

THE COMPETITIVE SOCIAL ADVANTAGES OF A COUNTRY AND ITS COMPETITIVE POSITION: A COMPARATIVE ANALYSIS

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Abstract. *In the article, the concept of competitive social advantages is considered. Social competitiveness, the potential of social competitiveness, and the social competitive status are characterized. Competitive advantages are shown to have various forms of expression due to certain determinants. A classification of competitive advantages is carried out. The framework of competitive advantages is described. The determinants of competitive social advantages of a country, among which the components of the level and quality of life, the maturity of the human, intellectual and social capital, the quality of public institutions, conditions of business development and innovations are suggested. The trends and means of achieving social competitive advantages are considered. The assessment of Ukraine's position according to freedom indicators, the indicator of network readiness, Ukraine's competitiveness index and index of travel and the tourism competitiveness is conducted.*

Key words: *social competitiveness, social advantages, competitive social advantages, social potential, social capital*

1. Introduction

The contemporary economic realities strongly suggest that the rate and the overall vector of socio-economic progress direction of a national economy is largely dependent on the country's competitiveness.

Nowadays, a substantial theoretical background in the sphere of national economy competitiveness has been established. However, further research on ensuring the competitiveness of a national economy is needed, especially research on its social aspect. In particular, there is no generally accepted approach to the interpretation of social competitiveness of a national economy. The key factors of its ensuring are not defined, and the ways of increasing social competitiveness that match the current conditions and will be supported by the appropriate competitive social advantage (CSA) are not determined. All these aspects stipulate the relevance of research from the theory point of view.

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The development of certain aspects of social advantages is in progress now in the papers of such economists as M. Byelorusova (2010), Yu. Bocharova (2010), N. Halda (2010), O. Lubchenko (2010), Yu. Privalov (1998), S. Shtyrbul (2010), L. Il'chuk (2010), I. Maslova (2008), Yu. Poluneev (2011), M. Porter (1993, 2008). However, the current stage of the development of a national economy actualizes the problem of the realization of a country's competitive social advantages.

The purpose of the present research was to conduct a classification of competitive advantages, to develop the structure and to substantiate the determinants of competitive social advantages of a country, to propose the directions and means of its achieving and to perform an assessment of Ukraine's position by employing different indicators and indices.

2. Analysis of theoretical foundations of the aspects of social advantages

The category "competitive social advantages" is a relatively new concept that is apprehended understandably. However, the relevance of this concept is becoming more apparent. This requires not just defining it as an economic category, but also outlining the goals and mechanisms of achieving it.

Theoretical concepts and practical approaches to the analysis of the phenomenon of a country's competitiveness indicate an important meaning of its social component. As pointed out by Yu. Poluneev, "country's competitiveness" is "... one of the most influential conceptions of economic development and practical politics, because it not only covers economic indicators, but also evaluates the social consequences of its influence – political process and public administration, education level, scientific basis, the rule of law, culture, the system of values, information infrastructure, etc." (Poluneev, 2011).

From our point of view, competitiveness is determined by the new conditions of international competition, including the processes of globalization and economic integration, growth of the capital and labor flows, the deepening of socio-cultural relations, changes in priorities of socio-economic development strategies in different countries, the worsening of global problems. This is confirmed in particular by the fact that in the ranking of global competitiveness, countries with high levels of human development thanks to primarily large-scale investments in human capital and intellectual "saturation" of mass occupations are dominating.

First of all, we note that the factor of civilization affiliation of a country is included into the list of non-economic factors that influence and determine the competitiveness of countries and their national economies.

Civilization determinants, depending on the nature of the impact on the socio-economic development of a country and its level of competitiveness, promote the progress and ensure the formation of competitive advantages and a high level of competitiveness of main structural elements of civilization (states). Also, civilization determinants act as

a force that counteracts the significant progress, leads to creating competitive disadvantages and reduces the competitiveness of a state. This allows to more fully understand the sources, factors and mechanisms of the formation and ensuring the competitive advantages at the state level, to identify the main trends and prospects of transformation processes (Bocharova, 2010).

