


# Competition and competitiveness as the instruments of the market regulation of the economy

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**Abstract.** The article examines the competition and competitiveness not only as economic categories, but also as proof of their inherent universality in all phenomena of life. During the 40 years of the development of market relations our country had all the advantages and disadvantages of this economic order. We consider the categories of competition and competitiveness themselves, their advantages. Also, we examine their logical connection with other general categories: form and content, quantity and quality, old and new, theoretical and factual, part and whole ones. The challenge is to achieve sustainable development, to improve its effectiveness. And competitiveness is improving of all parts of the enterprise. We designed a system for different departments of the enterprise. It contains all the stages of the product life-cycle from production target through execution, promotion, quality of productions, precision, execution, plan of supply, etc. This study of competition provides a scientific basis for conclusions on the competition: competition of complex objects (enterprises, regions, countries) cannot be expressed by a single indicator even if it is important (product quality, profit, high demand). It is always the complex indicator. The analysts of enterprises should search for economic, technical, organizational, and social reserves not only within the enterprise itself, but also in the external environment, including similar companies abroad. Business analysis should not only search for internal reserves of output growth, but broadly analyze the external environment of the enterprise.

**Keywords:** competition, competitive, enterprise, region, country, form and content, competitiveness.

**JEL codes:** A10, D04, M21, M31

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## Introduction

During almost 40 years of the market economy development in Russia, it experienced all the advantages and disadvantages of this social order. During this period there were two deep economic crises, in 1998 and 2008, which started in the East and affected the economic system of almost all developed countries. Also, there were smaller recessions in 1995, 2004, 2014. They were caused by internal problems and external adversity. At the current stage of accelerated economic development, ensuring its advantage over other countries, increasing the level of sustainability, efficiency, and independence of our country's development become the urgent task. The hostile policies of the major European countries, the USA, and the imposition of major sanctions intensified the processes of import substitution and increased economic and technological independence from Europe and the USA. By the presidential decree, all payments for gas, oil, oil products, and fertilizers exported to countries pursuing an unfriendly policy against us had to be made in rubles. It intensified the process of import substitution of foreign products, increased the sovereignty of our state, and strengthened the purchasing power of the ruble. A positive feature of the organization of the market economy in our country is the freedom of enterprises and organizations to develop through the formation

of a range of products and services, the selection of suppliers of raw materials, components, and consumers. We have the free pricing, so as free bank choosing for financial services and ways to attract investment for future renovation and development of fixed assets. However, this choice significantly increased the demand on the qualifications, knowledge and competences of the company's managers, and different departments. Market freedom caused the uncertainty, it become necessary to thoroughly assess the choice of the suppliers and consumers of products, banks, and investors. Also, there is a need to know the economic practices of the nearest competitors, analyze their activities, future market trends. Thus, external factors are the object of analysis. Nowadays, in order to answer the questions on the administration of their company, it is necessary to analyze the competitors' activity, including the analysis of demand, production, research, and development. The many companies now operate in a highly competitive environment, depending on the internal and external economy. It is imposing a special responsibility on management to make the best and most responsible decisions. The difficulties of market development in Russia are increased, particularly in the initial stage of the market relations, because of insufficiently competent and well-founded government policy. Indeed, our political economy focused on improving economic relations during the stage of building socialism and later communism. But it did not consider the ways of the transition from socialism to market relations, considering it impossible. It seems impossible to change the rigidly prescriptive planning into the market freedom. At first, there was the primitive copying of foreign experience. For instance, monopolies have destroyed many large enterprises, reduce funding of the military-industrial complex, which was the crucial part of several industries. In order to obtain loans from the World Bank and the IMF, many loss-making enterprises and mines were closed down. For example, in the Far East in the 1990s, when the most of the loss-making coal mines were shut down and the region was left without electricity because the power plants were fueled by coal. The rapid removal of the foreign trade monopoly without increasing of the level of competitiveness of domestic products and services led to the decline of whole industries producing consumer goods, foodstuffs, agriculture, food processing, textiles, clothing, footwear, refrigerators, etc. By 1995, the country's GDP fall to 52% of its 1990 level.

The revival of the economy began only in 2000 since 1992. The economic growth was particularly strong between 2000 and 2007, when it was close to its 1990 level in many key parameters. The one of the results of Russia's economic development between 1991 and 2007 there was integration into the global, mainly European, economic space. Russia became a convenient location for branches and subsidiaries of the automotive industry, the chemical industry, wholesale and retail trade, and many other industries, as it turns into a favorable market for products with sufficient purchasing power of the population and an above-average skilled labor force. Indeed, Russian economics oriented towards selling the raw materials and energy resources in the foreign markets. This export orientation and heavy reliance on energy allowed many European and American countries to pursue the unsustainable economic policies. The introduction of sanctions in 2013 and their intensification in 2014 at the first phase caused some crisis phenomena and slowed down the development. However, increased military strength, an independent foreign policy, and ties with Southeast and South Asian countries, which have intensified in recent years, have caused the economy growth by 2016. On the other hand, the power phenomena, and negative policies of the European countries and the USA contributed to the reorientation of a number of industries towards the domestic markets, giving a spur to agriculture, fishing and a number of light industry sectors, intensifying the scientific potential for improving production and replacing foreign products with the domestic products and services.

Nowadays the Russian government tends to increase the self-sufficiency in the areas of production, financial, and IT. The president's order to switch payments for natural gas and oil to Russian rubles was the most prominent decision. It strengthened the Russian ruble and the country's independence and allowed intensifying the import substitution process. Now the national objective is to achieve a decisive advantage over foreign partners in terms of product quality, comfort, and to adjust the producer-consumer paradigm. The government is significantly changing the paradigm of the international relations. The relations based on the competitiveness are replaced by ones based on partnership, where the needs and requirements of each other are clearly considered. Russia has those with China, India, many countries of the former Soviet Union,

Hungary, and Serbia on gas and other resources.

However, the total freedom of choice greatly increased the demands on all parts of the companies and organizations. Nowadays, they are in some uncertainty, because they should substantiate the choice of suppliers and customers, analyze their activities, and give at least a rough forecast of their future activities, in order to know, where they can stand in the short term. Many enterprises and organizations handle with it and continue to operate in a highly competitive environment due to the state of the economy, which imposes a particular responsibility on management to make the best possible decisions. Initially, until about 2000 a lot of them failed and went bankrupt. Especially, the small and medium-sized businesses, where up to a third of the disappeared and started up again annually. Some kind of stabilization appeared in the late 1990s, when a new generation of employers experienced the difficulties of a market economy, had a good knowledge of its laws and possibilities, and could foresee all the pitfalls of the market development, came to manage businesses and organizations.

