

# NATIONAL COMPETITIVENESS AND QUALITY OF LIFE

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## Abstract

The necessity of drawing the attention of researchers of national competitiveness in the development and application of methodological support for the transition to an innovation economy and the post-industrial society whose primary purpose is to improve the quality of life, and the primary productive force - the science. In today's world there is an increase of globalization processes and the transition of several countries to postindustrial society of paramount importance that belongs to the comprehensive development of society. The level of development of the state is now determined by technology used in the economy. Main role is played by theoretical knowledge, which provide the development of society.

*Keywords:* innovation, the concept of postindustrial society, human development, intellectual labor, competition, competitiveness, resources, quality of life.

*JEL Classification:* E24, F01, H11, J53, O31.

## Introduction

The development of the global economy clearly demonstrates that the welfare of countries depends on the results of scientific and technological progress, which is a key driver of economic development, the foundations of the competitiveness of firms and national economies. Today, scientific and technical progress determines not only the standard of living in different countries. At the present time in the growth of what is happening in the world of globalization processes advanced technologies are becoming a basic factor in the development of the modern post-industrial society, and significantly increases the role of public intellectual, the main productive force becomes a science, the intellectual nature of work dominates the industrial and the level of development is determined by the state used in the economy technologies. The main role is now starting to play the theoretical knowledge that will ensure the development of society.

The formation of post-industrial society based on human development, and its main purpose is to improve the quality of life. Economic growth and technological development should be considered in the context of solving this problem (Glukhov & Okrepilov, 2008; Ivanov, 2011; Fatkhutdinov, 2005).

This leads to the need to revise many of the concepts of market economy, including the concepts of "competition" and "competitiveness."

Quality of life can only be achieved if the necessary resources to solve all other problems. Competitive one entity (government, business, man), who secured the highest quality performance. The winner of the competition who has managed to achieve the greatest development of human potential and to attract the best resources to realize their goals. Thus, the main factor of competitiveness is the ability to attract resources.

However, resources are limited. Therefore, improving the quality of life is possible only through the redeployment of resources, which depends on the level of presence in the market, the ability to influence its formation and development.

M. Porter, cross-country competition, considering the problems, pointed out that competitiveness based on comparative advantage, provided manpower, raw materials, capital and other factors (Porter, 2002). According to M. Porter, the only reasonable concept of competitiveness at the national level is productivity. The main factor is the level of performance of staff at all levels of the production process.

The modern concept of competitiveness is the development of human potential, competitive strategy - to improve the quality of life and economic growth and technological progress are regarded as the main factors that achieve the transition to a postindustrial society.

Developed countries that the crisis will provide the necessary level of competitiveness, will complete the transition to a postindustrial society. It is therefore necessary to study and identify the essence of competitiveness in the economy of nations and countries in transition to a postindustrial economy.

## Development priorities during the transition to a postindustrial society

Theoretical and methodological foundations of postindustrial society were formulated D. Bell (Bell, 1999).

During the last decade, a holistic comprehension of the problems of transition to a postindustrial society, as well as the development of appropriate methodological support and develop practical

recommendations for a number of publications devoted to business researchers. Studies show that post-industrial economy can build the country, integrated into the global process, which have modern fundamental science and advanced science-intensive production, as well as countries with sufficient natural resources, provided that the profits from their sale on the world market will be spent to improve the lives nation.

The world is moving purposefully to the technologies of the new, sixth way of technological development, which is projected in the 30's and 40's. this century. Today this is happening within the various research programs, laying the foundation for the development of innovative projects relating to both current and future technological structure. The problem of a new way of life is determined not only by the appearance of new scientific discoveries and the creation on their basis of advanced technologies, but also the world's leading companies achievable level of performance in key areas of application of labor and capital.

Fundamental scientific discoveries of the twentieth century late. - The beginning of the XXI century. initiated the creation of fundamentally new technologies in electronics, computing and fiber-optic technology, software, telecommunications, robotics, manufacturing and processing of energy resources. Advances in high-tech complex are currently available in the technology and science and technology fields as aerospace technology, electronics and communications, nanotechnology, environment, peaceful atom, medicine and biotechnology, energy and energy efficiency, engineering, laser technology, security technology, chemistry and new materials, technology, automotive, etc. According to some scholars, there are three priorities for the coming 20 years: energy, information technology, and medicine. On this basis, we can expect progress in nanotechnology, self-developing technology structures, hybrid materials chemistry, biotechnology, energy-saving technologies.

