

## СЕКЦІЯ 1 ЕКОНОМІЧНА ТЕОРІЯ ТА ІСТОРІЯ ЕКОНОМІЧНОЇ ДУМКИ

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**Ushkarenko Yuliia**

*Doctor of Economics, Professor,  
Head of the Department of Economics, Management and Administration,  
Kherson State University  
ORCID: <https://orcid.org/0000-0002-7231-5277>  
E-mail: [Ushkarenkoj@gmail.com](mailto:Ushkarenkoj@gmail.com)*

### **SOCIO-ECONOMIC PREREQUISITES FOR SUSTAINABLE DEVELOPMENT OF NATIONAL ECONOMIES IN A GLOBALISED WORLD**

The essence of the globalization process is considered. The main socio-economic prerequisites for sustainable development of the national economy in the context of globalization have been identified. It has been proved that the existing mechanism of market relations is not prepared for regulation at the global level. The features of national economies determine the problems of their socio-economic development, their contribution to the process of sustainable development of the world community, and the possible models of behavior aimed at increasing local and global sustainability. The ambiguous influence of globalization of the world economy on the steady development of the separate states and managing subjects is shown. Its integration possibilities which create preconditions for working out of a scientifically based strategy of steady development of a society are revealed. The necessity of strengthening state regulation of national economies taking into account their peculiarities with the purpose of eliminating market distortions and raising the efficiency of socio-economic development has been substantiated.

**Keywords:** sustainable development, globalization, national economy, socio-economic relations, market, state regulation.

#### **Юлія Ушкаренко. СОЦІАЛЬНО-ЕКОНОМІЧНІ ПЕРЕДУМОВИ СТАЛОГО РОЗВИТКУ НАЦІОНАЛЬНОЇ ЕКОНОМІКИ В УМОВАХ ГЛОБАЛІЗАЦІЇ**

Мета роботи полягає в обґрунтуванні соціально-економічних передумов сталого розвитку національної економіки в умовах глобалізації. Розглянуто суть процесу глобалізації. Доведено, що існуючий механізм ринкових відносин не підготовлений до регулювання на глобальному рівні. Встановлено, що проблеми соціально-економічного розвитку визначають особливості національних економік, вклад у процес сталого розвитку світового співтовариства, моделі поведінки, спрямовані на підвищення стійкості як на локальному, так і глобальному рівні. Показано неоднозначний вплив глобалізації світової економіки на стійкий розвиток окремих держав та суб'єктів господарювання. Виявлено її інтеграційні можливості, що створюють основу для розробки та впровадження науково-обґрунтованої стратегії сталого розвитку в умовах глобалізації. Обґрунтовано необхідність адаптації окремих країн та регіонів до правил міжнародного механізму господарювання, удосконалення наднаціональних законів та інститутів, що забезпечують контроль сталого розвитку цивілізації, а також необхідність посилення державного регулювання національних економік з урахуванням їх особливостей з метою усунення ринкових перекосів та підвищення ефективності соціально-економічного розвитку. Глобалізація світової економіки неоднозначно впливає на сталий розвиток цивілізації. Серед негативних тенденцій можна виділити посилення контролю за функціонуванням національних економік з боку ТНК, криза світової фінансової системи, посилення нерівності країн, перерозподіл доходів від бідних до багатих. Встановлено, що процес глобалізації є закономірним. Це викликає необхідність пошуку її ефективного використання на регіональному, національному та міжнародному рівнях та посилює необхідність адаптації країн до особливостей міжнародного механізму господарювання та державного регулювання економік, враховуючи їх національні особливості. Виявлено неоднозначний вплив глобалізації на сталий розвиток держав. Здійснено аналіз моделей економік з метою оцінки їх внеску в процес сталого розвитку суспільства і вирішення соціально-економічних проблем економічного розвитку.

**Ключові слова:** сталий розвиток, глобалізація, національна економіка, соціально-економічні відносини, ринок, регулювання.

**Problem statement.** Analyzing modern trends in human community development, one can note its large-scale transformation under the influence of scientific-technological and

social progress, which has covered almost all spheres of human activity. Strengthening of information and knowledge influence economic growth, change of public wealth

structure towards human capital prevalence, change of social needs structure and world market in favor of high technologies can be attributed to the peculiarities of socio-economic relations development at the present stage. At the same time, along with positive trends in socio-economic development, the world community is constantly confronted with global problems and threats, the probability of which has been increasing in recent years.

