**Economics** 

# **Contradictions of Globalization under the COVID-19 Pandemic**

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The main purpose of this paper is to reveal the contradictions of globalization at the modern stage, to identify its challenges and to determine the priorities for overcoming them. The study is based on an examination of primary literature, synthesis, particular statistical data, and sociological research. The report makes inferences based on the data' cause-and-effect connection. The paper offers crucial observations and recommendations on the inconsistencies and problems posed by current globalization processes. Development is contradictory, that is why global contradictions are the subject of our research in this paper, and the object is global processes. It is important to analyze economic processes caused by globalization. Depending on the purpose of the research, it is important to rely on the already existing research for the analysis of aspects of world culture, world governance, world systems, global capitalism, network society. These results are caused by the rapid growth of the world population, limited resources, challenges of sustainable development, maintaining equal rights of access to resources for future generations. According to the findings of the study in the contemporary stage of globalization, overcoming the contradictions caused by planetary processes at the national, regional and worldwide scales is closely related to such processes as: development and adaptation of sustainable development technologies, rational use of the existing natural, civilizational and institutional resources. © 2022 Bull. Georg. Natl. Acad. Sci.

globalization processes, globalization theories, development inequality, transport corridors

Modern international economic relations, its situation, structure and main trends are directly related and determine the evolution of world economy and international business spheres. In addition, they create a basis for international scientific and technical cooperation, as well as interaction in the fields of art and culture, ecology, social programs and health care. The foundation for the multilateral structure of the world was created at the end of the twentieth century, on which the global processes of the world were formed. Globalization of the world economy was conditioned by economic and social-institutional objective principles. They include: strengthening the role of transnational companies; world infrastructure development; development of world markets; creation of world economic centers; establishing the world governance structure; the emergence of new economic thinking and mass culture; geopolitical transformations associated with the emergence of new centers of the world economy.

#### **Reflection of Contradictory Processes of Globalization in Modern Theories**

Globalization is a complex, multifaceted and contradictory process, the nature and consequences of which require deep study. There are various well-known approaches to understanding this nature and essence. They find reflection in various (mainly, world culture [1], world governance [2-3], world systems [4-5], global capitalism [6-7], network society) theories of globalization.

In the Network Society Theory, globalization is studied in the context of the information society, based on the "technological" approach, which Castells M., and Cardoso G. explain by the regularity of technological progress. They believe that the capitalist system, using its advantages, created a model of "informational capitalism", which is considered in the theory of the network society as "new economy". It is characterized by the following features: it is informative, that is, based on knowledge; It is global because production based on new technologies is global in nature; It is networked because it functions thanks to global networks that provide interaction [8].

According to the Network Society Theory, the global economy is a system that may function as a coherent whole on a global level. Global financial and commodities markets, the growth of worldwide industrial systems, and the advancement of science and technology are all part of this system. Its main subject is the "network enterprise", which differs from traditional hierarchical structures. According to The Network Society Theory, in the global information economy, flexible international networks that ensure the interaction of companies and their structural subdivisions should narrow the outdated centralized structures of giant transnational corporations [8-9].

# The Results of the Globalization Process

Globalization processes bring many positive effects. For example, the rapid progress of science and technology, the reduction of transport and communication costs, as well as the development of international agreements led to the increase in the internationalization of trade, finance and investment [10]. Globalization has also made a significant contribution to the growth of production factors, raising the standard of living of the population and expanding opportunities. Globalization processes taking place in the world, its positive results, technological and intellectual development, led to new opportunities for humanity and increase of its well-being [11]. Human life expectancy, wellbeing, access to healthcare, food products have increased.

Among the negative consequences of global processes, it is worth noting that globalization in the field of politics can lead to the replacement of the governments of sovereign states with global elites, the destruction of national sovereignty and national values, the internationalization of crossborder problems, such as: drug trafficking, terrorism, increasing inequality in income distribution between countries and different social groups within countries [12-13].

Positive and negative consequences of globalization processes coexist. There are many problems that need to be solved. Modern global challenges are caused by the rapid growth of the world population, limited resources, challenges of sustainable development, maintaining equal rights of access to resources for future generations [14-15]. Radical nationalists protest the damage done to the world's cultural diversity and demand an end to it. There are also anarchists, they are generally against any kind of order. Different types of antiglobalists, at world economic forums, often express their demands in an aggressive manner. Globalists perceive globalization processes positively.

