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CURRENT GLOBALIZATION TRENDS

Abstract:

This article deals with the issue of globalization and its impact on economic processes in countries worldwide with different economic systems; analyzes the current state of the world economy and the contribution of national and foreign researches to the development of economic science.

Background. Current realities are characterized by transformational changes that are system-wide in nature and have a direct impact on the global society.

The world in the late XX and early XXI centuries was changing dynamically, non-linear, allowing for random processes, so its state is called the "The Age of Bifurcation" or the crisis of modern civilization. Well-known American researcher I. Wallerstein refers to the society of the first half of the XXI century in its complexity, instability and yet openness is much greater than anything we have seen in the twentieth century. The modern economic system," he stresses, as a historical system has reached a stage of complete crisis and it is unlikely to exist in fifty years.¹

The modern paradigm of formation of the economic system is influenced by the new global driving forces of economic and innovative

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¹ Валлерстайн И. Конец знакомого мира, социологии XXI века. / Пер. с англ. / Москва, 2003. – 348 с.

progress. This requires reasons for new directions of the development of the economic system at the macro, - micro and global levels².

At the macroeconomic level the globalization is manifested in drive of countries and integration associations to economic activity beyond their borders through trade liberalization, removal of barriers to trade and investment, creation of free trade zones etc. In Addition, the processes of globalization and integration cover interstate agreed measures for the targeted formation of the world market (economic, legal, informational, political) space in the major regions of the world.

At the microeconomic level, globalization is manifested in the expansion of companies outside the domestic market. Most transnational corporations have to operate on a global basis: any region with a high level of consumption becomes their market, they must be able to meet the needs of consumers everywhere, regardless of borders and national identity.

Analysis of recent publications. It is noteworthy that the problems of formation and functioning of the global economic system in the theoretical and practical aspects are explored by many foreign and domestic scientists and experts as: A. Butler, I. Wallerstein, M. Castells, V. Kulishov, A. Galchinsky, B. Odiaghailo, Y. Pavlenko and others. Meanwhile, the current state of this system and its impact on global development causes the need for further study of this issue.

The purpose of the article is to reveal the essence of formation and development of the world globalization and its impact on the economic development of countries in different economic systems, to do analysis of the current state of the global economy, and the contribution of domestic scientists in the development of economic science.

² Кулішов В. В. Основи ринкової економіки. Підручник / В. В. Кулішов, М. В. Вачевський, О. С. Падалка – Львів: «Магнолія 2006», 2013. – 472 с.

The main material. Globalization has become the most important real feature of the modern world system, one of the most influential forces that determine the process of the development of our planet. According to the prevailing point of view on globalization, no action, no process in society (economic, political, legal, social and etc.) cannot be considered as limited in principle. Globalization of international relations is the growing of the interdependence and mutual influence between different spheres of social life and activities in the field of international relations. It is concerned with almost all spheres of public life, including the economy, politics, ideology, social sphere, culture, environment, security, lifestyle, as well as the conditions of survival of mankind.

The global development processes, in terms of which the structure of national production and Finance become interdependent, are accelerated by increasing of the amount of implemented external transactions. Globalization, covering all regions and sectors of the world economy, fundamentally changes the relationship between the external and internal factors of development of national economies in favor of the first one. No national economy, regardless of the size of countries (large, medium, small) and the level of development (developed, developing or emerging) can no longer be self-sufficient, by reference to the available factors of production, technology and capital requirements. No state is able to a rational development and to implement economic development strategy, without regard to the priorities and standards of conduct of the main participants of the world economic activity³.

³ Кулішов В.В. Глобальна економіка. Навчальний посібник. - Львів : Магнолія 2006, 2011. - 208 с

In recent times the term "globalization" is used in various aspects. It is often used as a synonym for the internationalization of economic life and growing of national economies in global economy system, or as equivalent to the liberalization of international trade and investment, or even as another expression of integration of national economies.

Internationalization of economic, political, cultural and other aspects of public life organisms, functioning as the national state of the macrostructure is the most abstract term of increasing interaction between these organisms (countries), that is, inter-ethnic relations in different historical stages - from the first signs of the international division of labor to the modern complex and multilevel system of international relations and interdependencies in the most different spatial scales - from bilateral to regional and global levels. Thus, the internationalization of economic development is caused by the increased level of interconnectedness and interdependence of individual national economic systems⁴.

On the one hand, globalization is the spatial dimension of internationalization of economic life at that historical stage, when it acquired a world scale, i.e. in the second half of the twentieth century and especially in recent decades. This quantitative expansion of the area of internationalization to the maximum possible extent has given it a new quality. Major subjects of economic life became players on the global scale, fundamentally changed the ratio of endogenous and exogenous factors in the development of national public organisms, has changed the role of states as organizational and political instruments that ensure the functioning of such organisms. The relationship be-

⁴ Одягайло Б.М. Міжнародна економіка. Навчальний посібник. / Б.М. Одягайло. - 2-ге вид. випр. і доп. - К. : Знання, 2006. – 432 с.

tween the processes of internationalization and globalization is explored by E. Kochetov: "... Globalization of production and investment cooperation as a result of the internationalization of capital and production undermines commodity production in no way; the subjects of communication according to the goods and internationalization, production act of transnational form"⁵.

