COMPETITIVE POSITIONS OF THE REPUBLIC OF BELARUS: RATING APPROACH

Vladimir Novik
Mikhail Kovalev
**Competitiveness**

**OECD:** это показатель того, насколько эффективно страна в условиях свободной торговли и честных рыночных условий производит товары и услуги, которые проходят тест международными рынками, и одновременно поддерживает и увеличивает реальные доходы людей в долгосрочной перспективе.

**World Economic Forum:** the set of institutions, policies, and factors that determine the level of productivity of a country.

это способность страны добиваться устойчивого развития человеческого капитала
Human Development Index 2009

The purpose of Belarus – position №50 by 2015
## Structure of Human Development Index

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Life expectancy</th>
<th>Adult literacy</th>
<th>Gross enrolment ratio</th>
<th>GDP per capita (PPP US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Spain</td>
<td>80,7</td>
<td>97,9</td>
<td>96,5</td>
<td>31 560</td>
</tr>
<tr>
<td>68</td>
<td>Belarus</td>
<td>69 (2007)</td>
<td>99,7</td>
<td>90,4</td>
<td>10 841</td>
</tr>
<tr>
<td></td>
<td></td>
<td>72-73 (2015)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>71</td>
<td>Russia</td>
<td>66,2</td>
<td>99,5</td>
<td>81,9</td>
<td>14 690</td>
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</table>
Growth of GDP in Belarus

IMF (2000-2014)
Competitiveness as a share of a country at world markets 2008
## Dynamics of Postindustrialization

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>1990</td>
<td>6</td>
<td>34</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>2007</td>
<td>3</td>
<td>28</td>
<td>69</td>
</tr>
<tr>
<td>Spain</td>
<td>1990</td>
<td>5</td>
<td>35</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>4</td>
<td>24</td>
<td>72</td>
</tr>
<tr>
<td>Russia</td>
<td>1990</td>
<td>17</td>
<td>48</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>10</td>
<td>32</td>
<td>58</td>
</tr>
<tr>
<td>Belarus</td>
<td>1990</td>
<td>24</td>
<td>47</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>2009</td>
<td>9</td>
<td>42</td>
<td>49</td>
</tr>
</tbody>
</table>
Knowledge Indexes

Knowledge Economy Index (KEI)

- Economic and Institution Regime Index
  - Tariff & Nontariff Barriers
  - Regulatory Quality
  - Rule of Law

- Education Index
  - Adult Literacy Rate
  - Secondary Enrollment
  - Tertiary Enrollment

- Innovation Index
  - Royalty Payments & Receipts
  - Patent Count
  - Journal Articles

Knowledge Index (KI)

- ICT Index
  - Telephones
  - Computers
  - Internet Users
## Readiness Knowledge Economy (World Bank 2010)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Economic and Institutional Regime Index</th>
<th>Knowledge Index</th>
<th>Innovation</th>
<th>Education</th>
<th>ICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Denmark</td>
<td>9,61</td>
<td>9,49</td>
<td>9,49</td>
<td>9,78</td>
<td>9,21</td>
</tr>
<tr>
<td>24</td>
<td>Spain</td>
<td>8,6</td>
<td>8,18</td>
<td>8,14</td>
<td>8,33</td>
<td>8,07</td>
</tr>
<tr>
<td>60</td>
<td>Russia</td>
<td>1,76</td>
<td>5,82</td>
<td>6,88</td>
<td>7,19</td>
<td>6,38</td>
</tr>
<tr>
<td>73</td>
<td>Belarus</td>
<td>1,15</td>
<td>6,19</td>
<td>5,79</td>
<td>8,02</td>
<td>4,74</td>
</tr>
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</table>
## Indices and Variables

