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SUMY STATE UNIVERSITY
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18.12.2023

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MASTER'S LEVEL QUALIFICATION PAPER
on the topic "**PROSPECTS FOR THE DEVELOPMENT**
OF COMPETITIVENESS OF THE ECONOMY OF UKRAINE"
Specialty 292 "International Economic Relations"

Student 2th Course
(course number)
group МБ.М-21аН
(group's code)

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It is submitted for the Master's level degree requirements fulfilment.

Master's level degree qualification paper contains the results of own research. The use of the ideas, results and texts of other authors has a link to the corresponding source

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Sumy, 2023

SUMMARY

of Master's level degree qualification paper on the theme

“PROSPECTS FOR THE DEVELOPMENT OF COMPETITIVENESS OF THE ECONOMY OF UKRAINE”

student Roman Nesterenko
(full name)

The main content of the master's level degree qualification paper is set out on 59 pages, including a list of used sources of 54 titles (5 pages). The work contains 13 table, 18 figures, as well as 1 application (1 page).

KEYWORDS: COMPETITION, COMPETITIVENESS, SOURCES OF COMPETITIVENESS, FACTORS OF COMPETITIVENESS, WORLD ECONOMIC FORUM, DEVELOPMENT GROUPS, WAR, SWOT.

The master's degree consists of an introduction, three sections, conclusions, a list of sources used, and appendices.

The work examines the essential characteristics of the concept of competition and the country's competitiveness, as well as defines the sources and factors of the formation of the global competitiveness of the country and Ukraine in modern conditions.

The analytical section examines the methodology for assessing the country's global competitiveness, a truly comparative analysis of the competitiveness of the five leading countries in the world, and also conducts an analysis of the global competitiveness of Ukraine.

The project part is dedicated to the prospects of increasing Ukraine's international competitiveness, a SWOT analysis of Ukraine's competitiveness in modern conditions was conducted, and the organizational and economic mechanisms of increasing Ukraine's global competitiveness were investigated.

Year of Master's level qualification paper fulfillment is 2023.

Year of Master's level paper defense is 2023.

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
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TASKS FOR MASTER'S LEVEL DEGREE QUALIFICATION PAPER

(specialty 292 "International Economic Relations")

student 6th course, group МБ.М-21аН

(course number)

(group's code)

Roman Nesterenko

(student's full name)

1. The theme of the paper is «PROSPECTS FOR THE DEVELOPMENT OF COMPETITIVENESS OF THE ECONOMY OF UKRAINE» approved by the order of the university from №1371-VI від 29.11.2023 року
2. The term of completed paper submission by the student is «18» December 2023
3. The purpose of the qualification work is to consider the theoretical foundations of competition, research methods of assessment and analysis of the global competitiveness of Ukraine and the leading countries of the world, as well as to determine the prospects for increasing the international competitiveness of Ukraine in modern conditions.
4. The object of the research is the economic, is the global competitiveness of the country.
5. The subject of research is the peculiarities of assessing and increasing the competitiveness of Ukraine.
6. The qualification paper is carried out on materials of domestic and foreign authors, textbooks and manuals on selected topics, analytical reports of domestic and international, including international organizations such as the OECD, EU, CEDOS, World Bank, government statistics, website publications, conference and research papers.

7. Approximate master's level degree qualification paper plan, terms for submitting chapters to the research advisor and the content of tasks for the accomplished purpose is as follows:

Chapter 1 The theoretical basis of research: principle of studying competition and competitiveness of countries

(title, the deadline for submission)

Chapter 1 deals with the review the general state of the competition and competitiveness of countries; sources and factors of formation of global competitiveness of the country and Ukraine in modern conditions.

(the content of concrete tasks to the section to be performed by the student)

Chapter 2 An methodological aspects of competitiveness assessment and global competitiveness analysis of the leading countries of the world and Ukraine.

(title, the deadline for submission)

Chapter 2 deals methods of assessing the global competitiveness of countries. Comparative analysis of the competitiveness of the five leading countries of the world. Analysis of global competitiveness of Ukraine.

(the content of concrete tasks to the chapter to be performed by the student)

Chapter 3 Prospects for increasing the international competitiveness of Ukraine in the current conditions.

(title, the deadline for submission)

Chapter 3 deals with the SWOT analysis of Ukraine's competitiveness in modern conditions. And organizational and economic mechanisms of increasing Ukraine's global competitiveness.

(the content of concrete tasks to the chapter to be performed by the student)

8. Supervision on work:

| Chapter | Full name and position of the Advisor | Date | |
|---------|---|----------------|------------------|
| | | task issued by | task accepted by |
| 1 | Yuriy Petrushenko, Doctor of Economics, Professor | 20.10.2023 | 18.11.2023 |
| 2 | Yuriy Petrushenko, Doctor of Economics, Professor | 12.11.2023 | 05.12.2023 |
| 3 | Yuriy Petrushenko, Doctor of Economics, Professor | 20.11.2023 | 18.12.2023 |

9. Date of issue of the task: « 20» October 2023.

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INTRODUCTION

This days, special attention is paid to the study of competition and competitiveness of countries in the world economic arena. Ukraine's entry into the global economic space and increased movement of capital of cross-border origin has attracted the attention of the world community, in particular investors, to the economy of Ukraine, which in turn needs to bring order to the economy of Ukraine and its order in accordance with the global criteria of economic sustainability. That is why determining the level of global competitiveness of Ukraine and increasing its competitive advantages by carrying out a number of transformations is one of the priority tasks of the country's economic strategy in the post-war reconstruction period.

Among the foreign and domestic scientists who study the competitiveness of countries, we can highlight: S. L. Brew, J. Hicks, M. Porter, L. Walras, T. Jader, M. Blaug, D. Sachs, M. Hanous, P. Krugman, A. Granberg, T. Veblen, J. Blenka, Kenichi Omae, R. A. Fathudinova, B. Gubsky, M. Dryakhlov, V. Nazarenko, Y. Zagoruyko, B. Kvasniuk, Y. B. Basiluk, A. K. Kinakh, O. S. Shnytko, A. S. Galchynskiy, O. G. Belorusa, O. A. Shvydanenko. The value of the scientific works of the above-mentioned scientists is quite high, but issues related to increasing the competitiveness of the national economy in modern conditions require further research.

The purpose of the qualification work is to consider the theoretical foundations of competition, research methods of assessment and analysis of the global competitiveness of Ukraine and the leading countries of the world, as well as to determine the prospects for increasing the international competitiveness of Ukraine in modern conditions.

Based on the purpose of the research, the following tasks were set:

- to determine the essence of the concept of "competition" and the competitiveness of the country;

- to investigate the sources and factors of the formation of the country's competitiveness;
- consider methods of assessing the country's global competitiveness;
- conduct a comparative analysis of the competitiveness of the five leading countries of the world;
- to analyze the global competitiveness of Ukraine;
- conduct a SWOT analysis of Ukraine's competitiveness in modern conditions;
- provide proposals for increasing Ukraine's competitiveness with economic and mathematical justification of key directions.

The object of this study is the global competitiveness of the country, and the subject of the study is the peculiarities of assessing and increasing the competitiveness of Ukraine.

To achieve the goal, general scientific methods of generalization, description, observation, comparison, grouping, methods of complex analysis, synthesis and analogy were applied.

The scientific novelty of the study consists in the improvement of approaches to the systematization of the factors of competitiveness formation and the methodology of assessing the global competitiveness of countries; received further development of the proposal for increasing the competitiveness of Ukraine with economic-mathematical substantiation of key directions.

The information base of the study consisted of: fundamental provisions of the international economy, statistical data, materials of international scientific and practical conferences, economic literature, study guides, textbooks, articles, periodicals, annual official reports of the World Economic Forum, Internet resources.

The logic of the research determined the structure of the research work: introduction, 3 sections, conclusions, a list of used sources from 54 titles.

CHAPTER 1 THEORETICAL PRINCIPLES OF STUDYING COMPETITION AND COMPETITIVENESS OF COUNTRIES

1.1 The essence of the concept of "competition" and the country's competitiveness

As of today, there is no single established definition of the concept of "competition". Competition in the general sense means the struggle for supremacy. In the economic sense, competition is the struggle of relatively independent economic subjects of the market for the right to own limited resources [21]. The World Economic Forum, which has been conducting research on the competitiveness of countries since 1979, defines it as a set of institutions, policies and factors that determine its level of productivity [53].

The country's competitiveness has become the main topic for both developed and developing countries. Under the conditions of the integration of the world economy, countries are competing for international investments and human capital, which are absolutely necessary for the dynamic growth of the country's economy [46].

Increased interest in the country's competitiveness began in the mid-1980s. The ability of the country to compete becomes the main problem of economic policy, which in turn is connected with the beginning of the process of globalization of the economy. However, the views on this problem were very unusual. Thus, one system of views was based on the fact that the globalization of markets and the growing importance of international trade objectively contribute to the strengthening of competition between countries for access to world markets. Accordingly, the country's competitiveness is perceived as an indicator of the effectiveness of using the country's economic potential compared to this indicator in other countries, and increasing competitiveness is considered the most important task of the state. Proponents of another system of views proceed from the fact that international trade brings benefits to all participants, which eliminates the basis of rivalry between countries [8].

In general, the concept of "country competitiveness" is defined as the country's production of such goods and services that meet the demands of each individual consumer and the world market as a whole. These goods must meet international standards and be of high quality. In the modern conditions of the world order, the country's competitiveness can be defined as the result of efforts made, the end result of which is the effective activity of all business entities without exception [26].

To more accurately convey the essence of the concept of the country's competitiveness, we will consider the definitions of foreign and domestic scientists (Table 1.1).

Table 1.1 – Definition of the country's competitiveness.

| № | Author | Definition |
|----------|---|---|
| 1. | World Economic forum | It characterizes the country's competitiveness as the state's ability to achieve constant high growth rates of the Gross Domestic Product per capita. |
| 2. | B. Gubskiy | Defines the country's competitiveness as the ability to optimally implement its competitive advantages, focusing on the constant increase in labor productivity |
| 3. | B. Kvasnyuk | Defines the country's competitiveness as a set of factors inherent in a specific national economy that can ensure a sufficient supply of goods and services produced using the latest advanced technologies of a free and fair market and constant growth of the population's incomes, which are acceptable for international trade according to the price-quality ratio. |
| 4. | M. Porter, D. Sachs, A. Varner | A country's competitiveness is described as the ability to maintain high levels of employment and economic growth over a long period of time. |
| 5. | K. Shtalman, M. Dryakhlov, V. Hartman | The country's competitiveness is interpreted as the ability of the national economy of one country to compete with the economies of other countries in terms of the level of effective use of its own resources and the general improvement of the national economy with a constant increase in the standard of living of the country's population. |
| 6. | R. Fathutdinov | Determines the country's competitiveness by the ability to ensure effective integration into the world economy, as well as the high-quality and efficient functioning of state, commercial and other structures related to ensuring a high quality of life of the population in the country. |

Compiled by the author based on the source: [53, 16, 19, 26, 11, 12].

Thus, summarizing all the above definitions, the country's competitiveness should be interpreted as an economic category characterized by the country's ability to effectively develop in the global economic space under the conditions of pre-calculated strategic actions and political, economic, social, and managerial factors capable of increasing the development of the national economy and the standard of living of the population.

It should be noted that the competitiveness of the country depends not only on the current socio-economic or financial indicators, since every existing country in the world without exception arose under the influence of unique natural, geographical, social, historical and economic conditions, it can also include cultural historical factors, as well as prospects for the development of a certain country [26].

Unlike the competitiveness of an enterprise or product, which are directly related to the microeconomic sphere, the competitiveness of the national economy (country) refers directly to the field of macroeconomics. The study of the country's competitiveness at the macroeconomic level is considered under the influence of globalization processes on the world economy, in particular, in view of the growth of competition between individual countries and global economic centers. The structure of competitiveness of each individual country is completely different from each other, since no country in the world is able to be competitive in all or in the vast majority of industries. Therefore, states achieve success in certain areas, where their internal resources and conditions become in some cases the most promising and dynamic. Accordingly, research is aimed at the correlation between economic growth and the country's international competitiveness [1].

In order to ensure the state's competitiveness on the world market, it is necessary to constantly study the international market situation and the change in the level of competition development in accordance with the phases of the product's life cycle. It should also not be forgotten that any product after entering the international market begins to lose its competitive potential over time. In order to slow down this process, it is necessary to constantly work on improving the quality and operational characteristics of the product, namely, the production of an

improved or new product must be carried out according to the plan in order to create favorable conditions for its entry into the world market. In addition, it is necessary to take into account the appropriateness of releasing a new improved product to the market, if the old product has not yet fully exhausted its capabilities [26].

So, we can say that a competitive country is a country in which, first of all, the life of its residents is safe, prosperous and comfortable. It is people who create the gross product and make investments, therefore the efficiency of their economic activity and the efficiency of the country in general depends on their level of education, qualifications and living conditions. In addition, the country's competitiveness is determined not only by the well-being of citizens, but also by the country's attractiveness for foreign investors and partners. In this case, two factors play a key role: investment risks and investment return. That is, the competitiveness of the country is: (Fig. 1.1).

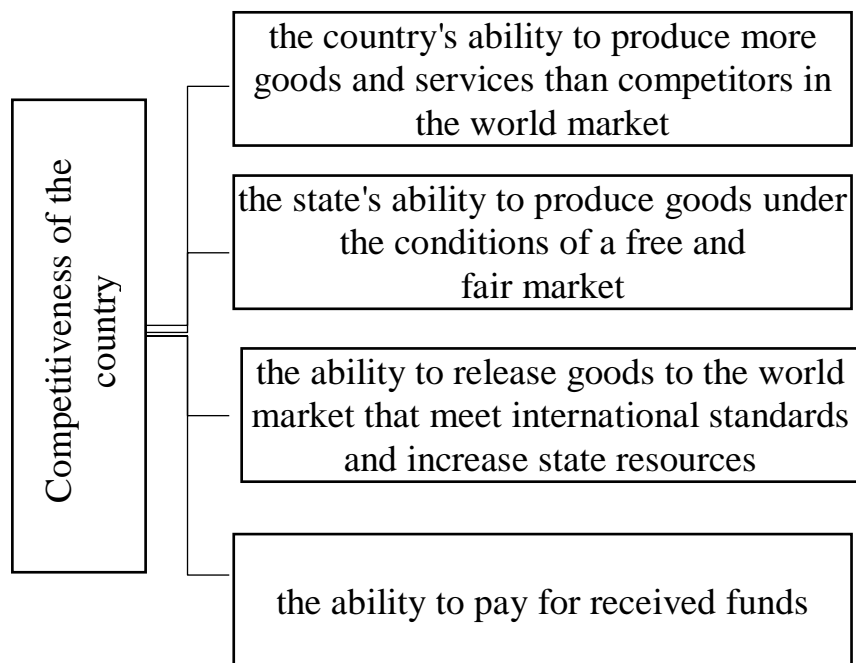


Figure. 1.1 – Competitiveness of the country.

