

## GLOBALIZATION AND ITS REGIONAL CONSEQUENCES (Globalizarea și consecințele ei regionale)

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### Abstract

The article gives a review of the main trends of globalization development in the modern world in close interdependence with regionalization processes. The author analyses the social and human problems of the development of Ukrainian regions in the context of their role in retaining the state national identity in the globalized world. Scientific and methodological recommendations as for the formation of a new strategy of the social and economic development of Ukraine and its regions in the context of globalization processes have been given as well.

### Keywords:

Globalization, Integration, Regionalization, Scientific and technical policy, Innovation development, Regional policy, Territorial management, New strategy of Ukraine's development.

The experience of political, social, economic, and human development of the world community during the recent decades witnesses that the importance of correlation between global, regional, and national problems will grow both in short- and long-run perspectives. Globalization of economic development is a naturally determined process. Changes that take place in the area of information technologies, their ongoing spread over the new territories and regions caused the approach of different civilization orders, establishment of close interdependence between them and compression of living space on the planet.

### Rezumat

Articolul oferă o trecere în revistă a principalelor tendințe în dezvoltarea globalizării în lumea modernă în interdependență cu procesul de regionalizare. Autorul analizează problemele sociale și umane ale dezvoltării regiunilor ucrainiene în contextul rolului lor de a menține identitatea națională a statului în lumea globalizată. Sunt date de asemenea recomandări științifice și metodologice pentru formularea unei noi strategii pentru dezvoltarea socială și economică a Ucrainei și regiunilor sale în contextul procesului de globalizare.

### Cuvinte cheie:

Globalizare, Integrare, Regionalizare, Politică științifică, Dezvoltarea inovării, Politică regională, Management territorial, Noua strategie pentru dezvoltarea Ucrainei

Under such conditions neither separate regions of the planet, nor countries, nor national regions can be regarded as closed or isolated. Moreover, economic and social systems have always been overlapped and didn't remain self-sufficient even being highly dynamic and efficient. The interpenetration of economies provoked by information technologies, transition to the informational civilization, new international connection systems, limited natural resources, the increase of demographic pressure on the planet, natural disasters, transformation of the human being into a geological and planetary force – all these factors actualize the correlation between global and regional development, stipulate for looking for new ways and new paradigms of survival, set new tasks for national communities, which require corresponding theoretical interpretation and scientific provision for directing economic and social processes.

The facts stated above require active intervention of the state in the mentioned processes and considering their consequences when researching national and regional social and economic systems.

What should we mean by globalization? This is a complex of such processes and phenomena as international flows of goods, services, capital, technologies, information, and people focusing on the world trade, investment, and other markets (on the company level), territorial and institutional market integration, as well as on the arising international problems like ecological degradation or excessive population growth, the solution of which requires global cooperation.

Globalization as a worldwide phenomenon covers all the spheres of economic, political, spiritual, and intellectual life of different countries. On

one hand, it makes the countries of the world exchange with their experience, borrow the latest achievements of the science and technical progress from each other. On the other – it doesn't remove the unequal conditions on the start level, thus reinforcing permanent prevailing in development for some societies and lagging for the other.

All these processes are performed in the environment of controversial demographic development in global scales. As transition to the modern type of population reproduction is taking place at the time, the countries holding economic leadership can be characterized by certain decrease in population reproduction. Still, the previous (traditional) type of population reproduction with its accelerated natural growth remains inherent to the third-world countries. As a result, disproportions between the population growth in developed countries and developing economies are increasing. The latter countries are responsible for almost 90% of the world population increase. And already by the end of the past century the third-world countries concentrated 82% of the planet population. Namely due to this fact the world population increase has been running after an "untypical" scenario. It's expected that by 2025 the world population will reach 8 billion, and by 2050 – 9.5 billion people.

