

УДК 330.12

## QUESTION OF THE IMPACT OF GLOBAL ECONOMY ON THE HUMANITY WELFARE

*Pobirchenko V.V., Shutaieva O.O.*

*Taurida National V.I. Vernadsky University, Simferopol, Republic of Crimea*  
*e-mail: [victoria\\_crimea@list.ru](mailto:victoria_crimea@list.ru)*

Features of the world economy influence on welfare of humanity. And also characterized directions of the global economy influence on welfare, taking into account the trend of globalization.

**Keywords:** welfare, the global economy, globalization, security, competition

### INTRODUCTION

Welfare - is a broad, capacious concept, and difficult socio-economic phenomenon, combining and including various characteristics levels, and the image and quality of life. Welfare of the population belongs to the rather complicated manifestations of socio-economic reality, which explains the interest to this problem not only of economics but also other branches of human knowledge, such as philosophy and sociology, religion and ethics. The theory of "welfare economics" is seen in the works of prominent economists of developed countries: in the USA - AC Pigou, J. Clark, J. Galbraith, England - A. Cole, N. Kaldor, E. Michaen, in Sweden - G. Myrdal and others.

Many Ukrainian and Russian scientists devoted their scientific works to the study of social and individual welfare, quality of research and standards of living. Among them, A.A. Belyaev [2], V.M. Zubakov [1], A.M. Komyakov [2], V.I. Priymak [5], N.M. Rimashevskaya [6], A.R. Saffulin [7], M.A. Hazheeva [8] and others.

However, scientists are still not allocated lots of indicators that should be used for assessment of the economic population welfare, there is not an effective algorithm for determining of the economic level of households welfare in the country, not deep enough examined the impact of global economic relations and the trend of globalization in general, on the formation of welfare at all levels.

The main purpose of this article is to determine the characteristics and trends of the world economy influence on human welfare, taking into account the trend of globalization.

### THE RESEARCH CONTEXT

In global welfare is studied all humanity because one part of the population living in the zone of constant welfare and the other - in the area of hunger and poverty. Therefore, the world community continuous task of balancing these two opposite poles and create conditions for the people in which their lives would be long, happy, healthy and full of creativity. The most effective means to achieve and maintain the welfare - the competition, which enables all people to enjoy the economic progress. In the context of globalization the pledge of the sustainable development is the achieving of competitive

advantage, under the increasing of mutual cooperation means fierce competition among producers in the global environment.

National economies around the world become globally interdependent; creating a new form of relationship between state and society touched the citizens welfare. New global trends in the world economy are the cumulative result of many countries and have both direct and indirect impacts on humanity welfare.

In considering of the world economy welfare the main troubling trend is to provide security of the population, characterized by political stability, economic prosperity and defense of the State. For developed countries the issue of security framed exclusively to the external environment. This all associated with the increasing risk of technological and environmental disasters which is affecting on the public safety.

There is an urgent need to protect the environment. If the developing world, repeating the success of China, India and other countries which is actively updating their technology in recent years, will conduct rapid industrialization, so as a result technological development will strengthen the range of environmental impacts.

For example, dramatically increasing of carbon dioxide in the atmosphere. Developing countries lack the resources to easily adapt to global warming. Emerging economies are not only potential victims of climate change; some of them also contribute to the problem on a par with developed industrial economies.

Annual emissions of China currently approximately comparable with similar indicators the United States. World not be able to weaken global warming if the large and rapidly growing economy will not make an effort.

Ecological factor should become a staple of economic decision-making, at the regional and national levels, and also across the planet. Environmental problems of modern resource using and environmental constraints should limit the extensive economic growth. For efficient use of the resource potential needs widespread transition to resource-saving type of economic development.

Disparities in revenues increasing in most countries of the world. This trend is a complex phenomenon caused by a number of reasons, including: technological innovations, changes in relative prices, globalization. The last one only strengthens inter country and interregional differentiation in income.

Nevertheless, the global economy requires coordinated action by all countries. With the necessary effort on the part of governments and international institutions benefits of a globalized economy could spread widely among countries and within countries. Pure gains in welfare, provides an open economy, provide enough opportunities for compensation of losses and negative effects of globalization.

At the same time, in order to enhance the positive effects of an open global economy, several Governments may have to change its internal policies. This disturbing turn due to the presence of two trends: first - it's fast moving economic activity from one area to another, the second is related to the effect of labor-saving technologies, especially in the field of information processing, which leads to the release of a considerable part of the population and is a potential threat to jobs and employment .

Annual growth of food prices and food. Prices growth on food products leads to a significant reduction in income. First of all, it concerns the poorest segments of the

population, because they secrete on livelihood their families from half to three quarters of their earnings. The rapid rise of prices on rice, cereals, vegetable oil can provide benefits to farmers in the long term; however, it puts in a critical position food consumer in the short run. Among the factors affecting on the price there are: increasing food demand, changing diets, drought, possible financial speculation in the stock market, the increase in costs of production of basic agricultural components, etc.

