

TRANSFORMATION OF THE ROLE OF THE STATE IN GLOBALIZATION CONDITIONS

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Summary: At the present stage of development of world civilization, special attention is drawn to the role of the state in economic, social, political and other spheres of development of society and a country as a whole. This paper provides arguments for updating the state intervention in economic life in globalization conditions.

Key words: globalization, the role of the state, transformation.

Анотація: На сучасному етапі розвитку світової цивілізації особливу увагу привертає питання про роль держави в економічному, соціальному, політичному та інших етапах розвитку суспільства та країни в цілому. В даній статті наводяться аргументи щодо необхідності актуалізації державного втручання у сферу економічного життя суспільства в умовах глобалізації.

Ключові слова: глобалізація, роль держави, трансформація.

Аннотация: На современном этапе развития мировой цивилизации особое внимание привлекает вопрос о роли государства в экономическом, социальном, политическом и других этапах развития общества и страны в целом. В данной статье приводятся аргументы для необходимости актуализации государственного вмешательства в сфере экономической жизни общества в условиях глобализации.

Ключевые слова: глобализация, роль государства, трансформация.

Questions concerning the state, its concept, nature, and role in society and the economy have for a long time been fundamental and discussion provoking. This is due to three reasons, at least. First, the mentioned issues directly and immediately affect the interests of various strata and classes of society, political parties and movements. Second, an organization cannot compete with the state in a variety of tasks and functions in influencing the future of society. Third, the state is a very complex and internally contradictory socio-political phenomenon [4, p. 111].

Below you will find description of four principal aspects of the concept “state” relevant for our investigation.

1. The essence (nature) of the state.

At the present stage of development of world civilization, special attention is drawn to the role of the state in economic, social, political and other stages of development of society and the country as a whole. In the genesis of the present world leaders, there have been a lot of opinions on this issue, but a definite solution has not been worked out.

History of the state is inseparable from society history. Alongside with society it undergoes a long historical way connected with development, acquires new features and properties on this way. The state becomes developed gradually, in the process of achievement of a certain level of a civilization and democracy. It «provides organization in the country on the basis of economic and spiritual (cultural) factors and realizes the main thing that the civilization gives to people –

democracy, economic freedom, individual freedom» [1, p. 12-13]. In such a state all its institutes and structures develop, their social potential reveals. At the same time, the state changes and improves not in itself. People of different epochs and countries transformed adapt it for changing conditions. Therefore, there is enough ground to consider the state as one of the most considerable achievements of world history and civilization.

The following wording will be exact: the state is a political organization of society providing its unity and integrity implementing by means of mechanism of government over administrative office of society sovereign public power, granting the right will obligatory significance, guaranteeing rights, freedoms of citizens, legality and order [2, p. 151].

The definition cited reflects general concepts of the state, but better characterizes the modern state. It emphasizes the fact that the state is a political organization of society as a whole, all its citizens. The state is urged to guarantee the rights and freedoms of citizens comprehensively, to support reliable and humane law and order in society.

2. The state and the market.

State participation in economy is important not only at times of recession, but it is also necessary in periods of economic growth when economy is rather stable. There are several reasons to it: firstly, because it is naturally present, where there are «market failures», secondly, because it plays an important role in maintaining the balance of public interests, social stability and protection of national interests when conducting both internal and foreign policy.

We find it necessary to distinguish a number of general approaches to research of the problems connected with interaction of the state and the market. These approaches are traditionally told apart: questions of theory, methodology, system, etc. Thus, general approaches are:

1. Theory and methodology of optimizing the role of state and market account as a factor of time, including historical experiences and contemporary realities, reflecting rationally chosen tactics and strategy of economic development.

2. Stability of a market system is largely determined by a systematic approach to the forms and methods of state influence on the effective development of economy. In this sense, searching for an optimal combination of the state and the market is not appropriate to carry out maintaining principles of opposition, but through effective interaction in the face of globalization.

