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Current Processes of World Globalization and Their Influence on Ukraine

The main peculiarity of the development of modern civilization is the integration of human society into a single integrated system within the framework of the deepening processes of world globalization. It has a decisive influence on all spheres of human life, including economy, politics, security, science and culture. Such transformations directly affect **Ukraine**, which is an integral part of the world order and plays a significant role in shaping a new model of international relations not only at European but also at higher levels.

The basis of such processes and their driving force is the globalization of the world economy, namely, the integration of economic systems and markets of different countries into the planetary space with the free movement of information, goods, services, capital and labor. It has taken this process a long time to get formed, beginning from the 3rd millennium BC, when the first states arose, and it continues to this day. At this, trade and economic cooperation between different countries is expanding steadily, and the whole range of international relations grows.

Thus, a well developed trade relationship existed between Ancient Egypt and its state-owned neighboring regions and other known countries at that time – India and China. Later, in the 2nd century BC, East Asia and the Asia-Pacific region were connected with the Mediterranean region (the center of the then Europe) by the “Great Silk Road”, which had been functioning until the Middle Ages and is now being restored in current Eurasia at the People's Republic of China's initiative.

In the 11th and 13th centuries AD an important step towards the globalization of trade and economic relations was the foundation of the international financial and credit system by the Order of the Templars. It united the network of financial institutions in different countries of Europe and the Middle East and mechanisms of cashless payments by checks.

With the development of maritime transport communications in the 17th and 18th centuries, the first transnational trading companies arose. The main ones were British, Dutch, Danish, Portuguese, French, Austrian and Swedish East India companies, which provided Europe's trade links with India and China.

The world economic globalization accelerated considerably in the 19th century as a result of industrial revolutions in leading western countries and the

emergence of capitalism. Thus, the deepening of the international division of labor and the new means of communication, including trains, steamships and telegraph, created the prerequisites for accelerated expansion of world trade. In addition, the emergence of surplus capital and the crisis of overproduction in industrialized countries opened up new sources of funding and directed investments to other regions, increasing the extent of the interpenetration of economic ties and capital between different countries and regions of the world, and contributing to creation of powerful international and transcontinental industrial corporations and financial institutions.

Today, the processes of globalization of the world economy are taking place at a qualitatively new level, which is the result of scientific and technological achievements in **information technologies**. It means the creation of a **network of the Internet**, computer processing and data transmission, which allowed to build a global communications system. This contributes to the active development of fundamentally new forms of trade and economic activity, including **e-commerce and digital economy**.

No less important is the further development of transport infrastructure, including the emergence of high-speed railways, sea container traffic, super-tanks and large-capacity wide-bodied planes. The same applies to the widespread use of automated control traffic systems, cargo and passenger flows, which has led to revolutionary changes in the sphere of transportation and logistics.

Accordingly, **the globalization of the world economy leads to other major changes with diverse consequences**. Thus, a **new political system of a planetary level** with supranational bodies and common rules of conduct of subjects of international activity is being formed. The reason for these trends is strengthening interconnections between countries, as a result of which the actions of each country influence the situation not only in a separate region but also throughout the world.

For example — **the First and Second World Wars**. They began with local and regional armed conflicts that hit the interests of the leading powers and grew into a global confrontation. Similar

consequences were caused by **Russia's attack on Ukraine in 2014, which actually restored the Cold War** at the level of two opposing systems. Similar examples are the **Great Depression of the 1930s and the 2008 World Economic Crisis**, triggered by economic problems in individual countries.

These and other precedents have shown the necessity of building a system of global mechanisms for regulating international relations in the political, economic, security and other spheres. The first such system was the **League of Nations**, which was formed in 1919 after the end of the First World War. In 1945, after the end of the Second World War, the **United Nations** became the successor to the aforementioned international body. Later, a number of new global-level organizations, including the International Monetary Fund, the World Bank, the World Trade Organization and the International Court of Justice, were founded.

Thanks to the work of these structures, today a **system of planetary rules has been formed**. Despite their mainly recommendatory nature, they restrict external and internal capabilities of the countries of the world to certain limits, especially in situations that affect the fundamental principles of international law and can lead to serious global consequences.

