INCREASING THE COMPETITIVENESS OF THE NATIONAL ECONOMY IN THE CONDITIONS OF GLOBALIZATION

Abstract

The aim of the article is to analyze the current state of the country’s competitiveness based on certain data as an indicator of the well-being of citizens, and acts as a guarantor of economic security and contributes to the growth of the national economy. Being a part of the global economy is relevant and important for a state and it requires new research on this issue. The authors in the article consider the relationship between the processes of the country’s competitiveness and economic growth, which determine the need for a comprehensive analysis of possible options for implementing the competitiveness strategy. The competitiveness of the economy is impossible without its openness and integration into the global economic system. Strengthening the integration processes will ensure unhindered access of Kazakhstani goods and services to the markets of other countries and expand their sales markets. Thereby it will help to increase competition. The problem of competitiveness is directly related to the theory of international trade, since the interaction of a country with other states in world markets is considered, and with the theory of the spatial organization of productive forces, in view of the fact that industry is the main object of empirical research of competition processes. The necessary increase in the role of geography in the study of current processes in the world economy under the influence of the globalization process is also explained by the differentiation of the rates of development not only between groups of independent states, but also within most individual countries. The article uses the following methods: analysis and synthesis, systematic approach.

Key words: national economy, competitiveness, globalization, macroeconomic indicators, modernization, scientific and technological progress, products.

Introduction

The necessary increase in the role of geography in the study of current globalization process is also explained by the differentiation of the rates of development not only between groups of independent states, but also within most individual countries.

The specific characteristics of the economy of different countries and their regional features have played a significant role in the formation of the concepts of competitiveness. Practically all the experts dealing with the problem of competitiveness in the world economy. Many of them shifted the emphasis
in the study of competitive advantages from the national. Therefore, the economic and geographical component plays a leading role in countries and regions in the world economy.

**Main provisions**

Currently, Kazakhstan is pursuing both a structural macroeconomic policy aimed at streamlining the structure of the economy and its institutions, and a stabilization one aimed at overcoming the imbalance of the economy at the macro level. Within the framework of a stabilizing macroeconomic policy, the instruments of monetary and fiscal policy remain relevant. The main macroeconomic indicators of Kazakhstan the assessment of the macroeconomic situation by international ratings characterize it as stable. At the same time, the strengths of the macroeconomic environment of Kazakhstan are a low state budget deficit of 2.08% of GDP, high gross national savings, which amounted to 39.6% of GDP in 2018, and a low level of public debt of 12.3% of GDP.

Table 1 – Growth rate of macroeconomic indicators of the state

<table>
<thead>
<tr>
<th>Indicator name</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020 (January-June)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP, billion tenge</td>
<td>16052.90</td>
<td>17007.60</td>
<td>21815.51</td>
<td>27571.91</td>
<td>12535.91</td>
</tr>
<tr>
<td>GDP, USD billion</td>
<td>133.40</td>
<td>115.2</td>
<td>148.10</td>
<td>188.10</td>
<td>84.61</td>
</tr>
<tr>
<td>Real GDP growth,%</td>
<td>3.33</td>
<td>1.22</td>
<td>7.33</td>
<td>7.54</td>
<td>5.61</td>
</tr>
<tr>
<td>Average annual inflation,%</td>
<td>17.21</td>
<td>7.30</td>
<td>7.12</td>
<td>8.31</td>
<td>4.91</td>
</tr>
<tr>
<td>Exports of goods, billion USD</td>
<td>72.1</td>
<td>43.8</td>
<td>61.61</td>
<td>88.50</td>
<td>46.90</td>
</tr>
<tr>
<td>Imports of goods, billion USD</td>
<td>38.51</td>
<td>29</td>
<td>32.90</td>
<td>40.61</td>
<td>20.90</td>
</tr>
<tr>
<td>Trade balance, USD billion</td>
<td>33.50</td>
<td>16</td>
<td>28.71</td>
<td>47.88</td>
<td>26.1</td>
</tr>
<tr>
<td>Current account balance, % of GDP</td>
<td>4.72</td>
<td>–3.61</td>
<td>1.20</td>
<td>7.23</td>
<td>10.40</td>
</tr>
<tr>
<td>Gross international reserves, USD billion</td>
<td>19.91</td>
<td>23.2</td>
<td>28.33</td>
<td>29.32</td>
<td>32.32</td>
</tr>
<tr>
<td>Unemployment rate, %</td>
<td>6.60</td>
<td>6.63</td>
<td>5.80</td>
<td>5.42</td>
<td>5.20 (quarter)</td>
</tr>
<tr>
<td>State budget deficit, % of GDP</td>
<td>2.19</td>
<td>3.11</td>
<td>2.449</td>
<td>2.1</td>
<td>0.63</td>
</tr>
<tr>
<td>Public debt, % of GDP</td>
<td>8.71</td>
<td>12.99</td>
<td>14.81</td>
<td>12.32</td>
<td>28.90</td>
</tr>
</tbody>
</table>

Note – Compiled by the author.