N. Halda (2010) proposes to define it as “... the ability of the social sphere to meet the needs of all segments of the population and to provide for a high quality of life. Its level depends on the effectiveness of the social risks assessment system and building the appropriate social sphere structure, as well as of the level of economic development, which is the basis for the provision of social services and its improvement”. The author also concentrates on the characteristics of social services, the level and quality of life, linking the mechanism of realization with the level of economic development.

Partially agreeing with the necessity to include into this concept these characteristics, we note that actually it has a broader meaning and should be built on the principles of comparability, consistency, multilevelness, interdependence with other types of competitiveness, sustainability. Given the mentioned above, we can determine that social competitiveness is a comparative state of social processes and phenomena that characterize its place in the global community, the availability of comparative advantages in terms of living standards, social security, the level of solving the global problems and the potential abilities (economic, technological, institutional, human, etc.) to provide and maintain a high competitive status in the political, economic and socio-cultural spheres.

Thus, social competitiveness is a specific category for a number of reasons related to the definition of its objectives, establishing a relationship with economic competitiveness, the functioning of the labor market, social infrastructure, formal and informal social institutions, processes of integration into international economic, political, cultural, civil society organizations and networks, long-term priorities of social policy, social norms of international standards of life, defining the social effect as an object of social competitiveness, features of its “human” dimension.

Traditionally, the essence of the concept of social potential can be regarded as the sum of “society and individual capabilities – demographic, educational, occupational, socio-infrastructure, employment, etc” (Privalov, 1998) and as the characteristics of the population as a bearer of “... demographic, labor, educational, intellectual potentials and the potential of culture, which can be estimated using aggregate statistical data” (Maslova, 2008). These are the structural and qualitative characteristics of socio-demographic resources and living conditions.

The current approaches focus on the usage of these characteristics for effectively achieving the social goals. Thus, describing the socio-economic potential of a region, O. Lubchenko (2010) defines social potential as “... a set of socio-economic factors,

sources, incentives, forms of the efficiency of productive forces, a set of resources and properties that define the possibilities of a sustainable and effective functioning of the socio-economic system in the dynamic external environment”.

M. Byelorusova (2010) considers the social potential of a region, on the one hand, as a system of elements that directly determine the social activity of its population and, consequently, the possibilities of obtaining by the region population socially significant results in various areas of society life (employment, social, political and spiritual). On the other hand, the social potential of a region can be interpreted as a direct human potential – its health and longevity, education, professionalism, spiritual and ethical features; conditions for the potential development and its implementation (including material resources and personnel, technologies of the social sphere, synergistic activity of a person, a single group and the entire community in the updating society). Shtyrbul (2010) connects it with creating new incentives and motives of economic development, innovations that provide for new forms of production factors connection and resources, i.e. the synergistic effect of the sum of its components.

The potential of social competitiveness (PSC) of a country means a series of external and internal social opportunities as compared with other countries, the implementation of which creates competitive advantages in fulfilling the social objectives of sustainable development and ensures a high competitive status and a sustainable competitive position in the global ranking. A country’s social competitiveness potential is closely linked with the strategic goals of its social development. It includes a number of parameters that determine the real situation, sources, facilities, equipment, supplies, skills, resources, social and human capital on macro-, meta- and microeconomic levels, which together can ensure the implementation of the social development strategy in the long run.

The study of competitive social advantages is related to defining the aspects of countries’ development that have a direct social purpose and offer the basis for the research of a country’s social competitiveness potential.

3. The characteristic of a country’s competitive social advantages

In each country, some social type of comfort is formed. It is a type of competitiveness from the social point of view, certain conditions of life, appealing to the public. This type is determined by the type of the economic system and the model of the national economy, by the prevailing ownership and coordination method of economic subjects’ facilities, by the efficiency of economy and the social welfare system, by the standard of living and conditions of a comprehensive human development, by cultural and historical traditions, national economic mentality, the maturity of the human, intellectual and social capital, by the level of social differentiation in society and by the specificity of social contradictions and the mechanisms of their solution.

The competitive social advantage of a country is a certain quality of its residents' life conveniences. In other words, it is the quality of life conditions affecting people's decisions to stay to live and work in the country or to migrate, as well as the natural mode of population reproduction.

Competitive advantages have various forms of expression due to certain determinants. Therefore, they can be classified into those that

- are based on economic factors;
- are based on regulation and legal texts;
- have the advantages of structural nature;
- are caused by administrative measures;
- are determined by the level of social infrastructure;
- are based on technical (technological) advantage;
- are defined by the geographic factors;
- are due to better awareness;
- are based on demographic factors and even have an illegal character.

