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The Competitiveness of the national economy under multipolarity.

Russia,
India,
China



 Экономика

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The authors have proved that M. Porter's theory of Competitive Advantage of Nations serves as a theoretical basis for the formation of the world economy monopolarity, while the identification of national competitiveness with the competitiveness of economic entities, first of all, TNCs and MNCs will prevent independent and sustainable economic development of Russia, India and China. The authors provide criteria to determine national competitiveness in the new environment and in this respect analyze a number of national economies.

The book is recommended for politicians and economists, engineers and technicians of Russia and foreign countries, also while national specialists training.

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INTRODUCTION

The idea of writing this book stems from the fact that the transition to multipolarity of the international community is a rather difficult period of the world economy development. Monopolarity as a system of organization of the world community, including its economic component, has failed, as evidenced by substantial growth of a conflict potential in the world along with the destructive effect on sustainability, on growing imbalances in the world economy and in general human values.

The theoretical basis for the development of monopolarity was neoliberalism, the theory of the formation of competitive advantage being its part, or it's better to say, basic component. The theory, developed by M. Porter did not only provide theoretical grounds for the concept of building the global economy as a whole, with national interests and national boundaries acting as obstacles to «the global prosperity of nations». It also allowed to implement the concept by means of manpower development which started in the USA and spread to all regions of the world through rather aggressive knowledge expansion later on. A significant reduction of the role of the government proper in the regulation of economic development, as well as in the realization of national interests of the society, was substantiated thereupon. The priority in the development of the economy was given to economic entities, having to seek the transnationalization of their activities and gaining multinational status.

Accordingly, the unification of economic activity legal framework in all countries, the introduction of common technical standards, mainly for TNCs and MNCs, with their implementation having turned to reality, became a necessary condition. All this had led to the transformation of functions of international economic organizations, and the WTO in particular, putting traditional industries attributable exclusively to the competence of the national economy in a sphere governed by the former. The competitive structure of business entities was gradually optimizing in domestic markets of national economies: either through their involvement in the economic turnover of foreign TNCs, or ousting them as uncompetitive.

M. Porter's theory had actually identified the concept of national competitiveness with that of economic entities, which led to the abolition of the concept of national interests of all countries in the context of globalization, including economic ones, with the exception of the USA as a country, national interests of which supposedly coincided

with those of all nations and were subject to U.S. national security. The U.S.A.'s exporting of national interests, including through TNCs and MNCs is the base of aggressive economic policy of a state imposing its concepts of democratic values on the world community.

The consequences of this approach were: the removal of the real sector beyond national boundaries and an unstable structure of developed countries' national economies; significantly growing disproportion in income distribution between households along with a widening gap in individual countries' level of territorial and regional development; an increase in social tension in the real sector because of the reduction of social security and a rocketing number of booming billionaires; the fetishism of finance and stock exchange activity as the indicator of «post-industrialism», making an impression of global development being on the way to an «affluent society». In other words, the ability of a national economy to ensure a steady and effective progress of the citizens' welfare, which is a national competitiveness in itself, and containing goal setting of the concept of national competitiveness, was abolished as not meeting the requirements of the global economy in the unipolar world order.

However, global growth is not subject to standardization and unification, with each country having the right for identification in the world community according to its social and ethnic, national, religious and historical preferences and views. At the same time the principle of non-interference in the domestic affairs of sovereign states, scornfully ignored by monopolarity, must be posited within the international law under multipolarity, so that polycentricism provided a truly sustainable existence and dynamics of development of the world community.

Under these conditions national competitiveness cannot be identified with the competitiveness of economic entities, and it represents a country's potential to implement national priorities and interests in the world community. Multipolarity is based on the fact that each country has the right to form free trade areas without hindrance, to sign regional free trade agreements, to develop cooperation with other countries which rule out factors of dictatorship or coercion to make one or another decision, the use of noneconomic instruments for imposing sanctions on dissentient countries. In other words, multipolarity is based on the development of the world economy regionalization, without excluding advancing globalization, but raising the importance of the government regulation and control for the purpose of ensuring national interests of the country.

The emphasized issues determined the structure and the tasks of the authors' research.