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THE ESSENTIAL FEATURE OF SOCIAL DIVERGENCE OF GLOBAL ECONOMIC DEVELOPMENT

Abstact

The article describes theoretical approaches to social divergence of global economic development. Prerequisites of social convergence of global development have been found out. Interpretation of social divergence has been given and classification features of social divergence of economic development have been proposed. The basic negative effects of social divergence for global economic development have been revealed. Features and causes of social divergence of global economic development have been determined. The objectivity of social divergence of global economic development has been grounded and its displays in practical area have been analysed. The existence of concurrent processes of social convergence and divergence of global economic development has been proved.

Introduction

At the present stage of global economic development there is a new reference point which stands for implementation of human's vital values and needs, therefore the emphasis is shifted on dimension of spiritual and intellectual component of humankind's development. Global changes cause countries to bring adjustments to the strategic vectors of development, changing in that way their social component, as its determinants are socialization, humanization and ecologization. Socialization is currently characterized by a set of institutions and norms governing social status of individuals and social groups and also economically grounded social relations between members of society, and is determined by overall focus on providing creation conditions for realization of economic active components of self-welfare [1]. At the same time unsuccessful attempts of recent decades to ensure global development by means of unification of requirements to involvement of countries with different levels of development have led to destructive tendencies in global economy – the so-called civilization mutations geneses took place, leading to bigger degradation in social and economic dimension of poor countries and increase of their resource dependence. We consider modern negative tendency of global economic development, which transformed into a consistent pattern, to have a domino effect during which socio-economic problems of a

single country do not bring them closer to each other in the process of their solution, but create threats to the whole world because of their failure to be solved (for example, problems of poverty, famine, diseases and epidemics, illegal migration and refugees). That is why issues of social divergence within contemporary global issues gain relevance and need to be studied, as their research is new, as they are at crossroads of economic and social policies of national and civilizational interests, and social factors are crucial for global development providing.

The goal of the article

The goal of this article is theoretical conceptualization of social divergence of global economic development and reasoning of its displays.

Statement of the main study material

In the current global development paradigm a social vector becomes important and its social ideology is the basis for concept of sustainable development, which in practical area was not able to provide real social and economic effects and deepened existing social divergence.

Under the influence of global paradoxes, the first half of the XXI century is characterized by profound transformations in geocivilizational space (under the influence of long-term transformations the formation of integrated civilization and building new architecture of geocivilizational space happened [2]; we agree with the thesis that the section of global development will determine not more than 200 states and local civilizations and their leading countries), by cluster of global crises in western industrial world civilization and formation of the foundations of civilization in avant-garde countries. Now socialization of global economic development combines two areas that can be shown simultaneously for different countries or in different areas: convergence and divergence.

Prerequisites for social convergence of global development were formed after the Second World War, when geopolitical changes contributed to the division of the world and put on the agenda the approach of two social systems: capitalist and socialist. However, the peculiarity of post-war period was, in our opinion, ideological error concerning possible eventual unions of the world countries through the establishment of common global institutions (IMF, GATT etc.), and development of a single developmental paradigm.

At a time when the world focused its attention on confrontation of two, in principle, similar in final result ideologies, but distinctive in mechanisms for achieving, a number of countries that did not belong to any of the opposition camp happened to be on the periphery. Certainly, the US and the Soviet Union achieved the leadership, and, as the practice has shown, even after more than half a century this confrontation between the US and Russia goes on. Many developing countries remain on the periphery of the development, so their involvement in the international division of labour occurs mostly via hidden interests of the developed countries.

The term "divergence" received its broad interpretation in mathematics, biology, and only fragmentarily in economics, particularly during trading in the financial markets, where there is a discrepancy between technical indicators and price; in theoretical researchers with regard to reconciliation of ideological and economic discrepancies between socialist and capitalist systems. These studies started in the 60-s of XX century when scientists noticed the dilemma: whether two opposing ideologies are able to exist and whether further convergence is possible and to what extent the countries that are developing will be able to come closer to each other.

