Larysa Rybina, Ph.D. Econ. Iryna Samoshkina, Ph.D. Econ. Maryna Mikulina, Ph.D. Econ. Sumy National Agrarian University, Sumy, Ukraine WAYS TO INCREASE THE COMPETITIVENESS OF UKRAINE ON THE

BASIS OF THE VISEGRAD EXPERIENCE

The paper explores the reasons why Ukraine lost its position in the global competitiveness index. Based on the analysis of the transformational experience of the Visegrad countries, the main directions of increasing national competitiveness are identified. It has been established that the factors of competitiveness should be considered in dynamics. Because they are managed by the parameters, the management of which is aimed at the formation, support and development of competitive advantages of the business environment of the country. It is concluded that the level and nature of the competitive advantages of the well-considered innovative policy. The effectiveness of innovation policy is determined by the ongoing reforms aimed at the development of small and secondary business and the welfare of the population.

Introduction

The desire for possible membership of the EU and NATO prompts Ukraine to build economic, cultural and educational ties with the Central European countries of the Visegrad Bloc because of their geographical neighbourship and their statements to promote the process of enlargement of European integration. The Visegrad Group (also known as the «Visegrad Four» or simply "V4") reflects the efforts of the countries of the Central European region to work together in a number of fields of common interest within the all-European integration. The Czech Republic, Hungary, Poland and Slovakia have always been part of a single civilization sharing cultural and intellectual values and common roots in diverse religious traditions, which they wish to preserve and further strengthen. All the V4 countries aspired to become members of the European Union, perceiving their integration in the EU as another step forward in the process of overcoming artificial dividing lines in Europe through mutual support. They reached this aim in 2004 (1st May) when they all became members of the EU [1]. Today, the Visegrad countries cooperate to strengthen stability in Central Europe, in the field of information exchange, scientific and cultural exchange and education. The Group aims at encouraging optimum cooperation with all countries, in particular its neighbours, its ultimate interest being the democratic development in all parts of Europe.

It is believed that the Visegrad countries are successful real models of economic transformation and can be an example for other states that have embarked on reform. Due to the similarity of historical preconditions the partnership with the Visegrad countries is a natural direction for the development of integration Ukraine policy [2]. Accordingly, the analysis and adaptation to the modern conditions of development of the society of the transformational experience of the Visegrad countries is very important for bringing Ukraine closer to the European and Euro-Atlantic structures. It is also necessary to take into account that the dynamic competitive environment of the world economy requires constant renewal and strengthening of international economic relations.

The main requirements for the applicant countries for EU membership are identified and declared by the Copenhagen criteria in June 1993. The above criteria determine three main groups of requirements: political, economic and so-called «membership». The first group regulates the stability of institutions guaranteeing democracy, the rule of law, respect for human rights, respect for and protection of the rights of national minorities; the second - implies the existence of a functioning market economy and the ability to withstand competitive pressure and the effect of market forces within the EU; the third - provides for the ability to assume the obligations arising from EU membership, including strict adherence to the objectives of the political, economic, currency union [3].

The fulfillment of economic requirements on the way to European integration involves, first of all, modernization of the Ukrainian economy, overcoming technical and technological backwardness, creating an investment and innovation climate in the business environment, raising the level of competitiveness Ukrainian business and filling vacancies in the European market. Strengthening cooperation with the Visegrad countries will contribute to meeting these requirements and, accordingly, to increase the competitiveness Ukrainian business. All this determines the relevance of the study on improving the competitiveness Ukrainian business in cooperation with the countries of the Visegrad bloc.

It is the purpose of the present paper to provide identification of Ukraine's problems and growth factors in competitiveness in Visegrad countries (Czech Republic, Hungary, Poland and Slovakia) in order to illustrate successful experiences.

