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## GLOBALIZATION AND SOCIO-ECONOMIC PROCESSES IN UKRAINE AND THE WORLD IN THE CONTEXT OF WAR

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### Key words:

globalization, socio-economic processes, GDP, migration, information technologies

The article examines the development process of globalization since the end of the Second World War. Examples of manifestations of globalization both in the historical context and in the integration context are provided, in particular, at the request of the world and many countries, a number of international organizations were created, among them the UN, the IMF, the World Bank Group, and the WTO. The development of countries and sectors of the world economy is tracked, which led to the emergence of the concept of “industrial countries”, and later their transition to a new dimension as “post-industrial countries”. Information about the financial sphere is provided, in particular, the article talks about the new global financial settlement system and the development of SWIFT.

Also, the authors consider the emergence of global problems of humanity, which over time occupied one of the main places for study and research. The authors consider the creation of the European Union to be another manifestation of globalization. The new challenges faced by the world after the end of the Second World War and until today are highlighted. Among them, the authors emphasize the global economic crisis of 2008, the emergence and spread of the COVID-19 pandemic in 2020, and the start of a full-scale war between Russia and Ukraine in 2022. The authors of the article pay attention to such aspects as: the global GDP index, GDP by regions of the world and Ukraine’s GDP. An analysis of GDP indicators since 1991 was conducted, which confirmed the reflection of the challenges to globalization processes indicated above. Attention is drawn to the connection of Ukraine and Russia with many countries of the world, despite their small weight in the world GDP. The migration processes in Ukraine are highlighted and assistance programs of other states are reminded of providing shelter to Ukrainian migrants who decided to leave the country in order to save their own lives and the lives of their children. Quantitative indicators of the growth of migration in general and by countries of the world from February 24, 2022 are analyzed. Attention is drawn to the influence of information technologies on the attitude of world states to the war in Ukraine. Despite the challenges facing globalization, the countries of the world are still changing and becoming more dependent on each other, and over time we can expect even greater restructuring of the world.

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## ГЛОБАЛІЗАЦІЙНІ ТА СОЦІАЛЬНО-ЕКОНОМІЧНІ ПРОЦЕСИ В УКРАЇНІ ТА СВІТІ У КОНТЕКСТІ ВІЙНИ

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### Ключові слова:

глобалізація, соціально-економічні процеси, ВВП, міграція, інформаційні технології

У статті розглядається процес розвитку глобалізації з часів закінчення Другої світової війни. Надаються приклади проявів глобалізації як в історичному контексті, так і в інтеграційному, зокрема на вимогу світу та багатьох країн було створено низку міжнародних організацій, серед них згадувались ООН, МВФ, група Світового банку та СОТ. Відстежується розвиток країн та галузей світової економіки, що призвело до появи понять “індустріальні країни”, а згодом їх перехід у новий вимір як “постіндустріальні країни”. Надаються відомості щодо фінансової сфери, зокрема у статті говориться про нову світову фінансову систему розрахунків та розвиток SWIFT. Також, автори розглядають виникнення глобальних проблем людства, які з часом

посіли одне з головних місць для вивчення та дослідження. Ще одним проявом глобалізації автори вважають створення Європейського союзу. Висвітлюються нові виклики, які постали перед світом після закінчення Другої світової війни й до сьогодні. Серед них автори акцентують увагу на світову економічну кризу 2008 року, виникнення і розповсюдження пандемії COVID-19 у 2020 році та початок повномасштабної війни Росії проти України у 2022 році. Автори у статті приділяють увагу таким аспектам, як: показник світового ВВП, ВВП за регіонами країн світу та ВВП України, висвітлюються міграційні процеси в Україні та програми допомоги інших держав щодо надання притулку українським мігрантам, які вирішили поїхати з країни задля порятунку власного життя та життя їх дітей, й звертається увага на вплив інформаційних технологій на ставлення держав світу до війни в Україні.

### Statement of the problem

Russia's war against Ukraine in 2022 has become a factor in the crisis phenomena development. As Ukraine is fully integrated into global processes and has established international relations with many countries, it is logical that the impact of the war is felt all over the world. In this regard, the first manifestations of the crisis phenomena have been a large-scale population migration from Ukraine to many European countries and economic decline in the country and the world.

### The analysis of the recent research and publications

Nowadays, many international organizations are trying to investigate and provide more accurate forecasts regarding the impact of the war in Ukraine on various countries and the world economy in general. Such organizations are the IMF, the World Bank, the OECD and others [1; 2; 3]. Among the researchers, it is essential to mention V. Kozyuk's study on globalization and democracy, where he examines globalization through the prism of the current situation, providing historical dimensions and examples [4]. In addition, A. Zanuda's article focuses on the economy of Ukraine and the consequences of this war for Ukraine [5]. Among foreign authors, we mention the article by L. Anaya, N. Blum, etc., in which they considered the impact of the war in Ukraine on the economic uncertainty of business [6].

