

National Standardization System as the Basis for Economic Competitiveness of Domestic Business

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Abstract: In a competitive market socially-economic processes are characterized by probabilistic and scholastic character and arising from this uncertainty requires to take into account the significant business risk in acceptance of management decisions. That is why, developed countries have begun to recognize the need for state intervention in the market mechanism through the administrative-legal mechanisms for regulating standardization. Such state support is reflected in normative acts of administrative-legal regulation by which compensated for the inherent uncertainty of market forces and a high degree of business risk which confirms the impossibility of functioning of the market mechanism separate from the social processes and separate from government influence. One of the main conditions of an environment for innovation, expanding the boundaries for Foreign and domestic trade, attracting investment and improve the competitiveness of business is standardization. State regulation of this important area allows to solve a significant range of tasks of industry and the socially-economic sector. World experience shows that the state's efforts in the field of standardization give higher GDP growth than other methods of state regulation.

Key words: Quality of products, state influence, standardization, business competitiveness, globalization of the economy, administrative-legal regulation

INTRODUCTION

Strengthening state influence on economic processes in modern conditions radically changes the forms of interaction of state authorities with business entities, there are significant changes in the combined state and market regulation in the purpose and mechanism of relationship management in the segment of the economy. At the present time, characterized by the influence of globalization and increasing competition can be stated that a number of specific segments of the market economy needs the support of the state. This is due to the fact that market relations do not always show their abilities as a basis for self-regulating and self-correcting system. Prominent Russian scientists proved that a certain part of the economic space of the market "fails and does not work" (Ziltsov, 1985). These "failures" not only not solve the problems faced by society but also have other no less serious and explosive.

It is to prevent and eliminate the consequences of such "failures" need the support of the state which can be

expressed in the formation necessary to improve the competitiveness of the domestic business environment and the creation of appropriate infrastructure.

The signs, that characterize modern development trends in many economically developed countries, can be attributed the increased exposure of the state on the processes in the economy, to replace the forms of interaction between public authorities and business entities, the use of measures of state regulation, combined with effective market mechanisms of regulation in achieving the objectives of improving the competitiveness. These trends generally increase the role of the state in solving social and economic problems.

MATERIALS AND METHODS

The implementation of the objectives were achieved on the basis of an analysis of the main provisions of the legislation of the Russian Federation.

While writing the research depending on the nature of the tasks use different methods of economic research: abstract-logical-when setting objectives and research

tasks; a comparative analysis of the main causes for the formation and improvement of the system of standardization in Russia; inductive and deductive methods in identifying legal and economic preconditions for improving the competitiveness of the domestic business.

The theoretical and practical research on standardization system of state regulation of the researcher used monographic method.

The empirical base of the research and the source of ensuring the conclusiveness of issues and conclusions presented in the research were the official data of Federal Agency for Technical Regulating and Metrology (Rosstandart), the native and foreign periodical press; the results of researches of scientific centers, the materials of statistical surveys including the results of experts' reports and opinions, the data of reports about the innovative, financial and economic activity of enterprise structures, the materials of the Russian and international scientific and research-to-practice conferences, seminars, "roundtables", the information sources and the internet.

The main part: In a competitive market socially-economic processes are characterized by probabilistic and scholastic character and arising from this uncertainty requires to take into account the significant business risk in acceptance of management decisions. That is why, developed countries have begun to recognize the need for state intervention in the market mechanism through the administrative-legal mechanisms for regulating standardization.

Such state support is reflected in normative acts of administrative-legal regulation by which compensated for the inherent uncertainty of market forces and a high degree of business risk which confirms the impossibility of functioning of the market mechanism separate from the social processes and separate from government influence.

Recognized legal forms of state (administrative-legal) regulation of the economy and social sphere act accordingly the laws, regulations and court decisions. In the well-known researches of economists noted that without legal system and the authority of law "unthinkable" industrial society which assumes to have freedom of choice in market relations (Popper, 1992). One of the main conditions of an environment for innovation, expanding the boundaries for foreign and domestic trade, attracting investment and improve the competitiveness of business is standardization. State regulation of this important area allows to solve a significant range of tasks of industry and the socially-economic sector. World experience shows that the state's efforts in the field of standardization give higher GDP growth than the actions in the field of tariff regulation (Pereverzeva, 2005).

