

INFLUENCE OF THE INTERNATIONAL COMPETITION ON STATE TAX POLICY

Summary

The article deals with the expansion of competition between business entities under the effective system of foreign economic relations of the country, as one of the most important aspects of globalization. The problem is that due to the global interdependence of states, there is a severe competition not only between individual commodity producers but also among states and regions. Globalization processes increase the international mobility of production factors and increase the sensitivity of investment and business to taxation. By liberalizing tax legislation, governments are trying to attract foreign investments, but at the same time, they prevent the outflow of tax base abroad. International competitiveness is a complex and multifaceted phenomenon especially in today's market environment where competitiveness determines the place, role, and future of the country. This phenomenon has evolved for a long time, acquired various forms and depended on many factors. Therefore, it is very important to follow the evolution of the process in order to understand the problem of competitiveness more deeply and find the best ways to solve it. When implementing the tax policy, it is necessary to take into account that for the successful industrial development of the country, the realization of the goals of the tax system should not be in conflict with the goal of a general system that consists in increasing competitiveness. Thus, the main objective of the tax policy is to create conditions for economic development, which includes economic growth and the creation of new competitive advantages.

Introduction

Globalization in modern economic world's conditions is a prerequisite for the development of international competition as the characteristic features of economic globalization are the intensification of the competitive struggle between countries for the sources of production factors and for the distribution of world markets with the spread of its own influence on other countries of the world; intensification of the struggle for the placement of the most profitable products and modern technologies in the territory of one's own country; an increase in the interdependence of national financial markets, an increase in speculative and financial flows between countries.

The driving forces of economic globalization are: new technologies, trade liberalization, globalization of demand and supply, the tendency to increase the number of subjects of international economic relations and transnational networks, which have a direct impact on the competition development.

Yet, the most important aspect of globalization is the expansion of competition between business entities under the effective system of foreign economic relations of the country. In this context, the problem of ensuring the high competitiveness of national producers is acute. Indeed, because of the global interdependence of states, there is a severe competition not only between individual commodity producers but also states and regions. The formation of the global market has grown considerably in the last years of the twentieth century, and the current stage of its consolidation is through the development of economic regional associations which account for about 80% of the world GDP and 85% of the world exports.

Globalization processes increase the international mobility of factors of production and increase the sensitivity of investment and business to taxation. Uncooperative behaviour of states in establishing taxes, determining their composition, structure and mechanism of collection in their territory leads to the emergence of differences between countries in the level of the tax burden. By liberalizing tax legislation, governments are trying to attract foreign investment, but

at the same time, prevent the outflow of the tax base abroad, resulting in competition between states in the field of taxation [1].

It is generally acknowledged that globalization is not a complete process. According to many researchers, today the world economy is in a peculiar «the point of bifurcation» [2] and its further development is associated with the formation of a qualitatively new homeostatic system of interconnected self-regulated and dynamic processes, which take place on a planetary scale.

It should be noted that among domestic and foreign scientists (A. Branderburger, R. Vernon, E. Vogel, H. Hrubert, P. Katzenstein, I. Kirzner, M. Knysh, S. Cowan, P. Krugman, V. Leontiev, F. List, A. Marshall, J.S. Mill, R. Nelson, B.G. Ohlin, M. Porter, D. Ricardo, J.D. Sachs, P. Samuelson, A. Smith, R.M. Solow, S. Winter, F.A. Hayek, G. Hart, E.F. Heckscher, J.R. Hicks, V. Azoev, E. Kochetov, V. Petrov, R.A. Fathutdinov, I. Spiridonov, L. Antoniuk, O. Bilorus, L. Halperina, B. Hubskey, D.

