

REGIONAL ECONOMIC COOPERATION AND INTEGRATION

E.N.Kahaeva
Scientific tutor L.V. Bedritskaya
BSEU (Minsk)

Our world is changing. No longer are we constrained by borders or distance. When we speak about the developing of strong economic relationships that hold both trade and production, and so lead to linking of national economies and creation of a single economic complex on a regional scale, we speak about regional economic integration. This process has developed historically in such a way that the influence of political and economic factors at different stages was different.

Practice and research findings (Vainer J.) show that when market expands due to regional integration, members of integration can save a lot because of scale effect. Moreover, they receive additional benefits in production efficiency from increased competition if they produce the same range of products. Therefore, relatively inefficient enterprises are reduced and more competitive ones are expanding.

Developing integration on some stages, such as customs union, can lead to another effect, the opposite one, when there are producers, who can supply the same, but cheaper goods. If the negative effect (trade rejection) would prevail upon the positive one (organizing trade) by its cost amount, the welfare could get worse.

Definite forms of cooperation are determined by the levels of economic development of the countries. Furthermore, forms, character and motivation of integration are affected by features of these countries.

There are two types of economic regional integration: transnational one and an integration of micro level carried out by private foreign straight investment.

Transnational integration shows itself through different forms, they are:

- Free-trade area, that eliminates obstacles in mutual trade
- Customs union, that except from the above is expected to take actions about customs and taxes protection of inner market from the third countries
- Common market is the next level of customs union, that provide a freedom to transport goods, services and capitals for its the members
- Unified market with unification of legal, economic and technical conditions of trade, movement of capital and workforce
- Economic union appears, when there is a unification of the functioning of all spheres of economic activities, coordination of economic policies of its members and the creation of a single legislation.

There are still some issues arise in the field of finding acceptable extends of economic and political independence limitation. This situation reflects how anxious the owners of capital feel about their position on the internal market.

Integration is quite familiar to Western Europe (European Union) and North America (NAFTA). EU has achieved a lot on the way to economic integration, which embraces the macroeconomic sphere. In North America the situation is different: the integration is developing in the direction that meets the interests of the stronger side — the TNCs, which capital occupies a leading position in a number of sectors of the neighboring countries.

When speaking about integration, the associations of producers and exporters can't be missed, as well as free economic zones. The associations of producing countries were created by developing countries, because raw materials play an important role in their economies, reaching 80% of the exports and being the main source of their foreign exchange earnings. They were created to resist the power of TNCs, which uphold a policy of low prices for raw materials. The free economic zones are mainly established in regions close to the border and offer liberal labor legislature, free foreign trade, low taxes (especially corporate taxes) or total tax exemption, some kind of political autonomy.

To sum up, global economic relationships, that reveal themselves in the international interweaving of business capital, division of labor and integration, lead to increased interaction between the economies of different countries.

THE CLASH OF CIVILIZATIONS: THE PLACE OF BELARUSIAN ECONOMY

A.O. Krestinina
P.I. Kuznetsova
Scientific tutor L.N. Kleiner
BSEU (Minsk)

In the modern world, when vital decisions are taken every day in every corner of the world and important events occur every moment, knowledge of the basic theories of international relations can help in a comprehensive understanding of certain situations. One of the most famous theories today is the theory of the "Clash of Civilizations" by Samuel Huntington, which since its inception up to the present time provokes a sharp and increasingly active polemic among specialists. What is most interesting, this theory brings to the discussion board such moments as the interconnection between the geopolitical situation and economic conflicts, economic