At the same time, **mechanisms were created to enforce international norms**, including measures for political and economic pressure and enforcement regarding violators of the rules established by the international community. Examples of the UN Security Council's using such mechanisms include sanctions against Iran and North Korea as a result of their implementation of nuclear and missile programs, the international anti-terrorist operation in Afghanistan led by the United States (since 2001), the international military operation in Libya against the regime of M. Gaddafi (2011), as well as a number of international peacekeeping and stabilization operations in different countries.

In general, **the existing system of international rules and mechanisms for their implementation enhances the level of stability in the world. But it is imperfect in character and cannot prevent all wars and conflicts in the world**.

And even more so, **the increased openness of the world market exacerbates competition among its participants, including in the issue of**

the distribution of regional and global spheres of influence.

As a result of such processes, a new geopolitical system of the world order with **two main centers of power** is being formed, namely: the Western world headed by the **USA** and the Eastern one – with the leading role of the **PRC**. At this, both parties resort to similar methods of action, based on the principles of globalization of economic relations.

Thus, the traditional way of the USA's actions to strengthen its influence in the world is to deepen trade and economic relations with its partners, first of all with the EU, Japan, South Korea, Australia, Saudi Arabia, Israel and other countries. Since the beginning of 2017, after D. Trump's coming to power, the US policy on this direction has become more isolationist in character. However, such changes were not global. In particular, it is now planned to resume talks on establishing a free trade area between the USA and the EU. Besides, the new direction of the US policy is to enter the world energy market as one of the leading suppliers of oil and gas.

At the same time, the main component of the PRC's strategy to strengthen its position as a new center of world-class power is the promotion of ideas of increasing transparency and openness of the world economy, as well as building a community of common destiny for all mankind. For the first time the above-mentioned priorities were declared by China's leader Xi Jinping at the World Economic Forum in Davos in January 2017, and subsequently confirmed during the 19th National Congress of the Communist Party of China in October of last year and other international and domestic events. This strategy is being implemented through the mechanisms of the Chinese initiative “The Silk Road Economic Belt and the 21st Century Maritime Silk Road” (“The Belt and Road”), which involves creation of a single zone of trade and economic cooperation from the Asia-Pacific to Europe with the involvement of countries from different regions of the world.

Within the actual distribution of the world, the United States and China announce plans for their strategic partnership and take steps to fully develop US-China relations. At the same time, relations between Washington and Beijing contain a number of disagreements and problems that relate first of all to threats to the USA's global leadership from the PRC, disagreements over the influence of the parties in

the APR, and the imbalance in bilateral trade. This creates the basis for the emergence of new lines of global competition in the world.

There is also a growing competition for the distribution of world markets between different transnational corporations (TNCs), which control the key sectors of the economy not only of individual countries but also of entire regions. In this way, they become shadow centers of power, influencing the world and regional processes no less than the leading states, and try to impose their will not only on individual competitors, but on the whole countries as well.

According to the Forbes, the largest of these corporations are banks such as JP Morgan Chase, Bank of America (USA) and ICBC (PRC), oil and gas companies Exxon Mobil (USA) and Royal Dutch Shell (the Netherlands and UK), retail chains Wal-Mart Stores (USA) and Alibaba (China), as well as American companies Apple, Google, AT&T, Budweiser, Colgate, eBay, General Electric, IBM and McDonald's.

In total, today, of the 100 of the world's top economies, 50 are transnational corporations, and the rest are countries. TNCs' share is more than two thirds of foreign trade and half of world industrial production. They also control 80 % of technological innovations.

In such a situation, the involvement of the middle and least developed countries in the spheres of influence of leading states and powerful corporations **reduces those countries' governments' ability to conduct their own policies and control national economies**. In fact, the functions of such governments are limited only to the tasks of securing the political and business interests of external forces and to resolving certain internal problems, including on maintaining internal security, development of secondary sectors of the economy, social security of the population, etc. In the result, even the election or appointment of top officials in such countries actually takes place under external control.

At the same time, the development of global information networks and means of world communications, expanding the scope of labor movements, increasing the flow of migrants, strengthening the ideological expansion of leading states of the world, cause the **internationalization of spiritual and cultural spaces** of individual countries.

