for the foreign experience of development, these are the most actual works.

Researching foreign experience of developing the customer goods industry, some authors consider the formation and development of clusters as an efficient tool to improve competitiveness of the consumer goods industry. Thus, the author Berezina E.V. notes that the cluster approach allows carrying on a constructive dialogue between business, research area, and state that contributes to combining resources

required to create and commercialize innovations. In her work, the author forms models to organize clusters in sub-areas of the consumer goods industry and defines alternative ways of developing national cluster formations (Berezina, 2011). Based on international experience Burdenko (2015) defines the classification of methodologies to reveal the cluster in the consumer goods industry used by EU member countries.

Karasev (2012) proposes a methodic approach to analyzing and estimating the level of development of the customer goods industry in various countries of the world based on the extended rating that includes systematization of favorable factors and applied innovation methods and techniques of state management. According to the analysis results, the five strongest countries – PRC, India, the USA, the EU, and Japan - are defined. The author notes that the leadership is achieved by *“combining highly efficient business operations and competent policy of the state on supporting enterprises during a long period of time”*.

It is necessary to note that special attention in studying the foreign experience of developing the industry is paid to state regulation. Thus, in his work Andrianov (1999) interprets that *“the experience of industrially developed countries and new industrial countries says about long evolution of the state interference policy: from tough conducting to liberal monetarism, creation of self-regulation reforms”*. Smoleychuk (2002) analyzed the efficiency of economic reforms in various countries and at various periods, and noted that the results of economy above all were a result of management efficiency, because of the pursued economic policy including structural policy. The author sets a question about *“defining boundaries of the competent state regulation”* and considers the development of consumer goods industry in Middle Eastern countries.

Titova and Fradina (2009) consider international experience of the industry development in terms of entering the WTO by the countries. Based on the research, the authors note positive dynamics of the economy development, the customer goods industry of various countries. However, considering low competitiveness of the industry, the WTO standards will have both positive and negative effect for Russian enterprises. According to the authors, *“in spite of the strict standardization of state regulation, entering the WTO strengthens the role of state in regulating the external trade at the expense of occurrence of new juridical and organizational opportunities to protect interests of the industry”* (Titova and Fradina, 2009; Serebryakova et al., 2016).

Researching the foreign experience of the global markets of the customer goods industry, Volkova (2012) has focuses her attention on the self-regulating organizations. The author notes that *“one of the ways to organize the sectoral management is the use of self-regulation principles to formalize processes of forming new methods to manage enterprises of the industry”*. According to the author, the use of self-regulation principles to improve the sectoral management of

the Russian consumer goods industry must be supplemented by mechanisms of state and private partnership within sectoral measures of modernization stabilization and stimulation of the economic growth.

Dyukov (2013) considers the foreign experience of developing the consumer goods industry in terms of the resourceful provision. The work substantiates the principles and methods of using resourceful models. Considering their sectoral specialization made it possible to define methodic provision on selecting them. According to the author, *“applying resourceful models allowed to achieve higher efficiency of forming and carrying out all processes at enterprises of the consumer goods industry”* (Dyukov, 2013; Borisova *et al.*, 2015).

Besides, it is necessary to note works of the authors who pay attention to investing in the consumer goods industry. Based on studying the PRC foreign experience. Fradina (2010) defines the reasons of Chinese success when attracting foreign investments. She proposes to maintain a high level of the social, economic and political stability in the country, applying active national investment policy, and improving the legislation base to create the favorable background for foreign companies. In her work Mozglyakova (2012) says that *“it is possible to improve the quality of managing the investment policy only subject to taking measures focused on improving the investment attractiveness and investment activity in the industry by efficient use of resources when implanting state target programs, improving the organization structure, legislation base and monitoring investment activity”*.

5. Conclusion

The most important characteristic of the enterprise activity is the production development indicator. The work considers it as a process of qualitative changes in the production system, and is expressed in permanent purposeful transformations of the production structure focused on improving efficiency.

To implement the strategic area of successful development among consumer goods enterprises, and to form a competent industrial policy, the authors made the comparative analysis of the foreign development practice. Based on the obtained results, methods and techniques recommended by the author for the development of consumer goods industry in Russia were defined.

During the research it has been determined that to stimulate and maintain the industry that is socially and economically important, the methods of state support and regulation are extremely important. They include taxation, customs, and credit and investment policy. It is necessary to pay special attention to the state investment policy focused on forming the favorable investment climate and improving the efficiency of using budgetary investment resources. Besides, it is necessary to note that for supporting the customer goods industry, foreign countries use the innovation

model of the industrial policy. This model contributes to the development of the consumer goods industry with the high value added.

The methods and techniques recommended for the industry development can improve the efficiency of the active intra-production counteraction both to internal and especially external destabilization forces, during the crisis as well.