The next decade of the country was a period of overcoming of a long crisis and regaining the previous business position is characterized by a relatively high growth rate in the economy. They were particularly strong between 2000 and 2007, when reached the 1990 level by many leading indicators. The development of The Russian Federation during 1991-2007 resulted in its integration into the global, and mainly European, market. A significant amount of food, consumer goods, and the household appliances came from the external market. Russia was a convenient location for branches and subsidiaries of the automotive industry, the chemical industry, wholesale, retail, etc. It became a convenient market for products with sufficient purchasing power and an above-average skilled labor force. This activity was oriented towards selling raw materials and energy resources on the foreign market. This export orientation and heavy reliance on energy allowed many European and American countries to pursue the unsustainable economic policies. When the Russian Federation began to maintain an independent foreign policy by the own laws, there were introduced the sanctions, which began in 2013, escalated in 2014, and are now greatly intensified. Under these conditions, the Russian government aims to achieve greater independence in the fields of production, finance, and information services, to strengthen the independence of the country, orient and raise the domestic market, to get rid of external pressures from unfriendly EU countries and the USA, which influence is quite negative.

Our study proposes a developed and tested the concept of a subjective approach to a comprehensive analysis of the competitiveness of enterprises and organizations, operating in a market economy. The nature of the approach is very simple and based on two principles: 1) in a market-based economy, demand for products and services dominates and strictly determines the quality and the quantity of production. Producers of products or services should to produce their goods only at that level of quality, and in that quantity, which will be bought on the market by the consumer in a certain period. 2) A market economy is always uncertain and variable. If, the needs of a consumer could not be satisfied, he or she will look for another partner at home or abroad. We propose the subject approach as the relevant one. By it, the activities of a company, its production, and financial services will be analyzed in terms of the perspective of the market players, who wants to cooperate or establish the economic relationships with the other players. This paper considers the competitiveness as a relative variable. When we state that an enterprise is competitive, it means that its products or services are in demand by consumers, who cooperate or want to establish the relations with it. But there is an issue of affiliation to competitiveness. An enterprise is at the same time a producer of products or services, a consumer of raw materials and supplies, a consumer of credit and investment, a borrower, a bearer of social benefits, a holder of securities, a recipient of investment, etc. Also, it can be the holder of different and even opposing types of competitiveness. There are periods, when products are demanded, but wages are low, banks are heavily indebted, etc. Unfortunately, this problem is understudied in the domestic scientific literature on the analysis of economic activity, as most literature focuses on the competition of products and services, and in financial relations considers the solvency of the enterprise. The significance of the study is provided by the systematization of research experience of enterprise competitiveness, a development of the fundamentally new approach, in which the authors tried to overcome the existing shortcomings. Also, the authors defined the basic methodology for analyzing the competitiveness of both the enterprise and its partners to make

effective managerial decisions.

We can distinguish three approaches to defining competitiveness in accordance with the existing literature. The first defines competitiveness as competition in the marketplace.

This approach is characteristic for Russian economic papers. An example is V. Gordeev's research on competition, which examines the essence and importance of competition in Russia's transition to a market economy. The second approach considers competition as an element of the market mechanism for the balancing of supply and demand. This approach is typical of both classical and neoclassical economic theory. Its adherents are A. Smith, J. Schumpeter, and F. Hayek. They regard competition as a factor that controls the market: a) as a manage force of the market, which is automatically optimizing it: i.e., the weakest partners have should leave the market; b) as a condition for the new discoveries and innovations; c) as an accelerator of the new knowledge; d) as a structural approach to competition, stimulating the rapid overcoming of negative moments and crises. By the third approach, the authors consider competition should be a criterion of defining the industrial markets. They classified them into the competitive ones, which require enormous financial and material resources that no company, even a very wealthy one, can match. (e.g. development and extraction of resources, construction of a main oil pipeline, etc.); the weakly competitive ones, when an industry is dominated by a few large companies that do not allow other players to enter (beverage industry); the competitive one, when it is possible for every company but in order to enter on the highly competitive markets, there should be free niches or the one of the participants should be replaced by the new market player.

Competition is defined in the Law of the Russian Federation. "On Competition and Restriction of Monopolistic Activities on Commodity Markets". By this Law, "Competition is an adversarial relationship between business entities when their individual actions effectively limit the ability of each of them to affect unilaterally the general conditions of the circulation of goods on the relevant commodity market" (Magomedov, 2005).

In our work, we will consider competition not only as a market category, but as a general fundamental concept that expresses the essential universal properties and relations of reality and cognition, formed because of the generalization of their development. Therefore, the definition of a category should contain the properties and relations of objects and phenomena of reality, include dialectical contradictions that contribute to its development. In accordance with these ideas, we propose the following definition. By competition we mean the social relations between its individual market entities, having related development goals to create and use advantages and obtain high results. They can be material, financial, moral benefits, social, military, scientific leadership. Here we will try to examine each item of this definition.

The economic relations in a competitive environment are sometimes based on the conflicting objectives and interests of each entity. Based on the contradiction between producer and consumer, seller and buyer. Each participant of this contradiction wants to get more value through the price value. The contradiction is resolved through the establishment of an acceptable price. The contradiction between manufacturers producing the same or similar types of products or services provided by their goods and services quality, service culture, the availability of additional discounts, benefits, etc. The dialectical contradiction between territories and countries is expressed through a comparison of living standards, comfort, safety of residence, provision of the benefits of life and recreation, the attitude of the leadership to the people, and to the vulnerable populations.

Having freedom of choice, each of the participants in the market tries to realize their interests, have more benefits, win in the competition for the buyer or voter, etc. Every manager or owner of the company tries to keep highly qualified employees, avoid the departure of his main employees.

Here are a few more definitions of competition, which are the most common: competition in the market in the absence of monopoly; competitive relationship between two or more economic entities, manifested as the desire of each of them to obtain the better results; a particular kind of fair economic struggle that tends to gain the upper position through the entrepreneurial skills and abilities of the struggle entities. Also, there is a competition between the market players for better conditions.

In this study, we considered in detail the other common economic category, "competitiveness", as a

derivative of competition. It represents the external form of the competition. We can define the competitiveness as possessing and being able to take advantage in the marketplace for the greater benefits. Competition, as a phenomenon, remains stable, but its forms can be very diverse, and change under the influence of various factors.

In dynamics, it is influenced by the external environment and can change from the lowest level to the highest one, when a complex object has many advantages in a wide range of activities. We consider competition, often expressed by a single indicator.

In terms of the balance between the competitiveness of products and services and their quality. This issue is relevant one, because of the many studies define these two categories as synonymous, and, if the quality of the product or service is high, the object under study is considered as competitive one. However, they are different. In accordance with the definition of competitiveness as the presence and use of advantages, it can be logically assumed that the higher the quality of a product or service, the more competitive it is. But the high quality usually accompanies a high price. If the manufacturer's price is too high, the advantage of high product quality is lost. Competitiveness as a market characteristic depends not only on the quality of the product, but also on its price, which can be decisive. Price, as a market category, is influenced by many internal and external factors that are not always within the control of the enterprise. There can also be the reverse process, where objects that are not of the highest quality at a low price become competitive. It is particularly common during crises or in emergencies. For example, the products of the Yaroslavl company "Lakokraska" were behind English, German, and Finnish analogues in terms of product quality. But, when the dollar exchange rate went up from \$6 to \$18 in 1998, many customers abandoned foreign partners and started buying "Lakokraska" products because they had the best price-quality ratio. The quality of products and services is an intra-productive and inherently relative characteristic in nature, as it depends on the object, we compare its characteristics. High quality in an enterprise can become low, when compared to the national average, and even lower, when compared to the international standards. Therefore, many innovative businesses focus on international quality standards, such as ISO 9000, etc.