Kanishchenko, D. Lukyanenko, V. Novytsky, Yu. Pahomov, A. Poruchnyk, V. Sidenko, S. Sokolenko,

A. Philipenko, T. Tsyhankova, O. Shnytko, O. Shnyrkova), there is no consensus on the essence of the notion of country's competitiveness and its relation with a number of other interconnected one-way categories, such as competition, competitive advantages, competitive positions, and the competitive status of the state. Some of them even argue that countries are not the subject of competition, but firms are, and in the conditions of globalization, competition between the states mainly disappears, which makes sense to explore the competitiveness of countries. But even in the face of growing regionalization, integration and globalization in the global economy, competitive struggle between countries not only does not disappear but rather intensifies, acquiring new forms of its manifestation. As you know, the international competitiveness of states is reflected in the process of international economic relations.

Part 1. Role of the state in terms of internationalization

Under the conditions of internationalization, the role of the state in its traditional sense ceases to be decisive and it loses its autonomous ability to effectively regulate not only international but also domestic activities even when using the most advanced methods of rigorous administration. Attempts of states to expand the spectrum of political, economic, technological, financial, commodity, and labor protectionism do not compensate for their regulatory losses, increasing the motivation to form a multi-level system of international economic activity regulation by delegating state powers both to the international and global level, as well as to regional and local complicate the functional and regulatory significance of the state.

The potential and real decrease in the effectiveness of national regulatory policies of the state is trying to compensate not only the expansion of protectionism, the growing support of national firms in international markets but also the establishment of long-term partnerships with other countries and TNCs, regional integration cooperation and cooperation with international organizations. At the same time, the ideology of the latest «free competition» has double standards since the declared commitment of global leaders to global liberalization is accompanied by a targeted policy of monopolization of the information technology priority and the most profitable markets [3].

Under these circumstances, the study of the regulatory component of economic development in the conditions of markets' globalization, their trans nationalization, regionalization and institutionalization are becoming particularly relevant.

Economic globalization is controversial in nature and ambiguous as a result of the increasing difficulties in national-state regulation of international economic activity, and because of it, in the internal economic processes of countries. It manifests itself differently and in varying degrees but directly affects both highly developed countries and developing countries in a market-driven environment. It is clear that the countries-world leaders, as a result of successful multi-year expansion in international markets, have realized global competitive advantages,

while the rest of the countries were virtually on the brink of modern economic development, as they could not respond adequately to the challenges of globalization in the first place, first of all, scientific, technological, and informational, which for the beginning of the third millennium are reasonably considered to be generally civilized [4].

Therefore, the question concerning the state's ability in a market environment to ensure socioeconomic progress arises, which, in its turn, is directly dependent on the use of appropriate targeted economic policies by national governments, integrating financial and budgetary, monetary, structural and investment, scientific, technological, innovative, regional, social, and external economic components [5].

Also, one of the contradictions of globalization has been the inability of states to regulate the economy at the national level in the course of deviation from world economic processes and the state of the international situation as the rivalry of the countries for receiving foreign investments. It made impossible the use of such traditional macroeconomic regulation instruments as the export subsidies, the national currency rate, customs tariffs, central bank refinancing rate, etc.; the growth of intra-firm transactions complicated the implementation of economic and tax policies; the connection of a constantly increasing global market to the geographic area has weakened; mobility of capital has reduced the efficiency of labour legislation, undermined the possibility of implementing social programs and social welfare goals; an increasing part of the national wealth (intellectual resources, knowledge, scientific and technical potential) began to function out of state control, and so on.

The modern system of international economic exchange operates by means of mechanisms' regulation, those were elaborated during decades. Thus, in terms of international trade, those are tariff and non-tariff methods and instruments – licenses, quotas, anti-compensatory and anti-dumping taxes; in international investment – restrictive or national regimes of investment activity and methods of stimulating of foreign investors – political, legal, diplomatic, fiscal, financial, organizational, and economic; in terms of the monetary and financial sector – currency regime and exchange rate, currency restrictions, interest rate loans, thresholds of external financing and debt, etc.; in the international labor migration emigration and immigration rules and regulations. Regulation is carried out at the national, international (two and multilateral), supranational (within the framework of integration interstate entities), and global levels.

