



QUALITATIVE FACTORS: ANALYSIS OF IMPACT AND CONDITIONS FOR PROVIDING THE COMPETITIVENESS OF COUNTRY

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Abstract. *The paper reviews and analyzes the conditions and factors of forming the competitive environment in the economy of Ukraine. The basic methodological paradigms to ensure the competitiveness of qualitative factors are investigated. Feasibility of using the evolutionary economic theory within the concept of interaction of competitiveness and quality of life are grounded.*

Keywords: *competitiveness of country, quality of life, factor analysis, methodological approach, competitive growth.*

STATEMENT OF THE PROBLEM

Globalization and postindustrial development objectively highlighted a new development model, whose main priority is to improve the quality of life, including general sanitation of conditions the existence and work of the individual, improving the environmental quality, providing the necessary level of medical services, the consumption of sufficient quantities of ecologically clean food, social and personal safety, providing of conditions for the personal development and fulfillment.

The most difficult issue for the new model is to find ways of combining economic growth with increased quality of life. This makes vital necessary the new strategy for scientific-technical and socio-economic development, which includes a number of aspects:

- Technological: development of non-waste and energy-saving technologies, creation and widespread use of new technologies in the field of waste disposal (including nuclear), land reclamation and clean

watersheds, creation and use of alternative energy sources.

- Socio-economic: creating the conditions for qualitative growth, productive and full use of human resources and the humanization of work and improving the quality of working life, reducing working hours.
- Socio-psychological: changing the hierarchy of personal and social needs, the rejection of material over-consumption towards the promotion and enjoyment of cultural and intellectual needs.
- Socio-political: changing of priorities the economic and scientific-technical policy toward improving the quality of life.

Economic growth and growth of welfare, its stable positive dynamics is generally recognized criteria of economy and society progress, and competition in market economic system is one of the fundamental components of

market forces to ensure the effective functioning of the economy. [1]

Between economic growth, quality of population life and competitiveness of the country there is a mutual relationship: competitiveness is the basis for economic growth that creates the preconditions for the development of the economy and its transition to the next stage of development.

Home key to social development of the country and the region – it is not only economic growth but also its quality parameters based on competitiveness. The ultimate goal of development of the country is to improve the quality of people's lives, expanding their ability to shape their own future [2]. As shown by studies from sources [3, 4], a high standard of living and economic growth reach those countries that have high competitiveness.

Therefore, the possibility of stable economic growth in Ukraine will largely depend on how well the country will be solved the problem of improving the competitiveness of the national economy and its regions.

Methodological foundations of analysis and systematization of competitiveness factors deeply and fully are presented in [5, p. 113].

Experience of studies competitiveness problems, including the cited authors show that, along with a fairly wide range of analyzed aspects, the researchers were left aside the issue of the competitiveness of the national economy based on qualitative factors of economic development and regional specificity. Indeed, the main feature and advantage of qualitative factors – its ability to form a competitive society.

The fact is that in a market economy conditions the state which is devoid of competitive management function only affects on it through various legislative measures and economic instruments, creating favorable conditions for its growth and strengthening. The real control of competitiveness is carried at the level of economic entities that have rights, business initiative, skills, and from the skills and quality of which depends on the extent to which they are able to use not only this inner potential, but also formed by country the state-wide opportunities to support competitiveness.

ANALYSIS OF RESEARCH AND PUBLICATIONS IN WHICH A SOLUTION OF THE PROBLEM IS STARTED

Based on analysis of several studies in the field of competitive relations that have been conducted by scientists – representatives of various schools and trends [6-11], we can state that in general between them is exists consistency of sufficient degree regarding the theoretical and conceptual framework that is the foundation of best known methods and models of competitive analysis. This applies to such fundamental questions as "competitive environment", "competitive advantage", "competitive product and company", "competitive factors".

