

International evaluation of economic development of national economies

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Abstract – The paper presented the result of empirical analysis of economic development of national economies of the world in the context of international methods under development and competitiveness.

Key words – economic development, national economy, international evaluation, stage of economic development, International Economic Forum, factor-driven stage, efficiency driven stage, innovation-driven stage.

I. Introduction

The development of national economies of the world can be described by different attributes. An important aspect in the formulation, analysis, evaluation and improvement of national economy development model is the formation of measurements for quantitative and qualitative evaluation of a complex process. Particularly relevant is the task appears in today's development in the context of chaos theory, which is the latest approach to market research and essence of which suggests that society is a transcendental complex system that is constantly transformed and is on the verge of chaos.

Strengthening the uneven development of national economies caused the attention of scientists to the problem of developing methodological foundations of evaluation and analysis of the development and asymmetry. Problems of evaluation of national economies of the world are engaged in both foreign scientists D. Bell [1], A. Diane [2], M. Castells [3], M. Porter [4], X. Sala-i-Martin [5] and others, and as ukrainian scientists – A. Amosha, V. Geets, B. Kvasniuk, D. Lukyanenko, A. Filippenko [6], J. Zhalilo and others.

After analyzing the ukrainian and foreign specialized literature review of the national economy, methodical campaigns can be divided into two groups: integrated analysis techniques and rating methods of evaluation of the national economy.

Rated methods of evaluation of the national economy, in common other than the integrated analysis methods, evaluate the economic development of countries and implemented by international organizations and institutions. Depending on the assessment of the direction of the object can be divided into many international rankings. All ratings are developed by different organizations, using their own calculation methods and different population figures by sex, and by the different shape of the final values.

The purpose of the paper is to carry out the empirical analysis of economic development of national economies of the world in the context of international methods under development and competitiveness.

II. The results of economic development analysis of national economies

Rated methods of evaluation of the national economy, in common other than the integrated analysis methods, evaluate the economic development of countries and implemented by international organizations and institutions.

Depending on the assessment of the direction of the object can be divided into many international rankings. Common among international organizations ratings is rating the International Economic Forum [5], developed by Columbia University professor Xavier Sala-i-Martin to assess the development and competitiveness of the national economy world by the method based on the calculation of three sub-indexes and 12 major criteria:

1) basic requirements sub-index: the quality of institutions, infrastructure, macroeconomic stability, health and primary education;

2) sub-index increased efficiency: higher education and training, goods market efficiency, and services, labor market efficiency, financial market development, technological level, the size of the internal market;

3) innovation sub-index: competitiveness of companies, innovative potential.

For the evaluation of the national economy can determine the stage of development of specifying priority factor: development by basic factors, development through efficiency and innovation development, beside isolated and two transitional stage. Thus, the development of national economies of the world in this index will share five stages:

1) Stage I - Factor-driven stage - typical for the countries economic development is largely determined by the availability of natural and other resources that serve as inputs;

2) Stage II - Efficiency driven stage - typical of countries, economic growth is determined by the more efficient use of available factors;

3) Stage III - Innovation-driven stage - typical for countries where economic growth is due to innovation, high technologies, development of knowledge economy.

If compare the stages of development in accordance with the ranking of the International Economic Forum and the stages of development of civilization according to the classification of D. Bell [1], the stage of development of factor corresponds to agrarian society, efficient development - industrial society and innovation development - postindustrial society.

Each stage of development of the national economy is characterized by a certain ratio of three sub-indexes. Thus, for a Factor-driven stage is vital sub-index Basic requirements (60%), which consists of the following criteria: Institutions, Infrastructure, Macroeconomic environment, Health and primary education, while the sub-index Innovation has little effect on development (5%). For the second stage of development - Efficiency driven stage – sub-index Basic requirements inferior to the influence of increased efficiency (50%), which is composed of the following criteria: Higher education and training, Goods market efficiency, Labor market

efficiency, Financial market development, Technological readiness and Market size. In the third stage of development - Innovation-driven stage highest level compared to the previous stage becomes sub-index Innovation (30%), which includes innovation and business sophistication.

