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REGIONALIZATION OF WORLD ECONOMY THROUGH PRISM OF GLOBALIZATION THEORIES: FROM TRADE ROADS TO CONTEMPORARY FINANCIAL CENTERS

Article is devoted to interdisciplinary analysis of regional and global economic relations networks formative factors, also trends of leading financial centers of contemporary world development concerning to annual data of Global Financial Centers Index (GFCI). Researches of globalization phenomena during last two decades of XXI century have fixed increase of world economy regionalization tendency: reconstruction and spreading of historical world economic network taking into consideration positions of each country in regional geopolitical and socio-economic spaces. Renovating and enjoying wide popularity alternative financial-economic instruments as like as Islamic banking and Halal certification, that nowadays became additional quality assurance for goods and services not only on territories of Middle Eastern region, and also in countries with density settled areas by representatives of Muslim communities. Also significantly grows the role of human capital as main factor of economic growth not only of one company, also of region and country in general.

Keywords: socio-economic development, trade roads, centers of economic growth, human capital, alternative financial-economic instruments, geo-economics.

РЕГІОНАЛІЗАЦІЯ СВІТОВОЇ ЕКОНОМІКИ КРІЗЬ ПРИЗМУ ТЕОРІЙ ГЛОБАЛІЗАЦІЇ: ВІД ТОРГІВЕЛЬНИХ ШЛЯХІВ ДО СУЧАСНИХ ФІНАНСОВИХ ЦЕНТРІВ

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Статтю присвячено міждисциплінарному аналізу факторів формування мереж регіональних та глобальних економічних зв'язків, а також тенденцій розвитку провідних фінансових центрів сучасного світу на основі даних Індексу Глобальних Фінансових Центрів (GFCI). Дослідники феномену глобалізації спостерігають протя-

гом останніх двох десятиріч XXI століття посилення тенденцій регіоналізації світової економіки: реконструкції та розширення мережі історичних світогосподарських зв'язків з урахуванням позицій кожної країни у регіональному геополітичному та соціально-економічному просторах. Відрождуються та набувають популярності альтернативні фінансово-економічні інструменти нахиталт Ісламського банкінгу та сертифікації на відповідність стандарту Халяль, які сьогодні стали додатковою запорукою якості товарів та послуг не лише на теренах близькосхідного регіону, але й у країнах, де компактно проживають представники мусульманських спільнот. Також істотно зростає роль людського капіталу як основного фактору економічного розвитку як окремої кампанії, так й регіону та країни в цілому.

Ключові слова: соціально-економічний розвиток, торгівельні шляхи, центри економічного росту, людський капітал, альтернативні фінансово-економічні інструменти, геоэкономика.

РЕГИОНАЛИЗАЦИЯ МИРОВОЙ ЭКОНОМИКИ СКВОЗЬ ПРИЗМУ ТЕОРИЙ ГЛОБАЛИЗАЦИИ: ОТ ТОРГОВЫХ ПУТЕЙ ДО СОВРЕМЕННЫХ ФИНАНСОВЫХ ЦЕНТРОВ

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Статья посвящена междисциплинарному анализу факторов формирования сетей региональных и глобальных экономических связей, а так же тенденций развития ведущих финансовых центров современного мира на основании данных Индекса Глобальных Финансовых Центров (GFCI). Исследователи феномена глобализации прослеживают на протяжении последних двух столетий XXI века усиление тенденций регионализации мировой экономики: реконструкции и расширения сети исторических мирохозяйственных связей с учетом позиций каждой страны в региональном геополитическом и социально-экономическом пространствах. Возрождаются и приобретают популярность альтернативные финансово-экономические инструменты вроде Исламского банкинга и сертификации на соответствие стандарту Халяль, которые сегодня стали дополнительной гарантией качества товаров и услуг не только на территории ближневосточного региона, но и в тех странах, где компактно проживают представители мусульманских сообществ. Так же существенно возросла роль человеческого капитала как основного фактора экономического развития как отдельной компании, так и региона и страны в целом.

Ключевые слова: социально-экономическое развитие, торговые пути, центры экономического роста, человеческий капитал, альтернативные финансово-экономические инструменты, геоэкономика.

