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AN INTEGRATED COOPERATION OF THE COUNTRIES IN THE CONDITIONS OF GLOBAL REGIONALIZATION OF THE WORLD ECONOMY

Abstract. Specific features of regional integration model, which has gradually evolved in its development and passed several stages of integration rapprochement have been researched in the article. The aim of the article is to study the spread of integration cooperation in the context of global regionalization of the world economy. Methodological basis of the article are fundamental provisions of economics, economic theory, the theory of foreign investment, as well as scientific results of leading domestic and foreign scientists and economists on foreign investment issues.

Key words: the integration, the globalization, the regionalization, the world economy, the regional integration model.

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ІНТЕГРАЦІЙНА СПІВПРАЦЯ КРАЇН В УМОВАХ ГЛОБАЛЬНОЇ РЕГІОНАЛІЗАЦІЇ СВІТОВОГО ГОСПОДАРСТВА

Анотація. У статті досліджено специфічні особливості моделей регіональної інтеграції, які у своєму розвитку поступово еволюціонували й пройшли декілька стадій інтеграційного зближення. Метою статті є дослідження щодо поширення інтеграційної співпраці в умовах глобальної регіоналізації світового господарства. Методологічною основою статті стали фундаментальні положення економічної науки, економічної теорії, теорії іноземного інвестування, а також наукові результати провідних вітчизняних і закордонних учених та економістів, присвячені проблемам іноземного інвестування.

Ключові слова: інтеграція, глобалізація, регіоналізація, світове господарство, модель регіональної інтеграції.

Introduction. Global development takes place under the influence of regional development, as a result, the structure of the world economy is gradually shifting and at the same time acts as a single system. The emergence and development of powerful international regions on an international basis allow us to identify global features of regionalization processes in the modern world economy, and the regions themselves have a special impact on the nature of its development. The formation of regional spaces in the context of globalization is also influenced by the fact that the economic entities no longer have to coincide with the existing administrative-territorial division, which, in turn, creates special conditions for the development of regionalism based on shared interests of territorial subjects.

Review of recent sources of research and publications. The intensification of the processes of an economic integration contributed to the theoretical studies of regionalization, as evidenced by the scientific researches and works of B. Balassa, E. Baldwin, J. Bhagwati, W. Vannop, M. Gunarson, P. Krugman, J. Makogon, N. Mikula, D. Mitrani, V. Molle, N. Reznikova, A. Scott, F. Soderbaum,

M. Storper, A. Haas and others.

Main material and results. At the present stage of the development, the economy is more integrated and dynamic and a new system of world order depends on the spread of integration processes that are developing at the global and regional levels. This is confirmed by the increase in trade and investment between countries (global integration), the growth of intra-regional flows of goods, services and investment (regional integration).

In the conditions of enhancement of globalization processes interdependence of the countries is growing, and there is a formation of the unified world economic system with the dominance of separate national economies or groups of the countries.

Common historical, socio-economic, and political preconditions for development, the objective need to join forces in the context of overcoming the negative impact of environmental factors (intensification of crises, unstable price conditions for certain groups of goods, food and energy security, social solutions) – all this factors activate the development of the processes of regional integration and deep the forms of cooperation within the existing integration groups.

All countries, regardless of regional affiliation, are involved in regional integration processes to varying degrees. At the time of the creation of integration associations, all member countries, regardless of the level of socio-economic development, aimed to implement a similar range of tasks, namely gaining the benefits of economies of scale through the formation of larger and open market space, liberalization of mutual trade, economic and industrial -investment relations, joint solution of specific issues aimed at ensuring sustainable economic growth and improving the welfare of the population. However, not all existing regional associations have achieved the practical implementation of the declared tasks and have reached the level of effectively functioning integration structures. In this context, it is the specifics of regional development and its level that determine the peculiarities of integration cooperation between countries.

The highest level of integration interaction of countries in the world economy is characterized by the European region, the core of which are the countries of the European Union. The countries of the European region produce 28.3% of world GDP (\$ 21.9 trillion), provide 38.1% of world merchandise exports (\$ 7.2 trillion), while only 10.2% of the world population live in these countries (table 1).

However, as the dynamics of the main indicators of the development of the European region show, in recent years there has been a slowdown in the growth of value of both GDP and exports on the one hand, and a reduction in the region's share in both world production and a world trade (in 2020 the share of the European region in world GDP decreased by 5.8%, in world exports – by 8.7%) which is due to the growing participation of the system of world economic relations of developing countries, including countries in the Asian region.

