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КОНКУРЕНТОСПРОМОЖНІСТЬ КРАЇН СНД: ПОКАЗНИКИ ТА ФАКТОРИ РОСТУ

Лисиця К.С.

Ключові слова: конкурентоспроможність, країни СНД, інновації, логістика, міжнародні індекси конкурентоспроможності, ВВП.

КОНКУРЕНТОСПОСОБНОСТЬ СТРАН СНГ: ПОКАЗАТЕЛИ И ФАКТОРЫ РОСТА

Лисиця Е.С.

Предмет исследования: взаимосвязь между торговлей и конкурентоспособностью стран СНГ.

Цель исследования: на основе анализа мировых индексов конкурентоспособности стран СНГ определить основные факторы роста и возможные пути усиления конкурентоспособности и улучшения условий торговли стран СНГ в мировой торговле.

Методы: общенаучные методы анализа и синтеза, методы группировок, обобщения и систематизации данных, а также экономико-математические модели.

Результаты работы: В статье содержится анализ подходов к определению понятия «конкурентоспособность», в особенности «международная конкурентоспособность», как с теоретической, так и с практической точки зрения. На основе анализа мировых индексов (индекс глобальной конкурентоспособности, индекс «Ведения бизнеса», индекс экономической свободы, индекс развития логистики, индекс инновационного развития) выделены доминирующие факторы роста конкурентоспособности в странах СНГ, а также предложены различные пути формирования стратегии конкурентоспособности и улучшения условий торговли в мировой экономике.

Результаты исследования могут быть использованы для формирования национальных стратегий развития конкурентоспособности стран СНГ, как на национальном уровне, так и на уровне региональной интеграции; для стимулирования экономического роста в краткосрочной и долгосрочной перспективах.

Выводы: Существует множество мировых индексов, которые анализируют различные аспекты (политические, экономические и нормативные) развития стран. В мировой экономике эти индексы используются правительствами стран, иностранными инвесторами, национальными предприятиями. Реформы, направленные на устранение структурных недостатков, с одной стороны, и повышение конкурентоспособности, с другой, сосредоточены, как на повышении эффективности государственного регулирования и региональной конкурентоспособности, так и либерализации различных секторов экономики.

Страны СНГ в формировании национальной конкурентоспособности базируются на различных точках роста. При этом в большей мере используются «базовые составляющие», а не инновационные. Это приводит к формированию различных стратегий развития конкурентоспособности, различному уровню торговой специализации, различным подходам к улучшению условий торговли и созданию административной системы. Для устранения элементов непрозрачности и разработки единых принципов развития и регулирования, страны СНГ на уровне региональной интеграции должны предусмотреть единые принципы и механизмы развития конкурентоспособности, не противоречащие национальным.

Ключевые слова: конкурентоспособность, страны СНГ, инновации, логистика, международные индексы конкурентоспособности, ВВП.

CIS COUNTRIES COMPETITIVENESS: MEASUREMENT AND DRIVERS

Lisitsa E.S.

The object of the research: interrelations of trade patterns and competitiveness in CIS countries.

The main aim of the research: on the ground of revealing the world competitiveness indices of CIS countries to define the main drivers of economic growth and to find some possible solutions for strengthening competitiveness and trade facilitation of CIS countries in international trade.

The methods: general scientific methods of analysis and synthesis, methods of grouping, detailing, generalization and systematization of data, as well as economic and mathematical models.

The results: The article shows main approaches to definition of competitiveness, especially international competitiveness. The analysis of world indices (Global Competitiveness index, Doing Business Rank, Economic freedom index, Logistics Performance Index, Global innovation index) determine the main dominant drivers of competitiveness of CIS countries, and define different ways to develop the strategy of competitiveness and trade facilitation methods in world economy.

The results can be used to form national strategies for strengthening competitiveness of CIS countries on national and regional integration levels; to stimulate economic growth in short and long run.

Conclusion: There are a lot of world indices which analysis different aspects of countries development (political, economic, regulatory). These indices help countries' governments, trade partners, foreign investors, national enterprises and etc. in world economy. Wide-ranging reforms to address structural weaknesses and improve overall economic competitiveness have put greater emphasis on improving regulatory efficiency, enhancing regional competitiveness, and liberalizing different economic sectors.

CIS countries use a lot of factors for economic growth forming national competitiveness. And, «basic requirements» are leading, then «innovation requirements». Thus, there are different strategies of competitiveness, different levels of specialization, different trade facilitation mechanisms and administration framework. To develop transparency and the same rules for development and regulation on integration level, CIS countries need to create common principles and mechanisms for development of competitiveness, that do not conflict with national.

Key words: competitiveness, CIS countries, innovations, logistics performance, world indices of competitiveness, GDP.

Relevance: Today to strengthen the competitiveness (of enterprise, industry, country) is one of the most actual problems of fundamental and applied research in the economy. Globalization is one of the main factors, that determine the constituent elements of competitiveness. The competition has intensified for markets, foreign investments and innovations on the basis of globalization. To create balanced strategy for strengthening competitiveness governments use different international indices on all levels of regulation for comparison and definition of common economic drivers.

Object of the research: interrelations of trade patterns and competitiveness in CIS countries.

Reference review: There are a lot research papers on the sphere of competitiveness (Porter M.E., Aghion P., Howitt P., Arslan N., Tathdil H., Baldwin R., Bloch H., Kenyon P., Dosi G., Pavitt K., Soete L., Grossman G., Rossi-Hansberg E., Helpman E., Idrisov G., Taganov B., Leichter J., Mocchi C., Pozzoli S., Mazol S., Miozzo M., Walsh V., Posner M.V., Siggel E., Stanovnik P., Kovačič A., Yacheistova N. and oths.). There are different theoretical approaches to the measurement of competitiveness among international organizations like OECD, World Economic Forum, IMD, European Commission, The Heritage Foundation, UNIDO and others.

The aim of the work: on the ground of revealing the world competitiveness indices of CIS countries to define the main drivers of economic growth and to find some possible solutions for strengthening competitiveness of CIS countries in international trade.

Targets of the research are the following:

- analysis of world indices;
- revealing the main components of competitiveness in CIS countries;
- giving the recommendation to promote competitiveness and trade in CIS countries.