Target setting. Across recent decade geo-economics as intensive developed multidisciplinary research area was enriched by new and reinterpreted old theories relevant to globalization, political and socioeconomic regionalization, global and local political conflicts and strategic economic interests of key world players as like as geo-political logics and oriented on ethical values socio-economic development models. These mentioned issues are coherent with changing trends of current global order and with domestic politics, thus they can explain for us reasons and logics of emergence such geo-economic projects as BRI and expansion of Islamic economics models within Western societies especially after economic crisis of 2008, Arab Spring and other regional conflicts within recent years around the world. All mentioned factors and events have created background for emergence of virtual trading platforms and new centers of economic growth, diversification of historical trade roads and financial flows, as like as virtualization of economic activity in general. Nowadays initial need for Ukraine is to accumulate required resources for finding way out of the crisis taking into consideration its geopolitical and socioeconomic situation considering on positive experience of countries who are leaders in global and regional economic development.

Brief overview of relevant literature. Among recent relevant to our research works we can mention contemporary researchers as like as Andrey Dakhin and his colleagues, whose research interests are related with cultural impact on human interaction and societal conflicts mediation [1]; Samir Amin and Ali El Kenz, whose works are focused on international relations between Europe and Arab world [2]; James Millward who has analyzed impact of Silk Roads on cultural and economic exchange [3];

Scott Thomas focuses on culture and religion impact in international relations [4], Shigekazu Kusune and Vladimir Shalaev who discussed synergic aspects of clash of civilizations and intercultural boundary phenomenon [1, p. 369-395]; Stein Rokkan's classical theory about center-periphery structures and changes of political order [5] as like as other works on regional and global geo-economic leadership [6]. Actual and influential role in regional and global peacemaking processes belongs now to multinational corporations dealing with extractive industries [7] as like as for opposite to them digital trade and global financial flows. Discussed above works, unfortunately have only fragmental explanations of nature, historical background and predictions about development of current geo-economic trends. That is why **proposals of article** we can define as: to describe and to analyze in historical perspective main preconditions and trends of geo-economics considering on economic utility logics, history and perspectives of sociopolitical development of states, trade and transnational unions.

Statement of basic materials. Trade as form of exchange by goods and services, technologies, always was accompanied by cross-cultural interaction, cultural exchange, conflicts and peacemaking. In XXI century globalization has got new digital form that has opened ways to direct communication for many actors like developing countries, small companies, seeds and start-ups, individuals. Tens of millions of small and midsize enterprises worldwide have turned themselves into exporters by joining e-commerce marketplaces such as Alibaba, Rakuten, Amazon and e-Bay. According to conventional wisdom, globalization has stalled but in the same time global trade of goods has flattened and cross-border capital flows have

declined sharply since 2008, globalization is multidimensional and polycentric because of it transforms world economy by soaring flows of data and information. Such significant changes have created possibility for companies to enter international markets with less capital-intensive business models, which poses new risks and policy challenges as well. Nowadays world is more connected than ever, but the nature of its connections has changed in a fundamental way. Amount of cross-border bandwidth that is used has grown more than on 50% since beginning of XXI century [8, p. 17]. Also transmitting valuable streams of information and ideas in their own right, data flows enable of goods, services, finance, and people movement. Another feature of contemporary economics is that every type of cross-border transaction now has a digital component.

Despite controversial nature and polycentric character, trade relations have started the long time transformation of local economic activities into contemporary geo-economics, which reflects features of contemporary epoch. Here important role plays correlations between politics and economics as like as between geopolitics and geoeconomics. According to Political epoch theory proposed by Andrey Dakhin, global economic community as constellation of different local economic centers and regional key actors is result of its evolution within five stages: (1) epoch of ancient myth-and-dynastic States; (2) epoch of religious-and-dynastic States; (3) epoch of secular totalitarian States; (4) epoch of secular democracy states and (5) future epoch of secular socioeconomics/anthropomorphic States or epoch of cybernomics/transhuman States [1, p. 371]. And that is why contemporary geo-economics should be analyzed as correlation between features and contradictions in development of trade communication that takes its origin in establishment of historical trade routes.

Many scholars are agreed that socioeconomic essence of globalization performs itself in increasing level of coherence of world's economies caused by spreading of communicational networks and speeding up informational flows. Archaic globalization or pre-modern stage of globalization was started from geographical spread of technologies, social norms, trading commodities and services for travelling traders. In historical annals we can find information about ancient trade routes (tin, salt, amber, incense, tea and spice) that connected different regions of Middle East and Europe. Emergence and decline of trade routes were caused by technological and technical progress, as like as it was with Tin route and trans-Sahara caravan trade routes; or by consumer preferences and political utility as it was with salt routs in Roma Empire epoch (Via Solaria) and Chumatskiy Shlah that connects southern Black Sea region (Crimea) with area known nowadays as Ukrainian territory. Amber and incense as luxury goods still popular even today, but historically formed Amber and Incense routs nowadays have lost their economic positions but saved traditions of cross-border commercial communication and cultural exchange between neighbor countries. But as background of globalization we can identify only Silk Road.

