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The world market and development of the globalization process


Scientific problem. One of the main driving forces of globalization processes that shape the world economy and the economy of each country is trade, the basic rules of which adopted by global organization – the WTO, established in 1994. Now the WTO unites 159 countries in all continents of the world. The development of trade provides an analysis of the dynamics of exports of goods.

Analysis of recent research and publications. Evaluation of the development of trade – the subject of many studies. For example, D. H. Lukyanenko believes that international trade is generally a key parameter of economic globalization [1].

In 2005, the Report of the UN Human Development stressed the need to strengthen multilateral cooperation in trade, which extends deep global change [2].

Analysis of the development of world trade for the 1947-2012 years. Ukrainian enabled researchers to identify seven features of global change: 1. The growth rate of trade of developing countries exceeded the rate of developed countries by 2,5 times; 2. The extremely rapid development of trade in the Asian continent; 3. The growing importance of developed countries such powerful union like the EU; 4. The chronic lag of the poorest countries in the world; 5. The increasing trade in services; 6. The increasing trade between developed countries themselves; 7. The prevalence rates of growth in trade volumes over the pace of GDP growth.

In the development of world trade was three waves: **the first** - the period between 1870 and World War I; **second** - began after the signing of the GATT 1947; **the third** - after the entry into force on 01.01.1995, the agreement establishing the WTO - GATT successor. [3]

Now virtually ended the Doha Round negotiations at the Ministerial Conference when the new head of the WTO R. Azevedo managed to unite the 159 member countries, adopted the "Bali reform package" consisting of the 10 agreements, five of which relate to the scope of the AIC, and four - the least support developed countries. The main document is the agreement on the facilitation of international trade, the adoption of which upon ratification by each country for boosting the world economy $ 1 trillion and create 21 million additional jobs mostly in developing countries. In general, if the current participants of foreign economic activity pay about 10% of the value of the goods, with the adoption of the provisions of the "Bali package" on the border payments will be reduced by half - to 5% [4]. Thus it should be noted that according to our classification into periods of trade is in fact the beginning of the **fourth** wave of globalization of the world trade.

T**he objective of the article** - to show the dynamics of the trade through its export component before and after the entry into force of the WTO rules.

Statement of the main results of the study. During the XIX - the beginning of XXI centuries was formulated several theories of international trade, which is necessary to consider the historical aspect. Trade as the main form of international cooperation has always been the engine of development. Renowned scholar of economic history F. Braudel in his monograph "The dynamics of capitalism," noted that the most significant feature of the pre-industrial economy was the existence of a fixed-gear primitive economy with local and limited, but at the same time lively and strong growth of modern economic structures. In those days, which he called "a period of the Old Order" (between 1400 and 1800 years), a developed network of simple local markets with little movement of goods that shaped the economy of exchange and were not yet able to combine the production sphere to the sphere of consumption, as a significant part of the production volumes are not included in the scope of market turnover, working on natural consumption within the family or the village community.

Starting with the economic growth in the XV century, caused by urban development and thus the development of urban markets, through the dissemination of international trade fairs in the XVI century, replaces fairs by exchanges and continuously functioning market in the form of shops in the XVII century, the spread of the free movement of money and credit in Europe led to the formation in contrast to the public market private market, as a system of independent commercial links direct purchases of goods from producers, often prepaid, the peasants, in particular, - wool, grain, homemade fabrics and so forth.

Since that time the dynamic development of the market economy, as evidenced, according to F. Braudel, a chain reaction of changes in market prices, which covered all the regions of our planet, linking thus different markets of the world, and this is a real sign of globalization.

First economists are beginning to explore the demand and supply in the market, the economic policy of the city aimed at controlling urban markets and prices for them, and any head of state takes care of the domestic market and the balance of trade industry through its support of the domestic and foreign markets. Gradually, on presentation of F. Braudel, prevalent opinion that the exchange market plays itself decisive, but through competition and the role of the equilibrium, matching demand and supply [5]. It then emerged the concept of "the invisible hand of the market" of Adam Smith, as a self-regulatory system based on free trade - "laissez faire, laissez passer". From that time began the economy, which we now call the market.

