

Секция 10. Мировая экономическая интеграция и трансформационные процессы в XXI столетии

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MAIN ASPECTS OF FINANCIAL GLOBALIZATION AS A PART OF AN ECONOMIC GLOBALIZATION

Economic globalization is a modern process which has begun and developed fast in the last decade. It refers to the increasing interdependence of world economies.

Economic globalization is defined as the increasing economic integration and interdependence of national, regional and local economies across the world through an intensification of cross-border movement of goods, services, technologies and capital [1, p.109].

Economists named a lot of reasons that have caused the process of economic globalization. The main among them are:

- growing scale of cross-border trade of commodities and services,
- flow of international capital
- wide and rapid spread of technologies [1, p.235].

Economic globalization reflects the continuing expansion and mutual integration of market frontiers, and it is modern irreversible trend for the economic development in the whole world. One of the interested parts of an economic globalization for researching is financial globalization.

Financial globalization is understood as the free and efficient flow of capital between countries and regions, the formation of supranational regulation of international finance [2]. Capital appears to be one of the most mobile factors

of production; therefore, financial globalization has become a dominant form of economic globalization.

Financial markets, global financial institutions (transnational corporations, multinational banks, the International Monetary Fund, World Bank, central banks, etc.), global financial instruments are the components of financial globalization.

Financial globalization allows fast and in the required amounts to attract capital to the financial needs of the national economy and at the same time can be a lever of influence on it. It can not only accelerate it, but also significantly slow down the process, which is not always in the national interest [3, p.64].

Nowadays a number of developing countries are still in the early stages of financial globalization, facing numerous on-going decisions about the timing and pace of further integration. The stakes for such policy decisions are high because financial globalization is often blamed for the string of damaging economic crises [4, p.4301].

Ukraine as one of such countries faced a deepening economic recession beginning in 2014 which is still now. The main results of such situation that can be observed today are fiscal and external imbalances, sharp currency devaluation, significant decline in consumption and investment (see table 1).

Table 1

Macroeconomic indicators in the period 2011-2015 years

	2011	2012	2013	2014	2015*
GDP, \$ billion	163,4	176,6	182,0	127,4	95,0
Real GDP Growth, % yoy	5,2	0,2	0,0	-7,0	-5,0
Private Consumption, real growth, % yoy	15,0	11,7	7,8	-7,0	-4,0
Public Debt, % of GDP	36,3	36,6	40,5	72,0	95,0
Consumer Inflation, eop, % yoy	4,6	-0,2	0,5	25,0	20,0
Current Account Balance, % of GDP	-6,3	-8,1	-9,0	-4,1	-1,0
Hryvnia Exchange Rate per USD, eop	8,0	8,0	8,0	15,8	22,0
FDI (\$ billion)	7,0	6,6	3,3	0,2	1,0
International Reserves (\$ billion)	31,8	24,5	20,4	7,5	13,0
External Debt (\$ billion)	126,2	135,1	142,5	135,0	153,0

* *Preliminary data*

Source: NBU, The Bleyzer Foundation

Therefore, financial globalization is the modern process that has a great influence on national economies all over the world. Nowadays economists research all cause-effect relationships of economic and financial globalization as well. Ukraine as a part of the global world is subject to all external acts and shocks relating to financial sphere. That's why this field is not inquired all through and needs further researching.

List of references

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