IJDPP

International Journal of Development and Public Policy

| e-ISSN: 2792-3991 | www.openaccessjournals.eu | Volume: 3 Issue: 12

International Economic Integration of Countries Under Globalization

Ibragimov Isfandandiyor Iskandarovich

1st year student of the Faculty of International Economics and Management

University of World Economy and Diplomacy Republic of Uzbekistan

Annotation: The article examines issues of economic integration that have arisen as a result of the strengthening of the international division of labor and the efforts of countries to ensure mutually beneficial terms of trade and its expansion. Negative and positive changes in the service sector caused by the globalization of the world economy and the integration of international trading enterprises are considered.

Keywords: globalization; global financial markets; global competition; integration; international trade.

The 20th century was marked by significant changes in international life. If the main content of the beginning of this era was the struggle and cooperation of states of the capitalist and socialist systems, then in the last decade the world has undergone significant changes, the main of which should be recognized as the collapse of the socialist system, which created a new socio-economic and legal situation in the world. Gradually, the period of struggle is moving to a new stage of cooperation, equal and mutually beneficial partnership of states, increasingly moving closer to each other on economic and legal grounds. Such a qualitatively new situation in the world requires certain changes in international law. International economic law plays a special role in the system of international law in modern interstate relations. It is the norms of this branch of international law that regulate relations between subjects in the field of international economic relations. A relatively new phenomenon that arose in the middle of the 20th century was the economic integration of states, contributing to the fragmentation of cooperation based on international law. The implementation of economic cooperation both within international organizations and integration associations is influenced by globalization, i.e. universalization of the scale of many aspects of the life of the world community, including the economic sphere. International economic integration as a specific phenomenon in the world economy was caused by the increasing international division of labor and the desire of states to mutually ensure favorable trade conditions and its expansion [1].

Globalization has brought and still brings both negative and positive changes in the environment of service sector enterprises. Globalization affects, first of all, the economic environment of such business entities. If we take into account the degree of globalization, then financial services markets should be considered the most globalized [2].

The deregulation of financial markets and the liberalization of capital movements created the basis for a completely new functioning of these markets.

Global financial markets determine modern processes of allocation of production factors. Nowadays, firms can transfer capital from one end of the world to another in search of the most profitable investments. The functioning of these markets is also characterized by a high degree of risk and uncertainty **caused** by spontaneous changes in the directions of capital flows [8].

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Currently, international economic integration is one of the most important and determining factors in the development of national economies and is characterized by such processes taking place in modern international relations as strengthening trade, industrial, technological, and financial ties, globalization and internationalization of the economy, the active formation of interstate associations with the transfer to them a number of powers of the participating states [5].

Among the factors contributing to the strengthening of integration processes, one should mention, firstly, a high degree of international specialization and division of labor; secondly, the geographical location of the states participating in the integration association, the presence of common borders and historically established economic ties between them; thirdly, socio-economic conditions that are quite similar in level and the similarity of national legislation regulating issues of economic relations [3].

Integration economic associations are characterized by the formation of unified mechanisms for regulating the economy, closer cooperation not only in the economic sphere, but also in the implementation of a coordinated interstate economic policy [6].

In the literature, international economic integration is understood, on the one hand, as a process of rapprochement and unification taking place in the sphere of interstate economic relations, and on the other hand, as the result of this process [4].

Focusing on the first point, Professor V.M. Shumilov defines economic integration as a process of interaction in the international economic system of public and private individuals with the aim of establishing an expanded economic space in which various factors of production can freely circulate: goods/services, finance, investments, work force.

Economists L.M. Maksimova and I.Ya. Noskova define integration as interstate regulation of economic interdependence, the formation of a regional economic complex taking into account the needs of the region as a whole, the creation of a single internal market, the growth of labor productivity and living standards in the countries of the association." [2]. It should be added that integration contributes to a significant reduction or elimination of legal barriers to economic cooperation. In this context, economic integration acts as a way of coordinating and interconnecting the economic interests of the states participating in the integration association, bringing national economies closer together, leading to the creation of an institutional system designed to manage the process of interstate rapprochement in the economic sphere, based on the norms of international and international economic law.

Economic integration is carried out at two levels: the first - through international economic organizations and the second - through regional integration associations.

As a result of integration processes, there is a gradual formation of an interstate economically and politically unified, integral space, institutionally structured, which becomes an independent entity entering into international economic relations. This allows the countries participating in the integration association to increase the efficiency of national economies, optimize the use of national resources, and accelerate the pace of economic development.