One of the founders of the theory of social stratification Pytyrym Sorokin, paying special attention to social and economic development, put the idea of an imminent merger of

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the capitalist and socialist societies put as the basis for the concept of convergence, as, despite the differences, their states-ideologists have important common features – role they play in the world order, history of development, multinationality (and hence multiculturalism) [3, p 105]. Therefore, the question of formation of an integrated society is only a matter of time, because the basis of such a society will be common values, which within the limits of a single society cannot be implemented due to a number of negative factors, including of economic and social nature, tendencies of simultaneously maintaining peace and escalating military power.

Such a one-sided review of processes of global convergence was justified at that time because the confrontation period between the US and the Soviet Union focused its attention not on solving issues of development, but on creating protective barriers for each oppositional camp during the period of "cold war". This approach has been connected to doctrine of A. Sakharov, where one of the directions he identified was protection of human rights – in this sense it had to become a way to unite countries, and economic system that is formed as a result of the convergence of capitalist and socialist systems acts as an economy of a mixed type, where flexibility, freedom, social achievements, opportunities of global regulation will be combined to the most [4].

If to judge by the postulates of Sakharov's doctrine and his understanding of convergence, in this case we offer to interpret social divergence as a process of estrangement of the countries, which manifests itself in discrepancies of social phenomena and tendencies under the influence of centrifugal forces (of a national nature (needs, resources, interests, possibilities) and of a global nature (distance from the core of global development, global challenges and threats) and ultimately destructively influences global economic development, polarizes countries in geocivilizational space and facilitates its stratification, deepens asymmetry between the dominant centre and dependent periphery.

Theoretical social convergence of global economic development in practice is characterized by the features that allow asserting its transition into divergence: hybridity; civilizational conflicts; formational modernization.

We offer to determine social divergence of global economic development in two dimensions (Fig. 1):

− Structural divergence – as discrepancies between indicators of social and economic development of the world's countries, for example, when despite the increase of global GDP per capita present tendencies towards militarization of the economics and preservation of a large number of undernourished people; while during the increase of China's export potential and strengthen of its role in global economics there is a significantly differentiated standard of living in the country. Structural divergence takes place both at national, regional and global levels;
− Spatial divergence – as discrepancies between indicators of social and economic development of the countries from standards, indicators of the leading countries or departure from average global ones. Spatial social divergence confirms the thesis of foreign researchers [5] on contradictions between the centre and the core in the process of spatial integration, because of the remoteness of the countries from the centre to the periphery deprives it of impulses from it, and thus influence the development non-effectively. Structural and social spatial divergence may take the form of temporal divergence.

Depending on the spatial manifestation we distinguish inter-country divergence (it occurs within one country) and interregional (occurs within territories of one country or the countries, which are members of the integration association).