Problem of demographic aging becomes all-encompassing scale. The world's population is aging, declining birth rates and increasing life expectancy. Children replenish the population of the world at a slower pace, and the older generation leaves it at a later age. Of course, this trend is not universal. There are states and regions that do not conform to this trend.

Especially poor countries, where high fertility and high mortality, disease, like HIV(ВИЧ), high crime shorten life expectancy. Nevertheless, the general model is clear. On aging society accounts for about 70% of world GDP, it is a significant value. When the number of people of working age ceases to increase and the number of retiree's increases, it should certainly reduce the per capita income.

In the production involving less and less people, but does not decrease the number of those among whom the income is distributed. In many countries in Europe and North America, Japan, China, the aging population threatens the existing payment system of national pension systems. As a result, the need for reform in order to increase the seniority of residents of those countries or giving them various choices in relation to age of retirement, income and consumption before and after this event. This change will entail a series of events: first, impact on the model of working life; secondly, mutate of existing at this moment national pension system. Thirdly, we should expect a slowdown of global economic growth. As a result, many countries will have millions of young people flowing into the labor market, which is not able to absorb them.

Furthermore, without the experience and education they join the ranks of youth unemployment. This negative situation is very widespread; it goes beyond the purely economic aspects, creating not only a moral challenge, but security threats. This demographic problem can't be solved by one country need for effective supranational institutions and mechanisms.

The technological revolution with information technology represents the economy of the third millennium. This is a different economic system, which has undergone restructuring, characterized by flexibility in management, decentralization and the emergence of network structures within firms and in relations with other firms and with each other. This economic system has also undergone a transformation from the state intervention in the economy.

State intervention occurs with varying degrees of intensity and focus, depending on the nature of the political forces and institutions in every society in order to strengthen global economic competition in the context of growing regional geographic and cultural differentiation conditions of accumulation and capital spending. Because of these trends we can observed the increasing of differentiation between countries, regions and territories, there are vast areas with a poor population, such as Somalia and Chad. Simultaneously, there is increasing of integration into the global scale. So interactive

computer networks are exponentially growing, creating new forms and channels of communication, forming and shaping lives life in the same time. In a world riddled with global flows of information, the person becomes a fundamental source of social significance.

All above mentioned is a factors affecting on the welfare of the population, and constantly in transformation. Nevertheless, the welfare of the population should be considered as an important quality characteristic of the economic system of any country, and as a component of global and national security.

### **SUMMARY**

As a result of the transition to an information economy to the forefront becoming problems with a not material wealth, and with the spiritual and educational level of individual citizen. Acceleration of technological and economic development determines the significance of simulation in the knowledge economy with changing lifestyles and quality of welfare. There is growing involvement of the population in new forms of cultural and spiritual consumer behavior and development.

Thus, the trends in the global economy allow us to consider it as a rapidly evolving, which have an immediate impact on the welfare of population. Therefore, the development of collective measures to ensure food security, safety, competition, that government of various countries in the world did not consider their own interests at the expense of other countries.

### **References**

1. Zubakov V.M. Economic policy in general welfare system of market relations, 201, (Ulyanovsk, 2012).
2. Welfare economics: studies manual, 460, (Kiev, 2012)
3. Ignatyuk A. Methodological approaches to the measurement of welfare. - [Electronic resource] Mode of access: [http://www.nbu.gov.ua/portal/Soc\\_Gum/Ekpr/2010\\_34/Zmist/6PDF.pdf](http://www.nbu.gov.ua/portal/Soc_Gum/Ekpr/2010_34/Zmist/6PDF.pdf)
4. Ignatyuk A. Comparison of levels of social welfare in the United States and Germany, Actual problems of economy, 4, 12-20, (2011)
5. Primak V. Fuzzy evaluation of economic well-being of households, Economy: Reality time, 1 (1), (2011): <http://economics.opu.ua/files/archive/2011/No1/149-158.pdf>
6. Rimashevskaya N.M. National Welfare: Trends and Prospects, (Moscow, 2009)
7. Safiullin A.R. Welfare Economics. Theory and practice, 111, (Ulyanovsk, 2007)
8. Hazheeva MA Methodological approaches to the Welfare of the population and its characteristics tier in the information economy, 180, (Irkutsk, 2012)

**Побирченко В.В. Вопросы воздействия мировой экономики на благосостояние человечества / В.В. Побирченко, Е.А.Шутаева // Ученые записки Таврического национального университета имени В. И. Вернадского Серия: «Экономика и управление». – 2014. – Т. 27 (66). № 1. - С. 101-104.**

Выявлены особенности влияния мировой экономики на благосостояние человечества, а также охарактеризованы направления влияния мировой экономики на благосостояние с учётом глобализационных тенденций.

**Ключевые слова:** благосостояние, мировая экономика, глобализация, безопасность, конкуренция.

*Статья поступила в редакцию 03. 02. 2014 г.*