Actually, is being formed a world global system of ideas and views that **undermines national values and tries to dominate them.**

These tendencies **are negatively perceived by the governments, business circles, political, national, religious and other forces** of countries that are under the influence of more powerful states or corporations, as those forces are trying to advocate their traditional values. In its turn, this causes resistance of individual countries in the form of self-isolation or an aggressive course, spread of anti-globalist movements, growth of nationalistic sentiments, extremism and terrorism.

In particular, the manifestation of this is the policy of Russia, Iran and North Korea, which are trying to oppose themselves to the West. The consequence is the actual restoration of the Cold War between Russia and the United States and Europe, escalation of the situation in the Middle East and the Asia-Pacific region.

The activity of Islamic extremists is also intensifying, which can be considered a consequence of the intervention of Western powers in different spheres of life in the countries of the Islamic world and the unevenness of their socio-economic development (according to the Oxfam agency, over 80 % of the money generated in 2017 went to the richest 1 % of the global population). Due to the development of world communications and mass migration, the streams of Islamic terrorism and extremism are also spreading to other countries and regions, including Central Asia, Russia, Europe and the United States.

Globalization and the growth of the world economy also have a negative impact on world ecology. The most noticeable losses are caused by carbon dioxide emissions, which cause global warming on the Earth. On the one hand, it opens up new transport communications in the Arctic and expands access to its natural resources. On the other hand, displacement of climatic zones causes significant damage to traditional types of agriculture, which worsen life standards in many countries. Besides, melting of Arctic and Antarctic glaciers increases the level of the World Ocean and threatens with flooding of coastal strips, including large cities. These and such like processes can become catalysts for the **intensification of the struggle between different countries or peoples** for access to natural resources and areas suitable for living.

Under such circumstances, the **globalization of the world economy not only does not eliminate the threat of wars and armed conflicts, but provokes new ones.** They keep changing their forms and eventually “hybrid” wars appear, which are conducted mainly in the political, economic, informational and special spheres with limited use of military force. The parties may be in a state of an armed conflict, but at this they maintain economic ties and transport links. Elements of such wars arose and were observed in the early 20th century during the period of active development and establishment of capitalist relations.

Thus, during the First World War, Russian and German business circles did not stop trading, using neutral Sweden for this. During the Second World War, the USA and the UK actively bombed German industrial facilities, except those with American or British capital. Even during the Civil War in the former Russian empire between the territories subordinated to different power structures, economic ties and transport communications were maintained. A similar situation is taking place during Russia's armed aggression against Ukraine.

We should also stress a number of other negative effects of globalization of the world economy, transport communications and information space. In particular, I mean here favorable conditions for **globalization and expansion of international crime**, which becomes transcontinental. In addition, access to the global Internet network provides a wide range of opportunities for **criminal activities in the cybernetic space** – from the collection of closed information and illegal financial and bank fraud to the disruption of the functioning of computer systems of other countries or even entire regions. In view of this, the most dangerous is the threat of disrupting normal functioning of state institutions, energy, finance and other industries, as well as military and environmentally hazardous facilities.

On the one hand, the processes under consideration contribute to the growth of the world economy, but, on the other hand, hinder its development. Thus, according to the **International Monetary Fund**, in 2017, the world economy grew by about 3 %, and in 2018 and 2019, the pace of its development may increase to 3.9 %, which will be the

highest since 2010. At the same time, according to a report of the **United Nations Conference on Trade and Development**, last year global direct investments in the world declined by 16 %.

All these issues were deeply analyzed at the **World Economic Forum in Davos** held on January 23–26, this year, under the theme “**Creating a Shared Future in a Fractured World**”. The participants of the Forum in general welcomed the prospects for the development of the world economy, although they recognized the existence of significant threats to global stability, among which the following were mentioned: the aggressiveness of the foreign policy of some countries keeps growing, armed conflicts continue in a number of regions of the world; problems remain in the United States' relations with the PRC and the EU; most countries, neglecting the interests of all mankind, are concerned only with their own interests.

