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**PROBLEMS AND WAYS TO IMPROVE
THE COMPETITIVENESS OF THE BELARUSIAN ECONOMY****CHARNYSHOVA YULIYA, TARASAU MIKITA, OLEG DODONOV
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In the article the essence of the concept "competition" and the role of competition in the market economy are disclosed, problems of competitive environment formation in the economy of the Republic of Belarus are revealed, the directions of the competitiveness increase in the Republic of Belarus at the national level and the level of the enterprises are defined.

Issues of the competitiveness have big relevance both at macroeconomic and microeconomic level today. Urgency is that the competition represents the macroeconomic problem that makes the most direct and strongest impact on each economic system – from the enterprise to the industry, region and national economy. The competition is a powerful factor of economic development. The relations of the competition promote establishment of more effective mode of use of limited resources by means of their distribution between accounting entities on the basis of operation of economic laws [1].

Interpretation of the concept "competition" in economic science has passed several stages. In the classical economic theory behavioral approach was identified. In particular, A. Smith understood the essence of competition as a set of the interconnected attempts of different sellers to establish control in the market. Since the end of the XIX century the structural concept of the competition has began its formation. Among its authors there were F. Edgeworth, A. Kurno, J. Robinson, E. Chamberlin. Positions of these scientists in modern western economic science are so strong that the term "competition" is most often used in structural understanding. The market is called competitive when the number of the firms selling a homogeneous product is so big and the share of a specific firm in the market is so small that independently no one can significantly influence the goods price by changing in sales volume.

Except behavioral and structural interpretation of the competition, in the economic theory there is still a functional approach to the competition and the characteristic of the competition as "procedures of opening". Functional approach to the determination of the competition is connected, in particular, with the name of the Austrian economist J. Schumpeter. In the theory of economic development, it defined the competition as fight of old with new. This fight is conducted by entrepreneurs – the organizers of production laying the new ways and performing new combinations of resources. According to Schumpeter, a task of the entrepreneur is to enable the realization of innovations, to fight against a routine, not to do what is done by others, to become "the creative destroyer". Then he can win in competitive struggle, having driven those entrepreneurs who use outdated technologies out of the market or turn out not best-selling products. Another Austrian economist and a political philosopher - F. von Hayek considered the competition even more widely, understanding it as "the procedure of opening". In his opinion, for entrepreneur it is important, being guided by increase or drop in prices on resources and the benefits made with their help, to understand in what direction it is necessary to work as well as for whom to make. Only "procedure" of the competition "opens" what resources and in what quantity need to be used, how much, and to whom to sell [2, p. 39–40].

The competition in market economy works not by itself. It should be supported and be constantly guided by the state. In some countries due to the lack of the competition as first-priority there is a problem of competitive environment forming in production and trade.

For the development of the competition it is important to allocate and consider a ratio of three activities: measures for creation and development of the competition, or the stimulating measures; restriction of monopolism; suppression of the actions breaking the normal competition [7, p. 274–275].

Transformation of the Belarusian economy in the direction of market model of managing caused carrying out institutional reforms. It is dictated by the requirement of creation of competitive production that in its turn assumes modern competitive environment formation based on innovative work and intellectual capital [4]. In the Republic of Belarus forming of competitive production is possible at implementation of the corresponding innovative model of competitiveness which implementation in turn demands change of industry structure, the prevailing development of high-technical production, accurate determination of the priority industries providing reproduction of a public product and return of investments. Further increase in production of goods of low and average knowledge intensity at high materials consumption and power consumption of production is unpromising. It leads to creation of goods which are not competitive in price, and development of priority factors of competitiveness – development of science, implementation of new technology [5] in the long term details.

Economics

The share of material costs and growth rates of export are characteristic of the Belarusian export enterprises which are provided with updating technologies. In the long term preserving of competitiveness of these enterprises is complicated owing to high wearout of the fixed business assets, full load of production capacities, by insufficiency of means for the investment activity.