In economic literature, one can increasingly see the assertion that a new form of competition is being established in global markets like: group against group. In our opinion, this is confirmed by the fact that in terms of the global economy and in the conditions of the intensification of international technological competition, the processes of cooperation and collaboration become more widespread. According to Sh. Meital, «not a competition but cooperation and collaboration are the fundamental sources of corporate profits and the economic well-being of the society» [6, p. 336]. He believes that it is due to the concept of competition on the basis of cooperation that it is necessary to consider and evaluate business strategies. The transformation of competition into coordination and further to cooperation reflects modern processes of informatization of society. Intense competition in the domestic market can lead to a reduction in the investment potential of individual firms and, consequently, reduce the international competitiveness of the country.

There are at least three reasons why cooperation-based competition is becoming increasingly important for business decision-making described in economic literature. Firstly, in many industries, the most important firms no longer compete only in local markets. The sphere of action is the world market. Even domestic competitors often have to face foreign competition. Therefore, even large firms feel the need for allies. Joint ventures are one of the ways that guarantee cooperation. There was an average of more than 200 of such enterprises annually in the 80th of the XX century in the USA. Secondly, products and services are increasingly becoming knowledge-based and intensive as for the use of information. Therefore, an atmosphere of cooperation is important for their formation, where knowledge is widely

disseminated. The process of combining complex technologies requires close cooperation between specialists and companies. Thirdly, new products and services typically cover the whole portfolio of technologies, rather than the main one. More and more firms that compete in the best way are those who find innovative ways of cooperation and collaboration, often even with the strongest rivals.

From the point of view of the regulatory system, the process of market's globalization is of paramount importance – unification of consumer privileges and global distribution of global brands (commodity markets), standardization in accordance with the latest information technologies of international business management (investment, financial, and foreign exchange markets); it significantly affects the effectiveness of state regulatory functions, on the one hand, levelling them off and, on the other, by activating, as other global business entities (transnational corporations, regional economic integration groups, international organizations) are not able to effectively regulate global trade and economic processes in the context of the realization of national interests [5, p. 121-129].

Under the influence of predominantly objective factors, for most of the world, the problem of adaptation of state-regulating functions to the level of global market self-organization and the overall institutionalization is becoming more and more relevant.

The economic life of countries requires a correlation between state regulation and market self-regulation.

At the same time, the market imperfections can be competitive and socio- societal insolvency, imperfect information, indifference concerning the rights of the next generations to a quality environment and life and, on the other hand, typical problems of state intervention to the market economy, which have both objective and subjective sides. The intrinsic nature lies in the incompetence of the government, its dependence on the internal or external destructive influence that was typical for Ukraine.

In general, the value of targeted state policy that promotes effective national development is constantly increasing, as it was evidenced by the economic theory and world economic practice of most successful countries in the world. This is due to the regularities of the functioning of the modern market, the factors of structural-technological, geo-economic, and civilizational order. Delegation of state authority at the regional (local) and international level determines the flexibility of approaches to the use of macroeconomic regulators to compensate for defects in the modern market and maintain the balance and dynamics of the national economic system in a highly competitive international environment.

Globalization, which is still de facto weakening internal and external state sovereignty, raises fair fears about the transition of control over national economies to certain stronger states, TNCs, and international organizations de jure. Therefore, it requires qualitative changes in the whole system of the international economy where there are systemic shortcomings of the inertial world economic order as a result of the backwardness of international regulation from global market practice that provokes generally civilized conflicts. A new paradigm of the global economy must take the place of the traditional institutional paradigm that is adequate to the global economy as a set of self-dependent and self-sufficient national economies with expanding and deepening the process of redistribution of powers and functions between states and other regulators based on subsidiarity, i.e., the organizational and legal principle according to which the Community (for example, the EU) applies any measures only if they are effective for the relevant activities at the national, regional or local levels (with the exception of the Community's exclusive competence areas); one of the fundamental principles of the European Union is the ongoing assessment of the feasibility of EU action in terms of available capabilities at the national, regional, and local levels with subjective concentration of regulatory functions according to the criteria of efficiency and voluntariness.