Ukraine, as well as other post-socialist countries, is characterized with intensive decrease in the population size (starting 1993). On average, its population was decreasing by 400 thousand people a year. During the last two years the process of depopulation has been going on but somewhat slower (by 360-380 thousand a year). According to the forecasts by the UNO experts, the population of Ukraine will constitute 42 million people in 2025 and 35 million in

2050. Depopulation is also a threat for most other European countries. So, a zero increase can be observed in Poland. Further decrease is expected in Germany, Spain, Italy, and other countries. As an exception some outlying regions of Europe could be mentioned still (a number of Balkan countries with considerable or dominating amount of Islamic population, as well as Iceland).

The transition from industrial to informational (more precisely, informational and innovative) type of social development, which is crucial for the world development, is naturally accompanied by an increase of requirements to the quality characteristics of the population. But the swift decrease in the birth rate and, respectively, its natural increase in a number of countries don't provide the existing industries of the economy with sufficient labour force. This, in its turn, stimulates population migration to the economically developed regions, which gives a push to a chain of problems, which are quite difficult to regulate. Even now up to 150 million people in the world live in countries different from their birthplace. So, in France emigrants from former colonies (mostly Moslems) constitute up to 10% of the whole population. This percentage is not much smaller in Germany, Great Britain, the Netherlands, and other European countries. Also, it's possible to observe a change in the ethnical, racial, and language structure of the United States population, where the number of immigrants from Latin America is actually equal to the number of Afro-Americans (more than 30 million).

The same situation may happen in Ukraine in the coming years. For now, we have a striking decrease in the population size (in 1993-2004 from 52.3 to 47 million, i.e. by 10%) with some regional differences remaining the same.

So, by the beginning of the third millennium the population of the whole country was decreasing by 0.8% annually, while in the Western region – by 0.36%, i.e. the depopulation rates were twice as slow here. During the period following the first Ukrainian census the population of Ukraine decreased by 1.7%, in the Western region – almost by 1%. In general we have a ground to state that the demographic situation in different regions is becoming more equal, while the Western region has a “lag” of at least 5-10 years in this process.

The difficulties of building a society of the new type in Ukraine are caused not only by the unfavourable indicators of demographic development. There is a sequence of objective factors hindering the reproduction and strengthening the quality parameters of human potential. We could cite at least two as the most important of them: 1) aging of the population, including highly qualified professionals, who provide the innovational way of the society's development in the perspective; 2) high-scale aggravation of the population's health.

Therefore, just during the last three years (2001-2004) the population share in the age younger than that capable of working decreased almost by 3 % (from 19.4 to 16.8%), while the share of population aged older than capable of working increased by 0.3%. At the time the quantity of pensioners in the country reached 14.35 million people or about 30% of the whole population. In total, the share of pensioners reached 302 people per 1,000 residents by early 2004. The highest demographic density remained in the Central region, the lowest – in the Western (Transcarpathian oblast – 235 people, Chernivtsi oblast – 277, Lviv – 280 etc.), as well as in the capital city (253 people).

Regarding the specialists of the highest qualification level, according to the 2003 data there were about 5% of Ph.D.s aged up to 30 years old, while for the age over 60 their share was more than 27% (D.Sc.s, respectively, 0.01% and almost 54%). The situation is getting worse, as a part of them are leaving for abroad.

Somewhat more favourable age distribution of highly qualified professionals remained in the Western region (for instance, in Lviv region there were about 20% of Ph.D.s over 60 and 48% of D.Sc.s of the same age).

Both in the country and in the regions the situation with the population's health has been worsening for a long time, which can be confirmed by the dynamics of its morbidity and mortality. In particular, during the period 1985-2003 the mortality in the country increased by one third (from 1,213 to 1,607 people per 100,000 of permanent residents). The share of conventionally healthy people is permanently shrinking. During one decade only (beginning 1990s to 2002) it decreased by 20% (from 60 to almost 40%).

Again, the situation in the Western region remained somewhat better, but during several last years it has been worsening even here – for instance, regarding sicknesses of respiration organs, as well as infant mortality.

The intensification of the spread of such dangerous diseases as AIDS and tuberculosis is especially alarming. In particular, the number of HIV-infected residents increased 30 times during the last decade, and of the individuals suffering from active tuberculosis – more than 1.5 times.

