

## РЕГІОНАЛЬНА ЕКОНОМІКА

UDC 330.342:339.(924+926)

УДК 330.342:339.(924+926)

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### ALGORITHM OF ACTIVATION OF CONVERGENCE AND INTEGRATION PROCESSES IN ECONOMIC DEVELOPMENT OF RURAL BORDERING TERRITORIES

### АЛГОРИТМ АКТИВІЗАЦІЙНИХ ПРОЦЕСІВ КОНВЕРГЕНЦІЇ ТА ІНТЕГРАЦІЇ РОЗВИТКУ ПРИКОРДОННИХ ТЕРИТОРІЙ СІЛЬСЬКОЇ МІСЦЕВОСТІ

**Urgency of the research.** In modern conditions of the national economy transformation it is necessary to strengthen the convergence and integration processes of territorial systems development, particularly – rural bordering territories.

**Target setting.** The research interest is concentrated on the problems of activation of convergence and integration processes with the purpose of ensuring the effectiveness of perspective territorial development.

**Actual scientific researches and issues analysis.** Scientists underline the importance of activation convergence and integration processes at different levels of territorial development: V. Heyets, A. Sakharov, I. Vakhovych, A. Galchynsky, V. Yevdokymenko, N. Mikula, I. Caceres, G. Petrakos, I. Topaloglou, Ph. Cooke, M. Heidenreich, J. A. Stein, etc.

**Uninvestigated parts of general matters defining.** Considering essential research results gained by foreign and Ukrainian scientists, the problems of activation of convergence and integration processes of bordering territories need to be studied.

**The research objective.** The article aims to study the factors of influence on activation of convergence and integration processes at rural bordering territories.

**The statement of basic materials.** The article grounds the necessity of activation of convergence and integration processes to ensure the rapprochement and equalization development levels of territorial economic systems. The authors developed the algorithm of activation of convergence and integration processes, which is based on current preconditions, the territory's suitability and readiness, goals and priorities of the processes.

**Conclusions.** The research results ground the importance of strengthening of convergence and integration activation processes of territorial economic systems with the purpose to align the levels of social and economic development, and to compliance with the ecological postulates of balanced development and further integration into European structures. Consideration of current preconditions of convergence and integrative development of certain territories ensures the formation of viable living environment for local residents with further growth of their living standards and well-being level.

**Keywords:** convergence and integration processes; territorial economic system; rural bordering territories; inter-regional integration.

**DOI:** 10.25140/2410-9576-2017-1-4(12)-177-181

**Актуальність теми дослідження.** В сучасних умовах трансформації економіки виникає необхідність посилення конвергенційно-інтеграційних процесів розвитку територіальних систем, в тому числі й прикордонних територій сільської місцевості.

**Постановка проблеми.** Доцільним є вивчення алгоритму активізації досліджуваних процесів з метою забезпечення результативності перспективного територіального розвитку.

**Аналіз останніх досліджень і публікацій.** Вчені підкреслюють важливість активізації процесів конвергенції та інтеграції на різних рівнях територіального розвитку: В. Гейєць, А. Сахаров, І. Вахович, А. Гальчинський, В. Євдокименко, Н. Мікула, І. Касерес, Г. Петракос, Ф. Кук, М. Хайденрайх, Я. А. Стейн та ін.

**Виділення недосліджених частин загальної проблеми.** Зважаючи на значний науковий доробок подальших досліджень потребують питання забезпечення активізаційних процесів розвитку сільських територій.

Метою статті є дослідження чинників впливу на забезпечення активізаційних процесів конвергенції й інтеграції в межах прикордонних територій сільської місцевості.

**Виклад основного матеріалу.** Обґрунтовується необхідність активізації процесів конвергенції та інтеграції для забезпечення зближення та вирівнювання рівнів розвитку територіальних економічних систем. Побудовано алгоритм активізації конвергенційно-інтеграційних процесів на основі врахування існуючих передумов, виявлення придатності та готовності територій.