Compiled by the author based on the source: [26].

In order to achieve the competitiveness of Ukraine, it is necessary to solve the current problems that exist in the country and that do not allow it to develop effectively. For this, it is necessary to carry out thorough work in all areas, which in turn can allow the country to reach a qualitatively new level and become an influential player on the world stage.

So, we came to the conclusion that the competitiveness of the country is a multifaceted concept that includes various nature of factors, namely socio-economic, geographical, political, cultural, managerial, which make up the competitive advantages of the country, the rational and effective use of which contributes to dynamic growth the national economy and the standard of living of the population in the middle of the country, as well as the ability to compete with other economies.

1.2. Sources and factors of formation of global competitiveness of countries and Ukraine in modern conditions

Globalization makes it almost impossible to distinguish between the competitiveness of an enterprise and a country. Enterprises can carry out production in different countries of the world, creating value in one country, and realizing it in the markets of other countries. Accordingly, the concept of "competitiveness", which expresses the struggle of economic agents, is considered to be inconsistent with the nature of relations between countries, and the policy of increasing the competitiveness of countries is assessed as harming the development of world trade and cooperative relations between them [7].

Emphasizing attention to the problem of competitiveness of the countries of the world can be explained by its necessity as a measure of the effectiveness of the economic policy of governments, which expresses their ability to provide conditions for the realization of the advantages of the national economy.

Of particular interest is the consideration of the nature of the factors that create the country's competitiveness. Initially, these factors were associated with the

activities of enterprises, and the country's competitiveness was considered as an integral indicator that synthesizes the parameters of the competitiveness of national enterprises and the products produced by them. Subsequently, the country's competitiveness began to be interpreted as the country's ability to form and maintain an environment that helps enterprises create added value, and citizens - improve their well-being. Accordingly, in the latter case, competitiveness is not associated with the resources available in the country, but with institutional factors.

In this regard, the concept of "competitiveness of the country", which reflects the importance of institutional properties and to a greater extent reflects the nature of this phenomenon compared to the concept of "competitiveness of the national economy".

The sources of a country's competitiveness are defined as the ability to produce comparable consumer values at costs lower than the world's, as well as the ability to create greater consumer value at the same cost of production resources. Both sources are aimed at one result - the entry of additional value into the country's economy. Each of the sources has its own characteristics. Thus, the first source has a competitive origin, and the second is monopolistic in nature [7].

The competitive nature of the ability to produce at below-world costs is determined by the fact that the cost advantage is the result of competition among sellers of substitute goods. Two points follow from this: the instability of the acquired advantage, because none of the rivals can control the factors of competitiveness, and the inevitable reduction in the benefits of the advantage. In the case of price competition, the seller who offers the product at a lower price has an advantage, which forces competitors to go for a temporary price reduction. Due to competition, the size of the benefits from the cost advantage is reduced, since it is problematic to achieve an identical reduction in costs.

The ability to create greater consumer value is not found in the production of standard products with lower costs, but in the ability to create products that have exclusive properties and have no substitutes in the world market, which allows the owner of the product not only to obtain high added value, but also to control the

level of product competitiveness, improving and accumulating factors that provide it with competitive advantages. Monopoly power over a product is a consequence of the factors that generate its differences between the sources of competitiveness and are revealed in the specificity of the factors that form each source. Peculiarities consist in different methods of redistribution of value. The ability to produce at costs lower than the world's provides redistribution of value through more efficient use of production factors. The ability to create a large consumer value ensures the redistribution of value through the use of more efficient factors of production [18].

Depending on the sources, the types of competitiveness of countries include:

1. those that are achieved due to low production costs;
2. those that are created due to the presence of unique knowledge and skills.

Sources are the result of a combination of many factors, which can be divided into two groups. Each group characterizes a certain aspect of production conditions. The first group consists of factors that determine the technological conditions of production. Fixed factors form the technological matrix by means of which production is carried out. The level of production efficiency depends on the qualitative parameters of the level of development of equipment and technologies and the quality of the workforce, expressed in the totality of knowledge and production skills.

The second group consists of factors that reflect the social conditions of production, that is, the features of the environment. This group includes institutional, legal, social, cultural and other factors, the joint influence of which forms the social conditions of production. Accordingly, a country that has more developed productive forces is competitive, and among countries with productive forces at the same level of development, a country that organizes better conditions for their functioning will be more competitive [38]. The typology of the country's competitiveness factors makes it possible, on the one hand, to consider the unity of mutually determining factors, and on the other hand, to understand the nature of the cause-and-effect relationship between the factors. The criterion for the classification of factors is the degree of stability of the advantages they generate.

Continuous development and the ability to produce and apply innovative developments are a mandatory condition for the continuous growth of the competitiveness of the national economy on the world stage. We can attribute this to the main factors that affect the national competitiveness of the country in the modern globalized world. Let's consider the main factors of competitiveness and the nature of their manifestation in Ukraine (table 1.2).

Table 1.2 – Competitiveness factors and the nature of their manifestation in Ukraine.

| № | Factors | The nature of the manifestation |
|----------|-----------------------------|---|
| 1. | Systemic | - imperfection of the legislative framework; - inefficient method of state regulation. |
| 2. | Innovative and investment | - lack of investment in the restoration of outdated production facilities; - insufficient innovative activity of enterprises; - innovative lagging behind the leading global trends. |
| 3. | Technical and technological | - moral and physical wear and tear of the main production assets; - outdated technological level of production. |
| 4. | Market infrastructure | - inefficient financial system; - underdeveloped infrastructure of goods and services markets; - low level of information technology development; - insufficiently effective system of tariff regulation. |
| 5. | Science and education | - low level of competitiveness of the national educational system; - inadequate support of institutions of higher education, which are engaged in the implementation of innovative programs; - insufficient funding of the largest higher education institutions. |

Compiled by the author based on the source: [6].

From table 1.2. we can observe the predominantly negative nature of the manifestation of the main factors of competitiveness in Ukraine, which is manifested in technological and innovative backwardness, which today are one of the main competitive advantages. However, an important point is that the country's competitiveness will not be ensured by the presence of factors, but by the creation

of conditions for their action and the presence of a mechanism for their implementation.

Summarizing the material presented above, the country's competitiveness factors include:

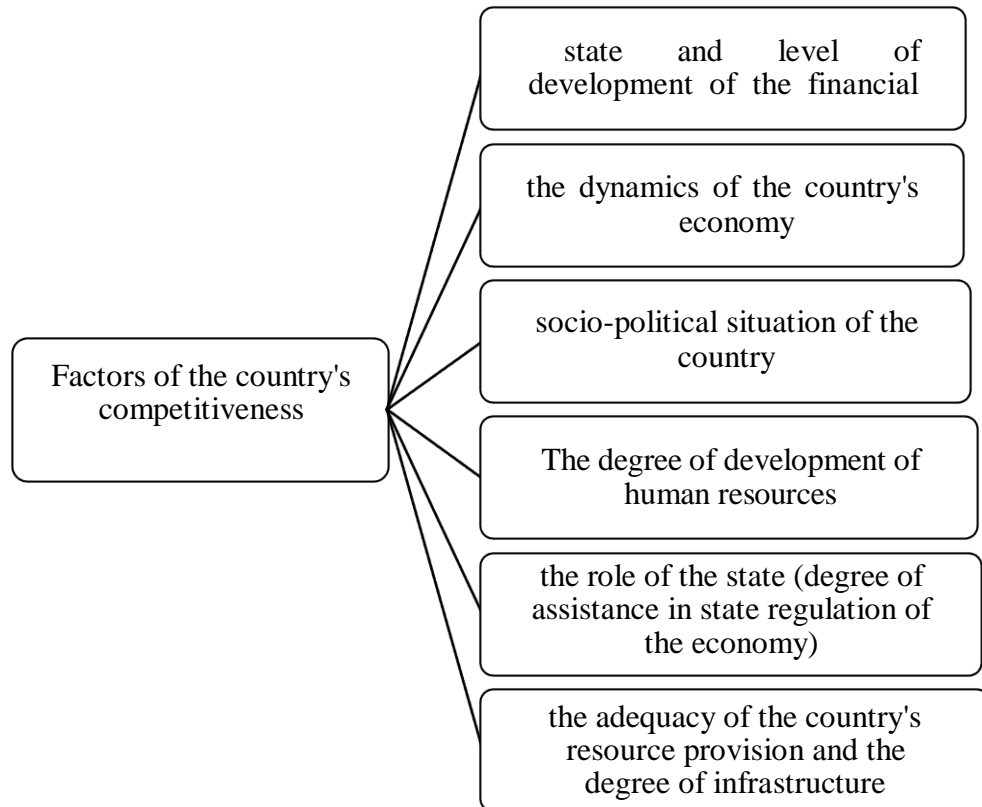


Figure1.2 – Factors of the country's competitiveness

Compiled by the author based on the source: [8].

Thus, we came to the conclusion that the sources of the country's competitiveness are the result of a combination of a number of factors, which consist of factors that determine the technological conditions of production and factors that reflect the social conditions of production, i.e. the features of the environment, namely institutional, legal, social, cultural and other factors, the joint influence of which forms the social conditions of production. In general, the factors of the country's competitiveness provide an opportunity, on the one hand, to consider the unity of mutually determining factors, and on the other hand, to understand the nature of the cause-and-effect relationship between the factors.

CHAPTER 2 METHODOLOGICAL ASPECTS OF EVALUATION COMPETITIVENESS AND ANALYSIS OF THE GLOBAL COMPETITIVENESS OF THE LEADING COUNTRIES OF THE WORLD AND UKRAINE

2.1. Methods of assessing the global competitiveness of countries

The peculiarity of the assessment of the country's competitiveness is the comprehensive consideration of interrelated and dynamic factors, as well as the analysis of a large number of statistical data. According to current indicators, international organizations evaluate their competitiveness and form ratings. Ratings are one of the most important strategic components that allow you to learn reliable information about the economic and political situation of each individual country, its speed of development and economic orientation [2].

To date, there are two largest international organizations in the world, the methods of assessing the competitiveness of countries are the most widespread and which annually issue reports that contain ratings of the global competitiveness of countries, including Ukraine. They include:

1. International Institute for Management Development (Institute for Management Development), which publishes a yearbook with a competitiveness rating (World Competitiveness Yearbook);

2. The World Economic Forum (World Economic Forum), which annually issues a global report on the competitiveness of countries.

Until 1996, these two companies compiled a single ranking of the competitiveness of countries, but after their separation into two different world organizations, the reports began to differ in certain groups. The most significant difference between these two international organizations is the methodology of measuring competitiveness [8].

The methodology of measuring the competitiveness of countries by the International Development Institute consists in examining each individual country in terms of 4 main factors, each of which consists of 5 sub-factors, which in turn combine more than three hundred criteria. The factors of each of these four components are presented in Table 2.1.

Table 2.1 – Components and their sub-factors according to the International Development Institute.

| The state of the economy | Effectiveness of the board | Business efficiency | State of infrastructure |
|---------------------------------|---------------------------------------|----------------------------|--------------------------------|
| National economy | Financial situation of the population | Production | Basic infrastructure |
| International trade | State (fiscal) policy | Labor market | Technological infrastructure |
| International investments | Institutional structure | Financial indicators | Scientific infrastructure |
| Employment | Business legislation | Management methods | Health and environment |
| Prices | Social structure | Values | Education |

Compiled by the author based on the source: [2].

The World Economic Forum uses a different methodology when measuring a country's competitiveness. The methodology for determining the country's competitiveness consists in the calculation of composite indices for each individual country, which is based on the basis of macroeconomic and microeconomic indicators that are the main factors in assessing the country's economic growth and show its dynamics in the short and long term. These data can significantly help businessmen and investors when analyzing the economic status of a certain country or for comparing countries with each other. Thus, since 2004, the World Economic Forum presented to our attention the "Global Competitiveness Index" [2].

In general, the World Economic Forum's method of measuring the competitiveness of countries consists in the accurate collection of data for each individual country, which are used to calculate each development group. Thus, the competitiveness of each individual country is determined based on 12 groups of the

country's development. Then sub-indices are calculated, which reflect the total contribution of all groups taken together in terms of competitiveness and the weighted aggregated index. Let's consider the components of the Index of Global Competitiveness of Countries (Fig. 2.1).

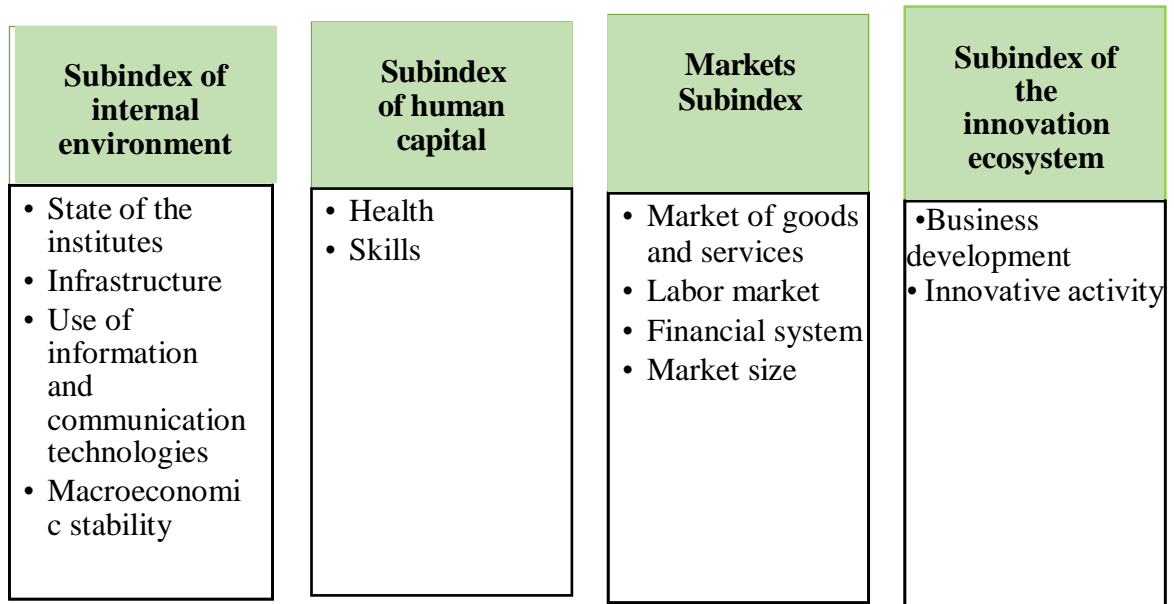


Figure 2.1 – Components of the Global Competitiveness Index of the country according to the World Economic Forum.