Thus, international economic integration is a fairly high, effective and promising stage of development of the world economy, a qualitatively new and more complex stage in the internationalization of economic relations, accompanied by the formation of special systems of political, economic and legal unification based on agreed international legal norms and rules. At this stage of integration, not only the rapprochement of national economies occurs, but also legal

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| e-ISSN: 2792-3991 | www.openaccessjournals.eu | Volume: 3 Issue: 12

support for the joint solution of economic problems. In this case, economic integration, in particular, is expressed as:

cooperation between national economies of different countries and their full or partial identification;

eliminating barriers to the movement of goods, services, capital, and labor between these countries;

bringing together the markets of each individual country with the aim of forming one single (common) market;

erasing differences between economic entities belonging to different states;

eliminating any form of discrimination on the part of other foreign partners.

International economic integration developed on the basis of economic cooperation between states, which initially affected only the sphere of circulation of goods and was carried out only in the form of international trade. International economic cooperation is a higher level of cooperation, which led to the development of sustainable economic ties between countries and peoples, and the expansion of the reproduction process beyond national borders [8,9].

It is well known that every area of public relations in the social sphere, economics, finance, etc. regulated by law. This applies to both the sphere of intrastate and interstate relations. The opinion of economist, professor P.V. Sergeev that "The world economy as a system cannot successfully evolve without a certain order based on the rules of law governing relations in the economic sphere between states and economic associations, legal entities and individuals" seems logical.. It should be added that the effectiveness of this order is ensured both by the states themselves and by international organizations and integration associations [10].

International economic integration as a new stage of international economic cooperation is characterized by the following features:

interpenetration and interweaving of national production processes, accompanied by structural changes in the economies of the member states of the integration association;

the formation of a single market in goods, investment and other areas, the creation of unified mechanisms in the financial sector and the formation of a common economic space;

the creation of interstate institutional structures and the transfer to them of part of the competence of the participating states, the formation of specific mechanisms for regulating economic relations;

unification of national legislation (primarily in the economic sphere) and the formation of an appropriate common legal space;

coordinating domestic economic and social policies and pursuing a unified approach to relations with countries that are not members of the integration association;

establishment of trade, economic, technical, administrative and other restrictions in relation to third countries [14].

It should be noted that the level of these features in different integration associations existing in the world is different. Differences in the forms of economic cooperation between states and their economic integration are reflected in the content of international treaties that mediate such cooperation. Agreements on international economic cooperation perform the function of regulating not only interstate relations, but also the foreign economic activities of member states of integration

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associations. Economic integration agreements regulate international economic relations through the establishment of a special institutional mechanism - an economic integration association, while the economic integration agreement usually acts as the constituent act of the relevant association. It should be noted that international economic organizations, like other international organizations, operate on the basis of their charters. And this reveals the main difference between two types of agreements - those formalizing international economic cooperation and those creating an integration association [17].

Economic integration is carried out in two directions: firstly, in the direction of globalization, extending to an unlimited number of states, and secondly, in the direction of regionalization, covering a separate group of countries located, as a rule, in the same geographical region.

In contrast to integration, globalization is the process of forming an all- encompassing system of relationships between participants in the world economy. It reflects the intensification of the international division of labor and the development of cooperation, leading to increased interconnections and interdependence of national economies. Globalization manifests itself in a variety of aspects of international economic relations: world and foreign trade, international movement of production factors, etc. [13].

The roots of globalization processes go far into history, but still, according to learned lawyers and economists writing on this topical topic, globalization is a phenomenon of the 20th century. It was the end of the century, in their opinion, that revealed the discrepancy between the global scale of the problems faced by humanity and the limited, as a rule, national-state means and methods for solving them. However, national-state forms of human existence are gradually losing their self-sufficiency, which draws states into global processes in various spheres of public life. Some authors, for example, V.B. Kuvaldin, connect globalization with the process of forming a global human community, others interpret globalization as the development of economic and political interdependence of countries and regions to a level at which it becomes possible and necessary to raise the question of creating a single world legal fields and world bodies of economic and political governance. Western experts have their own approach to the problem under consideration. For example, J. Stiglitz believes that global processes cause contradictory consequences, because they simultaneously work to connect and break within and between countries. As the author correctly notes, in our opinion, instead of creating a large unified economic or political system, they rather split, separate and polarize entire continents. One cannot but agree with this opinion, also because there are problems with the controllability of such a social process as globalization. Against this background, opinions emerge from both economists and legal scholars that to manage such processes, some kind of supranational mechanism, a world government, etc. is necessary.

Globalization is a multi-layered process, therefore, if we decompose it into components, such as population, food shortages, environmental degradation, epidemics, backwardness, poverty, drug addiction, terrorism, shadow economy, etc., then undoubtedly unified legal mechanisms are needed to solve them regulation, i.e. We need a system capable of managing globalization processes in these areas. There is a well-known system of institutions created under the influence of globalization processes aimed at their controllability - at the universal level - this is the UN, the Bretton Woods institutions, which are engaged in solving global financial problems, the G8, and a more recent formation - the G20. states whose leaders have united to coordinate the management of critical global processes. However, these new structures do not have sufficient legal personality to make decisions binding on their participants [15].

