

MEANING OF GLOBAL ECONOMY EVOLUTION IN DEVELOPMENT OF FINANCIAL INFRASTRUCTURE

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Abstract

The current stage of the global economy development is characterized by rapid financialization process destabilizing the functioning of the global financial system. It is examined that creating quasispheres society is a founder of any changes and resulted in new technical and technological products and goods. It is found out that the community in civilizational transition of present defines that the main concepts of development are knowledge, benefit and income. It is examined that the importance of infrastructure in development of the economy of the world, countries, region. The infrastructure of financial civilization there is a quasisphere that on the one hand, offers new, on the other hand, acts as a generator of effective ideas and actions. There is a gap between the formation of an appropriate institutional infrastructure and rapidly changing administrative and market mechanisms of existing resources regulation and It's a fundamental problem for infrastructure development. The concepts of financial infrastructure development shall include value-conscious, similar and conceptual components that form the cognitive basic subsystems of financial ideas, knowledge, competencies and practices. Concepts of financial infrastructure development are listed.

Key words: *global finances, society, infrastructure of finance, concept.*

JEL Classification: *F30; F36; I39*

I. INTRODUCTION

The modern global finances make economic future to a large extent uncertain, complex and unpredictable. Continuous development of global finances contributed to quality changes of infrastructure of regulation entities and maintenance that have different impact on regional economic rising. In one countries evolution dynamics of financial civilization had more clear manifestations and speed, and in others - less. Common to all countries is that these changes are envisaged, cyclical. The future is determined by the interaction of these changes; as a result, the extrapolation of the past is a necessary component for understanding the direction of socio-economic development.

II. RESEARCH CONTEXT

System of global economy development includes: processes of globalization on the platform of international scientific and technological convergence; international production systems; global market, international trade (including international technology transfer) and international monetary and financial system.

The term "globalization" established its current meaning in the 1970s to describe the internationalization of markets, especially financial ones (Obstfeld, M., 2016).

Moreover, the finances are the most volatile of international relations, and it increases the liquidity of financial transactions and increases the scale of financial crises. Economic history has confirmed this fact:

1. During the era of initial forms of financial relationships, the socio political crisis found place.
2. During the existence of open systems of finance of centralized type, the national crisis resulting from extensive enrichment politics of nations found place.
3. During the existence of the financial system with separation of basic elements and its infrastructure, laws formation of globalization financial system on the basis of local financial systems (II half I mill. BC - late XV century AD (≈490 BC 1492 AD) agrarian crisis, production and distributive crisis, monetary crisis carried out.
4. During the domination of the global financial system, the global economic and financial crisis, a crisis of overproduction took place.
5. During the existence of the global financial system (Versailles-Washington system based on Genoa, Bretton Woods, Jamaica, monetary and financial systems) - raw crisis, the first stock crisis and the financial and economic crisis.

6. In the modern period of the global financial system development (Versailles-Washington system at the heart of the Jamaican monetary and financial system and cryptocurrency) there are regional, temporary raw crisis, monetary-financial and economic crises.

A crisis is a part of the evolutionary development and it is the people operation result. Evolution is an adaptive system, but people somehow are in social systems. They constantly recreate new hierarchical connections, develop and improve them. These connections may work in little groups or systems. However, they cannot work in something more complicated. Causal state of things forces society to develop stable socio-political, socio-economic, cultural and religious institutions. Society, being a founder of any changes, forms quasispheres during periods of natural, cultural, economic or financial instability. As a result, quasigoods, quasiservices and ersatzanalogues are appears. The society differently reacts on their appearance, there is also different access to resources that form them, and to results (financial and social), as a final stage and product of redistributive process on the market. Under the influence of natural phenomena that enhance the action, society is split. It is accompanied by the separation of society part from government centres. In ancient times, in this case, such people wandered to new places and formed new settlements, single dissenting people conduct secluded and travel lifestyle. Nowadays, such "reformatting" is quite problematic - level of requirements to the participants of social processes is increases; person or group of persons who disagree with established or new economic, political, cultural or public policy have to change the approach to their own life and the environment or to apply their skills in new conditions of existence (in other self-sufficient society whose rules and foundations subjectively are more acceptable).

