

Global and Regional Aspects of Positioning Participants of the International Economic Integration

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Abstract—The article discusses the target states of international economic integration, revealing the prospects and priorities of development of the regional and world economy on condition of optimization of existing and prospective resources. The aim of the study is to identify the determinants of complementarity of the interests of participants in the integration process at global and regional levels and the conditions for adaptation of their competitive advantages in the developing international economic environment. The subject of the study is the economic relations of participants of the integration interaction, the content of which determines the possibility of creating a synergistic effect in case of mutually beneficial activities and strengthening competitive advantages in the geo-economic space. The hypothesis about the influence of the ability to enhance market self-organization of various participants in the context of the balance of their interests on the strengthening multi-level integration processes is justified. The institutional approach in forming joint economic actions is considered as a systematic process of expanding relationships between participants of integration processes. The scientific contribution is presented by the substantiation of the methodological ideas on the positioning participants of international economic integration. The methods of institutional theory, analysis, and synthesis, logical and comparative methods were used. The conclusion presents recommendations aimed at expanding and deepening integration effects in the formation of differentiated market niches in the geo-economic space.

Keywords—*integrated structures; international economic integration; market self-organization; resources; competitive advantages*

I. INTRODUCTION

The concept of “integration”, as well as the process of integration itself, appeared in science at the end of the XIX – beginning of the XX century. The term “integration” (integratio) in Latin means restoration, connection, and “integer” means whole, integral. Formation of integrity and unity on the basis of cooperation and consolidation of interests means the process of integration, that is, creating a common whole of the individual elements [1].

By the beginning of the XXI century, the world economy transformed into a global economic system that linked the national economies with interdependent processes of reproduction. International economic integration in modern geo-economic conditions can be viewed as a multidimensional process of economic development, ensuring the balance of external influences and regional

priorities, taking into account the interests of all participants [2-4]. On the one hand, it acts as a way to achieve the integration effect on the basis of mutually beneficial international cooperation in the implementation of joint projects that enhance the competitive advantages of regions of participating countries [5]. On the other hand, integration can be considered as a mechanism for the strategic management of regional economic development, aimed at diversifying production, forming regional unique competencies, developing inter-sectoral regional production cooperation and perspective participation of the region in global competition [6-8].

Traditionally, the most important role of economic integration is associated with a high degree of internationalization of production on the basis of development of deep stable interrelations and differentiation of labor between national economies. Realization of this role leads to a gradual merger of reproduction structures of a number of countries [9].

The purpose of the study is to identify the determinants of complementarity between the interest of participants in the integration process at global and regional levels and the conditions for adaptation of their competitive advantages in the developing international economic environment. The author suggests to more deeply consider the methodological approaches to positioning global and regional participants in international economic integration from the point of view of their ability to activate market self-organization processes while achieving the balance of interests.

II. METHODS

The definition of “international economic integration” is revealed through the elements of identifying development priorities for society, which ensure the complementarity of the subject and the entire world economic trends in general [4]. Such tasks include the achievement of the common good and socio-economic stability associated with the optimal realization of interests of all structural elements of economic systems at different levels [10-13]. In domestic works, it is noted that international economic integration is a complex, self-developing phenomenon, which initially originates in the most developed (from the techno-economic point of view) regions of the world and step by step, all new countries are drawn into this process as they acquire the necessary economic and legal conditions [6, 14, 16]. On the one hand, thanks to economic integration, the world trading system

overcomes the territorial limitations of individual countries. On the other hand, regional factors remain a significant obstacle to full-scale liberalization. In the latter case, the territorial factor continues to play the role of a kind of production factor that helps to optimize the involvement of economic resources in the economic turnover [17, 18]. In foreign works, dynamic effects of regionalization and their impact on global competitiveness, as well as the competitiveness of regional integration groups themselves, have been rather well studied and formalized in economic models [19, 20]. They demonstrate the positive impact of regional integration on the competitiveness and well-being of countries and regions in the event of creating “natural groupings” [19-21].

Thus, the considered theoretical approaches to the concept of international economic integration make it possible to summarize that it is difficult to create a unified universal theory that could be considered as a model for replication in formation and development of integration platforms.

At the same time, the author believes that the scientific theoretical approaches described above allow us to look at international economic integration not only as geo-economic cooperation at the level of global structures within a closed internationalized reproduction cycle, but also as flexible economic unions. It is assumed that these unions are capable of transforming into global-regional integration, participants of which would have the possibility of engaging new national and regional structures in the global investment and reproduction processes.

Within the framework of the concept of positioning participants of international economic integration, the article suggests considering the following methodological positions.

The first one. Positioning global participants based on geo-economic cooperation within the framework of integration platforms provides the following basic components [1, 5, 9, 21]:

A conscious and guided process of convergence and merger of national economic systems, each of which has the potential for self-regulation and self-development;

Socialization of production at the international level through conscious regulation by the governments of participating countries of the mutual differentiation of labor and international production cooperation;

The process of developing sustainable interrelations among states, leading them to their gradual economic merger, based on the use of the advantages of specialization and more complete use of economic resources.