The internal environment subindex includes 4 development groups. The components of the first group of development, namely the state of institutions, include: property rights, protection of intellectual property, diversion of public funds, public trust in politicians, irregular payments and bribes, official decisions, efficiency of public expenditures, burden of state regulation, effectiveness of the legal framework in resolving disputes, the effectiveness of the legal framework when challenging regulations, the transparency of public policy, the costs of crime and violence prevention, organized crime, the reliability of police services, the ethical behavior of companies, the degree of auditing and reporting standards, the effectiveness of corporate rights, the power of investor protection.

In order to provide an assessment of the state of the infrastructure in the country, a comprehensive study of the following indicators is carried out: the quality of the general infrastructure, the quality of the roads, the quality of the railway

infrastructure, the quality of the port infrastructure, the quality of the air transport infrastructure, available kilometers of airline seats (km/week), cell phone subscriptions, fixed telephone line.

To determine the level of information and communication technologies, a number of indicators are studied, which include: the availability of the latest technologies, foreign direct investment and technology transfer, Internet users, fixed broadband Internet subscriptions, Internet bandwidth (kb/s of the user), mobile broadband subscription access, Internet users % of the population.

To assess the macroeconomic environment, the following indicators are studied:

- budget balance;
- gross national savings;
- inflation;
- State debt.

Health, a group included under the human capital index includes: malaria incidence (cases/100,000 population), malaria impact on business, tuberculosis incidence (cases/100,000 population), tuberculosis impact on business, HIV prevalence, HIV impact /AIDS per business, infant mortality (deaths per 1,000 births), healthy life expectancy.

The assessment of the level of skills covers the following indicators: level of education coverage (enrollment rate), higher education coverage rate, quality of the education system, quality of mathematics and science education, quality of management schools, availability of management schools, availability of network access to universities, local accessibility to special trainings, the scope of staff training, critical thinking, the ratio of the number of students and teachers in primary education.

In order to determine the level of development of goods and services markets, a number of indicators are analyzed, including: the intensity of local competition, the degree of market dominance, the effectiveness of antimonopoly policy, the impact of taxation on investment incentives, the tax rate, the procedure for opening

a business, the time to start a business, the costs of agricultural policy, prevalence of non-tariff barriers, trade tariffs (% of duties), prevalence, foreign ownership, burden of customs procedures, imports (% of GDP), degree of customer orientation.

The development of the financial market is evaluated by the following indicators: availability of financial services, availability of financial services opportunities, financing through the local stock market, ease of access to loans, availability of venture capital, stability of the banking system, regulation of the stock exchange.

In order to estimate the size of the market, the following indicators are studied:

- Internal market size index;
- Foreign market size index;
- GDP (PPP); export;
- quality of local suppliers.

Business development, as one of the groups that make up the sub-index of the innovation ecosystem, examines: the state of cluster development, the nature of competitive advantages, the width of the value chain, control of international distribution, the production process, the delegation of the marketing process.

The country's innovation level is assessed by analyzing a number of indicators, including: the ability to innovate, the quality of scientific and research institutions, company expenditures on research and development, cooperation between universities and industry, scientists and engineers, patents [42, 43 ,41].

Therefore, the use of effective tools for assessing the internal and external competitiveness of the country's economy based on the statistical data collected by leading international organizations can significantly help in developing the country's development strategy and increasing its competitiveness.

2.2 Comparative analysis of the competitiveness of the five leading countries of the world

The competitiveness of modern highly developed countries is based on technological and innovative advantages. Today, the highly developed countries include the United States of America, Japan, Germany, France, Great Britain, Italy and Canada. These countries account for about 50% of the world's GDP and industrial production. They are also characterized by a high index of human development and a high standard of living of the country's population. The main regularity of the world's leading countries is the presence of a highly developed economy and the combination of state activity with powerful domestic and transnational groups [5]. Consider the dynamics of the Global Competitiveness Index of the five leading countries of the world for 2018-2019 (table 2.2).

Table 2.2 – Dynamics of the Global Competitiveness Index of the five leading countries of the world for 2018-2019.

| Year | United States | Japan | Germany | France | United Kingdom |
|-------------|----------------------|--------------|----------------|---------------|-----------------------|
| 2018 | 86 | 82 | 83 | 78 | 82 |
| 2019 | 84 | 82 | 82 | 79 | 81 |

Compiled by the author based on the source: [42, 43].

From the above table, we can see that according to the index of global competitiveness, the leading position is occupied by the USA, which lost 2 points in 2019 compared to 2018, the next place is occupied by Germany, which lost 1 point during the analyzed period, in third place is Japan, the number of points of which the analyzed period has not changed and remains at the mark of 82 points. Great Britain occupies the penultimate place and lost 1 point in 2019 compared to 2018, and the last place is occupied by France, which gained 1 point more during the analyzed period and has a total of 79 points.

The state of state and social institutions plays an important role in forming a positive business environment and creating a business atmosphere in the middle of the country. Formation of mechanisms for effective distribution of material goods and resources in the country is one of the main tasks of state institutions. The dynamics of the group of institutes of the five leading countries of the world in 2018-2019 is shown in Figure 2.2.

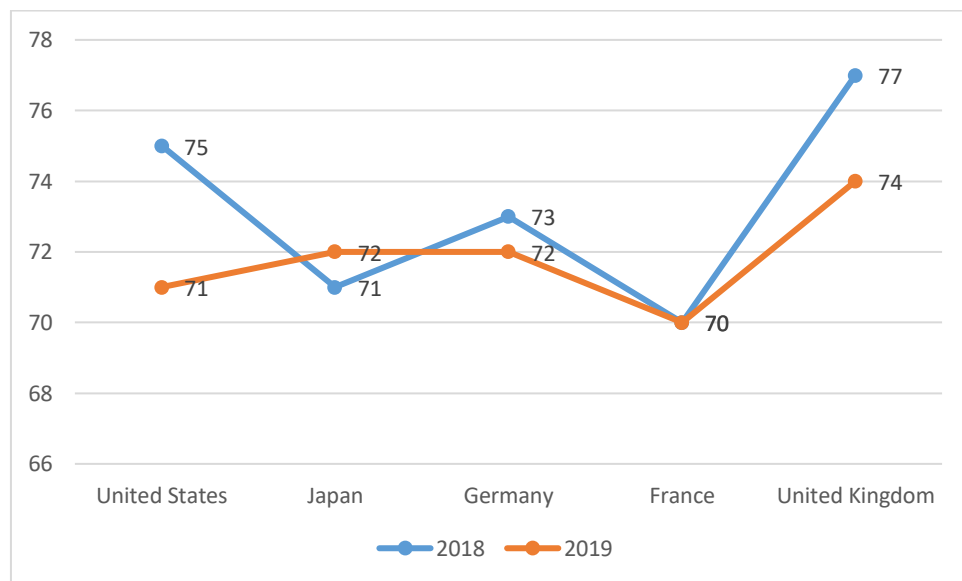


Figure 2.2 – Dynamics of the group of institutes of the five leading countries of the world in 2018-2019.

Compiled by the author based on the source: [42, 43].

From Figure 2.2 we can follow the negative dynamics of the group of institutions during the analyzed period. Thus, the USA lost -4 points in 2019 compared to 2018, Great Britain lost -3 points in 2019 compared to 2018, Germany lost -1 point in 2019 compared to 2018 for this group, France did not change during the analyzed period, and only Japan managed to catch up with its rivals by +1 point in 2019 compared to 2018.

The developed infrastructure in the country allows for faster integration of the state into the world economy due to the reduction of the dispersion of business

throughout the country and the large distance between industrial territories. This group makes it possible to determine the geographical concentration of business activity in the country and individual spheres of economic activity in the country as a whole. Let's consider the dynamics of the infrastructure development of the five leading countries in the world in the period from 2018-2019 (Fig. 2.3)

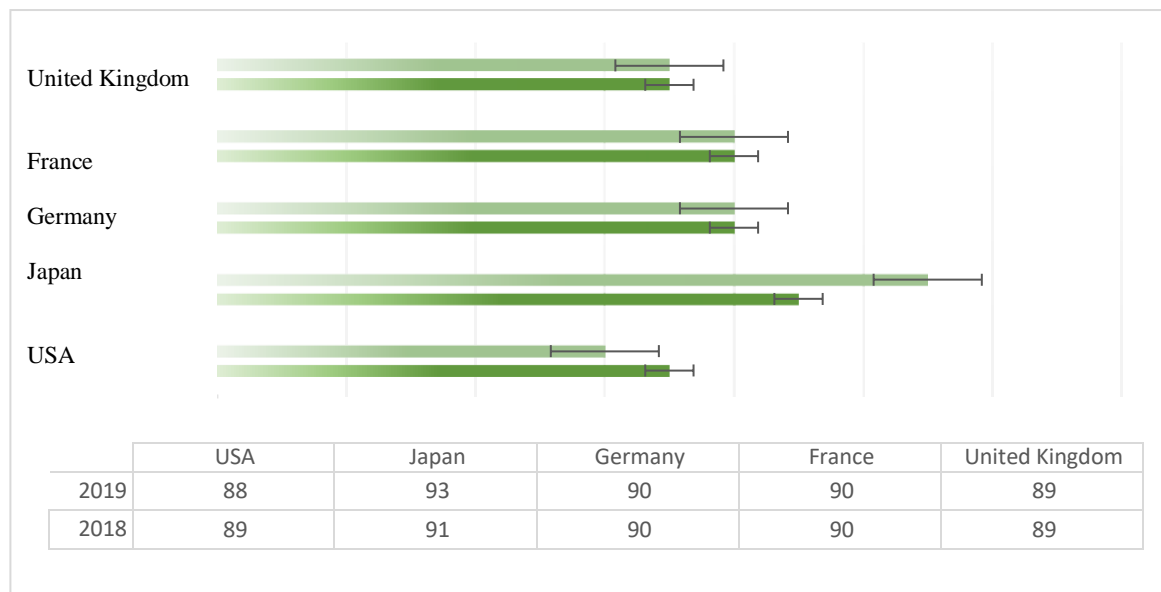


Figure 2.3 – Dynamics of infrastructure development in 2018-2019 of the five leading countries of the world.

Compiled by the author based on the source: [42, 43].

From Figure 2.3, we can see that Japan has the most developed infrastructure, in which this indicator increased by 2 points in 2019 compared to 2018. Germany and France received a total of 90 points each, and this indicator did not change during the analyzed period. Great Britain received one point less, and in the USA this indicator decreased by -1 point in 2019 compared to 2018.

The use of information and communication technologies is one of the main factors in the growth of human capital in the era of modern post-industrial society. Today, without information and communication technologies, a dynamic combination of economic growth and the business environment of any developed country in the world is impossible. Thanks to the implementation of ICT in business, there was a significant simplification in the conduct of business by reducing business

processes to automation, and there was also a noticeable increase in labor productivity among employees [51]. The dynamics of the level of development of information and communication technologies of the world's leading countries is shown in Figure 2.4

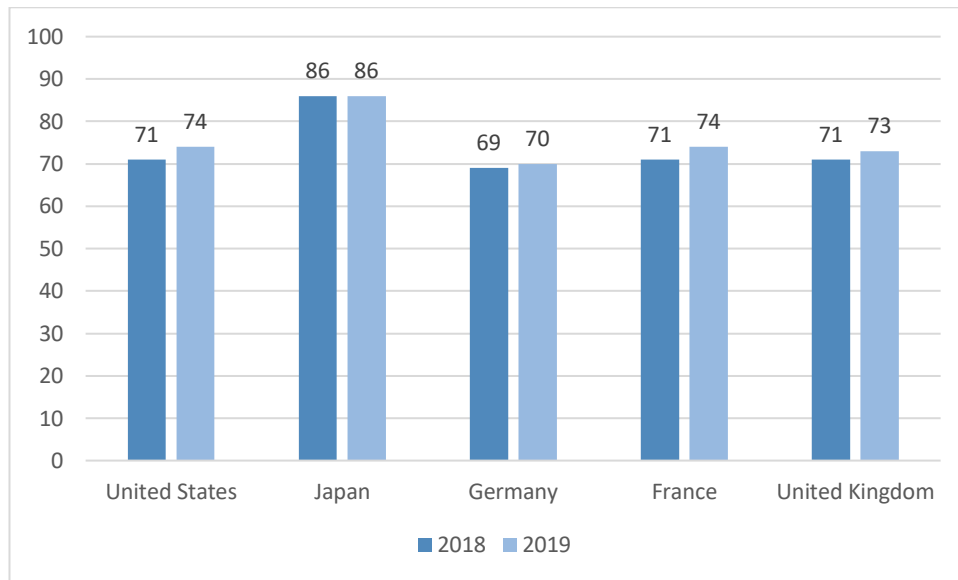


Figure 2.4 – Dynamics of the level of development of information and communication technologies of the leading countries of the world in 2018-2019.

Compiled by the author based on the source: [42, 43].

From Figure 2.4 we observe mostly positive dynamics of ICT development in the most developed countries of the world. The leading position in this indicator is occupied by Japan, however, in 2019, compared to 2018, it lost -1 point in contrast to the United States of America and France, which managed to score 3 points each in 2019 compared to 2018. The next fourth place is occupied by Great Britain, which in 2018 compared to 2019 received two points more, and the last place was taken by Germany, which was able to gain only one point compared to its rival countries in 2019 compared to 2018 more.

Macroeconomic stability directly affects the development of the country's business environment and the state's competitiveness. If the country is in a state of macroeconomic instability, then under such conditions it is extremely difficult and

sometimes even impossible to implement long-term economic strategies, and due to the budget deficit, the country's financial sector cannot function fully. The dynamics of macroeconomic stability of the most developed countries in the world over the past two years is shown in figure 2.5.

