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INTEGRATION OF THE REPUBLIC OF MOLDOVA INTO INTERNATIONAL AND REGIONAL ECONOMIC STRUCTURES

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Abstract. Various aspects of the international division of labor are studied in the article; essence, premises and objectives of integration, forms, stages of development and role of this process in the economic growth of the Republic of Moldova. A general characteristic of the main integrationist country groupings (NAFTA, CELAC, MERCOSUR, APEC, G7, G20, BRICS, SCO, CIS, UVEA, GUAM, etc.) is presented; the role of the European Union (EU) as an advantageous form of countries' economic integration; Moldova's relations with the EU; Moldova's cooperation with the main international and regional economic and financial bodies (IMF, IBRD, WTO, EBRD, BERI, etc.), the country participation in the development of regional and cross-border cooperation.

Keywords. International division of labor; the essence, forms and stages of economic integration; specialization and international and regional economic cooperation; the EU's role in the global economy; integration of the Republic of Moldova into international and regional economic and financial structures, the impact of this process on the economic growth and development of the country.

Introduction

International economic integration is a special form of economic relations between different countries of the world, which developed in the twentieth century, after the Second World War. This process can be considered as a qualitatively more advanced method of cooperation, based on the institutionalization of the activities of the member states in the field of economic cooperation. This process involves the creation by two or more countries of a common economic space that ensures: *development of mutual exchanges; economic interdependence and interpenetration of national economies*. The concept of "international economic integration" can be defined as an objective, conscious and consistent process of convergence, mutual adaptation and growth of national economic systems. This process covers several economic categories and is used both at the macroeconomic level and at the microeconomic level, *the purpose of which is to increase the volume of goods and services*. International economic integration is determined by many factors, which are based on: *the creation of conditions that stimulate economic exchanges between countries; modern scientific and technological progress, which requires more and more financial resources; the limited capabilities of national markets; and increased competition in the world market*.

Deepening of the international division of labor (IDL). An important feature of our time is the strengthening of the interdependence of the economies of different countries, the development of international processes at the macro and micro levels, the intensive transition of countries from a closed national economy to a free one open to the whole world. This process is due to the development and deepening of IDL, which is the main element of world economic integration, being the result of the



specialization of the countries of the world in the production and sale of economic goods for exchange on the world market. According to I. Ignat and S. Pralea, of IDL expresses the relations that are established between national economies regarding the distribution of economic activities between them and shows their place in the world economy [8, p. 48].

Specialization and cooperation as stages of economic integration.

International economic specialization is one of the prerequisites and pillars for the formation and development of the world economy. As a result of many centuries of evolution into the world of IDL system, different types of specialization are distinguished: intra-sectoral; intersectoral; intra-company; organological and technological. Each of them is carried out in different forms, from one country to another. The need dictated by IDL is also *international industrial cooperation*. Each country develops its own concept of economic growth. Economic cooperation is understood as cooperation in various forms between two or more countries, including: *international trade; cooperation in production (in the form of joint ventures, TNCs, etc.); international investment; scientific and technical cooperation; energy; tourism; financial relations and external credit; migration of labor resources; international transport; provision of services, etc.* Cooperation and integration into the world economy are intensive ways of development that enable local companies to gain access to advanced technologies [12, p. 235].

Trends and prospects for the development of the world economy. In the world economy, countries are compared in several areas, the most important of which is *their participation in the creation of the world gross product, their share in the world market of goods and services, the world capital market, the level of gross domestic product per capita, etc.* according to IMF estimates, it amounted to about **174.5 trillion dollars in the world**. The **top 10 countries** by this indicator in 2023 included: China (more than **33.0** trillion US dollars); the United States (about **26.9** trillion); India (**13.0** trillion); Japan (about **6.5** trillion); *Germany (5.5 trillion); Russia (4.99 trillion); Indonesia (4.4 trillion); Brazil (4.0 trillion); France (about \$3.9 trillion) and the United Kingdom (\$3.85 trillion)*. In addition to them, the top ten countries in terms of economic power, taking into account PPP, are followed by: *Turkey (about 3.6 trillion. USD); Italy (3.2 trillion); Mexico (3.1 trillion); South Korea (more than 2.9 trillion); Canada (about 2.4 trillion dollars, etc.)* [11, p.32]. At the same time, we note that services play an important role in production and serve the functioning of global value chains, thereby accelerating global economic development [7, pp.20-21] (see Table 1).