We offer to divide social divergence into conditional and absolute (unconditional) one. Absolute divergence is present when economic growth in developing countries is increasing at a slower pace than it does in developed countries, and differences in GDP per capita are not reduced. The reverse tendency characterizes absolute convergence, for which confirmation the sigma-convergence coefficients ($\delta \ \delta$) and beta convergence ($\beta \ \beta$) are used. Conditional divergence implies that under equal conditions with developed countries, developing countries do not increase economic growth, that is, regardless of the distance from the conventionally perfect condition, development does not take place, and countries removes from the centre.
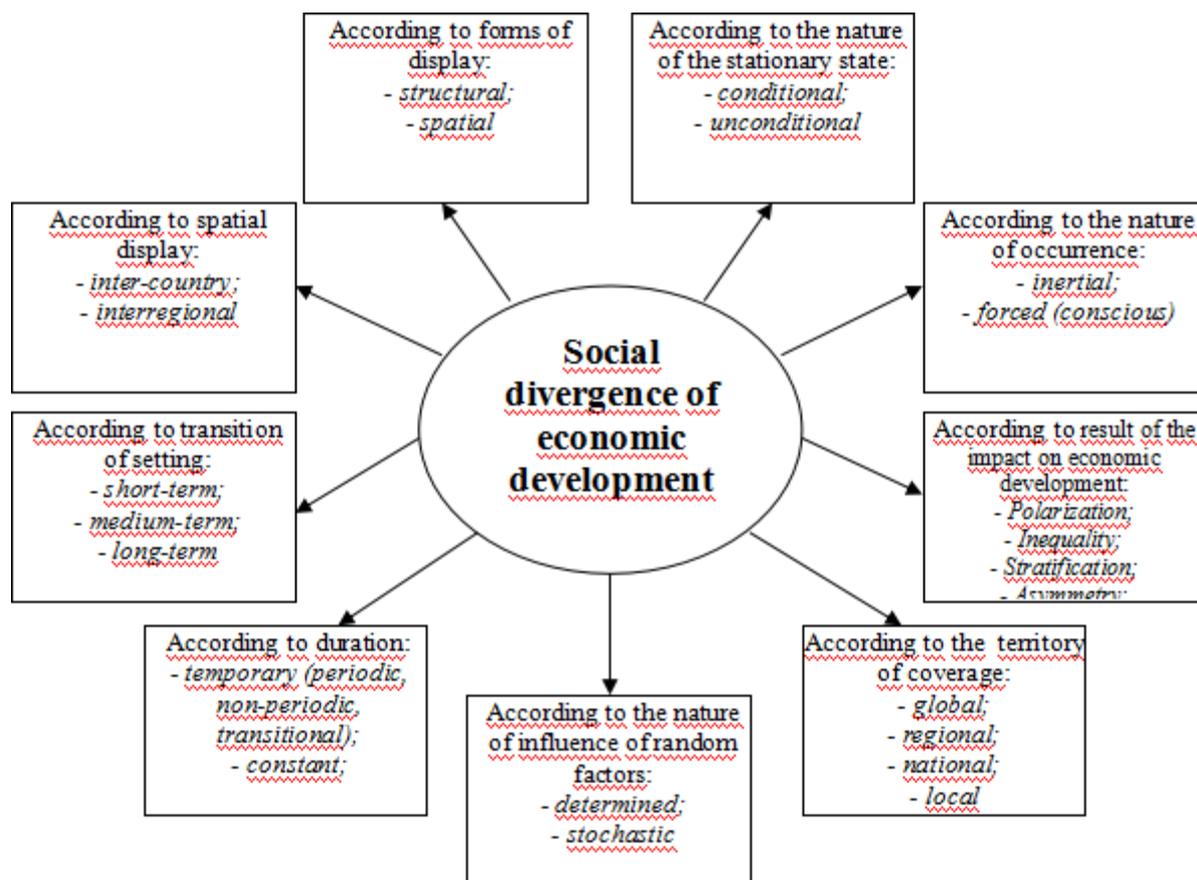
Fig.1. Classification features of social divergence of economic development

Taking into consideration history of the socialization of economic development, social divergence is inertial (the extent of which varies in time dimension under influence of external forces, such as dormant policy of some developing countries, concerning achievement of development indicators, because of consumer philosophy, but such divergence is supported by financial assistance) and forced (conscious departure from the core of global economic development through a series of actions and causal relationship, for example, because of unsuccessful reforms, incorrect distribution of resources, development of environmentally hazardous industries, setting tough business conditions, etc., leading to deterioration of the social characteristics of economic development).

According to the period of establishing, social divergence is short-term (1 year), medium-term (5 years) and long-term (over 5 years) and according to the duration – temporary and permanent divergence. Stochastic social divergence occurs during impact of

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random factors, such as natural environmental disasters. The emergence of the determined divergence can be foreseen at a certain period of time and further development and factors of influence can be predicted.

Social divergence has an ambiguous effect on global economic development as its main negative consequences we consider the following:

– inequality – differentiated development that is uneven development and access to public services caused by different factors of production between countries, cultural, social, ideological, and other factors;

– polarization – feature of development that reflects deviations of countries according to selected parameters, which leads to their contradiction, increasing inequality and forming opposite poles that eventually develops into inter-countries' conflicts;

– asymmetry – lack of order of distribution of elements (of countries) of a sample in the space-time dimension according to selected parameters, that is, in practice asymmetry is displayed in rejection of indicators of symmetric distribution;

– stratification – is the process of stratification of countries in global environment according to social indicators of economic development when there is a ranking of societies. Stratification is established as a result of prolonged dynamic inequality of economic and social development, when clear determinants of belonging to a certain type of society are formed in the world, such as income, level of economic development, human development, etc., and it is impossible to overcome borders of the countries' demarcation alone, because there are stratification restrictions. The result of a continued social and economic stratification has become marginalization of the countries, that is their transition to a lower state of development and alienation from active and constructive participation in global economic development;

– imbalance – is the process during which increasing of one of the indicators of development is not accompanied by the expected growth of the other indicator or a process, such as economic growth in the country must be accompanied by solving social problems, while, as practice shows, there are countries where despite global economic growth and growth of GDP per capita, a high level of poverty, lacking access to drinking water, health care and others preserves. Another example of imbalance is departure of countries from standards of sustainable development in accordance with the UN concept of sustainable development.