**Висновки.** Дослідження підтверджує необхідність посилення активізаційних процесів конвергенції й інтеграції територіальних економічних систем з метою вирівнювання соціально-економічного й дотримання екологічних постулатів їх збалансованого розвитку та подальшої інтеграції у європейські структури. Врахування існуючих передумов забезпечення конвергенційно-інтеграційного розвитку окремих територій сприятиме формуванню життєздатного середовища проживання місцевих жителів з подальшим підвищенням їх добробуту і благополуччя.

**Ключові слова:** конвергенція; інтеграційні процеси; прикордонні території; сільська місцевість; міжрегіональна інтеграція.

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**Urgency of the research.** In modern conditions of the national economy transformation it is necessary to strengthen the convergence and integration processes of territorial systems development, particularly – rural bordering territories. The mentioned processes are accompanied by strong influence of both internal and external factors.

**Target setting.** The research interest is concentrated on the problems of activation of convergence and integration processes with the purpose of ensuring the effectiveness of perspective territorial development.

**Actual scientific researches and issues analysis.** In the transformational conditions it is reasonable to develop the activation processes in the sphere of economic development through the external and internal factors influence, including (Heyets 2003, p. 53): increasing the stability of economic system in front of exogenous factors, reducing its sensitiveness to external risks and their influence on the effective functioning of the economy by means of adequate adaptation of national manufacturers of knowledge-intensive and high-technology goods to the global market conditions; activation of internal investment resources, full-scale use of research potential; improvement of the state management system, development and implementation of economic development strategy composed of balanced system of complementing measures in different sectors of economic activity; undertaking independent economic policy.

According to A. Sakharov (1988, p.124-134) the convergence approaches cause the rapprochement of different economic systems, leveling their differences, and help to solve social and economic and ecological problems of human life subsistence in studied systems. I. Vakhovych (2014, p. 13) mentions: it is crucial to find the compromise between territorial economic systems under their convergence. A. Galchynsky (2014, p. 8) underlines the mutual interest and competitiveness of convergence and integration processes of territorial economic systems development; he argues that competition is oriented on success, while convergence – on mutual rapprochement; therefore these processes in combination are directed at gaining the efficiency that will support their activation.

Scientists underline the importance of activation convergence and integration processes at different levels of territorial development. In particular, V. Yevdokymenko (2011, p. 19) considers mutually beneficial relations of interregional economic integration through the prism of development of different productive and resource relations of the regional economy subjects; so he identifies integration both at the level of authorities and at the level of enterprises. N. Mikula (Mikula, 2009) studies convergence and integration processes at bordering territories, and underlines the necessity of their support both within the state borders and at the bordering territories of neighboring states, forming the cross-border region.

O. Rohachov (Rohachov, 2003) insists that provision of convergent processes means shortening the gap of economic development indicators of national states. The research confirms that foreign scientists L. Sawers (Sawers, 2006) [8], I. Caceres (Caceres, 2014) [9] studied the processes of interregional leveling of socio-economic development; G. Petrakos and I. Topaloglou (Petrakos, Topaloglou, 2008) [10] outlined the priorities of the development and long-term growth of the border territories; Cooke Ph., Heidenreich M., Braczyk H.-J., Asheim B. T., Isaksen A., Stein J. A. [11; 12; 13] grounded the role of innovative component in ensuring balanced regional development.

**Uninvestigated parts of general matters defining.** Despite essential research results gained by foreign and Ukrainian scientists, the problems of activation of convergence and integration processes of bordering territories need to be studied.

**The research objective.** The article aims to study the influence factors on activation of convergence and integration processes at rural bordering territories.

**The statement of basic materials.** The activation of convergence and integration processes of regional economic systems in Ukraine became urgent after opening up of the European market and signing the EU-Ukraine Association Agreement. The development of activation processes of convergence /integration is especially important for border territories of Ukraine, particularly: Zakarpattia, Ivano-Frankivsk, Lviv and Chernivtsi – regions bordering with five EU countries (Hungary, Poland, Slovakia, Romania, Moldova). The geographic location of the mentioned areas causes the necessity of strengthening of convergence and integration processes in territorial systems.

