

positions in the world market in the future. The prospective level of the export of services in Ukraine can be forecast to reach its pre-war rung in 4-6 years only unless the government takes measures to bail this sector out.

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HISTORICAL AND ECONOMIC DEVELOPMENT OF THE KOREAN FEDERATION

Introduction. In 1950, the Korean peninsula was divided into North and South Korea. Since then, both countries have been developing in drastically different ways. However, nowadays the leaders of these countries are trying to restore cooperation. Korea plays an important role in the structure of international trade, so it is necessary to analyse the consequences of a possible unification. Besides, the rapid development of South Korea is also an important aspect, as it used to be one of the developing countries. The Korean “economic miracle” is an example of balanced policies and

effective reforming. Thus, the study of the historical stages of the development of North and South Korea is of particular relevance due to the problematic issues of the establishment of the Korean state, its division into North and South Korea, the various vectors of development of both states.

Review of recent publications. Such scientists as F. Shabshina, L. Beck [3], S. Kurbanov [2], V. Tikhonov, K. Mangel [1] and others carried out research into this issue, but its dynamic aspect requires a more detailed analysis.

Objectives of the paper are to analyse historical aspects, which led to the formation of North and South Korea and evaluate the economic level of both countries.

Results of research. North and South Korea have undergone a number of historical stages of developing ways to create integral countries with developed culture, language and traditions. Since their formation, both states have undergone numerous structural changes and have long been under the influence of other countries, which have also had an impact on their development. The historical stages of the development of North and South Korea can be divided into six periods (Fig. 1).

In the prehistoric times, the first settlements arose in the north-eastern China in the 3rd- 2nd millennia B.C. A certain similarity in the cultures of Korea and Japan can be noted. A new religion was formed, as the ancient Koreans particularly worshiped the heavens and the sun. During the second stage of the formation of the state of Korea, it was divided into three kingdoms: United Silla, Coro, Choson. During this period, the state apparatus was being regulated and the concept of Confucianism was actively developing [1].

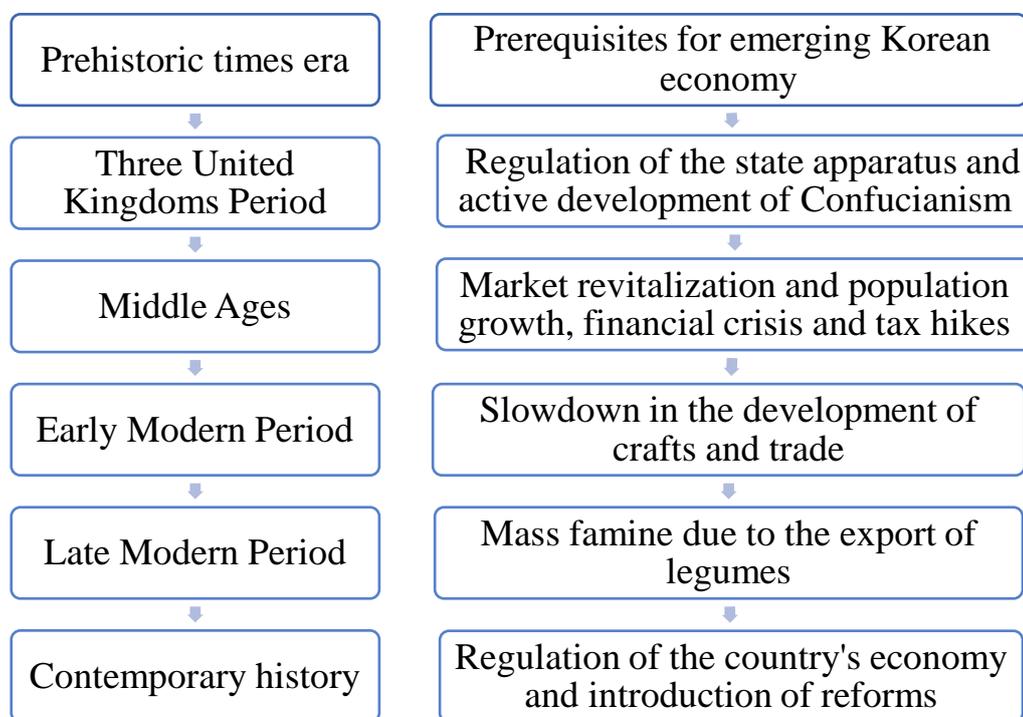


Fig. 1 Periodization of economic development in South and North Korea
Source: created by the author based on: [1]

In the Middle Ages, the development of Korea reached its peak, which was caused by the emergence of advanced technologies, the growth of yields, market activation, and population growth. In 1592-1598, the Imjin War considerably worsened the situation in Korea and made enormous changes in the socio-political life of the country. Due to the financial crisis, the government took a decision to increase taxes [2]. The Modern era is characterized by the most significant changes in the structure of the Korean state.

