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ეკონომიკისა და ბიზნესის ფაკულტეტი

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CHALLENGES OF GLOBALIZATION IN
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ივანე ჯავახიშვილის სახელობის ეკონომიკისა და ბიზნესის ფაკულტეტზე უკვე მეშვიდედ ტარდება საერთაშორისო სამეცნიერო კონფერენცია „გლობალიზაციის გამოწვევები ეკონომიკასა და ბიზნესში“. როგორც ადგილობრივი, ისე უცხოელი მეცნიერები და ახალგაზრდა მკვლევრები ყურადღებას ამახვილებენ გლობალიზაციის პროცესის გამოწვევებზე, ასევე ეძებენ ახალი ეკონომიკური პრობლემების გაუმჯობესების ქმედითუნარიან მექანიზმებს. საერთაშორისო სამეცნიერო კონფერენციაზე წარმოდგენილ სამეცნიერო ნაშრომებში აქტუალური და პრობლემური საკითხებია განხილული. გლობალური პროცესების თანამდევით მოვლენები სულ უფრო მეტ ასახვას პოვენ ნებისმიერი ქვეყნის განვითარებაზე, ამიტომ ისეთი საკითხები, როგორიცაა: განათლების სისტემის სრულყოფა, საქართველოს ეკონომიკური მოდელი, უმუშევრობის დაძლევის მექანიზმები, საქართველოს ეკონომიკაში ერთობლივ მოთხოვნაზე ფისკალური და მონეტარული ინსტრუმენტების ზემოქმედების თავისებურებები, საქართველოში განხორციელებული პირდაპირი უცხოური ინვესტიციები, კლასტერული პოლიტიკის ფორმირებისა და სახელმწიფო სანარმოთა მართვის აქტუალური საკითხები, ინოვაციური პროცესების დანერგვის თავისებურებები სხვადასხვა სფეროში, ტურისტული პოტენციალის ათვისების პერსპექტივები, სოციო-კულტურული გამოწვევები და სხვა. არამხოლოდ თეორიულ ინტერესის სფეროს განეკუთვნება, არამედ წარმოადგენს ეკონომიკური განვითარების პრაქტიკული ასპექტების ანალიზს. აღსანიშნავია, რომ კონფერენცია ბოლო ორი წელი დისტანციურად ტარდებოდა. წელს განახლდა კონფერენციის არადისტანციური რეჟიმი და ადგილობრივ და უცხოელ მეცნიერებს საშუალება ჰქონდათ აუდიტორიებში პირისპირ გაეზიარებინათ თავიანთი სამეცნიერო სტატიები და შედეგები.

გიორგი ლალანიძე – თსუ პროფესორი,
თსუ ეკონომიკისა და ბიზნესის ფაკულტეტის დეკანი

It is already the seventh year that Ivane Javakhishvili Tbilisi State University, Faculty of Economics and Business hosts the international conference on the “Challenges of Globalization in Economics and Business”. Both local and foreign scientists, as well as young researchers focus on the challenges of globalization processes; in addition, they seek to identify effective mechanisms for solving new economic problems. The scientific papers presented at the international scientific conference deal with the pressing and problematic issues. The consequences of global processes are more and more reflected on the development of any country, therefore, the issues like the improvement of education system, the economic model of Georgia, the unemployment reduction mechanisms, the peculiarities of the impact of fiscal and monetary instruments on the aggregate demand of Georgia, the foreign direct investments implemented in Georgia, important issues of formation of cluster policy and management of state enterprises, peculiarities of the introduction of innovative processes in different areas, perspectives of utilization of tourism potential, socio-cultural challenges and others belong not only to the area of theoretical interest, but they represent the practical analysis of the aspects of economic development. It should be noted that the conference was held remotely for the last two years. This year, the non-distance mode of the conference was renewed, and local and foreign scientists had the opportunity to share their scientific articles and results face-to-face in the auditoriums.

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ON THE FUNCTIONAL TYPES OF GLOBALIZATION

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The article studies the functional types of globalization in the context of the COVID-19 pandemic and the confrontation between Russia and the West. It is shown that during the pandemic, turbulent globalization took place which was perceived by many as the beginning of the process of deglobalization. Russia's war in Ukraine, and especially Western economic sanctions against Russia, have exacerbated the confrontational nature of the world economy which marked the replacement of turbulent globalization by confrontational globalization. For its part, turbulent globalization was preceded by hyper-globalization and confrontational globalization will be replaced by globalization with economic security.