Standards appear in response to market demands, reduce production costs and help transform the quality advantages of the goods or services in a competitive advantage. Need to improve the administrative-legal regulation of standardization, related to the change of the economic base of Russia in the period of globalization of economic and trade relations, to improve the competitiveness of domestic business in the domestic and Foreign markets.

In 2012, there was an official entry of the Russian Federation to the World Trade Organization. The 29 May 2014 in Astana the presidents of Russia, Belarus and Kazakhstan at the meeting of the Supreme Eurasian Economic Council, the signing of the agreement on the establishment of the Eurasian Economic Union (EEU) completed work which began in November 2011 at the first summit of the Supreme Eurasian Economic Council. Then the presidents of Russia, Belarus and Kazakhstan have taken some kind of "road map" the declaration on Eurasian economic integration and development program of integration interaction.

Study of the problems of state governance in the sphere of standardization, as the basis for improving the competitiveness of the Russian economy, requires in-depth study of a complex system of legislation. Prominent legal theorist Alekseev (1994) allocated the structural elements in the formation of legal norms that lead content of the law of its structure and form governance.

The complex nature of administrative-legal regulation is intended to ensure systematic, completeness and sufficiency for the establishment of national standards. National standards allow to develop fair competitiveness of domestic products (works, services), guarantee issue and circulation of innovative and high-tech products, eliminate technical barriers to trade, increase the level of safety of products and provide its high quality.

Important functions of standardization are protective in relation to the environment, the life and health of animals and plants, preventive security functions purchasers of misleading information, warning protection function purchasers and consumers from misleading information, they also contribute to the degree of energy efficiency and resource conservation, its also contribute increase the degree of energy efficiency and resource conservation.

Economic globalization is a process of comprehensive development of the interdependence of countries, peoples, business entities and individuals within the world combined financial-economic system, the process of weaving their social-political interests and as

a result a process of gradual convergence of cultural relations, internationalization and unification of customs and traditions (Perskaya, 2007). Economic globalization creates global economic space by erasing legal and economic barriers protecting the national economy.

Competition is a multi-faceted and multi-valued phenomenon. On the one hand, it means achieving the same purpose through a process of competition between the various competitors. For employers competition is a rivalry for getting the best conditions for the production, acquisition and sale of products for receiving eventually the maximum possible profit (Zilinsky, 1999).

The Competition Act (The Federal Law “On competition protection”, 2006) defines competition as a rivalry between business entities under conditions where it is possible to limit their independent actions aimed at changing the circulation of goods on the relevant market.

Russian constitution guarantees freedom of economic activity, freedom of business, freedom of contract and freedom of others, relating these guarantees the legal basis of competition. A characteristic feature of the competition is a combination of public interests of the state with the private interests of business entities (Parashuk, 1998). In the sphere of private interests of businessmen in a market economy is included in the confrontation against favorable terms of production and sales as well as to attract customers, the satisfaction of their needs.

RESULTS AND DISCUSSION

On the other hand the area of public interests of the state includes restricting businessmen in their desires unilaterally to affect on conditions of the business activity, especially in terms of standardization of products, works and services (Belykh, 2005).

Particular importance question the resilience, competitiveness of the country acquires now a days. President of the Russian Federation Vladimir Putin rated capacity of the country, noting that, we have a capacious domestic market and natural resources, capital and scientific reserves, there are talented, smart, hard-working people who are able to quickly learn new things to create new technologies and competitive products, to form a margin of safety in the industry and the financial system. Increasing the share of Russia in the global economy, in the relevant geopolitical and historical role, in strengthening the economic independence should help to escape from the trap of zero growth (Anonymous, 2014).

There are many definitions of competitiveness. One of the first well-known definition of competitiveness published in 1987 in the report “World

competition a new reality” which was prepared by the Competition Commission under the President of the United States.

This document determined the competitiveness indicator of how the country is able to produce meet the requirements of international markets for goods and services, while being in conditions of fair competition. In this case, the real incomes of citizens should be increased.

Approximately, 10 years later, the definition of competitiveness of the country has undergone some changes: the emphasis has shifted to the paramount influence political decisions on national competitiveness. “International Forum on Management Development” provided its definition of competitiveness at that time: competitiveness the area of economic knowledge, analyzing factual data and policy that form the country’s ability to create and maintain the socially-economic environment which provides the creation of additional value in production manufacturing and improving the welfare of the nation. As shown by the trend of development of the concept of competition within the meaning of USA and EU policies, the competition gets more and more features of unfair competition (Kiselev, 2014).