The methods: general scientific methods of analysis and synthesis, methods of grouping, detailing, generalization and systematization of data, as well as economic and mathematical models.

The content of the article: The term «competitiveness» relates to productivity, which, in turn, derives from the ability to innovate in using the available resources for increasing output, or doing more with less. Competitiveness at each level of operation is interlinked—an economy or an industry cannot be competitive unless its enterprise sector is competitive, and firms can be optimally productive only if given the right macro and industry ecosystem.

Export competitiveness can cover a wide range of aspects that enable the country to produce and sell goods and services in foreign markets of a quality and at prices that ensure long-term viability and sustainability. Improved trade logistics and facilitation could have a significant impact on improving trade competitiveness by: (a) increasing the profitability of existing exports and encouraging expansion in production, (b) reducing the delivery time and cost of imports, benefiting both domestic and export sectors, (c) allowing manufacturers to enter higher value market

segments, such as premium garments, which require shorter delivery cycles, and (d) opening up new markets, such as high value horticulture (for example, flowers and fruit).

Enhancing global competitiveness is a key element for trade competitiveness and enhanced trade and a significant feature of the Commonwealth of Independent States (CIS) strategic plan. Reforms and the right set of investments to enhance competitiveness are crucial for the economic transformations and sustainable higher growth over the longer term.

More than ten years of transition have redefined the economies of the countries of the CIS and their interrelationships. The breakup of the Soviet Union resulted in a sharp decline in economy activity, but, following a turning point around 1996, the CIS economies have rebounded strongly. While the stabilization and liberalization process in the CIS economies turned out to be lengthier than in other transition countries, by the end of the decade, most CIS economies had implemented the basic market mechanisms.

Current national and regional policy thrusts are shifting towards private sector development for economic growth, job creation and poverty reduction. Globalisation has sharpened competition. Firms in CIS are increasingly challenged to take advantage of new resources and markets while dealing with intense and growing global and regional competition. Governments in some countries, meanwhile, are confronted with the task of designing and implementing supportive policies and strategies. One of such directions was adoption in 2012 the Free Trade Area (FTA) of CIS countries, which now include 9 CIS countries (Russia, Belarus, Kazakhstan, Armenia, Ukraine, Kyrgyzstan, Moldova Tajikistan and Ukraine).

The CIS FTA is a key step forward in the economic development of the region. It provides for free movement of goods within the territory of the CIS, non-application of import customs duties, non-discrimination, gradual decrease of export customs duties and abolishment of quantitative restrictions in mutual trade between the CIS FTA member states. The establishment of CIS FTA is in no way contradicts the principles and norms of the WTO.

Although there are different criteria in determining the national competitiveness of the countries, competitiveness is substantially related with the productivity growth of the countries both at the macro and micro level. According to OECD, competitiveness refers to the capacity of firms to compete, to increase their profits and to grow (microeconomics). It is based on costs and prices, but more vitally on the capacity of firms to use technology and the quality and performance of products. At the macroeconomic level it is the ability to make products that meet the test of international competitiveness while expanding domestic real income.

The European Commission (EC) defines competitiveness as a sustained rise in the standards of living of a nation or region and as low a level of involuntary unemployment as possible.

The measurement of competitiveness differs, depending on whether it is undertaken for the purpose of policy analysis within a specific country, or whether it is used for international comparisons of the business environment. An example of the latter kind is the World Competitiveness Index (WEF/IMD), which is used to rank countries according to a number of conditions that are known to be favorable for business development. Such a ranking can guide international investors in their choice of investment locations, as well as banks in their evaluation of country-specific risks. It can also inform policy makers about the weaknesses and strengths of specific country environments.

The main users of competitiveness indicators are government departments designing industrial policies, negotiating trade agreements or writing development plans. Private sector agents like banks and industrial corporations also gain from the analysis, as do the semi-private institutions like chambers of commerce, trade unions and business associations.

Ideally, measures of competitiveness should satisfy three basic criteria: first, they should cover all the sectors exposed to competition, i.e. represent all goods traded or tradeable that are subject to competition and only those goods; second, they should encompass all the markets open to competition; and, third, they should be constructed from data that are fully comparable internationally. In practice, none of the indicators that are available fulfill these three criteria.

The OECD regularly produces indicators of relative competitiveness based on the export unit values of manufactures, unit labour costs in manufacturing and consumer price indices.

At present, these indicators provide a composite measure of import- and export- competitiveness covering only sixteen OECD countries. Moreover, for any single concept of competitiveness, several measures may be constructed, depending on specific further assumptions.

Country competitiveness refers to the ability of the government to generate prosperity for its people. There are several implications in this understanding of competitiveness. It implies that countries with high levels of competitiveness are able to better manage their economic and human capacities. In this context, the government has a great impact in the achievement of country competitiveness. For example, the level of regulation in a particular country may hinder the ability of a country to increase its competitiveness. The infrastructure also contributes to country competitiveness by providing the adequate context to improve the conditions related to competitiveness. From this understanding of country competitiveness, however, is clear that competitiveness goes beyond the economic performance of a given country.

As previously indicated, country competitiveness can be assessed on a multiplicity of factors. Government efficiency plays a fundamental role in country competitiveness. Factors related to government efficiency include public finances, fiscal policy, the regulatory framework and societal framework. For example, a strong justice system that provides stability to society and ensures personal security characterizes high competitiveness countries. In addition business efficiency has a defining impact on country competitiveness. Business productivity, the conditions of the labor market (e.g., costs and availability of skills), availability of finances and management practices are essential for country

competitiveness. Factors included under the business efficiency category capture the level of businesses' investment on the development of their employees and the dominant attitudes and values among business executives.

The general infrastructure, and the technological and scientific infrastructures as well as the health system, concerns for the environment and education, play a highly significant role in determining the level of country competitiveness. Infrastructure-related factors also capture the quality of life that a particular country offers to its population. In this regard, for example, a country with high levels of competitiveness tends to have strong educational systems and a sound R&D investment strategy.