However, all of the situational features of the state of global economic development have reverse impact on social divergence and socio-economic development of the countries. Regarding the abovementioned, we consider the following features as the main features of contemporary social divergence of global economic development: the multiplicity of interests, the implementation of which for objective reasons cannot be ensured; heterogeneity of global dimension; uncertainty of development because of unpredictable crises; vulnerability of national economics; discrimination of the countries that are far from the core of global economic development.

Despite all the desire to achieve social convergences, we consider these ideas as utopian for the next decades, as the ideological coexistence of different economic systems, which are on different cycles of evolutionary development, requires time lag for sufficient diffusion. Therefore, we can distinguish the main causes of social divergence of global economic development. Among them are: the conflict of global and local value systems; discrepancies in social attitudes of different countries; destructive economic behaviour of countries; insufficient degree of the countries' autonomy in solving matters of development; different repeatability of global and local crises, discrepancies of economic crises and crises of human development; different expectations of the countries during the implementation of

economic programs and projects; intensification of global paradoxes.

Socialization inherently directs economic subjects to build partnership and all subjects are interested in it to different extents, although each of them has its own set of interests. The main problem is in what way disparate interests of countries in the context of globalization can be converted into common values that are important for social progress and sustainable global development. Moreover, in practice there are simultaneous both, a process of convergence and divergence, as according to one indicators or directions the countries can approach, providing their own economic growth and global economic development, and according to other indicators they can move in opposite direction. Therefore we consider that the core of global economic development and socialization to overcome existent processes of social divergence must become social norms and standards.

Thus, social norms are certain patterns of behaviour and rules to ensure economic development and interaction of the countries on equal terms with each other that is, they do not arise spontaneously, but are subject to regulation at both, national, regional and global levels. In particular, they can be establishing of a minimum living wage, social norms of food consumption, providing educational and health services and so on. Social standards are considered as norms legally established in the country, by a group of countries and international organizations to align social development and overcome social divergence of global economic development. These standards can be, for example living standards: life expectancy – from 25 (minimum) to 85 (maximum) years; literacy of the population – 100%; the average duration of education – 15 years; GDP per capita (in purchasing power against dollar); proportion of the population living below the poverty line; coefficient of population aging; level of unemployment and others., some of which are used to calculate level of human development [6]. Approved by UN characteristics (indicators) of sustainable development include a range of indicators that represent the basic components of development and enable us to determine the effectiveness of national strategies for sustainable development [7].

However, in recent decades the global economic system is in a state of constant shock. In 2016 factors of non-economic nature activated, which are associated with aggravation of geopolitical conflicts, terrorism, epidemics, migration of refugees. Although these risks are considered as secondary for global economic growth, but as addition to economic factors (reduced customer demand, lower commodity prices, volatility in the financial markets, slowdown of investment activity, although in developing countries inflow of foreign investment increased (five of these countries are China, Hong Kong, Singapore, Brazil, India, which entered the top ten of the largest recipients of investments)) will contribute to the slowdown of rate of increase. According to the results, growth in 2015 slowed in developed countries, particularly in the United States (up to 1.4%) and Japan. In the report of 2016 [8] IMF experts include reducing the share of working-age population, the aging of population (this is the urgent problem for both, countries of the European Union and Asian countries: China, Korea, Singapore), reduction of the workforce because of lasting unemployment, to the factors that in the future will affect global economic growth.

In practical area there is a divergence of the countries according to the main features of social economic development. In terms of economic development (by GDP per capita) groups of the countries that have achieved significant economic growth, virtually stay unchanged, but their positions according to social features change. For example, Kuwait, Qatar and Luxembourg are the countries with the highest values of GDP per capita, but the first two countries health care costs are at the level of Ukraine, Pakistan, Gabon, but they have, as in Luxembourg, almost 100% of the population has access to improved sanitary standards (and it is a preventive measure to reduce health care financing), lifetime at birth is 74-78 years. In addition, the index of socialization in these countries is at the level of the developed countries

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(Fig. 2). In Bahrain, Qatar (as in the developed countries of the world – the US, Japan, Sweden) over 90% of the population has access to improved health standards, while in the countries such as Chad, Central African Republic, Kenya, Zambia and others it varies from 8% to 35%.