Summarizing these determinants, one can present their structure (similar to the determinants of the competitive advantage of a country as defined by Porter) as a “national diamond” or a “diamond of competitive advantages of the country” (Porter, 1993), but identifying strategies to ensure just social competitiveness. This analogy should be carried out to emphasize the systemic nature and interdependence of all determinants of the CSA (Fig. 1). Each vertex of the “diamond” – and the whole “diamond” as a single system – has an impact on the significant factors that in the 3 fluence success in international social competition. Each of the four CSA determinants (the level and quality of life; the maturity of human, intellectual, social capital; the quality of public institutions; the maturity of human, intellectual, social capital; the quality of public institutions;

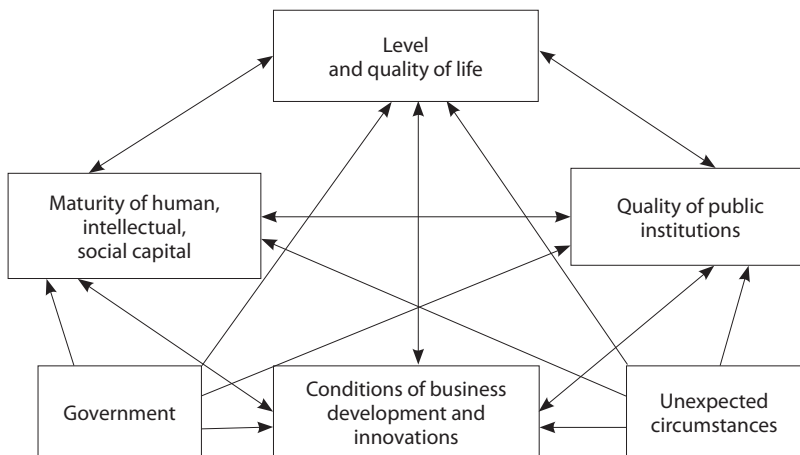


FIG 1. Determinants of competitive social advantages of a country

the conditions of business development and innovations) defines one of the peaks of a country's competitive social advantages' "diamond". The impact of each vertex often depends on the state of the other ones.

So, the level and quality of life, on the one hand, determine the potential level of maturity and requirements for the human, intellectual and social capital, the qualities of public institutions, conditions for business development and innovation; on the other hand, the level and quality of life are the result of their operation at any given moment of time.

Similarly, the maturity of the human, intellectual and social capital determines the potential quality characteristics (requirements) of public institutions, and public institutions determine the development conditions and maturity indicators of the human, intellectual and social capital. The conditions of business development and innovations contribute to the level and quality of social life, provide the objective conditions for the formation and development of the human, intellectual and social capital, causing the need to improve social institutions.

Thus, the formation determinants of competitive social advantages are interconnected so that only as a result of effective cooperation they ensure the implementation of the social objectives of society and the formation of the national CSA.

The absolute and comparative advantages, created in the previous centuries, are defined by the presence of resources and the efficiency of using them. Today, companies in developed countries become more productive through the development of more complex sources of competitive advantages, based on knowledge, investment, profound understanding and innovation.

Such factors as the formation of a common macroeconomic, political and legal environment, the quality of the microeconomic business environment, the quantitative and qualitative characteristics of labor and capital, roads, airports and other transport and communication infrastructure are becoming of great importance taking into account the peculiarities of local needs and regulations, the incentives and regulations that determine the type and intensity of local competition.

The role of government is associated with the creation of stable, predictable macroeconomic, political and legal environments, guaranteeing the access to high quality resources, the establishment of a common rules and promoting competition, the formation of long-term strategy for socio-economic development.

Now, in order to reach a high level of development, a country should be able to innovate at the forefront of world technologies. Using these technologies firms, can create unique products and services that could ensure higher wages for its citizens.

