

THE INTERDISCIPLINARY APPROACH TO REGIONAL INTEGRATION

Nosova O.V.

Doctor of Economic Sciences, Professor,
Professor of the Department Finance, Banking and
Insurance Banking University Kharkov Institute

The paper studies the regional integration as the unique process which depends on the degree of cooperation and interchange among regions. The interdisciplinary approach to the regional integration will be directed to define the economic convergence regions and divergence, unevenness in the development of transition countries. The generalisation of existing approaches for regional integration has been classified by the criterions. The economic analysis proves the differences in regional imbalances, and defines factors smoothing out its negative effects in the development in Ukrainian regions.

Keywords: regional integration, interdisciplinary approach, convergence.

У роботі досліджується регіональна інтеграція як унікальний процес, який залежить від ступеня співпраці та обміну між регіонами. Використання міждисциплінарного підходу до регіональної інтеграції буде спрямовано щодо визначення регіонів економічної конвергенції та дивергенції, нерівномірності розвитку країн з перехідною економікою. Узагальнення існуючих підходів до регіональної інтеграції було спрямовано на проведення класифікації за критеріями. Економічний аналіз показує існування розбіжності у регіональному розвитку та визначає чинники, які спрямовані на згладжування його негативних наслідків у розвитку регіонів України.

Ключові слова: регіональна інтеграція, міждисциплінарний підхід, конвергенція

The global industrialisation upswing, international division of labour, capital expansion, and foreign trade stimulate the developing countries' enlargement into the system of global economic relations. The paper deals with the study the economic growth factors' role in regions. The coordination, cooperation and networking are considered the vivid questions of regional integration. One could mention the existence of different integration concepts for country's economic development. Some scientists point to the negative consequences of these processes, including uneven and unfair distribution of common goods among countries and regions. The use of economic complexity, bounded rationality and socio-economic dynamics provides a transdisciplinary approach to deal with a broad range of regional integration problems. The interdisciplinary approach to the regional integration will be directed to define the economic convergence regions and divergence, unevenness in the development of transition countries. It provides the causes, the estimation of regional imbalances. Moreover, the paper is aimed to formulate the basic measures of future structural adjustment following the consequences of the European Union enlargement.

The most discussed question of regional integration in the European Union deals with the "deepening" and "widening" of this process, and the existence of imbalances in the economic development. The transparent regional policy in the areas of the political participation, anti-discrimination, labour market access and etc. are proclaimed for the European Union countries. Economic opening-up plays a key role in the regional integration into the worlds' economy. Trade liberalisation effects the faster country's growth. On average, trade development can be a powerful force for poverty reduction, especially over longer horizons, where the cumulative effects of growth on incomes of the poor are larger. Fujita, Kumagai, Nishikimi (2008) examine the various aspects of integration related to the structure of intra-regional trade, industrial location patterns – especially of multinational enterprises, the

formation of industrial agglomeration and the development of political and institutional frameworks for integration. Economides, Salop (1992) consider competition and integration as complementary goods, which could be combined for the creation composite goods and systems. The authors' views confirm that the regional integration is a complex process, and its essence could be understood on the basis of the integrated analysis including the analysis of a variety of different market structures.

One could differentiate between system integration and social integration, whereas the former denotes the cohesion of a system. Esser (2000) considers that social integration indicates the inclusion of individual actors in a social system. Social integration is determined by the acceptance of migrants in institutions, networks and positions in a society. The process of integration should be understood as an interactive dialectic social process between immigrants and the receiving society that spans generations. A pool of shared values and standards (e.g. the rule of law) is stressed as the basis for multicultural coexistence (Damelang, Steinhardt (2008).

The Eastern European countries' integration into the global economy is influenced by consequences of uneven resource distribution and an ineffective structure of production among regions in the period of command economy. There are existed the economic disparities, social, and cultural differences at the regional level. The regional integration process includes the local integration and the integration among countries into the regional unions. The coordination policy is directed to maximize the integration effects of the unification of regions and creation of the different kinds of unions. The scientists discuss the perspectives of the regional convergence on a single development path or permanent divergence, openness to international trade and internal integration, and consequences of regional integration. Stierle, Von Schütz (2008) point out that the regional economic policy in the EU concentrates on three areas: the dissimilarities and resulting convergence of disparate regions within the EU; the

localisation of economic activities and how regions can understand and manage them, and the experience that can be drawn from the European regional policy.

The pace of Ukrainian integration into the global economy is affected by the economic, political, social changes in the world, by the regional divergences and convergences in the country. The progress in reforming process within the regions depends on the success of economic reforms implementation, and institutional infrastructure formation. The analysis of two group's factors: general sources of economic growth and transition economy specific sources of growth are directed to estimate the effects of regional integration in the Ukraine. The first group of indices includes fixed capital accumulation, human capital accumulation, economically active population growth, R&D spending and spillovers, macroeconomic stability, monetary indices, foreign trade, and foreign direct investment. Transition specific factors combine reform indicators, including industrial output, labour productivity, capital intensity, technological change, regional differences (Nosova, 2011).

The regional imbalances' assessment is determined by gross regional product per capita, regional employment, and spending on education. The interdisciplinary approach to regional integration is directed to analyse regional imbalances, and define factors smoothing out its negative effects. In Eastern European countries these effects are significant, that means the European enlargement should lead to fast process capital, labour, technology accumulation and knowledge diffusion from regional to national, global levels. The regional imbalances improvement stimulates regional development, and provides the economic growth.

Keywords: regional integration, interdisciplinary approach, convergence.

References

Damelang, A., Steinhardt, M. (2008): Integration Policy at Regional Level in Germany, Focus Migration Policy Brief, No. 10.

Economides, N., Salop, S. C. (1992): Competition and Integration among Complements, and Network Market Structure, *The Journal of Industrial Economics*, Vol. XL, March, pp.105-123.

Esser, H. (2000): *Soziologie. Spezialle Grundlagen. Band 2: Die Konstruktion der Gesellschaft.* Frankfurt a. M.

Fujita, M., Kumagai, S., Nishikimi, K. (2008): *Economic Integration in East Asia. Perspectives and Neoclassical Economics.* Edward Elgar Publishing House.

Nosova, O.V. (2011): The economic convergence or divergence processes in the Ukrainian regions, *University of Szczecin Scientific journal. NR 670, Service Management*, Vol. 7, Szczecin, P. 63 -77.

Stierle von Schütz, U., Stierle, M. (2008): *Regional Economic Policy in Europe. New Challenges for Theory, Empirics and Normative Interventions.* Eds.: U.Stierle von-Schütz, M. H. Stierle and etc. Bradford University.