

Zere Kenzhebayeva¹, Agina Toiganbayeva², Sholpan Akhmetova³

PROBLEMS OF INCREASING THE COMPETITIVENESS OF THE NATIONAL ECONOMY OF THE REPUBLIC OF KAZAKHSTAN

The article discloses the essence of competitiveness (of goods, services, companies and the country) in the context of globalization. Particular attention is paid to the methodological approaches that have the greatest impact on the assessment of the national economy competitiveness.

Keywords: competitiveness of goods; company's competitiveness; national economy competitiveness; competitiveness methods evaluation.

Зере Кенжебаєва, Агіна Тойганбаєва, Шолпан Ахметова

ПРОБЛЕМИ ПІДВИЩЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ НАЦІОНАЛЬНОЇ ЕКОНОМІКИ РЕСПУБЛІКИ КАЗАХСТАН

У статті розглянуто сутність конкурентоспроможності (товарів, послуг, фірм та країни) в умовах глобалізації. Особливу увагу приділено методичним підходам, які мають великий вплив на оцінювання конкурентоспроможності національної економіки.

Ключові слова: конкурентоспроможність товарів; конкурентоспроможність фірми; конкурентоспроможність національної економіки; методи оцінки конкурентоспроможності.

Табл. 1. Літ. 10.

Зере Кенжебаєва, Агіна Тойганбаєва, Шолпан Ахметова

ПРОБЛЕМЫ ПОВЫШЕНИЯ КОНКУРЕНТОСПОСОБНОСТИ НАЦИОНАЛЬНОЙ ЭКОНОМИКИ РЕСПУБЛИКИ КАЗАХСТАН

В статье рассмотрена сущность конкурентоспособности (товаров, услуг, фирм и страны) в условиях глобализации. Особое внимание уделено методическим подходам, имеющим наибольшее воздействие на оценку конкурентоспособности национальной экономики.

Ключевые слова: конкурентоспособность товара; конкурентоспособность фирмы; конкурентоспособность национальной экономики; методы оценки конкурентоспособности.

Problem statement. In today's globalized world the competitiveness of national economy is determined by its weight in the world economy, the availability of competitive advantages in specific industries and the potential for their development. The leading factors of increasing the competitiveness of a country are legislation, industrial policy, innovation system, the degree of external independence and security, internal economic and social stability, the system of education. To gain a decent competitive position within the global economy Kazakhstan needs a long-term strategy for socioeconomic development and the transition to innovative development.

The literature review on the problem. The contemporary problems of competitiveness were reflected in the works of Russian scientists, such as E.F. Borisov (1999), A.S. Bulatov et al. (1999), A.I. Dobrynin and L.S. Tarasevich (2006), S. Phokin (2011), E. Yasin (2004) etc.

The main material. Today globalization has produced and widely spread such a phenomenon as international competitiveness of national economies. According to

¹ Almaty Technological University, Kazakhstan.

² Kazakh Ablai khan University of International Relations and World Languages, Almaty, Kazakhstan.

³ Kazakh Ablai khan University of International Relations and World Languages, Almaty, Kazakhstan.

its requirements, the criteria of the world market must comply not a separate group of products, not the number of firms and even industries, but the national production system and economic mechanism of a country.

The essence of competitiveness (goods, services, companies or countries) is pre-determined by the meaning of the term "competition". Competition is one of the key features of market economy, and the notion "competition" refers to fundamental terms of economic theory. The importance of competition for market economy is enormous. Competition is an integral part of market environment and the necessary condition for entrepreneurial activity development.

According to the most common definition, competition (Latin "concurrere" – compete) is the rivalry between participants of market economy for better conditions of production, purchase and sale of goods (Borisov, 1999). Competition is a civilized, legalized form of the struggle for existence, and one of the most effective mechanisms of selection and regulation under market economy (Dobrynin and Tarasevich, 2006). Fair competition is not aimed destruction of rivals, its purpose is the acquisition of certain benefits (preferably sustainable and long-term) in the production and sales of goods.