Conceptualization of foreign and domestic experience in the field of study the quality of life and

competitiveness of countries is reflected in the fundamental work of local economists V.S. Ponomarenko and V.M. Gorbaty [12]. Thoroughly and comprehensively analyzed the categories of "welfare", "quality of life", "competitiveness of the country" and performance its evaluation by different methods, the authors conducted a cluster distribution of countries in terms of quality of life and competitiveness [12, p. 61-62].

However, in view of the above, the problem of conceptual values of quality factors of providing competitiveness of the state as a whole and its regions, depending on situational due to economic circumstances and the human factor in these territorial entities insufficiently investigated.

The *aim of the paper* is to elucidate the nature and ways of achieving competitive development of national economy and quality factors of its providing.

THE MAIN MATERIAL

When it comes to the basic parameters and benchmarks joining the national economy into the global world system, it is appropriate, first of all noted the need to strengthen the national economy receptivity to new trends in development the world economic sphere, following adaptation of all its members to these changes.

In the current crisis conditions, the struggle for access to the development and redistribution of global income takes the contents of the main strategic guidelines for the conditions of functioning the national economy on the world economic scene, paving the national foreign policy of any state in the XXI century. Under these conditions, when special status to become supranational geo-economic flows of credit-financial, production, socio-economic and other fields, the role of the state is transformed – it partially delegates the implementation of its national interests to economic transnational entities and regions. However, the same is the task of forming civilized competitive environment as the basis of further ensuring the competitiveness of the national economy.

One can not seriously expect to higher competitiveness of regions, industries or enterprises if the state does not regulate the basic balances of political, social and economic issues, there is no link which adequate infrastructure. In this regard, we can confidently assert that the main level of competitiveness providing is macroeconomic, which defines the basic conditions of functioning the entire economic system of the country, i.e. the degree of development and civility the competitive environment.

We consider in this the main objective of the state economic policy invariance. Indeed the unstable economic policy makes entrepreneurs do

only those investments that are due to the very high profitability would allow quick return invested capital. The result is a dramatic reduction of planned and realized investment. The competitive environment can properly interact to relate investments for a long period. Establishing long-term tax, prospective trade agreements, currency and so important. If it does not exist, you can not count on sufficient investment. Immutability is the main requirement of economic policy of competition environment.

In the debate that continues to problem the competitiveness of countries, no issue is beyond this thread reasoning and understanding more than the role of government. Some government sees a very important element of an assistant or support specific regions or industries policymakers to ensure their competitiveness. Others, supporting the concept of a free market believe that the economy should be regulated natural driving forces [3].

In our opinion, both views are wrong, because it leads to the depletion of the country's competitive capabilities. Experience an independent Ukraine shows that government support of industry for a long period only hurts businesses and raises the need to increase aid. On the other hand, the minimum government presence ignores government's role in determining the content and organizational structure and also in creating a competitive environment that encourages companies in gaining competitive advantage.

Equally powerful force must be the state which in the conditions of competition became active economic agents, operating in conjunction with individual economic entities and communities. But so it takes more important role in economic activity. Accordingly, policy should be aimed at eliminating power groups or restriction of their functions. This means that the political and economic activities of the state should focus on creating a competitive environment, and not to regulate the economic process. State functions are limited edition laws circulation of capital, about the stock exchange and transactions, etc., but direct regulation of capital flows should not be carried out by the state. The elimination or weakening of government economic associations enables organizations to provide adequate control of the competitive environment through competitive prices.

Therefore, since competitiveness is a complex multilevel phenomenon its analysis and assessment must closely associate with a particular competitive environment, and in particular, with the degree of development and civilization. For its formation and providing functionality requires an effective and balanced performance of factors such as organizational-economic, legal and political, its feasibility and efficacy in the emerging market offers the state. So, follow the principles of civilized competitive environment only possible under condition interaction legislation, case law and administrative activities [13].

At the same time, the presence and the high level of development these factors provide not only high

quality of the economic situation and beautification of the country and its regions, and indicate the progress of the economy and society, thus determining their competitive success and the associated competitiveness.