As we can see, the economies of the world are radically different, each state pursues its own policy. From the above, it can be understood that the economic development of the state depends not so much on the availability of certain resources in the country as on truly competent administrative management. As an example, we can cite Japan, a country completely destroyed during World War II, which, without serious resources and even territory, is now one of the world leaders in economic development. It is noted that in the next ten years, China will be ahead of the United States, and the competition between these powerful states will be a great test of strength for the whole world.



Table 1. Top 10 largest countries in the world by GDP in 2023, according to IMF estimates

Country	GDP (nominal), billion dollars	GDP (PPP) (nominal), billion dollars	GDP per capita, in dollars	Population, million people	Territory (km ²) / % of World	Export volume, billion dollars, 2022
Global	105.569	174471,3	770,148.3	8.000.000	148.940.000/=29,1% from a dry surface Land	24.611,2
United States	26.855	26.854,6	80.034	334.378	9.629.091/6,5%	2.063
China	19.374	33.115,0	13.721	1.411.750	9.596.961/6,4%	3.593,6
Japan	4.410	6.456,5	35.385	124.630	377.930/0,25%	752,1
Germany	4.309	5.545,7	51.383	83.784	357.114/0,24%	1.658,4
India	3.737	13.033,4	2.601	1.425.776	3.287.263/2,3%	452,7
United Kingdom	3.159	3.846,9	46.371	68.103	242.900/0,16%	530,5
France	2.923	3.872,7	44.408	65.361	640.294/0,43%	606,9
Italy	2.170	3.195,5	36.812	60.408,3	301336/0,20%	700,3
Canada	2.090	2.385,1	52.722	39.609, 7	9.984.670/ 6,7%	598,6
Brazil	2.081	4.020,4	9.673	217.385	8.514.877/5,7%	334,5
More information						
EU (2024)	19340	26640	59.050	448.400	4.324.782/ cca 4,5%	
Netherlands	1.081	1290, 9	61.098	17.157,8	37.354/0,03%	770,3
Russia	2.063	4.988,8	14.403	146.424,7	17.124.424/ cca 13%	580,1
Turkey	1.029	3.572,6	11.931	85751,9	783.562/0,53%	254,2
Ukraine	148,7	444,2	4.654	43576,9	557.500/0,38%	>44,4
Romania	348,9	783,9	19.054	19.161,1	238.397/0,16%	>96,8
Moldova	15,8	42,0	6.342	2.681,7	33.846/0,02%	>4,3

Source: Prepared by the author in accordance with statistical sources [11, p. 35].

And yet, which countries are the richest in the world? Most people think that the answer to this question should be either the United States or China. It is true that both China and the United States are very prosperous, but unfortunately, they are not necessarily the richest countries in the world. The statistics may surprise you. Table 2 presents the ranking of the 10 richest countries in the world at the end of 2023.

Table 2. Results of the ranking of the 10 richest countries in the world by 2023.

Place	Country	GDP, in \$ per person	Place	Country	GDP, in \$ per person
10	Australia	63.490 \$	5	Singapore	87.880 \$
9	Denmark	71.400 \$	4	Norway	99.270 \$
8	Iceland	68.840 \$	3	Switzerland	102.870 \$
7	United States	69.380 \$	2	Ireland	112.250 \$
6	Qatar	81.970 \$	1	Luxembourg	135.610 \$

Source: <https://financer.com/ro/blog/cele-mai-bogate-tari-din-lume/>

Global Problems of the Modern World Economy [see: 11, pp. 42-46].

Global problems are serious problems that affect the entire planet or most of it.



They do not respect national borders and require international cooperation to solve them. These problems cover a wide range of areas, from the environment to the economy, occupational health and safety. **The main global problems** include the following: *the environment; demography; peace and disarmament; food; energy and raw materials; human health; the use of the oceans; the problem of space exploration, etc.* Each of the global issues has a certain content. But all of them are closely related to each other. Recently, the center of gravity of global problems has shifted to the countries of the developing world. The food problem has become the most catastrophic in these countries. The plight of most developing countries has turned into a serious human and global problem. The main way to solve it is to achieve radical socio-economic transformations in all spheres of life and activity of these countries. in the development of scientific and technological progress, international cooperation.