From the late 16th to the early 17th century, invading armies from Japan and China shattered the command system and forced a transition to a market economy. The damaged bureaucracy started to receive taxes in money commodities — rice and cotton textiles — and eventually began to mint copper coins and lifted restrictions on trade. The wars also dealt a serious blow to slavery and the pre-war system of forced labor, allowing labor markets to emerge. Markets were slow to develop: grain markets in agricultural regions of Korea appeared less integrated than those in comparable parts of China and Japan. [6]

In 1884, the military conflict developed into a coup [3]. The Korean delegation first visited the United States in 1883, but America refused to provide assistance, limiting its actions only to charitable activities. In 1884, the economic situation deteriorated significantly. The Korean government made a decision concerning the emission of money, which caused a price rise, destabilization of trade, and mass discontent among the people. In search of help in the struggle against Chinese occupation, a public activist Kim Ok-Kyun persuaded the Japanese minister Takeda Sinitiro to use Japanese forces in liberations of the Korean peninsula. On December 4 1884, the reformers led by Kim Ok-Kyun carried out a political coup and seized power. The new government implemented a series of reforms that were focused on various aspects of social and political life [4].

The end of the 1880s is characterized by a high level of dependence of Korea on Chinese capital. The very same state has turned into a market for the sale of cheap Japanese goods. A number of unfavorable contracts forced exports of grain and legume crops.

During the mass starvation of 1888-1889, the Korean population was migrating massively to Russia and China. At the end of the nineteenth century, Korea entered the phase of depression. In 1894 Tonkhak inspires the country's greatest history of peasant rebellions against a local administrator's attempts to generate private income by collecting fees for using waterways, which had been built by peasants. The uprising quickly developed into a nationwide peasant rebellion, which the crumbling government could suppress only by calling in military forces from China and Japan. An unforeseen consequence of the rebellion was the Sino-Japanese war fought on the Korean soil, where Japan defeated China, tipping the balance of power in Korea critically in her favor.

An important milestone in the history of the development of the Korean state was the war between Japan and Russia. The two states negotiated the division of areas of management of the territories of Korea and Manchuria. In August 1905, following the defeat of Russia, the Portsmouth Peace Treaty was signed. Japan

received military bases in Port Arthur and Southern parts of Sakhalin Island. Although Korea was independent from China, it was a colony of Japan.

The colonial state introduced a set of expensive policy measures to modernize Korea. One important project was to improve infrastructure: railway lines were extended, and roads and harbors and communication networks were improved, which rapidly integrated goods and factor markets both nationally and internationally. Another project was a vigorous health campaign: the colonial government improved public hygiene, introduced modern medicine, and built hospitals, significantly accelerating the mortality decline set in motion around 1890, apparently by the introduction of the smallpox vaccination. [6]

In August 1945, the Korean peninsula was divided in half along the 38th parallel. The Russians occupied the area north of the line and the United States occupied the area to its south. After the capitulation of Japan, in the north communists became in charge with the coming of Kim Il Sung, and in the south – the capitalist voivodship was formed with Lee Sin Man in charge. The US and the USSR have withdrawn their troops from Korea, not wanting to negotiate the government of the countries. Unresolved Korean governance led to a military conflict. In the summer of 1951, fighting ceased, in 1953, a formal agreement was signed.

After that, the North Korean power elites adopted a strategy of driving growth through forced saving, which went quickly to the wall for several reasons. First, managers and workers in collective farms and state enterprises had little incentive to improve productivity to counter the falling marginal productivity of capital. Second, the country's self-imposed isolation made it difficult for it to benefit from the advanced technologies of the developed world through trade and foreign investment. Finally, the despotic and militaristic rule diverted resources to unproductive purposes and disturbed the consistency of planning.

The economic stalemate forced the ruling elites to experiment with the introduction of material incentives and independent accounting of state enterprises. However, they could not push the institutional reform far enough, for fear that it might destabilize their totalitarian rule. There were tremendous efforts to attract foreign capital, which ended in failure too. Having spent the funds lent by western banks in the early 1970s largely for military purposes, North Korea defaulted on the loans. Laws introduced in the 1980s to draw foreign direct investment had little effect.

Conclusion. The unstable politic situation has led to the division of the Korean peninsula and, as the result, to the formation of two countries, which are fundamentally different from each other. After gaining independence, Korea began to pursue a policy of isolation, actively implemented reforms, which ensured sustainable economic development. Nowadays, both sides negotiate a possible unification, however, different levels of economic development of countries and numerous barriers between the Korean populations complicate the situation even more.

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UKRAINE’S PLACE IN THE INTERNATIONAL LABOR MARKET SYSTEM

Introduction. Ukraine will be able to become an equal actor in the world labor market only if it improves the efficiency of using its existing labor potential and ensuring its development in accordance with international standards, as it is the main productive force and the basis for ensuring the competitiveness of each country's economy. At the same time, in order to determine the directions of strengthening the integrational interaction in Ukraine, it is necessary to have a comprehensive and in-depth analysis of the processes taking place in the world labor market.

Review of recent publications. Many works devoted to the issue of Ukraine's participation in the international labor market and migration processes of our country were written by Ukrainian and foreign scientists such as O.I. Piskun, O.A. Malinovskaya, E.M. Libanova, Y.G. Cossack and others. However, the