Therefore, national strategies for development in the global environment are also multivariate. At the same time, the problem of global institutionalization is not to preserve the traditional status of the state regulator but its ability as an

evolutionary organism to respond adequately to the challenges of globalization: informational and technological, economic and, in particular, social.

Part 2. International competitiveness of the country as a basis for its participation in international tax competition

International competitiveness is a complex and multifaceted phenomenon, especially in today's market environment, where competitiveness determines the place, role, and future of the country. This phenomenon evolved for a long time, acquired various forms and depended on many factors. Therefore, it is very important to follow the evolution of the process in order to understand the problem of competitiveness more deeply and find the best ways to solve it.

Competitiveness is traditionally interpreted as a stable place of the country or its producers in the domestic and foreign markets due to economic, social, and political factors. In an open economy, competitiveness can also be defined as the ability of a country (enterprise) to withstand international competition in its own market and markets of other countries. Today there is no unambiguous interpretation of this term.

The founder of the neoclassical direction of economic thought, the well-known English economist A. Marshall in his «Principles of Political Economy» (1890), argued that the opportunity to increase the competitive advantages of production appears when a certain factor of production is not used in full and in mass- production scale does not provide a minimum of costs. The criterion of competitiveness within this model is the availability of such factors that can be used with higher productivity. Human capital is one of the most important factors that make it possible to maintain advantages over competitors. A. Marshall argued that when an entrepreneur distributes his resources in the best way, he gets the greatest (marginal) return from each factor of production that his enterprise is capable of. And if any of them is used excessively, then he gets a «downturn» since the rest of the factors may not keep up with him [7].

Swedish economists E. Heckscher and B. Ohlin, in their work «Interregional and International Trade» (in the 20th of the XX century) transformed the principle of Ricardo's relative advantages, arguing that the basis of the foreign trade specialization of the countries lies not in terms' differences but in factors of production; the costs of foreign trade are determined not only by productivity but also by the prices of factors of production that are unequal in different countries. Scientists have found that when labour is in surplus with land and capital, labour costs will be low, while capital expenditures and land value are high. Accordingly, it may encourage countries to develop such production and export their products, which use cheaper factors of production. According to this theory, the country gains comparative advantages in those areas where intensive excess factors are used intensively [8].

Representatives of the neoclassical direction made numerous attempts to improve the Heckscher-Ohlin-Samuelson model, considering additional factors such as changes in the structure of demand (the work of B. Balas, M. Linder, M. Kelem, and others), the evolution of production structures under the influence of technological progress (J Hicks, J. Hart, G. Hruher), effective government policy (V. Leontiev).

The concept of an effective competition based on the innovations of J. Schumpeter lies in the heart of the evolutionary theory. He proved that effective competition is possible only under the conditions of a dynamic economy based on the dissemination of novelties in various forms. This is the manufacturing of new products, the use of new technology, technics, development of new markets, the transition to more rational forms of organization and management methods. The decisive value in the economy should not be a competition of prices or quality but the competition of innovations, because innovation and entrepreneurship are the main factors for the formation of the competitive advantages of the states. Technologically advanced countries are able to achieve innovative advantages in the emergence of new knowledge-intensive goods in the world market. Innovations make it possible to obtain monopoly profits for states [9].

The visible improvement of the competitiveness of a number of European countries, such as Finland, Sweden, Denmark, Luxembourg and others, has greatly changed the views of scientists

on their competitiveness. Thereby, P. Katzenstein in «Small States in the Global Markets: Industrial Policy in Europe» (1985) notes that along with liberal capitalism of the United States and Britain and the state capitalism of France and Japan, operates corporate capitalism of smaller European states. According to P. Katzenstein, small European states are quick in responding to economic changes, and the balance of economic flexibility and political stability makes it possible to secure high competitive advantages in international markets. He believed that the use of corporate institutions and mechanisms for merging the state apparatus with social groups in society in order to solve the economic problems ultimately will help to improve the competitiveness of these countries [10].