The institutional environment is determined by the legal and administrative infrastructure within which entrepreneurs, companies, and the government interact to create the nation's wealth. The quality of the institutional environment substantially influences

the economy's competitiveness and growth, the direction of investments, and the strategy of the socio-economic development. At the same time, they also can help to increase and restrict the country's PSC. As stated in the Global Competitiveness Report for 2012–2013 (Global Competitiveness Report, 2013), "... the government's attitude to markets and freedoms and the efficiency of its operations play an important role: too much staff and red tape, excessive government regulation, corruption and dishonesty in the preparation and implementation of public procurement, lack of transparency and reliability, the failure to provide necessary services to business, political dependence of the judicial system result in significant economic costs and slow down the development process". Not only public but also private institutions are of great importance and highlight the property rights, public trust in politicians, relationship of responsibility, efficiency of legal rules, ethical business behavior, etc.

Explaining the determinants of productivity growth as the most important factor of competitiveness, Porter (2008) points out the need of using a number of favorable attitudes and beliefs: "... innovation is good, competition is good, responsibility is good, high regulatory standards is good, investments in the abilities and technologies is a necessity, workers are assets, membership in clusters is a competitive advantage, cooperation with suppliers and customers is in favor; relationships and building of social network are important, education and skills are important for maintaining the more productive work, wages should not rise until the performance increase, and more others. This is comparable with the unproductive guidelines and values: monopoly is good, strength determines the remuneration, strict hierarchy is needed to maintain control, self-sufficient family relationships should define partnership".

We would like to note that the argumentation need of social competitive advantages arose only in the late twentieth century and early twenty-first century when the processes of economy socialization in developed countries took place and the assessment of a country's social situation has changed.

However, as the experience of economy socialization testifies, objective mental characteristics of the population not always contribute to the progressive development and improvement of social competitiveness. This is the so-called non-productive economic culture and the causes of their existence in some societies.

This is due to several reasons which include:

- a) contradictions between individual and public interests;
- b) predominance of a certain idea or paradigm of development in the society, such as the belief in the success of central planning;
- c) false ideology making, the desire of political control;
- d) national traits attributed to culture often have economic roots. This, for example, explains that the high saving rate is mostly due to the memory of the difficulties of the war and everything that followed from them;

- e) social policy choice may have a profound effect on economic culture as it affects labour productivity, behavior regarding personal savings, willingness to invest in self-education, etc.;
- f) on the other hand, the economic culture directly or indirectly results from the economy. “Public attitudes towards the elderly people, the rules of interpersonal interaction and religion learning are examples of the social/moral instructions and values that can independently generate economic culture”, says Porter (Porter, 2008).

All determinants have a number of specific national quantitative and qualitative characteristics, so only a good combination of the potential abilities of using each determinant gives an effective result in a country’s social competitiveness. The necessity of direction, organization, coordination, motivation and control of social processes leads to an objective need for government social and economic policies focused on the CSA. Unexpected circumstances may significantly change the objective conditions of the policy implementation and modify the country’s social competitiveness factors. Also, it should be noted that it is difficult to find a country in which all indicators of social competitiveness are at an equally high level. Moreover, the CSA can be very favorable for some countries despite the existence of political, ideological, legal and other problems in it. For example, Israel remains an attractive country for exile of Jews in spite of the constant warfare that the country levies. Therefore, the question of argumentation of the comparative competitive social advantages based on national differences of PSC by a number of indicators arises. It contributes to solving the social problems and to an effective social development of a country (in the quality and standard of living, the national consumer price basket, the cost of labor, availability of public social security, social security systems, and others).

It is also important to highlight not only the factors, but also the directions and means of achieving the PSC. To achieve them, some social priorities of the socio-economic development may be distinguished, which could potentially provide for a set of quality characteristics which, in particular, can create a socially positive country’s image and boost its international interest.

This interest is manifested, for example, in:

- the revival of social relations at the micro-, meta- and macro levels;
- the coordination of principles and priorities of social policy at the global and regional levels;
- expanding the forms of international economic relations among countries (the deepening of international economic integration, joint social projects, expansion of the principles of business social responsibility, etc.);
- enhancing international social investments;

- increasing the interest in national, historical and socio-cultural traditions and customs, tourism recovery, etc.

4. Ukraine's competitive advantages: real state

At present, Ukraine (Global Competitiveness Report 2012–2013) has the 72nd rank in the global competitiveness ranking upon improving the previous result by 9 positions, primarily due to growth in such components as “macroeconomic environment”, “infrastructure”, “goods market efficiency” and “business development level”.