According to this - society in every civilized transition respectively reacts improving existing methods of economic management and forming new institutions management and distribution of objects of these processes: information, power, money, wealth, resources, capital, etc. As a result, concepts of modern financial development are knowledge benefit and income, which under the conditions of financialisation of most economy processes require more intensity and effectiveness. Accordingly the so-called "promoters" are formed in the finance, initiating provoking and generating new relationships, values and incomes. They are the subjects of infrastructure - actors of that level of relations in which they participate (fig.).

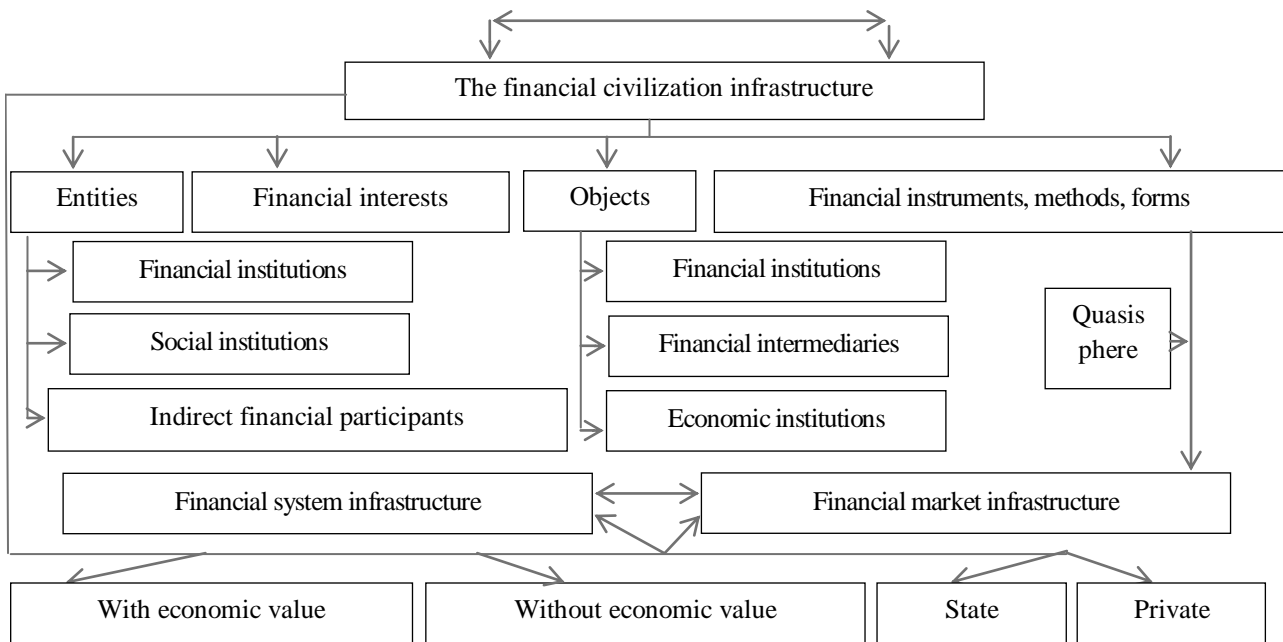


Fig.1. The components of the financial infrastructure of civilization

Source: It is developed by the author N. Yasynska

These actors include all entities of world, international, national, and (or) local finance, within which transformation or modernization processes took place. The financial institutions include international organizations (institutes), national commissions, government commissions and other entities that regulate and monitor the main participants of infrastructure maintenance of evolutionary processes. Indirect participants include actors of infrastructure, for which evolutionary changes are designed. The last group of entities can take an active or passive position in infrastructure of financial civilization. However, at present any entity of economy does not stay away from financial processes or operations. All specified entities are representatives of one or another layer or sphere of financial system (financial market) of world, continent, country and so on.

The infrastructure of financial relations is the main component of institutional financial system for the development of socio-economic relations in the system of financial intermediation, which provides a mechanism for

regional, national and global redistribution of finances according to the needs of the reproductive process through the interaction of the entities of financial system and the real economy sector. In the presence of such diversity of entities, sources, investment and spending directions, etc. it is not possible to name at least one country in the world, whose financial system or market functions effectively. It is impossible to name a country in which all segments of the population could provide themselves with appropriate needs for development.

Architecture of the modern financial system defines two basic polar conceptual positions - central position among the other layers of the financial system of state finance or finance economic entities. It is defining and unifying that the GDP is formed by the efficient operation of all entities of the financial system, but its upward shaper remains economic entities. Multipolar model of the modern financial system is imperfect due to its construction based on microeconomics with features of unipolar world and absence of the fundamental principle of integrated closed systems constructions - duality (Global Financial Stability Report. 2016; Inozemzev, V. L. 1997).