The processes of globalization are fully extended to Ukraine as an open state with a wide range of international relations. First of all, this is observed within the framework of Ukraine's **deepening its European and Euro-Atlantic integration** in order to get fully integrated into the economic, political and security space of the Western world as part of the world civilization.

To date, the main mechanisms for Ukraine's achieving its goals are the implementation of key agreements and arrangements with the EU and NATO, namely: EU-Ukraine Association Agreement, including the establishment of an in-depth and comprehensive free trade area (valid since September 1, 2017), as well as NATO Comprehensive Assistance Package for Ukraine (approved at the Warsaw Summit in July 2016). Such mechanisms include bilateral cooperation agreements between Ukraine and its European partners.

Integration into the European energy market is also strategically important for Ukraine as a way to establish reverse gas supplies from Europe. Since 2014, with the support of the EU leadership, a number of European countries have been supplying gas to Ukraine through Slovakia, Hungary and Poland.

Ukraine's gradual engagement in China's economic space continues both, within the framework of China's “The Belt and Road” Initiative, and at the bilateral level. At this, the most interesting for the PRC is the role of Ukraine as one of the key transport hubs at the

crossroads of trade routes Europe — Asia-Pacific and Europe — the Middle East.

While developing trade and economic cooperation with Europe and China, **Ukraine is, at the same time, scaling down its ties with Russia**. In 2017, the share of Ukraine's trade with the EU in its total trade turnover increased to over 41 %, with the PRC — increased to 8 %, and with the Russian Federation — decreased to 11 %.

A catalyst for this tendency was Russia's armed aggression against Ukraine, which began in 2014 and was accompanied by the intensification of energy and trade and economic wars against our state. There are also more serious reasons for Ukraine's turning from Russia to Europe and the PRC. First of all, it concerns the advantages of European and Chinese economies, which significantly exceed the Russian one by power, efficiency and innovative potential.

By the way, similar advantages of the Western economic system over the economic system of the Soviet Union had led to the latter's defeat in the Cold War and its subsequent collapse. Moreover, modern Russia because of its inability to ensure the attractiveness of its economy for the countries of the former USSR, while trying to keep them in the sphere of its influence, continues to resort to the practice of using military force or blackmail.

Interestingly, in the 17th–19th centuries similar heavy-handed methods were used by Great Britain which was trying to keep its colonies under its control. However, this did not save the British Empire from the collapse and loss of overseas territories. And only the transition to a policy of strengthening mutually beneficial economic ties with its former colonies and providing them with comprehensive assistance allowed to restore British influence in the world. Unfortunately, Russia, through the great-power-chauvinistic mindset of its ruling elite, is not able to implement such an approach, and will inevitably lose.

In general, **it is beneficial for Ukraine to expand its participation in the processes of globalization through the economic systems of the EU and the PRC**. Integration into the world economy offers Ukraine greater opportunities for access to foreign markets, investments and modern technologies. Besides, due to diversification of economic ties and energy carriers imports, Ukraine's

security is improving, which is especially relevant in the context of Russia's aggressive policy on the Ukrainian direction.

Deepening of European integration in the economic sphere also contributes to strengthening of NATO's support for Ukraine. Western countries, investing in the Ukrainian economy, are concerned with the protection of their investments, including through involving our state in the European collective security system.

The transit potential of Ukraine is also growing – from the part of the “bridge” between the EU and Russia to one of the important components of international transcontinental communications.

All this contributes to the restoration of the positive dynamics of the Ukrainian economy.

Thus, by the results of 2017, Ukraine's GDP grew by about 2 %. According to the World Bank's forecasts, in 2018 this figure could reach 3–5 %.

Along with other countries, **Ukraine faces a number of new tasks, problems and challenges, risks and threats to its security and interests.**

Thus, integration into the European Union and NATO as supranational organizations, including in the form of in-depth partnership, implies delegation of part of Ukraine's sovereignty.

First of all, this concerns the need to harmonize the main directions of Ukraine's foreign policy and measures to ensure its security with the common foreign and security policy of the European Union, as well as the strategy and military plans of the North Atlantic Alliance.

