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THE ROLE OF THE UNITED STATES IN THE GLOBAL ECONOMY

Introduction. The U.S. economy is often seen as “the engine” of the world economy. As a result, any sign of slowdown in the United States rises concerns about harmful spillovers to the other economies. As the recent global economic recession has shown, the history of past U.S. recessions usually coincides with significant reductions in global growth.

Review of recent publications. Due to the fact that at the beginning of the third millennium one can speak of independent US leadership in the political, social-economic, scientific, technical and military aspects many scientists and economists as I. Pohorska [2], D. Lakishika, A. Basevich, V. Woolfart, R. Kagan and W. Crystal have shown great interest in studying this issue. Despite a large number of scientific papers on the peculiarities of the role of the U.S in the global economy there is a need for addition research in this field.

Objectives of the paper. This article aims at assessing the role of the United States in the global economy and its evolution over time.

Results of the research. Based on a Global VAR modeling approach, this article shows first that countries with a large trade exposure with the U.S. economy have a relatively larger sensitivity to U.S. developments. However, even for countries that do not trade so much with the U.S., they are largely influenced by its dominance through other partners' trade. Moreover, while no clear trend seems to emerge, it seems that the role of the U.S. in the global economy has changed over time. Overall, for most countries – the latest recession excluded – a change in U.S. GDP had weaker impacts – though more persistent – for most recent periods. The latest recession, however, led to some renewed increase in the sensitivity of the economies to U.S. developments [1].

The current model of global leadership is based on the political dominance of the United States of America. Countries that have their own positions on the global worldview do not aim to replace America as a global leader. However, the growing

competitive activity of such players in the global arena may be the most dangerous challenge to retain this status [2].

Table 1

US Export and Import Trading Partners
Source: created by the author based on [3]

Country	% export	% import
China	7.2	19
Canada	18.9	14.1
Japan	4.5	6.4
Mexico	14	12
Germany	4.7	4.7
Others countries	55.4	43.8

Despite the global financial and economic crisis, the US has a powerful economy, which is the main source of global technological progress and the center for the production of state-of-the-art technologies. Half of the world's new technology is being created in the United States, which spends twice as much on information and technology needs as Western European countries. It is necessary to emphasize the dominance of the US in the world monetary system, the leading positions in world trade, the possession of the most powerful TNCs, the opportunity to provide significant economic and humanitarian assistance to the outside world. The economic and technological dominance of the United States is backed up by significant military capabilities [4].

Shocks to the US economy transmit to the rest of the world through three main channels.

- An acceleration in US activity can lift growth in trading partners directly through an increase in import demand, and indirectly by strengthening productivity spillovers embedded in trade.

- Financial market developments in the US may have even wider global implications. US bond and equity markets are the largest and most liquid in the world and the US dollar is the currency mostly widely used in trade and financial transactions. This makes US monetary policy and investor confidence important drivers of global financial conditions

- Given its role in global commodity markets (the US is both the world's largest gas and oil consumer and producer), changes in US growth prospects can affect global commodity prices. This affects activity, fiscal and balance of payment developments in commodity exporters [5].

The US economy ranks first in the world in terms of nominal GDP and the second in terms of GDP, calculated on PPPs. The structure of the US economy is characterized by an active process of transition from industrial to postindustrial society. Most of the US GDP (78.91% in 2017) is created in the services sector, which primarily includes education, health care, science, finance, trade, various professional and personal services, transport and communications, public services

establishments The share of material production accounts for 20.04% of GDP (in 2017). In agriculture, 1.05% of GDP is created [6].

In spite of the serious problems that exist, the US economy demonstrates the ability to overcome emerging crises of a different nature, indicating its flexibility and high adaptability to changing conditions.

Conclusion. The United States is a leader in the global economy by its level and scale of development, is far ahead of any other developed country. Given the increasing globalization of the international economy, the indicators of business activity within the United States are a “barometer” for the global economy, directly affect the movement of the cycle and changes in the state of national economies.

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THE PROBLEM OF POVERTY IN SOUTH ASIA

Introduction. Currently, the global social danger is the threat of impoverishment. Poverty has always been a pressing problem, but nowadays this issue is particularly acute, because a significant part of the world’s population is