

Threats and opportunities of globalization processes towards strengthening the economic security of the country

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Summary. In the article the author highlights the main global problems in the context of a radically new definition and the definition of practical importance of "globalization". Main factors of the negative impact of economic globalization are generalized and its benefits are structured in the direction of strengthening the economic security of the country. The article has proved that the index of globalization in general and in terms of its main components in Ukraine during the 1991-2014 years shows a rising trend to growth. Grounded that economic globalization index growth in Ukraine has occurred, primarily due to growth in trade flows with simultaneous amplification methods of state regulation.

Keywords: economic globalization, the dynamics of growth, sub-indexes, threats, opportunities

Introduction. After going through the hard times of the command-administrative management in a single socialist soviet space, breaking the path of transition and establishment of economic relations that is based on market principles impartially Ukrainian society should move to higher levels of economic development taking into account the challenges of globalization.

In modern conditions of development of economic systems around the world globalization issues have been at the highest level of theoretical and practical understanding as the ability of the planet "Earth" about the possibility of life support, health, provision of natural resources every year becomes more limited, and the survival of humanity could become under threat. All this demands and dictates a radically new definition and practical value definition for "globalization", as it implies the creation of global capital and forbids individual states to violate the rules and regulations of universal space and international law, inefficient use of natural resources, the use of military conflicts to resolve territorial and power issues pollution and provides for the creation of equal conditions of financial and economic activity, both domestic and foreign investors.

Analysis of recent research and publications. Analysis of globalization are devoted a lot of research, both domestic and foreign scholars, namely, these problems are reflected in the works of such prominent economists as A. Vilyamsa, S.V. Erokhin, H. Kolodko, T. Mayorov, G. Omelchenko, B. Pohylyuk A. Shevtsova, J. Shevchuk, A. Shpenyuka. However, there is a lack of structural factors of positive and negative impact on globalization in the direction of strengthening economic security, needs assessment study sub-indexes of impact of economic globalization on the growth rate of its level in general.

The purpose of the article is a theoretical justification of essence of "economic globalization", analyzes of the relationship of influence factors internal and external environment for growth of economic globalization in Ukraine, development of measures to minimize the adverse effects of economic openness while strengthening actions contributing factors of globalization

Materials and Methods. To achieve this goal some methods of analysis and synthesis have been used, induction and deduction, that is allowed to study globalization of general scientific positions. To group the main threats and opportunities of economic globalization in the direction of strengthening the economic security some methods have been applied for economic research, namely empiri-

cal and statistical. Statistical methods were used in the study of the dynamics of economic globalization. The information base for research served as the official data of the Swiss Research Institute market conditions.

Main results of research. Most large scale of globalization began to affect all processes and phenomena in society due to the deepening of cross-cultural management, increase planetary relations, the introduction of new information technologies and the expansion of foreign markets.

Thus, the scientist-economist A.I. Shevtsov in his work "The future of humanity should be planed: global threats and long-term development strategy of Ukraine" all threats to the future existence of human civilization is divided into two groups:

1. Threats to natural disasters (objective position of civilizations): resource and energy shortage, global climate changes.

2. Conflicts of world scale (subjective position of civilizations): civilizational confrontation, the global terrorist network, the proliferation of nuclear technology and weapons of mass destruction, the formation of new centers of power and the struggle between them for leadership, poverty in the countries of the "third world" [8].

Under civilizational confrontation it is understood contradiction faiths, Christian and Muslim world. In our view, changes in the development of civilizations acquire cascading character and it is probable that the cause of the collision can be international cultural and religious conflicts, which, along with other global issues of concern of humankind.

The famous scientist and economist of perception of scale economies SA Erokhin is exploring the global challenges of and has allocated their three main groups:

1. The problems of economic and political cooperation between states.

2. Problems of interaction between society and nature: prevent catastrophic pollution of the natural environment, ensuring the necessary human natural resources (raw materials, energy, food), development of the World oceans and outer space.