The proclamation of Ukraine's course of joining the EU and NATO requires unconditional fulfillment of the conditions and requirements for membership through a series of relevant reforms. At this, the collective interests of the European Union and the North Atlantic Alliance will take precedence over Ukraine's national interests.

In particular, reforms will be mandatory, even if they do not meet the interests of certain political and economic circles or the Ukrainian population, causing the latter's negative reaction. As an example, the EU demands to change Ukraine's pension system, bring domestic energy prices to world levels, reduce domestic producers' support and introduce free land trade.

Besides, Ukraine will be forced to comply with the recommendations of Western countries and international organizations to resolve the problems of the Crimea and the Donbas, even if they are not up to its own plans for restoration of territorial integrity.

The issue of distribution of the international labor market in the EU, opening of the domestic market for imported goods and expansion of entry into foreign markets are also quite complicated for Ukraine. On the one hand, this will require a full modernization of the Ukrainian economy, and, on the other hand, sanitation of some enterprises and industries that do not compete.

More and more Ukraine is experiencing the consequences of the processes of globalization, from the growth of cultural and ideological influence from other countries to the problems arising from the activities of international criminal and terrorist organizations, intensification of cyberwars against Ukrainian computer networks and illegal migration. As for other countries, the negative effect of global climate change is a major problem for Ukraine. It also adds to conducting “hybrid” wars against Ukraine both by Russia and other countries that are interested in undermining Ukrainian statehood.

In general, such a difficult situation demands from Ukraine to conduct a well-considered and effective policy of maximizing the benefits from expanding participation in the processes of globalization and, at the same time, to firmly defend the Ukrainian interests. Proceeding from the principle of “reasonable expediency”, such a policy should be based on the unique qualities and advantages of Ukraine, which make cooperation with it important and necessary for its partners from the cohort of the leading powers. In this context, extremely important are as follows:

firstly, the potential of Ukraine, which is one of the determining factors of the influence on the balance of power between Europe and Russia;

secondly, the role of Ukraine in restraining Russia's expansion on the European direction and guaranteeing Europe's security from the East;

thirdly, Ukraine's geographical position at the crossroads of transcontinental communications;

fourthly, Ukraine's natural conditions which allow to produce high-quality agricultural products that are in demand in European and other markets;

fifthly, the presence in Ukraine of high-tech and world-class production, first of all in aircraft and rocket manufacturing.

Given this list, the following may be considered expedient:

in the external sphere — focusing efforts on strengthening Ukraine's position as a part of the Western world and making this status irreversible. To this end, it is necessary to intensify the strategic partnership with the USA, to deepen the partnership with the EU and NATO (based on the principle of achieving actual membership in these organizations without formalization);

in the economic sphere — moving from policy of Ukraine's gradual access to foreign markets to their active conquest, especially in those sectors where there are advantages over other countries; bringing to the qualitatively new level the value of Ukraine as one of major centers of European transport communications;

in the security and military sphere — Ukraine's full integration into the system of collective security of Europe with a leading role in protecting the EU from the East (including ensuring the permanent presence of NATO troops in the Ukrainian territory in the form of training missions, bases and military exercises).

It should be noted that successful implementation of such approaches is possible

only on a solid internal basis. This requires:

to take rigorous measures to overcome corruption and block all forms of Russia's subversive activity in Ukraine, first of all through its lobby in the Ukrainian institutions and non-governmental organizations of provocative orientation;

to carry out a complex of political, economic, judicial, military and other reforms, in accordance with Ukraine's commitments to the European Union and NATO;

to intercept an initiative in the conflict zone in the East of Ukraine; to improve border guarding in order to prevent smuggling and illegal migration; to better protect cybernetic space; to effectively struggle against international crime;

to intensify the offensive orientation of the Ukrainian information policy both within the country and regarding the population of the occupied territories, Russia and other countries, first of all European ones.

Of course, such steps are complex in nature and require the political will of the state leadership, the unification of the Ukrainian nation around the ideas of building a strong country. At the same time, only in this way Ukraine will be able to overcome the thorny long-term path of European and Euro-Atlantic integration and ultimately become a full part of the Western world, and consequently — of the entire world civilization. ■