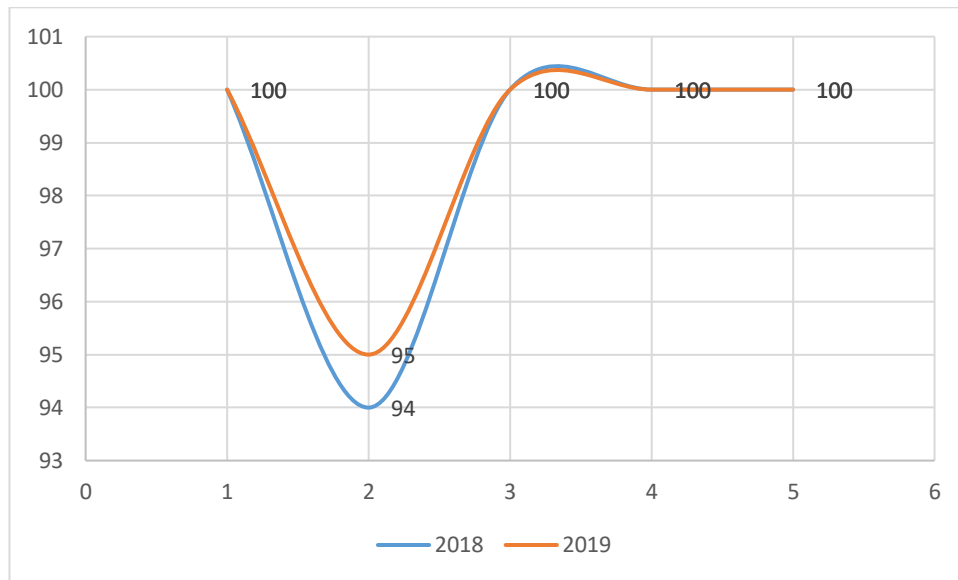


Figure 2.5. – Dynamics of macroeconomic stability of the five leading countries of the world in 2018-2019.

Compiled by the author based on the source: [42, 43]

From Figure 2.5, we can see that the undisputed leaders in terms of macroeconomic stability are four highly developed countries: United States of America, Germany, France, and Great Britain. The country's data for the analyzed period show the highest results, namely 100 out of 100 points. On the last step was Japan, which in 2019 compared to 2018 received +1 point more, and has a total of 95 points, which also indicates its high performance in this development group.

The physical state of health of the economically active and able-bodied population is absolutely necessary for raising labor productivity in the middle of the country. Thus, social investment in the health of the state's population is one of the key factors in the development of the country's economy. This group also includes the healthy life expectancy of the population, the importance of which in today's

globalized environment is growing more and more every year. Let's consider the dynamics of the results by health development group of the five leading countries of the world (Fig. 2.6).

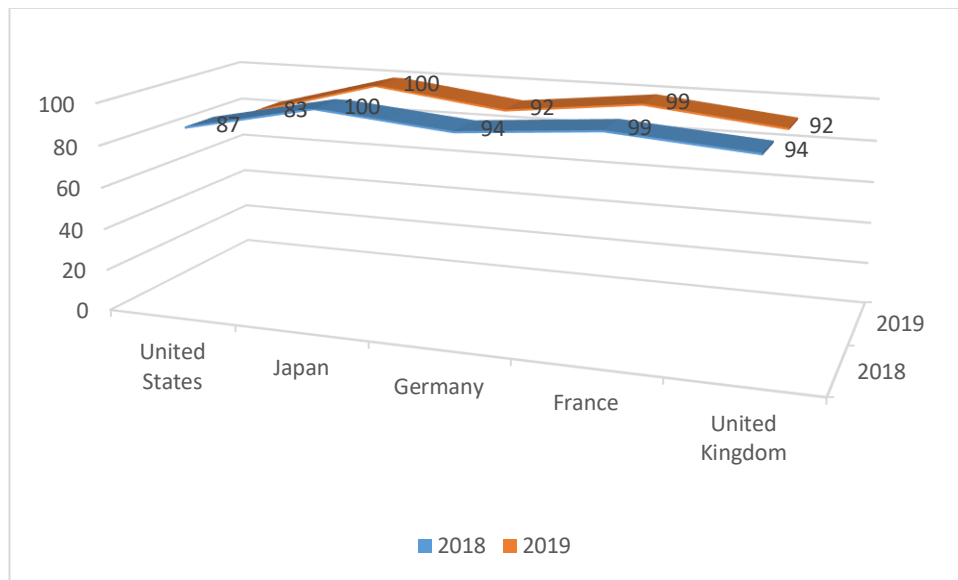


Figure 2.6 – Dynamics of the health development group of the five leading countries of the world in 2018-2019.

Compiled by the author based on the source: [42, 43].

From Figure 2.6 we can observe generally positive dynamics for the analyzed period among the health group among the five most developed countries in the world. The undisputed leader in this development group was Japan, which managed to get the highest 100 points out of a possible 100 for two years in a row. France received one point less than Japan for the analyzed period. Germany and Great Britain have the same results in terms of the state of higher education and professional training, both of them lost -2 points in 2019 compared to 2018 and equally received 94 points in 2018 and 92 points in 2019. The last step was taken by the United States of America, which in 2019 compared to 2018 received 1 point more and as of 2019 has 88 points.

The efficiency of commodity markets also depends on demand, which is determined by consumer behavior and culture. Important under such conditions is

the presence and support of competition in the middle of the country and complete transparency of export-import operations, which in turn increases the level of business activity in the country. The effectiveness of the labor market is manifested in the mechanism of rational and effective distribution of labor force, as well as, depending on the economic situation in the country, its migration from one branch to another. Consider the dynamics of the efficiency of the goods and services market and the labor market of the five most developed countries in the world (Table 2.3) [8].

Table 2.3 – Dynamics of the efficiency of the product market and the labor market of the five most developed countries in the world in 2018-2019.

| № | Country | Efficiency of the market of goods and services | | Efficiency of the labor market | |
|----|---------------|--|------|--------------------------------|------|
| | | 2018 | 2019 | 2018 | 2019 |
| 1. | USA | 74 | 69 | 82 | 78 |
| 2. | Japan | 73 | 62 | 71 | 72 |
| 3. | German | 72 | 65 | 74 | 73 |
| 4. | France | 63 | 68 | 61 | 63 |
| 5. | Great Britain | 69 | 70 | 76 | 75 |

From the above table, we can observe mainly positive dynamics of the efficiency of the development of the goods and services market and the labor market. In 2019, compared to 2018, the USA lost -5 points for the first group, and -4 points for the second, respectively. During the analyzed period, Japan lost -9 points in the efficiency of the goods and services market, and gained +1 point in the efficiency of the labor market. In Germany, in 2019, compared to 2018, the indicators for the first group fell by -7 points, and for the second -1 point. For the analyzed period, Great Britain gained +1 point more for the first group, and lost -1 point for the second. Although France does not occupy the highest positions in the analyzed groups, over the past two years it has shown positive dynamics in both groups, unlike its rival countries, so in 2019, compared to 2018, in terms of the efficiency of the markets

for goods and services, France received +5 points more, and labor market efficiency +2 points.

Economically developed countries pay special attention to higher education and professional training of the population, which in turn allows them to move towards innovative development of the country. The modern globalized economic environment, which is subject to constant transformations, requires highly qualified personnel who quickly learn and adapt to any changes. Let's consider the dynamics of the state of higher education and professional training of the five leading countries of the world in 2018-2019 (Fig. 2.7)

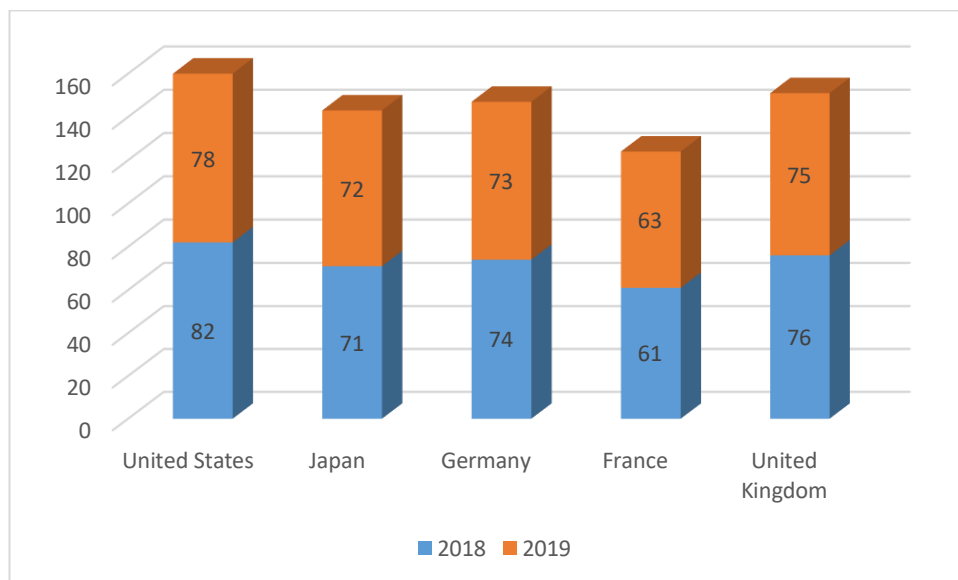


Figure 2.7 – Dynamics of the state of higher education and professional training of the five leading countries of the world in 2018-2019.

From Figure 2.7, we can see that the leading positions for this indicator are occupied by the USA, which lost 4 points during the analyzed period, and Great Britain, which lost 1 point in 2019 compared to 2018. The next step is occupied by Germany, which has lost 1 point over the analyzed years. The last places are occupied by Japan, which in 2019 compared to 2018 received 1 point more and received a total of 72 points, which is only 6 points less than in the USA, and France,

which during the analyzed period received 2 more points, receiving a total of 63 points.

A developed financial market offers a variety of finance management mechanisms, which are necessary for the internal accumulation of monetary resources and their effective distribution. The higher the development of the financial market, the more opportunities for progress in the innovation field and the influx of investments into the country's economy. Consider the level of development of the financial system of the world's leading countries for 2018-2019 (Fig. 2.8).

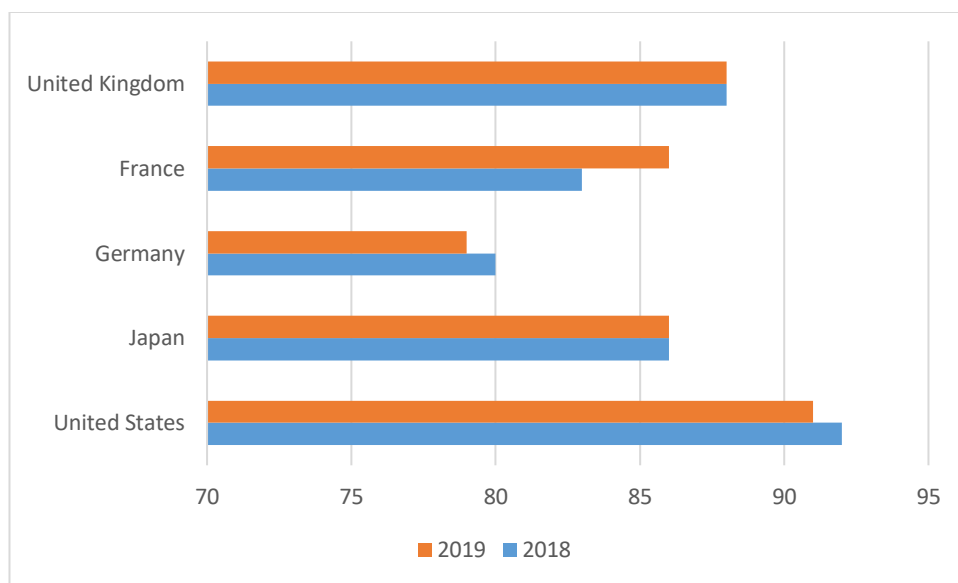


Figure 2.8 – Dynamics of the level of development of the financial system of the five highly developed countries of the world in 2018-2019.

From Figure 2.8, we observe the generally positive dynamics of the development of the financial system. As in the vast majority of other indicators, the leading positions in this group are occupied by the United States of America, but in 2019, compared to 2018, this indicator fell by -1 point. In Great Britain and Japan, this indicator did not change during the analyzed period. In France, the level of financial condition in 2019 compared to 2018 increased by 3 points, and in Germany it fell by -1 point.

The size of the domestic market is related to labor productivity, because a geographically large market provides certain advantages to companies that take advantage of economies of scale. According to the degree of development of globalization, the territorial location of the market itself is becoming less and less important, and for many large companies the global market is beginning to replace the domestic market. Consider the dynamics of the size of the domestic market of the five leading countries in the world in 2018-2019 (Fig. 2.9).

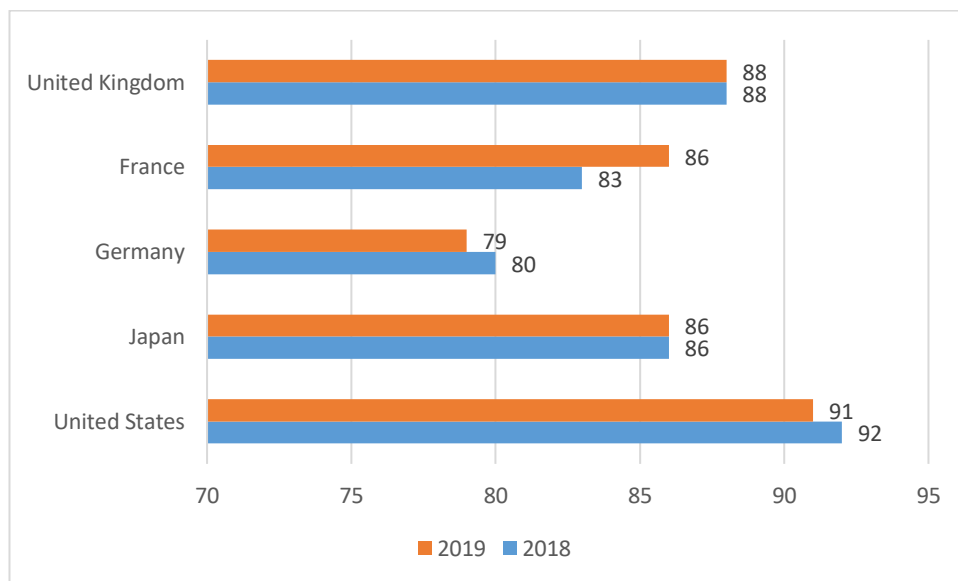


Figure 2.9 – Dynamics of the size of the domestic market of the five leading countries in the world in 2018-2019.

