

DE-GLOBALIZATION AS A NEW FORM OF GLOBALIZATION

S. D. DEMIROVA, PhD, Associate Professor,
Head of the Department of Industrial Management
Technical University of Varna, Varna, Bulgaria

A. O. MOSKVINA, PhD in Economics, Docent, Associate Professor at the
Department of Economic Theory and International Economics
O. M. Beketov National University of Urban Economy in Kharkiv, Kharkiv, Ukraine

Iu. O. PRAVNIK, Lecturer at the Department of Business Foreign Language and
Translation

V. N. Karazin Kharkiv National University, Kharkiv, Ukraine

The pandemic triggered a reaction that led to the beginning of de-globalization processes in the economic life of society. Although this circumstance can be regarded not as a process of general de-globalization but as a period of time between the periods of globalization, the recession before the next more extensive globalization stage.

During crises, the processes of de-globalization – periods when the economies of the countries of the world become less integrated with each other, the volume of world trade and investment between countries decreases, some countries start the withdrawal from international economic organizations and the introduction of protectionist measures – are activated. The coronavirus crisis did not lead to global de-globalization on a permanent basis, but to a temporary decline in globalization, or globalization in a new way: reorientation of flows to other goods, countries, trade routes, spheres of activity. COVID-19 hit tourism the most, and some sectors of the economy have benefited: the IT industry, work with securities, online trading, delivery, the pharmaceutical industry, etc. It seems that the financial and oligarchic structures are going to change their location and influence through other spheres.

At the global level, there have been two long periods of de-globalization: in the 1930s during the Great Depression and in the 2010s, when global trade slowed down after the Great Trade Collapse. The two phases of de-globalization were equally driven by the shock of demand following the financial crisis, where trade structure was the second determining factor. One of the de-globalization scenarios of our time is the split between the economic blocks headed by China and the United States. A combination of restrictions on trade in certain sectors and commodities seems likely to have a negative impact on global long-term growth and geopolitical stability.

Like globalization, economic de-globalization is centered around four main economic flows: goods and services, labor, capital, and technology. Today, a decline is observed in all four of these flows. The pandemic has served to increase the digitalization of all areas of the economy. Some countries with a tourism-oriented economy and an underdeveloped communication technology system have suffered the most, but the main weakness in most economies has been the lack of reserves, ranging from the health system to financial resources.

The slowdown in the growth of international trade and the level of international integration of economies led to the fact that the growth of the world economy in

recent years began to slow down, and the ideas of protecting national markets from transnational "sharks" are becoming more and more popular. It was believed that with the full blooming of globalization, the walls dividing the states would disappear. But now both governments and businesses are forced to look more at what is happening within their own countries. Reducing international engagement will stimulate protectionism. During a crisis, countries begin to defend their own interests, introduce new barriers to protect their sectors. The closure of their states due to the pandemic leads to an increase in the cost of maintaining global supply chains. The governments will make more efforts to increase domestic production of the most important types of products, despite the increase in costs due to this.

There will be nations within states that will differ from each other in terms of their economic structure. All this is absolutely unprofitable for the ruling group of families in the world today who own networks of international banks. They benefit from the "economic bottle of globalization", in which there will be no state, no national, no religious, no linguistic, or even sex differences. It is in the world where they can retain the dominant positions that they currently occupy in the economy, politics and culture. With the help of propaganda, which is mistakenly called mass culture, they have made fools out of the majority of the population of modern bourgeois cities. In the best traditions of Western marketing, people are sold what they really don't need.

Many believe that globalization is an objective and inevitable process, others that the process of aggressive global grinding of differences between people is man-made and is the result of urbanization and the cessation of the development of state programmed colonization of space. The truth is that globalization is still an objective process, from which the human civilization cannot escape, and which is used by "the powers of the world" in their own interests, which makes it subjective.

Globalization is needed more for the countries that live at the expense of others. Developed countries, or rather transnational corporations (TNCs), are receiving benefits from globalization through the distribution of world resources. A hierarchical global financial and economic pyramid has formed, and at the top of it there are the development countries, or rather TNCs, bound with them. This system works on a channel: the flow of goods of high and unique technologies goes downwards, which gives an excess surplus value; upwards – the flow of raw materials and industrial products of standard technologies at reduced prices, as well as the suction of highly qualified personnel, and under the conditions of an environmental crisis the production facilities, giving a large amount of pollution, waste, including radioactive, are exported from developed countries to the Third world.

Recently, the mass dissatisfaction with this state of affairs has spread, which forced the governments to return people to their "boxes". The benefits from the coronavirus were received by politicians, pharmaceutical and high-tech companies, as well as a group whose position has improved dramatically due to the pandemic, this is the government that messed up in their countries and in the world, and all the failures and problems can now be attributed to a malicious virus, like earlier to the war.

Whole industries began to grow on the pandemic, and the processes of universal vaccination can only be called an increase in globalization. We are simply robbed and distracted from problems, and globalization has not disappeared anywhere. Robberies at the mega-level are a natural process of globalization along the Western lines, and wars are a way to force countries, including some of the Western ones, to follow the globalization that the United States is now imposing almost alone. A pandemic is an attempt to influence the processes and course of globalization in a certain direction, and given that the coronopandemic has a weak effect, this is a trial step.

Globalization cannot be stopped, but now it is going differently, when trade is growing and people are not moving. The process of globalization after the pandemic will intensify even more and manifest itself in a new form. But this does not mean the elimination of geopolitical instability; on the contrary, the risk of international conflicts will increase.

Both processes (globalization and de-globalization) have both positive and negative consequences for the development of economies and the world community as a whole. However, neither of these processes can be taken as the basis for the further development of civilization. Which path to take? The question is left unanswered by the world's intellectual minds.

Globalization began long ago, when the international division of labor that binds peoples became global and inevitable – then let it proceed in a new way. The new path of globalization is an orientation not towards faceless TNCs, but towards strong national states in a globalizing world, where their own elites will feed (forcedly) and rob people of their own. It is not globalization that is terrible, but the transnationalization of humanity, which can turn into one continuous global corporation. There is a confrontation between regional states and TNCs, and TNCs are still winning in this war, since, according to economic laws, capital moves to profitable areas.

Without figuring out whether the coronavirus is of artificial or natural origin, one thing is clear, it is simply reducing the number of people, the most flexible of whom have learned to use it to their advantage. Every 100 years, some kind of epidemic and war happened to humanity. A pandemic has already occurred in our century, and then everything runs its course through ups and downs.

Literature:

1. Fajgelbaum, Pablo D., Pinelopi K. Goldberg, Patrick J. Kennedy, and Amit K. Khandelwal (2019) *The Return to Protectionism*. National Bureau of Economic Research. Cambridge. *NBER Working Paper Series*, № 25638. 72 p. URL: https://www.nber.org/system/files/working_papers/w25638/revisions/w25638.rev0.pdf (accessed 30.01.2021)

2. Lund S., Manyika J., Woetzel J., Bughin J., Krishnan M., Seong J., Muir M. (2019) *Globalization in transition: The future of trade and value chains*. McKinsey Global Institute: McKinsey & Company, 144 p. URL: <https://www.mckinsey.com/~/media/mckinsey/featured%20insights/innovation/globalization%20in%20transition%20the%20future%20of%20trade%20and%20value%20chains/mgi-globalization%20in%20transition-the-future-of-trade-and-value-chains-full-report.pdf> (accessed 30.01.2021)