The assessment of the competitiveness of the Ukraine and V4 business

The assessment of the country's ability to achieve high rates of economic growth in the long run is one of the scientific approaches to assessing the national competitiveness. Within forming the strategic policy of economic development, the competitiveness of business at the macroeconomic level is interpreted as the measure of the country's ability in a competitive market to produce goods and services that meet the requirements of world markets, while simultaneously preserving or increasing the real incomes of its citizens [4]; as the ability of the country to create internal and external conditions that enable businesses to produce goods and services that withstand the testing of international markets, and its population - to steadily increase incomes and quality of life [5].

With the development of science and technology, the demand of the consumer also increases. With the increase in demand, the exchange of goods and services between countries also expands. Virtually no country in the world is unable to fully meet the demand of its people, so it is obliged to trade in goods and services with other countries. But, each country must have a required number of currency for international trade in goods and services. Thus, import is needed to export. Nevertheless, each country imports a required number of goods and services in only two situations. First, when these goods and services are not produced in the country. Second, when the production of similar goods and services is worth more in this country. Therefore, trade between the countries is not mandatory, but is a voluntary and mutually. Ukraine and the Visegrad Group cooperates in the field of mutual trade in goods and services, investment and migration processes. The trade turnover of Ukraine with these countries amounted of USD 11 041 075 thousand in 2014, USD 8 661 957 thousand in 2015, USD 6 563 777 thousand for 9 months of 2016 [6]. Analyzing the foreign trade in goods of Ukraine with the EU countries, it should be noted that the most important partner in exports and imports is Poland, the share of exports in Hungary, Slovakia and the Czech Republic is insignificant. The foreign trade balance with EU countries, group V4 is negative at 2015, but Ukrainian commodity exports are dominated by imports from Slovakia and the Czech Republic.

In the international market, the intensification of the competitive struggle for product sales forces countries to constantly seek new opportunities and reserves for the marketing of their products, to improve technology in order to create quality goods. In the international market, the intensification of the competitive struggle for product sales forces countries to constantly seek new opportunities and reserves for the marketing of their products, to improve technology in order to create quality goods [7], and thus increase its competitiveness to benefit and revitalize economic development. This is due to the fact that externally mutually beneficial international trade is accompanied by a number of problems.

First, the constant import of goods that are not produced in the country hinders the growth of the personnel, knowledge and skills necessary for the production of these goods in the future.

Second, imports of the same goods that are produced in the country, creates additional competition for local goods and in most cases drives them out of the market. And this harms to the incomes of local producers and creates additional social problems. In general, the quality of the imported goods is significantly different from the quality of the local goods, and therefore the market's competitive environment changes according to the new criteria.

For this reason and because of constant changes in the competitive environment, economic entities to use different of methods of managing their competitiveness. The economic competitiveness may be seen as process of Implemented specific economic relations. This suggests that it is the dynamic and purposeful category. This dynamics is conditioned by the dynamics of external and internal factors that arise as a result of changes in the competitive environment. That is why, the factors of competitiveness are considered in dynamics as managed parameters, the management of which is aimed at the formation, support and development of competitive advantages of economic entities [8].

Integration processes are one of the key factors in the survival of countries in a competitive environment, strengthening their economic power. The Visegrad countries have consistently introduced measures in various fields to increase the competitiveness of their enterprises' productions and goods. First of all, it concerned the perception of their economic environment by international business, increased trade and increased inflow of foreign investment, which, in turn, ensured the sustainability of economic growth, improvement of the structure of the economy in general and exports in particular [9].

The UN Economic Commission for Europe has identified the main conditions for achieving a high level of competitiveness of the country (or at least part of them) [10]:

1) exporters should maintain and increase their share in foreign markets;

2) the share of exports in the form of products with high added value and modern technology should increase steadily;

3) the average specific value of the country's exports should increase.