The shortcomings of the economic reform performance caused chronic unemployment both in the whole country and its regions, which cannot be compensated even with negative

population growth. Therefore, even certain advantages of demographic development in the Western region became negatively compensated. While by the beginning 2004 the labour force supply per newly created work place in the whole country was 7 people, it remained 1.5-3 times as high (10-25 people) in the oblasts of the region. According to the ILO methodology, the unemployment level in Ukraine was approximately 9%, while in most oblasts of the region – 10.5-13%. It should be stressed, that in Western countries such unemployment level is not considered extraordinary, but in Ukraine and its regions it causes massive migration of the unemployed population abroad. More than 100 thousand people in the age capable of work only left Lviv oblast. By the end of the 1990s about 20% of the work-aged population living in the four oblasts of the Carpathian region was employed abroad, both legally and illegally.

A painful problem of today's demographic development in the country and a lot of its regions is the unsolved language issue. Although the declaration of independence assisted the growth of ethnic self-identification of the Ukrainian population (the share of Ukrainians among its population increased from 72.7 to almost 78%), the socio-linguistic situation has only sharpened. Its symptoms are: a) the increase in the quantity and share of ethnic Ukrainians who recognize a non-Ukrainian language as native (during 1989-2001 the quantity of this group increased from 4.4 to 4.5 million, and its share – from 12% to 14.8%); b) the disproportion between the ethnic structure and the share of schools teaching in Ukrainian, which remained from the Soviet times, hasn't been resolved in 4 out of 27 administrative territorial units yet (including the Crimea with Sevastopol and Donbass); c) the

domination of non-Ukrainian languages on radio and television, in press (the uncontrolled and increasing volumes of non-Ukrainian newspapers and magazines, obligatory Russian translation of the leading whole-Ukrainian publications), book publishing (the share of the literature published in Ukrainian doesn't exceed 60%, and in libraries it constitutes less than 40% of the funds), show business (ongoing concert tours of music stars, imposing the second language); d) absence of a targeted state language policy, aimed at harmonizing the relations between the state language and the language of ethnic minorities, absence of responsibility for violating the constitutional rights of the Ukrainian language in the centre and a number of regions. It's natural that under the circumstances of social and language chaos, namely gaining independence caused a sharp decrease of people recognizing Ukrainian as their native language (during 1989-2001 from 31% to 24% in Donetsk oblast, from 35% to 30% in Luhansk oblast, from 14 to 9.5% in the Crimea and Sevastopol); e) as a result of the above facts – the absence of transforming the command of the state language from a passive into an active form. Therefore, according to the indications of a social monitoring, in 2003 only 38.1% of all citizens used Ukrainian for communication at home, while 25.2% used Russian, and both languages (depending on the situation) – 36%. It's not surprising, that almost one half of the quiz participants (47.3%) don't mind introducing the second native language, while only less than one-third (31.9%) mind it.

Taking into consideration the above mentioned facts it seems purposeful to toughen the legal norms as for the use of the state language in all spheres of life. In particular, yearly official monitoring of dynamics in this

area, pressure by NGOs and scholars on the highest levels on the state power, which would dominate in the solution of this problem are needed.

We have outlined the most serious problems in social and human development of Ukraine and its regions. We can state that, taking into consideration the growth of interrelation between humanitarian processes in the world, these problems will define the trends of the world civilization development in short- and long-run perspectives. As for the problems of economic development we would like to emphasize, that even under the conditions of globalization national economies cannot be neglected, as they are the most useful form for the survival of nations and the humanity as a whole. We, as a number of other Ukrainian economists, support the mention that the national state, as well as the national economy, both now and in the perspective most adequately corresponds with the conditions of the whole-planetary development. The latter requires a thoughtful owner for resolving crucial tasks, who must be elected on the national basis with the consideration of global transformations and experiences of other countries but with the emphasis put on the national specifics and historical experience.

The latter is, actually, a precondition for defining the global determinants of regional development and regional policy, which have to be of the whole-civilization type. Their essence underlies in being complimentary, i.e. inter-supplementary during the participation in global processes requiring transparency in the development of national and regional economies.