External debts are also one of the main problems facing most countries, and it has become terrifying. Even the most developed and richest countries have huge external debts. For example, the United States has the highest external debt in the world (over 32.9 trillion dollars), and compared to GDP, it is 122%, Canada – 127%, Great Britain – 287%, Japan – 98%, Italy – 143%, Switzerland – 285%, the Netherlands – 382%, Hong Kong – 504%, Greece – 323%, Monaco – 240%, Malta – about 700%, etc. Romania's external debt is 45%, Ukraine's – 81%. China has practically no external debts (13.5%), as does Russia (13.7%) in terms of GDP. The country with the highest external debt to GDP was Mauritius, whose debt amounted to 1368%, more than 13 times higher than the country's GDP [11, p. 46].

The historical period in which we live, influenced by phenomena such as globalization or regionalization, new means of communication such as the Internet or social relations such as Facebook or Twitter, political and social changes that have occurred or will occur within states, mutations or transformations in international organizations, etc., as well as the interconnections and interdependencies between all of the above, will also cause changes in the world economy [10, p. pp. 11-12]. According to experts in this field, against the background of increasing dependence on certain resources, many of which are limited and close in terms of depletion over time, economic activity will be reoriented to other spheres, such as space, the world, thus entering a new stage - interplanetary. On the other hand, the world economy will face numerous imbalances, crises and a high degree of instability, especially in areas facing political, economic and social problems. According to Matthew Burrows, the world is going through difficult times. He compares today's situation to other turning points in history, such as 1789, 1815, 1919, 1945, or 1989, when political, social, and economic systems collapsed. Either we take responsibility and direct the changes in the right direction, or they will fall on us... [2, p. 13]. World experience gives us many examples, including that sustainable economic development can be ensured as a result of promoting economic policies based on scientific decision-making.

Deepening the process of economic integration between states.

In recent decades, the deepening of the process of economic integration between states has played a special role in the development of the world economy. According to I. Ignat and S. Pralea, from an economic point of view, *integration is a process by which two or more previously separate national markets of unitary size, assessed as*



insufficient, are combined into a single market (common market) of more efficient sizes. To achieve this goal with minimal social costs, it is necessary to implement a number of measures to adjust the national structures that integration implies. Usually, this requires a longer transition period [8, p. 223]. V. Bardan notes that an important reason for integration is the political factor: the desire of states to gain greater authority and political weight in the world community through integration, thereby quickly solving their economic problems on this basis [3, p. 15].

At the international level, various types of economic integration have been formulated, which represent certain stages of the process of economic integration in its evolution [11, pp. 50-52]: preferential trade agreement; free trade area; customs union; economic cooperation zone; common market; economic and monetary union; general economic integration; political and social integration (for example, the European Union). In particular, economic integration between states is regional in nature. *Regionalization* implies that nation-states develop increasingly pronounced interdependent relations of varying degrees of complexity.

Characteristics of some international and regional integration groupings of countries [see: 11, pp. 53-66]. At present, there are more than 20 international integration economic associations in the world, which include the main regions and continents of the globe. The North American Free Trade Agreement (NAFTA), established in 1991 by the United States, Canada and Mexico, covers a market of 375 million consumers and an area of 21.3 million km², with the prospect of expanding to the south of the American continent. The areas of activity are: trade in material goods and services; direct investment – liberalized; Other provisions concern: competition rules, intellectual property, temporary residence of businessmen, certain aspects of environmental protection, etc.

