

учасників глобальних мереж БНП. Найгіршим сценарієм розвитку глобальних фабрик є продовження концентрації багатства у постіндустріальних країнах і подальше відставання бідних регіонів, які займатимуть нішу нижніх «брудних» промислових поверхів. Аналіз двосторонніх потоків основних суб'єктів глобальної торгівлі в контексті наявних ланцюгів вартості за 2017 р. підтверджує припущення П. Баклі щодо передання знань і технологій у межах визначених мереж і ланцюгів вартості та інновацій, коли країни центру забезпечують факторами свої структури, які мають міжфрагментні зв'язки з БНП. Це говорить про те, що країни, які розвиваються, перебуватимуть на периферії глобальних корпоративних мереж, маючи слабкі міжфрагментні зв'язки, що зумовлює просторову дисперсію учасників глобальних мереж БНП, а це, своєю чергою, і надалі формуватиме сировинну та низькотехнологічну спеціалізацію таких країн, що підтверджує економічне припущення Еріка Райнерта про те, що не всі види економічного зростання призводять до покращення соціально-економічного становища та зростання благополуччя.

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## ***INEVITABLE TRANSFORMATION OF THE GLOBAL ECONOMY***

**Kulbida M. V.**

Ph.D (Ec.), L.LB. in International and European Law, trainee at the Council of Europe

The roots of economy as a domain in which the blueprint for international order explained and categorised date back to 18<sup>th</sup> century when the gap between the world's richest and poorest countries was enormous. It is with no coincidence that the founder of modern economics Adam Smith attempted to describe such an extreme fraction between countries in his notable work 'The Wealth of Nations'. He argued that the welfare increases are based on labour and cooperation, and that making market economies to succeed requires, first and foremost, that people would be self-concerned, but also would fulfil their self-interest by adjusting to the others' needs [1].

However, modern economists should consider departing from the classic understanding of the concept of value as interchangeable with price as well as the link between the public and the private sector, although in contrast to earlier theorists such as A. Smith who considered products as having an intrinsic value related to the dynamics of production, a value that was not necessarily related to their price. The thorny issue of value requires suggesting a new definition which recognises the investments and creativity provided by a vast array of actors across the economy – not only businesses but also workforces and public institutions [2].

The age of globalisation has significantly transformed the global economy through radical and systemic changes, technological progress, as well as

financial crises, that have substantially affected primarily the socio-economic sphere of low-income and developing countries along with international economic relations altogether [3].

The unprecedented time of COVID-19 has turned the global economy upside down. The interdependence of the world's economies triggered by cross-border trade has seriously shuddered. The global coronavirus pandemic has affected the economy in terms of supply and demand. As a consequence, multinational companies which relied substantially on complex and long supply chains to minimise expenses have appeared more fragile than anticipated. According to the IMF 2020 forecast, the global growth is projected at -4.4%, for advanced economies -5.8%, while for China as a second largest economy, it is expected at +1.9% [4]. The lockdown measures have also increased teleworking and telecommuting along with restricted supply and demand. Furthermore, it has led to reduction in trade insofar causing an increased disparity and poverty, especially in low-income and developing countries. These countries are likely to face more significant challenges and remain the most vulnerable compared to advanced countries. In this regard, international financial institutions, especially the IMF and World Bank, should play a leading role in helping those countries by developing new temporary lending instruments, providing technical assistance and working on the implementation of extraordinary economic policies to stabilise and strengthen their national economies.

The world after the pandemic is likely to be more fractious, regionalised and localised. Although the movement of capital, trade and people is expected to be decelerated, the flow of information has significantly accelerated. Thus, economies will be less globalised but more digitised and less equal [5]. It requires an harmonised global response to combat the crisis at once. The impulse for transformation can be laid out in four immediate priorities:

- Much greater international cooperation towards combating the health and economic crisis, in particular strong coordination of actions in production and distribution of the upcoming vaccines with accessibility to the latter in all countries.