Social globalization index

Fig. 2. Positioning of the countries according to the coordinates [social globalization index; GDP per capita]

According to the concept of sustainable development of the UN and achieving Development Goals of the millennium almost in all countries in 2014 comparing to 2007 there was a growth of index of ecosystem viability and raising its minimum level, but the growth rate is not enough to overcome the divergence. In 2014 Kuwait and Qatar significantly worsened the economic freedom index (Fig. 3), having ensured at the same time the growth of GDP per capita. Ukraine in these coordinates in 2014 stood at the level of Kenya, Benin, Chad, Burundi. The part of the working age population (15-64 years) for national economics is the potential of economic growth and development that in principle is confirmed by empirical data. Ukraine, having the same rates of the working population, i.e. working resources, with Switzerland, has almost five times lower GDP volumes per capita. According to empirical data, those countries have high level of GDP per capita, where there is a high level of the employed population and low level of the unemployment. However, there is a group of countries (Bhutan, Chad, Kenya, Ukraine), where there is no such dependence (low GDP per capita at low levels of unemployment).

There is no clear gradation of the countries in terms of GDP volumes per capita and the infant and maternal mortality. So there are countries in which the latter variables are low, but they cannot achieve a high level of GDP per capita, both in the pre-crisis and in the current period (Ukraine, Belize, Nicaragua, etc.). Countries of the world, integrating actively into the global educational space, increase the level of education in the country, but this does not affect positive macroeconomic indicators (for example Ukraine, Zambia, Botswana and others.) (Fig. 4).

Globalization has been determined by the factor, which contributed to the liberalization of relations between countries, increasing of investment and business activity, and theoretically would have to promote social convergence. However, in practice there were formed the groups of countries that having created quite favourable conditions for business

development failed due to this factor to ensure economic growth (Georgia, Macedonia, Bhutan, Kenya, Ukraine, Kyrgyzstan, etc.). While, for example, Singapore and Kuwait have in 2014 approximately the same values of GDP per capita, but significantly different business conditions in the countries (Fig. 5).

Ecosystem sustainability index

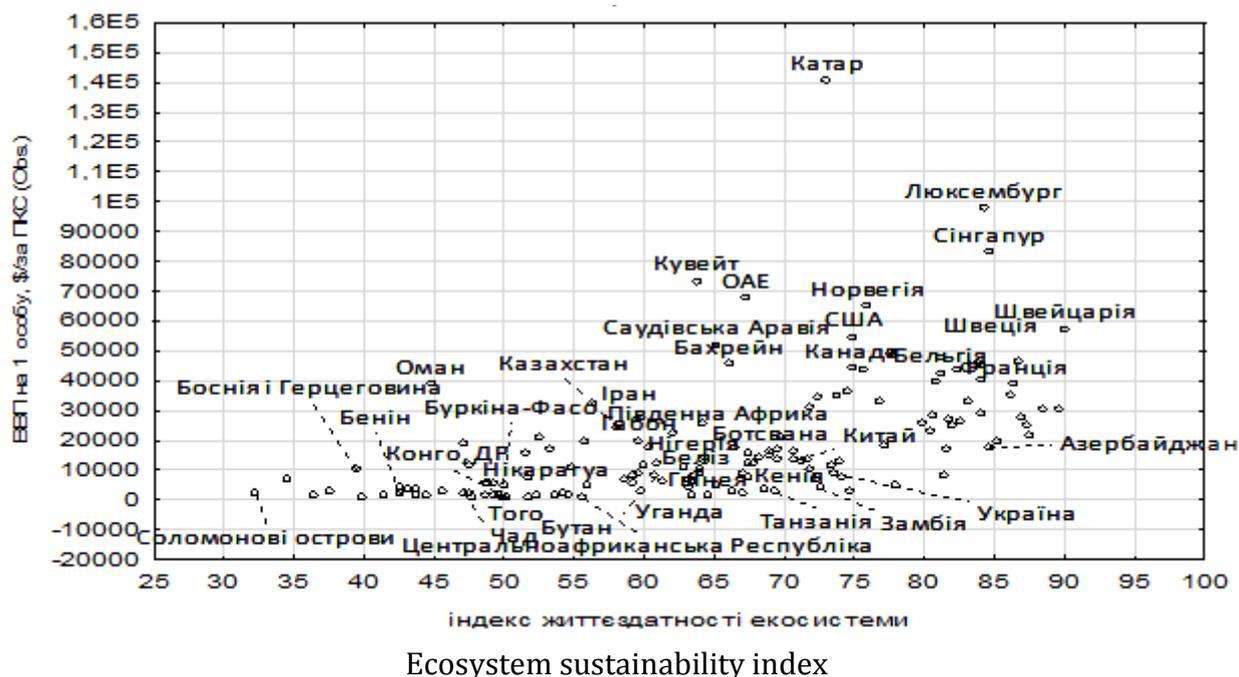**Fig. 3. Positioning of the countries according to the coordinates [ecosystem sustainability index; GDP per capita]**

