

## REGIONALISM AND ECONOMIC PROCESSES WITH GLOBAL IMPLICATIONS

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### **Abstract**

*Regionalism has become one of the most discussed topics at the moment, in recent years and become one of the central challenges of the future in the modern system of international relations. Finally, in the XIX-XX centuries, scientists have expressed it a worldwide phenomenon through a process of radical change "external environment" and significant internal changes. It can be expressed in the world in one way or another, even if it has not been shown modest form until recently. Currently, regionalism and regional integration are considered as key indicators of international developments in the research of foreign policy and international relations. Theory followed the end of the era of "Cold War" and entered the post-bipolar world, multi-faceted development stage. The attention of researchers has grown to regionalization and regional integration by increasing the role and activities of regional organizations such as the EU, ASEAN, APEC and NAFTA, which coordinates the process of decision-making at supranational level, as well as issues of international regulation.*

**Key-words:** regionalism, regional integration, export, import

### **Introduction**

The new research approaches, the region is seen as an active and dynamically developing unit. It can either be designed and deconstructed in an ideal - the symbolic and geographic-spatial correlation. Often the processes of integration and disintegration dichotomous and developed in the region at the same time.

Understanding of the meaning of the term and the main idea of the region have an important effect in the analysis of the process of regionalization. You can not build a house without having to lay a foundation, it is impossible outgrowths plant without having to plant it, as well the idea of regionalism can not be understood if you do not know what it means to the region.

Region - a historically constituted a voluntary union of municipalities, united socio-economic, economic, ethnic, demographic and human relationships, and the habit generated life together within a single administrative-territorial unit. This community usually has a population of 1 to 10 million. Inscribed in man and certain natural landscape, cultural and historical area, or tends to develop in such a region.

Geopolitics B.Hettne in viewing features of the regional structuring of global space, identifies the following characteristics influencing the nature of the integration processes in the region:

Firstly, the region is considered as a single territorial system and includes at least a few states (politically appointed units), combined with each other geographically, and a certain level of interdependence;

Secondly, the possibility of a mismatch regional outline (administrative and state borders) in the region may not include the entire state, but only a part (the eastern part of Sweden is part of the Baltic Sea, Western - gravitates towards the Atlantic and the southern - to the European continental);

Third, the level of development of regional relations may be different on economic, political and cultural parameters (the uneven level of development of intra-regional economic, political and cultural relations and cooperation);

Fourthly, the degree of regional cohesion may increase or decrease over time, depending on how to determine their interests entities operating in the region.

"New regionalism" as a paradigm for the study of political strategies reflects the changes in the approach to the study and research practices themselves regionalization and regional integration which are taking place in the post-bipolar world. The changes can be traced in three main parameters: the peculiarities of new regional groupings, the composition and the nature of their participation and the strategic objectives pursued by the participants of these associations:

1. On the origins and mechanisms of occurrence. Earlier, when the creation of regional institutions, an important condition is the similarity of political and economic structures, now the union is dictated by the presence of common problems and the Government's willingness for dialogue to harmonize positions and develop common solutions. The importance of the new "cross-border" and cross-border issues - immigration, terrorism, drug trafficking is increasing as the new global system characterized by more intense and dense information flows and communication links. Increases the impact of these external problems on the internal situation, making the security of the country more vulnerable, and increased sensitivity to foreign policy issues. the nation-state resources are not sufficient to prevent threats unilaterally. For this reason, countries prefer to take part in collective security and to establish transnational coordination of policies in order to combine the costs of expenses.

2. According to the participants. Regional community in the era of the "cold war" created "from above" superpowers, the current process of the formation of new regional

communities has gained unexpected nature, initiatives come from "below", they are generated by the regions, the main initiators are participating States and non-governmental organizations that are localized in the region.

3. The difference in goals, issues of military security and economic development were institutionally separated in a bipolar world. As part of the "old" regional associations observed specialization established regional associations, oriented in one case on the military-political security, and the other - to economic development. New regionalism is a more comprehensive, multi-faceted process, including the scope of their competence, and issues related to trade, economic integration and environmental protection, social policy, security, democracy. Regional cooperation can be initiated by governments, which consider negotiating to build good-neighborly relations, economic relations, knowledge transfer and policy coordination tools as the most preferred solution of the problems caused by global processes.

Regionalism - is the fight people in the region to improve their living environment in all its dimensions: economic, social, cultural, environmental. The motivation of the process of regionalization is simple and clear: I live here, in this city, and I want to make it convenient for life. This - our city, and if we do not make it better, then nobody will do for us.

Regionalism primarily focuses on human rights and other political doctrines overlooked or dismissed them. This right to "local" Utopia: the right of every person from the community to control the environment, in which they live, complements the right of everyone to choose the community that he loved. Together, we have the right to form the habitat conditions based on our inquiries to establish order in the city. If you do not have this freedom, all the rest does not matter. But even in the most free countries, this freedom is usually strictly limited, and state intervention in the life of the self-organization of local communities clearly exceeds the objective norm.