From the above figure, we can see that, in general, the dynamics of the size of the domestic market is positive. The USA, as the leader in the vast majority of indicators in 2018 compared to 2019, received +1 point and took first place in the overall rating for this group, scoring the highest score of 100 points out of 100 possible. Great dynamics are shown by France and Great Britain, which in 2019 compared to 2018 received +5 points each, which is a very good result. Germany and Japan, which lost 4 or more points between 2018 and 2019, show negative dynamics for the analyzed period.

Business development is one of the biggest conditions for efficient production of goods and services. The components included in this group directly relate to individual companies, their activities, the strategies they are guided by, and the business development system in general. Innovation is an important factor for the high development of the economy of any country. Thus, the development of the innovative sphere of activity requires state support (funding of basic and applied scientific research) and support of market entities (close cooperation with higher education institutions, universities, research institutes and production enterprises). Let's consider the dynamics of the level of business development and innovation of the five most developed countries in the world in the period from 2018-2019 (Table 2.4).

Table 2.4 – Dynamics of the level of business development and innovation of the five most developed countries in the world in the period from 2018-2019.

| Country | Business development | | Deviation | | Innovations | | Deviation | |
|---------------|----------------------|------|------------|-------------|-------------|------|------------|-------------|
| | 2018 | 2019 | Absolutely | Relative, % | 2018 | 2019 | Absolutely | Relative, % |
| USA | 86 | 84 | 2 | 2,4 | 87 | 84 | 3 | 3,57 |
| Japan | 76 | 75 | 1 | 1,33 | 79 | 78 | 1 | 1,28 |
| Germany | 82 | 80 | 2 | 2,5 | 88 | 87 | 1 | 1,2 |
| France | 69 | 71 | 2 | -2,8 | 76 | 77 | 1 | 1,3 |
| Great Britain | 79 | 77 | 2 | 2,6 | 79 | 78 | 1 | 1,3 |

Compiled by the author based on the source: [42, 43].

From table 2.4. we see that the highest positions in this group are occupied by the USA and Germany. In terms of business development in 2019 compared to 2018, the USA, Germany and the UK lost 2 points, Japan lost 1 point and France managed to gain 2 points. In terms of innovation development, the leaders remained the same, in 2019, compared to 2018, the USA lost 3 points, and the rest of the analyzed countries lost only one point each.

So, after conducting a comparative analysis of the competitiveness of the five leading countries of the world according to all twelve development groups of the

World Economic Forum, we identified their leaders, in the vast majority of indicators they were represented by the United States of America, Japan and those occupying lower positions, in particular, France.

2.3 Analysis of global competitiveness of Ukraine

In the context of the European integration processes of Ukraine, the issue of international competitiveness is particularly relevant, which determines its national security and the country's position in the world. Under the conditions of martial law in the country, unstable political situation, difficult economic situation, inconsistency of domestic product quality standards with European ones, slow pace of scientific and technical progress, outflow of "minds", imperfect mechanism of managing competitive potential significantly reduce the possibility of occupying high places in the global economic environment [5]. Let's consider which development groups Ukraine shows the highest indicators (Fig. 2.10).

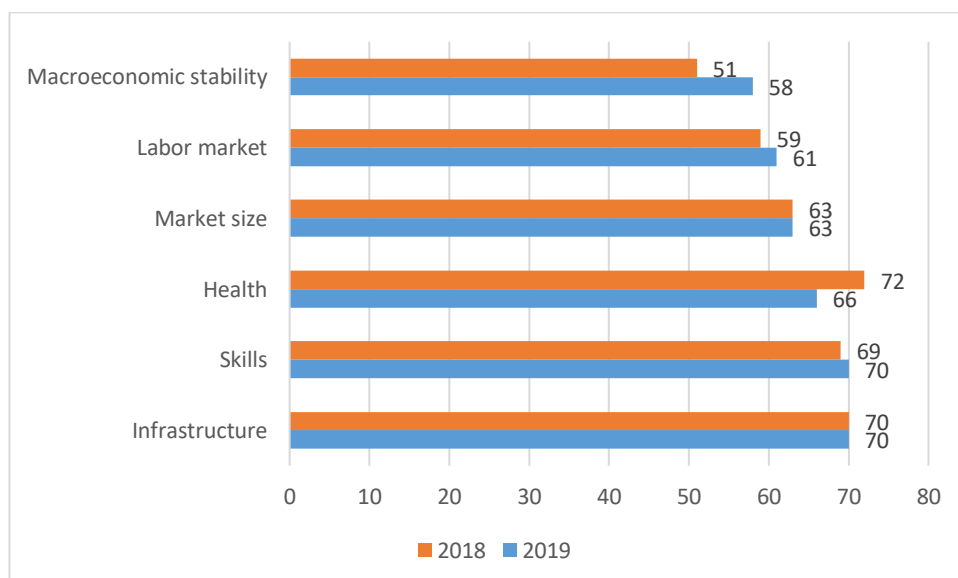


Figure 2.10 – Strengths of Ukraine's competitiveness by development groups for 2018-2019

Compiled by the author based on the source: [42, 43].

From the figure above, we can see that Ukraine shows the best results according to the Global Competitiveness Index in the infrastructure group. In 2019, compared to 2018, in the state of infrastructure group, Ukraine received the same number of points (70/100), but this indicator is the highest among all 12 development groups. According to the state of education in 2019, compared to 2018, she received 1 point more and received a total of 70 points. The health development group shows worse dynamics, as in 2019, compared to 2018, Ukraine lost 6 points. Stable results Ukraine shows the size of the market by group, for the analyzed period we have an unchanged 63 points. According to the development of the labor market in 2019 compared to 2018, the indicator increased by +2 points and we received a total of 61 points. Ukraine shows the best growth in dynamics in the development group of macroeconomic stability, during the analyzed period we gained 7 points more, it can be noted that not a single indicator, which we attribute to the strengths of Ukraine's competitiveness, did not show such a rapid rise.

For Ukraine, all these factors are competitive advantages that provide an opportunity to form a competitive market and achieve success in the international arena, which gives an even stronger impetus to the strengthening of Ukraine's integration processes.

Let's consider in more detail what exactly influenced the assessment and assignment of the above development groups to the strengths of Ukraine's competitiveness in terms of sub-factors, the effectiveness of which forms the overall indicator by group (Table 2.5)

Table 2.5 – Sub-factors by WEF development groups attributed to the strengths of Ukraine's competitiveness (2018-2019).

| № | Indicator | years | |
|----|---|-------|------|
| | | 2018 | 2019 |
| | Infrastructure | | |
| 1. | Road traffic index | 72,7 | 78,2 |
| 2. | Road quality | 28,6 | 33,7 |
| 3. | Efficiency of railway services | 89,5 | 93,3 |
| 4. | Assessment of connection with the airport | 56,6 | 56,6 |

| | | | |
|-----|---|------|------|
| 5. | Efficiency of air transport services | 49,6 | 50,0 |
| 6. | Efficiency of seaport services | 46,5 | 48,8 |
| 7. | Reliability of water supply | 58,9 | - |
| | Skills | | |
| 8. | Average duration of education, years | 69,3 | 69,3 |
| 9. | Level of staff training | 46,6 | 50,4 |
| 10. | Quality of professional training | 51,5 | 53,4 |
| 11. | Graduate skill set | 52,1 | 54,5 |
| 12. | Digital skills among the population | 57,2 | 57,5 |
| 13. | Life expectancy at school | 83,3 | 83,3 |
| 14. | Critical thinking in education | 47,1 | 52,6 |
| 15. | The ratio of the number of students and teachers in primary education | 93,1 | 92,5 |
| | Health | | |
| 16. | Expected healthy life expectancy, years | 72,0 | 65,6 |
| | Market size | | |
| 17. | Gross Domestic Product | 33,6 | 34,7 |
| 18. | Imports,% | 56,6 | 56,8 |
| | Labor market | | |
| 19. | Hiring and firing practices | 54,4 | 55,3 |
| 20. | The flexibility of determining the s/p | 47,7 | 57,8 |
| 21. | Active labor policy | 43,1 | 46,5 |
| 22. | Employee rights | 61,9 | 64,0 |
| 23. | Ease of hiring foreigners | 51,0 | 53,1 |
| 24. | Internal labor force mobility | 54,0 | 56,3 |
| 25. | Dependence on professional management | 42,9 | 51,8 |
| 26. | Pay and productivity | 53,3 | 55,6 |
| 27. | Participation of women in the labor force ratio | 79,4 | 79,1 |
| 28. | Labor tax rate | 76,7 | 70,0 |
| | Macroeconomic stability | | |
| 29. | Annual inflation,% | 71,7 | 75,8 |
| 30. | Dynamics of debt | 40,0 | 40,0 |

From table 2.5. we see that the state of the infrastructure, as the strongest aspect of competitiveness, was significantly influenced by the efficiency of railway services, the road connection index, the reliability of water supply and connection with the airport, Ukraine showed the lowest result in terms of road quality, namely 33.7 b./100 b. The second strength of Ukraine's competitiveness according to WEF is the skills group. The good results for this group were influenced by the ratio of the number of students and teachers in primary education, the duration of education, digital skills among the population, the set of skills of graduates, weaker results were shown by the level of training of employees and critical thinking in education. The

health group has become the third strength of Ukraine's competitiveness. The size of the domestic market, as one of Ukraine's strengths, was influenced by GDP and imports. Among the components due to which the labor market is classified as a strong point are the participation of women in the labor force ratio, the labor tax rate, workers' rights, internal mobility of the labor force, hiring and firing practices, and flexibility in determining wages. The state of macroeconomic stability was affected by annual inflation and debt dynamics.

Let's consider the weak sides of Ukraine's competitiveness by WEF development groups (Fig. 2.11)

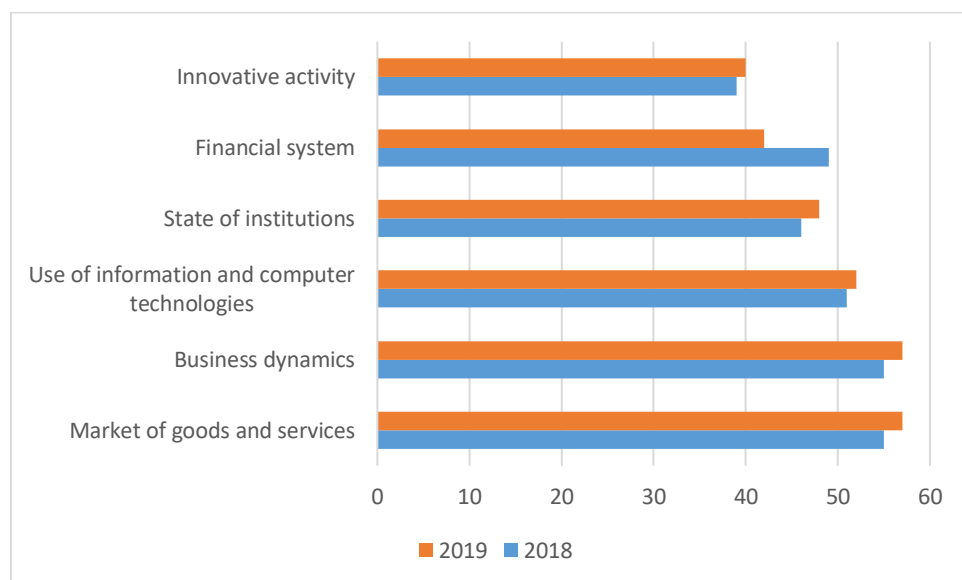


Figure 2.11 – Weaknesses of Ukraine's competitiveness by WEF development groups for 2018-2019

From Figure 2.11, we can observe that two groups have the same results - the market of goods and services and business dynamics. During the analyzed period, Ukraine received 55 points in 2018 and 57 points in 2019 for both development groups. In terms of the level of use of information and computer technologies in 2019, compared to 2018, we increased the indicator by +1 point and received a total of 52 points. Not much better results are shown by the state of institutions group, where we received only 2 points more during the analyzed period. We can notice the

negative dynamics in one of the main economic indicators for the country, namely the state of the financial system, where in 2019, compared to 2018, we immediately lost -7 points. We received one of the lowest indicators in the field of innovative activity of the country, although during the analyzed period we improved our result by +1 point, but for this group we showed the lowest results among all 12 development groups according to which the competitiveness of Ukraine was analyzed.

Let's move on to the consideration of sub-factors, the effectiveness of which affected the evaluation of the above-mentioned groups, and their attribution to the weaknesses of Ukraine's competitiveness (table 2.6).

Table 2.6 – Sub-factors by WEF development groups classified as weak sides of Ukraine's competitiveness (2018-2019).

| № | | 2018 | 2019 |
|-----|--|------|------|
| | Market of goods and services | | |
| 1. | Distorting effects of taxes and subsidies on competition | 35,6 | 40,0 |
| 2. | Degree of market dominance | 37,8 | 43,2 |
| 3. | Competition in the service sector | 63,2 | 64,3 |
| 4. | Prevalence of non-tariff barriers | 51,3 | |
| 5. | Trade tariffs, % duty | 81,5 | 82,1 |
| | Business dynamics | | |
| 6. | Cost of starting a business, % of GNI per capita | 99,6 | 99,7 |
| 7. | Start time of working days | 94,0 | 94,0 |
| 8. | Recovery rate after insolvency in cents | 10,0 | 10,3 |
| 9. | Insolvency regulatory framework | 46,9 | 53,1 |
| 10. | Attitude to entrepreneurial risk | 62,4 | 62,4 |
| | Use of ICT | | |
| 11. | Mobile cellular phone subscription/100 persons | 100 | 100 |
| 12. | Mobile broadband subscriptions/ 100 subscribers | 41,7 | 45,2 |
| 13. | Fixed broadband subscriptions/ 100 subscribers | 25,1 | 24,6 |
| 14. | Fiber optic Internet subscriptions/100 subscribers | 43,0 | 37,0 |
| 15. | Internet users % of the population | 53,0 | 58,9 |
| | State of institutions | | |
| 16. | Organized crime | 50,4 | 47,8 |

| | | | |
|-----|--|------|------|
| 17. | Kill rate | 80,2 | 80,7 |
| 18. | Reliability of police services | 45,4 | 46,2 |
| 19. | Social capital | 45,5 | 45,0 |
| 20. | Budget transparency | 61,5 | 54,0 |
| 21. | Independence of the judicial system | 29,1 | 33,0 |
| 22. | Freedom of the press | 68,8 | 67,5 |
| 23. | The spread of corruption | 30,0 | 32,0 |
| 24. | The future orientation of the government | 33,0 | 35,7 |
| | Financial system | | |
| 25. | Financing of small and medium enterprises | 34,9 | 39,2 |
| 26. | Availability of venture capital | 28,1 | 33,7 |
| 27. | Market capitalization, % | 20,3 | 40,0 |
| 28. | Reliability of banks | 30,0 | 37,4 |
| 29. | Non-performing loans, % of loan value. portfolio | 39,5 | 54,5 |
| | Innovative potential | | |
| 30. | State of cluster development | 37,3 | 40,9 |
| 31. | International joint inventions, programs | 12,5 | 13,0 |
| 32. | Multi-stakeholder collaboration | 45,5 | 47,0 |
| 33. | Scientific publications | 79,7 | 80,6 |
| 34. | Patents, applications, million | 69,8 | 71,2 |

Compiled by the author based on the source [42, 43].