Other groups of countries are also active in the Americas, such as *the Community of Latin American and Caribbean States (CELAC)*, a regional bloc consisting of Latin American and Caribbean states, created on February 23, 2010. It includes 33 sovereign states representing about 600 million people. The United States and Canada are not part of the bloc. In South America, there is an international organization **MERCOSUR**, founded in 1991 by Argentina, Brazil, Uruguay, Paraguay and Venezuela. Bolivia, Chile, Colombia, Ecuador and Peru have the status of associate members. The overall objectives of MERCOSUR are: *to increase efficiency and productivity by opening markets and accelerating economic development; to improve the prospects for more efficient use of available resources; to preserve the environment; to improve communications; to harmonize and coordinate macroeconomic policies and to complement the various sectors.*

Cooperation between countries with access to the Pacific Ocean is actively developing. *The Asia-Pacific Economic Cooperation (APEC)* is a forum of a group of 21 countries, representing about 60% of the global economy, where issues of regional economy, cooperation, trade and investment are discussed. In Central Asia, the Shanghai Cooperation Organization (SCO) is also active, as an international organization established on June 15, 2001 by the leaders of China, Russia, Kazakhstan, Tajikistan, Kyrgyzstan and Uzbekistan, then joined by India and Pakistan (in 2017), Iran (in 2022) and Belarus (in 2024). The total territory of the SCO countries is more



than 35 million km², i.e. 65% of the territory of Eurasia, and the total population of these countries is about 3.5 billion people, which is half of the world's population. The main tasks of the SCO are to strengthen stability and security in a wide space that unites the member states, the fight against terrorism, separatism, extremism, drug trafficking, and the development of economic, energy, scientific and cultural cooperation [15].

In Africa, there is *the African Economic Community*, which is composed of all African countries and consists of regional blocs, also known as its pillars: *the Economic Community of West African States*, *the Economic Community of West African States (ECOWAS)*, *the East African Community*, *the Economic Community of Central African States*, *the Southern African Development Community (SADC)*, and *the Intergovernmental Body on Climate Change*. development, an economic bloc encompassing the Horn of Africa; *The Community of Sahel-Saharan States*, one of the largest economic organizations in Africa; the bloc of Eastern and Southern African countries (with the acronym COMESA); *The Arab Maghreb Union*, covering Northwest Africa.

A special role in the development of the world economy and international economic relations is played by the group of industrialized countries (G7) and the group of developing countries (G20) [11, pp. 57-59]. **The G7** is an international forum of governments of economically, technologically and militarily developed countries: Canada, France, Germany, Italy, Japan, the United Kingdom and the United States of America. Between 1997 and 2014, the G7 was known as **the G8**, consisting of the G7 countries plus Russia. March 2, 2014 due to the invasion of Ukraine Russia was excluded from this group until it changed its course. Since 2014, the G8 group has included seven states and the EU.

The Group of 20 countries (G20 or G20+) is a bloc of developing countries founded on August 20, 2003. The group was formed at the Fifth Ministerial Conference of the World Trade Organization, held in Cancún, Mexico, from September 10 to 14 2003. The G-20 covers 60% of the world's population, 70% of farmers, and 26% of global agricultural exports. At the moment, the group includes 23 countries: Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, the Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, Zimbabwe. Last Saturday, the G-20 in New Delhi was the eighteenth meeting of the heads of state of the Group of Twenty (G20), held on September 9-10, 2023 in India, in the city of New Delhi, at which Russian President Vladimir Putin and Chinese President Xi Jinping did not participate. During the summit, agreements were reached on climate and biofuels, etc.

The grouping of countries is BRIC [11, pp. 59-64], developing countries: Brazil, Russia, India and China, which are identified as growing economic powers. Since June 2006, South Africa (**BRICS**) **has been included in this organization**. The following countries are also invited to join this organization: Egypt, Iran, the United Arab Emirates, Saudi Arabia and Ethiopia, then the number of members may increase to ten. Basically, bilateral relations between the BRICS countries are built on the principles of non-interference, equality and mutual benefit. In addition to summits, meetings are held at the level of foreign ministers, finance ministers and others. The economies of these countries are developing at a high pace. The list of countries interested in joining



the club is long, more than 23 countries, including Saudi Arabia, Indonesia, Iran, Argentina and Ethiopia, etc.

