

Global economy management: features, technologies, prospects

Gestión de la economía global: características, tecnologías, perspectivas

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Contents

1. Introduction
 2. Literature review
 3. Materials and methods
 4. Discussion
 5. Conclusions
- Bibliographic references

ABSTRACT:

On the one hand globalization helped in further democratization, deepened interdependence of countries and peoples, and expanded the technical and information capabilities of humankind. On the other hand, one cannot but notice that in many regions of the world threats, challenges and risks directly related to globalization outweigh all of its advantages. The unstable state of the world economy in the post-crisis period once again attracts the attention of representatives of various scientific schools to the problem of managing global economic processes.

Keywords: globalization, global economy, resource management.

RESUMEN:

Por un lado, la globalización ayudó a una mayor democratización, profundizó la interdependencia de los países y los pueblos, y amplió las capacidades técnicas y de información de la humanidad. Por otro lado, uno no puede dejar de notar que en muchas regiones del mundo las amenazas, los desafíos y los riesgos directamente relacionados con la globalización superan todas sus ventajas. El estado inestable de la economía mundial en el período posterior a la crisis atrae una vez más la atención de los representantes de diversas escuelas científicas sobre el problema de la gestión de los procesos económicos mundiales.

Palabras clave: globalización, economía global, gestión de recursos

1. Introduction

Global governance, as well as political management is influenced by objective and subjective factors, a variety of organized and spontaneous actions. However, the consequences of the impact of such actions or factors are much less predictable than the impact of similar actions and factors on political governance in a particular country.

Thus, we understand the object of the world economy as the totality of individual countries participating in the division of labor and related to the system of international economic relations.

The concrete objects of studying the world economy are

- general laws governing the development of the world economy;
- globalization processes;
- national economies in terms of their participation in the international division of labor;
- transnational structures, their production and marketing activities;
- monetary, financial and budgetary resources of national governments allocated to international financial and economic activities;
- world monetary and financial system, activity of international financial institutions;
- international economic organizations;
- international economic legislation;
- goods and services produced by the real sectors of the global market (Keohane & Nye, 2000).

It is possible to single out both positive and negative sides of the world economy. The positive consequences (advantages) of globalization processes include:

- Globalization contributes to deeper specialization and the international division of labor.
- An important advantage of globalization processes is economies of scale, potentially leading to cost cutting and lower prices, and hence to sustainable economic growth (Andronova, 2014).
- The benefits of globalization are also linked to the benefits of free trade on a mutually beneficial basis that satisfies all parties.
- Strengthening competition, globalization stimulates further development of new technologies and their distribution among countries. The result of globalization, as many experts hope, should be the global increase in welfare in the world.

Potentially problems, causing negative consequences from globalization processes in all countries, include:

- uneven distribution of benefits from globalization in the context of individual branches of the national economy (Afontsev, 2009);
- possible de-industrialization of national economies;
- the possibility of transferring control over the economies of individual countries from sovereign governments to stronger states, TNCs or international organizations.

The most painful consequences of globalization can be felt by less developed countries, on the so-called world periphery. The majority of them, participating in internationalization as suppliers of raw materials and producers of labor-intensive products (and some of them as suppliers of parts and assemblies for modern complex equipment), find themselves in dependence on advanced powers and have revenues that are smaller, and very unstable, depending heavily on the conjuncture of world markets.

2. Literature review

The search for global economic management leads to an idea, the essence of which can be expressed as "global governance without a global government". "The world government with a single world capital," wrote M. Lind, editor of the National Interest, "is technically probably possible in the times of Genghis Khan and, no doubt, in the days of Napoleon. The failure of all attempts to achieve world domination is rooted not at the level of technological development – it follows from the stubborn reluctance of peoples to live under the yoke of any conquerors. This is also true of the newest aspirations for world domination."

Supporters of such governance "without a global government" refer to globalization as a powerful force transforming the world, responsible for the evolution of societies and economies, for changing the forms of government and the entire world order. Scientists sharing this view do not predict the creation of a single world community, not to mention a single unified world state.

They associate globalization with the formation of a new stratification of the states that cease to play the role of the axis around which the world revolves. However, they do not disappear from the world arena. Their creed: traditional concepts of statehood change

slowly, but constantly.

The prototype of global governance. Contradictory tendencies of modern world development show that the era of its absolute spontaneity ends or has already ended in conditions when the volumes and quality of knowledge accumulated by humankind are clearly inadequate to the tasks of managing the ever-accelerating process of global changes. But even this "social half-knowledge", as N.A. Kosolapov described it, allows us to state that not the "world government", but the totality of interstate and supranational bodies that preserve the pluralism of national sovereignties, acts as a prototype of global governance.