Some feel that the significant structural problems limit the use of national competitive benefits of the Ukrainian goods exports. Among them stand out:

- a long-term tendency to reduce demand and prices on the world markets of traditional Ukrainian exports;

- strengthening international competition against the backdrop of growing state support for exports and the active use of protective measures in the interests of national producers in the leading countries of the world; - preserving the tendency of discrimination of Ukrainian goods in foreign markets, including tacit agreements on the displacement or restriction of Ukraine's admission to promising markets;

- rapid increase of consumer requirements to quality, service support, technological level of products;

- insufficient investments in technological and organizational upgrading of Ukrainian enterprises, which hinders their competitiveness and expansion to new global markets;

- absence of purposeful and consistent policy of state support for export development, indirect obstacles for exporters in the form of real hryvnia revaluation, non-return of value-added tax, unfavorable business climate within the country as a whole, etc .;

- undeveloped infrastructure of organizational, legal, informational, financial support and support of exporters [11].

The emergence of these problems is due to the fact that Ukraine, unlike the countries of the Visegrad Group, has not radically changed its economic environment in the process of transition to market relations. Post-socialist countries immediately began to radically go towards institutional and economic transformations, opened up opportunities for the rapid development of private entrepreneurship, demonopolization, productive efficiency and efficiency (Table 1), and thus - sustainable improvement of the welfare of the country's citizens and improvement of quality of life standards.

In parallel, the liberalization process, carried out within the context of a stable and predictable regulatory framework, has resulted in well-functioning factor markets. The Visegrad countries have managed to change for the better the sociopolitical and economic system, have a strong economy with high-tech production due to the fact that the Government had implemented a series of radical reforms in the direction of European integration. The outcome was also a result of improvement in the competitiveness of the Visegrad industry and today, they take a significant place in the European economy on individual indicators. Economic transformations in the countries of the Visegrad Four on the path to

| Direction | Major activities | | | | | | | |
|---------------------|--|--|--|--|--|--|--|--|
| Liberalization | Elimination of trade protectionism; elimination of price administration, | | | | | | | |
| | wages, interest rate, exchange-rate and so on; elimination binding public | | | | | | | |
| | agency in foreign trade relations | | | | | | | |
| Property reform | Privatization of small and large enterprises, restructuring of large | | | | | | | |
| | enterprises, building of new private enterprises, introducing rigorous budg | | | | | | | |
| | restrictions, strengthening of property rights and the establishment of | | | | | | | |
| | corporate governance institutions | | | | | | | |
| Deregulation in the | Building of institutional bases of autonomous banking and monetary system | | | | | | | |
| financial markets | functioning; development of real deregulation of financial markets; | | | | | | | |
| | establishment of the regulatory standards for financial markets which have | | | | | | | |
| | binding in European Union | | | | | | | |
| Deregulation in the | Restricting public intervention in the labour market, increasing the freedom | | | | | | | |
| labour market | of entrepreneurs in terms of employment, time, form of work, wages, the | | | | | | | |
| | attraction of free labor resources in the outcome of the reform | | | | | | | |
| Deregulation in the | Liquidation of state production and trade monopolies; granting to all | | | | | | | |
| goods market | economic entities the right to export and import without a license (with few | | | | | | | |
| | exceptions, on the import of armaments and military equipment, radioactive | | | | | | | |
| | materials, etc., as well as the export of energy resources) | | | | | | | |

the formation of a market economy [12]

GDP per capita, PPP (purchasing power parity) is the basic indicator of the level of socio-economic development of the country, the productivity of the national economy, private and public consumption. After all, economic growth becomes steady, when structural and qualitative parameters of economic development are improving along with increasing production. Gross domestic product (GDP) per capita is the most widely used indicator for country-level income and has been used in modeling health outcomes, mortality trends, cause-specific mortality estimation, health system performance and finances, and several other topics of interest [13].

