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OF ENTERPRISES IN THE GLOBALIZATION OF THE ECONOMY

ПІДПРИЄМНИЦТВО В УМОВАХ ГЛОБАЛІЗАЦІЇ ЕКОНОМІКИ

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The article is devoted to the topical issues of defining the key aspects of globalization and its impact on business activity. It is analyzed how entrepreneurs adapt to the global market, what strategies they use for international expansion and what challenges and opportunities this brings to the business world. Globalization has expanded opportunities for entrepreneurship, allowing entrepreneurs to develop products and services for the global market and to enter new international markets. However, this process is also a source of intense competition, which requires increased adaptability and innovative activity from entrepreneurs. Understanding these aspects will help to better understand the complexity and importance of global entrepreneurship and find ways to succeed in globalization.

Key words: globalization, entrepreneurship, strategy, globalization factors, innovative solutions.

Стаття присвячена актуальним питанням визначення ключових аспектів глобалізації та її вплив на підприємницьку діяльність. Проаналізовано, як підприємці адаптуються до глобального ринку, які стратегії вони використовують для міжнародного розширення та які виклики та можливості це вносить у світі бізнесу. Обґрунтовано переваги і недоліки глобалізаційних процесів для бізнес-структур та національних економік. Так до переваг відносяться: збільшення конкуренції; розширення можливостей; зниження витрат; збільшення інновацій. А до недоліків можна віднести такі як: втрата робочих місць; збільшення нерівності; зниження якості продукції; вплив на навколишнє середовище. Виокремлено сутнісні характеристики невизначеності поведінки підприємства за поширення та активного розвитку глобалізаційних процесів. Глобалізація тісно пов'язана з регіоналізацією світового господарства. З одного боку, це дві суперечливі, різнонаправлені за характером дії та практичними наслідками тенденції, а з іншого – консолідація глобального ринку посилюється діяльністю потужних регіональних коаліцій країн, які, маючи, перш за все, спільні економічні інтереси, об'єднують свої зусилля з метою забезпечення найбільш сприятливих умов для реалізації міжнародного співробітництва в регіональному масштабі, що дозволяє їм досягати мультиплікативного ефекту від співробітництва з іншими членами угруповання та ефективно реалізовувати на міжнародній арені широкий спектр стратегічних інтересів. Глобалізація розширила можливості для підприємництва, дозволяючи підприємцям розробляти продукти та послуги для глобального ринку та вступати в нові міжнародні ринки. Однак цей процес також є джерелом інтенсивної конкуренції, що вимагає підвищеної адаптованості та інноваційної активності від підприємців та спонукає підприємства до пошуку нових інноваційних рішень та технологій для покращення продукції і ви-

ведення на ринок нових товарів. Фактор глобалізації сприяє тому, що глобальні та регіональні інститути починають відігравати все більш ключову роль у підтримці сталого розвитку. Розуміння цих аспектів допоможе більше усвідомити складність і важливість глобального підприємництва та знайти шляхи до успіху в умовах глобалізації.

Ключові слова: глобалізація, підприємництво, стратегія, фактори глобалізації, інноваційні рішення.

Formulation of the problem. The modern world is experiencing an era of globalization, which is defined by rapid changes in technology, trade and cultural interaction between countries and regions.

Globalization has become an important factor that affects all aspects of our lives, including entrepreneurship. The business community and entrepreneurs must play an active role in this new world order, which offers endless opportunities but also presents a wide variety of challenges and risks.

The enterprise, as an open system, constantly interacts with certain elements of the external environment: banks, other enterprises, organizations belonging to socio-political and economic institutions, state and interstate, etc., and makes it possible to maintain a certain position, to survive in constantly changing conditions.

Analysis of recent research and publications. International entrepreneurship is a set of factors that form the conditions for conducting international business activities that directly or indirectly affect enterprises, determine their capabilities and strategic directions of activity in the world market. One of the determining factors of the environment of international entrepreneurship in recent decades is the process of globalization. The problems of the development of international entrepreneurship, as well as the prospects for its development, are also the object of research by many domestic economists, including O. Baranovskyi, Z. Varnalia, A. Vinohradska, L. Vorotina, A. Kiselyova, Yu. Klochka, T. Kovalchuk, L. Melnyka, S. Mocherny, Yu. Nikolenko, E. Panchenko, S. Reverchuk, V. Syzonenko, S. Sobol, A. Chukhna and others.

Highlighting previously unresolved parts of the overall problem. However, despite the significant scientific work on the development of international business activity and globalization, the study of its current state is a relevant topic for further research.

Formulation of the goals of the article. To study entrepreneurship under the conditions of economic globalization.

Presentation of the main research material. Globalization, defined as the process

of growing interdependence and integration of national economies and cultures into a single world system, undoubtedly affects all areas of our life [5]. It has transformed the way we do business and provided a new degree of freedom and opportunity to entrepreneurs around the world. Globalization has expanded opportunities for entrepreneurship, making the world market accessible to even the smallest businesses. Previously, entrepreneurs were limited to local markets, but now they can easily enter international markets using the Internet, international logistics and international payment systems.