Several institutions evaluate country competitiveness using a comprehensive approach which emphasizes non-price factors. Periodically they provide country ranking in various sectors, combining statistical data and survey results. The following is a list of the main indicators:

- Global Competitiveness Index (GCI) – published annually by the WEF. It captures the microeconomic and macroeconomic foundations of national competitiveness, including structural factors. The GCI considers 12 main determinants of competitiveness called «pillars»: institutions, infrastructure, macroeconomic stability, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market sophistication, technological readiness, market size, business sophistication, and innovation.

- The World Competitiveness Index (WCI) – published by the IMD, uses criteria for evaluating enhancing factors for doing business and social welfare. It elaborates a country profile measuring macroeconomic performance, governmental and private sector efficiency and infrastructure levels.

- The Doing Business Index – published annually by the World Bank, investigates the business environment in countries, considering regulations that enhance business activity and those that constrain it.

- Trade Performance Index (TPI) – published every two years by the International Trade Center (ITC) in collaboration with UNCTAD, considers competitiveness level and export diversification for 184 countries in 14 macrosectors (fresh food and raw agrobased products, processed food and agro-based products, wood, wood products and paper, textiles, chemicals, leather and leather products, metal and other basic manufacturing, non-electric machinery, computers and telecommunications, electronic components, transport equipment, clothing, miscellaneous manufacturing, minerals) [15].

- The Logistic Performance Index (LPI) – published by the World Bank, measures the performance of 160 countries in the logistics environment. It is a simple average of the country scores in 6 key dimensions: the efficiency of the customs clearance process, the quality of trade and transport-related infrastructure, ease of arranging competitively priced shipments, competence and quality of logistics services, ability to track and trace consignments, and timeliness of shipments in reaching destination [3].

Due to analysis of the Global competitiveness indices, the highest rates have such factor as «health and primary education», the lowest – «innovations» (figure 1). In Russian Federation such factor like «market size» has also one of the highest level, while «institutions» and «innovations» – the lowest. Kazakhstan demonstrates the growth in macroeconomic environment, and decline in «financial market development» and «innovation».

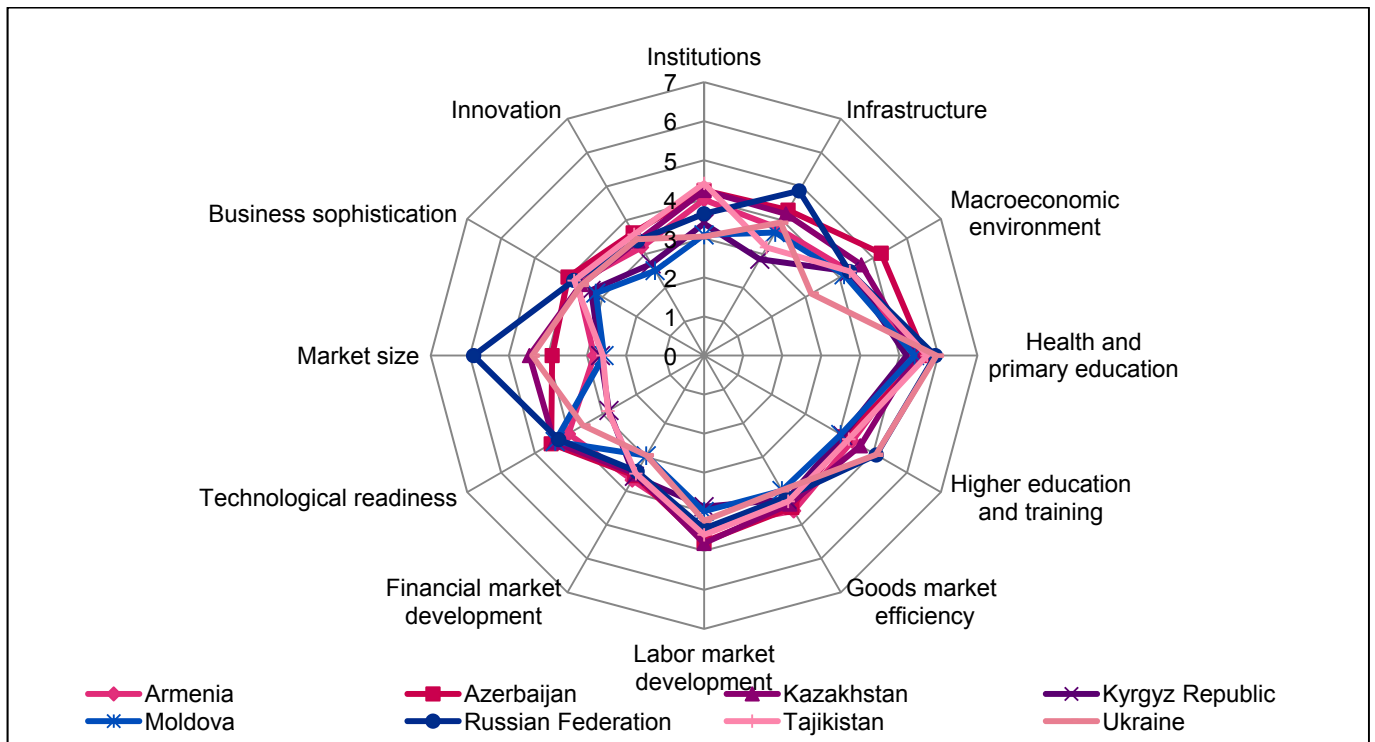


Figure 1. 12 pillars of competitiveness of CIS countries, 2016-2017

Note. Source: [11, p. 10-13].

Kyrgyz Republic has the lowest level on «infrastructure», «health and primary education», «labor market development» and «technological readiness»; Moldova – «higher education and training», «market size», «business sophistication» and «innovation»; Ukraine – «macroeconomic environment», «goods market efficiency» and «financial market development».

Based on analysis, the most problematic factors for doing business are corruption, access to financing, tax rates, inflation and inefficient government bureaucracy (table 1).

Table 1. CIS countries ranks in Global Competitiveness report in 2013-2017

	Overall index				Rank on subindexes		
	2013-2014	2014-2015	2015-2016	2016-2017	Basic requirements	Efficiency enhancers	Innovation and sophistication factors
					2016-2017	2016-2017	2016-2017
Armenia	79	85	82	79	83	80	91
Azerbaijan	39	38	40	37	49	59	49
Kazakhstan	50	50	42	53	62	50	76
Kyrgyz Republic	121	108	102	111	108	112	123
Moldova	89	82	84	100	101	102	131
Russian Federation	64	53	45	43	59	38	66
Tajikistan	n/a	91	80	77	78	99	60
Ukraine	84	76	79	85	102	74	73

Note. Source: [7, p. 14-15; 8, p.16-17; 9, p. 14-15; 10, p. 8-9; 11, p. 10-12].