Thus, if globalization is an ultimate stage of the development of internationalization in breadth, then integration is the highest stage of the development of its depth. So, in the former case we are talking about quantitative processes and in the latter case about the quality.

Although the term "globalization" is that lately most often used in the economic literature, it's plenty more to full clarity of this term both in conceptual and practical meaning. Globalization processes are estimated ambiguous. Here are different views.

According to the domestic scientist A. S. Galchinsky, you need to be methodologically correct, using the concept of "globalization", which entered into scientific circulation relatively recently - only in the 70-ies of the last century and corresponds to a new stage of civilization development, primarily with features of post-industrialism. The current phase of globalization is associated only with the beginning of the formation of the post-industrial system of global economic relations. In this context it is transitive and contains multi-ordinal definitions⁶.

Professor of sociology at the University of California (USA) M. Castells has defined globalization as "the new capitalist economy" describing its main characteristics: information, knowledge, and information technology are the main sources of productivity growth and competitiveness; this new economy is organized mainly through the

⁵ Кочетов З.Г. Геоэкономика. Освоение мирового экономического пространства. Учебник / З.Г. Кочетов. - М.: Норма, 2006. - 480 с.

⁶ Гальчинський А. Методологія аналізу економічної глобалізації: логіка оновлення / А. Гальчинський // Економіка України. - 2009. - № 1. - С. 5.

network structure of management, production and separation, and not individual firms as it was before; and it is global⁷.

M. A. Shepelev notes in the monograph "The Global world, Ordo Nuovo and the new political science" that the term "globalization" in its importance has become uniordinal with such notions as "history", "culture", "civilization" and "modernity" and "progress" and other humanity concepts. Globalization of the world economy, politics and culture has become, largely at the suggestion of American scientists in the late 90-ies of XX century, the main theme of international studies⁸.

The monograph "Globalization and the development of Ukraine's financial system" contains the notes: "According to a comprehensive approach globalization is a complex geopolitical, geo-economic, geo-cultural phenomenon that has a powerful effect on all the sides of social life"⁹. Also a broad definition of globalization gives Professor I.I. Dakhno: "Globalization is an objective phenomenon of the modern world, something that does not depend on subjective desires, likes and dislikes. Globalization is the movement of humanity to the formation of integrated global civilization. This movement is based on economic factors... the globalization of the economy in the broad sense of this concept means that the national borders and differences between global financial markets have lost its former importance"¹⁰.

More economic direction has the definition of globalization given in modern terminology dictionary: "Globalization is the growing interdependence between different people, regions and countries of

⁷ Кастельс М. Інформаційна епоха : економіка, суспільство і культура / пер. з англ. за наук. ред. О.І. Шкаратана. - М.: ГУ ВШЕ, 2000. – 464 с.

⁸ Шепелев М. А. Глобальный мир, ORDO NUOVO и новая политическая наука / М.А. Шепелев. - Днепропетровск: Журфонд, 2002. - 304 с.

⁹ Стукало Н.В. Глобалізація та розвиток фінансової системи України / Н.В. Стукало. - Д.: Інновація, 2006. - 248 с.

¹⁰ Дахно І.І. Міжнародна економіка. Навчальний посібник. / І.І. Дахно. - 3-тє вид., стер. - К. : МАУП, 2007. - 248 с.

the world. Globalization contributes to the interrelation and interdependence of all countries and ethnic communities, "compresses" the world into the integrated whole, turns the entire planet into a "global village". Like any other historical process, globalization is asymmetrically (i.e. with different speed and depth in different regions and countries), has a rather complex and contradictory character, and may result - especially in the political and economic spheres - to unpredictable and sometimes diametrically opposite consequences¹¹.

Thus, the globalization of the world economy can be characterized as increasing of interdependence and interaction of different spheres and processes of the world economy that is reflected in the gradual transformation of the world economy in the single market of goods, services, capital, labor, information and knowledge.