For the competitive products, the main characteristic is high market demand; only this can accurately determine their level. Therefore, if lower quality products have a high market demand, they are more competitive. The demand for product quality was replaced by the price factor. It is often occurring, when the technical characteristics of products meet the lowest level of regulatory requirements. And its prices are quite low. For example, the construction of a brick house has the highest demands on the exterior bricks because of their strict geometric shapes. The interior space of such house is filled with quarry-faced, which are not subject to the strict requirements. Therefore, this good is bought more and it becomes more competitive. Competitiveness often depends not only on quality, but also on the price of the product, which is sometimes decisive. The other factor, influencing competitiveness as a market characteristic, as opposed to product quality, is the state of the economy, which largely determines the demand for products. When there is a decline in production, a crisis leads to higher unemployment, lower wages, lower bonuses, and other negative factors, so consumption patterns change, especially for consumer goods. The competitiveness of expensive, high-quality goods is declining and that of inexpensive goods and services is rising. It shows that the multifactorial impact on competitiveness as a category largely dependent on the state of the market economy.

Competitiveness has been and continues to be the subject of discussion and debate by many authors. There are many approaches to both defining this category and methodologies for analyzing it. While at the product level, the essence, the influencing factors, and the method of analysis have already been developed in depth in relation to products, at the enterprise, regional and national levels many points of contention remain. Some of them contain many shortcomings: inaccessibility of the information base for analysis; availability of the theoretical indicators that cannot be formalized and objectively measured, which reduces the accuracy of the estimates; lack of indicators, characterizing innovation development, etc. Increased competition between enterprises made it possible by the liberalization of the Russian economy, the level of freedom of production, and the choice of consumers, suppliers, and banks. The company management is a key factor in the viability, development, and success of a company on the market.

The subject of our research is the competitiveness of the enterprise and the influence of the general philosophical categories on it: form and content, quantity and quality, old and new, theoretical and practical, whole and part. The competitiveness of a company depends to a large extent on the precise and coordinated work of all its production and management units, starting with procurement, parts, and assemblies to the export of its products. To provide the right level of competitiveness, all products and production systems should be analyzed in terms of competitiveness. This aspect of analysis depends on the theoretical and the practical interests of economic activity.

We provide a general outline of the concept of competitiveness. Competitiveness – as comparative competitiveness – as the ability of an object on the macro-meso-micro economic category, as the best ability to satisfy the needs on the market.

The competitiveness of an enterprise as an advantage of individual activities: 1) the ability to provide better quality products; 2) the higher efficiency and activity; 3) the ability to maximize income; 4) a higher level of wages; 5) a high financial stability; 6) a high level of social protection for its employees.

We consider the use of enterprise competitiveness in the process of implementing a subjective approach. They are as follows: 1) the clear definition of the specific objects of assessment, competitiveness of the different types of enterprise activities, since the approaches to the analysis and the system of indicators differ; 2) the orientation on temporal, object, and methodological compatibility, as a basis for correct comparison. 3) observance and consideration of the basic semantic components: multivariate, universality, multidimensionality, specificity, relativity, comprehensiveness.

Authors included the different types of components in the assessment of enterprise competitiveness are: M. Porter (2003) assess the company strategy, its intellectual resource; E. Golubkov (2003) – 16 factors of enterprise performance, including R&D base; V. Taran (2005) – economic, production and sales potential, financial position, management level, labor resources, scientific research work, annual costs on R&D and number of recently received patents, firm reputation, its market strategy; L. Baumgarten (2005) – product quality and characteristics, production capacities, financial resources, customer service, dealer network and distribution capacity, reputation (image). Innovation capability; H. Fashiev (2003) – qualified personnel, well established business processes, good contacts with suppliers, untwisted brand, ability to secure stable financing, contacts with governmental structures, R&D, unique technologies, ability to create competitive products, innovativeness; I. Zulkarnaev (2001) – objectives of the organization, resources and ability to use them productively, intellectual resources, external environment factors, innovation, implementation of new technologies in processes, materials, products; M. Marakulin (2005) – the ability to manage trade-offs through the firm's intellectual potential; I. Rezinkina (2008) – the ability of an enterprise to invest development and adaptability in all areas (production, financial, human resource management activities, innovation policy development, predicting the behavior of competitors; G. Hamel & K. Prahalad (2002) – intellectual leadership, skillful use of basic product functions (managers' potential, development of 'Key Competences' (people's knowledge and skills), development of H&R through training, expenditure growth, investment in employees' potential, quality base for fundamental knowledge, higher level of investment in education, development of talent incentive systems; V. Abramov (2004) – natural, informational, material, energy, time, labor, intellectual resources as information and knowledge ones. This overview includes only some of the approaches that are part of the benefits. In the reality, they are different for each enterprise.

A summary of the available views and an approach to the definition and composition of competitiveness factors shows that almost every one of them emphasizes the availability of intellectual potential and the introduction of innovation in enterprises to achieve improved performance in the long term. However, they are not the activities, establishing the specific final product, but the special media, including the creativity and innovations. It could be a 'creative corporation' in which human resources, their knowledge and information would determine the competitive potential of the enterprise. The transition to a market economy changed this financial category definition from a static, comparative, national advantage, to the use of price-fixing techniques, the growth of winning the competition to increase the material base to increase innovation potential.

Based on the review on the definition of competitiveness, we consider the principles of forming the subject approach during its analysis: 1) a clear definition of the specific objects of competitiveness assessment in the different activities of the enterprise, since the approaches to their analysis and the system of indicators differ; 2) orientation towards temporal, objective and methodological comparability, as the basis for a correct comparison of the category "competitiveness". The indicators should be calculated for the same time intervals (the leap year is taken as an ordinary one). 3) The same objects should be calculated in terms of the same methodology, they should be quantified (without it the process will be subjective; 4) the main semantic components of competitiveness should be observed and taken into account: multivariance, universality, multidimensionality, specificity, relativity, complexity; 5) the definitions should be formulated based on the practical significance of competition categories to be able to use them further to solve practical tasks. To comply with the first principle, we defined that we would consider the activities of the enterprise as the object of competitiveness assessment. Regarding the second principle, it is no coincidence that the basis of competitiveness is comparability, because the origins of the conceptual components originate from the essence of competition as the presence of comparative advantage. I. Bogomolova remarks that the concept of competition forms the basis of a market economy as the main force behind the relationships of entities operating in each environment. The most successful participant in such a competition is those, who can withstand the competition both in the domestic and foreign markets. Competitiveness literally means "being able to compete" (Bogomolova & Khokhlov, 2005).