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According to the German scientist K. Segbers, "the interaction, mutual penetration, interdependence of national organisms have become so intense and organic that the question involuntarily arises: to what extent do we remain within the framework of the Westphalian system of international relations based on the relationships of sovereign states ?" The answer posed by K. Segbers is categorical: "the world that was formed after the signing of the Peace of Westphalia in 1648 and became familiar, in which states played the main role, is now a thing of the past." At the same time, the author does not name a structure that would be capable of replacing states or their associations [11].

It should be emphasized that the problems of globalization affecting economic processes are seen differently by economists and lawyers. Thus, in his scientific works, Dr. J. Bhakwati, exploring the economic component of globalization, defines it as the integration of national economic systems into the world economy, which is carried out through foreign investment, internationalization of trade, ensuring the movement of labor resources (migration) and the spread of new technologies [8].

Professor T. Palmer, analyzing the problems of world integration, notes that globalization is the process of uniting all states into a single community to carry out joint actions; it is a combination of economic, technological, sociocultural and political forces [9]. Along with the globalization of economic processes, Western lawyers also pay attention to globalization in law.

Thus, Professor D. Reitz points out that the globalization of law is influenced by differences in the economies of individual countries, which do not allow the creation of an ideal model of supranational legal regulation.

Combining the above opinions, it can be noted that the globalization of the economies of different countries required the development and improvement of the system of international regulation of these processes in order to meet the needs of the developing world.

Most lawyers, as I.I. Lukashuk wrote, see the manifestation of the globalization process in law in the form of integration. This point of view is now shared by other lawyers. Thus, E.V. Skurko, based on the opinion of I.I. Lukash, identifies three forms of interaction of legal systems: convergence, acimilation and integration [11].

In our opinion, the solution to the problem of globalization in law should not be reduced only to the integration of law itself. It is undeniable that the legal systems of different states have their own legal understanding and approaches to globalization. If there is a negative impact on certain aspects of the life of a particular state, the state independently, by virtue of its sovereignty, determines approaches to solving problems caused by globalization processes. States can integrate both according to natural law and positive normative manifestations of law. In any case, the starting point that unites the law of different states is the law itself. And the organizing and stabilizing role in this process belongs to the state [9].

Having briefly examined the opinions of economists and lawyers regarding globalization and its impact on economic and law-making processes in the world, we will make an attempt to formulate a definition of globalization as a factor influencing international economic relations and the integration of states. Globalization is the state of the world economic system, covering the entire spectrum of human activity, resulting from an in-depth degree of internationalization, influenced by international law and having both positive and negative trends [10].

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The positive side of the globalization of economic processes can undoubtedly be considered the possibility of some states using the experience of other countries, both at the universal and regional levels, while maintaining the peculiarities of national legal systems and the priority of national interests. The negative consequences of globalization include, firstly, its impact on the policies of developing countries to withdraw from these processes, to create structures that would least influence their independence as subjects of international law, and secondly, the inability to manage global processes as legal and non-legal means.

As has been shown, in connection with the globalization of economic cooperation, international law is given a dominant role in coordinating the behavior of subjects of international law in the international economic sphere of relations. In parallel with the processes of globalization, international law and state legislation are developing. The objectives of the two legal systems are aimed at ensuring the protection of the basic interests of states, their economic development, i.e. put these processes within a legal framework.

It seems to us that international law should hardly be considered as a condition for globalization. Rather, on the contrary, globalization is an objective process determined primarily by a complex of economic and geopolitical factors, and as such it itself actualizes the issue of transforming the system of international law.

Globalization as an objective process in the modern world can influence the attitude towards such fundamentals of international law as sovereignty and sovereign equality of states, creating for them both certain additional opportunities and significant risks associated with the influence of countries considered the main centers of economic development.

Globalization, as we see, is associated by many scientists, both economists and lawyers, with the intensification of international relations in the field of economics, finance, ecology, etc. Along with this, it should also be recognized that there is nothing more global than international law itself, because it is the basis of international order. Suffice it to say that there is no alternative to such an international structure as the United Nations - a global organization that unites the interests of different states and peoples of the world. Speaking about the global scale of international law, it is nevertheless difficult to agree that such a scale creates the so-called “global law”. The most appropriate definition of this phenomenon is the “internationalization of law”. This is evidenced by the processes of unification of national legislation within the framework of integration associations and the formation of a common legal space. The mutual influence and interpenetration of legal systems in the process of integration can be considered legal integration. The process of mutual influence, interpenetration and reflection of the systems of national law of different states is an activity specifically aimed at ensuring the balanced, conflict-free functioning of legal systems.

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