Education level index
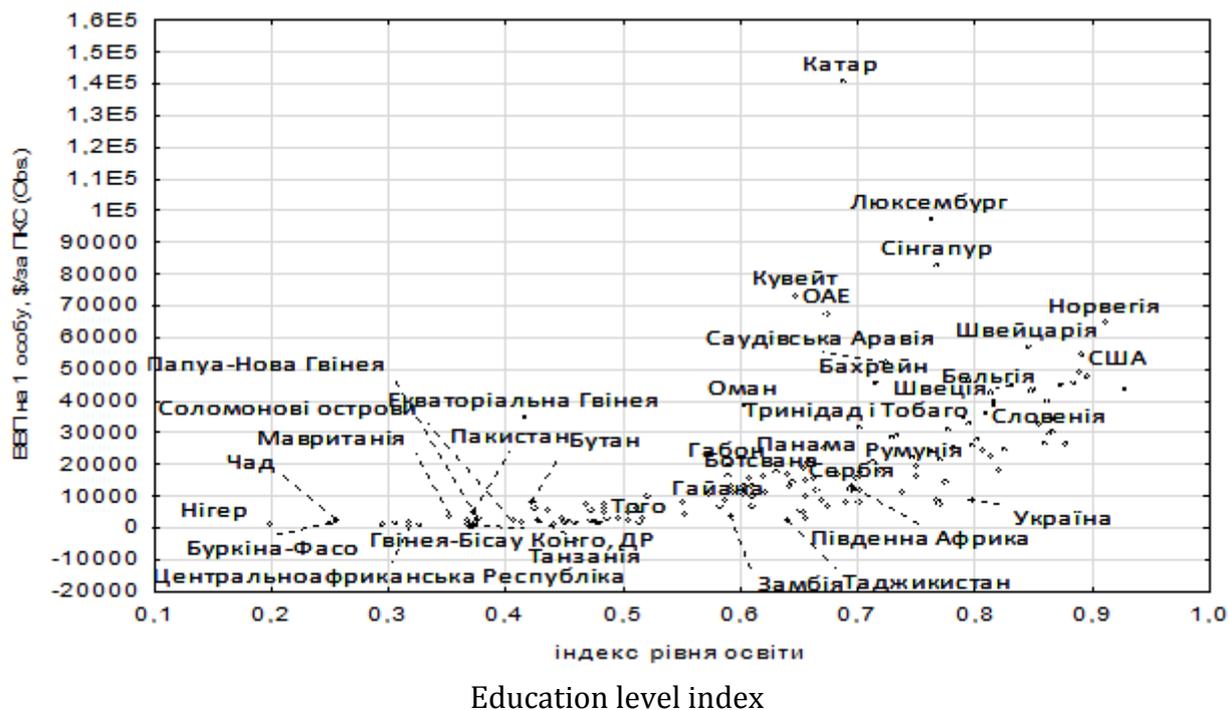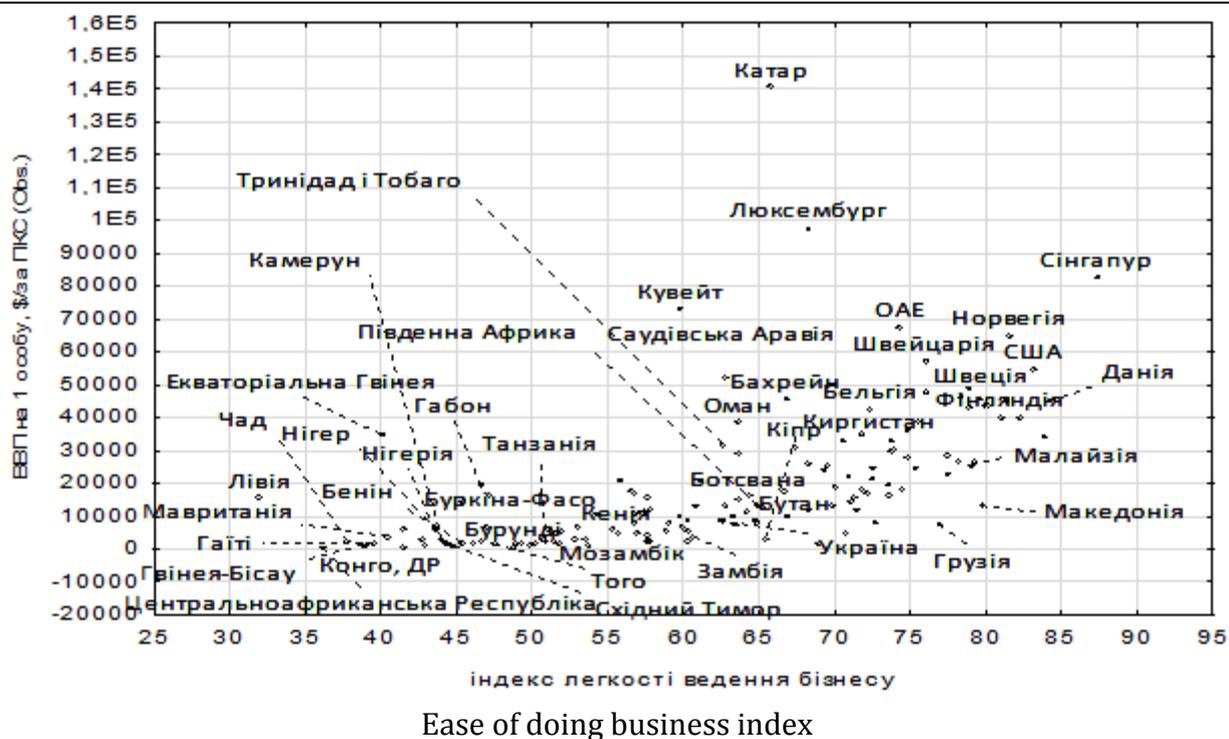
Fig. 4. Positioning of the countries according to the coordinates [education level index; GDP per capita]