TABLE 1. The indicators of Ukraine's competitiveness in 2012

Indicators	Value	Rank	Change
Indicators that contribute to the development			
Quality of railroad infrastructure	4.5	24	Increasing
Mobile subscribers (per 100 people)	123	43	Increasing
The coverage of secondary education (%)	95.6	49	Decreasing
The coverage of higher education (%)	79.5	10	Decreasing
Quality of math and nature science teaching	4.6	34	Increasing
Customs tariffs	2.9	43	Decreasing
Flexibility of wage determination	5.3	44	Increasing
The practice of hiring and firing	4.9	16	Increasing
Wages and productivity	4.5	25	Increasing
Domestic market size index	4.4	35	Increasing
Availability of scientists and engineers	4.8	25	Increasing
Indicators that hinder the development			
Ownership	2.7	134	Increasing
Bribes and informal payments	2.7	133	Increasing
The burden of administrative regulations	2.4	135	Decreasing
Efficiency of legal framework	2.4	141	Decreasing
Protection of interests of minority shareholders	3	141	Decreasing
Road quality	2.3	137	Increasing
Effect of taxation	2.3	139	Increasing
The effectiveness of antitrust policy	3.2	132	Increasing
Burden of customs procedures	2.8	138	Decreasing
Brain outflow	2.3	131	Decreasing
Banks' reliability	3.1	142	Decreasing

Source: Ukraine in the world (2013).

Ukraine has reached the greatest progress in the ranking by such components as the macroeconomic environment (plus 22 positions), goods market efficiency (plus 12 positions), and business sophistication (plus 12 positions).

The significant Ukraine's upward advancement in the global ranking is primarily due to its post-crisis economic recovery after one of the biggest falls in the world. In

particular, according to the macroeconomic assessments of environment, Ukraine has reached the 90th rank which corresponds to the pre-crisis level (91st rank). Before the crisis, the component of the efficiency of the labor market in Ukraine had been attributed to the competitive advantages (getting into the top-50 in the world ranking), but over 4 years the country has lost 8 positions and dropped to the 62nd rank. Ukraine keeps relatively good positions by the component of higher education (47th rank) due to high quantitative indicators of secondary and higher education coverage. Ukraine's falling by 13 ranks in the world ranking in the group of development and innovation potential factors compared to the pre-crisis period is due to the loss of 11 positions in business development and 19 positions in the innovation component (Table 1).

Hence, the index reveals that the growth of Ukraine's position is of an extensive rather than intensive nature and basically is due to the post-crisis stabilization, but not to increasing the productivity and improving the efficiency of the market economy instruments. A compared with other countries, the competitive advantages of Ukraine are still the elements that characterize human capital, i.e. health, primary and higher education, training, and market size.

According to experts, one of the greatest achievements of Ukraine in the last two years is the improvement of infrastructure indicators (in general, plus 30 positions since 2008 in the international comparison). It concerns mainly the transport infrastructure – air transportation (plus 20 positions) and port infrastructure (plus 12 positions). A negative evaluation is given to the quality of roads – the loss of 17 positions over 4 years and a very low 137th rank in the world ranking. The indicators of social competitiveness are indirectly associated with the estimates of infrastructure mentioned above. However, they give the general impression of a comfortable living and business in Ukraine.

From our point of view, the quality of public institutions has a significant impact on the functioning of society and the conditions of its development, business operation and, consequently, on the social competitiveness. In Ukraine, the most critical indicators of the institutions are the protection of property rights (134th rank, 16 positions lost over 4 years), bribes and informal payments (133rd rank), the independence of the judiciary (124th rank), the reliability of police services (123rd rank). The effectiveness of the government has also proved to be very low: by the burden of administrative regulation, Ukraine has lost 44 positions (ranks) over 4 years.

Traditionally, since the Soviet era, the competitive advantage of Ukraine was the coverage, level and quality of education. Today, with its relatively high rates of coverage of secondary education (49th rank), and higher education (10th rank) Ukraine is gradually losing positions in the quality of education. This primarily concerns the overall assessment of the education system quality (70th rank, loss of 30 positions over 4 years) and the business education quality (117th rank). There are two main reasons: first, business is not

satisfied with the quality of knowledge and skills of employees obtained in educational institutions, and second, the education system does not prepare specialists needed by the business. The 117th place in the world ranking by the level of business schools indicates the quality of the system of training the new generation of the management personnel.