About the contents of competition there are different interpretations, depending on the positions taken by theorists. A. Smith interpreted it as a behavioral category, where individual buyers and sellers compete at a market for more profitable sales and purchases. According to neoclassical economists, competition is the struggle for economic resources, for the approval of a stable niche at a market. I. Schumpeter considered that most important thing in competition is the introduction of innovations, "creative destruction" of the outdated; itself, competition is not ideal, technological progress often provides a monopoly. Considering the process of competition, F. Hayek's emphasized role of information, which is done through the movement of prices, links producers and consumers (Bulatov et al., 1999). In contrast to the concept of "competition" in the term "competitiveness" the emphasis is not on the process of struggle and rivalry between the participants of market economy, but on particular characteristics of goods (services), businesses, industry, and the entire system of national economy, reflecting their importance, place at markets. Michael Porter in his book "International competition" under competitiveness understands the property of goods, services, market entities that act at a market along with those presenting there similar products, services and competing actors of market relations.

According to M. Porter (1993), competitiveness is:

- First, the ability to create such superiority (advantage) over competitors, which allows reaching goals.
- Second, the productivity of the use of competitive advantages.

Competitiveness is a complex economic category, which can be considered at several levels:

- Competitiveness of goods.
- Competitiveness of producers (or firms).
- Industry competitiveness.
- Competitiveness of countries (Phokin, 2011).

In this case, competitiveness of countries or the national economy in general may occur only at the international level. In contrast, the competitiveness of prod-

ucts, businesses and industry can be defined at both domestic and international markets, in other words, at national and international levels.

Between all these levels of competitiveness, there is a close internal and external dependence. Thus, the competitiveness of national economy and its individual branches is ultimately dependent on the ability of individual producers to produce competitive goods. On the other side of the competitiveness of individual firms (companies) depends on the competitiveness of the national economy as a whole, because a firm operates in the macro- and microformulated framework of the national economy.

Competitiveness of goods is understood as a complex of consumer, price and quality characteristics of a product that determine the demand for it both at domestic and external markets. Trading competitiveness is directly dependent on diverse factors. Among them paramount are production costs, productivity and work intensity, which affect costs and product quality. At present in the international competitiveness of goods essential importance belongs to quality, novelty and high technologies. Therefore, most countries provide increased competitiveness of their products through the use of innovations, developing high-tech products.

The competitiveness of goods is the stable ability to meet specific needs of customers above the competition, and thus successfully sell products with acceptable financial results for a manufacturer. At the same time, it is composed of 3 main components. One is associated with a product and is largely down to quality. Another depends on the creation, distribution and service of goods, which determines price. The third reflects advertising, means of stimulating, company's image, trademark, packaging, warranty etc.

Competitiveness of any economic subject (company) consists of a number of competitive advantages, identified at domestic and international markets by comparing with the corresponding figures of domestic and foreign firms and competitors. These include, first of all: the profitability of production, sales volume, nature of innovation, the level of labor productivity, the efficiency of strategic planning and management firm, adaptability (the ability to respond quickly to changing requirements and market conditions) etc.

Obviously, the wider is the range of the company's competitive advantage and the higher are their qualitative characteristics, the more favorable conditions it has to be successful at the global market, the more stable position it can take on some market segments. Thus, one of the main criteria of international competitiveness is the share of a firm at the world market of certain goods or services.

Thus, competitiveness is an objective process that reflects the continuity and the dynamism of economic system.

Competitiveness policy is not a fragment of general economic policy, as always was thought of industrial policy: it is a state economic policy, the main goal of which is increasing the competitiveness of a country by improving the competitiveness of goods and services, resources, and institutions (National institute for system studies of entrepreneurship, 2009).

In contemporary economic literature there are several approaches to the assessment of national economy competitiveness. The first approach to the assessment of national economy competitiveness is used by the World Economic Forum, to calcu-

late the Global Competitiveness Index (GCI). The second approach was proposed by the professor of Higher School of Economics E. Yasin (2004). Each year the World Economic Forum publishes a report on the competitiveness of economies of several countries in which competitiveness is measured by two indices: the index of global competitiveness (GCI) and the index of business activity competitive (BCI). Each of these indices is composed of several components.

