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REASONS FOR THE UPDATING AND HISTORICAL ORIGINS OF THE COMPETITIVENESS ISSUE OF THE COUNTRIES ALL OVER THE WORLD

The search for the reasons for the wealth of nations is the driving force of economic science throughout almost its entire history. Within the framework of modern economic theory, the study of the international competitiveness of countries and its factors allows us to consider and analyze these reasons. A detailed analysis of the factors of national competitiveness, which has been conducted for the past 35-40 years, is an attempt to discover the root foundations of the prosperity of some countries and the backwardness of others, as well as to explain the constant changes in the relative positions of national economies on the international arena. Taking into account the strengthening of mutual influence and interdependence of countries, which is taking place against the background of globalization processes, the relative positions of countries, which are most clearly expressed in competitiveness ratings, come to the fore.

Before proceeding to the presentation of modern approaches to the international competitiveness of countries, it is necessary to investigate the origins of this concept. The theory of international competitiveness can be considered as a continuation of the principles of two branches of economic theory: the theories of international trade and the international division of labor, as well as the theory of economic growth. The theory of competition, institutional and evolutionary approaches in economics also had a direct impact on this phenomenon. In the early stages of the formation of political economy, the main research was carried out within the framework of mercantilism – an economic doctrine of the 16th-18th centuries, which emphasizes the role of international trade as a source of economic growth. Foreign trade was considered as the main source of replenishment of the treasury, being the only channel for the inflow of monetary metal in most European countries. National

wealth, one of the central concepts of mercantilism, was associated exclusively with the amount of gold a nation had. According to this approach, the accumulation of gold was the main goal of the state and a means of increasing welfare. Trade policy was based on stimulating exports, often through subsidies, and reducing imports of finished products through quotas and high tariffs. Among the mercantilists, there was a theory of the static nature of world resources, as a result of which the accumulation of wealth by one nation occurred at the expense of its reduction in another (trade as a "zero-sum game"), which led to a policy of aggressive exports and active protectionism, but modern protection tools were developed against this over many centuries [1].

Another important aspect of competitiveness, according to mercantilism, was the low production costs of exported products due to low wages. This approach does not fully correspond to modern concepts, but similar approaches are still used by developing countries to achieve success in global competition. However, within the limits of mercantilism, one can find the origins of modern views on the importance of the human factor. The views of mercantilists on the competitiveness of the national economy formed the basis for further research according to the causes of the growth of national welfare, revealed the importance of foreign trade for economic development, determined the role of the state in foreign trade and described the trade balance.

Further analysis of the role of foreign trade for economic growth followed the search for advantages of countries over trading partners in the world market. The development of the theory moved from absolute advantages to relative ones, then to the concept of factor advantages, and from them to the competitive advantages of countries. Models of international competition, built in the 18th and early 19th centuries by the founders of classical economic theory, Adam Smith and David Ricardo, are the basis of modern understanding of these processes. In Smith's scientific works, the leading place in the regulation of production and exchange is occupied by competition, which he calls the "invisible hand" of the market. His concept provides a new perspective on the sources of economic growth. The priority is not the accumulation of gold (as in mercantilism), but the increase in production potential and labor productivity.

According to Smith, the benefit of foreign trade activity comes from the absolute advantages of countries in the production of certain goods. The country that produces a certain product with the lowest labor costs per unit of production, i.e. cheaper for itself, has an absolute advantage. Thus, trade turns out to be mutually beneficial due to the ability of each trading partner to purchase a good at lower costs than if he had produced it independently. This approach is to some extent accepted by the modern theorist of international competition – Michael Porter, who recognizes productivity as the basis of competitiveness.

David Ricardo significantly developed the idea of mutual benefit of free international trade, showing that trade can take place even if a certain country does not have an absolute advantage in accordance with any of the goods. The nature of production in this model is determined by comparative advantages. Countries export those goods in the production of which local labor is used relatively efficiently, and import those products for which the costs of this labor are relatively inefficient. Trade between countries is recognized as mutually beneficial, as it expands the possibilities of national consumption, and is also an indirect method of production, that is, it allows exchanging exports for imported goods, which would be produced at high costs without trade [1].

David Ricardo's model occupies a more important place in the modern analysis of foreign trade relations, but it has a number of shortcomings. For example, foreign scientists Maurice Obstfeld and Paul Krugman note a number of factors that the Ricardian model does not take into account: the significant impact of trade on the distribution of income within the country in practice (it is assumed that the countries that participate in trade will fully benefit), differences in the resource potential of countries as reasons for trade between them and saving of scale of production. In addition, this model assumes an extreme degree of specialization, which does not occur in practice. Despite the aforementioned shortcomings, which were solved by theorists of the international economy of the 20th century, the validity of Ricardo's model that countries export goods which they have relatively higher productivity for is confirmed by a number of studies.

Some of the listed shortcomings are explained by the Heckscher-Ohlin theorem (the theory of factor proportions), which was developed in the first half of the 20th century, which explains the reasons for differences in labor productivity, which is the main international trade according to Ricardo. According to the authors of the theorem, interstate differences in relative costs are explained mainly by the fact that factors are used in different ratios in the production of different goods and, in addition, there is an unequal relative supply of production factors between countries. Each country will more efficiently produce goods for the production of which a factor that it has in abundance is used intensively. Accordingly, the same goods will be offered on the world market in exchange for products produced using a factor that is scarce for it.

In the second half of the 20th century, the world market acquired new features: most of the countries entering into trade had similar factor proportions, and the exchange of goods most often took place within the same industries. English drilling rigs were shipped abroad, and Norwegian ones were bought in return, German cars were exported and Japanese ones were exchanged, Italian washing machines were delivered to France and French ones were imported from there, etc. To explain these processes, in the 1960s and 70s, alternative theories of international trade were proposed, being built on fundamentally new premises, which recognized the presence of suboptimal use of production factors and varying degrees of market monopolization. Trade between countries with similar factor proportions is explained in the framework of the "new theory of international trade" created by Paul Krugman, Calvin Lancaster and other economists. The specialization of countries on certain goods does not occur due to comparative advantages, but on the basis of economies of scale, which is the development of production in conditions where an increase in factor costs per unit entails an increase in output that exceeds one unit. It is international trade, providing greater opportunities for the sale of products, that gives greater potential for using the effect of scale. The implementation of the effect of scale within one company (internal effect of scale), as a rule, leads to the violation of perfect competition, as it entails an increase in the concentration of production and consolidation of companies that become monopolies.

This explanation of trade is valid under conditions of monopolistic competition. The external effect of scale implies that the number of enterprises that produce the same goods increases, and while the volume of each of them is changing, this effect leads to the emergence of perfect competition. Thus, the model explains the reasons for international trade in differentiated products of the same industries, that is, intra-industry trade, the share of which is constantly growing. Nevertheless, this approach should still be considered not as a denial, but as an addition to classical theories explaining inter-industry trade [1].

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THE INFLUENCE OF INTEGRATION PROCESSES ON THE COMPETITIVENESS OF THE COUNTRY'S NATIONAL ECONOMY

Competitiveness and integration are interrelated processes. When integrating a country into one or another regional grouping, the aim is to obtain a certain positive effect, which should raise the competitiveness of the national economy, its industries and enterprises. However, this goal can be realized only under certain