Deepening of foreign trade is one of the main prerequisites for economic development of the country. Weighty importance of international trade, which dates back thousands of years before our era, scientific studies confirm the sciences schools of different periods. First tried to justify theoretically the international trade mercantilists, who believed that the accumulation of money at the expense of imports. A. Smith (the theory of absolute advantage) argued that countries should specialize in the production of those goods in the manufacture of which have advantages and exchange them for goods of other countries [6]. D. Ricardo, developed these views in his theory of the relative merits showed that countries specialize in goods that can produce at a relatively lower cost than other countries [7]. In general, according to research by scientists NSC "Institute of Agrarian Economics" for many years was articulated 24 international trade theory: **colonial** (XV c. - 50-ies. XX.) - the development of theories, which are called classic, **postcolonial** (50-ies. XX c. - 1990) - the development of the principles of classical theories and the **latest** (1990), which set forth three theories: a competitive advantage [8]; import substitution [9] and globalization impact [10]. The formation of each of the theory of international trade was responsible, in our opinion, the level of economic development and economic science relevant period.

The last century causes mixed feelings - from his failure as a time in human history, during which there were two, one on the other terrible destruction of human life and the economy, the world wars, the last of which ended with the use of atomic weapons, to pride for human talent and intelligence, which abolished the colonial system of farming, developed democracy, created a worldwide network of transportation systems using air and water of the oceans and the rail-road tracks, undertook scientific and technological revolution and implementing the ideas of N.Wiener as the modern concept of the global information space. The rapid intellectual and economic development of mankind was largely determined the gradual formation of the international trading system, which has passed a difficult way of development, and which, by the statements of the famous economist

P. Samuelson, offers new "Consumption possibility frontiers", that is, gives people more necessary goods than they can make it alone, and this is just the essence of international trade. How important is the role of trade for economic growth of countries shows a generalized study by the WTO on trade, income disparity and poverty. General conclusion on twenty analyze materials - the country focused on the external market, growing faster [11].

Conclusions WTO experts were fully confirmed in our calculations of the relationship between trade growth with an increase of GDP of countries with different levels of economic development. Thus, if the volume of US exports rose for the years 1990-2012 to 3,9 times, the volume of GDP - by 2,8 times. Accordingly, Germany – 3,3 and 2,2; Japan – 2,8 and 1,9; France – 2,6 and 2,0; Italy – 2,9 and 1,7; Canada – 3,5 and 3,1; China – 32,9 and 21,4; Mexico – 9,1 and 4,1; Brazil – 12,0 and 4,8; India – 16,3 and 5,8; Argentina – 6,5 and 3,4; Chile – 16,6 and 8,2; Senegal – 3,3 and 2,4; Tanzania – 16,6 and 6,4; Zambia – 6,5 and 5,8; Guinea – 1,9 and 2,0; Malawi – 2,8 and 2,5 and Niger -5,36 and 2.7 times.

For a comparative analysis of changes in world trade countries with different levels of economic development - developed, developing and the least developed- we used the statistical material UNCTAD [12,13] and FAO databases [14]. For each category, we have analyzed the material on the 6 countries representing all the continents of our planet. Analysis of selected material showed that the global growth of export volumes by 57,7% services exports grew by 93,8%, to determine, therefore, the increase in total exports by 72,8%, or an average annual growth rate by 4,8 ; 7,7 and 6%.

Naturally, the volume of trade is completely dependent on the current development of the economy of each country, but, as can be seen, the growth of exports of goods took place regardless of the level of economic development of countries, with a marked acceleration of growth of exports of goods and poorest developing countries (Table 1).

Table 1. The development of the world export, $ billion

Region	1970	1995	2012.	1995. to 1970 ±	2012 to 1995, ±
World, together	315,9	5178,4	18462,2	4862,5	13283,8
Developed countries	225,1	3621,2	9353,3	3396,1	5732,1
%	71,2	69,9	50,8	-1,3	-19,1
Developing countries	60,6	1435,4	8208,3	1374,8	6772,9
%	19,2	27,7	44,6	+8,5	+16,9