American scientist J.A. Hart argued that the main factor of international competitiveness is the ability of the country to create and distribute new technologies, which largely depends on the relations between society and the state that influence these processes. The state and society should work in close cooperation and complement each other [11].

According to M. Porter [12], competitiveness is an urgent problem in the world economy. He believes that there is no generally accepted definition of competitiveness. Competitiveness for companies means the ability to compete in the global market with a global strategy. For many congressmen, competitiveness was a positive foreign trade balance. For some economists – low production costs per unit of output brought to the exchange rate. The controversy around competitiveness has not subsided and continues to this day. Porter developed a system of factors that determine international competitiveness. The scientist concludes that the competitive advantage reflects the productivity of the use of resources. This principle is fair both at the enterprise level and at the level of the national economy as a whole. According to Porter's arguments, the factors that shape the competitiveness of the country are divided into four groups:

- parameters production factors;
- demand for goods and services;
- the strategy of firms in this country, their structure and rivalry;
- the nature of subsidiary industries those are relevant to the country.

Competitive advantages and competitiveness are closely interconnected. Competitive advantages that characterize objects or subjects of management are factor features, and competitiveness is a resultant one. Proceeding from Porter's theory, it is clear that competitiveness is a manifestation of the system of many factors that create different competitive advantages depending on the competitive environment. The necessary element of a market mechanism is competition, which, in the conditions of globalization grows and its essence, forms, methods change as well. Each competitor has an individual set of benefits.

Recent work by Anglo-American scholars G. Hamel and K.K. Prahaladis devoted to improving the competitiveness of firms in terms of global markets. An important condition of intellectual leadership they call the skilful use of «basic product features» and «key competencies», which understand the potential development and new product use, as well as knowledge, skills, qualifications of staff that will help products in case of demand's loss to move forward to the market with other innovations [13]. According to the scientists of the XXI century, it is the stage of revolutionary decisions and innovations in business. Competition is no longer a «product against a product», «efficiency against inefficiency» but

«nonlinear innovation versus linear». It is argued that the «era of progress», linear evolutionary development, and continuous gradual changes were completed in the twentieth century. The firms which are busy with new kinds of business, take non- standard solutions and use non-linear innovations will win. According to G. Hamel and K. K. Prahalad, in order to maximize profits from innovation, the company must outperform its competitors globally. They proposed a new category of «global advance», which includes the following prerequisites:

- proximity to the market – is characterized by availability to the most important national markets and sales channels;

- favourable consumer attitude – ahead of competitors, it is necessary that consumers around the world try to buy new products of the company;
- sales channels – the ability to create advantages in the world market is based on the movement of new products, as well as the promotion of its benefits, the monitoring of success or failure.

British researchers J. Tidd, J. Bessant, K. Pawitt in «Innovative Management» (2001) [14], to some extent, agree with the researchers, who emphasize that innovations contribute to the competitiveness of companies, as there is a strong correlation between market activity and new products. Food and technological innovations help to conquer and retain part of the market, as well as to increase profitability in these markets.

R. Kanter in his paper «How to succeed in the digital culture of the future» (2001)

[15] emphasizes that «digital», «electronic culture» enhances the company's competitive advantages and innovations, introduces elements of constant changes in the company's activities, activates human factor, creativity of the personnel. Scientist argues that by operating digital information in computer networks, e-commerce offers fundamentally new business opportunities. As R. Kanter emphasizes, constant changes are a method of the existence of electronic culture.

The experience of economically developed countries' leaders confirms that the evolutionary process in the economy is realized precisely through the innovations. They are like a train, entailing modernization and structural restructuring of the entire economy. It is innovations that serve as the main criterion for the development of society. Therefore, a country that stands aside from the «innovation competitions» is lagging behind in the hierarchy of world community development.