Globalization covers different areas of the world economy, namely:

- external, international, global trade of goods, services, technology, intellectual property items;
- international movement of factors of production (labor, capital, information);
- international financial-credit and exchange transactions (grant funding and assistance, loans and borrowings subjects of international economic relations, operations with securities, special financial mechanisms and instruments, foreign exchange);
- production, scientific-technical, technological, engineering and information cooperation;
- the extension of internationalization of production, not exchange, as it was observed previously. The internationalization

¹¹ Кулішов В.В. Піча В.М. та ін. Політологія: сучасні терміни і поняття. Короткий навчальний словник-довідник для студентів ВНЗ. - Львів: Новий Світ – 2000, 2014. - 516 с.

of production is manifested in the fact that manufacturers from many countries of the world are involved in creating of the final product in different forms and at different stages. Intermediate goods and semi-finished products occupy an increasing share in the world trade and in intercorporate transfers. The institutional form of internationalization of production are TNCs;

- the extension of internationalization of capital, which consists in the growth of international capital movements between countries, primarily in the form of direct investment (and foreign direct investment are growing faster than foreign trade and production), internationally stock market;
- globalization of productive forces through the sharing of the means of production and scientific-technical, technological knowledge, as well as in the form international specialization and cooperation, linking economic units in a holistic production-consumption system; through the production cooperation, the international relocation of production resources;
- building a global financial, informational, organizational and economic infrastructure to ensure implementation of international cooperation;
- strengthening of the internationalization of the currency on the basis of the extension of international division of labor, the increasing scale and qualitative change of traditional international trade of materialized goods. An increasingly important direction of international cooperation is the service sector, which is growing faster than the sphere of material production;
- the increase of international labor migration. Immigrants from poor countries are used as unskilled or low-skilled labor in developed countries. However, countries that use foreign labor to fill certain niches in the labor market involved in low-skilled work,

are trying to keep immigration to a certain extent. At the same time modern telecommunication technologies open up new possibilities in this field, they allow to limit immigration processes painless. Any company in Europe, North America or Japan can easily entrust, for example, computer works to the employee, who is in another country, and it immediately receives the work done;

- internationalization of impact of production and consumption on the environment, which causes a growing need for international cooperation: solving global problems.

Considering that for TNCs (especially multinational and global) international economic activity is in most cases more important than internal operations, they are the main subject of globalization. Transnational corporations are the basis of globalization, its main driving force.

The urgent need is the formation of a single global economic, legal, informational and cultural space for the free and effective business activities of all the business entities, the creation of an integrated global market of goods and services, capital, labor force, economic convergence and merging of individual countries into a consolidated global economic system.

According to the Canadian researcher A. Bettler the most transnationalising country and in his terminology "global hegemon" is primarily the USA in terms of GDP of (more than 8.3 trillion \$). Japan lags behind on this indicator - 4 trillion \$, followed by Germany - 2.1 trillion \$. Other countries are far behind from this level¹².

¹² Беттлер А. Контуры мира в первой половине XXI века и чуть далее / Беттлер А. // Мировая экономика и международные отношения. - 2002. - № 1. - С. 73-80.

The globalization of the economy covers all aspects of production and exchange. It expands not only the financial markets and information flows, not only the markets for many goods and services, but also the markets of factors of production - capital and labor.

The world economy is gradually transformed into a unique system of "communicating vessels" in which the international flow of productive capital and labor services is determined by the difference between the levels of income (profit from capital and amount of remuneration of labor) in various parts of this system. Both capital and labor flow from regions with a low level of income to the regions with a high level.

Aforementioned reinforces the importance of relevant research in the field of development of the theory of economic globalization. This rightly emphasizes Ukrainian scientist Y. Pavlenko, which considers this issue as "the matrix of scientific paradigm of the XXI century"¹³.

The positive value of globalization, it is difficult to overestimate: the human capacity increases immeasurably, all aspects of its life are more fully taken into account, facilities are provided for harmonization. Globalization of the world economy becomes the motive for the solution of mankind's common problems.

Conclusions. Globalization contributes to the extension of specialization and the international division of labor. The resources are allocated more effectively, which ultimately contributes to the increase in average life and extending population's life prospects (at lower costs). An important advantage of globalization is the economy of industrial scale that can potentially lead to retrenchment and lower prices, and therefore to sustainable economic growth.

¹³ Павленко Ю. Ієрархічні та мережеві структури в суспільно-економічній історії людства / Ю. Павленко // Економічна теорія. - 2007. - № 1. - С. 15.

The benefits of globalization are also associated with gains from free trade on a mutually beneficial basis that satisfy all parties. Globalization, increasing competition, stimulates the further development of new technologies and their dissemination among countries. In its context direct investment exceed the rate of growth of the world trade that is the most important factor in the transfer of industrial technologies, the formation of transnational companies, which affects the national economies.

Globalization intensifies international competition. It is sometimes argued that globalization leads to artificial competition. Actually we are talking about the new competitive environment and tougher competition in traditional markets, which is not within the power of an individual state or corporation. In fact domestic competitors associate themselves with a strong external competition that is unlimited in action.

Globalization creates a serious basis for the solution of human's general problems, primarily economic and environmental, which is caused by the combined efforts of the world community, the consolidation of resources and coordination of activities in different areas. Therefore, the final result of globalization, as many experts hope, should become a general increase of wealth in the world.

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