Extension table 1

Africa	12,9	114,2	630,0	101,3	519,3
%	4,1	2,2	3,4	-1,9	+1,2
North Africa1	5,1	36,0	205,3	30,9	169,3
%	1,6	0,6	0,1	-1,0	-0,5
Asia 2	27,9	1087,2	6447,7	1059,3	5360,5
%	8,8	21,0	35,0	+12,2	+14,0
East Asia	14,3	562,6	3399,8	548,3	2837,2
%	4,5	10,8	18,5	+6,3	+7,7
South Asia	5,4	65,0	459,4	60,6	394,4
%	1,7	1,2	2,6	-0,5	+1,4
North America3	60,7	856,4	2371,3	795,7	1514,9
%	19,2	16,5	12,8	-2,7	-3,7
South America	11,8	127,3	660,2	115,5	532,9
%	3,7	2,4	3,6	-1,3	+1,2
Least developed	5,0	24,1	205,9	19,1	181,8
%	1,6	0,5	1,1	-0,9	+0,6
Europe, the developed countries	236,3	2314,9	6196,6	2078,5	3881,7
%	74,8	44,7	33,7	-30,1	-11,0
Oceania 4	0,5	4,5	10,1	4,0	5,6
%	0,16	0,08	0,05	-0,08	-0,03

1 Algeria, Egypt, Libya, Morocco, Sudan, Tunisia
2 Excluding Japan and Israel
3 Canada, Mexico, United States
4 Without Australia and New Zealand

As can be seen, if for 1970-1997 years developed countries to increase exports by 16 times, developing - at 23,7 times, while for the 1995-2012 years respectively 2,6 and 5,7 times. The share of developed countries decreased from 71,2% (1970) to 50,8% in 2012, or -20,4 points, while the developing countries rose from 19,2 to 44,6%, or +25,4 points. The main contribution to the changes made by the developing countries of Asia, exports grew 38,9 and 5,9 times, and in general for the 1970-2012 years - 231 times. We emphasize that significantly decreased the proportion of North America - from 19,2 to 12.8%, and the developed countries of the European continent - from 74.8 to 33.7%.

Interestingly, if in 1970 the share of exports of the three countries of North America (Canada, Mexico, United States) was equal to the specific gravity of all developing countries (more than 150), then in 2012 the proportion of the latter is almost 3.5 times higher than the proportion of first.

In general, exports of goods in the world increased 13,283,8 dollars US, or 58,2 times, respectively, the developed countries at 5732,1 and 41,5 times, while developing at 6772,9 and 135,4 times exports of developing countries, which in 1970 was 3,7 times (26,9%) is less developed in 2012 already accounted for 87,7% of them. The main problem for the development of the world economy is small in relation to other groups of countries, the pace of increase in trade 49 years of least developed countries. But if the 39 one, on the mainland and have enough territories growth in production and export of goods, respectively, is quite real, then for ten island nations with their limited opportunities to obtain higher status on economic rating is very problematic.

Naturally, we as agricultural economists analyzed the changes, exports of food products (Table 2). As can be seen, at the global level of their exports have grown from just over 50 billion in 1970 to over US $ 1.3 billion in 2011. Thus there is acceleration in export growth of agricultural commodities. So, if before 1995, their volume increased by 391 billion, almost the same for over a long period after the entry into force of the WTO rules, it increased by $871 billion.

And this trend can be traced in all the regions of the world and groups of countries with different levels of economic development.

Table 2. Exports AIPC $ billion

Region	1970	1995	2011	1995 to 1970, ±	2011 to 1995, ±
World, together	51,9	442,9	1313,9	+391,0	+871,0
Developed countries	35,5	353,4	1029,2	+317,9	+675,8
%	68,4	79,8	78,3	+11,4	-1,5
Developing countries	14,6	80,4	248,3	+65,8	+167,9
%	28,1	18,1	18,9	-10,0	+0,8
Africa	5,4	14,9	45,2	+9,5	+30,3
%	10,4	3,3	3,4	-7,1	+0,1
North Africa1	1,3	2,4	9,9	+1,1	+7,5
%	2,5	0,5	0,7	-2,0	+0,2
Asia 2	3,7	14,1	225,7	+10,4	+211,6
%	7,1	12,2	17,2	+5,1	+5,0
East Asia	1,8	23,7	60,0	+21,9	+36,3
%	3,4	5,3	4,5	+1,9	-0,8
South Asia	1,6	8,5	44,0	+6,9	+35,5
%	3,1	1,9	3,3	-1,2	+1,4
North America3	2,3	75,0	180,9	+72,7	+105,9
%	17,9	16,9	13,7	-1,0	-3,2
South America	4,8	33,6	158,9	+28,8	+125,3
%	9,2	7,6	12,1	-1,6	+4,5
Least developed	2,5	5,0	14,4	+2,5	+9,4
%	4,8	1,1	1,1	-3,7	+0,0
Europe, the developed countries	16,6	203,4	522,4	+186,8	+319,0
%	32,0	45,9	39,8	+13,9	-6,1
Oceania 4	0,14	0,7	1,5	+0,56	+0,8
%	0,27	0,16	0,11	-0,11	-0,05