<table>
<thead>
<tr>
<th>Indices and Variables</th>
<th>Weights</th>
</tr>
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<tbody>
<tr>
<td><strong>A. Economic Globalization</strong></td>
<td>[38%]</td>
</tr>
<tr>
<td>i) Actual Flows</td>
<td></td>
</tr>
<tr>
<td>Trade (percent of GDP)</td>
<td>(19%)</td>
</tr>
<tr>
<td>Foreign Direct Investment, flows (percent of GDP)</td>
<td>(20%)</td>
</tr>
<tr>
<td>Foreign Direct Investment, stocks (percent of GDP)</td>
<td>(23%)</td>
</tr>
<tr>
<td>Portfolio Investment (percent of GDP)</td>
<td>(17%)</td>
</tr>
<tr>
<td>Income Payments to Foreign Nationals (percent of GDP)</td>
<td>(21%)</td>
</tr>
<tr>
<td>ii) Restrictions</td>
<td></td>
</tr>
<tr>
<td>Hidden Import Barriers</td>
<td>(21%)</td>
</tr>
<tr>
<td>Mean Tariff Rate</td>
<td>(29%)</td>
</tr>
<tr>
<td>Taxes on International Trade (percent of current revenue)</td>
<td>(25%)</td>
</tr>
<tr>
<td>Capital Account Restrictions</td>
<td>(25%)</td>
</tr>
<tr>
<td><strong>KOF Index of Globalization</strong></td>
<td></td>
</tr>
</tbody>
</table>
B. Social Globalization [39%]

i) Data on Personal Contact (34%)
   - Telephone Traffic (26%)
   - Transfers (percent of GDP) (3%)
   - International Tourism (26%)
   - Foreign Population (percent of total population) (20%)
   - International letters (per capita) (26%)

ii) Data on Information Flows (34%)
   - Internet Users (per 1000 people) (36%)
   - Television (per 1000 people) (36%)
   - Trade in Newspapers (percent of GDP) (28%)

iii) Data on Cultural Proximity (32%)
   - Number of McDonald's Restaurants (per capita) (37%)
   - Number of Ikea (per capita) (39%)
   - Trade in books (percent of GDP) (24%)
C. Political Globalization

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embassies in Country</td>
<td>(25%)</td>
</tr>
<tr>
<td>Membership in IOs</td>
<td>(28%)</td>
</tr>
<tr>
<td>Participation in UNSC</td>
<td>(22%)</td>
</tr>
<tr>
<td>International Treaties</td>
<td>(25%)</td>
</tr>
</tbody>
</table>
### KOF Index of Globalization 2010

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Globalization Index</th>
<th>Economic Globalization</th>
<th>Social Globalization</th>
<th>Political Globalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Belgium</td>
<td>92.95</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Singapore (97.48)</td>
<td>Switzerland (94.94)</td>
<td>France (98.44)</td>
</tr>
<tr>
<td>42</td>
<td>Russia</td>
<td>68.91</td>
<td>92</td>
<td>39</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>58.00</td>
<td>68.82</td>
<td>85.38</td>
</tr>
<tr>
<td>15</td>
<td>Spain</td>
<td>85.71</td>
<td>25</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>82.11</td>
<td>82.52</td>
<td>96.14</td>
</tr>
<tr>
<td>109</td>
<td>Belarus</td>
<td>51.88</td>
<td>117</td>
<td>62</td>
<td>149</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>46.24</td>
<td>61.55</td>
<td>45.03</td>
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</tbody>
</table>
Belarusian Economic Politics:

1. Export (goods & services)
<table>
<thead>
<tr>
<th>Rank - 2007</th>
<th>Commodity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Cranberries</td>
</tr>
<tr>
<td>4</td>
<td>Flax fiber and tow</td>
</tr>
<tr>
<td>4</td>
<td>Rye</td>
</tr>
<tr>
<td>7</td>
<td>Triticale</td>
</tr>
<tr>
<td>11</td>
<td>Oats</td>
</tr>
<tr>
<td>13</td>
<td>Hazelnuts, with shell</td>
</tr>
<tr>
<td>16</td>
<td>Strawberries</td>
</tr>
<tr>
<td>17</td>
<td>Sugar beet</td>
</tr>
<tr>
<td>17</td>
<td>Buckwheat</td>
</tr>
<tr>
<td>19</td>
<td>Potatoes</td>
</tr>
<tr>
<td>25</td>
<td>Cow milk, whole, fresh</td>
</tr>
<tr>
<td>33</td>
<td>Cattle meat</td>
</tr>
<tr>
<td>35</td>
<td>Hen eggs</td>
</tr>
<tr>
<td>41</td>
<td>Vegetables</td>
</tr>
<tr>
<td>50</td>
<td>Natural honey</td>
</tr>
<tr>
<td>52</td>
<td>Wheat</td>
</tr>
</tbody>
</table>
Social Oriented Market Economy
(GDP and Salary)
Policy of High Salary ($) (GDP)
Global Competitiveness Index