3. In transition economies, in close interaction of state regulation and market mechanism determining the strategy and growth, it is necessary to take into account specific features associated with the transition. An important moment in the transition to a market economy advocates preservation by the state of its forms and methods of regulation of economic life, social stability of society.

3. The economic functions of the state.

Today, no country can do without the public finance system, active fiscal and tax policies, without government price controls, social programs, and many other institutional foundations of economic development, which manifest functions of the state. This is a result of the global trend of active nationalization of economy

which began before last century. A country cannot develop out of a certain economic policy of the state. This policy has the full impact not only on the activity of economic entities, but also on the whole social situation in the country. Economic policy is a powerful factor in the organization of society. However, without using the function of authoritativeness characteristic of the government, it turns in a mixture of politicians' irresponsible promises and citizens' unrealized hopes instead of a real force mobilizing society to solve pressing problems [5].

Much has been written about what the state is and what the objective of this crucial phenomenon is. But, having entered the 21st century, we regret to claim the paradox: almost nothing has been published. The image of the social world, previously embodied by nation-state is rapidly changing, according to some researchers. The state is «disappearing» before our eyes: its functions and prerogatives are being modified, power is being transformed and changing its nature, a network political space is being formed, etc. Transformation of the state is taking place against the background of new phenomena of the present, which are at times in drastic mutual contradiction: globalization and sustainable development, the new world order and the construction of the United Europe; formations of the multipolar world and forecasts concerning the future collision of civilizations. Historical challenges of today urge a change in the whole architectonics of social processes.

4. The impact of globalization on the state.

Globalization is not an artificial problem, but an objective process which has arisen on the basis of developing integration and cooperation. The problem of globalization could not but occur because the process of international integration cannot be possibly stopped. Global computer networks are a reality. They providing unique opportunities for communication and document management, financial globalization, world trade and transportation, etc.

Thus, globalization in the conventional economic sense implies new stage in the creation of global economic system which ensures free movement of resources depending on their economic feasibility.

In general, globalization is one of the most serious challenges humanity faces in the 21st century. This challenge cannot be predicted. For, on the one hand, it is a factor of growth in productive forces, possibility of economic and ecological protection of the planet, providing growth of production efficiency and improving welfare of the world's population. On the other hand, increasing the power of transnational corporations is sweeping away all boundaries.

The transformation that took place in the world economy in the late twentieth century highlighted many new issues concerning both geo-political and geo-economic realities of the modern world, and the role and place of the state in changing parameters of global economy. First of all, the world has become more dynamic, diverse, and offensive. Aggravation of disagreements between civilizations, according to Professor Samuel Huntington, will take place in all spheres, including the economic sphere, trade and investment [6].

Since the state is one of the key subjects of socio-political and economic

reforms, challenges of globalization are first of all aimed at the state. The debates on the future of the nation state are becoming more acute.

The positions of politicians, futurologists, business leaders, scientists about the fate of the state in different aspects of political life today are diametrically opposed: some authors suppose that the state in the conditions of globalization should «hand over» part of its sovereignty and accept growing economic and cultural interaction [8, p. 28], while others believe that the state must be subordinated to the interests of international business, «consumer sovereignty» is more important than «state sovereignty» [7, p. 11]; for the third group – «state peace» must provide their own autonomy in the face of other forces in the «multicentric world», advocating the interests of transnational corporations, markets, non-governmental organizations, international groups [3, c. 6].

Despite the fact that economic, social, financial and even national government policies have objectively become more vulnerable to numerous international and political forces; the state continues to address issues of its security, development and citizens' quality of life.

Realities of the modern globalizing world are such that the power of the state-nation is undermined, on the one hand, by forces from above – at the transnational level, but on the other hand, by the forces from below, the trend toward regionalization and fragmentation of states. Politically, the state remains sovereign, but economically their power can be changed under the influence of globalization forces.

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