In table 2.6. the groups that we attributed to the weak sides of Ukraine's competitiveness and their sub-factors are given. So, the sub-factors among which Ukraine shows low results among the goods and services market group are: the distorting effect of taxes and subsidies on competition, the degree of market dominance and the prevalence of non-tariff barriers. The factor of recovery after insolvency in cents, which received the lowest number of points among all 300 sub-factors, namely 10 points out of 100 points, was attributed to the sub-factors that influenced the low rate of business activity of Ukraine. Among the sub-factors of the group of use of information and computer technologies, we observe the weakest results in: subscription to fixed broadband access/100 subscribers, subscription to fiber optic Internet/100 subscribers and a low percentage among Internet users. One of the weakest aspects of Ukraine's competitiveness is the state of institutions, the sub-factors that prevent us from rising above this group are the spread of corruption, the future orientation of the government, the independence of the judicial system (only 33 points in 2019), and the low level of social capital. The penultimate place among the weaknesses of Ukraine's competitiveness is occupied by the financial

system. Availability of venture capital, reliability of banks, financing of small and medium-sized enterprises, market capitalization are sub-factors that showed the lowest results in the financial system group. According to the WEF groups, Ukraine's innovative potential was classified as the weakest aspect of competitiveness. We received the lowest number of points for international joint inventions and programs (only 13 points), the state of development of clusters, cooperation of many interested parties.

So, after conducting an analysis of Ukraine's competitiveness, we investigated which groups of development of the WEF Ukraine shows the best indicators (infrastructure, skills and the labor market) and what has the greatest potential (market of goods and services, business dynamics) and groups in which Ukraine shows unsatisfactory results (state of the financial system and innovation potential).

CHAPTER 3 PROSPECTS FOR INCREASE IN THE INTERNATIONAL COMPETITIVENESS OF UKRAINE IN THE CURRENT CONDITIONS

3.1 SWOT analysis of Ukraine's competitiveness in modern conditions

SWOT analysis is one of the easiest and most accessible tools for providing a comprehensive assessment of the competitiveness of an enterprise, industry, and country [35].

The main advantage of the SWOT analysis is the division of factors into four categories, which are its acronym:

1. S (strengths) - strengths, that is, certain competitive advantages that are present in the country.

2. W (weaknesses) - weaknesses that indicate to us what makes the country more vulnerable.

3. O (opportunities) - opportunities that the country can use for its further development.

4. T (threats) – threats that can cause serious harm to the country [37].

These components are divided into factors of the internal and external environment. The internal environment usually characterizes the region in terms of factors that it can influence. The external environment shows factors that can be neutralized or tried to beat in a certain way [36]. The results of the SWOT analysis of Ukraine's competitiveness are shown in Table 3.1.

Table 3.1 – SWOT analysis of Ukraine's competitiveness.

| Internal environment | |
|---|---|
| Strengths (S) | Weaknesses (W) |
| 1. Advantageous geographical location. 2. Sufficient level of natural resources. 3. High level of internal market capacity. | 1. Martial law in the country. 2. Weak economy. 3. High level of public debt. |

| | |
|--|--|
| 4 Close cooperation with international institutions, including international economic organizations. 5 Accumulation of intellectual capital. 6. High rate of motivated working population. 7. Fast pace of development of processing industry. | 3. Underdeveloped high-tech production. 4. High level of unemployment. 5. Low level of solvency of the population. 6.Oligarchization of the political power of Ukraine. 7. Slow pace of overcoming corruption in the country. 8. High level of distrust of the population in the authorities. |
| Environment | |
| Opportunities (O) | Threats (T) |
| 1.Increasing the level of scientific and technical cooperation. 2.High potential in the field of energy and the development of renewable energy sources. 3.Development of new high-tech sectors of the economy. 4.Intensive development of the domestic consumer market. 5.Development of small and medium-sized businesses. 6.Formation of the middle class. | 1.The spread of crisis phenomena in the world space. 2.Political and economic dependence on the leading countries of the world. 3.Strengthening of migration processes. 4.Rooting of the oligarchic formation of power. 5.Protracted hostilities. 6.Change in the situation on world markets under the influence of political interstate conflicts. |

Compiled by the author based on the source: [31, 4, 33].

Strengths – Strengths of Ukraine's competitiveness.

The main competitive advantages of Ukraine are its unique geographical and geopolitical position, as Ukraine is the geographical center of Europe and a European state. Due to its unique and successful territorial location, Ukraine is located at the crossroads of international trade routes and has a high transit potential. We have common borders with 7 countries of the European Union, and 19 oblasts of Ukraine are border regions. Transit flows between European countries and Asia that pass through Ukraine along the route of the New Silk Road and the Baltic-Black Sea transport corridor are important [50]. Among the wealth of natural resources, Ukraine has a large supply of oil, gas, iron ores, hard coal, nickel, uranium, sulfur, titanium, manganese, and mercury ores, the value of which is estimated at about twenty trillion dollars [31].

Territorially, Ukraine is one of the largest European countries, with a population of approx. 41.1 million people (as of February 1, 2022) [9]. The

economic potential of our country is estimated at 500 billion US dollars, a significant part of which belongs to the domestic consumer market of Ukraine (as of 2019, it ranks 47th in the ranking of global competitiveness of countries), which in turn increases the overall competitive position of Ukraine in the global economic space.

Ukraine actively cooperates with world organizations, and is a member of such organizations as: UN, EBRD, International Monetary Fund, Partnership for Peace, OSCE, GUAM, World Trade Organization, SEU, etc. it is also worth noting that on June 23, 2022, the EU granted Ukraine the status of a candidate for accession to the European Union, which in turn will allow Ukraine to gain even greater support for measures to counter Russian aggression, as well as access to technologies, markets and public administration standards, which are among the most developed and most promising in the world [48].

Ukrainians are considered an educated and able-bodied people, almost half of the population has higher education. The Government of Ukraine envisaged global transformations in the educational system, namely, the transformation of the educational process into an innovative environment in which students will acquire the necessary competencies for a successful life of the population. This change affected the scientists themselves, according to which every representative of science will have access to all the opportunities and resources necessary for their activities [10]. In addition, Ukrainians are becoming more progressive and economically motivated every year, which we also attribute in our research to Ukraine's competitive advantages [31].

The processing industry is important in the structure of the economy of Ukraine and has a fairly high potential in this field. Over the past ten years, the processing industry has taken a leading position in the economy of Ukraine and entered the top 3 largest industries [13].

Weaknesses – Weaknesses of Ukraine's competitiveness.

The main problem today is Russia's military aggression against Ukraine. The interference of an external aggressor in the territorial integrity and internal affairs of Ukraine led to the destabilization of the political and economic situation in the

middle of the country. During the 9th month of the war, Ukraine suffered great human losses, colossal economic losses and the destruction of critical, social and civil infrastructure.

In terms of economic development, even in the pre-war period, Ukraine was one of the weakest economies in the world compared to the leading world powers (in the first three quarters of 2022, the level of gross domestic product fell by 30%). The ratio of real and nominal GDP is shown in table 3.2.

Table 3.2 – Gross domestic product of Ukraine for 2019-2021

| Year | Nominal GDP | Real GDP | Difference (real - nominal) |
|------|-------------|----------|-----------------------------|
| 2019 | 3974564 | 3675728 | -298836 |
| 2020 | 4194102 | 3818456 | -375646 |
| 2021 | 5459574 | 4363582 | -1095992 |

As we can see from table 3.2. pre-war GDP tended to grow annually, but in the first 9 months of 2022 alone, we lost about 30% of GDP.

The Ukrainian nation is considered the poorest and least able to pay (as of October 2021, the average salary in Ukraine is UAH 14,045). Although at first glance this amount does not seem small, it is not correlated with a sharp increase in prices [3].

The practical absence of the middle class in Ukraine (less than 10%), which are the most important part of the population worldwide and guarantors of the country's democratic development, negatively affects Ukraine's international competitiveness. This was partly influenced by the reduction of small and medium-sized businesses in the structure of Ukraine's GDP [31].

Table 3.3. – The structure of state and guaranteed state debt as of September 30, 2022

| | External | Internal | That's all |
|-----------------|-------------|-------------|-------------|
| State debt | 1 945 442,2 | 1 291 322,6 | 3 236 764,9 |
| Guaranteed debt | 278 886,0 | 71 733,9 | 350 619,9 |
| Cumulative | 2 224 328,3 | 1 363 056,5 | 3 587 384,7 |

According to forecasts, by the beginning of 2023, the amount of public debt will increase to 6.4 trillion. UAH Thus, the public debt will exceed the GDP and will amount to 106% of the Gross Domestic Product. Due to the lack of own revenues to the budget, there are not enough funds even for military expenses, so the missing funds are provided by Western partners. The main amount of tranches is provided in the form of loans, and only a certain part of the money is provided by partners in the form of non-refundable aid, which is one of the main reasons for the constant growth of the national debt of Ukraine [47].

The high level of unemployment is one of the most urgent problems of Ukraine. One of the reasons for this negative phenomenon in the economy of Ukraine is the war, the lack of specially created conditions and the inefficient use of the existing labor force, which would give people the opportunity to use their skills and abilities for a decent reward [52]. However, with the beginning of the war, the situation in Ukraine worsened even more, the unemployment rate increased from 10.3% (according to the results of 2021) to 30%, and the employment rate decreased from 56% to 40%. The International Labor Organization estimated that with the beginning of the full-scale invasion of the Russian Federation, almost 4.8 million jobs were lost (for example, in 2021, the number of unemployed reached 1.5 million), that is, this indicator increased more than 3 times. In the end, the labor market is trying to gradually update itself, but the number of vacancies remains many times smaller than before the war [24].

Today, the Ukrainian economy is a low-tech, raw, unprofitable monopolized system of pseudo-economic non-competitive relations, characterized by a high degree of depreciation of fixed assets (depreciation) and extremely low labor productivity. Thus, Ukraine becomes a "raw material colony" of rich metropolises, where it sells priceless natural minerals and other valuable resources at the minimum market price [31].

An equally important problem is the anti-social oligarchic policy that was formed in Ukraine and is active in modern conditions. The consequence of such a

policy is the destruction of Ukraine's economy and the artificial lowering of social standards in the middle of the state.

Another negative factor that affects Ukraine's competitiveness is corruption, which arose as a result of the oligarchic-power model of the country's management, which does not allow the economy and social sphere of Ukraine to develop effectively. This, in turn, gives rise to distrust of the population in the authorities and despair in the possibilities of influencing changes in the middle of the country [31].

Opportunities – Possibilities of increasing Ukraine's competitiveness.

Greater openness of our economy will give Ukraine the opportunity to integrate into the global system of movement of capital, technology and labor resources. This will allow us to gain global experience and technology today, instead of spending years or decades trying to catch up with developed countries, spending enormous resources on it.

The development of new profitable and high-tech industries in the economy of Ukraine will help to receive a constant flow of foreign investments, form a larger part of the total product and become a leading industry in the overall structure. The most promising industries in the economy of Ukraine are:

- renewable energy;
- innovative industry;
- transport infrastructure (domestic and international);
- information and communication industry;
- tourism industry [31]

Ukraine has significant potential in the development of the renewable energy sector. The most available and common for us are solar and wind energy, geothermal energy, small river energy and biomass energy. The development of the renewable energy industry will allow Ukraine to become an energy-independent and frugal country, which will help solve not only energy supply problems, but also environmental and economic problems [27]. Thus, by 2030, about 50% of electricity should come from all possible renewable energy sources, and in the final

consumption, the share of renewable energy sources, including heating and transport, should be at least 35%. [28].

For the economy of Ukraine, small and medium-sized businesses play a very important role, contributing to the employment of 80% of employees, providing more than 50% of added value and 37% of tax revenues to the state treasury [34]. Promoting the development of medium and small businesses will increase the share in the Gross Domestic Product by 50%. The results of the activity of medium and small businesses in the period from 2019 to 2021 are shown in table 3.4.

Table 3.4 – Results of the activity of medium and small enterprises (including micro enterprises) in the period from 2019 to 2021.

| Indicator | Average | | | Small | | |
|---|-----------|-----------|---------|-----------|-----------|-----------|
| | 2019 | 2020 | 2021 | 2019 | 2020 | 2021 |
| Number of operating enterprises (units) | 17751 | 17602 | 17502 | 362328 | 355708 | 352722 |
| Number of employed workers | 3052,6 | 3088,4 | 2967,8 | 1746,6 | 1703,1 | 1775,2 |
| Volume of sold products (million hryvnias). | 4168439,4 | 4359362,1 | 5900055 | 1839875,9 | 2064120,7 | 2576371,4 |

Created by the author based on the source: [32].

In order to stimulate the development of small and medium-sized businesses, the Government has developed a grant support system that will create more jobs and satisfy the demand for quality Ukrainian products [44]. Support of small and medium-sized businesses will help to partially reduce the sharp differentiation of the social status of the population, giving an impetus to the development of the middle class in the country.