### Objectives of the article

The objectives of this article are to investigate the development of globalization after the Second World War and to consider the impact of the 2022 war in Ukraine at the global level and local Ukrainian level, analyzing the following components: the global GDP indicator, the GDP of the world countries and the GDP of Ukraine, migration processes, the development of various international social programs regarding assistance to Ukrainian citizens and changing the attitude of the world community towards the war and Ukraine as a whole.

### The main material of the research

In the 20th century, the Second World War changed the apprehension of the world community about the importance of international organisations in order to maintain peace and develop economies. That apprehension resulted in the establishment of such organisations as

the UN, the World Bank Group, the IMF, the WTO and others. Those attempts to keep peace globally were one of the vital manifestations of globalisation. Despite the fact that there are many different conceptions and approaches concerning globalisation development, the article relies on the fact that since the 20th century globalisation processes have gradually gained momentum and become an integral part of the world community, which to a certain extent is a combination of two approaches to the interpretation and chronology of the development of globalisation. The first approach is based on the statement that globalisation is a long historical process of a gradual formation of global integrity, which accompanies the entire course of civilisational development in connection with foreign economic relations. The fundamental idea of the second approach lies in the apprehension that globalisation is a new process that began at the end of the 20th century and was deliberately connected with the more general process called internationalisation [7].

We have observed that globalisation is both a historical process consisting of certain stages of development and an internationalisation process as it has been acquiring its enlargement rapidly and a leading position in the world from the end of the 20th century. After establishing various international institutions to support peace and world economics, the manifestation was the development of such branches of economy as mechanical engineering, chemical and mining industries, and information technology. Furthermore, the G7 countries became the flagships of the world economy and introduced the new term "industrial countries" into economic theory.

Another manifestation of globalisation is the foundation of the Jamaican currency system, a modern system in international currency relations based on free-floating exchange rates, which became the basis for the SWIFT system. In this regard, the new currency and the SWIFT system became fundamental for the development of the global economy when the connections between countries became tighter and gained momentum.

Along with the economic development of the world, the world community began to pay more attention to problems on a world scale, that is, global problems. Thus, since 1980, climate change, poverty, and hunger have become important topics for research.

The adoption of the new currency system, the introduction of the SWIFT system, and the focus on vital

world problems resulted in the creation of the European Union and the recognition of the formation of a global economy. This step is also a manifestation of globalisation since its essence is the convergence of borders and the even more development of interrelationships between countries to solve global problems and sustainable development of the world's economies.

The beginning of the 21st century was marked by the gradual departure of the world's leading countries from the industrial sector to the service sector. Changes of the directions could have an explanation as if it expressed increasing concerns of many countries regarding further changes in climate and the depletion of the earth resources. Such actions gave the world a new economic definition "post-industrial country". In those countries, services account for more than 50 % of GDP developed into leading countries.

Nowadays, economists and researchers pay more substantial attention to finding solutions for the global problems of humanity, implementing the ideas of sustainable development, considerable and in-depth integration processes, the rapid development of advanced technologies such as artificial intelligence and the increase of information technology possibilities. Despite that, in the 21st century, the world community faced at least three challenges:

- The first challenge occurred in the global financial crisis in 2008, which was related to the fall of global financial markets.

- The second challenge was the COVID-19 pandemic in 2020. This crisis made the world economic system more vulnerable than the previous one, as it affected the financial sector, let alone the social one. A series of tough quarantine measures to prevent the spread of the virus, including border closures and movement restrictions, have been enacted, which has crippled service sectors such as tourism, transport and various entertainment activities and limited international trade.

Assumably, the Covid-19 crisis had a significant impact on globalisation processes. However, over time, the world community adapted to new realities and began to develop new technologies to ease the situation of world economies and launched new globalisation processes. Undoubtedly, the companies of the world started to use robots in their activities or massively transfer their employees to work remotely from home, even though it has affected the social and communication developments among people and increased the unemployment rates.