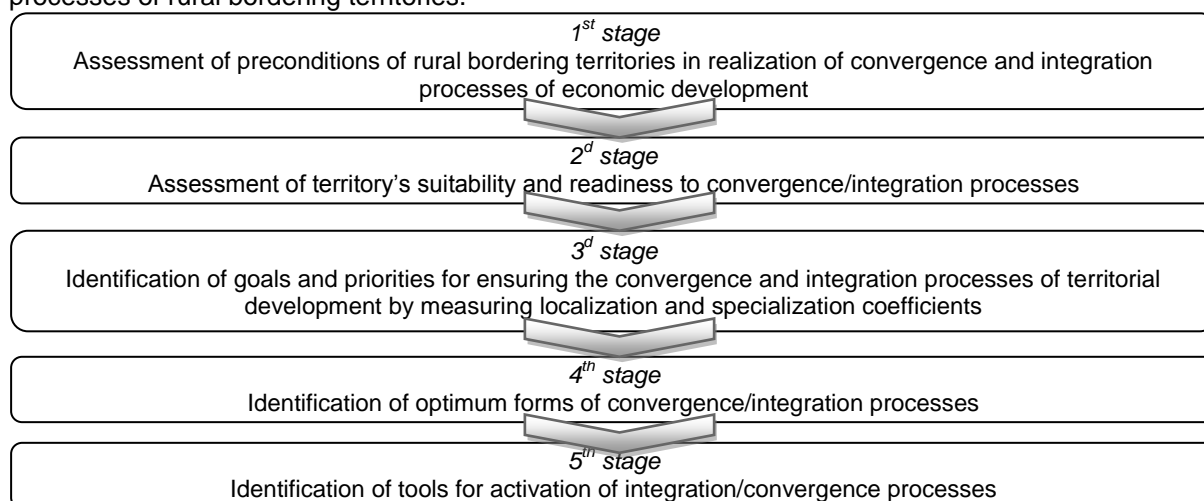
Identification of activating approaches to ensuring the convergence and integration development processes of rural bordering territories, first of all, needs the implementation of the following measures

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(Hazuda, 2015): assessment and analysis of the current levels of development, specialization, management system of neighboring countries; identification the divergence levels in economic, social, ecological, political aspects of bordering territories development. The mentioned aspects will enable the use of corrective measures in the process of ensuring of balanced development of rural bordering territories and will strengthen their integrative focus. In this context it is important to evaluate the influence of negative factors of territorial economic systems integration with the aim to undertake timely preventive measures in future.

Ensuring the activation of convergence and integration of rural bordering territories causes the formation of effective management system that will further the identification and solving of urgent problems in territorial development at different levels in various branches and types of territory's economic activities. Moreover, formation of effective management environment will enable the development of the preventive measures system aiming to avoid problematic situations both in economic, social and ecological spheres.

The strengthening of activation processes of convergence/integration of rural bordering territories is caused by specific factors that could be studied in accordance with the algorithm (Fig. 1). The algorithm consists of five stages directed at ensuring the convergence and integrative development processes of rural bordering territories.



**Fig. 1. Algorithm for activation of convergence and integration processes of rural bordering territories development**

The process efficiency depends on the availability of information about current preconditions, suitability and readiness of certain territory (particularly – rural border territories) to the convergence and integration vector in territorial development. During the evaluation process it is reasonable to substantiate the integration potential and scale of mentioned preconditions with the purpose of identification the available resources that could be used in exchange of goods, capital, investments, labor force within the frames of territorial economic systems. The interregional social and economic systems can become the leading form of spatial reforming of social and economic system of Ukraine; in this context interregional social and economic systems are considered as the bases of development of macro-regions, economic regions and interregional clusters (Kuybida, 2009). Consideration of mentioned preconditions will help to define the goals and priorities for ensuring the convergence and integration processes of territorial development by measuring localization and specialization coefficients. The general aims of the researched processes are: 1) to ensure the integration of rural bordering territories into the united economic area of the country, and 2) to form the environment for their convergent development.