Until 2006 the Global Competitiveness Index consisted of 3 components: the index of country's adaptability, the index of public institutions and the macroeconomic environment index. Since 2006, the number of factors increased from 35 to 90, located in 9 major groups: 1) institutions; 2) infrastructure; 3) macroeconomic environment; 4) health and primary education; 5) higher education; 6) market efficiency; 7) technological readiness; 8) business activity (sophistication); 9) innovation. In turn, business competitiveness index consists of 2 components: 1) the quality of national business environment; 2) operations and strategies of companies.

Each of the above groups covers a certain aspect of social and economic spheres of society. The approach is used by the World Economic Forum to describe the competitiveness on the basis of the system of interrelated indicators.

Under the current circumstances, the notion of national competitiveness is an essential indicator of any country development. As a result of globalization, more countries are paying attention to national competitiveness at world markets. Many countries, such as Ireland, Saudi Arabia, Greece, Croatia, Bahrain, the Philippines and some others have specific advisory councils or government agency for national competitiveness analysis.

As we have already noted, the study on national economy competitiveness is engaged in international organization such as the World Economic Forum (WEF). According to the definition of the WEF, "national competitiveness is the ability of a country and its institutions to ensure stable economic growth, which would be stable in the medium term. National competitiveness is very important for the countries with small open economies, because they depend on international trade and foreign investment" (World Economic Forum, 2012).

WEF evaluates the competitiveness of Kazakhstan since 2005. In the first WEF Global Competitiveness Report for 2005–2006 Kazakhstan was ranked 61st with the Global Competitiveness Index (GCI) of 3.7 points. According to the report for 2011–2012 GCI of the Republic of Kazakhstan increased to 4.18 points. However, Kazakhstan's rating dropped from 61 to 72 place. The reduced position of Kazakhstan is due, primarily, to an increase in the number of the countries studied, from 117 in 2005–2006 to 142 in 2011–2012, which some included newly countries with developed economies (Table 1).

Table 1. Kazakhstan's position in WEF, 2005 to 2012

	2005– 2006	2006– 2007	2007– 2008	2008– 2009	2009– 2010	2010– 2011	2011– 2012
Kazakhstan's position	61	56	61	66	67	72	72
GCI points	3.7	3.9	4.14	4.11	4.08	4.12	4.18
Number of countries	117	125	131	132	133	139	142

Compiled from (WEF, 2012).

The methodology to evaluate the GCI is composed of 3 factors:

1. Basic requirements.
2. Factors efficiency.
3. Innovation factors.

Each of these factors consists of a number of subfactors emerging from the set of indices.

It should be noted that out of the list of indicators measured by WEF, there has been excluded such indicator as "Restrictions of capital movement" subfactor "The conditions for the development of financial markets." In addition, to the list of indicators "Goods market efficiency" was added the indicator of "Imports % of GDP," according to which Kazakhstan has taken the 116 position.

All the countries participating in this ranking are divided into 3 groups according to the stage of a country development. Kazakhstan occupies a transitional stage between stages 1 and 2.

It should be noted that the amount of being ranked countries has increased to 142. In particular, for the first time took part in the rating Yemen, Haiti and Belize. Thus, if we compare the positions of these countries in terms of "specific weight" which is the highest in the formation of the rating, it can be concluded that the geographic expansion rating had little effect on the position of Kazakhstan (Ministry of economy and budget planning of the RK, 2012).

In domestic economic science, there are alternative methods for the evaluation of country's competitiveness. One of these valuation techniques is presented by E. Yasin (2004), who identified 4 specific groups of competitiveness: 1) external competitiveness; 2) domestic competitiveness; 3) competitive resource; 4) institutional competitiveness.

External competitiveness E. Yasin (2004) determines as the ability of a country's economy to sell goods and services in world markets, the availability in the structure of exports if enough goods and services, providing effective, sustainable balance of a country.