The weaknesses remain the high level of average annual inflation, which in 2019 was 8.3%, and in 2020 – 5.4% (Table 1).

Assessment of competitiveness is comprehensive in terms of key factors in the development of education, science and technology [1].

One of the main problems that have a decisive influence on the scientific and technological development of the Republic of Kazakhstan is the insufficient level of funding for science. Thus, the annual volume of research funding in the country over the past 5 years is 0.2–0.3% of GDP, while the threshold level determined by international experts is 1%, below which the destruction of scientific and technical potential occurs.

Positive growth trend in internal expenditures on research and development, which in absolute terms amounted to 43.3 billion tenge in 2020 with an increase of 29.5% compared to 2019.

For comparison, the total R&D costs in Israel are 4.41%, in Finland – 3.88%, in South Korea – 3.74%, in China – 1.77%, in Estonia – 1.63%.

Internal expenditures on research and development by sector of activity for 2012–2017 showed that the share of the public sector in R&D in 2017, which was previously dominant, was 25%, while the share of the business sector was 51.6% [2].

In accordance with modern requirements, there is a lack of highly qualified specialists in the research field, as well as a small selection of young people in the scientific direction.
Methods

To increase the country’s competitiveness, first of all, the quality of human capital, to develop education and science, which will introduce new innovations and technologies [3].

Obviously, its solution should be based, first of all, on the modernization of the economy and society (society – because some aspects of assessing competitiveness depend not only on the level of economic development, mentality and moral norms of society).

It can only be noted that in order to implement a purposeful and consistent course to increase Kazakhstan’s competitiveness, it is necessary to develop a national strategy for increasing competitiveness. The main approaches to the development of such a strategy will be discussed below, but in addition to measures to actually increase competitiveness, it can also be noted that, for image purposes, measures can be taken to promote Kazakhstan in the considered rating of the WEF Global Competitiveness Index.

Such measures can be taken in several ways:

First, as noted above in the analytical section, the biggest problems in assessing Kazakhstan’s competitiveness are formed by indicators based on surveys. Since there are an absolute majority of such indicators in the WEF ratings – 77 out of 111, it is obvious that a more sober assessment of the situation by the respondents is required, without its unreasonable deterioration. In this regard, it is advisable to recommend the Kazakhstani partners of the WEF to more carefully approach the selection of respondents for surveys within the framework of the relevant research. Currently, the partner institution of the WEF from Kazakhstan is the National Analytical Center under the government and, in my opinion, in the research of the NAC for the WEF there may be reserves for improving the quality and objectivity of the respondents from the Kazakh side participating in the survey [4].

Secondly, there are reserves for increasing the efficiency of the statistical data used in the WEF ratings. As noted above, in collecting statistics, the WEF uses not only the data of national statistical agencies, but primarily the ready-made reviews of other international organizations (the World Bank, the World Health Organization, the IMF, etc.). Because of this approach, which is certainly convenient for the preparers of the report, in some cases, very significant time lags arise. For example, for the rating 2016–2018. Data for 2013 is used, which greatly distorts the final picture and may harm the country’s rating, including the rating of Kazakhstan. In this report on global competitiveness, the most lagging indicators were those forming the parameters “Health and primary education”.

Thirdly, it is necessary to highlight the priorities of Kazakhstan’s advancement in certain areas of the areas assessed by the WEF in order to more effectively and targeted application of efforts to increase the Kazakhstani rating. That is, it is required to concentrate efforts on those areas of the WEF rating, which, due to the applied methodology for calculating it, will give the greatest effect [5].