In our opinion, it is necessary to make a notional line between the categories «competitive economy» and the considerably broader notion of a «competitive country», «a competitive nation», since in many works, these concepts are used synonymously. Consequently, the international competitiveness of the country is the ability of the country to occupy and maintain stable positions in certain segments of the world market with a strong economic potential that provides dynamic growth of the economy on an innovative basis; developed system of market institutions; owning significant intellectual capital and investment resources; the ability to respond flexibly to changes in the world's situation and, accordingly, to diversify its production, maximizing the implementation of national interests for the sake of security of economic and high standards of living. The competitiveness of the nation is the assertion and growing of the importance in the world community of the state intellectual potential, which provides high rates of economic growth based on innovations.

The key characteristic that provides the ability to conduct tax competition is the competitive advantages that must be formed at the basis of identifying the mechanism of influence of tax factors on the competitiveness of economic entities of the country. Since the formation of these factors takes place under the influence of state regulation, the tax policy of the state, which creates a certain level of tax competitiveness, becomes of fundamental importance.

It should be noted that in the conditions of the development of international competition, there is no consensus on the definition of the essence of such categories as tax competition, in particular, international tax competition among scientists. Thus, in the broad sense, international tax competition is interpreted as the uncoordinated establishment of taxes by an independent state, the use of low effective tax rates, reduction of tax burden in order to increase the competitiveness of national business, increase of business activity in the state and attraction of foreign investments in it and attraction of mobile tax bases as well (R. Tyser, T. Field, C. Pinto, D. Rojas, J. Wilson) [16]. In a narrower sense, tax competition is considered as the effect of the tax system of one state formation on the tax system of another one, based on the ability of taxpayers to choose between jurisdictions with different levels of taxation and the transfer of a part of the gross national product to another territory, the impact of tax policy on the distribution of income from taxation between state budgets (T. Goodspit, A. Puzin, D. Mitchell, J. Wilson, and D. Vildasin) [17]. At the same time, the supporters of both positions converge on the fact

that international tax competition encourages governments to take active action on the use of all opportunities to create competitive advantages of their own tax system. Thus, by their very nature, the categories of «economic competition» and «tax competition» have the same meaning, that is tax competition, which takes place in the field of taxation, is a form of economic competition.

It can be argued that international tax competition is a struggle between states or their associations for attracting foreign investment and the transfer of mobile tax bases by creating an attractive tax environment that will facilitate the revitalization of business activity. In its economic sense, tax competition is essentially a form of economic competition, the content of which is to compete in order to achieve the goals, the best results in a particular field, are of the opinion that, on this basis, competition should be regarded as a set of relations for the effective management of their own competitive advantages for improving the competitiveness of the domestic tax system and the economy of the country as a whole in the strategic perspective [18, p. 136].

Considerable attention to the study of international tax competition indicates the scientific recognition of the importance of its impact on society and the economy of individual states. The tax sphere is a significant component of the formation of the potential of the national economic competitiveness; therefore, the structure of these ratings includes tax criteria and indicators, allowing assessing the level of development of the tax system and the work of tax authorities of individual countries. The main indicators of the competitiveness of the tax system assessment are: the total number of taxes and fees, rates of income tax (income) of individuals and legal entities, the level of the tax burden, the effectiveness of the tax authority, the stability of tax legislation [19, p. 48-53].

The consequence of a relatively high level of tax competition is the formation of such taxation conditions that promote the attraction of economic subjects, including non-residents, in economic relations [20, p. 131-136]. But, in our opinion, this concept is somewhat wider: it can be viewed as a macro level (states, subjects of power, regions), and at the micro level (subjects of management). The main source of the formation of the revenue part of the budgets on different levels is the distribution of taxes and fees and the consolidation of their specific types of state and local budgets. This ensures the relative independence of the budgets, increasing their role in the implementation of state policy on the socio-economic development of territories.

