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## **DE-GLOBALIZATION: NEW CHALLENGES FOR THE WORLD ECONOMY**

### **Деглобализация: новые вызовы мировой экономике**

The main reason of this paper is to draw attention to one of the most significant threat to the economy of the 21st century.

The first mention of the concept of «de-globalization» dates back to 1989 year, however the frequency of resorting to the notion of de-globalization has increased due to the global crisis of 2007–2009, and the latest surge of interest occurred in 2017, after D. Trump came to power in the U.S., and the crisis of euro-integration lead to the winning a referendum in favor of Britain's withdrawal from the EU.

Next, in 2019–2020, due to increasing trends political and economic confrontation between the States and the spread of the coronavirus pandemic, which has paralyzed tourism and labor migration, the popularity of the theme of de-globalization reached its peak values.

The study was divided into two main areas: some described it as a crisis of market globalism, others as a temporary decline in trade activity inherent in the phases of recession and stagnation of the traditional economic cycle. Researchers have also been divided on the implications of what is happening in the world economy. Some see this as an attempt by society to overcome the evils of globalization, while others predict social catastrophes as a result of the disintegration of the world capitalist system.

As a proof, empirical evidence of the expansion and containment of globalization through the average annual ratio of world export growth to world GDP growth can be provided. The cyclical surges in investment activity in 2000, 2007 and 2015 are clearly visible. Using the latest data, an increase in investment activity in the 1990s a slowdown in growth in the 2000s, and a gradual decline in post-crisis period can be observed.

Relative total flows of goods and direct investment also show a negative trend. In 2007, this figure was 35.5 % of GDP. After a sharp fall to 28.8 % in 2009 and a recovery in 2010–2011, the intensity of international economic relations continued to decline, reaching 32.4 % in 2019. The decline in the intensity of world trade and investment has also affected the dynamics of global value chains. For example, the share of clean national production in world GDP fell from 84.9 % to 79 % between 1995 and 2007. Since the beginning of the global financial crisis, the decline in financial capital flows is estimated at 10–20 %. Looking at financial transnational corporations, their international activities have declined since the crisis.

Another manifestation of the disintegration of the world economy has been the crisis of regional integration. The coronavirus pandemic that erupted in 2020 intensified disintegration of the world economy even more.

So, considering all this facts, it can firmly be said that our world is definitely changing and links between countries are gradually breaking down. These changes will also challenge our country, so people should be ready to face these modifications if they want to adapt to the new reality of our world.

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## **FINANCIALIZATION AS A TENDENCY TOWARDS INTERNATIONAL RELATIONS**

### **Финансиализация как тенденция в сторону международных отношений**

The most important characteristic of socio-economic development is the ratio of the three sectors of the world economy. Today, the tertiary sector, which is essentially a service sector, where the financial sector occupies a large share, is of the greatest interest. The increase in the size and importance of a country's financial sector, compared to its economy as a whole, can be described by the concept of financialization. This concept occupies a special place in the global economy and leads to an increasing gap between the financial and real sectors of the economy.

The purpose of this work is to define this concept, its positive and negative features and identify the consequences of financialization.

According to my research, more than 60 percent of respondents did not know about such a global trend. The financialization of the world economy is a process which main directions are the development of trade between countries, increasing glocalization, the development of digitalization of the economy, improvements in the economic education of the population, the development of a network of banking institutions.

The main advantages of this concept of the world economy include the increasing potential for financing both the real sector of the economy and investments, improving the quality of goods and simplicity of their distribution, increasing the number of jobs in the financial sector, stimulating foreign economic activity between countries, and increasing capital mobility.

The main disadvantages of the financialization are: the deepening of the interdependence of the economic systems of states, which hinders the independent