- Developing national policies towards maintaining lifelines across the economy, especially tax and spending measures to small and medium-sized enterprises and their employees.

- Profound structural transformations where the authorities must play their role in reallocating capital and labour to support the transition towards a resilient future, considering digital acceleration, climate changes and cybersecurity.

- Financial support through debt relief, easier access to grants, concessional lending alongside ensuring better management of public debt and enhancing transparency and accountability. In some cases, a broad consensus is required in the process of restructuring a sovereign's debt with the full engagement of private and public creditors.

The coronavirus pandemic has stimulated global changes towards a new epoch. If the start of the industrial revolution is to be counted with the invention of the steam engine, - hastening forms of production - the present technological

revolution, marked by genetic manipulation, nanotechnology, artificial intelligence and robotics, pharmacology, is of a nature to impact the processes of reproducing life. In this current info-industrial mutation, the world will transform unprecedentedly. This transformation has become a constantly uncontrollable process, thus the global response and critical reforms should be long-term and comprehensive, including prevention of the near-term environmental or financial crisis, rather than focusing on handling immediate effects of the health crisis only.

On the one hand, for the purpose of the formation of effective and efficient global governance, regional and international financial institutions could truly cooperate on a variety of levels and perform cross-functional surveillance, with an ultimate aim of the creation of a new financial architecture that will consider the interests of all actors equally [6]. On the other hand, countries can do more than spurring economic growth in the current circumstances. The rational approach should be not just to focus on the economy and public health but to implement far-reaching policies aimed to build a more resilient economy. Governments should create their future policy-based lending with certain conditions which, among other things, should include protection of the public interest, promotion of economically, socially, and environmentally sustainable processes, rather than subsidising and supporting companies in a short-term.

Despite the health and economic crisis caused by the pandemic, the latter provides a unique opportunity to address existing imbalances and to reconsider many aspects of the interactions among politics, economics and societies. The private sector as the engine of economic growth should be stimulated by governments through new innovative styles of deal-making. This stimulation will force bailed-out companies to act more in the public interest and allow taxpayers to share the benefits of successes traditionally credited to the private sector solely.

Beyond rethinking value, societies need to prioritise the long-term interests of stakeholders rather than their short-term benefits. In the current crisis, efforts should be focused on developing an universal COVID-19 vaccine. The drug-innovation process should be governed in a way that encourages collaboration and solidarity among countries, both during the research-and-development phase and the deployment of vaccines. Furthermore, patents should be pooled among public and private laboratories, universities, and non-governmental organisations, insofar allowing expertise, data and technology to be shared freely around the world. These steps are necessary to ensure global equitable access to a vaccine, rather than letting the production monopolised by a number of companies insofar limiting the access to the product by wealthy countries and citizens only.

More generally, governments should also adapt public investments less like handouts and more like attempts to shape the market to the public's benefit, which means providing governments' assistance under conditionality. Pending the pandemic, those conditions are meant to promote three key objectives:

- First, maintain employment to protect the productivity of companies and the income security of households.

- Second, enhance conditions of work by implementing coherent health and safety policies, providing fair remuneration, and having more power in decision-making.
- Lastly, design national policies by applying the benefits of digitisation to public services and reducing carbon emissions thereby putting national economies on the path of more sustainable, stronger and equitable growth.

The crisis has exposed a pressing need for the transformation of the global economy. The international community could create a better economy by combination of cross-cutting decisions on international, regional and national levels. The global economy should become greener, more inclusive and sustainable. It would generate less carbon and inequality, build modern public infrastructure, offer universal digital access and health care. The most urgent task is to make a COVID-19 vaccine accessible to everyone. This type of economy will require massive investments by public-private collaboration. The ultimate goal should not be only overcome the global health crisis today but build a better tomorrow to tackle the global problems through the multilateral cooperation.

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