1 Algeria, Egypt, Libya, Morocco, Sudan, Tunisia
2 Excluding Japan and Israel
3 Canada, Mexico, United States
4 Without Australia and New Zealand

We emphasize that the main players in this market are the developed countries. This is due to these reasons:

1. Much less than the increase in population as compared with the developing countries, and correspondingly smaller increase in demand for food;

2. The high productivity of fields and farms, which provides an overproduction of food;

3. Support export subsidies by developed countries for the release of the internal market of excess volumes of goods agrarian sector;

4. The increase in the purchasing power of the population in developing countries, due to the general economic recovery.

As an additional characteristic changes of trade in goods AIC us analyze their export-import into groups of countries with different levels of economic development: developed, developing and least developed. In each group, the most typical for her country (Table 3).

Table 3. Change in the volume of exports and imports of goods AIC countries with different level of economic development, $ billion

Страна	1995			2011			2011 to 1995, ±	
	Export	Import	±	Export	Import	±	Export	Import
Developed countries								
USA	62,7	33,8	+28,9	139,9	107,1	+32,8	+77,2	+73,3
Germany	24,7	22,8	+1,9	80,3	95,0	-14,7	+55,6	+72,2
Japan	1,8	41,1	-39,3	3,3	68,5	-65,2	+1,5	+27,4
France	40,7	28,8	-11,9	73,9	55,6	+18,3	+33,2	+26,8
Italy	14,6	23,3	+8,7	41,0	49,9	-8,9	+26,4	+26,6
Canada	12,8	9,8	+3,0	41,0	31,0	+10,0	+28,2	+21,2

Extension table 3

Developing countries								
China	15,5	21,5	-6,0	52,3	128,3	-76,0	+36,8	+106,8
Mexico	7,0	8,7	-1,7	21,0	26,0	-5,0	+14,0	+17,3
Brazil	13,8	4,1	+2,7	79,6	10,9	+68,7	+65,8	+6,8
India	4,6	4,0	+0,6	30,3	17,2	+13,1	+28,7	+13,2
Argentina	10,9	1,3	+9,6	43,2	2,0	+41,2	+32,3	+0,7
Chile	2,8	1,3	+1,5	10,4	5,3	+5,1	+7,6	+4,0
Least developed countries								
Senegal	0,1	0,5	-0,4	0,5	1,6	-1,1	+0,4	+1,1
Tanzania	0,5	0,35	+0,15	1,0	1,1	-0,1	+0,5	+0,15
Zambia	0,1	0,08	+0,02	0,7	0,3	+0,4	+0,6	+0,22
Guinea	0,04	0,17	-0,13	0,18	0,5	-0,32	+0,46	+0,33
Malawi	0,5	0,05	+0,45	1,1	0,3	+0,8	+0,6	+0,25
Niger	0,07	0,13	-0,06	0,12	0,3	-0,18	+0,05	+0,17

The analysis shows that in each group all countries have increased both exports and imports when the ratio of export and import have been changes in most countries. Thus, in Germany in 1995, exports exceeded imports, in 2011, on the contrary, imports exceeded exports.

In China and Mexico increased trade imbalance, as in Brazil, Argentina and Chile - on the contrary, the balance became more positive.

Similar changes occurred in the least developed countries. Increasing the negative balance in Senegal, Tanzania, Guinea, Niger, with a positive balance in Zambia and Malawi.

Conclusions. Confirmed the accelerated development of the economy of those countries that are active in foreign markets.

Globalization has led to an increase in the role of developing countries in the global market with an increase of their share in exports by 25.4 points when falling share of developed countries by 20.4 points.

Continues to lag the export trade of the least developed countries. After 1995 (the year of foundation of the WTO) observed the explosive nature of the increase in export volumes of goods AIC in all regions of the planet, and groups of countries with different levels of economic development.

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