GDP per capita dynamics indicates a progressive trend of GDP growth in the Visegrad bloc. What can not be said about Ukraine? The growth of Ukraine's GDP per capita was only 10% over the past 10 years. For Poland, this indicator was 67.3%. Thus, Ukraine remains a country with a low GDP, as consequence, leads to poor living standards, stable low wages for the able-bodied population and no skillful state policies for social campaigns and social welfare. In that context, the objective no longer seemed to be a reduction of economic inequality between the developed and the developing countries but merely poverty reduction in developing countries. The

GDP per capita indicator contains a considerable amount of information on the welfare of different countries (Table 2).

Table 2

| | 1991 | 1995 | 2000 | 2005 | 2010 | 2014 | 2015 | 2016 | Changes |
|----------|-------|-------|-------|-------|-------|-------|-------|-------|----------|
| | | | | | | | | | over 10 |
| | | | | | | | | | years, % |
| Hungary | 10014 | 11162 | 14208 | 19940 | 21906 | 25399 | 26537 | 27482 | 28,5 |
| Poland | 6296 | 8152 | 11630 | 15157 | 21084 | 25333 | 26623 | 27764 | 67,3 |
| Slovakia | - | 9642 | 12296 | 17755 | 24555 | 28590 | 29975 | 31339 | 57,9 |
| Czech | - | 13874 | 16564 | 22732 | 27498 | 30432 | 32076 | 33232 | 33,0 |
| Republic | | | | | | | | | |
| Ukraine | - | 3861 | 3976 | 6750 | 7712 | 8733 | 7996 | 8305 | 10,3 |

GDP per capita, PPP (purchasing power parity) Visegrad countries and Ukraine for the period 1991 -2016 [14], USA

Globalization and internationalization of world economic processes determine the modern order in the economic and business. This is because they formalize the individualist needs and methods of their provision on large scales; make integrate sovereign states, markets and technology. This allows any economic subject to be faster in its activity than ever, much cheaper cost to establish to contact with partners, dispersed around the world. International business is the product of this phenomenon. The forms of this phenomenon are the widespread impact methods of taking profit in the convergence of socio - economic, political - legal, technological and technological and religious - cultural standards today.

Since 1979, annual Global Competitiveness Reports have examined the factors enabling national economies to achieve sustained economic growth and long-term prosperity. The most important criteria for the competitiveness of the national economy are reflected in the global competitiveness index - a complex integrated index of comparative competitiveness of countries, calculated on the basis of a combination of relative values. So, the country's competitiveness rating is determined by a consolidated index in the reports on global competitiveness, which are periodically published under the World Economic Forum in Davos (Switzerland). This consolidated index evaluates the ability of economies to provide higher business productivity, and thus, higher rates of economic growth and economic well-being of the nation based on the following requirements: institutions quality, infrastructure, macroeconomic environment, health and primary education); efficiency enhancers: higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size and innovation and sophistication factors: business sophistication and innovation.

The selection of the said requirements is based on theoretical and empirical research and none of them can ensure the competitiveness of the economy alone. As, the effect of increasing educational expenditures can be reduced due to the inefficiency of the labor market, other institutional weaknesses and, as a consequence, the lack of opportunities for graduates to be suitably employed. Attempts to improve the macroeconomic environment, for example, to optimize control over public finances, will be successful only with due transparency of the financial management system, the absence of corruption and large-scale violations. Entrepreneurs will introduce new technologies only if the potential profit exceeds the necessary investments. Thus, according to the conclusions of the World Economic Forum, the most competitive economies are those countries that are able to pursue a comprehensive policy, take into account the full range of factors and the interrelations between them [15]. Graphic 1 presents the rankings of the GCI 2012 – 2013 and 2017- 2018 for country of the Visegrad Group and Ukraine.



Graphic 1 – The Global Competitiveness Index 2012 and 2017 Rankings of Ukraine and the Visegrad Group.

