

COMPETITIVENESS OF NATIONAL ECONOMY: PROBLEMS OF REGULATION

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1. Methods of Economy Regulation

Transition to market economy demands from the state more mature approach in use of various methods of the economic policy, allowing to smooth negative effects of the market mechanism and to support macroeconomic balance of system as a whole.

Competitiveness of the national economy - the comparative characteristic containing complex estimation of the major characteristics condition of economy concerning external parameters, by virtue of it competitiveness of the national economy is shown in the international competition. Its changes are characterized by such parameters, as growth rate of GNP, labour productivity growth rate, wages, share of foreign investments in the total amount of investments in the country, charges on education, fundamental science, research and development in percentage to GNP, share in the export of the country, raw and labour-consuming industries, capital-intensive industries, high technologies industries, share in the world export, etc.

The basic concept of the national economy competitiveness means the ability of the national companies to produce goods and services under the price and quality not worse than goods of foreign producers and satisfying both foreign and domestic consumers.

The modern market economy of the world developed countries is cemented by general functional-moving origin industrial capital that has transformed the commodity-money relations into the defining mechanism of economic development. It is thought, that increase of national competitiveness in Kazakhstan is possible only on the basis of proportional transformation of sphere of goods production, and also its database. As a result, these transformations should lead, as in all industrially developed countries, to the creation of mixed economy as the elements unity of the classical market and corporate

structures. A state in this system is called to carry out the major function of the integrating element providing connection of the market subjects in the system whole.

In Kazakhstan market formation is carried out on a way of privatization and privatization of rigidly centralized economy and its transformation to multistructural. It demands a special approach. It is required to add to the aforesaid that the existing technological level of the production industrial base of our country, also imposes some peculiarities on this process.

A basis of the state macroeconomic regulation should become the ideology of development which would consider strategic priorities and national interests of the country. If market forces cannot deduce themselves the country on a way of stabilization and rise, it is necessary to lay the foundation of the production development on a basis of a deep market situation analysis. It is impossible to solve such problems, as suppression of inflation, decrease in budget deficiency, maintenance of competitiveness of domestic manufacturers, maintenance of acceptable employment rate of population, improvement of living standards and social security of population without ideology development, industrial, scientific and technical rise. Therefore the main objective of macroeconomic regulation is to support an economic growth in Kazakhstan.

In modern conditions there is a number of significant reasons which influence the international exchange, causing various distortions and deviations from the classical postulates of international exchange such as irregularity of the scientific and technical progress distribution, increasing feedback from the manufacture concentration, export cartels, intergovernmental agreements and the features of advantages formation of transnational companies.

In the modern economy of Kazakhstan formation of the competitive environment is connected

with decision of some primary goals such as creation of the enterprise sector of economy, formation of organizational legal conditions to overcome monopolistic disproportions, abuse of the leading position in the commodity markets, the prevention of unfair competition, and, at last, the elimination of artificial administrative barriers hampering equal competition.

An adequate regulation should proceed from what factors the national competitive advantages are created, and only in process of their complication, it is possible to increase the national economy competitiveness and prepare preconditions for the country's transition to a new stage of competition development, based on other dominating factors.

Major factors of competition development in the developed countries are investments into economy and innovative development. Therefore special attention should be given to the methods consideration assuming the creation of conditions for the investment process increase in Kazakhstan, also the creation of innovative strategy of research development, rendering the selective support of preferential branches of the national economy.

At last, carrying out the economy restructuring and competition protection policy, creation of the national financial and industrial groups under the administrative control over the performance of antimonopoly law regulations are necessary conditions of competitiveness increase in the national economy of Kazakhstan. All listed methods are directed to create the most favourable macroeconomic conditions which allow increasing of the national competitive advantages, and promoting dynamical transition from price competition to competition of the technological process.

Stimulation of the investment process can be carried out due to internal sources of financing, using such levers of financial flows management as target investment programs, tax and investment privileges, the policy of the accelerated amortization, that can be based on the experience of carrying out tax reforms and amortization system perfection in the USA and Japan.

The policy of taxation simplification, improvement of the taxes collection, and decrease in the commercial credits rates conducted by Kazakhstan will lead to the improvement of finance situation of enterprises and will create opportunities

for accumulation growth. To improve investment climate it is necessary to create impulses to overcome savings function depression and the restoration of investment motivation of managing subjects, in particular by more rigid division of the tax policy concerning unproductively used means and industrial investment in relation to personal consumption and investment.

There are large industrial enterprises in Kazakhstan those can carry out a purposeful policy of production costs decrease and competitiveness increase of their goods with insignificant support of the state. Association of the industrial and bank capitals will enable them to represent themselves as the centers of activity revival of other economic divisions of the national economy. Consolidation of the industrial enterprises means and financial institutions will allow them to accelerate structural reorganization and prevent reduction of scientific and technical potential of the country.

Connection of bank and industrial capital creates an economic opportunity of the effective activity on large projects realization and realization of the progressive structural shifts in the national economy. The real integration and concentration of capital in Kazakhstan moves up into a modern level only in the raw export-oriented branches that is quite natural for the developing economy. Raw material export is the basic source of steady currency income in the economy of Kazakhstan, financial and industrial structures of a branch origin of the capital and precise branch specialization have appeared for Kazakhstan. Historically Kazakhstan has high production concentration ratio that is thorough precondition for the formation of large multifactory economic structures.