A contradictory situation with the Global Competitiveness Index constituents has formed concerning competitive advantages by the indicators of labor market flexibility. There is a notable deterioration in co-worker–employer relations and in the burden of taxation. The “brain outflow” indicator has reached the critically low level (2.28 points out of 7 possible) – Ukraine has the 131st rank among the 144 evaluated countries.

In the index of doing business easiness of 2012, Ukraine ranked 137th among 185 countries, i.e. by 15 positions higher than in the previous year. Ukraine was among the top-10 economies that have significantly improved their position in more than three groups of indicators. Ukraine consistently gets good reviews on contract enforcement and enters the top-20 countries with the number of procedures necessary to fulfil a contract through the courts (30 procedures) and the duration of the process (343 days). High results of this component are the evidence of business confidence that the law protects their interests in dealing with partners. The greatest improvements concerning business registration have been achieved thanks to the complete abolition of the minimum capital for business registration, business registration cost reduction (from 7.8 % to 1.5 % of GDP per capita) as well as to reducing the number of necessary procedures and days for registration.

Ukraine has quite a good assessment in terms of free trade (48th rank) (Ukraine in global ratings, 2013). The free trade in Ukraine is constantly gets by the highest scores (84.4 points out of 100 in 2013).

In the latest index of economic freedom, Ukraine (Table 2) ranked 161st out of 177 countries by receiving 46.3 out of 100 (Ukraine in global ratings, 2013). Because of such low marks Ukraine is in the top-20 of most oppressed countries in the world in terms of economic freedom. Compared to other countries in 2008–2013, Ukraine has lost 27 points in the ranking. Ukraine consistently has the worst position in four categories of economic freedom, such as freedom of investment (154th rank out of 177 countries, 20 points out of the maximum possible 100), government spending (154th rank, 29.4 points), freedom from corruption (149th rank, 23 points), and the freedom of business (148th rank, 47.4 points).

Ukraine’s competitiveness index in travel and tourism rankings in 2013 was rated at 3.98 points out of seven possible and took the 76th place in the ranking of 140 countries (Ukraine in global ratings, 2013). Ukraine is among the top-5 in the world by the number of hospital beds per capita and occupies the 25th place by the density of physicians per 1000 people of the population and the presence of tourist infrastructure (ATMs, leased cars, etc.)

TABLE 2. Assessment of Ukraine's position by the indicators of freedom in 2012

Indicators	Point	Rank	Change
Indicators that contribute to the development			
Freedom of trade	84.4	48	Increasing
Indicators that hinder the development			
Government expenditures	29.4	154	No changes
Freedom of investments	20	154	Increasing
Freedom of business	47.6	148	Increasing
Freedom from corruption	23	149	Decreasing

Source: Ukraine in the world (2013).

The inadequate performance of the network readiness index which characterizes the level of information and communication technologies (ICT) is due to the low demand for these technologies by the state and the complex regulatory environment. However, the demand for ICT by the population is growing (for the last 6 years the number of Internet users has increased significantly – in 3 times, and of broadband in 10 times). Very affordable tariffs for telecommunication services and the level of literacy are still competitive advantages of the country.

By international comparisons, Ukraine successfully converts wealth to well-being. Among the analyzed countries, Ukraine is in the second quantile at the current level of development (56th place out of 150) (Ukraine in global ratings, 2013). Taking into account the GDP per capita, results are quite surprising: the ratio of well-being to wealth in Ukraine is 1.51 (1 identifies the average for 150 countries). So, the well-being of Ukraine's population is 51% higher than expected. So, according to the GDP, Ukraine is by among the most effective countries. Although the real GDP per capita of Ukraine is about 7.2 thousand U.S. dollars by purchasing power parity, the level of living in the country corresponds to the level of the country with 14 thousand U.S. dollars of GDP per capita. Also, it is important to note that at least part of these high results is due to the Soviet period of Ukraine's history (particularly in the education sphere).

The Human Development Index (HDI) is an average measurement of a country's main achievements in the sphere of human development. The Human Development Index of Ukraine in 2012 was 0.740. So, according to this indicator Ukraine shows a high human development which puts the country on 78th position among 187 countries and territories.