On the basis of table 1, all CIS countries improved their ranks in the last 3 years. The best position have Azerbaijan (37th), Kazakhstan (53rd) and Russia (43rd). In the middle of the rating are Ukraine (85th), Tajikistan (77th), Armenia (79th) and Moldova (100). The worst position has Kyrgyz Republic (111). Nevertheless, Kyrgyz Republic demonstrates the considerable growth: from 121 to 111rank.

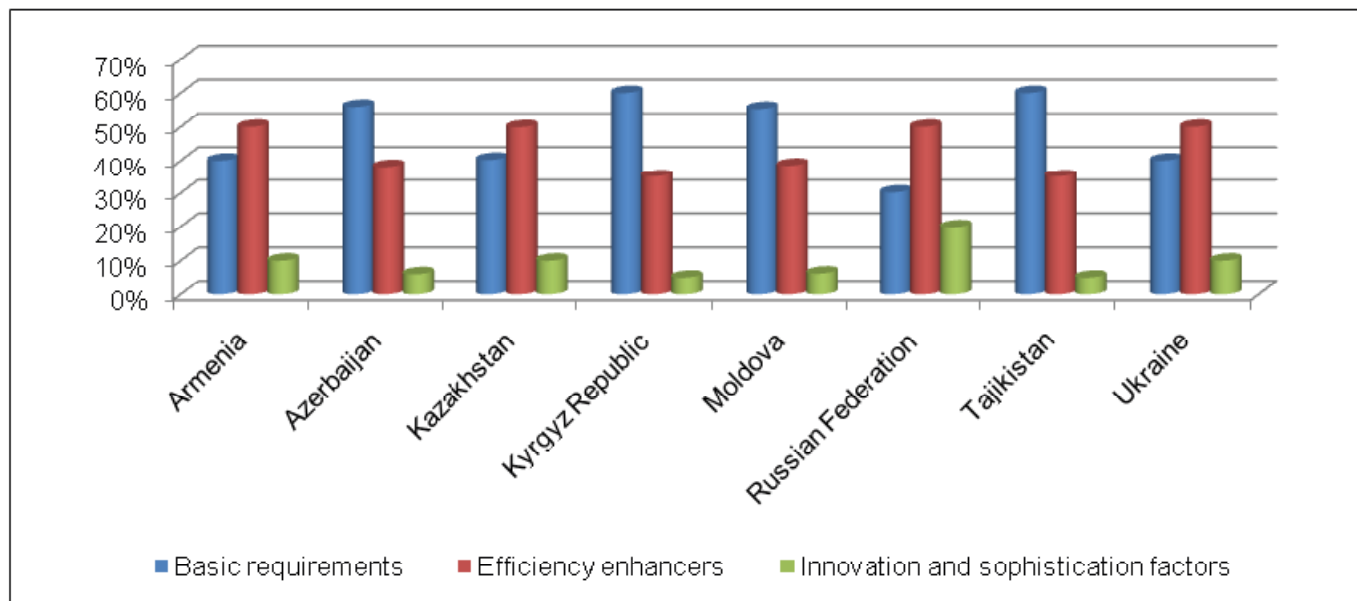


Figure 2. The share of subindexes in global competitiveness rank in 2015, %

Note. Source: [11, p. 98, 104, 218, 219, 226, 260, 306, 340, 354].

The percentage contribution to the overall GCI score of each subindex score is reported next to the subindex name. These weights vary depending on the country’s stage of development. The figure 2 illustrates, that the largest share of innovation and sophistication factors among CIS countries are in Russia – 19,8%, than follow Armenia (10%), Kazakhstan (10%), Ukraine (10%). The latest score belongs to Kyrgyz Republic (5%).

The same share of factors of efficiency enhancers have Russia (50%), Ukraine (50%), Armenia (50%) and Kazakhstan (49,9%). At the same time Kyrgyz Republic and Tajikistan demonstrate the highest share of factors of basic requirements – 60%.

The competitiveness of countries depends on their ability to innovate and move in the direction of frontier technology and knowledge. First, innovation is important for driving economic progress and competitiveness – both for developed and developing economies.

Many governments are putting innovation at the centre of their growth strategies. But without new capital investment refreshing a nation’s capital stock, innovation loses its power, productivity growth stagnates, and business competitiveness declines. The easiest and most important way countries can keep the cost of capital goods low is to limit tariffs and other trade barriers. Likewise, they can organize their corporate tax systems simply to raise revenues or to raise revenues in ways that also drive innovation and traded-sector competitiveness.

Eight countries from CIS countries rank in the top 100. Going further, Armenia, Tajikistan, Moldova and Ukraine are labelled ‘innovation achievers’ (table 2).

Among lower-middle-income economies, only the Republic of Moldova is in the top 10 in terms of efficiency. This country also ranks at the top of lower-middle-income economies in the Innovation Output Subindex (36th). Additionally, Ukraine and Armenia rank in the group of the top 20 economies globally in the terms of innovation efficiency [14, p.30-31].

Table 2. Rankings of CIS countries in Global innovative index 2008-2016

Countries	Ranks				Score 2016
	2008	2014	2015	2016	
Armenia	104	65	61	60	35,14
Azerbaijan	57	101	93	85	29,64
Belarus	n/a	58	53	79	30,39
Kazakhstan	72	79	82	75	31,51
Kyrgyzstan	122	112	109	103	26,62
Moldova	n/a	43	44	46	38,39
Russian Federation	68	49	48	43	38,50
Tajikistan	112	137	114	86	29,62
Ukraine	79	63	64	56	35,72
Uzbekistan	59	128	122	n/a	n/a

Note. Source: [6, p.9-10; 12, xxiv-xxv; 13, xxx-xxi; 14, p. xviii].

