

THE IMPACT OF THE WORLD ECONOMIC CRISIS ON THE ECONOMIC DEVELOPMENT OF UKRAINE

DIANA KANIVETS, student

LIUDMYLA N. HUK, Senior Teacher, Language Adviser

O. M. Beketov National University of Urban Economy in Kharkiv

Modern development of the global economy is characterized by display of comprehensive globalization processes. Globalization is a multidimensional process of economic and structural reforms, which is characterized by integration of national economies through trade liberalization, deregulation of the sector and equity operations with the capital, global proliferation of the financial market. A positive feature of globalization is an opportunity for developed countries to use cheap labour markets and redistribute capital. At the same time, developing countries get new opportunities through improved market access technologies, investments, production networks etc. But on the other hand, globalization has led to the increased vulnerability of the countries to the global economic crises, which arise out of their control. Such violations in one of the elements of the system cause instability of the whole system, which is clearly seen in the global economic crisis of 2007 – 2010.

The impact of the global economic crisis on the global economy was significant. Thus, according to the WTO trade growth has slowed starting from 6.4 % in 2007 to 2.1 % in 2008, and in 2009 there was a sharp reduction of 12.2 %. The main characteristic of the globality of the world economic crisis is the decline of most economic indicators in all regions of the world. The EU GDP fell by 16 % in 2007, exports from Asia fell by 5 %. For developing countries, foreign trade indicators, such as exports and imports also declined in 2007, by 7.5 % and 8 % respectively. In addition to foreign trade falling there were observed significant fluctuations in the real sector of the world economy. Thus, according to the IMF data, global production output increased by 3 % in 2008, fell by 0.6 % in 2009 and increased again by 5 % in 2010, 4.4 % in 2011 and 4.5 % in 2012. For the countries with developed economies, production output grew by 0.5 % in 2008, decreased by 3.4 % in 2009, increased by 3 % in 2010, 2.5 % in 2011 and 2012. This trend indicated gradual recovery of developed countries from the global economic crisis. However, for most developing countries, the global crisis has led to long-term consequences that provoked structural economic and political transformations of different nature. This phenomenon was widely investigated by the world scientific community.

Thus, the crisis, on the one hand, destroys the existing economic system, and, on the other hand, in the case of its flexibility, the possibilities for transformation and effective management decisions provoke opportunities to increase the economic growth of the national economy and implementation of effective economic reforms.

References

1. Global Financial Stability Report. Statistical Appendix // Report of IMF. – April, 2012. – Washington D. C.: International Monetary Fund [Electronic resource]. – Access mode: <http://www.imf.org/external/pubs/ft/gfsr/2012/01>.
2. Cable V. The Storm: The World Economic Crisis and What it Means / V. Cable. – London: Atlantic Books, 2010. – 192 p.

THE OVERVIEW OF AGRICULTURAL SECTOR OF CANADA

DARYNA KASIAN, Student

OKSANA M. TARABANOVSKA, Senior teacher, Language Adviser

O. M. Beketov National University of Urban Economy in Kharkiv

As early as the beginning of the 20th century Canada was described as a country of grain growers. Indeed, before the outbreak of the First World War, agriculture was the basis of its economy, on which its manufacturing industry was mainly developed. The vast majority of the country's population was employed in agriculture and related industries. In the world market, Canada acted as the largest producer and supplier of wheat and other agricultural products.

Due to the economic crisis that broke out in 1929, the situation of Canadian farmers has deteriorated sharply. The fall in the price of wheat ruined thousands of small farmers, they were unable to pay any debts to banks and loan agencies, nor taxes to the state. Not only the harvested grain, but also many hectares of land were taken from farmers to pay debts and interest on loans. The situation was further aggravated by the fact that in the 1930s, the drought continued in the Canadian steppes for 8 years. The earth dried up, turned into a dry powder, and the wind blew the top layer of the soil, raising clouds of dust. Since the mid – 1930s, abandoned farms have become a characteristic feature of the Canadian landscape. The ruined farmers went to cities in search of work. The situation improved significantly during the Second World War, when Canadian agricultural products were widely sold. But after the war in agriculture, Canada began to decline. The competition of the USA and reduction of import of the Canadian agricultural production to England have sharply worsened position of the Canadian farmers. There is an active process of consolidating capitalist farms and ruining small-scale farming, which is replenishing the ranks of the Canadian proletariat. The number of farms decreased from 623 thousand in 1941 to 575 thousand in 1956. Yearly the number of people employed in agriculture is reduced, if in 1941 another third of the working population was employed in it, in 1951 only one-sixth.

By nature of agricultural production, Canada is divided into four areas:

1) the agricultural population of British Columbia, concentrated in mountain valleys and along the coast, engaged in dairy cattle, poultry, horticulture (growing apples and berries), seed production, vegetable growing and floriculture. The products are mainly for the nearest markets in Vancouver and Seattle (USA);