The review of the Global Competitiveness Index 2012 and 2017 Rankings of Ukraine shows a loss of position in the global ranking of countries of the world in terms of economic competitiveness. Ukraine took 85 place in the ranking on the Global Competitiveness Index among 137 countries in 2017, losing 5 positions over the last 5 years (taking 73rd among the 144 countries in the 2012-2013 ranking). The competitiveness of the Visegrad bloc, au contraire, increased over the years. As, the Poland took 39 place in the ranking (41 place in 2012), Czech Republic took 31 place in the ranking (39 place in 2012), Slovakia took 59 place in the ranking (71 place in 2012).

However, the loss of positions in ratings often does not mean worse the country's indicators - just other countries can improve their position at a faster pace. Doing business in Ukraine is not a walk in the park! This is because there are lots of problematic factors business leaders will need to overcome in order to successfully do business in the country. Respondents to the Executive Opinion Survey were asked to select the five most problematic factors for doing business in Ukraine, Hungary, Poland, Slovakia, Czech Republic and rank them between 1 (most problematic) and 5 (less problematic). The score (in the image below) corresponds to the responses weighted according to their rankings for these countries.

In 2017, inflation was considered the most problematic factor for doing business in Ukraine, followed by corruption that depressed business activity further. Policy instability emerged as the third-ranked concern followed by tax rates. According to the Polish entrepreneurs who participated in the research, the evaluation of infrastructure, macroeconomic environment, education and health has improved in Poland as the main factors influencing the economy. Instead, indicators related to the functioning of institutions have decreased. Traditionally, the biggest obstacle in the conduct of economic activity was recognized by the tax law. On the other places, the ranking was obstructed by laws regulating the labor market and the instability of economic policy.

Graphic 2 presents the most problematic factors for doing business in the countries of the Visegrad Group and Ukraine.



Graphic 2 - Most problematic factors for doing business in Visegrad Group and Ukraine [16].

Overall the results indicate that the discrepancy between the Ukraine's GDP structure and those achieved by developed countries is exacerbated by international competitive forces: the decline due to raw material and technological imbalances, or vice versa - a resource and conjuncture supplement in the structure of export-import balance. In this case, the radical difference is determined by the properties of the prevailing export goods groups, which have fundamentally different quality sources of competitive advantage. If integration into the international economic community is ensured through the development of new knowledge and technologies, the development of R & D and innovation productivity within the framework of innovative technologies, which requires the involvement of a highly educated, skilled workforce with high wage level. The need for a national economy in such a workforce affects both the demand for education and general living standards, forming a stable middle class and a social macrostructure that is promising for a stable development.

Integration into the world economy, based on the export of mainly mining industries and industries engaged in primary processing and enrichment of raw materials for the manufacture of semi-finished products, does not require the use of high-tech and new knowledge in such types of economic activity. The products manufactured at the same time are characterized as mass and have standard unified parameters, and the most promising competitive advantage is price dumping. In this case, an economically justifiable competitive strategy is "focusing on costs," which is ensured not by innovation improvements, but by extensive expansion of production volumes. The reserves of this way are quickly exhausted, because profit growth is due to lower wages and a reduction in the cost of modernization production assets. It does not contribute to the growth of wages of a national producer, limits domestic purchasing power, the need for a high level of education and science and technological upgrading of production. All this limits the preconditions for the emergence of entrepreneurial initiatives and the increase of the tax base and reducing the tax burden on economic entities.

Ways to increase the competitiveness of Ukraine

As a result of many years of WEF research, a number of fundamental recommendations have been developed, following which the country can achieve its competitiveness:

- stable and predictable legislation;
- flexible structure of the economy;
- investment in traditional and technological infrastructure;
- stimulating private savings and domestic investment;

• increase of export aggressiveness along with attraction of foreign direct investment;

• improving the quality, efficiency and transparency of management and administration;

• the interdependence of wages, labor productivity and taxes;

• reducing the gap between minimum and maximum earnings in the country and strengthening the middle class;

• significant investments in education, especially secondary education, as well as in the continuous improvement of the skills of the personnel;

• balance the benefits of globalization of the economy and national characteristics and benefits [17].