Competitiveness of the country, a category that reflects the condition of the economy and the possible prospects of its development. In modern conditions of globalization, free movement of capital, increasing the competitiveness of both goods and organizations and the country is connected mainly to the introduction of new technologies, innovative ideas, innovation and determined the ability of countries to create the best socially-economic conditions.

According to the definition provided by modern economic dictionary, the country’s competitiveness can be interpreted as the economy’s ability to retain and gain important segments of the global market by actively participating in international trade. Competitiveness is determined by economic and technical level of production in concrete country, the quality of produced goods and services, infrastructure development and its relevance to the needs of economy, the presence of absolute and relative advantages. So in the world economy essence of the category “competitiveness” is reduced to creation the best socially-economic conditions; nation’s ability to create and maintain an environment in which arises a competitive business for the improving welfare of the nation.

In modern conditions of economic globalization, an important factor in the viability and economic development of the country is the possibility to achieve competitive advantages and at the state level and at the level of individual subjects of economic relations.

No single country or a particular company is not able to resist the growing influence of competition because of the “outer shell” of globalization calls for increased cooperation and mutually beneficial partnership is a tough competitive global environment.

Neither the certain country nor the concrete company not in forces to resist to more and more increasing competition influence since behind “an external cover” of globalization calling for strengthening of cooperation and to mutually advantageous partnership, there is a rigid competitive global environment.

Thus, competitiveness can be defined as the complex characteristic which contains high quality of production and processes, considerable resource intensity of goods at all stages of their life cycle, image and value of brands, perfection of business qualities of manufacturers, the trade and service organizations, legal security and reliability and also professionalism, efficiency and organization of governmental authorities of management. So synthesizing indicator defines the place of any country in the world community. The place of any country in the world community is defined by such synthesizing indicator.

Administratively-legal regulation of standardization as an ultimate goal assumes maintenance of an established order by production and the address of production, at production modernization implementation, ensuring defense capability and, eventually, increase of competitiveness of domestic business.

The concept and legal characteristics of standardization as instrument of increase of competitiveness was investigated by many scientists-economists, but only in very small degree scientists-jurists. So in Kharchenko (2006)’s research, the following characteristic is given: The national standard in the absence of system of technical regulations remains the main legal instrument of safety and quality of production.

So in research of Kharchenko (2006) the following characteristic is given: The national standard in the absence of system of technical regulations remains the main legal instrument for ensuring the safety and quality of products.

Other experts draw a conclusion that the positive effect from standardization not accident and is constant and system that is it is shown irrespective of the concrete technological decision and doesn’t stop eventually. It is noticed that sharp reductions of operational costs for service of means of production it is observed as system effect from works on standardization (Dmitriev, 2009).

The conclusions drawn in Elkin (2010)’s researches specify that increase of energy efficiency and energy

saving of production, directly depends on application of modern standards and promotes business development. French National Authority for Standardization AFNOR in their research concludes that standardization is a specific form of a transfer of technologies.

Researchers of AFNOR claim: works on standardization allow to reduce significantly implementation time of new production and new technologies. This reduction is reached due to already developed the standard (best) practician and technologies, their timely distribution and application. This effect from application “the best the practician and technologies” belongs also and to technical solutions, both to production and to works and services. One of theorists of an instutsionalizm and the organization of production Thorstein (2007) considers that not completely standardized objects are unsuitable for economic application as demand a lot of thoughtfulness, consciousness and sharpness.

Other German expert Cnut Blind famous in standardization area, the head of the department of innovative economy of the Berlin technological university considers standards and patents indicators of technological development and a driving force of modern economy, but, however, sees the contradiction in the fact that standards do technological decisions public for all in global scales at the same time patents are directed on restrictions in use of the patented technologies and therefore, it isn’t casual between developers of standards and owners of patents there are conflict situations.

One more factor influencing the standardization on state governance is the possibility of regulation and rationing of requirements to labor protection, ecology to marking of goods and, etc.

As the German, English and Australian researchers note protecting environment, increasing safety of people, preventing deception of consumers, standardization is focused on improvement of quality of life (Peter, 2010).

According to ISO standardization increases the culture of production and quality of products, works and services, offering the approved solutions, increasing the of the trust to products of the small enterprises than provides the development of small businesses.