**Analysis of recent research and publications.** Globalization as an important and controversial trend of modern social and economic development has been the focus of the attention of economists and politicians, both foreign L. Brown, P. Bourdieu, P. Buchanan, J. Stiglitz, O. Toffler, F. Fukuyama, and Ukrainians V. Andruschenko, A. Galchinski, O. Goncharenko, L. Hubertski, V. Zlenko, Y. Kaminski, Yu. Kopyyka, V. Kremlin, S. Krimskiy, Z. Lutsishin, D. Luk'yanenko, V. Manzhola, Y. Makogon, M. Makarenko, M. Mikhalchenko, Y. Pavlenko, Y. Pakhomov, S. Sidenko, T. Starodub and others. Some researchers consider globalization as a consequence of the development of world integration processes and the growth of openness of national economies. Others see it as a manifestation of the systemic crisis of capitalism, causing the need to absorb the comparative advantages of other countries and the transformation of the entire system of socio-economic relations. Despite the existence of numerous works on the problems of sustainability of socio-economic systems and socio-economic development of Ukraine, many issues have not found a full justification in the studies of domestic and foreign authors. In particular, a more detailed analysis of the impact of modern processes of economic globalization on the sustainable development of society is needed.

**The purpose of the article.** Identifying the main socio-economic prerequisites for sustainable development of the national economy in the context of globalization.

**Presentation of the research material and its main results.** Most researchers believe that globalization is a natural process of development in modern society. L. Thurow, for example, characterizes the formation of the global economic system as follows: «At the end of the 19th century, local economic systems were replaced by national economies. At the end of the 20th century, they, in turn, are replaced by the global economy» [7, p. 6].

In our opinion, modern globalization is a whole system of a new mode of production based on the modern achievements of civilization. This totality includes a new role of the person in production, progressive technologies and system of high technology branches, and new relation to nature, – finally, it is a new stage of a terrestrial civilization, naturally assuming an increase of social and economic efficiency of development of a society.

The globalization of the world economy has an ambiguous impact on the sustainable development of civilization. Among the negative trends, one can single out the crisis of the global financial system, increased inequality in countries, the redistribution of income from the poor to the rich, the tightening of control over the functioning of national economies by TNCs, of which several tens of thousands have formed, having a single network, within which more than 40% of the world is created. product, more than half of the world's foreign trade turnover is carried out, and more than 90% of the export of capital from one country to another are controlled [7, p. 43].

Globalization and the virtualization of the economy associated with it lead to unbridled growth in the income of the financial sector, and the emergence of new sources of income, especially from trading in financial derivatives, the level of which is absolutely unimaginable for the real sector of the economy. Globalization sets a rigid framework within which national economies operate and largely determines their dynamics. In the social sphere, globalization leads to cuts in public spending, rising inequality, and a redistribution of income from the poor to the rich.

Thus, the globalization of the world economy leads to an aggravation of environmental and social problems. On the other hand, its integration opportunities create the necessary prerequisites for the development of a science-based strategy for the sustainable development of society. We proceed from the premise that the process of globalization is natural, albeit contradictory. Therefore, it is necessary to search for its rational, effective use both at the level of the national, and regional economy and internationally. One of the directions for the effective use of the processes of globalization and international integration is counteracting global threats. This requires large investments and the participation of most countries of the world.

The globalization of the world economy is an uneven process that is constantly changing forms, directions, and implementation mechanisms. This is evidenced by such a phenomenon as the regionalization of economic development, which proceeds in parallel with the process of globalization. On the one hand, the formation of a regional integration grouping can be considered a form of globalization, and on the other hand, as a form of collective protection from the negative impact of globalization itself, carried out in the interests of the most powerful economic players [2, p. 89]. A positive example of the implementation of regional integration processes is the European Union. European countries today have advanced far in the problem of sustainable development due to the close level of economic development of most EU member countries, their rational territorial distribution, common traditions, political structure, and ideological attitudes. The European Union achieves its goals mainly through the implementation of a common policy in the field of environmental protection, foreign trade, energy, agriculture, fisheries, and other areas. Let us analyze the models of various economies in order to assess both their contribution to the process of sustainable

development of the world community and the problems of socio-economic development that arise in the respective countries due to internal or external reasons (Table 1).

The positive contribution of these countries to global sustainable development is determined by increasingly active actions in the political arena in the areas of combating international terrorism and the formation of a multipolar world, providing the world economy with natural, material, and human resources, active participation in various international organizations and international trade, the desire to solve environmental and socio-demographic problems.