In that context, the objective no longer seemed to be a reduction of economic inequality between the developed and the developing countries but merely poverty reduction in developing countries.

Cooperation with the Visegrad countries can help solve these issues. Relying on the common aspiration of the four States to strengthen their friendship and mutual trust, can be to resolve issues in a spirit of equality and mutually advantageous partnership, taking into account their mutual interests.

Example, economic cooperation between Ukraine and Poland, having undergone a long-term development, continues to grow actively. This applies primarily to such sectors as agriculture and the processing of its products, machine building and aircraft engineering, energy and heat supply, military-industrial complex, pharmacy and medical equipment. It is through the development of mutually beneficial cooperation in these areas and many other promising areas that it is possible to increase the share of manufactured products in the Ukrainian-Polish trade turnover several times, and to prevent it from falling.

The trade turnover between Ukraine and Poland is growing sharply and has increased by 6 times compared to 1992. According to expert data, the capital of Ukrainian investors in Poland today is about 1 billion USA [2]. But still in the commodity circulation between Ukraine and Poland, Polish exports considerably exceed imports.

The most striking change is the surge of access to finance as one of the most serious problems for business in many countries, a consequence of the global financial crisis in 2008. Because of deleveraging and stricter regulations in the banking sector, uncertain economic prospects, and despite extremely low interest rates, obtaining finance is still very difficult, especially for small- and medium-sized enterprises. In a political crisis, competition for the sphere economic impact, demographic crisis, deficit skilled personnel Ukraine loses national competitiveness in the global economic the system.

Summarizing the experience of developed countries, one can conclude that the level and nature of competitive advantages of the country is determined by the predominantly chosen innovation strategy and well-balanced innovation policy. Effective is the innovative strategy of «building up», which consists in the implementation of radical innovations implemented in the industrial and social spheres, on the basis of the development of its own scientific and technological potential, the involvement of leading scientists and designers, as well as the integration of fundamental, applied science, education and entrepreneurship. It allows us to form the real type of competitiveness of the national economy, which manifests itself in the expansion of markets in the European space.

Innovation is one of the prerequisites for the formation of global competitiveness. Some feel that its growth is conditioned by eliminating the causes of its inhibition, which can be attributed to [18]:

1) impairment position of the financial market development due to the instability of the banking system - according to the NBU at the stage of liquidation, there are 81 banks in 2016;

2) decrease of the country's credit rating due to the growth of the state debt according to the Ministry of Finance, Ukraine's foreign debt to creditors is more than 50% of GDP;

3) reducing the protection of national investors due to the ineffective mechanism of state guarantees of investment protection, the imperfection of the system of protection of property rights and private property, the corruption of the incompleteness of the judiciary, which leads to "selective" equality before the law;

4) the need for professional management due to the involvement in the management of relatives and close people;

5) Failure of the country to hold "talents", lack of state incentives for employment. Consequently, the intellectual potential of Ukraine is migrating abroad

(5 million Ukraine's citizens). So Poland is ready to accept 1.5 million migrant workers from Ukraine, the same idea is supported by Hungary;

6) reducing the impact of business on conditions of direct foreign investment, due to the lack of effective levers of cooperation between the state and the private sector in investment policy - the state system does not take into account business interests;

7) the increase in the impact of taxation on investment incentives is due to the lack of tax privileges and the ineffectiveness of special economic zones - taxes only serve a fiscal function rather than a stimulus;

8) reducing intellectual property rights is a violation of intellectual property rights\$

9) the decline in the position of business development is due to ineffective antimonopoly legislation and the lack of mechanisms to stimulate the development of small and medium-sized enterprises;

10) the deterioration of infrastructure quality: roads, railways, maritime and air transport.