For the organization of small business an important role is played by the operating fund of standards promoting distribution of new technologies. We will consider evolution of definition of national system of standardization. Consider the evolution of the definition of national standardization system.

Under the Current Law “On technical regulation” #184-FZ (The Federal Law “On technical

regulation”, 2002) the national system of standardization as compound structural elements contains national standards (including preliminary standards), various qualifiers, sets of rules, here also included all participants standardization work.

The concept of development of national standardization system formulated more substantial and developed according to the research opinion definition where standardization is set of organizational-functional elements, the documents, rules and procedures establishing requirements and characteristics of their voluntary, repeated use.

Such distinction in definition of the basic concept of national standardization system, formulated respectively in 2002 and 2012, in many respects was promoted by that position of the domestic industry during emergence of the Federal law “On technical regulation” underwent not the best times.

On basis of system of national standardization system formed separate systems of industrial safety, system of nuclear and radiation safety, system of ecological safety (Morozov, 2012).

The sphere of standardization should be included yet such important objects which aren’t affected by the federal law “On technical regulation” as works, services, processes, systems of management, marking, information, etc.

We will consider the basic structural elements of national system of standardization which are defined in the current legislation.

In accordance with para. 5.4.11. The provisions of: In accordance to item 5.4.11. the Provisions about Federal Agency for Technical Regulating and Metrology (Rosstandart) is mandated performance of functions of national authority on standardization. The main objective of national authority on standardization (Rosstandart) consists in maintenance of system at such level which completely corresponds to requirements of economy, a condition of material base and the directions of scientific and technical progress (Anonymous, 2004).

As it was noted above while there is no special federal law on standardization within system of technical regulation the national authority on standardization carries out planning of programs of development of national standards (preliminary national standards) their examination and the statement. It publishes and distributes standards, qualifiers, rules and norms in an electronic form and in printing editions in public systems, including the image of a mark of conformity. Creates opportunities for easy access to the registered documents in the field of standardization. Carries out representative

functions in the international organizations, providing the accounting of interests of the country when developing the international standards.

The technical committees on standardization created by Rosstandart (further TC) it is created for cooperation at work by all types of standardization (national, interstate, international) in a separate spheres of activity.

TC create by types of production, services, technologies or other objects and (or) aspects of standardization which don’t belong to spheres of activity of the shopping malls existing in the Russian Federation. Thus, it is recommended to have analog among technical committees or subcommittees of the international or regional organization for standardization or structural divisions of other international organization which is engaged in standardization. In a separate case, the TC which sphere of activity has no analog at the international or regional level can be created.

In that case, the sphere of activity of the Russian technical committee recommended to be formed on the basis of the name of one or several interconnected groups provided by the All-Russian Qualifier of Standards (ARQS) and in reasonable cases, on the basis of the name of subgroup of this qualifier.

If necessary TC activity sphere can be established on the basis of the name of a subclass or group specified by National Classification of Products (NCP) or the National Classification of Public Services (NCPS) and in case of absence of such classification groups concerning potential objects of standardization taking into account a type of production.

If necessary TC activity area can be set on the basis of the name of the subclass or group of designated National Classification of Products (ST) or the National Classification of Public Services (perch) and in the absence of such classification groups of the potential objects of standardization taking into account the type of product. TC are formed on the basis of the principle of voluntary participation. The structure of the TC can enter the executive authorities, scientific and educational departments, public associations, consumer associations, test houses, trade unions and other concerned in carrying out works on standardization side. In the TC can be included as independent experts or consultants individuals and as observers representatives of Foreign, regional or international authorities.

To documents in the field of standardization, are the components of national system of standardization belong: national standards these documents are applied on a voluntary basis irrespective of production origin place, irrespective of a place where works are performed and

services, irrespective of a type of transactions and persons who are either manufacturers or performers either sellers or purchasers or consumers are rendered.

For confirmation of application of national standards marks of conformity to the national standard are used. In some cases for a limited period of validity of the preliminary national standard is adopted.

The All-Russian qualifiers are developed and used by the rules established by the resolution of the Government of the Russian Federation (Anonymous, 2003).

Development and approval of national standards is carried out in accordance with the program, available for research and study stakeholders.

Developer as which can act any person to notify the authorities and places this information in print and in electronic form. Developer provides stakeholders with a copy of the draft national standard, charging a fee for it.