### Modern Challenges of the Globalization Process and Priorities for Overcoming them

Globalization processes are accompanied by the main contradictions of the global system, which are caused by the unevenness of its development. The contradiction between the growing needs of the Earth's population and the limited ability to meet them is important [16].

For example, how to meet the food demands of more than 9 billion people by 2064? Many people and organizations are working on this topic, among which it is worth noting the studies of scientists working on the problems of Georgia in the context of overcoming the contradictions of globalization [17-19]. A promising answer to the mentioned question can be given by implementing adequate technological achievements. It is important to implement new agricultural technologies that will help increase production capacity and reduce costs. A farmer equipped with modern electronic technologies can significantly increase his labor productivity, work much more efficiently, and damage the environment less. He can reduce the rate of hunger in the world by his own work.

On February 24, 2022, Russia invaded Ukraine. Large-scale hostilities continue to this day. This was followed by the imposition of economic sanctions against Russia by the USA, Europe and the countries of the World Community. Financial sanctions also had a negative impact on the economy of Georgia. This war has an impact not only on neighboring countries, but also on such a large country as the United States. This is manifested primarily in the fact that oil and oil products, and general resources of all kinds, have become more expensive.

Due to the coronavirus pandemic, the already high inflation increased again, the price of securities fell in the stock market [20]. The war also has a negative impact on the economy of Georgia. This refers to the export and import of Georgian products to Russia and Ukraine. Because the ports are closed, products from Ukraine cannot be imported. The main suppliers of wheat are Ukraine, Russia and Kazakhstan. The main task of Georgia is to ensure the safety of each citizen of the country, their own families.

It is important to activate relations with neighboring countries – Turkey, Azerbaijan, Central Asian countries. They have oil products, wheat. Transportation and import is easily possible with Romania and other EU countries. There is a prospect of a significant growth of power trains in Georgia. For this, first of all, it is necessary to arrange proper infrastructure.

Against the backdrop of Russia's invasion of Ukraine and the start of full-scale military operations, the European Commission presented a plan, according to which it should reduce its dependence on Russian gas by 2/3 by the end of 2022, and by 2030, the import of Russian oil products should be completely canceled. Gas supply from Azerbaijan to EU countries will double in a few years. As a transit state, the benefits of Georgia will increase. Due to the political situation, it becomes impossible to use other ways to supply natural gas to the European Union, except for the South Caucasus gas pipeline.

Participation in this project is very important for Georgia. Georgia should receive gas at a more favorable price. This will create appropriate conditions for the tariff in Georgia to either decrease or remain stable, which will have a positive impact on the economy. Today, the country has no storage facilities. In the conditions of its existence, we could reserve a certain amount of received natural gas and use it during the period of increased gas consumption in winter.

A window of new opportunities opens for Georgia with the project to double the amount of gas transit from Azerbaijan to the European Union [20]. According to some forecasts, by the current year 2022, the value of cargo passing through Georgia will reach 35 trillion dollars [21]. At the first meeting of the Ministers of Foreign Affairs, Economy and Transport of Azerbaijan, Uzbekistan and Turkey in Tashkent, they announced the formation of a new multimodal corridor – through Turkey-Caucasus-Central Asia-South Asia-Afghanistan, which will also benefit Pakistan. Uzbekistan is considering the possibility of exporting products to Europe through Georgian ports. It is important that Georgia should use these opportunities as efficiently as possible.

At the modern stage, there are contradictions between globalization and regionalization, between new entities of the global market for licenses, scientific-research and test-constructive works for results, control over resources and information space, search for comparative advantages, as well as ways to minimize costs. There are also contradictions between global corporations and national firms, which manifest in their attempts to establish control over key sectors of the economy, limited resources, the financial system, innovation, information media, and so on. Finally, the contradictions between global firms and international organizations should be noted. Transnational and multinational corporations, pursuing their corporate interests, ignore the ecological, ethical, social, legal and other aspects of global relations, which are regulated by international organizations.

Globalization processes are significantly influenced by the development of technologies, which was particularly accelerated during the 4<sup>th</sup> industrial revolution. The fourth industrial revolution began in 2010 and will continue until 2060. It is called the era of the Internet and cyber-physical systems. As a result, the main sources of economic growth in this period are: NBIC – nano, bio, info, cognitive technologies, genetic engineering, 3D-printers, RES - renewable energy sources, drones, Internet of things [22].

