

quickly to future social and environmental problems, as well as to new technologies and industrial developments. The Chinese government will seek to use the social credit system to direct investment in state-of-the-art technology and to target companies with behaviors that are useful for solving social and environmental problems.

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## THE ROLE OF EUROPEAN TRANSNATIONAL COMPANIES IN MODERN GLOBAL ECONOMY

**Introduction.** Transnational corporations play an important role in enhancing economic globalization, contributing to further interdependence of national economy and increasing opportunities for the international movement of goods and services, capital, labor and modern technologies.

**Review of recent publications.** Theoretical and methodological foundations of the functioning of multinational corporations determined the research of both domestic and foreign scientists: Gladiy I.Ya., Karpenko V.G., Rococo V., Soroka I.B., Lukyanenko D.A., Makogon Yu.V., Bulatov A.S., Samofalov V., Boyko B.F., Friedman M., Fisher I., Dunning J., Draker P., Davis L. and others. The activities of TNCs are addressed by numerous reports from the UN, the WTO, the IMF, and the United Nations Conference on Trade and Development. Despite the large number of scientific publications, the problem of the influence of international companies remains under-researched.

**Results of research.** UNCTAD identifies the following main criteria for belonging to TNCs:

- 1) the existence of parental and controlled foreign (affiliated) companies;
- 2) the existence of the parent companies' voting shares not less than 10% (or similar assets in the statutory capital for a non-corporative form of ownership) in the affiliated companies of the multinational corporations;
- 3) systematic policy through a single decision-making center.

TNCs play an important role in the economic globalization. Thanks to the global business strategy of transnational corporations, modern economic competition between the countries has become global.

The activity of TNCs has both positive and negative outcomes for the country as well as the whole world economy. When the business development reaches a defined level, the corporations form subsidiaries and branches in the foreign countries and actively participate in international business competition in order to gain access to market resources, so necessary for their own development. Currently the number of TNCs is more than 100,000, their enterprise nets are distributed among countries and regions. By developing and applying new technologies, TNCs promote international economy and technical cooperation.

But despite a number of positive effects, there are some negative outcomes. In order to achieve high monopolization of production, some TNCs use inappropriate means which slow down the usual development of the international trade and investment. Currently, for example, with the support of the government, some TNCs are abusing management measures to form some technical trade barriers.

It is estimated that 80–90 % of foreign direct investment occurs in TNCs. The investigation of FDI inflow in different regions of the world for 2016–2017 shows that the Asian region today is ahead of European and North American by the volume of foreign direct investment inflows, as well as their inflow to all developing countries get the level of well-developed countries.

According to UNCTAD's annual statistics, the increase in sales and additional cost of foreign affiliates of TNCs are important for the company.

Statutory capital in foreign affiliated companies makes profits, half of which is reinvested in foreign markets.

In comparison with sales assets and employment in foreign affiliated companies are constantly increasing. At the same time, the average annual growth rate of sales of foreign branches' sales over the last five years (1.5 %), additional cost (1.5 %) and employment (2.5 %) were lower in relation to the period of 2005–2010 (9.7; 10.7 and 7.6 %). It proves that the level of foreign direct investment inflow can be lower.

The volume of transnational mergers and acquisitions (M&A) as one of the main forms of the investment strategy of TNCs was growing till 2016, but since 2017 we can see its decreasing in 21.8 % compared with the previous year.

Nowadays there are more than 100,000 TNCs and about 890,000 of their foreign affiliates in the world. Based on UNCTAD data, the foreign affiliates of TNCs produced 9.2 % of the world GDP in 2017, while their assets increased by 17.6 times from 1990 to 2017 and came to USD 103,4 trillion. Every year we can see that the

average index of transnationalization of the 100 leading TNCs is increasing. Its index was 66.08 % in 2017 and 64.5 % in 2013.

According to the EGR (EuroGroups Register) data, 47,621 multinational enterprises were registered in EU in 2016, which is higher on 24% than in 2013. Among them, approximately, 40,081 multinational groups were registered in EU-28 (their main headquarters are located in EU member states), and the others are from different countries, mainly from Switzerland (2,843), the United States (2,200), Norway (441), Japan (350) and Canada (200). According to the list of 100 largest TNCs in the world, there are 57 European TNCs, including 51 TNCs from the EU-28.

**Conclusion.** Therefore, the international corporations are the most active, direct and important driving force of the processes of economic globalization. The competition of powerful transnational corporations for the markets of raw materials, manufacture and merchandising of their products is an important aspect of modern global economy. TNCs have a great positive influence on the international economy, such as promoting international economic and technological cooperation, increasing the global flow of factors of manufacture, as well as their strengthening and improvement of trade rules.

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## THE US LABOR MOTIVATION EXPERIENCE AND POSSIBILITIES OF ITS APPLICATION AT UKRAINIAN ENTERPRISES

**Introduction.** In Ukraine, the companies do not use tools that include staff motivation, the main emphasis being on the material motivation. Thus, wages and