

ON THE QUESTIONS OF THE ECONOMIC GLOBALIZATION CONSEQUENCES

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Abstract. The article studies the influence of globalization of the economy and economies of countries, economic processes and phenomena. The influence of transnational corporations on the further development of the world economy and economies of individual countries is analyzed. The processes of globalization and the deepening of integration contribute to the emergence of both positive and negative consequences for the economies of the countries. Progressing complications of global processes determine the topicality of the study of the impact of the effects of globalization of the economy and finding the ways to overcome the problems.

The theoretical and methodological basis of the research is the system of general scientific and special methods. In particular, the methods of analysis, generalization and scientific abstraction are used to determine the impact of globalization processes on national economies and the study of economic contradictions of globalization.

The aim of the article is to study the process of globalization and its impact on the global and national economies. The article analyzes of the consequences of globalization of the economy as well as economic contradictions of globalization can be used to identify ways to overcome negative effects of globalization of the economy and further economic development of national economies.

Key words: globalization, transnational corporations (TNCs), consequences of globalization of economy.

Introduction. Modern world economy is characterized by global transformation. The processes of globalization and deepening integration contribute to the emergence of both positive and negative consequences for the economies of the countries. Progressing complications of global processes determine the topicality of the study of the impact of globalization of the economy and the identification of ways to overcome the problems.

Materials and methods. The theoretical and methodological basis of the research is the system of general scientific and special methods. In particular, the method of analysis, generalization and scientific abstraction is used to determine the impact of globalization processes on national economies and the study of economic contradictions of globalization.

Results of the discussion. The process of globalization has contributed to the emergence of transnational corporations on the world stage, which gradually turned into powerful actors in the world economy that are able to influence the geo-economic situation in the world and change the world of architectonics. Thus, the study of the impact of transnational corporations on the further development of the world economy and the economies of individual countries is relevant.

The aim of the article is to study the process of globalization and its impact on the global and national economies.

Recently, many scholars of economists and politicians are dealing with the problem of globalization of the world economy. In particular, Bazylevych V., Bilorus O., Galchinskyi AS, Heyets V., Inozemtsev VL, Filipenko A. and others. The research of the activities of transnational corporations is carried out by such scientists as Rokocha V., Plotnikov O., Novytsky V., Rogach O., Udovik S., Shymai M., Sokolenko S., Milner B., Astapovych A., Stepanov V., Kyzym N. A.A., Utkin Ye.A., Sherer F., Ross D., Weine G., Dering V., Zeidel H., Temmen R., Kono T., Zhamen S., Lekur L. and others.

In economic science, the term "globalization" is seen as a phenomenon of market mergers, which began to manifest clearly from the early 80's of the twentieth century. The Ukrainian Economic Encyclopedia gives the following definition: "Globalization is a category that reflects the process of exchange of goods, services, capital and labor force that extends beyond the borders of the state and from the 60-s of the twentieth century. acquires the forms of continuously growing international interweaving of national economies. ... is characterized by the permanence of the growth rate of world trade and gross domestic product in all developed countries. Globalization is manifested in expanding the company's penetration into the economy of foreign countries with the help of exports, and in the broader sense - with the help of foreign investments ... "[1, p.264].

According to Bazylevych V.D. and Bazylevych K.S., "globalization is an all - encompassing process of transformation of the world community into an open, integrated system of informational, technological, financial, economic, socio - political, socio - cultural interconnections and interdependencies" [2, p.126].

Globalization is interpreted by Strizhenko A.A. as "the process of territorial expansion of foreign economic actors around the world, their penetration into the maximum number of markets. It is defined as the increasing integration of individual countries into the world economy, which is proposed to be measured by the share that forms the net export of the country in the total gross domestic product "[3, p.3].

The IMF notes that "... globalization is reflected in the growing interconnectedness of countries in the world as a result of the growing volume and diversity of the transborder movement of goods and services, as well as the rapid and widespread use of all types of technologies" [4, p. 14].