- The third challenge, equally important as the two previously, is Russia's full-scale war against Ukraine. According to the OECD report dated March 2022, the significance of the Ukrainian and Russian economies in the world economy is enormous. Together, they account for only 2 % of world GDP at market prices and the same share in world trade. In this regard, Ukraine and Russia have substantially influenced the world economy, as the countries are leading suppliers of goods in several markets. Ukraine and Russia provide approximately 30 % of world exports of wheat, 20 % of corn, mineral fertilizers, natural gas and 11 % of oil. In addition, the countries have

sufficiently large deposits of various metals and play a vital role in the global supply chains of these minerals [3]. Therefore, today's challenge to the world is complex and carries many severe consequences and solutions. So, we offer to consider the current socio-economic situation in the world in more detail.

Firstly, it is essential to analyse the health of the present-day world GDP rate (Fig. 1).

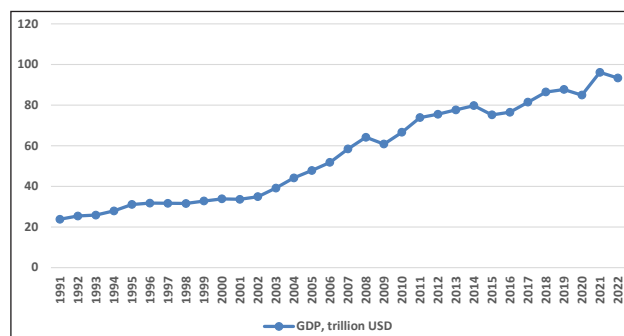


Fig. 1 – The dynamic of the world GDP in trillion USD, 1991–2022

Source: Prepared by the authors in accordance with the data [1; 8]

Analysing Figure 1, it is clear that the sharp drop in world GDP has occurred at least four times, the reasons for three of which we have already guessed before. The fourth drop occurred due to the beginning of Russia's aggression against Ukraine in 2014, which led to the occupation of Crimea and parts of the Luhansk and Donetsk regions. Furthermore, it was possible to observe imbalance in the oil market, due to which the prices of its raw material fell.

According to the IMF's forecast and report, the indicator is expected to fall by 2.9 % from the previous year. If we consider other analysis regarding the state of GDP, the IMF provided the following data (Fig. 2, 3).

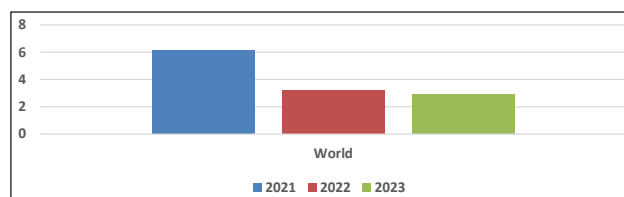


Fig. 2 – The increase of the world real GDP in percentage

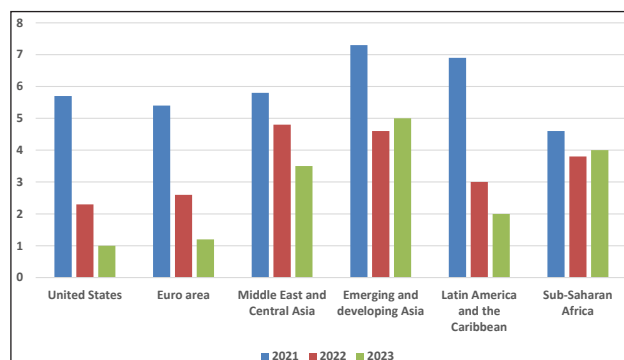


Fig. 3 – The increase of the real GDP in percentage by regions in the world

Source: prepared by the authors in accordance with the data [1]

According to Figures 2 and 3, it is possible to trace that the IMF predicts a sharp drop in global GDP by region not only in 2022 but also in 2023. Only two regions of the world are expected to see a slight increase in this indicator in 2023 compared to 2022 – these are the countries of Asia, whose market is forming and developing, as well as sub-Saharan Africa, whose growth is 5 % and 4 %, respectively.

Additionally, according to estimates by the IMF and the World Bank, the drop in Ukraine’s GDP will reach 35 % of the last year [9].

Secondly, migration processes in the world, in which Ukraine significantly impacted, should not be out of attention. According to the Operational Data Portal, we can observe the following situation (Fig. 4).

