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NEW ECONOMIC ORDER IN THE CONDITIONS OF
INFORMATIVE AND INNOVATIVE PARADIGM

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Abstract

The author examines the approaches to the formation of a new economic order in the context of the information and innovation paradigm in the presented article. It is shown that the appearance of the new economic order is formed under the influence of a number of factors of the information and innovation paradigm. The new economic order is different functioning international economic relations that change their substance under the influence of the information and innovation paradigm. The article analyzes the theoretical framework on the topic under study, in which the author presents the approaches of foreign, Russian scientists, international organizations to the issues of global changes in the world economy. The author shows the changes in the forms of international economic relations that occur, such as virtualization of international trade, destuffation of available resources, employment on a global scale, mega-integration of regions through network interactions and others that occur under the influence of the information-innovation paradigm. However, the global pandemic stopped the “course of development of the world order” and “turned” the situation in a completely different way. On the one hand, this had a negative impact on the formation of a new economic order; on the other hand, it expanded the world economy into the global Internet space to a greater extent, and contributed to a change in the role of states, international organizations in international and national regulation.

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1. Introduction

The relevance of the topic under study is due to the phenomena occurring in the world economy. We can observe standard processes - the development of multinational companies, the internationalization of production, integration, glocalization and globalization. However, if we look at them more deeply, we can clearly see the boundaries of the new face of the world economy, and, accordingly, the changing forms of international economic relations. However, if the traditions of forms remain at the same level, then their new branches, images, and sometimes clear boundaries appear at the present stage of development of social relations. The question arises, what the main engine is of the ongoing transformations and the formation of a new economic order. On the one hand, this is an information and innovation paradigm, on the other, the global COVID 19 pandemic.

2. Problem Statement

The basis of the theory of the economic order was laid by V. Oyken, who argued that the economic order is a set of economic forms, implemented in practice, in which the everyday concrete economic process takes place. The approach of “world-system order”, considered in the works of I. Wallerstein, A.G. Frank can be considered another direction in the development of the theory of the new economic order. The world-systems approach assumes that the human world is an interconnected and at the same time hierarchically ordered system, in which there is always a center, a subordinate periphery and a semi-periphery that has its own resources (Yachin et al., 2020). In 1974, the UN General Assembly adopted a resolution by the Group of Developing Countries (“Group of 77”), which called for “economic decolonization” and the “right to development” through the creation of a new economic order (Franczak, 2019).

The theoretical issues of the formation of a new economic order can be seen in the concept of “global governance”. In 1992, the “Commission on Global Governance” was created, which published the report “Our Global Neighborhood” in 1995. The report indicated that national interests presuppose international cooperation, rather than fulfill it. Thus, there was a change from state-centricity to globality (Malakhov, 2019). Government policy conflicts with international trade and investment rules (Benton, 2019).

The UN Declaration spells out the main provisions, principles regarding the establishment of a new international economic order, which, among other things, will be based on sovereign equality, common interests and cooperation of all states. At the same time, technological progress creates potential opportunities for increasing the well-being of all peoples.

As for the theoretical approaches in the field of innovation and information paradigm, here the aspects of the technical and economic paradigm, which K. Perez defines as a new set of guiding principles that become generally accepted for the next phase of development, are mostly considered. The defining moment of the formation of technical and economic paradigm is the emergence of new innovative achievements that determine the corresponding revolution (as cited in Romanova, 2017). M. Castells provides a detailed analysis of modern trends in his research that lead to the formation of the basis of society, which he calls “network”. M. Castells considers the information era as the era of globalization, noting that the global information economy is a historically new reality, different from the world economy, since it is able to work as a single system in real time on a global scale (Petukhova, 2005).

The work of world organizations such as the World Bank, the World Health Organization and a number of others is devoted to research into the impact of pandemics on the economy. In the scientific works of foreign authors, one can see the work on the topic of school closings and restrictions on social interactions and the impact of these processes on economic development in a pandemic (Borse et al., 2011). The aspects of the impact of the consequences of the pandemic on the labor force are being studied (Orsi & Santos, 2010).

3. Research Questions

Questions under study:

3.1. What are the manifestations of the new economic order?

3.2. How does the information and innovation paradigm and the global pandemic influence the formation of a new economic order?

3.3. What consequences for the world economy can the new economic order, a global pandemic bring?

4. Purpose of the Study

The main goal of the research set for the author is to develop the main directions of the emerging new world economic order in the context of the information and innovation paradigm.

5. Research Methods

The study uses general logical research methods: analysis and synthesis, analogy, generalization, structural and logical, comparative.

Scientific methods of analysis of literary sources: content analysis of Internet resources, problem-oriented search, analysis of literary sources of the scientometric Web of Sciences database, their assessment and interpretation.

Approaches to the implementation of the research goal are to identify the foundations of the issue under study from the perspective of studying classical approaches in the works of foreign and domestic scientists. The identification of the basic foundations of the modern paradigm is studied taking into account the existing conceptual provisions in this area.

The approaches in leading foreign publications on the formation of a new world economic order in the context of the information and innovation paradigm and the global pandemic have been studied to assess the current situation in the world economy.

6. Findings

In modern conditions, the formation of a new economic order is due to the increasing importance and development of the information and innovation paradigm. The importance of the latter is due to the technical and economic paradigm, the formation of the fourth industrial revolution “Industry 4.0”. The

information and innovation paradigm is a set of certain conditions and factors that, affecting social relations, change their essence, and form a new look.