The market economy contributes to the deterioration of the environmental situation in the global world. The law of profit maximization is not able to limit the release of environmentally polluted industries, increasing the greenhouse effect. An increasing place in the competitive struggle is occupied by the shifting of the costs of structural adjustments, and the costs of solving socio-economic and environmental problems. Significant funds are spent on the development of minor improvements, and insufficient funds are allocated to address the problems of protecting the environment

Table 1

**Economic Models**

<b>Socio-economic development</b>		
<b>leading countries of the world</b>	<b>underdeveloped countries</b>	<b>developing countries</b>
<p>These countries use elements of market and state regulation of the economy, focus on accelerated scientific and technological progress, a high level of education of workers, a mature competitive mechanism, a well-developed legislative framework, a high level of social security and corporate culture. They are world leaders in most areas of the world community. At the same time, it is necessary to note a significant number of negative impacts on the sustainable development of society from developed countries. These countries are the main consumers of resources, contribute to their depletion, increase the burden on the environment. Despite significant economic superiority, the leading countries of the world face global man-made, natural, energy, nuclear, economic and other threats.</p>	<p>Most of the underdeveloped countries have an extremely unstable socio-economic situation and create many problems for the entire world community. In these countries, the weak development of commodity-money relations, the low level of entrepreneurial culture, the lack of internal incentives for the development and modernization of production, the underdevelopment of institutions and social vulnerability. Among the problems that these countries face, one can single out poverty, lack of water and food, insufficient levels of health care and education, corruption, the shadow economy, etc. For the sustainable development of poor countries, it is necessary to form institutions, move away from the shadow economy, strengthen state regulation, support entrepreneurship, the fight against corruption, the search for affordable natural resources that can meet the basic needs of the local population.</p>	<p>Most of these countries seek to ensure local sustainability. The generalized model of these countries includes elements of both market and state regulation of the economy, an orientation towards a catch-up development scheme, the presence of a high level of education and human potential in a number of countries, the formation of competitive mechanisms and a legislative framework, insufficient levels of social protection, the development of the middle class and corporate culture.</p>

Source: compiled by the author based on [3; 4; 7].

and overcoming poverty. Finally, the market economy is unable to take into account the role of social effects in the knowledge economy. Recently, there has been a lag in the pace of development of social progress from the development of scientific and technological progress. These processes require special regulation. Disproportions in the development of civil society institutions in the context of globalization are fraught with hidden threats.

Thus, at present, the contradictions between the principles of free market entrepreneurship, free pricing, and competition and the need to strengthen state regulation are growing more and more. The main principle of a market economy - making a profit - leads to the fact that such a profit is obtained due to the violation of the socio-economic laws of the development of society, the violation of the environment, the production of low-quality products, and many other negative phenomena. Strengthening state regulation and control over these phenomena, on the one hand, leads to the elimination of these shortcomings, and on the other hand, to a reduction in the initiative of private entrepreneurship, narrowing the possibility of a more successful and quick solution to economic and technical problems. At present, this contradiction has become significantly aggravated and, although there are disputes on this issue in the scientific literature, the most rational solution has not yet been found.

In a number of countries, attempts have been made to resolve this issue by sharply increasing state influence on the development of the market system. Such a country is China, where market economy priorities are used, but at the same time, these priorities are under strict state control. At this stage, this approach to the development of the Chinese economy has shown itself to be a very effective way of managing.

The analysis showed that the market economy system is not capable of solving many problems that arise at the present stage of scientific and technological progress. This does not mean, of course, that the market system needs to be replaced, as some economists argue. Apparently, in the future, the market system itself is waiting for a new system, more progressive and fair. To do this, it is necessary to scientifically substantiate such a mechanism for managing social processes that most fully take into account the new phenomena of a developing civilization. The question arises of how,

under these conditions, the role of the state and civil society in the system of ensuring global sustainable development should be transformed.

The answer to this question is very ambiguous. There is an opinion that it is necessary to organize a supranational global power structure – the Parliament of the World, which should have its own property and effective management capabilities on a global scale within a certain prerogative [3, p. 8]. According to N. Birdsall, «due to the imperfection of global markets, it is necessary to create a global system of agreements and rules that would help manage the global environment (the Kyoto Protocol and other agreements), help countries with emerging markets, and resist global financial risks (the IMF and others). financial institutions), fight corruption and other manifestations of anti-competitive manifestations (for example, the establishment of a global antimonopoly agency) ... we must ... consider creating new global institutions to manage new global risks, for example, the UN Agency for International Migration» [7, p. 88-89].

Although international supranational systems (UN, IBRD, IMF, etc.) have existed for a long time, they do not always adequately solve the problems of the entire world community. At present, in our opinion, the process of globalization is developing in the direction of a single «unstructured» optimum of the world economy, created by the free movement of short-term capital. The place of a single unstructured optimum should be occupied by the concept of the «global optimum-according to Pareto», which is more in line with the spirit of the social market economy. In essence, we are talking about the introduction of a kind of «veto» right to a decrease in welfare for countries and peoples» [5]. In our opinion, the process of globalization should be directed towards the implementation of sustainable development goals, using the joint efforts of transnational corporations and world organizations. At the same time, recognizing the expediency of improving supranational laws and institutions to ensure control over the sustainable development of civilization, it is necessary to strengthen the role of nation-states.

An essential component of sustainable development is the emergence of a global middle class. It is the middle class in developed countries that demands that the government it serves be accountable to it.