In the conditions of a transition period many CIS countries used the model combining development of export-oriented and import-substituting production. It is also used in the Republic of Belarus [6, p. 345]. Nevertheless, today into the forefront of market fight steps there is not so much price competition, as the competition of new goods and services is very urgent and problematic for the enterprises, for example, of the textile industry of Belarus. At most enterprises there are difficulties in ensuring productions with the modern equipment, use of new technologies without what it is initially impossible to do competitive products. Wearout of the equipment, for example, of the textile industry of Belarus is more than 70%. For comparison: in the USA – on average 15 – 20%. The operating mechanism of replacement of means of production at most the enterprises of the Republic of Belarus is not adequate to the changed nature of management, and has no necessary properties for the solution of the questions connected with providing the desirable quality level of products, not using all economic reserves and opportunities. Many production workers due to fear of economic risk prefer to apply already tested technologies of production. The vicious circle turns out: to make new, competitive products, money is necessary and to receive it – it is necessary to sell qualitative products. In this situation it is important for enterprises to wait not so much for the help from the state how much to production workers to lead active marketing strategies: scrutinize demand, market capacity, dynamics of competitiveness of similar goods, to react instantly to market changes, etc. [7, p. 31].

Nevertheless, Belarus has a potential for favorable development. Occupying 0,15% of the territory in the world, having 0,18% of population, the Republic produces 11% of world production of potash fertilizers, 0,6 – of chemical fibers and threads, 0,15 – of steel and cement, 1,3 – of refrigerators, 0,4 – of TVs, 1,8 – of woolen fabrics, 0,8 – of footwear, 8,7 – of flax fibers, 0,4 – of meat in lethal weight, 1,1% – of milk. However in the next years these reserves will be already reduced and only internal accumulation will not provide required accumulation of potential production, especially regarding release of products, competitive in the world market [8, p. 109].

Drawing a conclusion, one may say, that in the Republic of Belarus competitive environment is not properly created, despite the favorable potential for development and, in our opinion, it leads to enormous losses not only for consumers, but also for national economy in general.

In the Republic of Belarus transition to market economy and the market relations happens in the conditions of large-scale monopolism and deficiency of the majority of goods markets. The main objective of the antimonopoly policy is to create and constantly support competitive market.

The main directions of state policy on forming of competitive environment in this country are: creation of organizational, legal and economic premises for demonopolization of economy and development of entrepreneurship. For this purpose, the Ministry of the antimonopoly policy was transformed into the Ministry of entrepreneurship and investments.

Forming of competitive environment in the Republic of Belarus is performed by liquidation of the unions and associations (during privatization) limiting independence of the enterprises; allocation of structural divisions of the operating enterprises and their transformation to independent subjects; creation of new, private enterprises, small and medium, joint-stock companies.

Today the main problems of development of the competition in the country are: considerable dependence of entrepreneurship on the state, inability of the Belarusian goods to compete with foreign, a small number of joint-stock companies, slow reforming of economy, lack of radical changes in organizational forms etc.

The mechanism of creation of effective competitive environment in consumer market of the Republic and increase in its level of intensity should be adjusted by public authorities. This step should not be considered as return to strengthening of methods of administrative influence on subjects of the market and to creation of trade barriers.

The following conditions are necessary for increase in competitiveness in the Republic of Belarus:

- complete isolation of producers as owners of means of production and the made product (main premise);
- plurality of producers of homogeneous products (it is reached by creation of new economic structures in the monopolized industries), development of small and medium businesses, disaggregation of associations, concerns and other unions;
- interest of subjects in business activity; economic freedom and complete independence in a productive and business activity of an accounting entity (the choice of a type of activity, organizational forms, determination of financing sources, methods and management structures production, sale, etc.), absence of dictatorship from the government (state);

– availability of the market of the soil and real estate, accurate precepts of law, steady monetary and financial systems, the stimulating tax, credit, price and foreign trade policy (the reasonable protectionist policy of the state in the field of domestic market performed by introduction of temporary quantitative restrictions of import of separate types of products, the special, anti-dumping and compensatory duties);

– liquidation of barriers for entrance on the market for new accounting entities;

– overcoming monopolism of the government managerial institutions; control of monopolistic activity of accounting entities and suppression of anti-competitive actions; state regulation of natural monopolies; providing free access to information on goods and the prices [9, p. 255–266].

Besides, for increase in competitiveness the Belarusian enterprises need to solve the following problems:

1. Improve a marketing activity. For this purpose:

– hold events for improvement of the organization of marketing;

– perform search of market niches, reveal perspective segments of the market, carry out positioning of goods in the market;

– reveal needs of buyers and to constantly increase product competitiveness, implement new goods;

– pursue flexible price policy, applying different price levels in different markets, to different segments, apply system of discounts;

– carry out the analysis and perform search of the perspective markets and sales channels and to master foreign markets;

– perform an effective advertising campaign, actions for sales promotion directed to forming of consumer preferences and commitment to the enterprise and its products.

2. Improve a financial state. For this purpose:

– develop the actions directed to cost reduction;

– accelerate turnover of current assets;

– at the choice of management decisions to perform cost optimization.