In our opinion, globalization is a general socio-economic process of further integration of national economies and their transformation into an organically integral world economy. Globalization is a process associated with growing economic openness, growing economic interdependence and deepening integration into the world economy. Economic openness extends to commodity relations and flows of services, technologies, information and ideas moving across interstate borders.

The processes of globalization have both positive and negative consequences for countries with different levels of economic development and for the global economy as a whole. Occasionally, the same consequences can be treated both as positive and as negative, that is, we observe some contradictions in the process of globalization.

Thus, the most important positive effects of the globalization of economic relations include the following:

- creation of a more effective world financial and credit system;
- wider and more efficient use of productive resources by different countries.

Industrialized countries will receive skilled labor from other countries

- deepening of the international division of labor;
- development of manufacturing industries and services;
- development of productive forces;
- accelerated development of the latest technologies (space technologies, noosphere, service economy) and attraction of the general population to the achievements of scientific and technological progress and improvement of the quality of labor potential;
- overflowing the capital and other factors of production in a sector with more dynamic development;
- increased investment in the economies of undeveloped countries;
- acceleration of competition and economic growth;
- Creation and implementation of international programs for fighting with global catastrophes and negative social phenomena (environmental, medical, fighting with famine, anti-terrorist activities, etc.);
- introduction of world standards of living standards.

The negative consequences of the globalization of economic relations include the following:

- The intensification of competition in the global market (this effect is seen as both positive and negative), it is more likely to be negative for developing countries and, partly, for countries with a transformational economy, as the intensified

competition favors only the strongest, most powerful actors in the world economy and leaves forever on the periphery the weaker);

- the collapse of domestic production due to its lack of competitiveness in the domestic and foreign markets and the expansion of import of relatively cheap goods and services of better quality from other countries;

- the easing of economic aid of the superpowers of undeveloped countries, again, because of the intensification of competition on the world market;

- the transformation of undeveloped countries into raw appendages and banana republics owing to the international division of labor (although the deepening of the international division of labor is seen as a positive consequence of globalization);

- certain industries are losing some of the factors of production, due to the transfer of capital and skilled labor to other industries;

- the creation of international monopolies and the intensification of the competition between them (although the strengthening of the competitive struggle between monopolies can be considered as a positive consequence);

- the leakage of highly skilled and labor forces from countries with transformation economies and developing countries (eg, scientific, high-intellectual human capital from Ukraine and CIS countries to the West);

- removing of environmentally dangerous industries to undeveloped countries;

- the curtailment of domestic production due to its lack of competitiveness on the domestic and foreign markets and the expansion of imports of relatively cheap and goods and services of better quality from other countries,

- the decline of national and the development of a low-level mass culture.

So, the processes of globalization have controversial consequences for countries with different economic systems and for the global economy as a whole.

As an integral part of the globalization of the economy, powerful transnational corporations (TNCs) have a powerful influence on national economies in particular, and the global economy as a whole. The effects of transnational corporations can also be seen as positive and negative

The positive economic impact of TNCs manifests itself in the fact that the host country receives new opportunities for stimulating the development of the national economy; an increase in the volume of the product being produced and profits; accelerating economic growth and development; obtaining additional resources (capital, technology, managerial experience, skilled work); obtaining taxes from the activities of TNCs. The attraction of foreign capital through TNCs contributes to reducing unemployment in the host country. The country is developing the production of competitive products, which both saturate the domestic market (that is, the need to import these goods) is exported, which in turn helps to strengthen the country's foreign trade position.

Intra-regional trade is developing, the degree of competitiveness of national markets increases (TNCs undermine the position of local monopolies, with the intensification of international competition, TNCs have begun the formation of mixed companies with the participation of local capital). TNCs contribute to the effective deployment of world-class factors of production (the movement of large industrial, labor, capital, technology, etc. across the national boundaries) which in turn causes the growth of production in the world. Also, the positive impact of TNCs manifests itself in the introduction of new technologies, the release of new types of products, promotes the development of a new style of management, the use of all the best practices of foreign business. TNCs are able to break the isolation of national economies (but the country's integration into the world economy takes place only within the limits determined by the company's maximum profit).