Implementation of the innovation policy of the Visegrad countries is due to:

- financial support of small and medium enterprises to stimulate innovation activity;

- interaction and university science and industry in the field technology transfer to ensure the commercialization of R & D results;

- organization of public-private partnership for creation of breakthrough technological innovations and infrastructure development;

- Develop a unified European training strategy for competent professionals for high-tech spheres of activity.

The Global Competitiveness Index reflects the country's competitive advantage as a roadmap for potential foreign investors and governments from other countries. The regress in the formation of international competitiveness, above all, is due to the lack of both integrated and sectorial strategies for the country's long-term development. Developing a long-term strategy, taking into account the strengths and weaknesses in line with the Global Competitiveness Index, will enable the Government of Ukraine to formulate tactical and strategic tasks, will contribute to the investment attractiveness of Ukraine and the formation of the country's brand [17].

The international competitiveness optimization model should be based on their preferences and establish priority directions of improvement of competitive state of the world market. The primary and higher education, market size, and some elements of the infrastructure are the strengths of Ukraine's competitiveness. The quality of institutions, infrastructure, and the macroeconomic environment, the efficiency of the market for goods and labor, and innovation are weaknesses of Ukraine's competitiveness. State regulation, payment of taxes, protection of investors and property rights, solving insolvency issues, political independence, cross-border trade and the development of financial the market is the most neglected areas that require more far-sighted ones reforms.

Contemporary competitive countries own driving factors in the legalization of the economy. They characterize by the ability to maximize the implementation of national interests for the sake of safety and high living standards of the population [19]. The most important advantage will be improvement of the domestic investment climate by introducing the norms of the developed EU legislation into national legislation.

These changes will lead to the creation of a regulatory environment familiar to foreign investors and, accordingly, more attractive to them. Free access to a huge European the market for most Ukrainian goods will create significant business opportunities and increase the number of small and medium-sized ones enterprises. It should also be remembered that all regulatory changes, which will lead to increased competitiveness and development Ukrainian sector of small and medium-sized businesses, will increase the welfare of Ukrainians. Consumers will have better access to a larger range of goods, more stringent security requirements for goods on the domestic market, new ones business opportunities, as well as effective internal distribution resources.

Conclusions

The results indicate on the whole, that the Ukraine's competitive factors are not considered progressive, or they can provide a long-term effect. They testify to the dependence of the country on domestic economic conditions and the available gold and foreign currency reserves. But key factors of the competitiveness of modern economic systems such as technological readiness, innovation, foreign trade, the absence of excessive regulation of the economy and human capital remain neglected.

The formation of competitiveness - is a complex dynamic phenomenon, aimed at creating and maintaining certain competitive advantages, aimed at providing a dominant position in relation to other actors in the international market. The modern tendencies in the functioning of the Visegrad Group's economy show that the following priorities should become the basis for the formation of a national strategy for ensuring a sufficient level of competitiveness of the national economy: innovative development, the possibility of upgrading technologies and the purchase of high technologies at the state level, improving market infrastructure and improving the investment climate, attracting entrepreneurship to innovation activity, as well as the development of the institutional environment.

Numerous think tanks and educational projects representing civil society of countries V4were the main driver for introducing new economic approaches, namely: macroeconomic reforms and public finance management; tax reform, pension reform, health care reform; labor market reform, reform of public administration and fiscal decentralization, improvement of the business climate in the country. Formally, most reforms with similar names are already running. However, their effectiveness depends on the political will to carry out such reforms. Unfortunately, she is absent today due to fears of rising social discontent. The introduction of new reforms requires a clear plan of action, dialogue with business and building trust in the government.

The experience of the Visegrad countries for modern Ukraine, is an invaluable source of knowledge and approaches to reforming the country's economy, including through its ethno cultural proximity. It is important that the Ukrainian government and officials want to hear the advice of those who been able to achieve a much better result, despite the same problems at the beginning of the path.

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