According to history Silk Road can be described as polycentric network that interlinked routes across Africa, Europe, Asia and Middle East that were specialized not only on exporting silk from China, and also on trade of luxury goods, gold, spices and incense, also it was the way of transfer knowledge, social norms and socio-cultural pat-

terns. Today we use term Silk Road in metaphoric and literal senses [9, p. 34-37]. In books on economic history we can find that in time when Arab world was centre of global trade that straddled three continents and traders trafficked in goods that they bought and sold as they travelled overland and across the seas between Asia, Africa and Europe. But later, when centre of global commerce shifted to the West, driven by the disasters afflicted the Arab world, and silk caravans linking Asia with Europe have disappeared, was started new era in the history of world trade. But in XX century Middle Eastern region has revived its leading place in world trade, particularly starting from the Far East to Persian Gulf and Red Sea. International banks opened branches over the old routes while business zones and cargo ports have been established in place of the caravans of former times. Just as was the case with the area in general, this was accompanied by a strong economic revival throughout. This is a reason why some economists today are talking about revival of the Silk Road – in its literal rather than metaphorical sense and today economic focus on the Silk Road is stronger than ever. In cultural sense Silk Road is historical heritage of cross-cultural communication to those today political leaders apply for finding new economic partnership opportunities for their countries like Sultan Qaboos (political leader of Oman) did. He has sponsored in 1991 UNESCO journey for re-exploring the Silk Road between Venice and Osaka and website of Silk Road (named The Silk Road online Platform for Dialogue, Diversity & Development).

Despite historical heritage today on opinion of Samir Amin [2, p.74-75], who has relentlessly criticizes the illusions promoted by capitalism and warns us of the latest illusion about globalization: it is new epoch which will make “global village” of our planet. We can confirm this if refer to colonization era, that conquerors presented as modernization of traditional societies and other less terrible era of decolonization as like as enormous sacrifices needed to leave it behind. Also two world wars gave rise to means of massive destruction such as the nuclear bomb. During ages of Cold War were spent billions dollars on nuclear armaments that was used later to cover up sordid interests of Gulf and Balkan Wars, later – Arab Spring and other colored revolutions to reshape regional geo-economic landscapes.

At the beginning of third millennium globalism as belief, trend or philosophy, developed and expanded by new means of communication and informational networks which ranges from scholarly debates on Davos forum or economic and mathematical justifications of exceptionally gifted experts of World Bank or International Monetary fund to popular books like “The End of History” of F. Fukuyama, Huntington’s “Clash of Civilizations” or “World is Flat” of T. Friedman. All these books are attempts of prodigious measures used to legitimize at the world level this new cycle of capitalism [3, p. 42]. Capitalism or “great transformation” began several centuries ago and has not finished its activity of adopting all forms of social life to profit motive. Its results can be observed in economic and social crises, conflicts, massive destruction of entire populations and cultures.

Nowadays it has continued its homogenizing activity by spreading within continents and life spheres totalitarian order based on narratives that excludes all other logic. This totalitarianism faces with variety of resistances from most

conservative ethnic and religious identity to more innovative such as alternative economics. The most important and best organized resistance is in so-called “actually existing socialism” which forced capitalism to humanize its action during XX century [7, p. 32]. Keynesianism, welfare state, Fordism, developmentalism was in large part made possible by existence of strong, organized alternative to pure capitalism. But despite predictions of Fukuyama, end of history as like as clash of civilizations, are only futurist’s theories of West. Eastern answer to West is reconstruction and increasing historical economic contacts, geo-economic relations and strategic partnership within New Silk Road Economic Belt [4, p. 35-37] (see Figure 1).