3. The problem of the relationship of people and society: the problem of population growth, the problem of protecting the health of people and the problem of education and cultural growth [1, p. 373-379].

In a separate group, the most dangerous global problems have been singled out a key threat to mankind – the problem of demilitarization as military expenditure the

main obstacle to a positive solution of global problems [1, p. 373].

We identified the following global problems of humankind:

1. The ecological crisis, the problem of environmental pollution. In current conditions of civilized society humanity paid for the high industrialization reverse high price in negative impact on the ecological state of the universe.

2. The problem of population. Anticipating Growth humanity with comprehensive capabilities planetary system to properly ensure their life, health maintenance and life. Moreover, production efficiency and progress of mankind are growing much more slowly than the population increases, which ultimately means the deterioration of the overall financial position of people.

At the edge of the twentieth and twenty-first century, the population of the world exceeded 6 billion, people. The general trend is that in 2050 it will increase to 9 million people [2, p. 96].

3. The food crisis is the most impressive in terms of absorbing the danger of globalization. 20% of the population is chronically under important food consumption. Another 2/3 of the world's population receives food, below the biological norm [1, p. 377]. It is certainly a paradox in the development of science and technology, information society, introduction of new high-tech and innovative technologies in production processes, the development of productive forces, unfortunately, humanity does not guarantee victory in the fight against hunger

4. The crisis of the world financial and credit system, which, in the light of the major global problems, manifested in the relations between economic systems.

Thus, all the global problems generated by the uneven development of society, the formation of its inconsistency socio-economic structures and inefficient interaction between nature and humanity. For highly developed countries facing the challenges of globalization at the highest priority level, while countries with poor infrastructure and uneven distribution of income in society these problems are neglected and authorities of these countries do not consider them when building Foreign Policy.

In this context, it must be understood that with respect to the structural and systemic and regional problems of underdeveloped countries, including Ukraine, lament the dependence on global trends and determining the impact of globalization is not justified.

The main factors of the negative impact on economic globalization on developing economies (of threats) is:

- straight-proportional dependence of national economies from external fluctuations in the financial markets (world financial and currency crisis in 2009 was the main cause of stagnation of economic systems of most countries as for developing due to factors of production, and those who have chosen an innovative model of sustainable development);
- there is structural gap in the system of social and economic structures between developed and underdeveloped countries, and the gap from year to year increases. As you know, there is the claim that 15% of the world population consumes 75% of total GDP, and the UN estimates that by 2025, 7.8 billion. The world's population will live in countries of the "third world", that belong to the poorest countries% [8];

- the dependence of the less developed countries of the foreign policy of strategic partners, transfer crisis (dependence of Ukraine on energy supplies from Russia);
- unregulated inflow of foreign capital and acquisitions of real and financial sector of the national economy by foreign investors;
- the outflow intellectual capital and labor abroad;
- expansion of opportunities for the growth of the shadow economy and speculative actions;
- the threat of loss of sovereignty and territorial integrity; the threat of loss of national identity and cultural manifestations of international economic crime;
- strengthening of economic dependence on imported goods with a simultaneous decrease in national production (dependence on other states);
- strengthening economic and financial instability as a result of the growth of various risks (sudden stop or reversal of capital, speculative attacks) [9, p. 147].

The advantages of globalization factors and positive impact on the economic security should be considered:

- promotion of export activity because of the openness of world markets;
- increasing efficiency of financial and economic activity of domestic enterprises through foreign direct investment;
- access to international financial resources and their involvement on favorable basis for systematic and structural reforms of the real sector of economy;
- free movement of goods and finished goods, services, labor among all countries;
- the creation of multinational corporations that provide closed production cycle, which ultimately will help reduce the cost of the final product produced and raise its quality;
- the exchange of educational and intellectual potential in the direction of the joint creation of innovative, energy-saving technologies.