Contradictions deepened and new uncertainties emerged throughout the 4th industrial revolution. It is related to the change in the balance of power in the world, guaranteeing international stability in a post-bipolar world, limiting international institutions' power, and reducing governance functions that do not have the right to make balanced decisions.

The existence of these uncertainties intensified the existing contradictions, the contradiction between the availability of information and increasing the value of knowledge: there is a shift of vectors in professional training in terms of combining professions, at the same time, continuous education becomes necessary; informatization and automation of production leads to the increase of unemployment in such areas as: banking services; sale of tickets; tourism; The emergence of technology that allows mechanisms and machines to exchange information with each other [23]. The listed problems require the search for new solutions, the construction of a new economic and social system of society, which will be based on: social responsibility of business; to protect the rights of different groups of subjects; on the search for a compromise in protectionism issues; on the optimization of migration flows; on new means of solving ecological problems.

#### Conclusion

Life has its contradictions. A society without conflict loses its drive to develop, and science has discovered that development is governed by the law of unity and struggle. In these contradictions, the main directions and its components can be distinguished. Contradictions of globalization processes are due to the inequality of development, different forms of inequality, which are manifested as a result of breaking the achieved dynamic balance. There will be deviations from the achieved equilibrium, i.e. uncertainties. This can be manifested in social system, business, protection of rights of different groups, seeking compromise in protectionism issues, optimization of migration flows, solving ecological problems and other issues.

To overcome the contradictions of globalization, it is important to develop and adapt sustainable development technologies, rational use of existing natural, civilizational and institutional resources; Tackling global challenges. The prospect of transport corridors of Georgia appeared. The South Caucasus Corridor, increasing its capacity is important for Europe, Azerbaijan, Turkey, as well as for all countries interested in this trade-transit route: Russia, its autonomous republics, Turkmenistan, Kazakhstan, Uzbekistan, other Central Asian and Middle Eastern countries, especially China.

#### ეკონომიკა

## გლობალიზაციის წინააღმდეგობები კოვიდ-19 პანდემიის პირობებში

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წინამდებარე ნაშრომის ძირითადი მიზანია გლობალიზაციის წინააღმდეგობების გამოვლენა თანამედროვე ეტაპზე, მისი გამოწვევების იდენტიფიცირება და მათი დაძლევის პრიორიტეტების განსაზღვრა. ნაშრომი ეფუძნება სხვადასხვა ფუნდამენტური ლიტერატურის ანალიზს, სინთეზს, კონკრეტულ სტატისტიკურ მონაცემებს, სოციოლოგიურ კვლევას. ნაშრომში წარმოდგენილია მნიშვნელოვანი დასკვნები და რეკომენდაციები გლობალიზაციის თანამედროვე პროცესების შედეგად გამოწვეულ წინააღმდეგობებსა და გამოწვევებზე. განვითარება წინააღმდეგობრივი ხასიათისაა და სწორედ გლობალური წინააღმდეგობებია ამ ნაშრომში ჩვენი კვლევის საგანი, ობიექტი კი გლობალიზაციის პროცესებია. ასევე, მნიშვნელოვანია გლობალიზაციის გამომწვევი ეკონომიკური პროცესების ანალიზი. კვლევის მიზნიდან გამომდინარე, მსოფლიო კულტურის, მსოფლიო მმართველობის, მსოფლიო სისტემათა, გლობალური კაპიტალიზმის, ქსელური საზოგადოების ასპექტების ანალიზისთვის მწიშვნელოვანია უკვე არსებულ კვლევებზე დაყრდნობა. კვლევის შედეგები მიუთითებს იმაზე, რომ გლობალიზაციის თანამედროვე ეტაპზე როგორც ლოკალურ, ასევე რეგიონულ და გლობალურ დონეზე მიმდინარე პლანეტარული პროცესების შედეგად გამოწვეული წინააღმდეგობების დაძლევა მჭიდრო კავშირშია ისეთ პროცესებთან, როგორიცაა, მდგრადი განვითარების ტექნოლოგიების შემუშავება და ადაპტირება, არსებული ბუნებრივი, ცივილიზაციური და ინსტიტუციონალური რესურსების რაციონალური გამოყენება.

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