Economies that perform at least 10 % higher than their peers for their level of GDP are called «innovation achievers». These economies are shown in the figure 3. This figure illustrates the findings by presenting the index scores plotted against GDP per capita in PPP \$. The economies that appear close to the trend line show results that are in accordance with what is expected based on their level of development. Innovation achievers demonstrate better results in innovation because they continuously make improvements to their institutional framework, have a set of highly skilled workers who operate in more stable innovation systems, show a better integration with international markets, and display more solid channels of knowledge absorption.

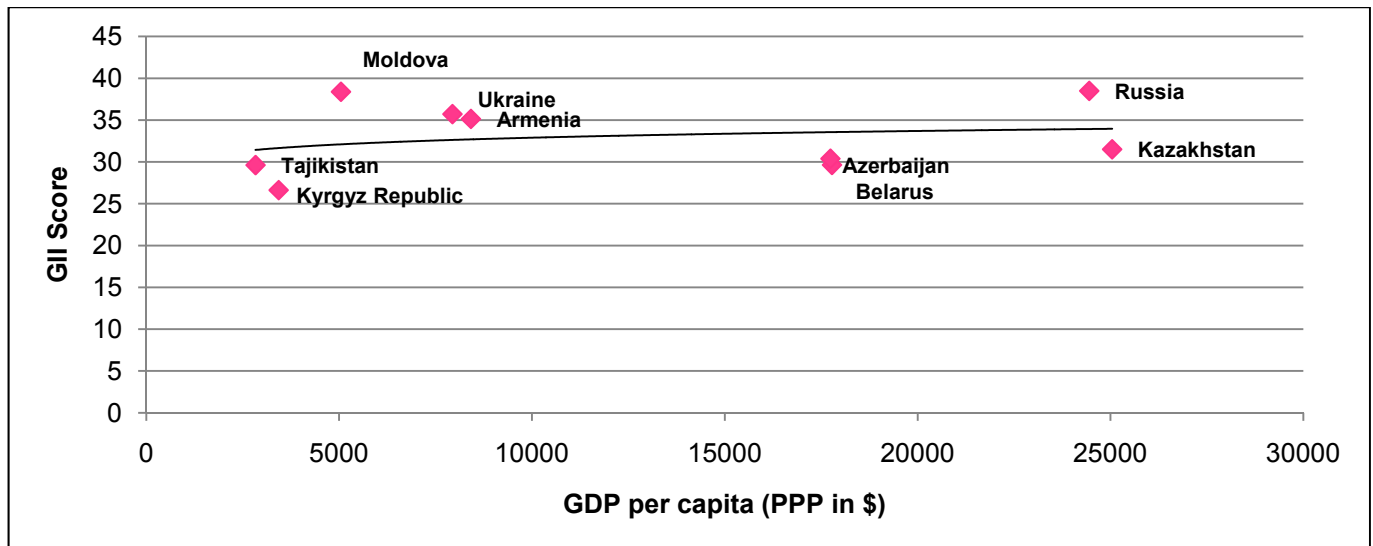


Figure 3. GII score and GDP per capita in PPP \$

Note. Author’s calculations.

The analysis of innovation efficiency ratio (designed to assess the effectiveness of innovation systems and policies) and two subindexes (innovation input and innovation out) describe the opportunities for innovations and innovation outputs (figure 4).

The highest innovation efficiency ratio has Moldova (0,94), than follow Ukraine (0,84), Armenia (0,83), Russia (0,74) and Tajikistan (0,77). At the end of the rating are 3 countries: Kazakhstan (0,51), Kyrgyz Republic (0,50) and Belarus (0,45).

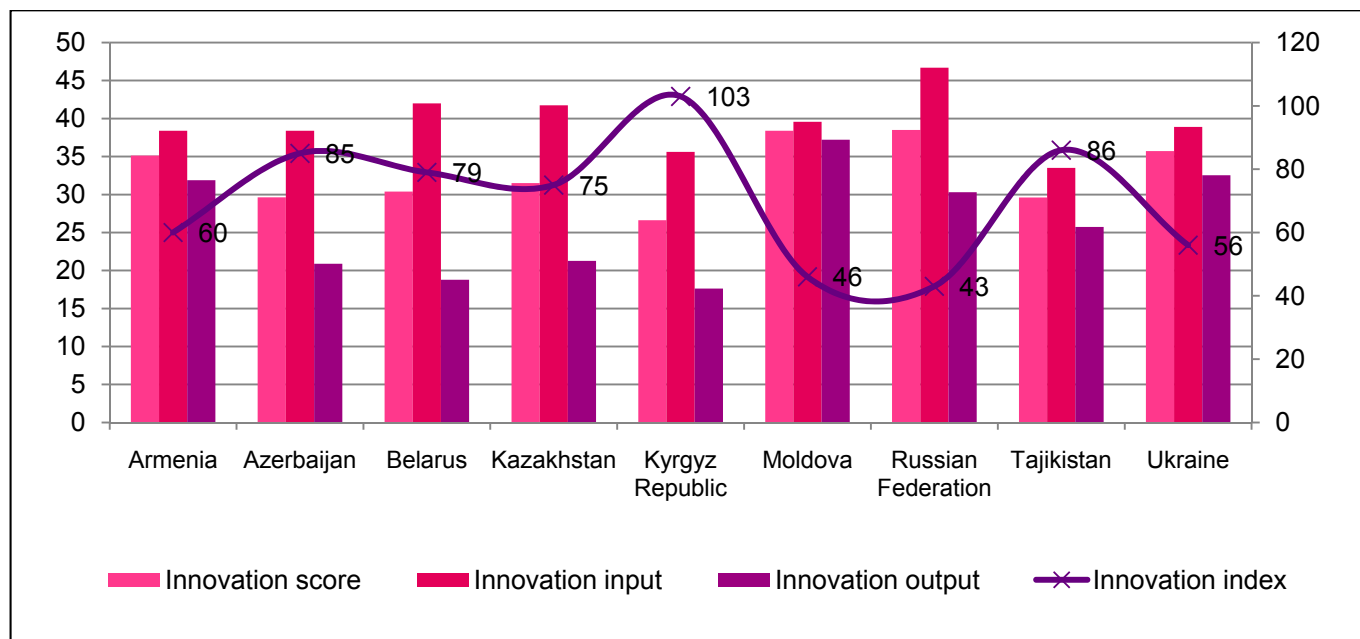


Figure 4. Innovation efficiency ratio and sub-indexes in 2016

Note. Source: [14, p.20-25].