Ukraine has great prospects in the development of international scientific and technical cooperation, having significant potential in scientific developments, development of scientific and technical forecasts, and in the field of personnel training. For this, the state needs to determine priority areas for development and in every possible way contribute to their improvement and financing based on the

principles of equality of parties, non-discrimination and benefits [14]. This will make it possible to develop contracts in the European space, primarily with the European Union.

The development of the consumer market in Ukraine and the creation of the necessary set of conditions will ensure a growing flow of foreign investments into the economy of Ukraine, which reduces dependence on external loan resources and increases the potential of the Ukrainian economy. Intensive development of the domestic Ukrainian consumer market, capable (by analogy with China, Japan and some Latin American countries) to become the main driver of economic growth for decades [31].

Threats - Threats to the country's competitiveness.

Martial law and the intensification of crisis phenomena in the world intensify the economic crisis in the middle of our country. On top of this, there is also the constant growth of the state debt and other socio-economic problems, which further exacerbate the decline in the standard of living of a significant part of the Ukrainian population [31].

The high level of institutional influence of the countries of the leaders on world processes and the world economy in general increases the economic and political dependence of Ukraine, which is also a certain threat to the development of the international competitiveness of our state. Ukraine depends on tranches from foreign partners and international investments aimed at the economy (the amount of direct foreign investment today is 0%) [47]. Due to military actions and negative economic situations in the country, Ukraine lost the opportunity to receive these investments, which are necessary for its development. In the geopolitical arena, Ukraine does not play an important role and is dependent on external economically and politically powerful players, who in turn have a high influence on the choice of Ukraine's development path [31].

All this further exacerbates the problem of migration of Ukrainian youth who leave their country in search of better socio-economic living conditions and migration of the "minds" of our domestic highly qualified workers, who are often

lured by leading global companies. As of January 1, 2021, about 3 million Ukrainians may be working abroad [20].

The threat of an even greater entrenchment of the oligarchic power system in Ukraine and the oligarchic model of governance may lead to social conflicts in the country by a part of citizens dissatisfied with the standard of living and their social position in society in the absence of further changes and prospects in the socio-economic sphere of the country's development. This may cause an even greater decline in the economy of Ukraine, which in turn may lead to a default in the country and the transition of the state under external protection

After the military defeats of the enemy's army at the beginning of the war, the fighting goes into a protracted phase. This stage is considered to be very difficult and long, because Russia has a sufficient supply of resources and equipment to allow a "prolonged war". This exhausts the Ukrainian economy even more, because a month of war costs us 5-6 million dollars, not taking into account the damage caused by the destroyed infrastructure [49].

So, having assessed Ukraine's competitiveness by carrying out a SWOT analysis of Ukraine's international competitiveness, we identified its competitive advantages (strengths) and problems (weaknesses), as well as opportunities and threats in the development of the national economy.

3.2 Organizational and economic mechanisms of increasing Ukraine's global competitiveness

The basis of increasing competitiveness is the consideration of factors that significantly affect the growth of the economic well-being of the state. As mentioned earlier, one of the resulting factors of a high level of competitiveness is the gross domestic product. Independent indicators whose impact should be investigated from the standpoint of GDP growth and improving Ukraine's competitiveness are based on indicators related to investment and innovation potential, the level of the tax

burden, shadowing of the economy, which, according to a survey of experts, are the main obstacles to increasing competitiveness.

Table 3.5 – Input data for building a multivariate model

| | GDP in actual prices, UAH million. | Dynamics of the level of the shadow economy according to the method "population expenditure - retail turnover and services", % of the volume of official GDP (in % to the corresponding period of the previous year) | Level of tax burden, % | Venture financing in Ukraine million dollars. USA | An integral indicator of the level of the shadow economy in Ukraine (in % of the volume of official GDP) and rates of increase/decrease in the real level | Ratio of venture investments to GDP, % | Total costs for innovation, million hryvnias. |
|------|------------------------------------|--|------------------------|---|---|--|---|
| | Y | X ₁ | X ₂ | X ₃ | X ₄ | X ₅ | X ₆ |
| 2010 | 1120600 | 46,0 | 33,8 | 47 | 36,0 | 0,029 | 7512 |
| 2011 | 1349200 | 43,0 | 35,3 | 50 | 35,0 | 0,031 | 7654 |
| 2012 | 1404669 | 40,0 | 36,00 | 59 | 34,0 | 0,034 | 8045,5 |
| 2013 | 1465198 | 40,0 | 35,00 | 89 | 35,0 | 0,049 | 11480,6 |
| 2014 | 1586915 | 44,0 | 32,90 | 39 | 38,0 | 0,029 | 7695,9 |
| 2015 | 1988544 | 44,0 | 34,30 | 132 | 36,0 | 0,145 | 13813,7 |
| 2016 | 2385367 | 38,0 | 27,3 | 88 | 35,0 | 0,094 | 23229,5 |
| 2017 | 2983882 | 38,0 | 27,8 | 259 | 34,0 | 0,231 | 9117,5 |
| 2018 | 3560596 | 33,0 | 28,5 | 336,9 | 30,0 | 0,258 | 12180,1 |
| 2019 | 3974564 | 30,0 | 28,1 | 304,09 | 29,0 | 0,332 | 14220,9 |
| 2020 | 4194102 | 29 | 27,8 | 343,14 | 28,00 | 0,352 | 17228,1 |

As a result of using the Data Analysis - Regression tool (Appendix A), we obtained the following multivariate regression equation.

$$Y = -24247.9105 * X_1 - 76207.5452 * X_2 + 52.3088 * X_3 - 31935.2594 * X_4 + 5152833.679 * X_5 - 1.4515 * X_6 + 6068245.463$$

Commenting on the data of the equation, it should be noted that the key factors in the context of GDP growth in the system of outlined coordinates are venture financing and the ratio of venture investments, at the same time, the indicators of the shadow economy and the level of the tax burden will have a negative impact on increasing the competitiveness of Ukraine.

The priority task of any state, in particular Ukraine, is to promote economic growth and improve the country's position in the global economic environment. Based on the previously conducted research, which revealed problems in the

development of the national economy, we offer the following directions for increasing Ukraine's international competitiveness (Fig. 3.1.). Accordingly, these directions can be laid as a basis for increasing Ukraine's global competitiveness and gaining leading positions in the international arena.

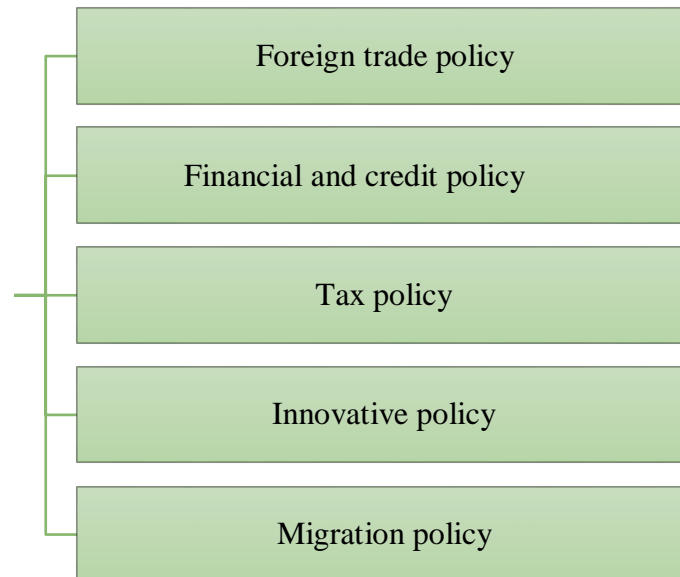


Figure 3.1 – Directions for increasing Ukraine's international competitiveness. Compiled by the author based on the source: [5].

Foreign trade policy is an integral part of foreign economic policy aimed at regulating and developing trade relations with other world countries [30]. The volume of foreign trade of Ukraine has significantly decreased due to the military aggression of the Russian Federation. In the first half of 2022, exports decreased by 24%, which is a fourth part of exports in the pre-war period, imports decreased by 17%. The reduction in the physical volume of trade (by 1/3 of the trade turnover in 2021) led to an increase in the prices of leading Ukrainian export goods in all countries of the world. A sharp increase in the prices of agricultural products threatened the food security of the world's poorest regions. Changes also occurred in the geographical structure of Ukraine's foreign trade. The eastern and southern (sea - through the Black Sea) direction was blocked by Russia, and the northern by Belarus, so the only available direction became the western (in this way, the share of the EU in the geographical structure of Ukraine increased to 53%). The rapid rate

of decrease in exports, as opposed to imports, led to a negative balance of foreign trade from 1.2 to 2.6 billion dollars. that is, more than twice [45].

Measures in the field of foreign economic policy to improve the level of global competitiveness of Ukraine:

- maximizing efforts to accelerate the development of high-tech production;
- implementation of reforms in anti-corruption policy;
- carrying out fundamental changes in the system of state standardization in order to bring it closer to the European one;
- definition of the main investment sectors;
- providing support to exporters through the provision of state financial support through the creation of export credit agencies;
- provision of benefits for investors in priority sectors of the economy;
- close cooperation with world rating agencies and publications;
- development and implementation of an effective import substitution strategy;
- cooperation with international specialists in order to develop and apply an effective strategy for increasing investment attractiveness [5].

Financial and credit policy is a set of measures carried out in the financial sphere by state authorized bodies with the aim of preventing negative trends in the industry and stable economic development. This type of policy is carried out by influencing economic processes through changes in the size of required reserves, changes in the exchange rate of the national currency, money supply, rates, etc. These measures should stimulate the development of the economy, or on the contrary, restrain it in the event of the threat of the so-called "overheating of the economy » [25]. During the period of martial law, the National Bank of Ukraine adopted the main principles of the financial and credit policy of Ukraine:

- In order to properly perform its functions, the NBU will proceed from the need to preserve financial and institutional independence;

- direction to abandon funding of the budget deficit;
- In the future, the National Bank of Ukraine plans to finance only critically necessary expenses in limited amounts [40].

In order to increase the competitiveness of Ukraine in the sector of the financial and credit system, it is necessary to take the following measures (Fig. 3.2)

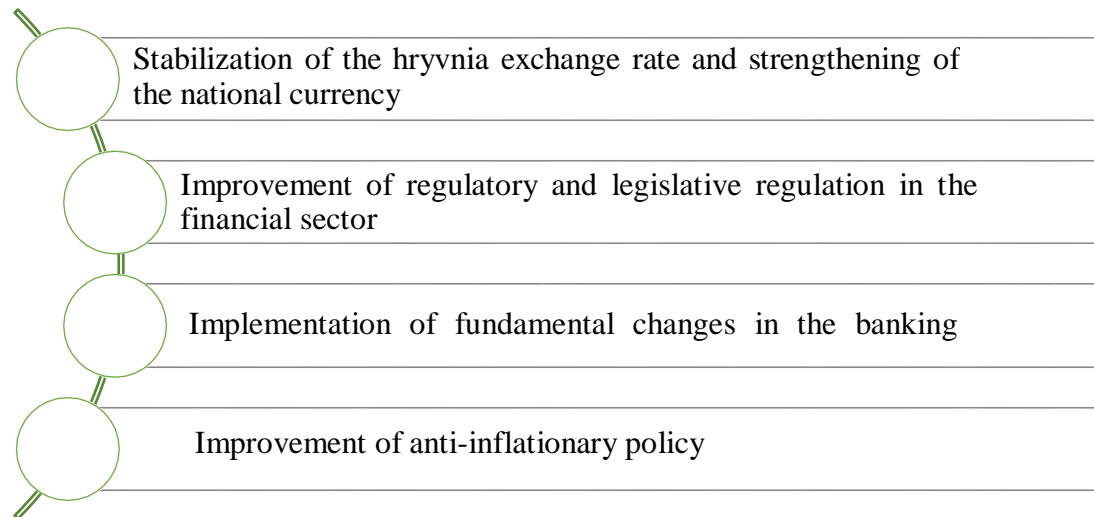


Figure 3.2 – Measures to improve the financial and credit policy, based on the source: [5].

Tax policy is defined as a course of purposeful actions, a system of measures carried out by the country in the field of taxes and taxation. Tax policy is expressed in the types of taxation, the amount of tax rates, the definition of the objects of taxation and the circle of taxpayers, tax benefits for business [39]. Since the beginning of the war, the tax policy of Ukraine has also undergone changes. First of all, the authorities started changes in the taxation of private enterprises, namely, from March 1, 2022, individual entrepreneurs who find themselves in a difficult financial situation may not pay a single social contribution for themselves. This applies to FOPs of the 1st and 2nd groups, but if the individual entrepreneur will continue to receive financial income and not pay a single tax, then this may cause unwanted attention from the fiscal service. For natural persons, entrepreneurs of the 3rd group and legal entities, it is possible to reduce the percentage of taxation for EP from 5 to

2%, and it is also possible not to pay a single social contribution for a mobilized employee. For mobilized workers, the only social contribution is paid by the state to maintain continuous service [17].

In order to solve the current problems of tax policy, which restrain the development of competitiveness of Ukraine, the following changes should be made (Figure 3.3).

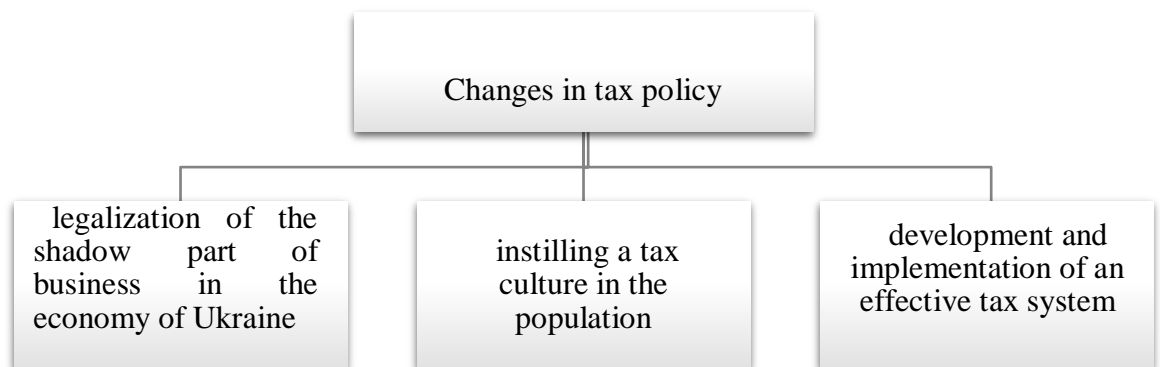


Figure 3.3 – Changes in tax policy to increase the competitiveness of Ukraine.