The developer as whom any person can act, notifies national authority and places information about it in the printing edition and in electronic form. The developer provides to stakeholders, the draft copy of the national standard raising for it a certain payment. Completion of the draft of the national standard takes place after elimination of the remarks received including at public discussion. Total period of date of the notice before date of completion of discussion has to be not less than two months.

Examination of the draft standard is carried out by the technical committee. The term examination is not more than ninety days from the date of receipt of the project to the technical committee.

Further, within 60 days the decision is made to approve or reject the new national standard. These are the documents describing such processes as design, production processes and also processes of construction, installation, adjustment, operation of objects. Their mission is connected with observance of requirements of technical regulations in the absence of national standards. Their development and the statement are carried out by federal executive authorities.

For 60 days prior to the approval of the set of rules, the draft set is placed in public information system. Except above-mentioned standards, standards of the organizations and associations of legal entities are included in national system of standardization. These organizations independently developed, claimed, consider them taking into account provisions of the current legislation.

The technical committee after examination of the standard organizations directs conclusion standards

developers. Currently the complex "Standardization in the Russian Federation" includes the following 9 normative documents:

- GOST R 1.0 2004 "Standardization in the Russian Federation. Basic provisions"
- GOST R 1.2 2004 "Rules of development, statement, updating and cancellation of standards"
- GOST R P 1.4 2004 "Standards of the organizations"
- GOST R 1.5 2004 "General requirements for construction, statement to the contents and registration of standards"
- GOST R 1.8 2004 "International standards. Application in the Russian Federation"
- GOST R 1.10 2004 "Rules of standardization, the claim on standardization"
- GOST R 1.12 2004 "Terms and definitions"
- GOST R 1.13 2004 "The notice on development of standards"
- PR 50.1.074 "Preparation of drafts of standards. External measurements. Cancellation"

In the Federal Information Fund of Technical Regulations and Standards contains >300 thousands documents of which 24 thousands are national standards >18 thousands constitute interstate standards, over 1.5 thousands translations and the russian versions of the international standards, >1 thousand various rules and recommendations.

Thus, in modern economic conditions of globalization, the national standardization system is basis of the economic sovereignty of the state and consequently of state governance of national system of standardization must be considered as strategic direction of the state activity.

At the same time, we note that standardization acts universal though not the only factor of economy modernization and providing economic security of the country, affecting all forms of the organization of macrosocial system, all its structural elements and thereby on all levels of economic security and its main components.

Development of national standardization system represents the substantial activities of the state which must ensure functioning of all segments of the economy. The very same standardization, development trends should outpace the development of the economy and is a basis for the emergence of its new innovative segment which is only possible with good state governance can reveal the essence and content innovation, organically inherent in standardization.

The existing legal problems of state governance of standardization system first of all are connected with that standardization is not currently an independent institute and is considered only as the instrument of ensuring implementation of technical regulations. The current legislation does not fully reflect the provisions defining the role and importance of standardization in modern conditions.

Decline in quality of development of national standards is connected with a shortcoming of the experts working in the sphere of standardization, problems of their outflow from the research organizations and the enterprises of the industry.

The global scale of the threat of destabilization of the national standardization system makes it possible destruction of economic and governmental system. It is no exaggeration to say that without an effective national standardization system may not be strong economy, "effective state", its significant impact on the international scene and the world economy.

Summary: The state policy in the field of standardization is determined by the decisions of the legislative and executive powers and is an activity of authorities, government administrative-territorial structures aimed at establishing relationships and connections between the state and large social groups, concentrating their activities in the field of standardization to improve production efficiency, improving product quality, ensure competitiveness, growth of living standards in accordance with modern trends of development in the global market formed as a result of economic globalization

The state policy in the field of standardization is defined by solutions of legislative and executive power and represents the activity of governmental authorities, authorities of administrative-territorial structures directed on establishment of the relations and communications between the state and large social groups, concentrating their activity in the sphere of standardization on improvement production efficiency, quality of production, ensuring competitiveness, growth of a living standard taking into account modern trends of its development in the conditions of the world market created as result of globalization of economy.

CONCLUSION

Standards appear in response to market demands, reduce production costs and help transform the quality

advantages of the goods or services in a competitive advantage. Need to improve the administrative-legal regulation of standardization, related to the change of the economic base of Russia in the period of globalization of economic and trade relations to improve the competitiveness of domestic business in the domestic and Foreign markets.

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