This is to ensure and enhance the competitiveness of the region and the country as a whole facilitate qualitative factors that shape the competitive society and determine the quality of life of Ukraine's regions.

There are several groups of factors: economic, social, political-legal, natural, spiritual, genetic. An objective assessment of economic factors quality of life including indicators of material well-being, average income (average monthly salary, budget cost of living, the population with incomes below the subsistence level, the structure of incomes and expenditures of the population), the Gini index, housing and so on.

The main requirement for quality factors of competitive development is the possibility to ensure in most regions of perfectly elastic demand for any needs of the population which will be criterion the quality of life for last.

Given the open market the level of profitability in the long run serve to control the use of resources in the region of its different branches.

In case tightening competition qualitative factors allow avoiding it as such. This hypothesis is based on the detection and observation of fact complication demands of consumers in today's highly developed economy. In the market, where presents numerous and various variations of products to attract new consumers can generally high quality, special characteristics of goods or services, support them after the sale. Successful product differentiation for such properties is a good way away from any competition at all in a fully free market niche.

Transfer emphasis on qualitative features of labor will allow to overcome monopsony of the modern regional labor market, where the dictates of individual employers naturally leads to an overall drop in employment and lower living standards.

Fact of monopsony clearly seen in places where the former defense enterprises, in some municipalities where under the conditions of the command economy routinely been built city-forming systems (plant maintenance). The danger in the emergence of this phenomenon is inherent small territorial units of border regions while maintaining the performance of a single function – keeping the border. To prevent this situation may if intensify qualitative factors which form the attractive image of these areas: well-developed infrastructure, ensuring comfort and social

environment of business, partnerships of government, communities and businesses.

Quality factors of development the labor market provide not merely the availability of required number of workplaces, ie employment opportunities, and the type offered workplaces associated with these requirements for professionalism, which is a determining factor of forming the knowledge economy, with characteristic for her prosperity of the nation.

The main objective of regional authorities – optimal mutually profitable combination of existing in the regions activities of economic entities, adequate priority directions of socio-economic development of the territories. Determining quality factor for this is the "social capital" that form the social relations of economic activity subjects.

Appropriate, in our view, there are suggestions of some researchers, including Academician V.P. Makarov in understanding the evolution of modern society that push from a purely consumer paradigm of development inherent to highly market-oriented economies, to the evolution of lifestyle. The hypothesis is interesting because society is stratified not by selected partial criteria such as income level, education level, professional affiliation, economic status, and by the way of life, each of which corresponds to a specific set of benefits and opportunities.

Positive consider the fact that the behavior of individuals who are guided by "lifestyle", will focus on expanding the boundaries of possibilities, thus achieving the quality of life, which outline the priorities of spirituality and morality and, more importantly, transforming credit orienting paradigm.

In our view, given the continued provision of competitiveness of the region is advisable to enter not the lifestyle concept, and similar form, for example, the patterns of behavior, which you can specify a set of specific rules and procedures that are adequate existing competitive advantages of the region, following which and adapting some of them to the present conditions, the region will provide the quality of life which is expressed in his position at the regional and international markets, scientific-technological and innovation capacity, financial stability and investment attractiveness and therefore evidence of its competitiveness.

In the final case, the correctly chosen region's patterns of behavior as an economic entity, guaranteeing the formation of socio-economic system that integrate quality people, quality of production and technology, the quality of education and culture and thus provide the competitive development of the regions and the country as a whole [15].

According to the conducted analysis of theoretical paradigms on the mutual linking of competitiveness and quality of life was found that they all somehow linked performance and the expected effect with the activities of state and government, and thus overshadow those for whom increased competitiveness and whose quality of life is ensured by increasing competitiveness.

Considers necessary to bring to the study of competition evolutionary approach, the position of one of the supporters of which von Hayek may be expressed his following thesis: "It's not just that evolution is based on competition, continuous competition is necessary even to preserve already achieved".