Considering that economic globalization – a trend of the economic system of each country within a closed planetary economy, therefore, to develop an effective strategy for sustainable socio-economic development of Ukraine to minimize the impact of the negative effects of economic openness and make efforts to enhance the action of the favorable factors of globalization.

In general, the inclusion of Ukraine in the globalization process and assessment of its openness by means of globalization indexes. Scientists of the Centre of the Swiss business conditions developed and justified method of measuring the degree of globalization of using integrated index that takes into account three interrelated components: economic, social and political globalization with corresponding weights. Economic globalization index is calculated by the formula [7]:

$$IEG = 0,5AF + 0,5R = 0,5 (0,21T + 0,28FDI + 0,24PI + 0,27IPFN + 0,24HIB + 0,27MTR + 0,26TIT + 0,23CAR),$$

де IEG – Index of Economic Globalization – economic globalization index;

AF – Actual Flows – in actual index variables, %;

R – Restrictions – restrictions under the Index, %;

T – Trade, percent of GDP – the share of trade in GDP, %;

FDI – Foreign Direct Investment, stocks, % of GDP – foreign direct investment in the form of shares in % of GDP;

PI – Portfolio Investment, percent of GDP – the share of portfolio investment in GDP, %;
 IPFN – Income Payments to Foreign Nationals, percent of GDP – the amount of income received by foreign nationals in % of GDP;
 HIB – Hidden Import Barriers – the hidden import barriers;
 MTR – Mean Tariff Rate – the average tariff rate;
 TIT – Taxes on International Trade, percent of current revenue – share of international trade taxes in current revenues;
 CAR – Capital Account Restrictions – restrictions on the capital account.

Thus, economic globalization has two dimensions (sub index or under indices): the first subscript - actual economic flows, acting extent of globalization and include statistics on the volume of international trade (calculated as the sum

of exports and imports), foreign direct investment and portfolio investment (total assets and debt, reduced in correlation to GDP) also includes the amount of income and outflows of foreign direct investment and shares, adjusted according to GDP. The second subscript refers to restrictions on international trade and capital flows, using quotas, higher taxes on imported goods, the indices of capital controls, restrictions on capital account. The initial source of import barriers is global notification about competitiveness of the World Economic Forum [5]. The sources of information when calculating the index of globalization by type or subscript data of the World Bank, the World Investment messages, International Financial Statistics of the International Monetary Fund, United Nations, other international organizations and institution are served.

Table 1. The dynamics of globalization indexes of Ukraine for 1991-2014 years. [7]

Year	Indexes of globalization						Rates of growth in % to prev.	Rates of growth in % to 1991 year
	Index econ. glob.	Streams	Restrictions	Index soc. glob.	Index polit. glob.	Index glob.		
1991	31,36	24,54	38,17	28,28	25,29	28,62	100,0	100,0
1992	31,15	23,68	38,62	28,08	43,43	33,18	99,33	99,33
1993	33,89	26,05	41,74	28,89	46,22	35,20	108,80	108,07
1994	36,69	30,76	42,63	33,79	51,29	39,39	108,26	117,00
1995	41,68	39,62	43,74	36,63	54,78	43,17	113,60	132,91
1996	43,05	41,68	44,41	37,49	60,77	45,55	103,29	137,28
1997	42,82	40,78	44,86	51,84	66,28	52,32	99,47	136,54
1998	46,73	46,98	46,48	53,93	65,20	54,25	109,13	149,01
1999	50,89	54,38	47,40	52,82	69,01	56,33	108,90	162,28
2000	54,28	59,30	49,25	54,41	72,52	59,06	106,66	173,09
2001	49,95	54,12	45,77	56,75	76,84	59,51	92,02	159,28
2002	50,78	52,86	48,69	56,38	76,81	59,66	101,66	161,93
2003	49,68	53,13	46,23	57,56	78,95	60,26	97,83	158,42
2004	52,55	54,52	50,57	57,68	80,50	61,75	105,78	167,57
2005	55,21	57,07	53,34	58,25	81,08	63,08	105,06	176,05
2006	56,49	60,01	52,97	58,10	82,18	63,77	102,32	180,13
2007	59,61	63,23	55,99	58,08	85,04	65,64	105,52	190,08
2008	61,70	65,31	58,09	59,19	85,27	66,88	103,51	196,75
2009	66,87	73,66	60,08	58,88	85,56	68,70	108,38	213,23
2010	64,98	73,21	56,76	59,47	85,85	68,32	97,17	207,21
2011	65,70	74,87	56,52	60,06	86,05	68,85	101,11	209,50
2012	67,39	-	-	57,02	86,33	68,48	102,57	214,89
2013	64,84	-	-	57,78	86,07	67,78	96,22	206,76
2014	65,70	-	-	60,06	86,05	68,85	99,48	205,68