### **Main part**

The development of a new approach to analyzing enterprise competitiveness starts with a consideration of the essence of its basic category – competition. M. Porter established it as a decisive factor and basis for the analysis of the market environment (Porter, 2003). However, the category has not been sufficiently explored in terms of philosophy and classical economic theory, which is the foundation of all economic sciences. In terms of philosophy, the category is "a general concept, defining the most essential connections and relations of real reality and cognition" (Illustrated Encyclopedic Dictionary, 1995). In our opinion, competition is a general scientific category, not only an economic one, as it is often interpreted. The Illustrated Encyclopaedical Dictionary defines it as follows: "Competition (collision), rivalry, competition of people, groups, organizations to achieve similar goals, better results in a certain public sphere. Competition is an essential feature of various activities in which interests collide (politics, economics, science, sports, etc.) Competition becomes widespread after hereditary, class privileges and centuries-old regulations are abolished, and the principles of democracy and market economy are established, where competition norms and rules are elaborated. The encyclopedia interprets it as a competition, a clash, a rivalry between humans, but we know that it also exists between animals, when young males fight with the leader of the pack for supremacy (wolves, elks, deer, etc.). Even among plants, there is a struggle for survival and the strongest specimen wins, and the weakest shrinks. Athletes compete for top performances, actors, and actresses – for leading roles. Scientists, through their work, become PhDs, etc. Thus, we can conclude, that the desire for better, superiority is embedded in the behavioral paradigm not only of humans, but also of animals and plants. Competition also existed in the system of state administration, although it was limited to those objectives that were most beneficial to the country's leadership and served the prosperity of the existing system. As a competition between workers of one branch of industry, it had a national character (miners, weavers, machine operators, etc.) and was of great importance for the development of the country's economy and its successes in the foreign and domestic market. Only with the transition to market relations, when market freedom of enterprises and organizations in determining the ways of development, choosing consumers, suppliers, setting prices for products and services emerged, competition embraced all spheres of activity and became the main tool for increasing production efficiency, which could be used by enterprise management for its development.

In our work, we will consider competition not only as a market category, but as a general fundamental concept that expresses the essential universal properties and relations of reality and cognition, formed as a result of the generalization of their development. Therefore, the definition of a category must contain

the properties and relations of objects and phenomena of reality and include the dialectical contradictions contributing its development. Based on described above, we can suggest our own definition of competition: "Competition is the relationship between individual actors with related development objectives to create and exploit advantages in order to get ahead of the results." Economic relations should consider the interests and needs of different entities, often connected by opposing objectives. Also, there is a contradiction between the seller and the buyer. The seller wants to make more profit through selling as many goods and services as possible. The buyer is better able to satisfy his product needs with less spendings. This refers to the people as well as to the companies. By accepting or agreeing to a certain price, they are resolving this contradiction. In our definition we operate with the term 'single objects', which makes it possible to considerably expand the concept of competition to include not only people or animals, but also enterprises, individual regions, and even countries. Enterprises compete to obtain a larger market share for their products and get the highest possible profit, to attract investment, the cheaper loans, create a more comfortable environment for their employees in the social sphere. It includes the decent wages, a comfortable team climate, opportunities for creative growth, childcare and schooling, etc. The regions compete to establish the favorable climate for investment by increasing the income level of their citizens, comfortable living conditions, relatively low prices for consumer products and services, increasing their working life and many other conditions. The countries try to achieve greater economic development, stable national security, a higher level of income for their citizens, higher levels of education, health care, more social benefits, and high protection for certain sections of the population, i.e., everything that defines a "highly developed state", so that competition becomes a universal category in terms of the range of subjects it covers.

However, to confirm this, it is necessary to know the dialectics of its development and establish the connections and dependencies with other universal categories. The main of them are content and form, quantity and quality. The definition of competition refers to the creation and exploitation of advantages. Their presence and quantitative level determine the essence of competition in a market environment. It is very relevant quality for any enterprise in terms of its products and services, a more stable financial situation, a high level of social development of its employees through higher wages, opportunities for creative growth, leisure, health, and everything else that includes the favorable production environment and its success in the market. However, the content of the phenomenon appears in some form. The definition contains some of them, which are inherent in these activities: rivalry, comparison, confrontation, competition. The competitiveness is such a form in a market economy of production. We consider it as the availability and widespread use of market advantages to obtain greater benefits and income for the successful development of the enterprise. The dialectical contradiction between the content and form concerns with the content changes, which follows by the form changing, as the new content cannot remain within the old framework. Although competition, as the basis of essence, always remains the same, even when a business has no advantages, it can itself become an advantage, as it becomes attractive for its cheap purchase and there may even be buyer competition for its purchase. Since competitiveness is a form of economic competition, it can fluctuate quite widely: from the lowest to very high, if the enterprise has a large set of advantages in different activities. Competitiveness is dynamically influenced by various factors, depending on the state of the external and internal environment and management's response to their changes. It often depends both on their number and level. If there is only one main advantage, it becomes a single-order advantage. For example, the ratio high quality product / very high price makes the competitiveness lower; but a relatively low price makes the competitiveness higher. When multiple benefits are present, the competitiveness becomes multi-ordered, although benefit ratios can vary considerably: high for one benefit, medium for another, and low for a third. For example, G. Azoev (2001) consider it as competitiveness of product market, i.e., the ability of goods sellers to compete with their rivals, who supply similar goods to the markets. This view is correct one but has a lot to do with the type of market and the position of the producer in that market: free competition, oligopoly, competing monopoly. Also, each view requires a different tactic, and it may be successful and unsuccessful. F. Karayeva (2008) under competition means the ability to maximize profits. However, making a steady profit is a prerequisite for the success. The author's view is purely mercantile. It is still relevant how to make a profit: whether by producing



high quality products or services, or by increasing prices, then the result can be temporary and lead to a reduction in demand or intervention by the regulatory authorities. Approximately the same is expressed by E. Bely (2006), who points out that in almost all publications the authors, many without explicitly stating it, notes that competition is an object, which can ensure profit and thus increase competitiveness. There is also a need to make a distinction in the context of the relationship between competitiveness and business performance or consider the characteristics of the concept of efficiency itself, depending on the evaluating subject: profitability, high profitability, a large assortment, or other indicators. I. Ulanova (2008) regards competition in terms of the quality of a product or service provided to the market to satisfy consumers. Competitiveness is a specific measure of an enterprise's performance in the market, reflecting the real embodiment of its potential. But in our opinion, it mostly concerns with the product competition than with enterprise one. An enterprise always has issues concerning with the cost of production, the workers' wages, the social climate, etc. Thus, authors include in the category of competitiveness a key characteristic that they consider as the prior ones. There is also a need to highlight the disadvantages, which is reflected in the limitation of the approaches considered and the reduction of the multidimensional category of competition. By defining competition, many authors do not study the essence of the category, but rather the forms of its manifestation. We also can consider such forms of competition as rivalry and clashing. But there is an issue of competition in socialistic society. Firstly, competition is the base of a market economy; it is intrinsic to its entities: businesses, regions, and countries, according to a complex system of indicators. Whereas competition is the most often for people of the same profession in terms of quantity and quality of production. Or sporting competition in strength, agility, and speed. They all perform on an equal level, but there is an inherent rivalry in boxing, wrestling, etc. The physical strength, age, training, and skill of the person are important in this case.

