



**Рис 2. Структура глобального індексу конкурентоспроможності країн ЄС у 2016-2017 рр., %**

Європейська політика приділяє велику увагу конкурентоспроможності. Політика ЄС побудована у вигляді викликів, що інтеграційному угрупованню необхідно подалати. Станом на 2016 рік до викликів було віднесено: відтворення багатства (ВВП, торгівля, зайнятість), створення інновацій і їх освоєння, якість трудового капіталу (кваліфікація, знання), підвищення ефективності інфраструктури (транспорт, енергія, телекомунікації, вода і відходи), продуктивність фінансового сектору (допомога розпочати і подальша підтримка бізнесу, особливо малого та середнього), підтримка ефективності інститутів та ринку.

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## THE PARADIGM OF REGIONAL DEVELOPMENT

The backgrounds of regionalism appeared in the XVIII century and were focused on regional priorities, as opposed to the tendencies of political unity, unification and centralization that were inherent in capitalism and “lived” in the ideas of people who occupied the particular territory which was a place of their residence and that ideas concerned identity, certain traditions, cultural heritage, etc [1].

In XX century the advanced globalization managed to spread the political, economic, social and cultural movement against the unification of social life in various aspects as well as in the form of a project, which is created by one or more countries focused on the reorganization of certain region within the paradigm of economic and political dependence [2]. This notion is also related to the definition of regionalism given by UNCTAD which defines it as a demonstration of political integration that provides formal mechanisms for economic cooperation [3].

In terms of determining an initiator of regionalism one can single out two stages (waves) in the evolution of this process [4, 5]. The first wave of regionalism was initiated by the center and for the periphery and directed from the center to the periphery (downwards) in order to find a *regional solution*. This line of the regionalism development is caused by the need for national and cultural autonomy and the search for more effective model of regional development which will provide that the center grants more rights to assign some powers to regional communities for more active regional policy. The second wave of regionalism (1980-ies) has witnessed the uprising of the upward regionalism initiative i.e. on the contrary, local initiative, like regional elites movement aimed at strengthening the role of regions, has been reinforced. This means that if at the first stage of international economic integration the leading role in forming the integration associations is played by the state, the second stage of regionalism differs by much greater role played by capital and international companies.

Rapid development of regionalization processes in the second half of the twentieth century contributed to the development of new regional theories that touched upon various aspects of regional development and were a scientific and methodological framework for further research in the field of regional economy, regionalization, regionalism, regional studies etc. The paradigm of global development incited further survey and research works on the topic of interaction between different levels of globalization, regionalization (localization), design of conceptions of urban and regional growth, regional planning, regional competition.

In order to establish the right balance between functionality and territory, B. Hettne suggests making concerted efforts from a group of countries within a geographical region to increase the efficiency of the total regional economy and to improve its position in the world economy. The expansion of the sphere of influence of regionalism that goes beyond just trading relations (as it was typical of the *old regionalism*) will enhance the development of all countries both Southern and Northern, which are equally influenced by the deepening of globalization (*new regionalism*). It is achieved through the following advantages [6]:

- sufficient achievements, which are based on the cooperation between states in order to address common challenges which allows to extend the range of activity;
- ensuring a viable economy based on a model of sustainable development;
- focus on achieving sustainability as the ability to resist the exogenous shocks;
- protection of structural positions and market access, effective combination of influence on raw material prices;
- ensuring social stability through the inclusion of social security issues in regional projects implemented through the joint efforts;
- more efficient resource management, also through the development of environmental cooperation.

New regionalism differs in the following aspects: 1) it is developing within a multipolar system and represents a process that occurs spontaneously or within a certain region (the development of integration processes dominated by the private sector initiative, i.e. corporate integration), includes non-economic aspects, thus leads to strengthening regional identity, a so-called extended nationalism which is less inward-oriented than the world economy is highly interdependent (an open regionalism), and contributes to the greater cooperation than cooperation between countries.