According to the data which is presented in the Table 1, the index of economic globalization in 2013 year in Ukraine amounted to 65.70%, almost 15.70% more than the average 50%. During the analyzed period there is a rapid and steady growth of this index, average annual growth rate of 3-3.5%, and overall growth for the 1991-2014 years in 2 times. Analysis of the factors of influence on the level of economic globalization in the Ukraine during the 1991-2014 years suggests that the level of growth has been occurred both by increasing trade flows (this sub index increase almost in 3 times) and the simultaneous growth of government restrictions in foreign trade. Considering the rapid upward trend sub index actual revenues, state regulation of export-import operations has intensified almost in 1.5 times by increasing the share of international trade taxes, the introduction of severe restrictions on the operation of foreign capital and the hidden barriers to growth import. Social Globalization Index is calculated as the three components, namely, flow of information, personal data and

cultural similarity. The level of social globalization in Ukraine over the period has been increased from 28.8% in 1991 to 57.78% in 2014, this is due to the proliferation of foreign literature, the increasing number of companies that provide Internet services, increasing the number of users of cable television. The cultural globalization of Ukraine has being grown by rapid steps, its level has been increased almost 10 times since the global spread of the culture of other countries in contrary to national restrictions.

Number of foreign embassies is estimated in the country for political globalization, the number of international organizations of which the country is and the number of UN peace missions in which the country took part [5, p. 245]. From the data in Table 1 it shows that the index of political globalization grew much faster than other components of globalization and suggests strengthening political Ukraine's dependence on external factors.

So absorbed and comprehensive economic globalization of our society, on the one hand increases the chances

of Ukraine to take advantage of the openness of the economy, but on the other – it becomes more vulnerable to new threats. Taking into account high dependence of Ukraine on imported goods and services, rather low share in the export structure of innovative high enough openness of the economy (ratio of open economy grows) globalization increases and affects the overall level of economic security, in particular the most vulnerable is a component of foreign security.

The conclusions. In the result of conducted research about the dynamics of the index of globalization in terms of its main components for the 1991-2014 years. We can conclude steady upward trend of this indicator. We found legitimacy of increase in the index of economic globalization due to outpace actual revenues from foreign trade operations with simultaneous strengthening methods of state regulation of export-import operations. The growth index of economic globalization took place in Ukraine,

primarily due to high raw materials component of exports, and contributed to the general trend of liberalization mitigate technical barriers and quantitative restrictions is the trade of raw and semi-finished products targeting.

Level of strengthen economic security in conditions of globalization involves long-term planning, strategic analysis, development and implementation of state strategies [4, p. 15]. The main task of our country in terms of absorbing globalization in the direction of strengthening the economic security is the implementation of structural reforms in all spheres and sectors of the economy, strengthening the competitiveness of national production, reorienting the domestic economy toward innovation that will enable to identify the key factors for sustainable development of Ukraine, increase direct foreign Investment. All the above activities of economic openness in Ukraine should be clear of government regulation in the optimum combination of measures of protectionism and liberalization.

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