The base of our research is enterprise – as a multifunctional, complex category that cannot be measured by a single indicator. Therefore, it becomes rather difficult to formulate an overall assessment of the competitiveness of a complex object: a company, a region, a country. For example, a region may be high in industrial development, high in wages, medium in productivity and low in health services. The competition, although interpreted differently, is always defined as a rivalry between actors. We reviewed the most typical definitions of competitiveness: a non-monopoly market competition; an adversarial, competitive relationship between several economic agents, manifested by a desire to obtain better performance. A special kind of fair economic competition in which the more skillful, enterprising, and capable side prevails, competition between market participants for better conditions of production and sales (Magomedov, 2005). The correctness of the comparability process is in the fact that comparisons should be made between quality homogeneous economic entities, i.e., enterprises similar in scale, activity, availability of resources, and possibility of prospective development. The need to quantify assessment led to the development of the category level of competition. This concept reflects the degree to which one entity is superior to another and allows a quantitative comparison of a large set of economic competitors. It follows by the appearance of the second most important universal category of quantity and quality. These categories are intrinsic to all phenomena of nature, society and human activity. In the management of businesses, regions, and the state, there is always a process of establishing and developing advantage in order to level up and, if possible, to get ahead of the competition. There is an issue of the quality benchmark. For many products there are specific GOSTs, specifying the structure and quantitative composition of products. When inspected by the specialized authorities, a company may indicate this on packaging or use them in advertising. Many other products have their own GOSTs or technical specifications, which companies develop themselves, guaranteeing a certain amount of them. In a market condition, the quality of a competitor's product can be a quality benchmark, especially if its market share is the leading one. If an enterprise has reached the same level in any parameter, it can safely mention it in its price lists. If it even exceeded that level, it can, point that out in advertising without comparative analogy. If the goods have better parameters than the foreign sample of a well-known company, the company can point this out, referring the buyer to the Internet, or publicly available indicators of the company, without naming the foreign company. This information can be found in the company's summaries on the world's leading exchanges. For some types of activities (financial, remuneration, environmental protection) information can be taken from statistical

digests, which usually demonstrate average results for the relevant industry. They can be a quantitative benchmark for product quality. For some financial indicators there are special standards, although they are mostly advisory in nature, but the achievement or exceeding them may already indicate the presence of advantages. The most important aspect is that the enterprises, the territories, and the leadership of the country should set and solve the problems of gradual increase of advantages, which lead to increased competitiveness and improve the lives of the population of any territorial formations. It can allow them to rise to a new level of quality. The implementation of the principle of quantitative comparability will allow to maintain the main semantic characteristics of competitiveness: multivariance, universality, multidimensionality, concreteness, relativity, and criterial nature. We will consider them more thoroughly. Multivariance determines that the authors' approaches depend on many factors: personal interests, the chosen priority characteristic, existing reality, the chosen object of evaluation, etc. The summary index of competition should be constructed so that it could serve as a universal parameter of the market condition of any objects to all market participants, the role of which can be played by sellers, buyers, competitors, investors, (present and potential), heads of public authorities, representatives of labor collectives, etc. Multidimensionality is the category of competition arises since it deals with specialists of different directions: marketers, commodity specialists, managers, quality management specialists, etc. The assessment of the level of competition of any objects can pursue a variety of goals: from studying the position of a particular product on the market to the study of the investment attractiveness of entire enterprises, industries, regions, and countries. Therefore, this diverse concept should be defined in different aspects, depending on the tasks to be performed. This requires its systematization, the use of methods of analysis and synthesis, which will ensure the specificity of the category. Relativity of competitiveness is based on a comparison on the key parameters of the evaluated object when choosing an adequate basis of comparison. In defining the conditions of competitiveness, an enterprise can be considered as an entity interested in achieving the best advantages in the characteristics of its activities, depending on the goals pursued. For the evaluation of the competitiveness of an enterprise, we examine the interests of the main participants in the process.

1. The buyers of products and services assess the competitiveness of the enterprise in terms of the competitiveness of the goods. They assess the most suitable for them in terms of quality and price, after-sales service and strict compliance with the delivery schedule: in time, batch sizes, nomenclature, quantity, cost of spare parts and components, guaranteed life and others compared with the products of other similar companies in the industry. Profitability and compliance of supply discipline is the primary goal of the seller-buyer relationship. Therefore, the customer's quantitative assessment comprises the quality of products and strict adherence to the delivery plan. In the conditions of the high competition among enterprises-suppliers, became successful those companies, who can quickly adapt to the increasing diversity of demand for products. Therefore, the factors for assessing competitiveness should include readiness and ability to update the assortment. In addition, in competition, those enterprises will have preferences that are clear, and provide the maximum of information to the consumer in an accessible form. The second very relevant factor of product competitiveness is the price. It should be most consistent with the quality of the product and have an optimal quality-price ratio. For example, sometimes it is useful to calculate corresponding of increase in quality to the increase in price. And, if the increase in price is significantly in compare with the increase in quality, it is better to eliminate such a product. The important for the consumer is the availability of discounts, incentives for high batch sizes, or repeat orders after a period. He or she become a regular customer and already claim for a discount. A system of discounts, benefits when paying for products, and a friendly relationship are very important.

Many authors regard a highly competitive product as a competitive enterprise, i.e. they consider these two as synonymous definitions. M. Dolinskaya (1999) analyse the concept of competitiveness of an enterprise in comparison with the category of product quality; P. Zavyalov (2001) assesses the competitiveness of a given product through its market share; O. Kaplina & D. Zaichenko (2005) assesse it through quality and price establish the competitiveness of an enterprise; G. Azgaldov (1982) compares the costs of the buyer and the result of using the product. M. Akulich (2003) indicates the level of product quality as a fundamental

factor in interfacing with customers. A. Voronov points out the necessity of a competent marketing policy in managing product competitiveness (2003); Sh. Magomedov (2005) considers the prestige of goods in the system of their competitiveness evaluation; G. Sabetskaya (2006) proposes to analyse competitiveness based on the construction of its market model. It includes product quality, which is determined not only by consumer properties but also by after-sales service as well as by precise fulfilment of contracts on quality, volume, range, delivery time, and the ability of supplier to innovational development. It seems to us that the level of product quality, its performance ahead of competitors, plays an important role, but it is too narrow a focus for the company. It has other sides of the business that should be considered. In particular, the quality of service, the availability of benefits, discounts, etc.

2. Suppliers of raw materials, fuel, components, and semi-finished goods.

If we want to achieve a finished product of high quality and be highly competitive, the first thing we should do is to establish incoming inspection of incoming materials, raw materials, and components. In a market economy, businesses can choose their own suppliers, and this poses the challenge of choosing from those that match their quality and price best. The quality of the raw materials should play a decisive role. It is important for it to have a high image and the quality of its raw materials, its products, and the completeness of its products to be fully in keeping with the quality of its products. Many companies make a special file on suppliers, in which the note all the shortcomings of the raw materials and components they receive. And once a month, the supply department provides this information to management. The important factor in this case is the stability of supply, i.e., the conclusion of a contract for a long period. It allows the supplier to plan its production for a long period and ensure its stability and sustainability in time, which is an important factor for the sustainable operation of the Russian economy. However, the supplier should consider the manufacturer's requirements and try to meet them. This is especially concerned with the convenience of packaging, batch sizes, and delivery time. Market relations involve not only competition, but also commonwealth, where each partner should proceed the cooperation, understand each other, and improve their relationship.