References:

- Anadolu Turkish Information Agency. 2008. Turkey. Ankara.
- Andrianov, V. 1999. State and Market: Mechanisms of Interrelation. *Marketing*, 5, 3-20.
- Berezina, E.V. 2011. Forming Clusters of Consumer Goods Industry. Moscow, 123.
- Borisova, O., Abramova, L., Zageeva, L., Popkova, E., Morozova, I. and Litvinova, T. 2015. Role of Agricultural Clusters in Provision of Food Security. *European Research Studies Journal*, 18(3), 287-298.
- Burdenko, E.V. 2015. Impact of Industrial Policy and Zoning on Development of Consumer Goods Industry in Russia. Moscow, Pero Publishing House, 83.
- Center of Situational Analysis of the Russian Academy of Sciences. 2012. Turkey: New Role in the Modern World. Moscow, TsSA RAN, 27.
- Chernyi, D. 2010. Textile Dominant. *Bulletin of China*, 3(7), 126.
- Chursin, A.A., Shamin, R.V. and Fedorova, L.A. 2017. The Mathematical Model of the Law on the Correlation of Unique Competencies with the Emergence of New Consumer Markets. *European Research Studies Journal*, 20(3A), 39-56.
- Dyukov, M.S. 2013. Development of System on Resources Provision of Consumer Goods Enterprises. Moscow, 137.
- Epifanova, T., Romanenko, N., Mosienko, T., Skvortsova, T. and Kupchinskiy, A. 2015. Modernization of Institutional Environment of Entrepreneurship in Russia for Development of Innovation Initiative in Small Business Structures. *European Research Studies Journal*, 18(3), 137-148.
- Fradina, T.I. 2010. Competitiveness and Economic Safety of the Enterprise in the Context of Russian Joining the World Trade Organization. Monograph, Saint-Petersburg, SPGUTD, 106-110.
- Karasev, P.A. 2012. Development of Methods to Manage Consumer Goods Enterprises in the Context of Forming the Innovation Environment. Moscow, 70.
- Kasaev, E.O. 2013. Russia – Turkey: Modern State and Possible Scenario of developing Economic Relations. Moscow, Institute of the Middle East, 75.
- Labush, N.S., Nikonov, S.B., Puiy, A.S., Georgieva, E.S. and Bekurov, R.V. 2015. War and armed conflict in the information space. *International Review of Management and Marketing*, 5, 30–35.
- Minvey, 2012. China, Beijing, Publishing House in Foreign Languages, 134.
- Mozglyakova, E.V. 2012. Improvement of Investment Policy in the System of Managing Consumer Goods Enterprises. Thesis abstract for Candidate in Economics, Moscow, 6.
- Mu, L. 2012. Compliments to Chinese Goods. *Open China*, 9(15), 16.
- National Institute of Statistics of Italy. Digital resource. Access mode: <http://www.istat.it/en/>.
- Nikonov, S.B. 2013. Information society in its function as an object of directed influence of Noopolitics. *World Applied Sciences Journal*, 27(13A), 241–246.

- Nikonov, S.B., Achkasova, V.A., Labush, N.S., Baichik, A.V. and Puiy, A.S. 2016. Noopolitic as an information strategy: Genesis of the conceptual apparatus and definition. *Man, in India*, 96(10), 4129–4138.
- Nikonov, S.B., Baichik, A.V., Zaprudina, R.V., Labush, N.S. and Smolyarova, A.S. 2015. Noopolitics and information network systems, Special issue. *International Review of Management and Marketing*, 5, 44–48.
- Pan, Zhijian, Wu, Di and Yanhui, Dong. 2009. *Forming and Developing Market Mechanism in Chinese Industry*. Moscow, MAKS Press, 37.
- Pociovalisteanu, M.D., Thalassinou, I.E., Tirca, A. and Filho, L.W. 2010. Trends and challenges in the energy sector of Romania in the post-accession to the European Union. *International Journal of Environmental Technology and Management*, 12(1), 3-15, DOI: 10.1504/IJETM.2010.029957.
- Sedova, N.V., Gagiev, N.N. and Melnikova, D.M. 2017. Role of Agricultural Import Substitution Policy in Ensuring Food Safety of the Country. *European Research Studies Journal*, 20(2B), 251-260.
- Serebryakova, N.A., Semenenko, V.S., Grishchenko, V.N. and Ulchenko, Y.T. 2016. Competitive Potential of Trade Organization: Theoretical and Methodological Foundations of Formation and Realization. *European Research Studies Journal*, 19(2), 3-11.
- Smoleychuk, I.M. 2002. *Competitiveness of Consumer Goods Industry: Methodology and Experience*. Vladivostok, Dalnauka Publishing House, 56.
- Starodubtsev, I.I. 2011. *Transforming Turkey*. Moscow: Institute of the Middle East, 86.
- Titova, M.N. and Fradina, T.I. 2009. *World Trade Organization: Essence and Role in Regulating World Trade*. Monograph, Saint-Petersburg, SPGUTD, 143.
- Thalassinou, I.E. and Politis, D.E. 2011. International Stock Markets: A Co-integration Analysis. *European Research Studies Journal*, 14(4), 113-129.
- Thalassinou, I.E. and Politis, D.E. 2012. The evaluation of the USD currency and the oil prices: A VAR Analysis. *European Research Studies Journal*, 15(2), 137-146.
- Thalassinou, I.E., Ugurlu, E. and Muratoglu, Y. 2012. Income Inequality and Inflation in the EU. *European Research Studies Journal*, 15(1), 127-140.
- Thalassinou, I.E., Ugurlu, E. and Muratoglu, Y. 2015. Comparison of Forecasting Volatility in the Czech Republic Stock Market. *Applied Economics and Finance*, 2(1), 11-18.
- Volkova, G.Yu. 2012. *Managing Strategic Development of Consumer Goods Industry of Russia: Theory and Practice*. Moscow.