The development of techniques and technologies requires the introduction of modern tools of a competitive economy with a view to improving the quality of products, services, management, resource conservation, accelerate the processes of production, etc. The current structure of the economy in the long run is not capable of ensuring economic growth, sufficient to overcome the crisis tendencies and ensure the development of key sectors of the economy, social sphere and the formation of competitive advantage. To implement immediate action on the development of social infrastructure, basic science, and other necessary cost increases, corresponding to high rates of economic development. The main source of material resources are the means of all business entities, derived from economic growth. It also requires socially-oriented state budget.

The problem of choice is a key priority in the formulation of public policy. We know a lot of different approaches to the methodology of the priorities of scientific and technological development.

At the heart of the most common approach is technology based on surveys of experts in specific fields and generalization of the results.

The results of predictive studies are required to use government agencies in the development of science, technology and innovation policy, the formation of priorities of budget financing, etc.

Minimum list of factors that determine the quality of life, are: safety, housing, health, education, science, culture, agriculture and food, transportation, telecommunications, construction, energy, ecology, management.

In fact, these factors are the priorities of socio-economic development, which are universal and applicable to the formation of public policy.

Then the development of the state of socio-economic development must begin with a forward-looking research, in which stand out products and services, and made the necessary assessment of the resources required to achieve the main goal.

Among the countries - the leaders of technological system of scientific and technological forecasting is most developed in Japan. Thus, according to a survey of experts in Japan developed a comprehensive forecast scenarios and technological development. The high quality of predictive research is achieved through the use of proven methodologies, integration trends in global development, a high level of organization of work, independence and competence of experts.

### **National competitiveness**

The experience of becoming developed economies exhibit only possible in the current path of development, leading to a competitive position in the world economy - innovation. Innovation is a factor in improving the competitiveness of not only individual companies but also countries in the global world

economy. Innovation is not only determine the rate of economic growth, but most importantly, the quality parameters of this growth. That innovation can receive economic benefits, resulting in the final result to increased competitiveness and increased quality of life.

At the present time, in the face of increasing interconnection and interdependence of all economic processes, the role of competition, applies to both the organization and the individual countries.

The modern concept of competitiveness is the development of human potential, competitive strategy - to improve the quality of life and economic growth and technological progress are regarded as the main factors that achieve the transition to a postindustrial society.

Economic growth and technological change are closely linked. Moreover, technological change are the main source of economic growth. Only innovation increases the productivity of factors of production. Overcoming the limitations of capital and labor supply is achieved through investment in new knowledge and technology. Obviously, the same way is possible to overcome limitations and other economic activities: environmental, spatial, and other commodities worldwide trends are such that an increasing number of countries seeking to strengthen their competitiveness, gradually moving from development on the basis of factors of production and investment to development based on innovation.

National competitiveness is determined by the level of human development and the possibility of an active influence on global processes.

Current approaches to the assessment of competitiveness are to determine a set of formal parameters, determining the weight of each of them, and on this basis, assess the level of competitiveness of a particular technique. The main problem with this approach is the determination of weighting coefficients that can only be set by an expert and therefore will inevitably bear the stamp of subjectivity, and in some cases may be of the character and image.

One of the most famous is the competitiveness ranking of the World Economic Forum (WEF), calculated on the basis of publicly available statistics and the results of a survey of CEOs. At the same time assessed the strengths and weaknesses of countries, which allows us to formulate recommendations for adjustments to economic policy.

The main indicator of national competitiveness ranking is the Global Competitiveness Index (GCI), which is composed of 12 indicators: quality of institutions, infrastructure, macroeconomic stability, health and primary education, higher education and training, goods market efficiency and services, labor market efficiency, development of financial market, technological level, the size of the domestic market, companies' competitiveness and innovative potential.

Compare ratings of global competitiveness 2011-2012 is presented in Table 1.

