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RELATIONSHIP BETWEEN ECONOMICS AND POLITICS

Politics and economics have a complicated and interwoven relationship. Politics is the study and application of influencing people via the use of power, including governments, elections, and political parties. Economics is the study and manipulation of the economy. Theoretically, economics could be politically neutral, with the perfect economist distancing themselves from political prejudice in order to present objective, neutral data and suggestions for enhancing economic performance. In actuality, however, there is a close bond between politics and economics since many economic issues are politically charged because of divergent viewpoints, and the state of the economy serves as a major political arena. [1]

Political economy is a social science that studies how economic theories impact various socio-economic systems and the execution of public policy. It is frequently used to study the interaction between politics and economics. It also uses economic instruments to research politics, looking at how political factors impact the economy and vice versa. For instance, interest groups and voters can have a significant impact on economic policy, while macroeconomic patterns can influence the course of politics. [2]

Numerous real-world situations demonstrate how politics and economics intertwine. An example of how politics, economics, and other factors intertwine is the COVID-19 epidemic. Public health specialists have long warned about the prospect of a large epidemic, but politicians found it difficult to devote time, resources, and political capital to addressing the distant chance of a future disaster since they were preoccupied with the next election. This illustrates the relationship between politics and the economy and how each influences the other. [3]

Politics and economics are inextricably linked and have a complex relationship. This link, known as political economy, is critical to understanding since it shapes public policy and determines the path of a nation's economy.

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TRANSNATIONAL CORPORATIONS AND THEIR DEVELOPMENT PROSPECTS FOR THE FUTURE

Today, people tend to consume a variety of products and goods manufactured by global business corporations. This does not mean that national businesses in the countries of residence cannot offer a better selection of necessary goods. In fact, local firms compete for the right to sell their products in mass

retail stores instead. But living in the era of globalization, it is necessary to understand that there are monopolistic corporations that seek to sell their goods in every country. Therefore, it is vital to understand the concept of TNC.

Transnational corporations - are joint-stock companies whose activities are not limited by the state borders of one country. For example, it is a firm, corporation, company that performs the bulk of its operations outside the country where it is registered, most often in several countries where there is a network of branches, subsidiaries, and enterprises. [1] These are large companies, whose activities are constantly being expanded and interpreted in response to changing market conditions, and whose production is integrated into the world goods and services market. The evolution of international companies occurred as a result of structural and dynamic changes in the world economy during the 19th century. However, some of the companies that characterized TNCs had appeared much earlier. In particular, the British East India Company traces back to as early as 1600, and several other large firms had been around for centuries, but the concentration of capital in production, commerce, banking and credit actions that stimulated the formation of TNCs became particularly intensive by the end of the 19th century.

In order to understand better what companies can be referred to as transnational corporations or 'TNC', it is important to analyze what characteristics a business should have to be called 'transnational'. First of all, this business needs to be an economically unified system and operate in several countries. Next, TNC is a group of independent, legally separate enterprises, but this does not mean total autonomy. Some entities can be managed and controlled from a single center. Then, TNCs structural units operate in a diverse legal environment because they are subjects of national laws. And, eventually, transnational corporation is beyond the jurisdiction of a single state, an association of states or an international organization.

Nowadays, more and more transnational companies appear in the world economic rankings like Fortune Global 500. According to the list for 2023, Walmart company takes the first place. With \$611.3 billion in revenue in its most recent fiscal year, Walmart tops the Fortune Global 500 for the 10th year in a row. The second place is by Saudi Aramco. The firm, like all large-scale fossil fuel producers, got its revenue rise as oil supply tightened in 2022, partly because of the war in Ukraine. In October 2022, the oil giant unveiled a \$1.5 billion sustainability fund as well as plans to build a carbon-capture-and-storage facility. The third place is State Grid - the Chinese-government-owned power company, which meets about 80% of China's electricity needs, reported increases of about 15% in both in revenue and profit in 2022. Second-to-last place went to the Amazon - the e-commerce giant swung from a hefty profit in 2021 to a \$2.7 billion loss in 2022. The last place is taken by China National Petroleum - the state-owned fossil fuel firm with the modest growth in 2022 compared to international oil juggernauts such as Saudi Aramco or Exxon Mobil. While revenue only grew about 17% from 2021, profits more than doubled, jumping to almost \$22 billion amid a global tightening in oil supply, partly because of the Ukraine war. [3]

Thus, the overview presented above has shown the phenomenon of globalization with its consequences like the appearance of 'TNC' is global reality.

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