Qualitative indicator of the stage of development of the national economy is the GDP per capita. Given the different rate of national economy's growth at different stages of the study results the Global Competitiveness Index calculated rates were supplemented groups of countries in the modern period (2000 - 2013). Summarizing the results of the evaluation of the national economies of the world for the period 2009 – 2013 [5], can result in the composition of each group according to their stages of development:

1) for Factor-driven stage (stage I), mainly belonging to the national economy of developing countries, and are characterized as poor (low-income) and the least developed countries of Asia and Africa (Benin, Burkina Faso, Burundi, Ethiopia, Zambia, Nigeria, Rwanda, Uganda, Chad). However, this group includes countries with economies in transition: low income - the Kyrgyz Republic, Tajikistan, and lower middle income countries - Moldova, as new industrial country with income below average - India;

2) for countries that are in transition from stage I to II, mostly owned by developing countries, with income below average (Egypt, Syria, Sri Lanka) and above average (Algeria, Venezuela, Iran, Libya) and transition countries with above-average income (Azerbaijan), and a new industrial country with incomes below the average (Philippines). Exceptionally, this group includes countries with high-income countries: Brunei Darussalam, Kuwait, Qatar and Saudi Arabia,

3) for Efficiency driven stage (stage II) are developing countries (Guatemala, Dominican Republic, Ecuador, Jordan, Colombia, Macedonia, Morocco, Panama, Paraguay, South Africa, Tunisia), and countries with economies in transition with income above average (Bosnia and Herzegovina, Serbia, Montenegro) and below average (Armenia, Georgia, Ukraine). This group includes the new industrial country with incomes below the average (Indonesia) and industrialized countries, a rapidly developing (emerging economies), with above-average incomes: China, Peru, Thailand. This group also includes developed countries with above-average income - Bulgaria and Romania;

4) a group of countries that are in transition from stage II to III, mainly developed countries are high-income countries (Estonia, Liechtenstein, Poland, Hungary), developing countries (Bahrain, Oman, Turkey) and countries with economies in transition with incomes above the average (Russian Federation), as industrialized countries, the rapidly developing (Argentina, Brazil, Malaysia, Mexico, Chile) with income above average, and countries with economies in transition with income above average (Kazakhstan). Exceptionally, this group became a country in transition and high-income countries - Croatia,

5) for Innovation-driven stage (stage III) are developed countries (Australia, United Kingdom, Canada, Germany, Italy, Slovakia, USA, France, Japan) and industrialized countries, a rapidly developing (Hong Kong, South Korea, United Arab Emirates, Singapore, Taiwan) with a high level of income. This group includes most developed countries, which form the core of the post-industrial global economy and economic development which can be described as follows (to A. Filippenko [6, p. 17]): developed market economy; the most exhaustive sources and factors of industrial development; dominant position in the global economy, which gives heavily to engage in economic exchange and own and borrowed resources; growth of financial sector, which forms a virtual economic environment (bubble economy); the offset center of gravity of service sector, functioning primarily service economy: the share of the workforce employed in services, ranging from 60% to 74%; rational choice under conditions of limited resources, the theory of consumer and firm behavior (bivevioryzm), game theory as a set of basic principles of modern economics; gradual transition to the post of economic, financial position stage of development, the formation of the «new economy» knowledge economy; to emphasize the need to ensure survival on the basis of maximizing the economic growth of socially acquired, the differentiated needs of society.

Conclusion

According to this international evaluation of economic development, from 2012 Ukraine belongs to the group of Efficient economies (stage II), whereas before (at the period 2009 - 2011) was a group of countries in Transformation stage from I to II. Traditionally, Ukraine ahead of the average for countries with Efficient economy according to criteria such as Market size, Labor market efficiency, Higher education and training, Health and primary education, while behind - for Financial market development, Institutions and Innovation. During the last period of increased stability Macroeconomic environment of the country, but so far, that remains below the average for countries with efficient markets.

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