The negative economic impact of TNCs for the host country is that host country representatives are not allowed to participate in R & D; there is an increase in exploitation and establishment of external control by TNCs; TNCs can manipulate prices to avoid taxes. TNCs capture the most advanced and promising branches of production and research structures of the host country; have the opportunity to impose on non-promising companies in the system of labor distribution within the framework of TNCs; endangered location of the environmentally dangerous industry, outdated technologies in the host country. Using the policy of capturing and

absorbing local companies, TNCs cause increased instability of the investment process.

This is because this policy involves financial mobility and negatively affects the stabilization of the economic development of host countries. The steady state of TNC gives it the opportunity to deinvest in case of a crisis situation in the country, that leads to reduction of production, closure of enterprises, unemployment, etc. TNCs use transfer prices for their products. Due to their large size, some TNCs have monopoly power and can exercise pressure on the government of the host country, since they account for more than one country in terms of turnover. In this regard, there is also a probability of evading TNC from economic and political control by the host country.

The positive economic impact of TNCs activity for the home country, that is, for a country exporting capital, is manifested in the fact that foreign investment is more effective than domestic economic one. Thanks to TNCs, the country's foreign economic position is strengthened, national benefits are created. This is because TNCs are an important instrument of foreign economic and foreign policy influence and the state uses this influence in the interests of its consolidation on the world market. The unity of the interests of the TNCs and of the country of origin is manifested in the fact that the state policy, the party system, the army cannot exist without the financial and technical support of TNCs.

TNCs use their influence to lobby their own interests. The foreign economic policy of the state, as a rule, is aimed at protecting TNCs. The expansion of producing of the goods by TNCs to developing countries enables them to compete successfully on world markets for TNCs, an important factor in economic and political prosperity and the global impact of the country of origin. In addition to the economic impact of TNCs, they also have a political influence on the government of the host country and, that's why, may act as the country's diplomat. With the help of TNCs, the government of the host country may put pressure on host countries' governments (for example, restrictive measures are taken to export and import certain

goods). But it should be said that host countries consider TNC as an instrument of their national policy.

The negative economic effects of TNCs' influence on the country of origin appear in the following. Firstly, there are contradictions between the international global nature of TNC operations and the territorially limited jurisdiction of the state. Secondly, the implementation of state regulation of foreign investment: a ban on investing in certain industries, special investment conditions (use of local semi-finished products, training local staff, conducting research and development in the host country, expanding the export of manufactured products), trade balance losses. Thirdly, there exist the risk of confiscation of investments.

Conclusions. On the basis of the conducted research of the effects of globalization of the economy and the impact on multinational corporations on host countries and countries of origin, we can make the following conclusions. The processes of globalization have both positive and negative consequences for countries with different levels of economic development and for the global economy as a whole. Here and there, the same consequences can be treated both as positive and as negative ones, that is, we observe some contradictions in the process of globalization. Transnational corporations, as leading players on the global economic arena, have both a positive and a negative social and economic impact on both the host country and the country of origin.

National states are trying to regulate the activities of TNCs. However, national governments have a limited number of levers of counteraction for TNCs. And not competitive countries on the international market do not have such levers at all. This is due to the fact that for traditional TNCs, the traditional constraints of the national economic system do not make sense.

Thus, the state, regulating economic processes, should take into account the listed above positive and negative effects of the activity of transnational corporations and, ensuring national economic security, try to maximize the positive and minimize the negative impact of TNCs. A complex of developed actions aimed at strengthening

the institution of the state itself and ensuring the counteraction of extraterritorial TNCs is needed.

The article analyzes of the consequences of globalization of the economy as well as economic contradictions of globalization can be used to identify ways to overcome the negative effects of globalization of the economy and further economic development of national economies.

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