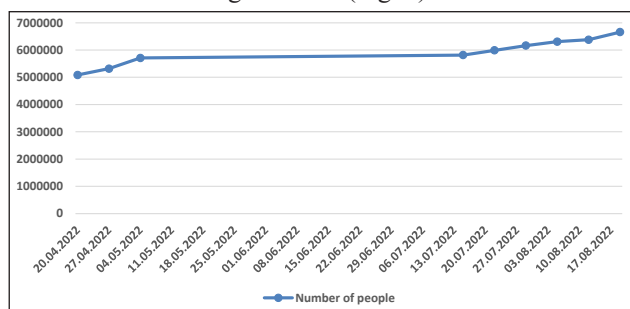


Fig. 4 – Number of Ukrainian refugees since the beginning of the full-scale war

Source: prepared by the authors in accordance with the data [10]

According to Figure 4, there is a gradual increase in the number of Ukrainian citizens who have left the country to seek refuge in a peaceful place and protect their children and themselves. On 17 August 2022, 6.657.918 people crossed the Ukrainian border and settled in European countries. Of those people, 3.840.568 Ukrainian citizens have registered and received temporary residence permits or used the scheme allowing them to travel to those countries and stay there. The following countries have the highest number of registered refugees from Ukraine (Fig. 5).

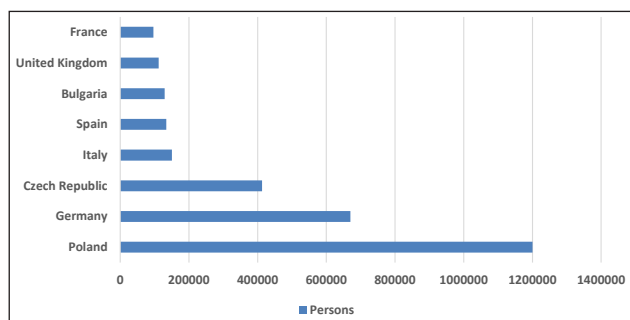


Fig. 5 – Number of Ukrainian refugees dated 29.07 and 17.08

Source: prepared by the authors in accordance with the data [10; 11]

In addition, there is an opinion that the mass migration of people from Ukraine is higher than during the Second World War [4]. This phenomenon can be explained by the fact that many countries of the world have opened their borders for Ukrainians and somewhat simplified the

procedures for crossing borders. For example, people have the right to leave Ukraine not only with travel documents but also with internal passports or ID-cards even though their documents are expired or without any personal ID. The governments of many countries considered and took those measures in order to provide protection for the citizens of Ukraine from the horrors of war and the inhumanity of the Russian military.

It is essential to remind you that some countries of the world have introduced various programs and schemes to help citizens of Ukraine await the war or establish a new life in another safer country. An example of such programmes is the social programs of the EU, which were immediately implemented by Poland, Germany, the Czech Republic, and others, and the humanitarian schemes of Great Britain, one of which is called Homes for Ukraine. The basis of such programs is to provide Ukrainians with a temporary legal stay or residence permit, a package of social assistance with the search for employment, housing, monetary benefits, and the opportunity to study and temporarily become full-fledged members of the new society.

In this regard, analysis of migration processes demonstrates manifestations of globalisation as countries have opened their borders and are trying to be closer to Ukraine in times of crisis.

Thirdly, we could suggest mentioning the human factor in this situation. People now have access to vast information through the Internet and social media. On the one hand, it is good that there is an opportunity to share information with others regarding the current situation in Ukraine and thus receive various help from world partners. On the other hand, the aggressor and its allies have created fakes and propaganda, which undermine Ukrainian territorial integrity and security.

Therefore, Ukrainians are living in a constant struggle not only on the military front but also in the information and digital dimension. Assumably, the outcomes of this situation are changes in the attitude of the world community towards the war and Ukraine in general. Ukrainians know the price of hard work to reach an understanding from the world community, gaining their support through the explanation that Ukraine is fighting not only for its freedom but for democratic values. It is visible how the attitude towards Ukraine as a state has changed in a short time. Most world organisations and leaders have also gradually become more decisive and are showing us their strength and determination, like at the time of the Second World War.

On this ground, modification of world opinion is also a globalisation process since information technologies and a sense of humanity is involved. However, these changes do not make a big difference. What is more, radical changes are to happen in the world as now Ukrainians are standing against the background of the emergence of a new world order with new realities, consequences, and a system of world security and economic network.

**Conclusions**

Summing up the result of the research, It is essential to state that globalisation has a historical and gradual natural

process of integration of world economies. Considering the impact of the war in Ukraine on the socio-economic development in the world and Ukraine itself, there is a conclusion that although Ukraine and Russia do not possess a large share of the world GDP, their role is still substantial for various reasons. Therefore, the war affected global development dictating new conditions to which it is necessary to adapt and respond quickly. According to the

analysis, changes in world GDP and the GDP of certain countries are visible due to the massive migration flow from Ukraine that resulted in taking immediate measures regarding the help of Ukrainian refugees. Consequently, those actions will, eventually, bring the world and people closer to the new world order, let alone digitalisation and access to information. All in all, globalisation is presented in any aspect of warfare.

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