Among 10 best-ranked economies in the lower upper-middle-income countries are the Republic of Moldova (46th), Ukraine (56th), Armenia (60th) and Tajikistan (86th).

Table 3. Subfactors of global innovation index (GII), 2016

	Armenia	Azerbaijan	Belarus	Kazakhstan	Kyrgyzstan	Moldova	Tajikistan	Ukraine	Russia
Institutions	63,8	56,4	56,0	66,5	49,4	58,7	46,6	48,7	57,9
Human capital and research	18,5	22,9	42,6	31,4	30,2	34,1	26,3	40,8	50,4
Infrastructure	39,7	40,8	43,6	46,8	32,2	39,5	21,6	32,3	44,5
Market sophistication	41,3	52,1	39,1	38,6	42,9	38,6	50,4	42,1	43,1
Business sophistication	28,6	19,7	28,7	25,4	23,3	27,0	22,7	30,6	37,5
Knowledge and technology output	28,2	17,6	28,1	21,2	18,2	34,9	27,0	34,1	31,9
Creative outputs	35,6	24,1	9,5	21,4	17,1	39,6	24,5	31,0	28,7

Note. Source: [14, p. 178, 181, 184, 234, 238, 250, 273, 286, 294].

According to table 3, Moldova has one of the highest scores on knowledge and technology and creative outputs, and the lowest – market sophistication (the same for Kazakhstan). Belarus has the lowest score on creative outputs; Azerbaijan – business sophistication and knowledge and technology outputs; Armenia – human capital and research; Tajikistan – institutions and infrastructure. Kyrgyzstan is in the middle of the group.

Improving logistics performance is also at the core of the economic growth and competitiveness agenda. Policymakers globally recognize the logistics sector as one of their key pillars for development. Trade powerhouses in Europe see seamless and sustainable logistics as an engine of growth and of integration with global value chains.

Indeed, inefficient logistics raises the costs of trading and reduces the potential for global integration. This is a hefty burden for developing countries trying to compete in the global marketplace. Since 2007, the Logistics Performance Index (LPI) has been informing the debate on the role of logistics for growth and the policies to support it in such areas as infrastructure, service provision, and cross-border trade facilitation (table 4).

Governments will need to make long-term policy changes that improve and maintain the competitiveness of these services, consistent with fast-changing industry practices. Many low-income countries have long export lead times, hurting their export competitiveness and ability to trade internationally.

Improving logistics enhances the competitiveness of logistics-intensive sectors, such as component manufacturing, which join multinational value chains. To move products to market efficiently and reliably, countries must reduce trading costs and adopt policies to support trade. Reforming trade facilitation especially can help bolster trade competitiveness. The WTO agreement in Bali, focusing on core trade facilitation standards, is also an example of this awareness and thrust toward implementation.

Table 4. Logistics Performance Index, 2016

	LPI	Customs	Infrastructure	International shipments	Logistics quality and competence	Tracking and tracing	Timeliness
Armenia	2,21	1,95	2,22	2,22	2,21	2,02	2,60
Belarus	2,40	2,06	2,10	2,62	2,32	2,16	3,04
Kazakhstan	2,75	2,52	2,76	2,75	2,57	2,86	3,06
Kyrgyzstan	2,16	1,80	1,96	2,10	1,96	2,39	2,72
Moldova	2,61	2,39	2,35	2,60	2,48	2,67	3,16
Russia	2,57	2,01	2,43	2,45	2,76	2,62	3,15
Tajikistan	2,06	1,93	2,13	2,12	2,12	2,04	2,04
Turkmenistan	2,21	2,00	2,34	2,37	2,09	1,84	2,59
Ukraine	2,74	2,30	2,49	2,59	2,55	2,96	3,51
Uzbekistan	2,4	2,32	2,45	2,36	2,39	2,05	2,83

Note. Source: [4, p.38-41].

Another international ranking - Doing Business - does not measure the full range of factors, policies and institutions that affect the quality of an economy’s business environment or its national competitiveness. Doing Business provides a narrow perspective on the infrastructure challenges that firms and countries face, particularly in the developing world. Doing Business measures only a few aspects within each area that it covers, business regulation reforms should not focus just on these aspects. Business regulation reforms are one element of a strategy aimed at improving competitiveness and establishing a solid foundation for sustainable economic growth.

In the past 10 years international trade patterns have been defined by the rise of developing economies, the expansion of global value chains, the increase in commodity prices (and the growing importance of commodity exports) and the increasingly global nature of macroeconomic shocks. Each of these trends has reshaped the role of trade in facilitating development (figure 5).