The main features of the information and innovation paradigm at the present stage are defined by the following provisions: virtualization of the economic space; the formation of network structures; narrowing the timing and frequency of new discoveries; improving the quality of the workforce and developing human capital, developing technological unemployment; the emergence of new forms of organization of production; changes in the structure of investments and an increase in their share in the new infrastructure; the formation of innovations in the information industries of the economy or related to them, and a number of others. All these features change the architecture of the world economy.

Most scientists agree that a new development paradigm is actively forming in the world economy, which relies on innovative sources of growth (Akopova & Panasenkova, 2012). They change the forms of international economic relations, which come under the influence of innovative from developing under the influence of traditional factors such as the internationalization of economic life, international division of labor. The digital economy is becoming not just an initiative of companies operating in the high-tech sector, but the process of systematic digitization of the entire global value chain (Zvonova & Kuznetsov, 2018).

Thus, it is possible to argue that the formation of a new economic order consists in the changing conditions of the functioning of the world economy and the formation of modern forms of international economic relations under the influence of the information and innovation paradigm in modern conditions. Let us consider the ongoing transformation.

Thus, we can observe changes in international trade, which are manifested in its virtualization. Information and knowledge become the object of buying and selling on the world market. The cost of goods is determined by the volume of costs for innovation, research, development. Global Internet technologies are moving international trade into a virtual space, where data transfer and exchange takes place at an accelerated pace (Frolova, 2017).

The development of trends in international Internet commerce, contribute to the emergence of new payment technologies. Trading currencies appear for settlements for international purchases. The "bitcoin" system is becoming more and more popular as a means of payment on a global scale. It is no longer required to move production out of countries in the physical sense applying Internet technologies, but it is possible to use technological services to obtain information about the required amount of production of your goods. Based on the foregoing, it is likely to predict changes in trade policy, the transition to a new policy of freeinter-trade - inter-liberalization, which consists in the need to systematize, develop new rules for regulating international trade.

The formation of a new architecture of the financial market is associated, first of all, with a change in the foundations of the current monetary and financial system:

- destuffation, i.e. avoiding paper money due to the development of non-cash payments, the emergence of electronic money;
- transition to remote banking services, through the introduction of Internet banking, new technologies appear that allow minimizing costs for both companies and consumers;
- creation and use of neural networks in bank transfers, which allows the movement of funds using photographic data;

- creation of a new digital currency based on blockchain technologies.

Changes in the international migration of labor force predetermine the reorientation of its flows, the demand for highly qualified personnel is increasing, and “technological unemployment” is developing (Kapelyushnikov, 2017).

We face a future without jobs, where most of the work done by humans will be done by machines. New technologies will reduce the demand for jobs. In the past, machines were tools in the hands of people, but now they are beginning to displace and replace more and more workers” (Kapelyushnikov, 2017, p. 3).

Global changes are taking place in the integration processes, which received their name “mega integration”. However, it must be understood that spatial connectivity is intertwined with networking.

Thus, we can conclude that the “world” was moving towards a new economic order under the influence of the information and innovation paradigm.

However, at the end of 2019, the entire global economy was rocked by the spread of the Covid-19 virus. On the one hand, there have been global changes in almost all spheres of the world economy in a few months. The COVID-19 pandemic is projected to cost the global economy about \$ 1 trillion (Çetin & Kara, 2020). The International Labor Organization (ILO) has announced that between 5.3 million and 24.7 million jobs will be lost due to the economic crisis (Açikgöz & Günay, 2020). This was especially true of such an area as international trade in services, where, according to the World Tourism Organization, global international tourist flows may decrease by 20-30% in 2020, which is equivalent to spending in the amount of \$ 300-450 billion.

Digital services, in particular Airbnb, Tripadvisor, whose financial results are declining, and employees are being laid off, are in a crisis situation against this background. The pandemic has negatively affected international labor migration; this is due to the fact that migrants face many difficulties: a lack of income, discrimination and restrictions introduced to slow the spread of infection. Countries violate the terms of the global treaty on safe, orderly and legal migration under these conditions. The further development of integration processes turned out to be a big question and the future development of the European Union was especially acute.

7. Conclusion

Based on the foregoing, it is possible to state that at the present stage of development of the world economy, the formation of a new economic order is observed. The new economic order is manifested in the influence of factors of the innovation and information paradigm on the formation and development of forms of international economic relations. There is a shift in the centers of political and economic influence of the once leading world powers, a shift in emphasis in the use of leading currencies, so that their share is decreasing, migration processes are being transformed, and mega-regional spaces are being formed.

However, the global COVID 19 pandemic has made adjustments to the formation of a new economic order. As a result of its spread and the consequences that it had, many scientists and experts expressed the opinion that the world has changed.

On the one hand, countries became isolated in opposition to globalization, and the role of the state in regulating economies increased. Employment of people was under threat, on the one hand, caused by their reduction in the context of the closure of enterprises, on the other hand, the rapid adaptation of firms to the use of teleworking methods and the reduction of the total staff of enterprises. International organizations were unable to “rally” countries in the fight against the pandemic, the question arose about their role in the global economy. In these conditions, global efforts are needed to ensure health safety, using artificial intelligence (Willy, 2020).

It became obvious that the world is global, the problem of one country has become the problem of the whole world. As never before, the phrase “the efforts of all countries of the world were required to solve global problems”. All this cannot but affect the change in the role of international organizations in the world economy, states in regulating national economic development (Çetin & Kara, 2020). An important area will be policy coordination and regional cooperation within integration groups. Undoubtedly, business processes will change in the future, where architectural changes may occur related to the implementation of new architectural projects, changes in global value chains (Kimura et al., 2020).

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