**Table 1.** Compare ratings of global competitiveness 2011-2012 \*, and the Human Development Index number of European countries in 2011 \*\*

Country	The Global Competitiveness Index 2011-2012		Human Development Index 2011
	Rating	Rated	Rating
Switzerland	1	5,74	11
Germany	6	5,41	9
Estonia	33	4,62	34
Czech	38	4,52	27
Poland	41	4,46	39
Lithuania	44	4,41	40
Latvia	64	4,24	43
Russia	66	4,21	66

\* Published on September 7, 2011 Analytical Group of the World Economic Forum (WEF). <http://gtmarket.ru>.  
\*\* <http://gtmarket.ru/news/state/2011/11/03/3705>

To form and retain the competitive advantage needed (Fatkhutdinov, 2005):

- effective coordination of economic and political stability to ensure the country's economy;
- development of the legal system in the country,
- the development of a competitive environment in the area of national jurisdiction;
- the formation of strategic forecasting and planning, aimed at identifying and implementing the most important competitive advantages of the national economy;
- debugged an effective system of governance at all levels of the hierarchy of competitiveness;

- development of long-term development strategies of all the vital sectors of the economy;
- formation of socially oriented state budget that provides the growth rate of government spending on science, education, human development;
- strengthening the stability of the financial system;
- to ensure high efficiency of resource use;
- increase in the proportion of virtual and management technologies based on the use of the Internet;
- increase in the proportion of high-waste production technologies;
- software reliability engineering, etc.

To achieve the transition to a postindustrial society needs to develop an appropriate methodological support and provide the following main concrete actions (Ivanov, 2011):

- The recognition of human life as an absolute value;
- The transition from hierarchical to distributed control systems;
- A strategic development objective - improving the quality of life and human development;
- Development of basic science, technology and education;
- Shortening the implementation of research results;
- The formation and development of a continuous cycle: science - production - the market - the consumer.

### **Quality of Life**

Determines the mass of research and action focused economists and managers to the quality of life. However, there are more urgent, but insufficiently explored problems. There is no clarity in terminology, the unity in the evaluation of situations, clarify the methodological developments. For the "quality of life" there is no clear definition of the subject assessment - the "life", there are no indicators for measuring (and Okrepilov & Glukhov, 2008).

By the quality of life is usually described as the human condition: the provision of material goods (food, clothing, shelter), safety, access to health care, educational opportunities and development capabilities, state of the environment, social relations in society, including freedom of expression and influence people policy decisions (Genkin, 2009).

Quality of life is determined by many parameters. There is a classification performance of individual characteristics: general and specific, economic and socio-demographic, objective and subjective, and in-kind cost, quantity and quality, performance ratios and consumption patterns, statistics, etc.

The high quality of life can only be achieved by developing a set of policies and programs for the implementation of which requires resources.

Quality of life is not a separate area of activity. It is an integral part of all activities (manufacturing, commerce, construction, investment, planning, education, etc.). Projects and programs focused on quality of life should be a priority, the quality of life should be considered when making management decisions, the deterioration in quality of life should exclude relevant projects.

Low competitiveness due to the decrease of innovative activity of enterprises, the quality of economic, marketing, production, management and other processes.

In turn, decrease the innovation activity of enterprises and their competitiveness, the deterioration of resources due to declining quality of economic and management training.

The key to ensuring the competitiveness of any object as the first condition for achieving high performance (profitability, stability, complexity of development, quality of life) is to improve the quality of governance.

To ensure the competitiveness and growth of quality of life is affected by many factors, political, legal, technical, economic, social, environmental, psychological, and other nature.

### **Methods for national competitiveness**

The implementation methodology to ensure a systematic approach that allows to optimize resources and focus them on solving major problems. The basis of the formation of a national system to ensure the competitiveness of the priorities laid technological development.

The challenge is to ensure sustainable growth of quality of life, focusing on the performance in the future Human Development Index developed countries. To do this, carried forward and analytical studies, during which identifies competitive advantages, problem areas are determined by quantitative indicators.

Evaluation is carried out in areas such as general policy, legal and regulatory framework, quality of life, elements of infrastructure, resource support, etc. As a result of prediction, a strategy of national competitiveness, developing a program implementation and identifies the sources of resource support.

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