Table 1

The indicators of the development of the European region in the world

Indicator	Years					Average annual growth, %				
	2000	2005	2010	2015	2020	2005 /2000	2010 /2005	2015 /2010	2020/2015	2020/2000
GDP, USD billion	10532,8	9590,1	15992,6	19794,5	21919,4	-1,86	10,8	4,36	2,58	1,04
GDP, %	34,1	28,8	33,9	30,3	28,3	-3,31	3,28	-2,24	-1,65	0,99
Population	730,1	729,0	731,8	738,3	741,1	-0,03	0,08	0,18	0,09	1,00
Population, % worldwide	12,7	11,9	11,2	10,7	10,2	-1,34	-1,16	-1,04	-1,08	0,99
Export of goods, USD billion	12,7	2728,3	4618,4	6014,8	7243,1	2,40	11,1	5,43	-4,76	1,06
Export of goods, % worldwide	46,8	42,3	44,0	39,3	38,1	-2,02	0,79	-2,22	-0,77	0,99

Resource: calculated by the authors using the analysis [1]

A sufficient number of scientific developments are devoted to the study in the European model of regional integration, which has gradually evolved in its development and passed several stages of integration rapprochement. One of the first to study the consequences of gradual trade liberalization in the context of integration rapprochement of the EU, was B. Balassa, whose scientific work “Theory of Economic Integration” [2] even nowadays remains the basis for the study of changes in trade policy in the development of integration. The existing practical results of the integration convergence of EU countries, which are associated with a paradigm shift in regional development: from old to new regionalism, comprehensively studied by B. Hettne (“Globalism and New Regionalism” [3]), who proposed a study of the effects of trade and economic consequences that occur in the process of international trade in goods in the context of deepening regional integration.

Today, despite the current problems of development, the European Union seems to be the most developed regional integration group either among the countries of the European region, or in the whole world. The development and functioning of the EU was the logical result of almost 60 years of integration in Europe. This was carried out in two directions—inward and wide.

Inward integration means the deepening of forms of integration interaction, which according to the theory of international integration of B. Balassa occurs in several stages. In this context, the EU is the only integration union in the world that has gone through all stages of the evolution of forms of regional economic integration (from a free trade area to an economic union). Wide integration means increasing the number of full members of the Union and associate members. In more than 60 years of the existence, the union has experienced several “waves” of expansion.

Spatial enlargement stimulates the acceleration and deepening of European integration, while its transition to a higher level creates favorable conditions for further enlargement; at the same time “the consistent expansion of the EU’s geographical framework is naturally accompanied by a complication of the enlargement mechanism due to the evolution of integration cooperation towards the gradual dominance of the principles of supranational construction” [4]. Thus, the formation and development of the European region took place neither in the deepening of the integration of various spheres of life, nor in the geographical expansion of borders through the accession of new countries to the EU.

The emergence and development of the EU is due to the influence of internal factors (small area of Europe, hence the proximity of countries; limited resources; development of transport; the tendency to expand the market by national enterprises; interpenetration of capital) and external (the need to counter competitive influence from the US economy and later the Asia-Pacific region, political confrontation, the collapse of the colonial system, the need for a joint solution to peace and security, maintaining economic and political importance in the international arena) [5]. At the same time, the main task of the world’s largest integration group is determined by stable and balanced development, which is ensured through the creation of an economic union and the introduction of 4 freedoms of movement of goods, services, capital and labor.

According to 2020 data, the EU accounts for 23.9% of world and 84.4% of regional GDP, 7% of the world’s population and 68.4% of the region’s population, 32.4% of world and 85.1% of regional merchandise exports, 43.7% of world and 88.9% of regional exports of services, 20.7% of world exports of FDI and 71.5% of regional, 21% of world and 81.3% of regional imports of FDI. Regarding the dynamics of these indicators, represented by the main waves of EU enlargement, in 2020 compared to 2000, the share of consolidation in world GDP, world exports of services, world GDP increased and decreased in world merchandise exports. In 2020, compared to 2015, the relative participation of EU countries in the world economy decreased.

Conclusions. Thus, the research proves that at the present stage of development the world economy is more integrated and dynamic, and global regionalization acts as an objective process, which is embodied in a qualitatively new structure of the world space, based on the expansion and deepening of dialectically mutually related integration processes that are developing at the global and regional levels, the main systemic elements of which are global regions.

Prospects for further development in this direction are the definition of global features of regionalization processes in the modern world economy, such as: multi-factor globalization; complex structural network of interaction, developing at different regional levels and covering the state, society, business; strengthening the role of regional competitiveness in the context of global transformations.

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