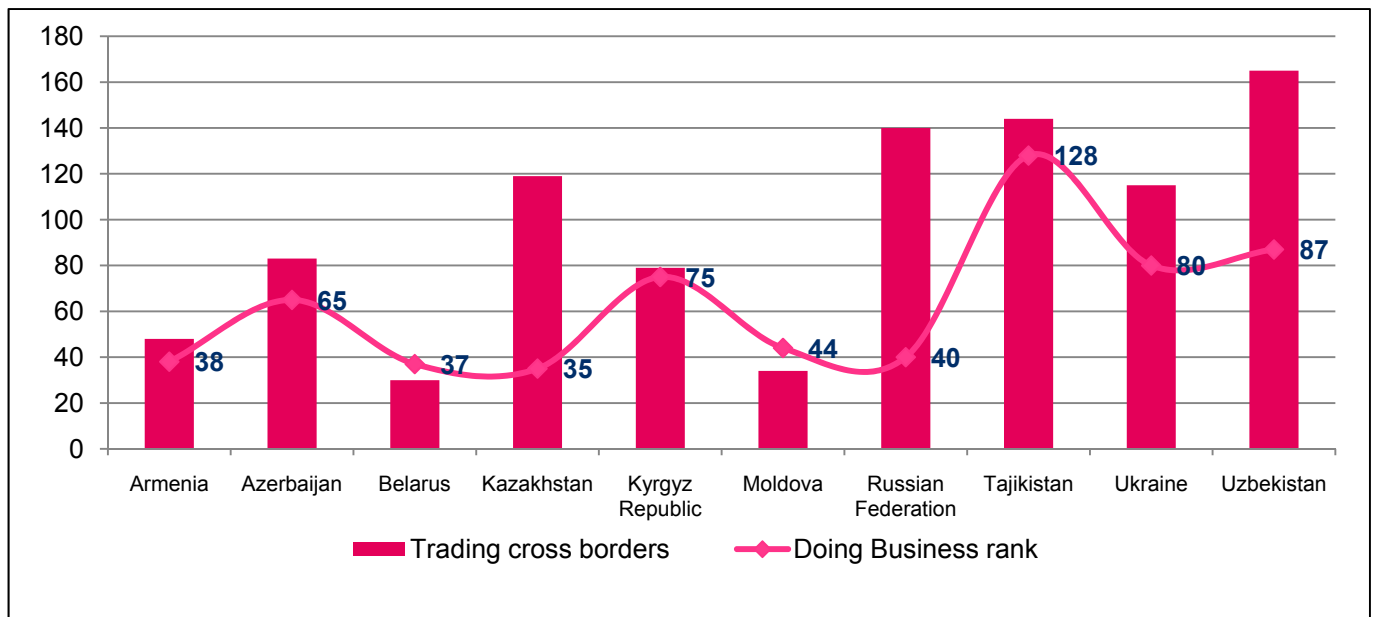


Figure 5. Doing Business Rank 2017

Note. Source: [5, p.190, 191, 193, 216, 218, 225, 234, 244, 247, 249].

Kazakhstan and Belarus are among 10 countries which in 2016 implemented the biggest improvements in the business regulations. The most reformed Doing Business areas in Europe and Central Asia are starting business, paying taxes and getting credit. Kazakhstan, Belarus, Armenia and Russia have made the most reforms, implementing over 30 reforms each since 2004. Moreover, Armenia, Belarus and Kazakhstan reformed across all Doing Business indicators. For example, Kazakhstan and Belarus are regional leaders on the total count of reforms, implementing seven and four reforms, respectively. Kazakhstan joined the list of top improvers for the 4th time in the past 12 years.

Still, there are as improvements and as deteriorations. Practically all improvements are concentrated in such spheres as enforcing contracts (4 countries out 10 CIS countries), getting electricity (4 out 10), paying taxes (4 out

10), protecting minority investors (4 out 10), trading across borders (3 out 10). Only one country makes improvements in starting a business (Kazakhstan). Unfortunately, Moldova and Tajikistan have deteriorations in such sphere as starting a business; Russia – enforcing contracts.

Despite the continuing challenges that confront the world economy, the global average economic freedom score has improved over the past year by one-tenth of a point, reaching a record 60,9 (on a 0-to-100 scale) in the 2017 Index of Economic Freedom.

The Index of Economic Freedom takes a broad and comprehensive view of economic freedom, measuring country performance in 12 separate areas. Some of the aspects of economic freedom that are evaluated are concerned with a country's interactions with the rest of the world – for example, the extent of an economy's openness to global investment or trade. Regulatory efficiency remains firmly institutionalized, and well-established open-market policies sustain flexibility, competitiveness, and large flows of trade and investment.

Among CIS countries:

- Russia achieved its highest economic freedom scores ever;
- Kazakhstan, Uzbekistan, Tajikistan are the most improved economies in the Asia-Pacific region;
- Kyrgyz Republic have advanced unto the rank of the «moderately free»;
- Belarus, Uzbekistan have escaped the status of economically «repressed»;
- Belarus, Moldova and Russia are rated «mostly unfree»;
- Ukraine remains the region's least economically free economy.

Thus, there are only one country among «mostly free» (Armenia), 3 countries – «moderately free» (Kazakhstan, Azerbaijan, Kyrgyz Republic), 5 – «mostly unfree» (Belarus, Tajikistan, Russia, Uzbekistan and Moldova) and one country as «repressed» (Ukraine) [1, p. 4-8].

Speaking about competitiveness, it should be noted the competitiveness strategies are broadly based, recognizing the need to upgrade performance across the entire economy, not just the export-oriented sectors. And it needs to take into account that in the export-oriented sector policy choices have to be made with a much stronger view on policies in places in other locations. Among main features of competitiveness strategies in countries could be:

- competitiveness strategies are squarely oriented towards reaching higher productivity. Attracting FDI, generating jobs, and growing exports are positive implications of higher productivity. Policy interventions that raise productivity do not create macroeconomic imbalances. Policy interventions that interfere in market prices without raising productivity, i.e. artificially low exchange rates, export subsidies, etc., might have that effect if compensating changes in other prices, for example relative wages, do not occur;
- competitiveness strategies are highly country-specific, targeting the specific barriers for growth a country is facing at a given point in time. While the general principles apply across all countries, the key barriers for growth differ dramatically depending on the local circumstances;
- competitiveness strategies combine efforts to upgrade general conditions in an economy with efforts that are targeted at the specific conditions affecting individual groups of activities. The competitiveness approach argues that to be effective, measures to upgrade productivity need to be at least in part cluster-specific.

It has been posited that improving logistics performance and facilitating trade can increase trade impacts of lowering remaining border barriers by a factor of two or more.

In order to increase the competitiveness of the countries of the CIS countries, non-tariff barriers should be reduced to a minimum. Examples of such non-tariff barriers include inadequate business regulations and their enforcement through: lengthy procedures, complicated documentation and signature requirements, inappropriate fees, cumbersome formalities, unclear rules. Such impediments increase trade transaction costs and the associated business risk, and adversely affect investment, employment, growth and development capacity.

Appropriate regulations, effective Government institutions and efficient operations for facilitating trade are of particular relevance and importance for the CIS countries.

First, an important element in national trade facilitation is the transparency of information regarding rules, regulations and procedures associated with trading in the global market. Information must be open and completely accessible, either publicly posted or available on the Internet. Process flowcharts that define each step in the procedures, the various requirements, and the length of time required to complete the process should be published. Where these steps are not yet widely known, the application of national trade facilitation measures could be beneficial. This is, in fact, the substance of article X of GATT 1994 on the publication and administration of trade regulations.