The concept of *new regionalism* has become a scientific ground for European integration processes development and the creation of Europe of regions (M. Kiting, B. Hettne etc.) [7]. Its core is a mechanism of balanced use of the internal potential of regions which ensures their competitiveness. The process of strengthening intrastate and innerstate regions is a complementary

one which does not contradict supranational aspects of globalization and European integration [8]. In order to establish the right balance between functionality and territory B. Hettne suggests making concerted efforts from a group of countries within a geographical region to increase the region to increase the efficiency of the total regional economy and to improve its complementarity etc [9].

Comparison of the features of old and new regionalism given in Table 1 shows that new regionalism consists of totally new components which in their turn represent a deeper form of integration, since its development provides the liberalization of financial and foreign direct investment flows through the conclusion of certain investment agreements with the integrated countries; liberalization of the employee turnover under the terms of regional trade agreements; harmonization of trade and economic policy (both internal and external); harmonization of macroeconomic policy (fiscal/ monetary/exchange policy etc.); the formation of corresponding institutions that ensure the development of integration cooperation; infrastructure development (i.e. communications and transport infrastructure); harmonization of legislation (trade, antitrust, financial, labor, etc.).

Table 1

**Comparison of the main features of the old paradigm and new paradigm of regional economic integration**

Classificatory feature	Classic paradigm (old regionalism)	New paradigm (new regionalism)
<i>Conceptual framework of each paradigm</i>		
<i>Historical period of development</i>	XIX century- 1980-ies	1990-ties.- early XXI cent.
<i>Exponents</i>	J.Thünen, A.Weber, A.Lösch, W.Izard	M.Kiting, D.Rodrick, M.Storper, B.Hettne
<i>Object of research</i>	Regional integration of countries with symmetrical level of development which also are located in the same region	Regional integration of countries with asymmetrical level of development which are not necessarily located in the same region
<i>Methodological framework</i>	Neoliberalism	Institutionalism and economic synergy
<i>Regional integration mechanism</i>		
<i>Levels and ways of implementation</i>	Two-level process initiated by the “top”	Multi-level process initiated by the “bottom”
<i>Type of integrative development</i>	Formal integration (i.e. state institutions initiative)	Corporate integration (private sector initiative)
<i>Definition of security system</i>	Including sovereign states	Including sovereign states as well as regional and non-governmental actors
<i>Subjects of regional integration and nature of their interaction</i>	Envisages the participation of states with developing integrative interaction between them (formalized nature)	Envisages both: participation of states and non-governmental and supranational actors (relations less formal)
<i>Institutional forms of integrative interaction</i>	Customs union, co-market	Preferential trade zone, Free trade zone
<i>Countries engaged in regional integration</i>	Active participation of developed countries and passive participation of developing countries	Active participation of countries regardless the social and economic development level
<i>Geopolitical conditions</i>	Bipolarity	Multipolarity
<i>Regional integration strategy and regional policy strategy</i>		
<i>The nature of regional integration strategy</i>	Introversive nature of economic development (a concept of endogenous development)	Extroversive nature of economic development (open regionalism)
<i>Object of regional policy</i>	Narrower range of issues which concern the regional development (predominance of political issues)	Complex approach to the multivariate solution of the regional development problems
<i>Mechanism for the implementation of the regional policy</i>	Centralized with a distinct top-down hierarchy	Decentralized with developing autonomy and broadening powers at the local level
<i>Orientation of the regional policy</i>	The protection of the identity and immunity protection of an economic structure of the region	The identity potential development together with economic development factors

Unlike the old regionalism, the new one is a multidimensional process of regional integration which embraces economic, political, social and cultural aspects and are aimed at establishing control over a territory and identity connection (regional civil society), which is related to deeper integration [10,11].

Thus, these types of regions are the heart of the new regionalism which provides that nation-states are no longer the one-and-only actors that predetermine the conditions of integrative cooperation. And while the old regionalism was aimed at completing well-defined functional tasks in the field of economy or security, the "new" regionalism was more multidimensional. And therefore, it is the new regionalism that is designed to address the issues of maximized exploit of advantages of the global market through the establishment of new organizational forms of regional integration. The new regionalism helps transforming the global system, as it contributes to the deeper integration which allows different national policies not only to adjust and to harmonize, but also to decrease the number of forms of government intervention.

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