During the period from 1980 to 2012, life expectancy at birth in Ukraine has decreased by 0.5 year, the average duration of education has increased by 3.9 years, and the expected duration of education increased by 2.9 years. The gross national income per capita in Ukraine from 1990 to 2012 has decreased by approximately 22 percent.

Ukraine's HDI in 2012 (0.740) was less than the average in countries with a high human development (0.758) and the average for Europe and Central Asia (0.771).

As the index of prosperity indicates, Ukraine has gains only in the education sphere (29th rank). The indicators of Ukraine are the worst in management (121st rank) and in economy (110th rank). The overall Ukraine's rank is 71.

In the ranking of economically free countries, in 2013 Ukraine took the position among 20% of the unfree countries. Among the most problematic indicators of Ukraine we should note the freedom of investments, government expenditures, freedom from corruption, and business freedom.

5. Conclusions

The results of the comparative analysis indicate that the growth of Ukraine's position is of an extensive rather than intensive nature and basically is due to the post-crisis stabilization, but not to an increase of productivity or to improving the efficiency of the market economy instruments. In 2012, Ukraine from the group of countries that are in the "state of transition" has finally passed to the second group of countries with the economies that are "focused on efficiency".

As compared with other countries, the social competitive advantages of Ukraine are still the elements that characterize human capital – health protection, primary and higher education, training, and market size. These are the components due to which the average scores of Ukraine in general are higher than the world average ones. Ukraine has a relatively high level of intellectual capacity, a high education performance of workforce, and is strengthening its social integration processes (joining the Bologna process, teaching students abroad and others). By the level of its welfare, Ukraine is among the countries with good results.

Some indicators of the social development of Ukraine are above the average among the CIS countries, in particular by the components of infrastructure, health protection, primary and higher education, training, technological readiness, market size and innovation. Ukraine has achieved the greatest progress in the ranking of countries by the following components: macroeconomic environment (plus 22 positions), goods market efficiency (plus 12 positions), and business sophistication (plus 12 positions). However, the quality of its public institutions is still low. The burden of corporate taxation, bribery and corruption remain to be important barriers for business development. However, an improved performance has been noted in business registration and ensuring the contracts' implementation.

The concept of competitive social advantage of a country is the comfort level of the living conditions of its inhabitants. A thorough study of the competitive social advantages allows their classification into those based on economic factors and on regulations, have an advantage of structural nature, are caused by administrative measures; determined by the level of social infrastructure, are based on technical (technological)

advantages; are determined by geographical factors, by the better awareness, are based on demographic factors, and even have an illegal character.

The CSA determinants are the level and quality of life, the maturity of the human, intellectual and social capital, the quality of public institutions, and the conditions for business development and innovation.

The systemic character and interdependence of all CSA determinants affect success in the international social competition. The determinants have a number of specific national quantitative and qualitative characteristics. Only a good combination of the potential possibilities of using each determinant gives an effective result in a country's social competitiveness. The necessity of the direction, organization, coordination, motivation and control of social processes leads to an objective need for governmental social and economic policies focused on providing for CSA.

The competitive advantages not necessarily have a dominant and systematic character. There are some forms of competitive advantage manifestation that can create a positive social image of a country and stimulate international interest which is shown, for example, in the revival of social relations at the micro-, meta- and macro levels, harmonization of principles and priorities of social policy at the global and regional levels, in expanding the forms of international economic relations among countries (the deepening international economic integration, joint social projects, dissemination of the social responsibility principles, etc.), in enhancing the international social investment, increasing the interest to national, historical and socio-cultural traditions and customs, stimulating tourism etc. In the social aspect, the countries and the people are of interest to citizens of other countries just because there are specific national conditions, traditions and customs that cause a cognitive interest and allow getting some benefits of social or economic nature in case of the expansion of international relations.

Internal competitiveness should be a tool to raise social welfare and show the effectiveness of using the economic resources of a country, specified in such terms as adaptability to environmental conditions, openness, stability of the macroeconomic environment, private sector activities in assimilating new technologies, an effective system of cooperation among the state, science, and business, the development of a competitive national and regional human capital, optimization of the export structure in favor of high-tech products, the attractiveness of the investment climate, the high efficiency of public institutions, etc.

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