Innovation policy is an integral part of socio-economic policy, which determines the methods of influence of state structures on society and the economy as a whole, related to the initiative to increase the level of economic efficiency of innovative activities in the country, as well as the goals and priorities of the innovation strategy and the mechanism of its implementation. This can also include the development of scientific developments for the modernization of the national economy, which in turn will become an impetus for effective structural transformations and increase the level of international competitiveness in general. Necessary conditions for the implementation of innovation policy are the development of scientific and technical potential, which will make it possible to switch to more high-tech systems and create a favorable innovation environment in order to obtain financial benefits for the participants of the innovation process [54]. An effective state policy in the field of innovation management affects

competitiveness and determines Ukraine's place in the world. Measures to improve innovation policy in Ukraine are highlighted in Figure 3.4.

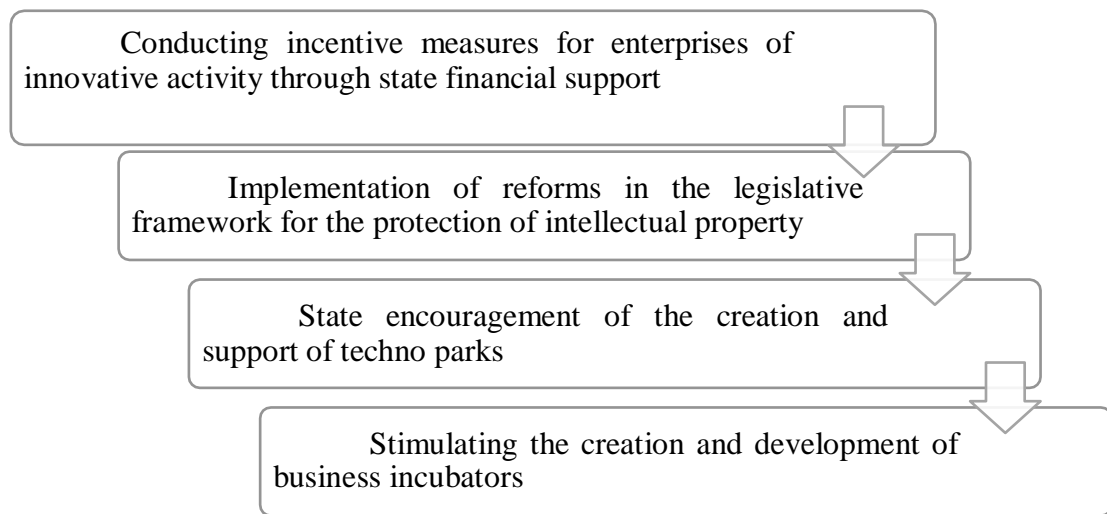


Figure 3.4 – Measures to improve the innovative policy of Ukraine.

Migration policy is a set of measures used by the state and public institutions to regulate population migration. Migration policy is based on international treaties (conventions, charters and resolutions) and domestic legislation. When forming the directions of the country's migration policy, authorized bodies try to assess all possible impulses (economic, social, political) that cause migration processes in the country [22].

Today, Ukraine is experiencing the biggest migration crisis since the Second World War, millions of our citizens from the occupied territories and places of active hostilities have flooded the countries of Europe. According to official statistics of the United Nations High Commissioner for Refugees, 9,567,033 people left Ukraine at the end of July 2022. Even before the start of the war, migration acquired a mainly labor character, the number of labor migrants reached about 3 million Ukrainians, but now the migration situation caused by the flow of forced migrants is catastrophic and poses a threat to the national security of our country. Protracted hostilities, economic crisis, unemployment, destroyed infrastructure are some of the main factors that prevent Ukrainians from returning home (about 57% of compatriots are

interested in legalizing their stay in the host country, and 43% are looking for employment opportunities and placement of children in kindergartens, schools) [23].

In order to prevent negative trends in the development of migration processes, we propose to carry out the following measures (Fig 3.5).

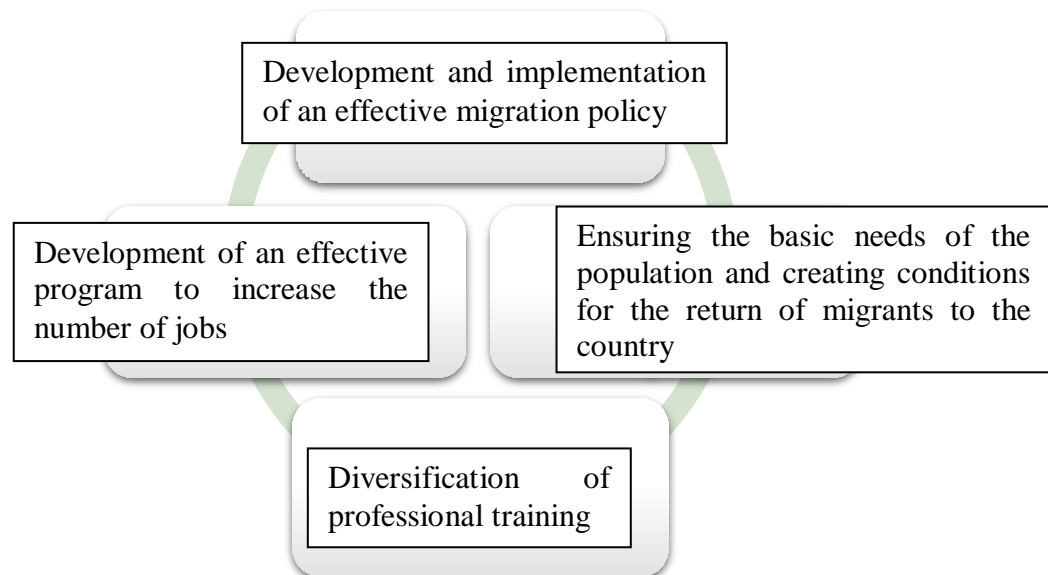


Figure 3.5. – Measures to prevent negative trends in the development of migration processes in Ukraine.

Compiled by the author based on the source: [5].

So, on the basis of the conducted research on the competitiveness of Ukraine, we identified the main directions of increasing competitiveness, namely: foreign trade policy, innovation sphere, tax policy, financial and credit policy, migration policy, and also provided proposals for carrying out certain measures to prevent negative trends and increase the competitiveness of the specified areas.

CONCLUSIONS

On the basis of the conducted research, we determined that the competitiveness of the country should be interpreted as an economic category characterized by the country's ability to effectively develop in the global economic space under the conditions of pre-calculated strategic actions and political, economic, social, management factors that can increase the development of the national economy and the standard of living of the population.

The sources of the country's competitiveness, which are the result of a combination of a number of factors, which consist of factors that determine the technological conditions of production and factors that reflect the social conditions of production, that is, features of the environment, namely institutional, legal, social, cultural and other factors, were investigated, the joint influence of which forms the social conditions of production. The main factors of competitiveness and the nature of their influence in Ukraine were determined separately, which generally showed unsatisfactory results.

We also determined that in order to achieve the competitiveness of Ukraine, it is necessary to solve the current problems that exist in the country and that do not allow it to develop effectively. For this, it is necessary to carry out thorough work in all areas, which in turn can allow the country to reach a qualitatively new level and become an influential player on the world stage.

During the writing of the qualification paper, the peculiarities of assessing the global competitiveness of countries were investigated, which consists in a comprehensive consideration of interrelated and dynamic factors, as well as the analysis of a large amount of statistical data, and the use of effective tools for assessing the internal and external competitiveness of the country's economy based on the collected statistical data by leading by international organizations can significantly help in developing a country's long-term development strategy and increasing its competitiveness.

Having conducted a comparative analysis of the competitiveness of the five leading countries of the world according to the 5 development groups of the WEF, we identified their leaders, in particular, in the vast majority of indicators, they were represented by the United States of America and Japan, and those who occupy lower positions, in particular, France.

Today, in the context of the European integration processes of Ukraine, the issue of international competitiveness is particularly relevant. Under the conditions of an unstable political situation, a difficult economic situation, the inconsistency of domestic product quality standards with European ones, the slow pace of scientific and technical progress, the outflow of "brains", the imperfect mechanism of managing competitive potential significantly reduce the possibility of occupying high places in the world economic environment.

In 2019, compared to 2018, in the state of infrastructure group, Ukraine received the same number of points (70/100), but this indicator is the highest among all 12 development groups. According to the state of education in 2019, compared to 2018, she received 1 point more and received a total of 70 points. The health development group shows worse dynamics, as in 2019, compared to 2018, Ukraine lost 6 points. Stable results Ukraine shows the size of the market by group, for the analyzed period we have an unchanged 63 points. According to the development of the labor market in 2019 compared to 2018, the indicator increased by +2 points and we received a total of 61 points. Ukraine shows the best growth in dynamics in the development group of macroeconomic stability, during the analyzed period we gained 7 points more, it can be noted that not a single indicator, which we attribute to the strengths of Ukraine's competitiveness, did not show such a rapid rise. For Ukraine, all these factors are competitive advantages that provide an opportunity to form a competitive market and achieve success in the international arena, which gives an even stronger impetus to the strengthening of Ukraine's integration processes.

In the process of research, we conducted an analysis of Ukraine's competitiveness and investigated which development groups Ukraine shows the best

indicators, namely the health and size of the domestic market and what has the greatest potential (the market of goods and services and innovations) and the groups according to which Ukraine shows unsatisfactory results, including the state of the financial system and macroeconomic stability of Ukraine.

Having assessed Ukraine's competitiveness by conducting a SWOT analysis of Ukraine's international competitiveness, we identified its competitive advantages (strengths) and problems (weaknesses), as well as opportunities and threats in the development of the national economy. On the basis of the conducted research on the competitiveness of Ukraine, we identified the main directions of increasing competitiveness, namely: foreign trade policy, innovation sphere, tax policy, financial and credit policy, migration policy, and also received further development of proposals for increasing the competitiveness of Ukraine with economic and mathematical justification of key directions in modern conditions, including the legalization of the shadow part of business in the economy of Ukraine, the inculcation of a tax culture in the population, the development and implementation of an effective tax system, the implementation of incentive measures for enterprises of innovative activity through state financial support, the implementation of reforms in the legislative framework for the protection of intellectual property, the state's encouragement of the creation and support of technology parks, stimulating the creation and development of business incubators.

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APPENDICES

Appendix A

| | ВВП у фактичних цінах, млн. грн. | Динаміка рівня тіньової економіки за методом "витрати населення – роздрібний товарооборот і послуги", % від обсягу офіційного ВВПВВП (у % до відповідного періоду) | Рівень податкового навантаження, % | Венчурне фінансування в Україні, млн. дол. США | Інтегральний показник рівня тіньової економіки в Україні (у % від обсягу офіційного ВВП) і темпи приросту/зниження рівня реального | Співвідношення венчурних інвестицій до ВВП, % | Загальні витрати на інновації, млн. грн. |
|------------------------------|----------------------------------|--|------------------------------------|--|--|---|--|
| 2010 | 1120600,00 | 46,0 | 33,8 | 47 | 36,0 | 0,029 | 7512 |
| 2011 | 1349200,00 | 43,0 | 35,3 | 50 | 35,0 | 0,031 | 7654 |
| 2012 | 1404669 | 40,0 | 36,00 | 59 | 34,0 | 0,034 | 8045,5 |
| 2013 | 1465198 | 40,0 | 35,00 | 89 | 35,0 | 0,049 | 11480,6 |
| 2014 | 1586915 | 44,0 | 32,90 | 39 | 38,0 | 0,029 | 7695,9 |
| 2015 | 1988544 | 44,0 | 34,30 | 132 | 36,0 | 0,145 | 13813,7 |
| 2016 | 2385367 | 38,0 | 27,3 | 88 | 35,0 | 0,094 | 23229,5 |
| 2017 | 2983882 | 38,0 | 27,8 | 259 | 34,0 | 0,231 | 9117,5 |
| 2018 | 3560596 | 33,0 | 28,5 | 336,9 | 30,0 | 0,258 | 12180,1 |
| 2019 | 3974564 | 30,0 | 28,1 | 304,09 | 29,0 | 0,332 | 14220,9 |
| 2020 | 4194102 | 29 | 27,8 | 343,14 | 28,00 | 0,352 | 17228,1 |
| SUMMARY OUTPUT | | | | | | | |
| Regression Statistics | | | | | | | |
| Multiple R | 0,996796017 | | | | | | |
| R Square | 0,9936023 | | | | | | |
| Adjusted | 0,9808069 | | | | | | |
| Standard | 153893,8102 | | | | | | |
| Observati | 10 | | | | | | |
| ANOVA | | | | | | | |
| | <i>df</i> | <i>SS</i> | <i>MS</i> | <i>F</i> | <i>Significance F</i> | | |
| Regressio | 6 | 1,10345E+13 | 1,83908E+12 | 77,6530859 | 0,002221644 | | |
| Residual | 3 | 71049914445 | 23683304815 | | | | |
| Total | 9 | 1,11055E+13 | | | | | |
| | <i>Coefficients</i> | <i>Standard Error</i> | <i>t Stat</i> | <i>P-value</i> | <i>Lower 95%</i> | <i>Upper 95%</i> | <i>Lower 95,0% pper 95,0%</i> |
| Intercept | 6068245,463 | 2925089,989 | 2,074550009 | 0,129676402 | -3240696,364 | 15377187,29 | -3240696,36 15377187 |
| 46 | -24247,91055 | 58117,25169 | -0,417223971 | 0,704573685 | -209202,9435 | 160707,1224 | -209202,943 160707,1 |
| 33,78 | -76207,54516 | 42379,09486 | -1,798234375 | 0,169980235 | -211076,739 | 58661,64869 | -211076,739 58661,65 |
| 47 | 52,30882849 | 2155,817329 | 0,024264036 | 0,982165715 | -6808,464066 | 6913,081723 | -6808,46407 6913,082 |
| 36 | -31935,25942 | 100964,5675 | -0,316301651 | 0,772504046 | -353249,5743 | 289379,0554 | -353249,574 289379,1 |
| 0,029 | 5152833,679 | 1865389 | 2,762337335 | 0,070015315 | -783666,6517 | 11089334,01 | -783666,652 11089334 |
| 7512 | -1,451462354 | 15,96653001 | -0,090906562 | 0,933296533 | -52,2640868 | 49,36116209 | -52,2640868 49,36116 |