In this sense, regional economic development and regional social and economic policy have to be based on the

intensification of transformational evolution, conducting economic reforms, removal of the relations inherent to the totalitarian regime, economic growth based on the private property principles without which it's hard to create a corresponding competitive social and market environment. Theoretically, economic space should be of the same type to provide an appropriate place and role of the region in whole-national and global processes.

It should be emphasized, that even under the conditions of globalization such traditional values, as home and the connection between the individual and his/her family and their place of residence don't lose their importance. In this sense, as a place of individual's residence, living, working, and spiritual self-improvement, a region gains new importance. People cannot exist without a home centre and, therefore, without the region where it is located.

There is a trend, that regional self-governance as an expression of democracy on the regional level, as well as qualified regional governance is becoming equal to the national parliament and the government. It's not a coincidence that, for instance, in the process of resolving the issues of organization and governance within the EU there is more attention paid to respecting the rights of small territorial units instead of the centralized governance principle. And the emergence of Euro regions, the total number of which is about 100 today, is not a coincidence either. Therefore, there is no doubt that regional policy is becoming one of the financially best-provided directions for central governance in the world countries.

The deployment of the globalization and regionalization processes mentioned above causes a lot

of problems for central governments, including the government of Ukraine, the solution of which is possible only basing on the development of essentially new strategic decisions.

The issue of developing a new strategy is especially necessary for Ukraine, as our country, which has recently gained its independence, hasn't yet occupied its appropriate place in the world economic space and still has a chance to remain its raw-material supplement, a supplier of industrial semi-finished products with a low level of completion.

Therefore, the formation of such strategy should be done on essentially new innovative and intellectual basis. The stress should be put on the development of modern industries with the high concentration of scientific achievements, the information-processing industries, and the industries using various modern technologies in their development.

Taking into consideration the ongoing strengthening of the globalization process influence, the role of the state in the formation and realization of the new development strategy for the economy of Ukraine must increase but not decrease. The functions and tasks of the state must change according to the changes taking place in the world economic system.

In the new geopolitical situation that has been formed in the world during recent times only the state as the unified political and legal object which owns the whole spectrum of powers is able to form and realize the strategy of Ukraine's efficient development basing on the active position of the regions.

Considering the fact that Ukraine has definitely announced about its European choice, and European regions have been playing an increasing role in international life, a special attention has

to be paid to the development of Ukraine's regions. Still, the necessity of intensification of the interregional integration inside the state, which could be a counterbalance to globalization processes and a factor of increasing the national security as a whole, shouldn't be forgotten either.

Successful realization of regional policy measures and development of a new strategy for the social and economic growth of Ukraine requires the introduction of new macroeconomic regional division principles which have been developed by scientists quite a long time ago. In particular, the Institute for Regional Studies has its own developments in this field. Upon the completion of the total research scholars came to the conclusion that it would be most purposeful to divide six microeconomic regions with their centers located in the cities the population of which exceeds 1 million or comes to this mark – Kyiv, Kharkiv, Dnipropetrovsk, Donetsk, Odesa, and Lviv.

In our opinion, the new strategy of social and economic development of Ukraine that would consider the influence of globalization processes has to be formed from the bottom up in every region of the state, generalized within the

new macroeconomic regions and based on the new innovative and intellectual approaches. The social and economic strategy for all levels should be expressed in human equivalent, based on the realization of human and social capital, normal functioning of which provides the efficiency of its realization. The science centers of the Ukrainian National Academy of Sciences should coordinate the formation of such a strategy.

Thus, the new situation that was formed in the world during the last 20 years has, on one hand, limited states of the world in the realization of their national interests due to the deployment of globalization processes and, on the other hand, considerably extended the role of the regions in international and domestic processes due to the deployment of regionalization processes. In this sense, the problem of building rational relations between the state and its regions gained special importance. Its successful resolution will ultimately define the economic safety and political stability of the world. The efficiency of regional economic development and regional social and economic policy could be provided only through unification of global approaches and regional opportunities.

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