Results

Without diminishing the importance of the indices and competitiveness criteria of the World Economic Forum, it must be admitted that they are far from being exhaustive. And therefore, it becomes necessary to develop for Kazakhstan its own, national strategy for increasing competitiveness, the main blocks of which should be:

Kazakhstan in the world economy, the modernization of the national economic system, an increase in social orientation (which is not GCI), culture, science, education (also not included in the WEF indices), an increase in the role of Kazakhstan in the global economy. Of course, such a model should not be local in nature, neglecting the achievements of world theory and practice. The specifics of Kazakhstan cannot serve as an indulgence for any experiments and economic voluntarism justified by a “special way” of the country’s development. It is necessary to borrow the best achievements of international practice economic policy, to take into account the great importance of various international assessment methods, including the WEF methodology discussed above. Therefore, the national model of economic development should also include the criteria of the GCI and other indices, but at the same time be aimed at the final result, which, in our opinion, should be a high standard of living of citizens of Kazakhstan [6].
Discussion

To ensure the comprehensiveness of the national competitiveness strategy, it must contain a number of key elements necessary to highlight the priorities of competitiveness, to quickly change them as the national and world economy develops, measures to implement these priorities and assess the results of the strategy. In our opinion, the following can be attributed to the main components of the strategy for increasing the competitiveness of Kazakhstan:

- Methodology for determining the priorities of competitiveness and their changes in a highly dynamic external environment.
- Criteria for the competitiveness of the national economy.
- Directions of increasing the competitiveness of the economy of Kazakhstan.
- Measures to implement these areas.

The methodology for the prompt and flexible allocation of competitiveness priorities should be built in such a way that, on its basis, it would be possible to form lists of the most successful industries in foreign markets for long-term time periods (about 10 years), based on monitoring the current situation in world markets and identifying the most promising niches in the international specialization.

In this case, the criteria for prospects should be:

- the maximum level of added value generation;
- contribution to the GDP and to progressive sectors that improve the structure of the economy;
- the potential for job creation for highly qualified employees;
- a high multiplier effect for related sectors of the Kazakhstani economy;
- the potential for return to the state budget in terms of taxes paid both at the corporate level and in terms of personnel income.

The presence of such a methodology within the framework of the strategy for increasing the competitiveness of this method will allow, on the basis of monitoring the conjuncture of world markets, to identify the most promising and progressive industries and stimulate their development in Kazakhstan on a purposeful and systematic basis, which will increase the country’s competitiveness in the world markets for final products [7].

Measures to implement the directions of increasing competitiveness should be both traditional instruments of indirect regulation (tax, customs privileges, soft monetary policy), and more active use of state development institutions and public-private partnership (PPP). Strengthening domestic financial capital should be a separate block for increasing competitiveness. Measures are needed to strengthen Kazakhstani financial institutions, to further increase their capitalization in order to expand to world markets, which can become a tool for promoting the country’s economic interests. In addition, strengthening the banking system is a prerequisite for enhancing financing of advanced industries and industries that increase competitiveness in the context of the underdevelopment of other sources of financing in Kazakhstan (stock market, venture capital).

As a result, in addition to the development and consolidation of business, the basis for increasing the competitiveness and development of the country as a whole should be the modernization of the national economy, aimed at increasing the share of high-tech industries in GDP, improving the structure of the economy in order to bring it to the standards of developed countries, as well as realizing the existing competitive advantages Kazakhstan.

The positive quantitative dynamics of Kazakhstan’s GDP, the growth of its share in world GDP is not accompanied by its qualitative improvement. The structure of GDP still retains the dominant raw materials and trade and intermediary components, as evidenced by the high share of the mining industry in the industrial structure, as well as the high shares of trade and real estate transactions in the structure of services production. The reasons for the low diversification of the economy are the low diversification of investments and loans issued by STBs [8].

In connection with the above, the country is faced with the task of achieving sustainable economic growth, independent of market factors, based on scientific and technological progress, innovations and effective and high-quality factors of production. A prerequisite for such development is efficient basic production assets, new techniques and technologies, as well as investment in human capital.
High depreciation of fixed assets (40%) requires significant long-term investments, sources of which can be the stock market and the credit (banking) market [9].

Statistics show that the propensity of the population to save in Kazakhstan is not high (about 12%), and the population’s savings in the form of bank deposits are short-term in nature, which indicates that the population is not ready to be long-term investors. Consequently, it is difficult to consider savings of the population as the main long-term investment in the economy.

**Conclusion**

Statistics and ratings, Kazakhstan has a high internal rate of savings at the expense of the National Fund, which, in conditions of a low propensity to save, performs a saving stabilizing function.