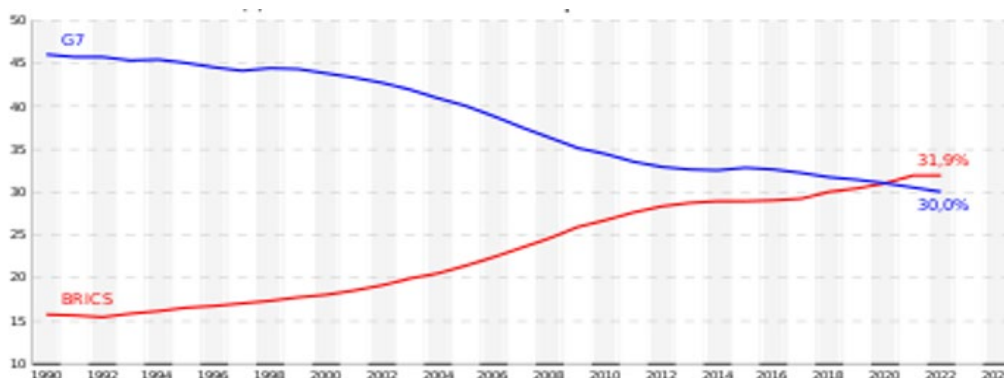


Figure 1. Share of **GDP of the G7 and BRICS countries** in the world economy [11, p. 60].

The Commonwealth of Independent States was formed on December 8, 1991 as a result of the signing of the Treaty on the Establishment of the Commonwealth of Independent States (CIS) by the Presidents of the Republic of Belarus, the Russian Federation and Ukraine. On December 21, 1991 in Almaty, the Presidents of the republics: Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Uzbekistan and Ukraine, signed **the Declaration on the establishment of the CIS**. *The tasks of the CIS are:* cooperation in the political, economic, environmental, humanitarian, cultural and other fields; comprehensive and balanced economic and social development of the member countries within the framework of a common economic space, interstate cooperation and integration; ensuring human rights and fundamental freedoms, etc. In the first years after its creation, activities in the CIS were carried out relatively normally, but after Russia's intervention in Georgia in 2008, the creation of the autonomous republics of Abkhazia and South Ossetia, the annexation of Crimea in 2014, the creation of the republics of Donbas and Lugansk and their admission to the Russian Federation, Russia's military intervention in Ukraine in February 2022 and other negative moments, the activities of the CIS were blocked. largely replaced by *the Eurasian Customs Union*.

The Eurasian Customs Union (EAEU) [11, pp. 64-66], consisting of Russia, Kazakhstan, Belarus, etc., within the framework of which customs duties on mutual trade were abolished and a single system of import taxation was introduced. On January 1, 2010, the Common Tariff came into force, and on July 1, 2010 – the Customs Code of the Customs Union" and possibly the Eurasian Economic Union (EAEU). This is more of a political project than an economic one. The Russian leadership has repeatedly called on the Eastern partners to join the Customs Union to the detriment of the Deep and Comprehensive Free Trade Area (ZLSAC)) with the EU. This "invitation" was accompanied by both positive and negative reasons, such as low energy prices, threats of higher tariffs or trade barriers, etc. Moldova chose the path of integration into the EU, while developing mutually beneficial bilateral relations with any country, including Russia.



It is well known that the Russian Federation is a country rich in natural resources. It ranks 1st in the world in terms of gas resources (32%), coal and forest resources (23%), iron ore (about 28%), aluminum, nitrogen fertilizers, fish resources, drinking water, salt and many others. *The country ranks 1st in the world in terms of national wealth, but ranks 67th in the world in terms of living standards; 70th in the use of advanced information and communication technologies; 72nd in terms of public spending per person; 97th in terms of per capita income; 127th in terms of public health; 134th in terms of life expectancy for men; 159th in terms of rights and freedoms of citizens; 175th in terms of physical safety of people; 182nd place – in terms of mortality, etc., out of 207 countries analyzed by UNESCO* [11, pp.165-166]. Everyone should know this in order to draw objective, correct conclusions.

Institutional foundations of international economic integration [11, pp. 66-81]. International economic integration is carried out through international institutions and organizations: *financially*, through **the IMF and IBRD**, etc.; in the *commercial sphere*, through **the GATT/WTO**. At the same time, we are witnessing the emergence of many other economic integration structures with different objectives, especially at the regional level, which play an important role in the development of international economic integration processes.