However, the defining aspect of the financial system development at present is the evolution of a multipolar model as a doubly-conjugated structure based on the fundamental basis (interacting spheres): problem (which solution determines the potential) - resources (the use of which forms streams). Basis of resources is proved by all modern models and laws basis of problem is achieved by private-economic (market) phenomenon, but not by a political superstructure or the subject of dispute. The scientific problem of the further evolution is the increasingly frequent occurrence of crises due to the administrative body that has no time to create anti-crisis package of measures to stabilize the situation and enter a new stage of development. On the one hand, the global economy with every new stage of development tends to accelerate the cyclicity of critical states coming. On the other hand, the flourishing of world economy associated with the growth of international economic relations - trading of goods and services, migration of labor, capital and knowledge (ideas) around the world.

At present financial systems determine the financial aspects of all economic entities, the impact of structural relationships on individual elements of a system. Accordingly, in the current economic conditions the scheme or structure of the financial system is not changed, but its architecture is changed as the relationship between the functions, structure and forms of relationships that exist within the financial system by defining its components, principles and processes of transformation. Institutions that build financial relations, and infrastructure in which they are made are subjected to transformation processes.

Such changes contribute to the invention of new forms, methods, techniques and tools of interaction between actors within the current financial law. The processes of globalization and integration increase the importance and urgency of these changes. The entities of the financial system concentrate up to now functions that are not typical for them, as the result the degree of their financial activity in the financial market both in the country and abroad is changed. Accordingly the architecture of the financial system is changed.

Financial market infrastructure plays an important role in the financial system and the economy of country or the world. Reliable and effective financial market infrastructure contributes to the preservation and strengthening of financial stability and economic development and at the same time it concentrates risks. In the absence of good governance of financial market infrastructure there may be a threat of financial shocks or channels of their distribution in the domestic and international levels (Yasynska, N. A. ,2014).

Within the infrastructure of financial civilization there is a quasisphere that on the one hand, offers new, but "cumbersome" innovations, on the other hand, acts as a generator of effective ideas and actions.

Modern trends in the creation of new regulatory mechanisms, technologies, markets and organizations are in advance of changes of the relevant institutions. Thus, there is a gap between the formation of an appropriate institutional infrastructure and rapidly changing administrative and market mechanisms of existing resources regulation. In this context there is a fundamental problem of not appropriate for the speed and for level of change of regulatory mechanisms and institutions. These problems turn up especially often when market development institutions are built in the established institutional space or when it in the institutional market space in the local community societal need is updated to develop rules of economical use of a common resource, and it is not typical to the sustainable society. Infrastructure takes a key place in the economics development because its existence is related to the state of the productive forces and the territorial division of labor as well as efficiency of the sphere of material production. Infrastructure improvement of the national economy, on the one hand, depends on the pace of modernization, and the other, it is the supplier of economic growth (Kryvak, A. P. 2010; Fedulova, L. I. 2008). Adequate regional infrastructure development is ultimately, suitable conditions for reproduction, its labor power of better quality (Skuratov, O.I. ,2008).

III. CONCLUSION

Consequently, the concepts of financial infrastructure development shall include value-conscious, similar and conceptual (factual) components that form the cognitive basic subsystems of financial ideas, knowledge, competencies and practices and they are the result of the financial infrastructure:

1. Systemization of monitoring research by groups of general and individual index within the world, continents,

regions, countries, regions within the country and so on.

2. Separation of factoral and fact-based index that are indicators of current financial policy within the world, continents, regions, countries, regions within the country and so on.

3. Interregional cooperation on the basis of global financial networks and flows.

4. Systematic network activity of the regional financial infrastructure entities (planning, implementation, monitoring, coordination and harmonization).

5. The modernization of the institutional framework (mechanisms of state regulation and market mechanisms).

6. Mobile (flexible) calculation methodology of system of integrated indicators of success within the world, continents, regions, countries, regions within the state and so on, in the previous period and forecasting the future financial policy with general informing of the society.

7. Search for the best forms of capital consumption in the system of financial intermediation.

8. Differentiation life income in total assets under professional-qualifying requirements as a positive result of human existence during the financial civilization.

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