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Ease of doing business index

Fig. 5. Positioning of the countries according to the coordinates [ease of doing business; GDP per capita]

We consider that the projects and initiatives of both, international organizations and countries towards overcoming social divergence of global economic development have not received the results on levelling spatial disparities, because except GDP per capita there are other, equally important, social features. Social integration is logical and objective phenomenon for countries in the context of globalization, but current tendencies of global development point out the existence of so-called social "deadlock" when countries cannot accept the values and ideology of others, so mental and ideological divergence as components of social are revealed.

Conclusions and prospects for further investigations

Thereby, reasoning the role of social factors in global economic development in general and in the countries in particular indicate the fact that in theoretical dimension socialization of the economy is an integral part of the development of both, a human and a society and the world economy. Therefore, it should include reducing of social gaps, increasing of income of the population, effective employment policy to fight unemployment, social security and other for all countries of the world, but not selectively. These theoretical approaches require further practical coordination of efforts of the countries and the international community for the reorientation of global economic development in the social mainstream, and therefore – for institutional support of such processes. Clarification of the nature of social divergence of global economic development and its displays has confirmed that it cannot only restrain global economic growth, but also deepen it, moreover the process of divergence is not antagonistic toward convergence, they can occur in parallel, when aligned, for example, environmental asymmetry, instead, withdrawal from the nucleus (centre of socialization) in terms of health care or access to education may be seen.

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