The mechanism of interaction between them is the tax policy, which from the point of view of the macro level is aimed at the organization of the tax environment and control of the opportunities, resources, benefits (especially financial) enterprises, institutions, etc., and at the micro level, this policy manifests itself as a reaction to the first to optimize the tax payments and economic performance.

Bearing in mind all the foregoing, it is necessary to emphasize the need to formulate the principles of tax competition in such a way that they ensure the interconnection between priorities and areas of fiscal and competition policy. On the one hand, the principles of fiscal policy are aimed at ensuring the fulfilment of taxes by its functions, and on the other hand, the principles of competition policy make it possible, in the right way, to form stable and dynamic competitive tax advantages and, if necessary, to choose the direction of strategic changes in the tax environment, aimed at the needs of the present.

Thus, fiscal regulatory instruments are essential for creating and forming of the favourable conditions for both the production process and the socio-economic development of regions and the country as a whole, where the level of the latter indicates, on the one hand, the standard of living of a given state, on the other hand, on the competitiveness of the national economy in the world, which, in its turn, depends on the effectiveness of fiscal policy and the application of tax regulation instruments.

Today the development of tax regulation makes for taking into account the external aspects of fiscal policy. The impact that taxes have on the competitiveness of the country in the world of space is more specified.

The fiscal regulatory instruments should provide additional factors for economic growth that will increase the level of the state competitiveness.

In the process of fiscal policy development, the interests of all parties in fiscal relations are taken into account. In practice, it is implemented through the appropriate tax mechanism, which is a set of organizational and legal forms and methods of tax management (i.e., a set of tools for implementing the fiscal policy of the state). The state adds to this mechanism the legal form through tax and budget legislation.

Tax policy is the activity of the state in the field of establishment, legal regulation and organization of taxes collection and tax payments to centralized funds of state resources.

By increasing or reducing the mass of tax revenues and formulating its state tax policy, the state changes its tax forms and tax rates, tariffs, exemption from taxation of certain industries, territories and population groups, can contribute to the growth or decline of economic activity, creation of the necessary conditions in the market, the conditions for the development of priority sectors of the economy and formation of a balanced social policy. Using these or other tax privileges, the state regulates proportions in the economic structure of production and exchange, as well as in the development of productive forces. The organization of taxation affects the social product realization, the rate of accumulation of capital and technical productive capacity upgrading of the state [21, pp. 64-68].

In our opinion, when implementing tax policy, it is necessary to take into account the fact that for the successful industrial development of the country, the realization of the tax system goals should not conflict with the goal of a general system – increasing competitiveness. Thus, the main objective of tax policy is to create conditions for economic development, which, as we have already noted, includes economic growth and the creation of new competitive advantages [22].

At present, the classification of competitive advantages is rather complicated. For example, S. Yemelianov [23, pp. 60-73], based on the synthesis of the provisions of several theories that somehow affect the analysis of competition, distinguishes five main types of competitive advantages:

- resource advantages – formed by means of: the existence of a favourable tax and administrative environment created by the government of the country of allocation of capital and allows commodity producers to save on tax payments, as well as transactional costs; advantageous location (proximity to the main infrastructure nodes); favourable conditions for access to natural resources and real estate; low interest rates; the availability of natural resources and labour and their cheapness.
- technological advantages – conditioned by the presence and operation by producers of mass production technologies that provide economies of scale and increase the consumer effect associated with the price characteristics of the products;
- innovative advantages – formed due to timely implementation in the production of R&D results, which allow accelerating the update of the range of products and thereby increasing the consumer effect associated with qualitative parameters of products;
- global benefits – relate to the formation of non-economic (environmental and social) standards of economic activity and their implementation in the policy of firms and the state;
- cultural benefits – they are due to the cultural proximity of countries, which allows firms to support markets and resources in countries close to social culture.