3. Banks and other lenders. First of all, they interested in the level of the enterprise's credibility as a borrower of funds, its solvency, i.e. its ability to pay the loan granted. The bank determines the level of its financial independence, stability, which determines its level of solvency. In establishing the terms of credit, the lender must determine the level of risk that it assumes. It is important to examine the credit rating of the company. Also, it is reasonable to assess its ability to generate a sufficient level of profit for its repayment, learn in detail the main financial indicators of its work, analyze their dynamics and plans. The lenders consider the use of credit funds, whether they are appropriate for the purpose of obtaining the loan. The set of factors and indicators must distinguish whether the loan is for current purposes. For the quantitative assessment can be used indicators of the efficiency of the innovation process, if the loan is long-term, and the efficiency of current production, if it is short-term one. Some banks, especially for long-term loans, insist on opening a special account at their bank and can control the expenditure of funds. Also, they can require a collection order to withdraw funds from another bank if the borrower cannot repay the loan on time. The general characteristics of the enterprise, the degree of its competitiveness is very important for banks. Also, the banks pay attention to the guarantees of the loan returns. The number of advantages and their level compared to competitors are also important.

4. The investors assess the feasibility and risk of investing in the activities of the company and the probability of obtaining income. Indeed, the investment attractiveness is provided by many factors: the effectiveness of the project, its technical and economic novelty at the stage of laboratory tests. It is important to assess the effectiveness of the project through increased labor productivity, savings of material resources, time of production of any part of a product. In the large projects requiring significant funds, the investment attractiveness is provided by the financial characteristics: stability, solvency, profitability of main products, the efficiency of fixed capital, low risk of bankruptcy, etc. Moreover, the investor assesses the total level of investment activity of the enterprise: how many applications for inventions were submitted, how many licenses were received in recent years, what is the intensity of the chief designer department, whether there is a department of inventors and innovators, what is its intensity, what is the return of fixed assets, their service

life, and many other issues related to the technical level of the enterprise. The success of the investment depends not only on the efficiency of its activities, but also on the rationality of the financing of the company development.

Investors are interested in the level of the company financial independence, the ability to increase the rate of sustainable growth of equity, ensure the contributions of the founders by exceeding the amount of net assets over the authorized capital. The quantitative assessment of the level of enterprise competitiveness for investors define the financial stability, solvency, profitability, probability of insolvency (bankruptcy), and assessment of the effectiveness of investment activities, its rationality, etc. There is a certain specificity of investment of enterprises by the foreign investors. In this case, the production indicators became primary ones for the foreign investors, because they believe most of the financial indicators can be artificially elevated. For instance: an enterprise has a high long-term, outstanding debt, but at the end of the year it borrowed a large new loan from another bank and completely repaid it. The financial condition of the enterprise based on financial indicators has improved dramatically: from a long-term debtor, it immediately became a debtor with a short-term debt. The company's profits and payroll volume are interdependable. The profit reduction causes the salary increasing and vice versa. Therefore, the indicators of profitability, solvency can be used as tools of manipulation, depending on the policies pursued by the company's management. Understanding this, the foreign investors pay more attention to production indicators and the main of them is "orders portfolio", i.e., applications for the products, their volume, and the term the company is provided with orders. The following indicators are very important, too: dynamics and intensity of equipment renewal, personnel qualification level, implementation of the latest technologies, etc. In our opinion, this position is the most correct. Since the indicators of the state of production guarantee the development of investments and income. The second factor is the qualification of personnel, their level of education, knowledge of modern methods, licenses and patents, rationalization proposals submitted and received by engineers during their service at the company.

5. Employees of the company, both those directly employed by it and those who would like to work there. Firstly, they are interested in high level of wages and the system of premiums, by comparing it with the level of the cost of living: the higher the gap, the more attractive it is from a material point of view. In addition, the level of social security is relevant for the employees. The level can be assessed by the share of funds allocated to the social development of staff. The financial considerations play a crucial role in the choice of employment, but they do not limit the individual requirements. New mothers are primarily interested in whether the company has a daycare center. Young professionals are interested in the opportunity for career growth, professional development, and self-development. The opportunities for young workers increase the probability of the career development, higher qualifications, and special skills. The qualitative composition of employees can be assessed by the number of persons with the higher education. But workers: by the share of specialists of the 4th, 5th, and 6th grades. The psychological climate of the company is important for the employees, too. It should be noted that stability in terms of wages and place of work is especially important in times of crisis. Also, an important factor is the stability of the enterprise on the market, its high image. However, it should be considered that each employee intuitively determines the state of the organization and feel the crisis moments. The management of an enterprise should cultivate a sense of patriotism among employees toward their enterprise. For instance, pay a part of the wages and then compensate the total. We can consider the experience of Japan, where during the recession the employers did not pay dividends to their workers, but, when it was over, they thanked every employee for not selling their shares and for remaining faithful to the company and paid the lost profits to the employees.

Indeed, the social security is in the first place for our enterprises, and especially for: fitters, adjusters of equipment, electronic workers, drivers, electricians, etc. For the accountants, economists, labor, secretaries, and others not only material and social incentives are important. The psychological climate in the team, the attitude of management is very relevant, too. Also, the important for them factors are career development, creative work, the opportunity to improve their skills, which determines the advantages and competitiveness.

6. Competitors of the enterprise. The competitors of the enterprise assess the benefits of a wide range of activities. They are interested in an enterprise's ability to increase its market share and the prospects of the