Belarusian State University
Faculty of Economics

**Basic requirements**
- Institutions
- Infrastructure
- Macroeconomic stability
- Health and primary education

**Efficiency enhancers**
- Higher education and training
- Goods market efficiency
- Labor market efficiency
- Financial market sophistication
- Technological readiness
- Market size

**Innovation and sophistication factors**
- Business sophistication
- Innovation

**Key for factor-driven economies**

**Key for efficiency-driven economies**

**Key for innovation-driven economies**
# E-government Index 2010

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Korea</td>
<td>1</td>
<td>0.8785</td>
<td>0.8317</td>
<td>6</td>
<td>-5</td>
</tr>
<tr>
<td>United States</td>
<td>2</td>
<td>0.8510</td>
<td>0.8644</td>
<td>4</td>
<td>-2</td>
</tr>
<tr>
<td>Canada</td>
<td>3</td>
<td>0.8448</td>
<td>0.8172</td>
<td>7</td>
<td>-4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4</td>
<td>0.8147</td>
<td>0.7872</td>
<td>10</td>
<td>-6</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5</td>
<td>0.8097</td>
<td>0.8631</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Norway</td>
<td>6</td>
<td>0.8020</td>
<td>0.8921</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Denmark</td>
<td>7</td>
<td>0.7872</td>
<td>0.9134</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Australia</td>
<td>8</td>
<td>0.7863</td>
<td>0.8108</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Spain</td>
<td>9</td>
<td>0.7516</td>
<td>0.7228</td>
<td>20</td>
<td>-11</td>
</tr>
<tr>
<td>France</td>
<td>10</td>
<td>0.7510</td>
<td>0.8038</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>Belarus</td>
<td>64</td>
<td>0.4900</td>
<td>0.5213</td>
<td>56</td>
<td>8</td>
</tr>
</tbody>
</table>
Ease of doing business

Rank of World Bank 2010

Singapore: 1
Belarus: 58
Spain: 62
Russia: 120
## Rank of World Bank

<table>
<thead>
<tr>
<th>Category</th>
<th>Belarus 2007</th>
<th>Belarus 2010</th>
<th>Spain 2010</th>
<th>Russia 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of Doing business</td>
<td>129</td>
<td>58</td>
<td>62</td>
<td>120</td>
</tr>
<tr>
<td>Starting a Business</td>
<td>148</td>
<td>7</td>
<td>146</td>
<td>106</td>
</tr>
<tr>
<td>Dealing with Construction Permits</td>
<td>84</td>
<td>44</td>
<td>53</td>
<td>182</td>
</tr>
<tr>
<td>Employing Workers</td>
<td>31</td>
<td>32</td>
<td>157</td>
<td>109</td>
</tr>
<tr>
<td>Registering Property</td>
<td>96</td>
<td>10</td>
<td>48</td>
<td>45</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>171</td>
<td>113</td>
<td>43</td>
<td>87</td>
</tr>
<tr>
<td>Protecting Investors</td>
<td>142</td>
<td>109</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>175</td>
<td>183</td>
<td>78</td>
<td>103</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>113</td>
<td>129</td>
<td>59</td>
<td>162</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>36</td>
<td>12</td>
<td>52</td>
<td>19</td>
</tr>
<tr>
<td>Closing a Business</td>
<td>91</td>
<td>74</td>
<td>19</td>
<td>92</td>
</tr>
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</table>
Thank you for your attention!