We believe that the systematic understanding of the phenomenon of competition, taking into account the close links that exist between evolution and biology, will allow more clearly define the qualitative factors of competitiveness and entities that provide them. [17]

To use a biological imperative and research competition on the basis of evolutionary economics in today's global environment is very good reason.

Another O. Morgenstern [18], one of the founders of game theory, said that if a noise machine, it will stop, but if you do the same thing with the economy, it will adapt, like a biological organism. This biological aspect of the problem of competition and its connection with the policy sufficiently clear manner is reflected in paper of German biologist D. Promp [19]. The essence of the concept of the author teaches in a ten theses, some of which may, in our view, help to understand the nature of competition, competition existing independently and responsible entity. The first two theses of D. Promp is the policies definition in sense in which it treats the author.

Thesis 1. Politics – a kind of genetic competition, its purpose – sharing the chances of reproduction.

Thesis 2. Politics – non-military form of struggle between populations and groups for shared resources.

On these theses the author explains that when cultural institutions are actually serve fighting for limited resources, hopes members of the population will be used to establish such rules will create for them an advantage over foreign competitors (The term "population" hereinafter in our opinion, is permissible interpreted in the corporate sense, ie when population may understand the corporation, organization, enterprise, coalition in various senses of the word, in general, any entity that struggles for existence). Speaking of resources, he refers to them food, opposite sex and parental costs, mineral resources and territories for settlement, and the production of wealth.

Thesis 3. Protecting, preserving and expanding their resources – a subject of vital interests of any human population. In summary, the author notes that at fact the entire history by the essence is the history of genetic competition, which are designed to serve as a cultural achievement. Through competition with the

expectation of victory, we must be ready not only to defend own collective interests, as well as "to exploitation of strangers, their resources, knowledge, labor". The author emphasizes that the trend towards separation and thus separation from competitors always provide an advantage in evolutionary terms. The winners in the cultural evolution is the knowledge, skills and means that providing victory. From this resulting two key theses of Promp.

Thesis 4. One of the most effective means of genetic competition, which knows the history of culture, is implementing own ideas to the brain of competitors.

Thesis 5. Population, which is competing by the ideological ways to do everything that competitors did not suspect about it.

The following sayings of Promp allow, in our opinion, to understand the causes extremely poor performance of national competitiveness of national firms operating in the international market and the Ukrainian economy at whole. "Politics – a means of acquiring and conserving resources. Anyone who provide the policy against their own populations, jeopardizing competitiveness, its chances of life, its genetic future and the future in general. Populations exist until most concerned about their safety. If they do not, they die or genetically dissolved in populations "invaders".

The latter thesis is interesting is the fact that proposes to anyone who wants a global success, set your own criteria and rules of the competitive game and evaluate the correctness of own actions for personal standards, the result in this case must be assessed quite objectively.

CONCLUSIONS

The appropriateness and necessity of use qualitative factors for the mechanisms formation adequate to modern conditions for providing the competitive national economic development and the increasing competitiveness of the country and its regions.

First proposed interpreted definition of "quality of life" on the basis of the theory of evolutionary institutionalism as a patterns of conduct population, defined by a set of specific rules and procedures generated by regional institutions, observing and changing that population has been successfully developed and is outlined goals under conditions of dynamic environment changes.

This responses population of economic entities on external impulses is shape fluctuations macroparameters thus economic growth in the region.

Improved methodological approach to ensure the competitiveness of the economic system as an interpretation of competition within the concept of interaction, quality grading which depends from the evolutionary changes of the main competitive advantage of the country (region, company) – human resources.

Realized transfer principles of one scientific discipline to another, has been done to prove that competition and performance of its members – "competitiveness" are really have fundamental, intrinsic dimension associated with the realities of being human capital. That quality of life and well-being of human resources not only describe, but also revive and form competitive advantages, the use of which will ensure the competitiveness of the country and its regions.

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