Thus, East now becomes space where strong commercial and geopolitical forces start play, first among which is China’s vast industrial overcapacity – mainly in steel manufacturing and heavy equipment – for which new trade route would serve as outlet. New Silk Road Economic Belt was initiated in 2013 by President Xi Jinping. The project proposes to create two new trade corridors: overland and maritime that will connect China with its western neighbours – Central Asia, Middle East and Europe. According to economic logic, if China’s domestic market slows down, opening new trade markets could go long way towards keeping the national economy buoyant. Hoping to lift value of cross-border trade to 2.5 trillion USD within a decade, President Xi Jinping has channelled nearly 1 trillion USD of government money into the project. He’s also encouraging state-owned enterprises and financial institutions to invest in infrastructure and construction abroad [6, p. 181-184].

Chinese strategy aimed on tactics repositioning in the global economy by striking up economic and cultural partnerships with other countries and fixing its status as dominant player in world affairs. President of the Asian Infrastructure Investment Bank, Jin Liqun has stated that: “We will support the One Belt, One Road project. But before we spend shareholders’ money, which is really the taxpayers’ money, we have three requirements: new trade route should be promote growth, be socially acceptable

and be environmentally friendly”. Traditional hierarchy of economic world regions can be changed and embedded regional economies will being enmeshed in dense structural networks that tie them into particular relationships with regional leading economies, while isolated national economies may not have access to the advanced skills and technologies that are concentrated in the major regions. Anyway despite of speculative nature of such ideas, they are based on fixed fact that is difficult to deal in conventional growth regression models. Regional networks should be hard to analyze but not unimportant.

Also is observed interesting synergetic effect of emergence and development of new financial centers within New Silk Road macro-region since 2015 (see Figure 2) that confirms competitive strength of this geo-economic project. Annually more and more Middle Eastern and Asian financial centers included to rank of Global Financial Centers Index that demonstrates to us on practice how works new geo-economics [8, p. 133-134].

Traditionally regionalization of global economy is not just related with market size it also evaluate level of integration. That is why each of mentioned above big economic regions has much more within-region trade among neighboring countries than external trade with the rest of world. Also each of them is effective economic unit not constellation of national economies that trade with each other. For example Western Europe has European Union as economic and political unity of 28 countries plus neighbor countries as like as Switzerland and Norway as single customs area, North America has NAFTA that connects United States with Canada and Mexico. Economic integration also took place in Orient, where companies based in Japan, Korea, China, UAE and Taiwan are top investors and producers in region and beyond. Facilitation of international economic relations and macro-regional integrative processes also are close related with development of international standards for quality of goods and services assurance taking into consideration economic utility and ethical standards related with trade traditions and culture in general.