The innovative sphere is considered as the basic component of competitiveness growth of economy in the world market. In conditions of absence of sufficient financial resources to support all fundamental directions of science and industrial research and development in Kazakhstan, it is important to carry out correct strategic choice of the selective support of the scientific developments which will allow Kazakhstan to overcome backlog in the development of the country. Everything that has an ultimate goal to create an informational product, modern techniques, fundamental research and education should find support of the state as the highest national priority.

2. The Experience of Competitiveness Estimation

The objective estimation opportunities application of international experience of competitiveness increase of the national producers in Kazakhstan, in our opinion, should be based on the following scheme:

1. Definition of the widest spectrum of the state competitiveness support directions of the national production.
2. Adjustment of the supportive directions taking into account peculiarities of the enterprises state in Kazakhstan.
3. Adjustment of the support directions taking into account restrictions connected with character of products and commodity markets of producers in Kazakhstan, and also taking into account macroeconomic situation in Kazakhstan.

It is necessary to concentrate on the following essentially important, but not fully realized (or absolutely not realized) directions for Kazakhstan to support producers and increase competitiveness of economics of Kazakhstan.

1. It is necessary for Kazakhstan to use to the full potential of the support of the resource advantages of producers, including tariff and not tariff regulation and direct subsidizing of some branches. This conclusion is caused by the following reasons: most of active participants of international trade use direct protective measures concerning its agricultural producers; the objective conditions of the agricultural production in Kazakhstan meanwhile are much less favourable, that proves once again the necessity of the rent distinctions compensation; measures of the direct state support of hi-tech branches caused by objective restrictions of the market mechanism action in these branches as long cycles of research and development, and also high degree of risk in innovative projects that restrain mass markets development and private sources of financing in corresponding branches.
2. Macroeconomic policy of Kazakhstan requires expansion of use of indirect support tools of the national producers, in particular tax and credit, which are widely applied in branches of the American industry and in agriculture. Being not less effective from the point of view

of branch results they are much less burdensome for the state budget and consequently, have much less procyclic character.

3. The decision of basic question for modern economy of Kazakhstan about the branch structure of the economic growth, the form of economic structure orientation and the place of Kazakhstan in the international labor division is connected with change of the raw structure which has been generated for last years of gross national product and export. Increase of a degree of initial raw material processing in this connection - a problem which is actual for Kazakhstan in a much greater degree, than for the USA.
4. Considering the experience of state regulation in natural monopolies, Kazakhstan should continue reforms in gas and electric power industry.
5. Certainly, the use of the USA wide experience in the field of innovative activity increase in economy and stimulation of escalating of innovative competitive advantages by the real sector of economy is adequate to the problem of competitiveness growth.
6. Inclusion of Kazakhstan in the process of globalization demands an application of the USA experience in the field of stimulation of global advantages creation of producers. First of all it concerns realization of ecological restrictions on economic growth, the outflow terminations and partial „repatriation“ of brains from abroad, economy telecommunication sector development, including Internet, and also transnationalization of business in Kazakhstan.

The policy of the government concerning resource advantages of branches expressed in:

- assistance to overcome payment crisis and restore working capital of producers;
- direct branches subsidizing;
- agreements with the governments of the countries - trading partners in regulation of the export deliveries conditions;
- preservation of the protective import duties on goods, most sensitive to changes of foreign trade conditions;
- measures on the natural monopolies regulation and restraint of costs growth at consumers.

Creation of steady resource advantages in case of a principal decision about preservation of

priorities of raw orientation of economy demands: continuation of overcoming of economic recession consequences and neutralization of negative noneconomic effects.

Gradual transition to assistance policy to the investment economic growth based on updating and massed capital inflow in those branches for which advantages of the given type are core. First, this inflow should allow creating an opportunity of fast and scaling reaction of enterprises on favourable changes of business climate by production growth and commodity offer. Secondly, it should allow financing formation of commodity stocks during the periods of unfavorable market conditions.

3. Variants of Development of Competitiveness Parameters

The major value for the future economic development of Kazakhstan has a basic choice between raw and technological orientation of economy. Till now the state support of technological competitive advantages of the firms in Kazakhstan was carried out by means of: restructuring of the state ownership stimulation of domestic competition of economy in Kazakhstan and weakening of pressure on producers of monopolistic factors; privatization of services sphere allowing flexibility increase.

Taking it into account, the development key parameters of development and increase of competitiveness of the national economy can be carried out by several variants:

I the variant starts with a principle of realistically-conservative forecast, including probable, but rather less favourable combination of external and internal conditions.

II variant is based on preservation of favourable external and internal conditions of development in the nearest years.

Both variants are based on obligatory performance of measures planned by the Government of Kazakhstan in social and economic spheres. Additional variants can consider an opportunity of more significant deterioration of market conditions in the international markets of raw and power resources.

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ABSTRACT**COMPETITIVENESS OF NATIONAL ECONOMY: PROBLEMS OF REGULATION****Gulnara Nurmukhanova**

The paper focuses on future economic development of Kazakhstan. Further, the paper introduces the development key parameters of development and increase of competitiveness of the national economy.

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