The object of such management will be not territories and ethno-social entities, but global processes (social, biospheric, etc.). A.B. Weber back in 1993 argued that the elements of such management system of global problems already exist and function.

3. Materials and methods

The theoretical basis of our research is comprised of the works of leading domestic and foreign scientists in the field of global management of the economy, international monetary and credit relations, and economic theory.

When working on the research, such general scientific methods as ascension from the abstract to the concrete, from the particular to the general, analysis and synthesis, classification, scientific abstraction were used.

Elements of the empirical study have been performed using the methods of grouping, comparison and generalization employing the tools of mathematical statistics and expert approach.

Information base of the work is made up of data of the United Nations Organization, analytical materials of research institutions and professional associations, expert assessments and calculations of scientific and practical workers, reporting documentation of the largest TNCs, periodic press materials, and Internet sources.

4. Discussion

The modern system of regulation of world economic ties, which had finally formed by the end of the last century, consists of various elements, has a definite structure, goals and general characteristics, among which are dynamism, interaction and coordination with the subjects of other subsystems, emphasis on communication and information.

The global regulation is based on a system of organizational and legal forms and methods of influence by certain international (interstate, supranational, non-state) actors and instruments on the objects of international economic relations (Strange, 2002). The essence of such regulation is to eliminate disproportions in the development of individual elements of the system. Its effectiveness, of course, depends on the coherence of actions of all the subjects of the world economy.

The modern mechanism of regulation has a multilevel character, i.e. it is implemented at the national, regional, transnational and global levels and is used by various types of actors: nation states and their associations, international organizations, transnational structures and numerous civil society actors. State management mechanisms are linked to the activities of national governments, the conclusion of international agreements and decision-making at the level of international organizations (Afontsev, 2010).

Non-governmental regulatory mechanisms are represented by non-governmental organizations and transnational structures, which only indirectly can participate in decision-making (through expertise, lobbying or forming public opinion). They, nevertheless, have a high potential in the development of proposals for a number of problems (Krylov, 2013).

The diversity of subjects and the existence of equally diverse economic interests and regulatory instruments imply the coordination of their activities with other stakeholders. Thus, the formation of the agenda and the definition of priority directions of regulation, the development and adoption of new rules, monitoring of their implementation, the development of more effective mechanisms for finding compromises on key development

contradictions become the arena of international interaction between state and non-state economic entities.

Their partnership can bring global governance to a qualitatively new level. At the same time, the existing global infrastructure of international interaction is very mobile and develops quite asymmetrically (Kolb, 2016). As disproportions and uneven economic development of individual countries and regions and the world economy are eliminated, a new alignment of forces is taking place within the system, with new centers for making world economic decisions being formed (Bogoviz Alexei, Vukovic Galina & Stroiteleva Tamara, 2013). However, contradictions are also growing between them. All this affects the nature of the mechanisms for regulating world economic relations, among which there are alternative mechanisms for regulating similar international relations and alternative institutions within the framework of already established regulation instruments. Thus, two opposing processes are observed: under the influence of external effects, a change in the mechanisms takes place, which, in turn, transforms the system itself.

Such transformations have occurred more than once in history. For example, the global crises of the last century always ended with the formation of a new dominant economic paradigm, and the way out of the crisis suggested the emergence of a new model for regulating the economy.

Examples are the sharp increase in dirigisme after the Great Depression in the mid-20th century and the dominance of the neoliberal concept of regulation at the end of the twentieth century. The current economic crisis undoubtedly provides significant material for the intensification of scientific research, in the course of implementation of which a rethinking of the existing conceptual apparatus and the conceptual foundations of the theory of regulation of the global economy is being created, as well as the contours of a new theory of global processes management.

Today, we speak of the diversity of views and approaches among the representatives of various scientific schools in their regard of the nature of international regulation of world economic relations. At various times, different theoretical approaches were developed that made a significant contribution to the theory of managing the world economy. Among them, we can single out normative, structural-functional, federalist, regionalist and globalist approaches, the provisions of which, in one form or another, formed the basis for the activities of modern international economic organizations.

The development of global processes, and a series of local, regional and global crises have corrected the perception of the effectiveness of the existing governance model, and actualized theoretical studies in the field of international regulation of the global economy.

Representatives of various schools and scientific movements are now trying to propose a comprehensive approach to the model of global governance, taking into account the development of alternative theories. On this basis they try to develop a new regulatory mechanism that suits most of its stakeholders.