Regionalism - is a global philosophy of the political future of humanity. Only this can provide a combination of local autonomy and solidarity, which will be in demand in the world's common humanity. At the same time the division of the planet into large blocks and "Warring" under the rule of modern technologies is a dangerous anachronism. Regionalism - is a political philosophy that humanity offers a reasonable balance between the parts.

Regionalization is regarded as a trend that goes along with the trend of globalization. (Regionalization and globalization are developing in parallel. For example, P. Rutland<sup>3</sup>, E.

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<sup>3</sup> Глобализация и посткоммунизм // МЭиМО. 2002. № 4. С. 17.

Primakov, A. Bykov<sup>4</sup> and others have expressed this view.). However, regionalization is not simply a process that takes place near or parallel to globalization. The interaction of these phenomena of the world economy can be defined as a pair, as the controversial relationship, which is characterized by non-linearity of these processes. Globalization and regionalization are interpreted as a dialectical interaction of multidirectional processes. Globalization tends to the unity of the world economy, regionalization to its fragmentation. Thus, regionalization restricts free trade through their groups, creating protectionist barriers for third countries that are outside the regional agreements and alliances.

In addition, regional associations create the institutional capacity to international economic organizations, which cover countries in spite of their territorial location. This is the WTO, IMF, World Bank, the economic structure of the United Nations. This is seen as contradictory processes of globalization and regionalization. At the same time strengthening the position of regional groupings, the expansion of the number of members increases their economic and political influence, which means combining the factors of the global market. Consolidation allows you to simply balance of interests on a global scale. Sure, it contributes to the development and deepening of globalization processes.

Tendency to create regional economic units and groups of industrialized and developing countries can clearly be seen in the world economy and trade in the last quarter of the twentieth century. Western European integration deepened in the framework of the EU, was established North American Free Trade Agreement (NAFTA), have intensified processes of formation of regional blocs of Latin American countries - Among them "MERCASUR" Andean Group. Asian countries are not left out of these trends. The most influential regional grouping represented by the Association of South-East Asia (ASEAN), the Asia-Pacific Economic Cooperation (APEC). Formed the Shanghai Cooperation Organization (SCO). Hatched plans for unification in the common market of the PRC, Taiwan, South Korea.

The main regional blocks

Of nine major international and regional trading blocs presented below.

- The European Union (EU) - Austria, Germany, UK, Italy, Ireland, France, Spain, Portugal, Finland, Sweden, Denmark, Belgium, Luxembourg, the Netherlands, Greece.
- North American Free Trade Agreement (NAFTA) - the United States, Canada, Mexico.

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<sup>4</sup> Экономический журнал. 2001. № 7. С. 62.

- European Free Trade Association (EFTA) - Iceland, Norway, Switzerland, Liechtenstein.
- Asia-Pacific Economic Cooperation (APEC) - Australia, Brunei, Malaysia, Singapore, Thailand, New Zealand, Papua - New Guinea, Indonesia, the Philippines, Taiwan, Hong Kong, Japan, South Korea, China, Canada, USA, Mexico, Chile, Vietnam.
- Southern Common Market (MERCOSUR) - Brazil, Argentina, Paraguay, Uruguay.
- Southern African Development Committee (SADC) - Angola, Botswana, Lesotho, Malawi, Mozambique, Mauritius, Namibia, South Africa, Swaziland, Tanzania and Zimbabwe.
- West African Economic and Monetary Union (UEMOA) - Cote d'Ivoire, Burkina Faso, Nigeria, Togo, Senegal, Benin, Mali.
- South Asian Association for Regional Cooperation - India, Pakistan, Sri Lanka, Bangladesh, Maldives, Bhutan, Nepal.<sup>5</sup>
- Andean Pact - Venezuela, Colombia, Ecuador, Peru, Bolivia

Europe is the most significant example of process of regionalization of national economies that the European Union is the most advanced in the implementation of a regional integration arrangement. The success gained here gave reasons imitation and copying of this phenomenon in other parts of the world.<sup>6</sup>

The Republic of Moldova is a young European country, which gained independence a little more than 10 years ago. The country has both positive and negative characteristics. The positive qualities include a small open economy, the rich land, the multinational composition of the population, the development of infrastructure. The negative features include a high level of immigration, energy dependence on foreign supplies, unstable political situation. Moldova trying to develop a large number of manufacturing products for export, despite the fact that it is a small country with a limited domestic market. The purpose of exports reach new markets and acquire new potential customers domestic product.

The successful development of trade and investment in Moldova depends on the creation of an efficient economy, which will be based on appropriate policies and legislation. International experience and economic theory shows that the functioning of a market economy is impossible without an efficient economic policies and application of necessary legislation. Currently, most of the former CIS countries, including Moldova, use the model of the European Union to stabilize the economic situation in the country.

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<sup>5</sup> <http://studall.org/all-22930.html>

<sup>6</sup>

Moldova, regional cooperation, maintain dialogue with participating countries and the secretariats of organizations and regional initiatives, certainly participate in meetings of high-level or ministerial committee meetings of national coordinators and senior officials meetings of working groups and experts in the Central European Initiative (CEI), the Black Sea Economic Cooperation (BSEC) Organization for Democracy and Economic Development (GUAM), South-East European Cooperation Process (SEECP) and the Regional Cooperation Council (RCC).