For example, the main goals of **the International Monetary Fund (IMF)** are: *to promote international monetary cooperation; to promote the development and balanced growth of international trade; to create a multilateral system of settlements between member countries, etc.* The World Bank, **an institution consisting of five other international financial institutions**, is actively involved in the development of the process of international economic integration: *the International Bank for Reconstruction and Development (IBRD); the International Finance Corporation (IFC); the International Development Association (IDA); Multilateral Investment Guarantee Agency (MIGA); International Centre for Settlement of Investment Disputes (ICSID)*. Each institution has a role to play in combating poverty and improving the living conditions of the population of developing countries. At present, it has 190 member countries, including the Republic of Moldova (as of August 12, 1992).

A particularly important role in the development of international economic relations is played by **the World Trade Organization (WTO)**, which oversees a large number of agreements that determine the "rules of trade" between member states. The WTO was established in 1995 as a successor to **the General Agreement on Tariffs and Trade (GATT)** and works towards the reduction and elimination of international trade barriers, performing two main functions: it is a negotiating forum for discussing new and existing trade rules, and as a dispute agreement body. All WTO members are encouraged to grant each other most-favored-nation status, so (with few exceptions) trade concessions offered by a WTO member to a country should be offered to all WTO members. At the same time, there is also criticism of the WTO in that it favors developed countries and TNCs more. In the late 1990s, the WTO became the main target of anti-globalization protests.

Many international organizations have had a positive impact on deepening the process of international economic integration, such as: *the United Nations Industrial Development Organization (UNIDO); the Food and Agriculture Organization of the*



United Nations (FAO); (United Nations Development Programmed (UNDP); International Development Association (IDA); United States Agency for International Development (USAID); International Tourism Organization (ILO), The Organization for Economic Co-operation and Development (OECD), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and many other international organizations in selected areas of activity.

The role of transnational corporations (TNCs) in the integration process [11, pp. 75-78]. Today, TNCs occupy a leading position in the world economy, possessing greater power even than some developed countries. 247 Wall St., LLC is annually ranked among the top most profitable companies in the world. In 2015, this title was taken by Apple Inc., which made a profit of 39.5 billion. \$, with a turnover of 182.8 billion.\$., thus overtaking Exxon Mobil, which had a profit of \$33.6 billion. \$ (turnover 369.4 billion.\$). In third position Co.Ltd Samsung Electronics with a profit of 21.4 billion. \$. Next is Berkshire Hathaway Inc. (\$20.2 billion. \$). Chevron Corporation (19.3 billion. \$), Toyota Motor Corporation (19.2 billion. \$), PetroChina Co. Ltd (19.2 billion. \$), China Mobile Limited (17.6 billion. \$), Wal-Mart Stores Inc. (16.8 billion. \$), Jonson & Jonson (\$16.3 billion. \$) [6, pp. 33-34]. Of the 500 largest TNCs in terms of revenue, 161 are based in the EU.

The European Union is an advanced form of economic integration [11, pp. 82-153]. *The EU* is a political and economic union of 27 Member States, located mainly in Europe. It has an area of 4,233,262 km² and an estimated population of about 447 million people. The EU has developed a single internal market through a standardised system of laws that apply in all Member States.–the adoption of legislation in the field of justice and home affairs, as well as the maintenance of a common policy in the field of trade, agriculture, fisheries and regional development. Passport control has been abolished for travel within the Schengen area . The monetary union was created in 1999, came into force in 2002 and consists of 19 EU member states that use the euroThe original members of the European Community were: *Belgium, France, Italy, Luxembourg, the Netherlands and West Germany*. In the following years, the Community was enlarged with the accession of new member states, in several stages: in 1973 it was joined by: Denmark, Ireland and the United Kingdom, in 1981 – Greece, in 1986 – Portugal and Spain, in 1995 – Austria, Sweden and Finland, in 2004 joined: Hungary, Poland, Czech Republic, Slovakia, Slovenia, Estonia, Lithuania, Cyprus, Malta, in 2007 – Romania and Bulgaria, in 2013 – Croatia. In January 2020, the United Kingdom left the Union following a referendum in June 2016. Currently, the EU includes 27 countries.

Many countries have expressed a desire to join the EU (Turkey, Macedonia, Serbia, Albania, Bosnia and Herzegovina). **On** December 15, 2023, the EU decided to start accession negotiations between Ukraine and Moldova, and Georgia was granted the status of a candidate country for EU membership. Thus, the EU enlargement process is developing. There are four countries that are members of the European Free Trade Association (EFTA), but are not members of the EU, but are partially committed to the EU's economic policy and regulation: Iceland, Liechtenstein, Norway and Switzerland. The EU also maintains relations with the European microstates of Andorra, Monaco, San Marino and the Vatican, which use a single currency and



cooperate in some areas.