Keywords: *globalization, hyper-globalization, turbulent globalization, confrontational globalization, globalization with economic security*

The problem of globalization has been the subject of many studies and relevant publications. Among them, the books of Joseph Stiglitz, the Nobel Prize winner in economics, stand out (Stiglitz, 2002, 2007). Globalization as such, as well as its benefits and negative consequences, have deep historical roots (e.g., Lutkevich, 2021).

The discussion of issues related to the types of globalization, as a rule, is limited to those areas of human activity that are covered by this process. According to a narrower classification of globalization, its types are distinguished as economic globalization, political globalization and cultural globalization (e.g., Lutkevich, 2021); as for the broader classification of globalization, there are types of globalization such as economic globalization, social globalization, cultural globalization, political globalization, environmental globalization, technological globalization and geographic globalization (Multiplier, n.d.). For its part, each of the listed types of globalization has its own subtypes. A clear example of this is economic globalization (Ruettimann, 2014).

As you know, the COVID-19 pandemic began in 2020 and on February 24, 2022, Russia's war against Ukraine began which entailed economic sanctions imposed by the West against Russia because of this war. These events had a strong impact on the world economy which directly affected the processes of globalization. Let us consider this problem in more detail.

The accumulated experience of the course of the COVID-19 pandemic indicates that both national governments and international organizations were in fact fundamentally unprepared for the onset of a pandemic. Moreover, they, one might say, were in some confusion as the coronavirus appeared unexpectedly and began to spread rapidly. As a result of the uncoordinated actions of national governments and, especially, the unwillingness of international organizations to quickly respond to the main challenges of the pandemic, they contributed to the formation of an opinion that the process of globalization was over. To be fair, even before the start of the COVID-19 pandemic, significant steps towards initiating the process of deglobalization were taken by US President Donald Trump (Sachs, 2017; Stiglitz, 2017). Brexit, the exit of the UK from the EU, also fits into this context of deglobalization (e.g., O'Rourke, 2019).

Due to the need to significantly limit the rapid spread of the coronavirus, the national governments of many countries resorted to a forced measure of temporary lockdown of the functioning of a significant part of the companies. The result of this forced measure was a rupture in global supply chains. Not surprisingly, this situation gave the impression of the beginning of an isolationist process (Derviş & Strauss, 2020).

It is obvious that overcoming the pandemic, which is essentially a global phenomenon, is fundamentally impossible on the basis of isolationism (Stiglitz, 2020).

The essence of the issue is that the end of the pandemic, as a global phenomenon, is achievable only through a set of coordinated actions of national governments both among themselves and international organizations (Mazzucato & Torreele, 2020).

Following the same logic, it is obvious that the post-pandemic development of the world economy based on deglobalization (not to mention isolationism) is fundamentally impossible (Fung, 2020). We unequivocally believe that the COVID-19 pandemic has not actually led to real deglobalization but only to the process of pseudo-deglobalization (Papava, 2021).

Pseudo-deglobalization, at the same time, meant the end of the globalization that everyone knew well (Pisani-Ferry, 2021).

Based on the accumulated experience of the COVID-19 pandemic, pseudo-deglobalization is characterized by some inconsistency and spasmodic globalization process. Thus, I qualify this pseudo-deglobalization as *turbulent globalization* (Papava, 2022c). The development and widespread distribution of a vaccine against COVID-19 has been of great importance in reducing the turbulent nature of globalization.

Against the background of pseudo-deglobalization, which was perceived by many as deglobalization, the question of the so-called a new “wave” of globalization which means a qualitative renewal of the globalization process which can only take place at a higher and fundamentally improved level (El-Erian, 2020). It should be emphasized that in the context of the renewal of globalization, a special place is occupied by the problems of economic, and, in particular, energy (UN, 2021) and food security (Blair, Kalibata, 2020).

Russia’s war in Ukraine (during the formally unfinished COVID-19 pandemic) and especially the economic sanctions against Russia imposed by the West (BBC, 2022), have obviously changed the contours of the global economy (Furman, 2022; Roubini, 2022) and the world order (Krugman, 2022).