At the same time, there is no middle class in underdeveloped countries and a nascent one in most developing countries. The creation of an efficient middle class in the national economic system is the most important factor to eliminate social inequality, effectively developing science and technology, establishing rational consumption, and keeping people with high-quality performance and morals. Globalization does not lead to a reduction but a change in the nature of state activity. The state must not subsidize commercial firms, and must not allocate resources to them. But control over the use of global biospheric, human, informational, financial, organizational, and innovative resources cannot be delegated to the market or to TNCs, whose leadership is not elected by the people and is not accountable to them [4].

Thus, in modern conditions, the role of state regulation increases significantly in order to improve the efficiency of the socio-economic development of the country, eliminate market distortions and create conditions for proportional and sustainable development of the economy. In addition, it is necessary to adapt individual countries and regions to the rules of the cross-national economic mechanism. Ignoring these patterns of global development leads to new global threats caused by the costs of an unregulated market economy, which are associated with the likelihood of economic crises escalating into global catastrophes.

Summarizing the analysis of the main socio-economic prerequisites for sustainable development of national economies under current conditions, we can draw conclusions. Economic and social threats associated with the negative consequences of the globalization of the world economy, which are expressed in the destruction of the world financial system, tightening of control over the functioning of national economies by TNCs, increasing inequality of countries, redistribution of income from the poor to the rich, take on significant weight. The problem of global economic crises may be comparable with other global threats in its scale and possible consequences in the context of globalization of the world economy. In particular, the economic damage of modern world financial and economic crisis puts it on a par with other global catastrophes.

The existing mechanism of market relations is not prepared to regulate on a global level. Because the development

of modern society is based on integration processes and the expansion of international ties, it is necessary to substantiate the mechanism of management that meets the global economy requirements. The role of state regulation increases significantly, and the need to adapt individual countries and regions to the rules of international economic mechanisms and to improve supranational laws and institutions that provide control of sustainable development of civilization. Real interstate governance makes it possible to reduce imbalances generated or reinforced by globalization.

The most important component of sustainable development is the formation of a middle class on a planetary scale. It is the middle class in developed countries that demands that the government they use be accountable to them. At the same time, in underdeveloped countries, there is no middle class, and in most developing countries it is in its infancy. The creation of an effective middle class in the system of the national economy is the most important factor for eliminating social inequality, the effective development of science and technology, the establishment of rational consumption, and the preservation of a person with high qualities of working capacity and morality.

Globalization does not lead to a reduction in the scale, but to a change in the nature of state activity. The state should not subsidize commercial firms and distribute resources among them. However, control over the use of the global biosphere, human, informational, financial, organizational, and innovative resources cannot be entrusted to the market or TNCs, whose leadership is not elected by the people and is not responsible to them [4]. Thus, in modern conditions, the role of state regulation is significantly increasing in order to increase the efficiency of the country's socio-economic development, eliminate market distortions, and create conditions for proportional and sustainable development of the economy. In addition, it is necessary to adapt individual countries and regions to the rules of the international economic mechanism. Ignoring these patterns of world development leads to the emergence of new global threats caused by the costs of an unregulated market economy, which are associated with the likelihood of economic crises developing into global catastrophes.

Summarizing the analysis of the main socio-economic prerequisites for the sustainable development of national economies in

modern conditions, we can draw conclusions. Economic and social threats associated with the negative consequences of the globalization of the world economy, which are expressed in the destruction of the world financial system, tightening control over the functioning of national economies by TNCs, increasing inequality of countries, and redistribution of income from the poor to the rich, are gaining significant weight. The problem of world economic crises can be comparable in terms of the globalization of the world economy with other global threats in terms of their scope and possible consequences. In particular, the economic damage from the current global financial and economic crisis puts it on par with other global catastrophes.

The existing mechanism of market relations is not prepared for regulation at the global level. Since the development of modern society is based on the processes of integration, and expansion of international relations, it is necessary to substantiate the management mechanism that meets the requirements of the global economy. At the same time, the role of state regulation is significantly increasing, and the need for the adaptation of individual countries and regions to the rules of the interethnic economic mechanism, and the improvement of supranational laws and institutions that ensure control of the sustainable development of civilization is increasing. Real interstate governance helps reduce the imbalances generated or exacerbated by globalization.

Features of national economies determine the problems of their socio-economic development, contribution to the process of sustainable development of the world community, as well as possible behaviors aimed at increasing local and global sustainability. The backward countries need competent strategies for socio-economic development, reducing the share of the shadow economy, and strengthening state regulation. Developed countries must realize

the global nature of modern threats, and limit their consumption, giving them the opportunity to improve the quality of life of the world community as a whole. Countries with developing economies, which are currently the majority, by choosing their own path of development, can become the basis for the formation of a global civil society and a guarantor of global sustainability.

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