enterprise. They assess it by calculating the average annual growth rate, the increase of sales and the market dynamics. Because one area of the competition between competitors is cost savings, an important factor is the assessment of the cost of competing products by cost items, which are analyzed very carefully. There is an issue about the lower costs of the competitors and the higher quality of their products. In contrast to the cost of production, the costs of enterprise development are also subjected to serious assessing: renewal of fixed assets, introduction of new products and services, innovations in production technology, modern methods of organizing management, the introduction of mathematical methods and models, etc. The characteristics of financial condition through calculations of solvency, financial stability, and probability of bankruptcy are important and available for calculation. In the modern competition, the company with innovative development prevails. The intensity of this development can be assessed by the spendings on R&D, how quickly the company is out of the crisis, etc. Therefore, the assessment of competitiveness can be expressed through a comparison of such economic categories as product quality, solvency, efficiency, profitability, sustainability, attractiveness of investment, the level of social security in different combinations. If we define competitiveness as a general form of enterprise competition, it is necessary to identify another general dialectical contradiction, which is basis of its development. We believe, there is the contradiction between the old and new in general. The advantage of the old one is that it is quite stable, carries proven reliability, stability, low risk due to the high level of certainty. The development of new benefits is usually focused on the future, cutting edge, creating an advantage in a competitive market to occupy a higher-level niche and generate an additional income. At first, however, it can increase volatility, probabilism, and risk. That is why managers in a system of controversies must clearly substantiate the correct, calculated approach, to find the optimal solution, in which the benefits of increased advantages would be more significant than the stability, sustainability of the old business. The solution to this contradiction largely depends on the position of the enterprise or company on the market. On the one hand, a monopolist with a significant market share, strong distribution channels, stable orders, is not always inclined to change and increase competitiveness, especially if it leads to increased riskiness. However, this stability can't last for a long time. Companies and industries are always changing, introducing new technologies, advanced products, and if these processes are ignored, then any, even the most advanced enterprise begins to lose its position. There are many examples in the history of the world economy. For instance, in the 30's of the twentieth century, the Swedish electrical industry was the best in the world, had excellent product sales, as all electrical equipment of ships: electric motors and all other electrical appliances, were the most reliable, had the high efficiency. But in the 60's in the twentieth century, the industry began to decline in product quality to its American analogues and lose its advantages in the marketplace. The General Electric Corporation came to the forefront, and its products became the best in the world. The companies from Germany and Japan demonstrated an enormous success in this industry. Their products were as good as the products of their Swedish counterparts in terms of quality characteristics. The same had happened to the Japanese automobile industry, the mass cars production took the leading positions in the world in terms of quality characteristics, displacing the American and German automobile manufacturers. The cause of the leap was a sharp increase in product quality due to the action of two potentially new components: 1) strengthening quality control of raw materials, components, when the priority in their consumption became not the price, but high-quality products and accurate fulfillment of delivery dates; 2) abandonment of the constant speed introduced by G. Ford, the assembly line, in which each worker could stop the conveyor and restart it only when his operations were complete. It will improve the quality.

On the other hand, in a highly competitive market small and medium-sized enterprises try to find the vacant niches and therefore more likely can obtain the competitive advantages.

It provides their survival and sustainability on the market. Therefore, finding, exploiting, and creating the competitive advantage is benefit from the competition by finding reserves for growth in the production of goods and services, reducing the price.

The company's management is also responsible for the development and implementation of new management techniques and methods.

The special feature of competitiveness as a philosophical category is that its achievement is a rather

continuous process. It begins with an in-depth analysis of all the weaknesses of the company itself and ends with an examination of its external environment and the economic position with which it interacts on the market. In our opinion, there is a need to make a fundamental, significant change of economic analysis as a science: implement the analysis not only for the internal reserves, but to the active study of external partners. It allows us to analyze in more detail the related external domestic and foreign enterprises. We should study the advanced technology, labor organization, management methods, used raw materials, financial condition, solvency, the introduction of automatic and mathematical methods of production, to reduce accounts receivable and payable. We should study the competitors carefully, study their higher quality products, the lower cost of the same products, innovative technologies used in the enterprise, management organizing and many other issues. Suppliers of raw materials and components should report on delivery times, quality, and completeness, and this should be prioritized over the prices; make a clear payment schedule (to reduce payables). Companies should clearly know the requirements and benefits of the banks serving them. The company should be well aware of the wage levels of its competitors and the benefits and training opportunities they offer to their employees; participate in the activities of public and regional organizations to raise their profile in the market.

Based on the review of interested objects in the study of enterprise competitiveness, we can conclude that the main criterion for their separation is the desire to cover as much as possible different aspects of the enterprise, to give them a qualitative or quantitative assessment in terms of competitiveness. However, we can make a few remarks: 1) The desire to develop a universal set of factors leads to attributes, which are purely theoretical and cannot be objectively measured and quantified. The qualitative approaches are possible for implementations through point assessments or rating structures. The results may be subjective. These characteristics include the image of the company, the level of customer service, the quality of top managers, and the interests of customers. When formulating the list of factors, we should try to minimize these indicators. 2) The vast majority of subjects are external users who do not always have access to internal information. Therefore, for external users it is necessary the information from the official sources was available: financial and statistical reporting. 3) Individual subjects are interested in a certain priority subject of competitiveness and are not very important in its overall assessment. The set of factors should vary according to the subject of the assessment. For example, banks, suppliers of raw materials and materials are concerned with the solvency of the company and the timing of loan repayments. Consumers of the products are not concerned with the level of pay, etc.

Proposed set of competitiveness factors by entity (see Table 1).

**Table 1** – Set of competitiveness factors by entity

Factors	Entity
Product buyers	Technical: reliability, transportability, safety, ergonomics. Economic: price, delivery costs, storage times, the availability of benefits and privileges. Organizational: strict compliance with the terms of delivery in terms of timing, quality, assortment. Innovative: company image, brand prestige, the ability to offer new types of products.
Suppliers of the materials: raw materials, spare parts	Solvency, stability, company image
Lenders	Image, reputation, credit history, financial situation, the degree of liquidity, independence, ability to produce competitive products, profitability, large orders portfolio, the purpose of using the credit

Factors	Entity
Investors	Financial situation, efficiency of investment activities, management qualification
The company's staff	Level of remuneration and social security, financial state of the company, the psychological climate in the team, the present and future sustainability of the company, etc.
Competitors	Ability to increase market share, cost of key subsystems, management efficiency, solvency, financial sustainability, intensity of innovation, a rapid way out of the crisis.

*Source: composed by authors*

We have highlighted only the main factors of competitiveness and selected them according to the individual enterprise stakeholders. All these factors have a vested interest in its success and should therefore be considered in the external analysis. It will be the key to its success, both now and in the future.

The formation of a methodology for analyzing a company's competitiveness begins with the level of its competitiveness, i.e., with the development of a methodology for quantifying its level of competitiveness. We identify the requirements that the methodology should meet to be an objective and universal assessment tool in the current, market environment. It should be suitable for the modern era as it contains objective data on the level of competitiveness of any company. An object is a set of quality indicators, in changing which quantitative changes occur to it. It claims the generality of the philosophical categories of quality and quantity.

The list of requirements for an enterprise competitiveness methodology has been developed by the famous qualimetry specialist G. Azgaldov (1982) and supplemented by H. Fashiev (2003).

Requirements for competition analysis methodology:

1. Suitability – to measure exactly the quality of the object's competitiveness.
2. Sufficiency – the measured parameter, no need the other calculations.
3. Uniqueness – the instrument is the one of a kind.
4. Reliability – errors are minimal, failures are undesirable.
5. Qualifications – quantitative indicators are meaningful and understandable.
6. Integrity – the different parameters are combined into the one.
7. Individuality – the assessment is independent of other objects.
8. Flexibility – the method allows the assessment of all stages of the life cycle.
9. Low labour intensity – the method is not labour-intensive or costly.
10. Responsiveness – ability to get a quick assessment.
11. Improveability – the ability to improve the method.
12. Quantification – the method allows a quantitative assessment.
13. Uniformity – the method is the same for different objects and situations.
14. Globality – the method concerns with the development of society.
15. Singularity – the assessment criteria are singular.
16. Comparability – the valuations of similar objects are the same.
17. Reproducibility – the results obtained on the same object by different scientists are the same.
18. Comprehensiveness – all the main features of the product have the importance for the consumer and stakeholders.
19. Sensitivity – the assessment is sensitive to changes of the parameters.
20. Monotonicity – as the parameters improve, the score improves.
21. Accuracy – the margin of error of the estimate is comparable to the accuracy of the usual technical calculations.
22. Dynamism – the assessment concerns with the dynamics of the indicators.
23. Targeting – the management of the condition and development of object.
24. Manageability – the method provides modelling capabilities of the competitiveness.