Naturally, qualitatively new problems have appeared on the economics agenda which require a rethinking of the functioning of the world economy in the conditions of the noted economic sanctions (Papava, 2022a). The priority problem is to study the process of transformation of the architecture of the world economy as well as the impact of this transformation on both the global economy and the economies of national states (Papava, 2022b).

As a result of the introduction of economic sanctions against Russia, the world economy was divided into countries that introduced and also supported the noted economic sanctions against Russia and countries that maintain a certain neutrality in this confrontational economic scheme (e.g., Israel, Turkey, China, India).

As expected, the confrontational nature of today’s global economy has particularly exacerbated problems in such economic sectors as energy (Montgomery, 2022) and food (Farrer, 2022).

It can be stated that in both sectors of the economy, a phenomenon alien to a market economy has emerged – a deficit, which has become a large-scale challenge for the entire global economy (Kung, 2022). Unfortunately, in addition to the Russian war in Ukraine, there are two global confrontations that have been named the “Oil War” (Bugriy, 2022) and the “Food War” (Frum, 2022).

Against this background, doubts about the continuation of the globalization process reappeared and the discussion of deglobalization issues began again (Goldberg, 2022; Moyo, 2022; Stiglitz, 2022).

In fact, the process of globalization is irreversible (Kołodko, 2022a, 2022b). The most striking argument for this fact is the globalization of illegal economic activities (for example, the drug business or the illegal arms trade). Despite the fact that both national governments and international organizations (for example, Interpol) act against it, illegal economic activity in many cases remains globalized.

There is no doubt that confrontation is the main feature of the modern world economy. It should be noted that confrontation and globalization are by no means mutually exclusive but quite compatible. As confirmation of this idea, we note that economic sanctions against Russia are inadequate since some EU countries, along with the introduction of economic sanctions against Russia, still continue to purchase Russian energy resources (Dodman, 2022). At the same time, many countries of the world, as noted above, did not join the sanctions against Russia at all and continue to actively cooperate with it and not only in the economy. Consequently, the confrontational nature of the modern world economy, as it were, “distorts” globalization and does not exclude it. As a result, we can conclude that at present the confrontation between Russia and the West is *confrontational globalization* (Papava, 2022c).

Thus, if the COVID-19 pandemic contributed to the formation of turbulent globalization then later, due to the confrontation between Russia and the West, it outgrew confrontational globalization.

The high level of universal globalization, which has covered almost all spheres of human activity, is qualified as *hyper-globalization* (Rodrik, 2021). Due to the COVID-19 pandemic, it turned into a *turbulent globalization* and at the beginning of the confrontation between Russia and the West, it was replaced by *confrontational globalization*. As noted above, a new wave of globalization is coming which can conditionally be called the “better globalization” (Rodrik, 2022). This “better globalization,” in my deep conviction, will proceed from the principles of economic security (as described above). In other words, a new type of globalization that will replace confrontational globalization can be called *globalization with economic security*.

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გლობალიზაციის ფუნქციონალური ტიპების შესახებ

ვლადიმერ პაპავა

პროფესორი, ეკონომიკურ მეცნიერებათა დოქტორი
ივანე ჯავახიშვილის სახელობის თბილისის სახელმწიფო უნივერსიტეტი

ანოტაცია

სტატია იკვლევს გლობალიზაციის ფუნქციონალურ ტიპებს COVID-19-ის პანდემიისა და რუსეთსა და დასავლეთს შორის დაპირისპირების კონტექსტში. ნაჩვენებია, რომ პანდემიის დროს ტურბულენტური გლობალიზაცია ჩამოყალიბდა, რომელიც ბევრმა დეგლობალიზაციის პროცესის დასაწყისად აღიქვა. რუსეთის ომმა უკრაინაში და განსაკუთრებით დასავლეთის ეკონომიკურმა სანქციებმა რუსეთის წინააღმდეგ მსოფლიო ეკონომიკის კონფრონტაციული ბუნება გაამძაფრა, რამაც ტურბულენტური გლობალიზაციის კონფრონტაციული გლობალიზაციით ჩანაცვლება გამოიწვია. თავის მხრივ, ტურბულენტურ გლობალიზაციას წინ ჰიპერგლობალიზაცია უძღოდა, ხოლო კონფრონტაციულ გლობალიზაციას კი გლობალიზაცია ეკონომიკური უსაფრთხოებით ჩანაცვლებს.

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