Thus, the most important condition for the viability of the integration partnership of global participants is the organization of functional competitive interaction of participating countries in all areas of integration cooperation: investment, innovation, technology, production, management, etc. In this case, the transformation of limited economic resources into a competitive product within the framework of world reproduction processes and obtaining a long-term effect are foreseen.

The second position. The desire of participants of the integration process at the regional level create sustainable

competitive advantages in the context of dynamic changes in the external environment, which lead to significant structural transformations of the market and institutional relations between them [7, 8]. The results of the creation of the regional integration platform that can integrate into global added value chains can be considered:

- Identification of joint promising areas of industrial and technological cooperation among regional stakeholders;
- Elaboration of projects aimed at the development of the regional economy, on the basis of intersectoral industrial cooperation;
- Creation of a system of communication links for all stakeholders for the successful implementation of joint decision-making processes and development of the reproduction mechanism for these processes;
- Accumulation of the potential of cooperation and integration processes through the strengthening of inter-branch relations of regional enterprises and organizations and the formation of regional unique competencies;
- Development of projects to transform the cooperative and integration potential, limited by the territorial regional framework, into long value chains of the international economic reproduction process, focused on innovation and strengthening the competitiveness of the regions of the participating countries.

Thus, the processes of involvement of the regional economy in the system of world economic relations have an impact on the transformation of forms and tools of economic integration and the formation of global-regional integration. At the same time, new requirements are imposed on the competitiveness of the region as a full participant in geo-economic cooperation.

The methodological approaches developed by the author for positioning global and regional participants in international economic integration are based on the need to project the interaction of global and regional integration groups. At the junction of these interactions, new cooperation systems are created – regional integration blocks.

III. RESULTS AND DISCUSSION

In order to ensure the development of international economic integration, it is necessary to develop new, most flexible and viable institutional forms of collective actions by global and regional participants. According to the study, significant benefits of this kind of collective interaction are revealed. These benefits enhance the parties' ability to accumulate and dynamically transform their competitive advantages, as well as to achieve certain target indicators of competitiveness. Regional integration blocks can be considered as the result of a compromise between geo-economic forces of globalization and the established system of economic ties between national economies. The positive point is that the world trading system overcomes territorial restrictions of individual countries. At the same time, specialization within the framework of regional integration

structures is intensifying; the concentration of production allows developing small and medium businesses.

The approach proposed by the author makes it possible to consider the multidimensionality of processes of development of international economic integration as a tool for enhancing the competitiveness of geo-economic and regional systems. The development of regional economic integration activates the processes of interaction at the level of industries and individual enterprises, enhances unique regional competences. The competitive advantages of the regional economy formed in this way, which directly affect the ability to activate its market self-organization, act as a catalyst to facilitate its inclusion in the international economic reproduction process. Regional integration processes, projected on world economic relations in conditions of the balance of interests of all participants, strengthen multi-level integration relations.

IV. CONCLUSION

The generalization of global and regional aspects of the participants of international economic integration discussed above, as well as the consideration of the main trends in their development, allow us to characterize these processes as interrelated and mutually supportive trends of world development. The close interaction of these processes creates favorable conditions and opportunities for the development of international economic integration, forming a multitude of differentiated market niches for regions of different dimensions. This takes into account that a number of such regions are currently experiencing difficulties in expressing their competitive advantages and interests at the global level.

Within the framework of the authors' approach, it is revealed that the close interaction of integration processes at the global and regional levels leads to the formation of global-regional integration. Target and qualitative characteristics of these processes are in many respects the same, and the differences make up the mechanisms and ways to achieve goals. The interdependence and dynamism of the levels of international economic integration have a synergistic basis and build on the ability to self-organization of its participants, that is, to obtain new characteristics – competitive advantages. International economic integration can be represented as a positive dynamic process of the qualitative transformation of the economic system into a new state in which it will be more competitive.

It is proposed further to study the increasing influence of regional integration blocks as generalized recommendations aimed at expanding and deepening the integration effects in the formation of differentiated market niches in the geo-economic space. Global traditional integration groups reproduce their center-peripheral system of functioning using a single coordination center. At the same time, geo-integration formations are developing unevenly; it conflicts with the conditions of the new world economic structure and restrains the possibility of including other regions in global reproduction relationships. Harmonization and establishment of the global balance of interests of participants would contribute to the development of integration of regional economies into world integration processes. Orientation to the deepening of integration effects is considered from the standpoint of the need to ensure the following:

- The transformation of regional potential into a full constituent of the functioning of the international reproduction process, taking into account the innovative orientation of world development;
- The balance of interests of regional and global integration partnerships is taken into account in the context of permanent projecting of relationships with potential participants in integration processes;
- The possibility of realizing own interests and competitive advantages of participants of integration processes in the geo-economic space in terms of economic efficiency.

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