The global financial crisis has shown the vulnerability of the financial (fictitious) sector; at present, the developed countries of the world, which have relied on financial stabilization, demonstrate a decline in economic growth. Strengthening globalization and integration processes, strong dependence of Kazakhstan on world oil prices, pegging the tenge to the dollar indicate the need to shift the focus in the field of macroeconomic policy from financial stabilization towards stabilization of the real sector of the economy, which is aimed at stimulating real economic growth and structural restructuring of the economy [10].

The state should continue to pursue an active investment and structural policy, create conditions for maximum utilization of production facilities and their modernization. Such a policy will help reduce cost inflation.

The modernization of production facilities will significantly reduce (not increase) tariffs for the services of natural monopolies, the growth of which is due to high wear and tear, and the development of infrastructure (transport in particular) will increase competition, which will also reduce inflation. In order to use the credit market to attract long-term investments, the state needs to stimulate the reorientation of the financial and banking sector from trade and intermediary operations to strengthening the real sector of the economy.

**REFERENCES**

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ЖАҢАНДАНУ ЖАҒДАЙЫНДА УЛТТЫҚ ЭКОНОМИКАНЫҢ БӘСЕКЕГЕ ҚАБІЛЕТТІЛІГІҢ АРТТЫРУ

Айдатпа

Макаланың мақсаты – жалпы халықтың елеуетін корсететін накты деректер бойынша елдің бәсекеге қабилеттілігінің қазіргі жай-қүйіне талдау жұрғізу, бұл, сәзсіз, экономикалық қауіпсіздік көпілі және ұлттық экономикалық осуіне қып жатады. Мемлекеттің елдік экономика кіруі ол елді және маңызды, жаңа зерттеулерді жасау керек етеді. Мемлекеттің елдік экономика еңізі елдері мен адамдарды және жаңа зерттеулерді жасау керек етеді. Авторлар макалада отандық экономикалық қабілөттілік түрлерін көрсетіп, оның осу ретінде байланысын көздеді. Экономикалық қабілөттілік елінің дәлелдері әлсізгізгі күні есептеледі. Экономикалық қабілөттілік елдің әлемдік нарықтарына қарай көп қызметпен, экономикалық қауіпсіздік көздесіз. Экономикалық қабілөттілік елдің әлемдік нарықтың қауіпсіздігін қауіпсіздік көздесіз. Экономикалық қабілөттілік елдің әлемдік нарықтың қауіпсіздігін қауіпсіздік көздеді.

Тірек сөз: ұлттық экономика, бәсеке, қабилеттілік, жаңандану, макроэкономикалық корсеткіштер, модернизация, ылғамы – техникалық прогресс, онім.
ПОВЫШЕНИЕ КОНКУРЕНТОСПОСОБНОСТИ НАЦИОНАЛЬНОЙ ЭКОНОМИКИ В УСЛОВИЯХ ГЛОБАЛИЗАЦИИ

Аннотация

Цель статьи – провести анализ современного состояния конкурентоспособности страны по конкретным данным, отражающим потенциал населения в целом, что, безусловно, является гарантом экономической безопасности и способствует росту национальной экономики. Вхождение государства в мировую экономику является актуальным и важным, требует новых исследований. Авторы рассмотрели вопрос о взаимосвязи процессов роста отечественной экономики с комплексным анализом направления ее конкурентоспособности. Конкурентоспособность экономики невозможна без ее открытости и интеграции в глобальную экономическую систему. Повышение интеграционных процессов обеспечит беспрепятственный доступ казахстанской продукции и услуг на рынки других стран, также расширит рынки их продажи. Тем самым будет способствовать повышению конкуренции. Проблема конкурентоспособности напрямую связана с теорией международной торговли, так как рассматривается взаимодействие страны с другими государствами на мировых рынках. Теория пространственной организации производительных сил промышленности – это основной объект эмпирического исследования конкурентных процессов. Необходимое повышение роли географии в исследовании актуальных процессов в мировом хозяйстве под воздействием процесса глобализации объясняется также дифференциацией темпов развития не только между группами независимых государств, но и внутри большинства отдельных стран. В статье использованы следующие методы: анализа и синтеза, системного подхода.

Ключевые слова: национальная экономика, конкурентоспособность, глобализация, макроэкономические показатели, модернизация, научно-технический прогресс, продукция.