The current ideas about the possible organization of global governance of world economy, are, in fact, reduced to finding the most effective proportions of participation of state, international and non-state structures and institutions in the already existing models of global governance.

4.1. Stakeholders in the global system of economic regulation

In a broad sense, the stakeholders are actors involved in the process of establishing world economic rules.

To understand the role of such stakeholders in economic regulation in the last two decades, two factors must be mentioned: globalization and democratization. Globalization has led to increased interconnectedness in the world economy and, therefore, has called for the creation of universal norms. Interdependence and the need to adhere to unified approaches also increased. Under democratization in the world arena, we understand the fall of the Iron Curtain, followed by the establishment of democratic market societies in Central and Eastern

Europe, as well as the process of liberalization of China and other Asian economies and societies. Both these processes influenced the change in the rules of global economic governance.

The system of long-term global economic management is formed, on the one hand, under the influence of markets, and on the other – democracy (Stiglitz, 2012). Thus, the constant pressure of investors, reflected in the growth of stock indices and other financial indicators, is counterbalanced by the slow and complex decision-making process carried out by parliaments and governments through multilateral organizations and meetings. There is a big difference between the speed of investor exposure and the speed of collective action in economic management, especially in times of crisis. This can be seen in the G20 activity, as well as on the example of the processes that unfolded at the regional European level during the financial crisis.

The latest economic crises became the trigger for the development of the international system of economic regulation. The Asian financial crisis of 1997-1998, the mortgage and financial crisis of 2008, and the current crisis of sovereign debt in some European countries have led to global economic changes (Gilpin, 1995), starting with the creation of new regional and international bodies and forums (procedural changes) and ending, in fact, with the creation of new rules.

Thus, global economic regulation, gaining strength as a result of long-term (globalization and democratization) and short-term (financial crisis) factors and contributing to the growth of the public sector (the “state has returned”) is a process in which many stakeholders participate (Grigoriev & Kurdin, 2013).

The norm-setting process usually goes in four stages:

- signaling,
- initiation,
- formation
- decision making.

At each stage, the stakeholders change, and there is a general tendency to reduce their number (Table 1).

At the stage of signaling, a wide range of stakeholders indicate that there are problems and carefully analyze the existing international norms (or draw attention to the lack thereof). Among these problems are the following: changes in the capital and share of companies in various sectors of the economy, the boundaries of sovereignty, the mood and feelings of society (including non-profit organizations) and the media. Usually the circle of topics is very wide; therefore, at the next stages the stakeholders decide on the issues to be given priority.

At the stage of initiation, the stakeholders identify the problem and in order to promote collective action demonstrate its international consequences. At this stage, the circle of stakeholders is great: from private business, lobby, media, non-governmental organizations to academic community and the public sector.

At the stage of formation, the number of stakeholders is reduced. International organizations, basing on their own norms, develop draft new norms. Private, industrial or public sector (or their combination) provide finance. Below we give examples for each option.

At the decision-making stage, the number of stakeholders is limited to the competent authority that makes the decision. Normative regulations are approved solely by state bodies.

Table 1
Stakeholders in the Global Economic Management

Stage	Instruments	Principles	Stakeholders
	Signals of financial		

Signaling	markets, press reports, civil initiatives	Market economy, democracy, transparency, responsibility	Wide range. Private business, partly state and public sector. Stock exchange, mass media, rating agencies, press
Initiation	Opinions, analysis, suggestions	Legitimacy of the private, partly state and public sectors	Wide range. Private business, partly state and public sector
Formation	Introduction of norms for consideration	Competency of experts, special mandate	The average number. State bodies, international organizations. The possibility of obtaining a response from stakeholders in the formation of norms
Decision Making	Adoption of norms	Democracy, transparency, responsibility of the state sector	A narrow circle. State organs (it is possible to transfer full powers to a private or special body)

Source: Prepared by the authors.

The involvement of different categories of stakeholders is complicated due to three factors. First, the issues of global economic management are complex by themselves, and the rules and regulations exert a strong influence on different stakeholders. This can be clearly seen in the banking and financial sector, in the field of economic coordination, currency negotiations, trade rules, accounting, tax evasion, etc. An example of the theory of expanded participation (Rosenau, 2009) at the stage of initiation can be the World Economic Forum. Its task is an informal exchange of views between governments, private international organizations, representatives of regional industry, international and regional organizations, NGOs and the scientific community. Its impact on real governance is limited, but it definitely plays a catalytic role.

Secondly, the geographical scope of multilateral economic regulation is increasing. With the development of globalization and the emergence of new global players in the economy, such as the BRIC countries, not only the number of actors is increasing, but new regional organizations are also being involved.