3. Improve management. For this purpose:

– to accurately define the purposes;

– develop strategies (the general for the enterprise, for marketing, for marketing elements, for finances, for production);

– improve the organization of enterprise management;

– develop system of motivation of workers to effective activity.

The solution of these tasks in a complex will allow to increase competitiveness of domestic enterprises both on internal, and on external markets, and it, in return, will allow to increase export volumes and receipts of a currency earnings in the State currency fund for the solution of such tasks as support of a rate of national monetary unit, repayment of an external debt [9, p. 19].

Competitive environment in the Republic of Belarus should be formed step by step, starting with the emergence of the competition between subjects and finishing by forming of structural elements for its providing.

At the first stage there is a formation of the competition between domestic manufacturers of one industry for sales markets and raw materials, between banks:

– for long-term lending of production programs, between trade to the organizations;

– for establishment of communications with producers.

At the second stage the cross-industry competition for a profit margin forms, there is a formation of non-commodity forms of the competition between concerns, holdings, and financial groups for financial leadership.

At the third stage equal partnership between domestic and foreign manufacturers is provided.

The role of the state as the regulating authority constraining monopolistic tendencies and encouraging the competitive relations consists not in prohibition of monopolies as such, and in creation of system of the measures encouraging competitiveness in the market, stimulating business activity, supporting respect for the principle of equal opportunities [9, p. 256].

Experience of the developed foreign countries says that the main objectives of competition policy of the state are: ensuring economic growth and the international competitiveness of economy, assistance to technical progress, control of activity of monopolistic subjects, replacement from the market of the unprofitable enterprises. At the same time the main strategic task of the state consists in creation of the legal framework of the competitive relations, and a new economic mechanism oriented at competition stimulation.

The leading directions of the state competition policy come down to development and improvement of the legislation of the competition, control over structure of the market, prevention of abuses of the market power, to stimulation of business activity [9, p. 258].

For carrying out such state policy in the Republic of Belarus it is necessary for the supreme legislative and executive authorities to adopt a package of laws providing guarantees of full development of the competition in domestic economy and also protection it from departmental arbitrary behavior and bureaucracy.

Economics

Study of foreign experience of implementation of competition policy gives the grounds to consider that in Belarus it is also necessary to carry out institutional transformations - to perform structural adjustment of economy, to provide a rational combination of different patterns of ownership, decrease in level of monopolization of economy, financial improvement of the country and implementation of a land reform. Besides, it is necessary to re-structure the enterprises and to create the market infrastructure providing functioning of the main markets in the conditions of the competition and reasonable antimonopoly regulations.

Besides, support and help of the state should consist in development and strengthening of information base of consumer market; creation of a possibility of certification and quality control of goods and simplification of their procedure; creation of a credit system available to all subjects of the market; simplification of the procedure of the taxation; reduction of forms of the reporting for the business owners; increase in legal culture of participants of the market; ensuring compliance with the law by all participants of the market relations.

The analysis of foreign experience allows to specify the next ways of forming of competitive environment:

First, increase in number of the organizations performing homogeneous activity, making one-specific products or rendering identical services. The more enterprises offer homogeneous goods and services, the more they aim to attract clients and for this purpose improve quality, reduce costs and collectable rates. It is reached due to modernization of production, its technical improvement, reduction of excessive costs.

Secondly, support of small and medium entrepreneurship is necessary. It differs in high degree of flexibility, efficiency of response to the shifts in demand. Small business by the practice of direct contacts with the consumer puts pressure upon major companies, also forcing them to be guided by requests of the population constantly.

Thirdly, systematic comparison and public comparison of qualitative and price indexes of goods and the services rendered by different entrepreneurs are necessary. The state is designed to promote permanent holding reviews, tenders, exhibitions of goods, objective comparison of characteristics, to publish comparative information. With assistance of state bodies Chambers of Commerce and Industry, the unions of protection of consumer interests and other organizations are urged to carry out similar work.

Fourthly, permanent systems of promotion and encouragement of the best achievements and results are necessary. The state should develop and use effective acceptances of economic and moral encouragement of entrepreneurship. Maintenance of objective goodwill of firms by mass media, accounting of such indicators at distribution of the state investments and orders is important. At the same time the degree of satisfaction with the producer of public interests, requests of consumers [10] should become the main evaluation criterion.

The general activities on development of the competition in market economy are that they should find implementation in specific acceptances and decisions. Only at such state approach it is possible to increase competitiveness of the economy of the Republic of Belarus.

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