At the moment, there is no unanimity among scientists regarding the conceptual and practical understanding of the concept of "globalization". Not even a single opinion has been reached regarding the time of appearance of this term. A number of specialists present "globalization" as a rather narrow concept: the process of convergence of consumer preferences and universalization of the range of products offered around the world, during which global products supplant local ones.

Globalization is a process of worldwide economic, political and cultural integration and unification. The main consequences of this process are the division of labor, worldwide migration of capital, human and production resources, standardization of legislation, economic and technical processes, as well as the convergence of cultures of different countries [5]. This is an objective process that is systemic in nature, i.e. it covers all spheres of society's life. As a result of globalization, the world is becoming more connected and interdependent of its subjects.

In the context of the globalization processes taking place in the economy, we are observing the strengthening of competition on domestic and foreign markets, the emergence of new forms and methods of competition, significant differentiation of consumer demand, etc. All these phenomena encourage the search for priority directions for obtaining competitive advantages by domestic enterprises.

Globalization of the economy has been affecting Ukrainian entrepreneurship for a long

period of time, and every year it creates new challenges and requirements.

It is also the process of spreading information technologies, products and systems around the world, which entails economic and cultural integration. Proponents see globalization as an opportunity for further progress under the condition of the development of the information society. Opponents warn about the danger of the process for national cultural traditions and the deepening of social inequality.

There was even an independent field of science about the general, planetary problems of the current and future development of human civilization as a whole – global studies. One of the key aspects of globalization is that it has created new markets. New regions and countries are becoming accessible to entrepreneurs, and this creates a number of new opportunities for business growth and development. A modern entrepreneur can make sales in different countries, cooperate with foreign partners, and in general is no longer limited by territorial boundaries.

Globalization has opened up great opportunities for entrepreneurs to grow and increase profits, allowing them to operate in the world market. Well-known examples of enterprises that successfully use the global market, as well as the main challenges they face : Amazon – expanded its presence in many market segments including electronics, food, entertainment and many others. Their operations span more than 200 countries, which allows them to attract customers from all over the world and increase their profits; Alibaba Alibaba is a Chinese e-commerce giant with online business platforms including Alibaba.com and Taobao. Alibaba has built a strong international business where businesses from all over the world can buy and sell goods.

However, along with endless opportunities, globalization also creates significant challenges for entrepreneurs [1]:

– Competition. As the availability of global markets increases, so does the number of competitors. Entrepreneurs have to fight for the attention of customers on a global scale.

– Cultural differences. Differences in cultural perceptions and consumer preferences can make it difficult to introduce products in foreign markets.

– Regulation and customs. Different laws, regulations and customs in different countries can make it difficult to export and import goods.

Globalization, despite its many opportunities, brings with it certain risks and injustices.

Entrepreneurs operating in the international market must be prepared to manage various types of risks, including financial, political, cultural and technical. Some risk management strategies that help entrepreneurs effectively manage these challenges in global business are considered [2]:

1. Diversification of markets: To reduce the risk associated with exposure to one market, entrepreneurs may consider expanding to different global markets. This means that even if one market loses demand or faces difficulties, others can continue to generate profits.

2. Analysis of political and legal risks: Entrepreneurs should follow political and legal developments in the countries where they do business. Understanding the political environment and legal constraints can help avoid unforeseen risks and losses.

3. Currency risk management: Changes in exchange rates can significantly affect the financial condition of the enterprise. Using financial instruments such as forward contracts or options can help reduce currency risk.

4. Ensuring product quality and safety: Ensuring high product quality and safety is a key task for entrepreneurs operating in international markets. Compliance with standards and regulations helps avoid legal problems and maintain a good reputation.

5. Risk Insurance: Businesses can use various types of insurance, including political risk insurance and cargo insurance, to protect their business against unexpected losses.

Applying these strategies helps entrepreneurs reduce risk and sustain their business in the face of global competition and uncertainty.

The analysis showed exactly how competition in the global market affects the need for innovation and creation of unique offers for customers:

1. Stimulus for innovation. Global competition creates an incentive for enterprises to constantly improve their products and services. Businesses that do not invest in innovation may lose their competitive advantage and market position.

2. Expansion of opportunities. Globalization gives businesses access to new ideas and technologies from around the world. They can use this access to create new products and services that meet changing customer needs.

3. Uniqueness. In a world where customers have access to many alternatives, businesses must create unique propositions to stay ahead. It can be high-quality service, innovative products or unusual ways of cooperation with customers.

4. Adaptation to changes. Global competition also requires businesses to be ready for change. Rapid changes in market conditions and customer demands can lead to the need to respond and innovate quickly.

5. Partnership. In global business, businesses can also establish partnerships and collaborate with other firms to jointly develop innovative solutions.

Overall, global competition is driving businesses to find new ways to attract and satisfy customers, and innovation is becoming a key means of achieving this goal. Entrepreneurs who successfully use innovation in their strategy have a better chance.