The priorities of activation of convergence and integration development processes of rural bordering territories (Hazuda, 2015): expanding and growth of rural territories' competitive advantages; strengthening of specialization of territories' economies; development of human capital of

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the territories; growth of living standards and well-being level of rural inhabitants. The effective specialization of territories' economies means the realization of following goals: modernization of economic processes in expanded space of interregional relations; decreasing the asymmetries of regional social and economic development by the transferring development impulses through integration interactions; activation of mutually beneficial activity based of the labor division principles; improvement of inter-territorial infrastructure; openness of the territories' economies. The realization of mentioned goals will cause the increasing of efficiency of territorial economic systems functioning; optimizing the spatial organization of national economy; identification the directions of national economy integration into the international economic space.

The necessity of activation of convergence/integration processes causes the search of optimum forms of productive cooperation between territorial economic systems. It is crucial to identify the tools for activation of researched processes, the important element of which is formation of the complex program of interregional integration. The program should be based on combination of interests of both state and local authorities, and also territorial communities. The efficiency of the mentioned cooperation depends on commitment and expertise of management structures in issues of convergence and integration processes of rural bordering territories' development.

On the bases of research results presented in the article we identified the following factors of activation of convergence and integration processes in development of rural bordering territories' economies:

1. Formation of corporative management model, which ensures cooperation and integration of all elements of territorial system as a crucial condition for implementation of convergence and integration processes of rural bordering territories' development. The combining of efforts of different subjects of economic processes within one or several territorial systems can provide the effective use of resources and current market opportunities for integrative and convergence development.

2. Comprehensive recovery of the system of management of certain territories that is aimed at modernization of management principles; transformation of organizational structure of managing the integration and convergence processes; improvement of tools used for regulating these processes. The process of managing the territorial systems has to be fully adapted to the market mechanism; has to contain a set of modern market tools for regulating convergence and integration processes of rural bordering territories.

3. Use of associative organizational forms of rural bordering territories management. Integration processes in management sector, aimed at reaching more effective use of all kinds of resources, cause the development of different forms of horizontal organizational associations (Tulenkov, 2006). Thus, we can state the formation of new modifications in integrative associations of territorial systems, such as corporation, syndicate, holding, cartel, consortia, trust, etc.

4. Introduction of international quality standards of management into the management system of integration and convergence processes of rural bordering territories with the purpose of their integration into the international economic area. The current economic reforms and transformational processes in Ukraine hinder territorial systems from effective integration into the international area. The reason of mentioned above problem is inefficiency of the management system, that requires consideration and implementation of the developed countries' best practices in principles, methods, tools and management functions into the functioning of territorial economic systems.

5. Introduction of partnership relations in the system "subject of state management – subject of territorial management – community" in the direction of stimulating subjects to the realization of convergence and integration processes in rural bordering territories. The implementation of motivation tools ensures the development of favorable business environment at the territory; the formation of economy's optimized structure, preconditions for further integration; the setting of general rules and norms, code of economic behavior of different territorial economic subjects on the bases of motivation principles for transition to convergence-integrative development model.

The research results ground the necessity of the state regulation of convergence and integration processes of rural bordering territories. However, the management aspects, in particular – functions, methods, tools of management, are to be differentiated depending on the level and depth of integration and convergence processes.



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**Conclusions.** The research results ground the importance of strengthening of convergence and integration activation processes of territorial economic systems with the purpose to align the levels of social and economic development, and to compliance with the ecological postulates of balanced development and further integration into European structures. Consideration of current preconditions of convergence and integrative development of certain territories ensures the formation of viable living environment for local residents with further growth of their living standards and well-being level. The implementation of activation approaches will impulse the acceleration of convergence and integration processes in priority spheres and types of economic activities of rural bordering territories.

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Received for publication 10.08.2017

## Бібліографічний опис для цитування :

Hazuda, M. V. Algorithm of activation of convergence and integration processes in economic development of rural bordering territories / M. V. Hazuda, L. M. Hazuda, V. I. Vartsaba // *Науковий вісник Полісся*. – 2017. № 4 (12). Ч. 1. – С. 177-181.