25. Cost-effectiveness – the economic result exceeds the costs on the realization of the project.

The following overview of the competitiveness analysis methodology is not exhaustive. It excludes the requirements for an information base for analysis, the content and quality of which largely determines the success of the process. Some conditions directly linked to the information base of the analysis logically follow from the proposed requirements. Since the main part of the available information is operational, accounting, or statistical reporting, it is necessary to comply with the requirements for the information contained in them: reliability, materiality, integrity and consistency, comparability, neutrality, objectivity, indication of the reporting period, the correctness of registration, which is discussed in detail in the regulatory accounting documents.

Summarizing the requirements described above and considering the corrections, we have formed our own requirements for the enterprise competitiveness assessment methodology:

The methodology should be based on the application of simple calculations using documented (i.e., reportable) numerical data, which should be accessible to the subjects of the assessment and requirements for their quality:

- all the indicators used to determine the level of competitiveness of an enterprise should have a strictly economically defined calculation procedure. Also, they should be combined into a single indicator by constructing an integral multiplier;

- the methodology should be designed in such a way that, if necessary, indicator-characteristics can be added, deleted, changed, or replaced in the integral indicator of competitiveness without changing its essence;

- the calculated indicator of the level of competitiveness of a particular enterprise should consider all relevant aspects of the activity, independent of other entities and unmatched by other indicators;

- the application of the methodology should be the same for different objects at all stages of the life cycle and for all market actors;

- the implementation of the methodology should not require significant labor, material, and time costs, but should give a real economic effect in the form of a comprehensive analysis of enterprise competitiveness in order to manage its level, to model its state, and to achieve success.

And here we can see the emerging of another paired dialectical categories: the theoretical (formal, ideal) and the real. H. Hegel (2007) regarded the categories of "ideal" and "reality" as independent two definitions in opposition to one another. He believed that ideality is not something that exists outside and alongside reality, and that the notion of reality is clearly that it is the truth of reality.

The ideal and the real reflect the abstract, the formal and the real, which expresses the opposition between them as different but interrelated categories. The first stage studying and multifaceted analysis of a company allows us to assess its existing competitiveness, and the level of its advantages and disadvantages. Here we can know the best practices of domestic and foreign companies, identifying what we can learn from them. In general, it is a plan for future work, and the goals we want to achieve. Therefore, we establish the theoretical foundations and ways of solving the problem. We assess the amount of work to be done, the approximate timescale, and future possible outcomes. By studying external entities, ways to achieve competitive advantages for them, the requirements they impose on our enterprise, we assess possible or impossible ways to achieve the set requirements. If the requirements are not achievable, we are free under the conditions of a market economy, to change the bank or suppliers of raw materials, components. The abstract begins to assume the features of the real through a clear definition of whether it is possible to achieve a certain level of benefits for different subjects. For example, for banks – our ability to achieve the required level of liquidity, independence, sustainability, etc. For the consumer – the measures to improve the quality of products, and strict adherence to delivery schedules and deadlines. For the supplier – the quality of raw materials and components, clear delivery deadlines, and payment deadlines. It is a kind of the reality, which is fully revealed with the implementation of the plans for improved production and social development.

The proposed system of indicators for individual and stakeholders includes both the current state of the enterprise, and indicators of its development in the short term, it allows its partners to make plans for their development, increases the stability of economic partnerships. The category of theoretical to real is the way



from the idea to its implementation, the shorter it is, the more successful the development is, we become more and more competitive

In conclusion, there is another philosophical category, which is close to the dialectic of the categories of "singular and the universal". When considering the categories of part and whole, Hegel wrote in: "The direct relation is the relation of the whole and the parts. The parts are distinct and separate. But they are only parts in identity with each other, or in other words, if they are taken together to form a whole. But this 'together' is the opposite and negation of the part" (Hegel, 2007). Considering competitiveness as a general combination of the whole and not using the contradictions of its parts, we reduce their dialectical confrontation, although it operates in its entirety. First, the combination of advantages completely determines the quality of overall competitiveness: complete or incomplete. Complete it can be only when in all activities and departments of the enterprise, it has an advantage over its competitors, takes a leading position, although to achieve this is difficult. If these indicators are low on at least one advantage, a company cannot be highly competitive. The benefit ratio can have a wide variety of variations: the high advantage for the indicators, medium, and low advantage for the others. For example: high quality in terms of products, average in terms of financial condition, and low average in terms of wages. There is an issue of competitiveness of such enterprise. The question is rhetorical and can only be answered positively by the consumer of its products, while an employee of the company would say that the company has a low competitiveness. It is the dialectic of competition and a factor of its development. But there is an issue of the benchmarking base. For example, a product has a high-quality advantage in Russia, but is not competitive for foreign buyers (a situation is characteristic for Russia). Thus, we need to achieve the world-class quality standards. Proceeding from this, we divided all the advantages into three types, determining the overall minimum competitiveness for each group: by products, financial condition, and the social policy. On the products – its quality, payment terms, and price. Financial condition – strict compliance with standards of liquidity, stability, independence. In terms of social development – the level of wages, growth of the opportunities, a favorable psychological climate, a developed system of incentives, etc. It is the consolidated state of competitiveness of each group that determines the overall competitiveness of an enterprise, at least by Russian standards. This approach is very widely used abroad, through the SWOT-analysis, calculation of the Boston matrix, which gives a list of strengths and weaknesses of the level of enterprise development, without quantitative estimates.

### **Conclusions**

We have considered the content of the category "competition" and one of its external forms – competitiveness, trying to prove that they are general scientific categories, acting in many other areas of life, only in other forms: competition, competition rivalry, collision. The disclosure of the dialectics of these most important, general scientific characteristics of the enterprise is important, because it helps to identify the external and internal factors of their development affecting on it. Competition became a powerful force for development in our country only when we converted to market relations and enterprises became free in their decisions in the domestic and foreign markets, this was the most important condition for its emergence and prosperity. We have tried to demonstrate that it is subordinated to all major general scientific philosophical categories: form and content, quantity and quality, old and new, theoretical and real, part and whole, moreover, all major general scientific categories are present in competition in quantitative expression. This study of competition provides a scientific basis for conclusions on the competition. We tried to demonstrate two important points: 1) competition of complex objects (enterprises, regions, countries) cannot be expressed by a single indicator even if it is important (product quality, profit, high demand). It is always the complex indicator. The analysts of enterprises should search for economic, technical, organizational, and social reserves not only within the enterprise itself, but also in the external environment, including similar companies abroad. 2) Business analysis should not only search for internal reserves of output growth, but broadly analyze the external environment of the enterprise. It is provided by the current practice of import substitution, when we have taken a course to produce domestic parts and assemblies to gain greater independence from the hostile policy of the European Union and the United States.

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