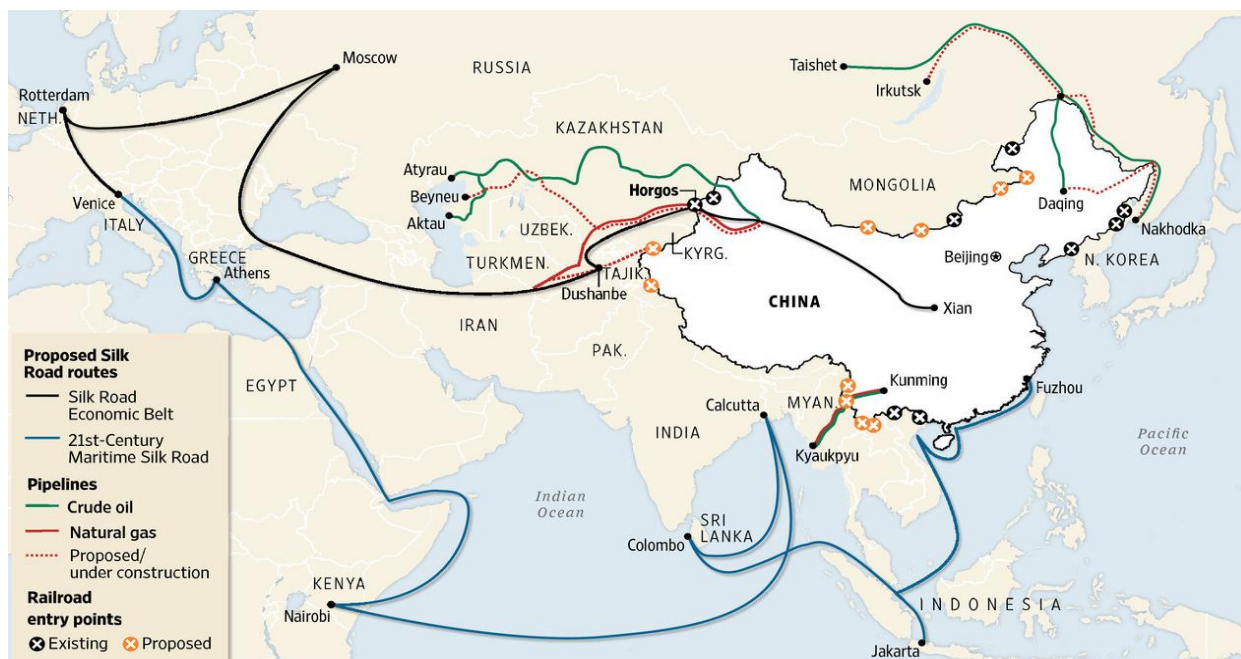


Fig. 1. New Silk Road as geo-economic project of XXI century

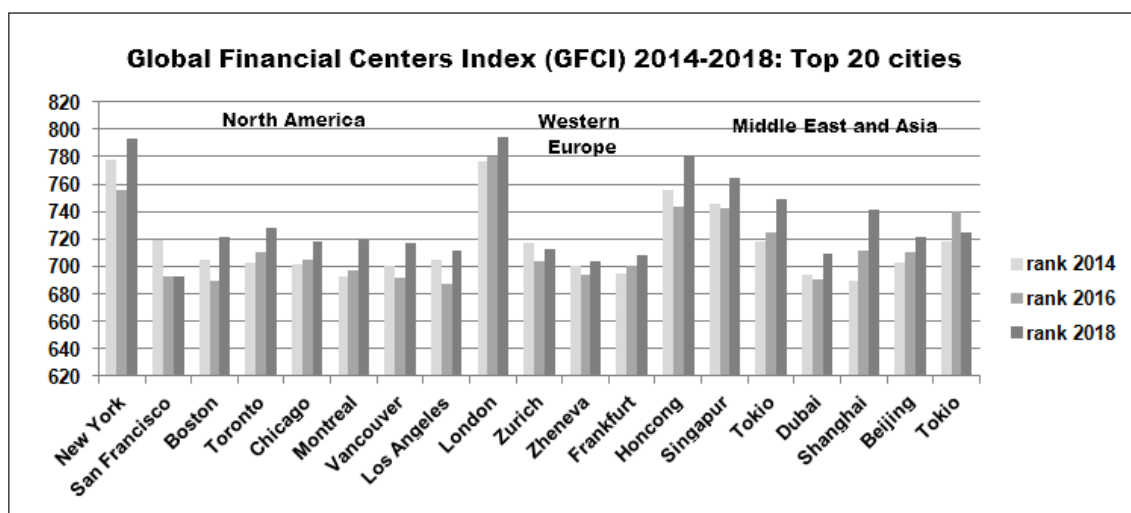


Fig. 2. Top 20: GFCI ranking 2014-2018

Concluding. Reshaping of geopolitical landscape strategy promoted by China bases on two key focuses. The first is constructing a regional economic architecture, reorganizing as well as optimizing the regional trade and investment patterns is the vital challenge. Thus, as it was planned, within next five years, domestic firms are strategically encouraged to go aboard to explore new markets and investment opportunities. Considering on development of steel, cement, and aluminum industries, China's role in global market as a global manufacturing powerhouse will grow up and will stimulate economic growth and elevate China to the world's largest economic entity. Other strategic focus is designing network of regional infrastructure that includes transportation (railways and roads), energy and communication, which are related to Smart City Strategy. Chinese infrastructure alliance with other countries will connect them by trade, policy, currency, and human connectivity. Annual gap between supply and demand for infrastructure spending in Asia holds great potential, so why excess steel industries can also support infrastructure building.

But contemporary geo-economics as research field allows us to make choice between two ways to a future societal order. One option is related with changes of modern values and principles of economics toward societal ones on ground of anthropomorphic world formation. Other way is focused on transformation of current geo-economics toward values and principles digitalization and virtualization on ground of trans-human and non-human world formation. Such aspects of geo-economics correlate with high-tech and socio-tech industries as like as between smart and intelligent aspects and traditional elements based on historical heritage like community networks and communications that opens perspectives for further researches. New Silk Road is alternative model of globalization that symbolized global economic and cultural networking based on mutual interaction and cooperation and also is instance of sustainable development where a commodity like silk has transformed itself from status symbol controlled by the government to free commodity, through dialogue of civilizations.

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