The importance of these risk management and innovation strategies for successful entrepreneurship in a global environment cannot be overstated. Entrepreneurs who know how to properly manage risks and improve their business have a better chance of achieving stability and prosperity in this competitive world. After all, globalization, despite all its complexities, also offers many opportunities for business expansion and achieving global recognition and success.

Understanding the challenges faced by entrepreneurs in the context of globalization is critical to their success and sustainability in the international market. Globalization, or the process of integration of national economies and cultures into a single world system, transformed modern business and opened up new opportunities, but also created numerous challenges [3]. Globalization makes the world market more accessible, which leads to increased competition. Entrepreneurs must compete with other companies from around the world, which may have different strengths and resources. Understanding this competition helps entrepreneurs develop effective strategies for survival and growth. The political and legal aspects of globalization can be complex.

Entrepreneurs need to understand the different political systems, laws and regulations in different countries. They must also be prepared for changes in the political climate that may affect their business. Globalization brings different types of risks such as currency risks, political risks, competition risks, etc. Entrepreneurs must develop risk management strategies to protect their business from unexpected losses.

Geopolitical risks include political events, conflicts, sanctions and tariffs between countries. Businesses must be prepared for changes in the political climate that may affect their operations,

as well as possible restrictions on trade and market access. Such risks may require rethinking of business strategies and diversification of markets [3]. Changes in exchange rates are another key risk factor for global businesses. They can affect the cost of import and export of goods and services, increasing financial costs and affecting the competitiveness of the enterprise. Entrepreneurs should develop strategies to manage currency risks using forward contracts, options and other financial instruments.

In addition, there are other risk factors such as changes in legislation, economic crises, cyber attacks and natural disasters that can affect business on a global scale. In the world of globalization, where the world market is interdependent, understanding and effective management of these risks become an integral part of the strategy of entrepreneurs. Those who are prepared to analyze, adapt and develop strategies to reduce the impact of such risks have a better chance of sustainability and success in the global business environment.

Globalization is a phenomenon that has its advantages and disadvantages [4] Figure 1.

The main advantages of globalization include:

Increased competition. Globalization expands markets and opens them to companies from all over the world, which forces companies to improve the quality of products and services and offer competitive prices.

Expanding opportunities. Businesses have access to more customers and markets, which can lead to increased sales and profits. Cost reduction. Globalization allows production in countries with low labor and resource costs, which can lead to lower production costs. Increasing innovation. Global competition encourages enterprises to search for new innovative solutions and technologies to improve products and introduce new products to the market.

The main disadvantages of globalization include:

– Loss of jobs. Shifting production to countries with low labor costs can lead to massive job losses in developed countries.

– Increasing inequality. Globalization can contribute to rising levels of inequality because wealth is unevenly distributed.

– Decrease in product quality. The search for savings can lead to a decrease in the quality of products and services, as some enterprises may decide to reduce costs, including quality.

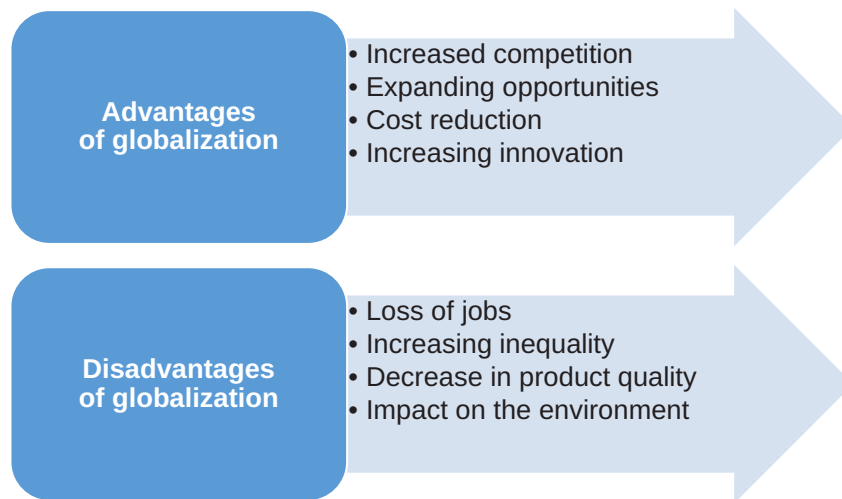


Figure 1. Advantages and disadvantages of globalization

– Impact on the environment. Globalization can lead to environmental problems due to increased transportation and production.

Conclusion. In the world of globalization, where national borders are disappearing on the way to a single world market, entrepreneurs face various challenges and opportunities. Globalization has brought many benefits, such as expanding markets, increasing competition, and reducing costs. However, it also comes with risks such as job losses, inequality and environmental problems.

It is important to understand these challenges and effects of globalization and develop

strategies that will maximize the advantages and reduce the disadvantages. Entrepreneurs must be ready for constant changes, innovations and adaptation to the new realities of global business.

Globalization creates a challenging but exciting business environment where only those who are able to analyze, react and learn from their mistakes can achieve sustainable success. It is important to maintain a balance between the positive and negative aspects of globalization and adhere to strategies that promote development and increase competitiveness in this global world.

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