As a part of this specific group can be distinguished such an indicator of national economy competitiveness as exports. It allows determining the demand for manufactured products at the world market, and helps to attract money into a country. However, for more accurate measurement of external competitiveness of national economy in the world we can use the coefficient of revealed comparative advantage RCA (revealed comparative advantage), calculated as the ratio of a country's share at the global market of the product to its share in world exports. National economy has a competitive advantage if $RCA > 1$ (Yasin, 2004).

Domestic competitiveness of the economy E. Yasin (2004) determines as "domestic sales in competition with imports and other domestic goods, along with exports providing the necessary level of employment and income. Typically, external competitiveness requires an internal one, but not vice versa. Sales at the domestic market provides the prerequisite of external competitiveness, but it is not a guarantee. This is a lower level of competitiveness". Consideration of internal competitiveness allows allocating such indicator as the ratio of imports volume to the volume of similar goods production. This indicator provides a measure not only of internal competitiveness of national economy but also the competitiveness of domestic firms and goods compared to foreign counterparts.

As a part of resource competitiveness we can distinguish: natural resources, human resources and manufacturing resources. The presence of these types of resources is an important factor in improving the competitiveness of national economy.

Another, no less important group of competitiveness is competitive institutions. The competitiveness of institutions E. Yasin (2004) defines as "conformity of formal and informal institutions in a country (laws, rules, traditions of behavior, disposition authority, and credibility) requirements for the production of competitive goods and services". Institutions play an important role in improving the competitiveness of a national economy. They determine the actions of economic agents.

D. North (1997) defines institutions as "the rules of the game" in society or to put it more formally, the man-restrictive framework that organizes the relationship between people. Consequently, they define the structure of motives in human interaction – whether in politics, economics or social sphere".

Conclusions and prospects for further research. The priority strategies in national economy competitiveness growth in our view might be:

- The development of scientific and innovative potential in key scientific and technological areas.
- Accelerated development of high-tech industries.
- Modernization of industries on the basis of advanced technologies.
- The growth of exports competitive machinery, technology etc.

However, as of today the economy of Kazakhstan is the periphery of the world economy, it proved impervious to innovation due to inadequate funding of science and education, a high degree of production monopolization. Therefore, it is necessary to develop measures for technical re-equipment of production, the expansion of international scientific and technological cooperation, increased investment in education, creating a competitive environment on the regional and state levels. In the case of successful their implementation the republic will receive a real opportunity to be involved in the new economy as a full partner and a participant of international integration.

References:

- Борисов Е.Ф.* Экономическая теория: Учебн. пособие. – 2-е изд., перераб. и доп. – М.: ЮРАЙТ, 1999. – 384 с.
- Норт Д.* Институты, институциональные изменения и функционирование экономики / Пер. с англ. А.Н. Нестеренко. – М.: Начала, 1997. – 180 с.
- О состоянии и тенденциях развития конкурентной политики в Российской Федерации: Доклад // Национальный институт исследований проблем предпринимательства, конкурентоспособность и модернизация российской экономики, 2009 // www.nisse.ru.
- Об итогах рейтинга Индекс глобальной конкурентоспособности Всемирного экономического форума 2011–2012 // Министерство экономики и бюджетного планирования Республики Казахстан, 2012. // www.minplan.kz.
- Портер М.* Международная конкуренция. – М.: МО, 1993. – 422 с.
- Фокин С.* Конкурентоспособность стран мира // GeoPublisher, 2011 // geopub.narod.ru.
- Экономика: Учебник / Под ред. А.С. Булатова. – Изд. 3-е, перераб. и дополн. – М.: ЮРИСТЪ, 1999. – 894 с.
- Экономическая теория: Учебник для вузов / Под ред. А.И. Добрынина, Л.С. Тарасевича. – СПб., 2006. – 544 с.
- Ясин Е.* Конкурентоспособность и модернизация российской экономики // Вопросы экономики.– 2004.– №7. – С. 4–32.
- World Economic Forum (2012). The Global Competitiveness Report 2011–2012 // reports.weforum.org.

Стаття надійшла до редакції 16.09.2013.