Second, where there are multiple Government agencies with border responsibilities would reduce the time for securing the clearance and release of goods from warehouses. It is equally essential to synchronize any required physical inspections, to ensure they are undertaken only once instead of repeatedly. Trade facilitation measures are meant to promote harmonization and simplification of the various requirements of Government agencies. Some of these measures include locating all such agencies in a single area (a «one-stop action centre»), and encouraging agencies to use a single document.

One constraint on trade facilitation is the complex institutional setting, involving (a) many agencies, public and private, each with its own mission and function, (b) modular information systems, (c) separate standards and requirements for traded products, and (d) the close guarding of turf. This makes coordination difficult to achieve. There are, however, various measures to address these constraints. It has been suggested that, at the minimum, countries should create national trade facilitation committees (or national focal points for trade facilitation) with

memberships that comprise all government agencies with border responsibilities, including those related to transport and other infrastructure [16, p.32].

Such an inter-agency committee, among other things, (a) develops the trade facilitation framework, (b) identifies measures for which member agencies are responsible and will undertake, (c) maintains an active forum where trade bottlenecks and barriers are indicated, and (d) monitors and evaluates the effectiveness of measures.

Another variant is the designation of a specific Government agency as the «hub» for the facilitation of traded goods. The obvious candidate to act as the portal for all other institutions that matter to trade is customs. Customs has traditionally been the gateway for all trade into or out of countries, is customarily located at the border, and has no other functions other than those at the border. In terms of institutional relationships, customs coordinates inter-agency participation at the border; some agencies may even cede their border authority to customs in terms of processing agency-related procedures.

Development of infrastructure is one of the vital factor for the enhancement of the CIS exports. The CIS countries should modernise the existing infrastructure as well as develop new infrastructure projects which would contribute to a better access to their main export destinations. According to the World Economic Forum, the quality of infrastructure, education and health in CIS countries lags behind OECD economies and many emerging markets.

In addition to inadequate infrastructure, some of the most problematic factors for doing business in the country include policy instability, inflation and inefficient government bureaucracy. Inadequate infrastructure has consistently been on the list of the top five most problematic factors for doing business in CIS countries. Rising fuel costs, wages, and high inflation and interest rates have amplified the need for improved trade and transport facilitation in order to reduce production costs and improve the competitiveness of CIS exports.

Main directions for strengthening the legal and administrative framework for intra-CIS trade are as follows:

- Re-negotiate the free trade agreements, moving from a web of bilateral agreements to an effective multilateral agreement.
- Move to a full elimination of exemptions from the free trade regime.
- Eliminate contingent protection clauses from free trade agreements.
- Facilitate the harmonization of the plurilateral and bilateral agreements and institutional arrangements with the WTO agreements and practices.
- Accelerate the reform of standards on the plurilateral level in the CIS.
- Create regional bodies ensuring non-discriminatory transit.
- Restructure administrative arrangements that support the enforcement of the free trade regime in the CIS by strengthening the capacity of the CIS Executive Committee and improve cooperation between the respective national agencies.
- Develop and carry out a program identifying and mitigating the nontariff and informal barriers to trade in the CIS free trade area.
- Strengthen cooperation and information exchange.
- Bring WTO disciplines to the rescue: the CIS has elements of deeper than multilateral trade integration and at the same time lacks some basic features of multilateral trade integration, as defined by the WTO. There is a need to introduce WTO disciplines in intra-bloc affairs thus establishing consistent rules at least as favorable as the WTO.

At present regional cooperation does not have strong support among population or commercial groups in the region. Building support for joint regional actions requires the establishment of a regional network of business entities that could benefit directly from strengthening of regional ties. This would lead to intensification of involvement of the private sector in the dialogue on regional issues.

Improved access to regional markets via facilitation of trade and transit might also lead to significant economic benefits in CIS countries. Market enlargement might result in rationalization of production bringing efficiency gains and perhaps attract FDI. Given that the neighbors' markets are small the likely increases in trade and welfare gains are likely to be small too. However, lower costs of transit across neighboring countries may also lead to higher exchange of goods with the larger partners.

It is also important to improve the working of the financial and specially the banking sector that would reduce the transaction costs for exports. This would require technical assistance in the establishment of standards and norms that would facilitate the flow of credit between the countries.

Last but not least, although the quality of institutions has also improved in recent years, most CIS economies can do much better. The quality of the business regulatory framework in CIS economies lags behind the OECD and Central European countries. A better regulatory environment will help the private sector create more and better jobs. This means not only good regulations but also reliable and efficient enforcement of laws and regulations by the public administration, regulatory bodies, and the courts.

Conclusions: There are a lot of world indices which analysis different aspects of countries development (political, economic, regulatory). These indices help countries' governments, trade partners, foreign investors, national enterprises and etc. in world economy. Wide-ranging reforms to address structural weaknesses and improve overall economic competitiveness have put greater emphasis on improving regulatory efficiency, enhancing regional competitiveness, and liberalizing different economic sectors.

CIS countries use a lot of factors for economic growth forming national competitiveness. And, «basic requirements» are leading, then «innovation requirements». Thus, there are different strategies of competitiveness,

different levels of specialization, different trade facilitation mechanisms and administration framework. To develop transparency and the same rules for development and regulation on integration level, CIS countries need to create common principles and mechanisms for development of competitiveness, that do not conflict with national.

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АНАЛІЗ ДЕМОГРАФІЧНИХ ПРОЦЕСІВ В ЕСТОНІЇ, ЛАТВІЇ І ЛИТВІ З СЕРЕДИНИ ХХ СТОЛІТТЯ І ПРОГНОЗ ДО КІНЦЯ ХХІ СТОЛІТТЯ

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Ключові слова: народжуваність, смертність, міграції, моделювання, демографічний прогноз, країни Балтії.

АНАЛИЗ ДЕМОГРАФИЧЕСКИХ ПРОЦЕССОВ В ЭСТОНИИ, ЛАТВИИ И ЛИТВЕ С СЕРЕДИНЫ ХХ ВЕКА И ПРОГНОЗ ДО КОНЦА ХХІ ВЕКА

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Негативные демографические тенденции являются одной из наиболее серьезных проблем развития постсоциалистических стран. Целью исследования является прогноз демографических