The emergence of new stakeholders is also the result of a change in the role of the state. In a globalized world, there are tasks that states delegate to a higher level (interregional or multilateral organizations) or to a lower level (the level of administrative-territorial entities or even to private actors). An example of multilateral cooperation is sectoral (for example, WTO) or geographic (for example, the European Union, the African Union, ASEAN, etc.) agreements. An example of delegation to the level of administrative-territorial entities can serve accounting standards, where the business takes the main decisions, and the public sector executes them.

4.2. Conversion and New Aspects of Peacekeeping

The change in the military-political situation in the world entailed consequences of a contradictory nature. In many developed countries, and especially in the former Soviet republics, the process of conversion of military production is actively under way. Conversion had been connected with high expectations due to the release of a large amount of production capacities and labor. However, conversion turned out to be an expensive matter both economically (adjustment of specific equipment), and socially (mass layoff of defense industry workers and reduction of the number of armed forces). According to SIPRI experts, the initial costs of conversion exceed the costs of the arms race.

Unfortunately, the war has not disappeared from the arsenal of ways to resolve conflicts. The global confrontation has been replaced by the intensification and increase in the number of various kinds of local conflicts over territorial, ethnic, religious differences that threaten to

turn into regional or global conflicts with the corresponding involvement of new actors (conflicts in Africa, Southeast Asia, Afghanistan, the former Yugoslavia, etc.).

The increased number of local conflicts entails an increase in the number of military refugees. According to SIPRI calculations, in the mid-1990's, there were about 50 conflicts, where military operations were conducted and blood was shed. A new and unexpected challenge to the world community was the expansion of the "club" of nuclear powers. Among the near-nuclear nations are South Africa, Israel, Iran, Iraq, North Korea, as well as Japan, Taiwan, Brazil, and Argentina. The threat of the proliferation of nuclear weapons, which is beyond international regulation, can create a new and intractable situation in the world and will require finding new political and economic approaches.

Finally, the problem of international terrorism, potentially provoking various conflicts, including nuclear blackmail and a global nuclear conflict (some researchers singled out international terrorism as a new global problem), is also a very serious danger today.

Thus, having coped with the direct threat of destruction in the global war, humankind has faced new risks capable of undermining universal peace and security.

5. Conclusions

The issues of global economic management, as well as human problems, have existed since the birth of civilization and will continue to exist.

They are the consequence of a state of disequilibrium, both of the economy and of all other spheres of human activity. Their existence pushes the entire humankind to further development and evolution.

Obviously, the depth of the problems grew during the historical periods of the New and Newest Times. This is due to the increasing integration of national economies into a single global economic space, an exponential growth in the economy, population and energy consumption, and an increased burden on the environment.

Obviously, the solution of global problems is only possible as a complex task. Each of the global problems – demographic, environmental, energy, socio-political, and, finally, a complex of economic problems – is closely related to all the others, affecting all spheres of human activity.

The need for further integration of the world community is becoming increasingly undeniable. In addition to the structural relationship, global problems are really global. That means that their solution is possible only on the scale of the whole world and with the participation of all nations without exception. We observe the strengthening of the importance of world institutions, the ever-greater coordination of the actions of the World Community. These processes will be further strengthened.

However, the process of integrating the world economy will continue to face certain difficulties. National economies of different countries have their own peculiarities. Nations have their own interests, and they will undoubtedly continue to defend them. It is obvious that the process of integration and "adjustment" of isolated sub-systems into a single super-system is a long and rather problematic process.

As to the actual economic problems, they not only are a consequence of global human problems, but also have a specific nature.

The world economy should be viewed as an open system prone to the impact of increasing trends (demographic tension, ecological and energy crises, the growing shortage of raw materials, etc.) and consisting of closely interconnected subsystems such as financial, manufacturing, and raw materials markets, labor, sales, communications and information resources, goods and services, etc.

Anything that shakes the equilibrium state of the components of a given system is perceived as a problem.

This system is, nevertheless, open and dynamic. In it, imbalances arise both because of the external factors listed above, and as a consequence of the oscillatory processes perceived as cycles of development of various periodicity.

At present, it is possible to observe very important economic processes that are of great importance for the future development of the world. The streams of finance, goods, and labor are being rebuilt. The structure of the economy of many states is changing. International institutions are being strengthened, integration is growing, societies are open, ideological and military confrontation is diminishing. These processes are likely to continue facing great difficulties. Global problems will become acute, forcing the world community and the world economy to change, to find a new state of equilibrium of the system.

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[Índice]

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