In order to accelerate reforms and trade facilitation, during the last two decades, Moldova joined the World Trade Organization and signed a series of agreements of bilateral and regional preferential trade:

- Agreement on creation of free trade zone within the CIS which entered into force in late 2012, is ratified by six countries - the Russian Federation, Belarus, Ukraine, Armenia, Kazakhstan and Moldova, two countries - Kyrgyzstan, Tajikistan, just signing it. This agreement was preceded by a series of bilateral agreements have been concluded between Member States since the early 90s;

- Agreement on Free Trade Area of the GUAM member states (Georgia, Ukraine, Azerbaijan and Moldova);

- The free trade agreement with Central European countries (CEFTA 2006), non-adherent to the EU - Albania, Bosnia and Herzegovina, Macedonia, Montenegro, Croatia, Serbia, UNMIK Kosovo. In July 2013, Croatia became the 28th member of the EU;

- Asymmetric FTA with the EU - Autonomous Trade Preferences (ATPs).

International trade is a central element in a complex system of global economic relations, mediating almost all kinds of international division of labor and linking all the countries of the world into a single world economic system. Modern international trade-trade among countries, suggesting importation (import) and export (export) goods. It involves a variety of legal entities-corporations, their associations, state, individuals. It is a means by which countries can develop specialization, to improve the productivity of their resources and thus increase the total production.<sup>7</sup>

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<sup>7</sup> <http://dcfta.md/rus/torgovye-otnosheniya-mezhdu-respublikoj-moldova-i-es>

**Table 1: RM Export regions for 2006-2014 (thousands of dollars)**

	2006	2010	2014	Total for years
<b>Central Europe</b>				
<b>CEI</b>	610 040,2	745 459,7	1 204 771,0	2 997 808,0
<b>The Wider Black Sea Region</b>				
<b>BSEC</b>	521 050,0	872 645,3	1 171 293,2	3 574 503,3
<b>GUAM</b>	137 193,6	99 067,1	115 143,1	469 098,3
<b>South Eastern Europe</b>				
<b>SEECP</b>	208 532,4	358 081,3	608 936,6	1 328 470,8
<b>RCC</b>	501 376,8	712 209,3	1 235 419,0	2 915 326,0

Source: Prepared by the author based [www.stastica.md](http://www.stastica.md)

If we analyze the situation of exports in recent years, we can observe the growth of exported goods. Each region is important and most of the exports go to BSEC it is represent 31,7% of total exports , on the second place is Central Europe, CEI with 25,6% and the third place with little difference above CEI is RCC which represent 25,8%.

**Table 2: RM Import regions for 2006-2014 (thousands of dollars)**

	2006	2010	2014	Total for years
<b>Central Europe</b>				
<b>CEI</b>	1 468 969,0	1 906 059,0	2 646 047,0	7 124 518,9
<b>The Wider Black Sea Region</b>				
<b>BSEC</b>	1 447 366,1	1 859 118,4	2 516 288,3	7 070 490,1
<b>GUAM</b>	518 641,8	528 724,6	546 484,5	2 012 809,9
<b>South Eastern Europe</b>				
<b>SEECP</b>	530 240,3	759 451,2	1 276 226,0	2 923 882,6
<b>RCC</b>	1 249 201	1 771 822,0	2 684 391,0	6 653 959,0

Source: Prepared by the author based [www.stastica.md](http://www.stastica.md)

If we analyze the situation of imports in recent years, we can observe the growth of imported goods. It is not good position for our country. Most off goods was imported from BSEC it is represent 27,4% of total imports, after making analyze of statistic date Central Europe slightly more than The Wider Black Sea Region , CEI represents 27,6% and the third place is RCC which represent 25,8%.

So we came to the conclusion that every year that passes Moldova participates actively in regional initiatives and processes to obtain the title of a reliable partner in achieving regional goals. The foreign policy of the country is aimed at improving economic development and strengthening the security of the beginning of the formation of some of the necessary conditions for European integration of Moldova.

Regional cooperation is a dimension that serves to complete the agenda of the European integration of the Republic of Moldova and is a union of relations and interactions in the framework of regional initiatives and organizations.

Countries participating in the processes of regionalization have found that the more often present collaborative relationship between the parties, the actions become better and more perfect. The national economies of the member states differ among themselves, this does not prevent the signing of trade agreements, for the development of new industries and the improvement of existing ones, as a result of permission to an outlet with a higher degree of development.

Regional cooperation has an important place in the foreign policy of the Republic of Moldova. Moldova's participation in the process of cooperation in South-Eastern Europe influenced the process of European integration.

Moldova since 2001 achieved a significant increase in regional cooperation after entry into the Stability Pact for South-Eastern Europe. interests of the state is aimed at the intensive development of the country in the regional processes, from one year to another the Republic of Moldova has become a reliable partner.

The study and analysis of the concept of regionalization will help identify weaknesses in current actions and processes of our modern state. To find a solution to the problem is very important to identify the main idea of the growth of the country.

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