The first three types of competitive advantages – resource, technological, and innovation – are basic or necessary, global and cultural competitive advantages can be noted as sufficient conditions for maintaining and increasing the competitiveness of the country.

Thus, the tax system itself can be a resourceful competitive advantage in case if it creates a more favourable environment for economic entities in the world market. In addition, tax policy in general has an impact on the last two types of competitive advantages.

Conclusions

One should also note that the components of any system are in a relationship and interaction, therefore, the tax policy as a component of the system of competitiveness, referring to the macro level, interacts with the components of the system at different levels, in particular:

- at the meta-level – it is the place where the main political and economic forms of organization of social life are formed, and tax policy can have a significant impact on society since the taxpayers are the vast majority of citizens of the country. In the field of tax relations, the interaction between taxpayers and the state, their duties and responsibilities are formed one before another. Thus, tax evasion of a certain group of economic agents is a response to state measures in the form of an increase in the tax burden in order to preserve the general mass of fees and to increase tax administration. The latter, in its turn, worsens the position of bona fide payers, which cannot but affect their relation to the state as a whole and to non-taxpayers. Consequently, the most important determinants of the system of competitiveness, which are influenced by the tax policy, are social integration and agreement, the attitude of society to reforms, conditions for creating public opinion regarding the status of entrepreneurs and their role in the development of the country. Thus, if we turn to the classification of competitive advantages, then the meta-tax policy contributes to the formation of cultural and global competitive advantages;

- at the macro-level – the basic conditions of the economic system as a whole are determined here. Tax policy is the most important component of state policy at the macro level, within which the parameters of the money circulation from taxpayers to the state are determined. Changes in tax rates and levels of taxation affect many macroeconomic indicators that measure the competitiveness of the economy: the level of GDP, price level, interest rates, etc. At the macro level, it is determined how much tax policy can be considered by economic entities as a source of competitive advantage;

- at the meso-level – specific types of policies and institutions are formed, where, as a result of collective action, measures are taken that influence decisively the productivity of individual industries or the location of production. When implementing measures of meso-politics, the state can use macro tools. The main types of policies on the meso-level, where the tax instruments are applied, are the structural, industrial, and technological policies. Tax policy contributes to the formation of technological and innovative competitive advantages;

- at the micro-level – this level is the determining level of economic relations in the formation of competitiveness since it is the enterprises that realize competitive advantages.

At the same time, the conditions for the competitiveness of the micro-level are laid down on the meta-, macro-, and meso-level ones. Tax policy is designed to create the same activities conditions for all enterprises since the legislation prohibits the use of individual tax regimes and benefits. That is why in this dissertation study, we will not dwell on the analysis of the micro-level since the tax policy interacts with the micro-level in the system of competitiveness indirectly.

Consequently, the study of the current state of the tax system shows that the on- going issues of reorientation of the current tax system in order to stimulate the processes of socioeconomic development of the country remain open, the solution of which may be a step towards increasing the state's competitiveness and contributing to the development of the Ukrainian economy.

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STATE UNIVERSITY OF JAN KOCHANOWSKI
DEPARTMENT OF ENTREPRENEURSHIP AND INNOVATION

**STRATEGIC MANAGEMENT:
GLOBAL TRENDS AND NATIONAL PECULIARITIES**

**Collective monograph
edited by A. Pawlik, K. Shaposhnykov**

Kielce, Poland
2019

UDC 330.34
S 88

*Recommended for publication
by the Academic Council of State University of Jan Kochanowski*

*Recommended for publication
by the Academic Council of SSI "Institute for the Education Content Modernization"
of the Ministry of Education and Science of Ukraine (Minutes No. 6 on 26.06.2019)*

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The authors of articles usually express their own opinion, which is not always comply with the editorial Board's opinion. The content of the articles is the responsibility of their authors.

Strategic Management: Global Trends and National Peculiarities. – Collective monograph. – Poland: Publishing House “Baltija Publishing”, 2019. – 712 p.

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