Accession criteria. The following convergence criteria have been established for countries using the single currency, the euro, and for countries candidate for its implementation: the inflation rate should not exceed 1.5% of the average recorded in the top 3 countries with the best indicators; the long-term interest rate should not exceed by more than 2% the level of the first three with the lowest inflation; the budget deficit should not exceed 3% of GDP; external debt should not exceed 60% of GDP. For the countries that are joining the EU (such as Ukraine, the Republic of Moldova, etc.), the following conditions are set: the stability of democratic institutions and the rule of law, respect for human rights, including the rights of ethnic minorities; the existence and functioning of a market economy; the ability to cope with competitive pressures and market forces within the Union; the ability to assume the obligations imposed on the EU member; including commitment to the goals of political, economic, monetary and legal union. These conditions are supported by convergence criteria when evaluating a study registered by a particular country for EU accession.

The advantages of integration are: free movement of persons (workers) who have the opportunity to work in any EU member state; free movement of goods - export of goods to EU countries without customs duties; free movement of capital and services; the opportunity for citizens to carry out financing projects in order to receive significant amounts from the EU in order to support business; the benefits of belonging to a large family of the country and the security that this membership provides; the opportunity to participate in the largest single market in the world, with all the opportunities associated with economic growth and job creation; the irreversible consolidation of the economic and political reforms undertaken since 1989; facilitating access to structural funds for the development of less prosperous regions of the Union.

The simple fact that from 1957 to the present, only one country out of 28 that has joined this project has asked to leave the Union, despite the restrictions imposed by the norms and standards of the Community, is of great importance, which proves the longevity of this concept. If we analyze only the situation in Ireland, Greece, Spain and Portugal, where at the time of accession the average GDP per capita was about 50% of the average at the EU level, then one can easily see the huge economic leap that these countries have made since joining the Union. At the time of accession of Romania and Bulgaria, the GDP of these countries was 38% and 35% of the average GDP at the EU level, respectively. This prospect is encouraging for the countries of Central and Eastern Europe that have joined or are about to join the EU. But EU membership does not automatically mean integration into the Union. Integration is a much more complex and time-consuming process [3, p. 26].

Disadvantages of integration. Many believe that joining the EU will lead to a loss of sovereignty and national identity, or fear that the country will become more vulnerable to competition in the European single market. In general, the disadvantages of integration are related to the costs that will be borne by both the state and the citizens. These are both public expenditures, which will be covered from the state budget, and private expenditures, which will be borne by economic agents, and individual expenses, which will be paid for various reforms. that migration will take on a scale and that it will be more difficult to move around in the CIS countries.



For example, in Romania, too, many feared that in the first five years after accession, the country would have to spend more than 25 billion euros to reach EU standards. Yes, each member state of the Union participates in the formation of the corresponding Budget and European funds (in different proportions, which are 10, 15 or 20%, some countries 1, 2, 3% or even less than 0.5%, but, at the same time, they receive much larger financial sums from European funds for the implementation of economic development programs. In Hungary, for example, almost all public construction projects are funded by EU funds. In Greece it is the same. Or another example: Romania has contributed about 39.3 billion lei to the EU budget in three years (2022, 2023, 2024). At the same time, in the 15 years since its accession, the country has received financial resources in the amount of about **70 billion euros (euros, not lei)** from EU funds for the implementation of various projects [11, p.99]. explained by scientists and those working in this field – some of them have already been mentioned above, but in practice the accession to the EU did not affect the country.

It should be noted that when conducting economic policy in the EU, compliance with democratic principles in the activities of European institutions is ensured. **The EU** has proven and is proving that it is the most viable integration organization, the most advanced form of integration. In its work, the EU relies on special institutions: *the Council of the European Union, the European Parliament (720 deputies, elected in 2024), the European Council of Ministers, the European Commission, the Court of Justice of the European Communities (ECJ), the Court of Auditors, the European Central Bank, etc.* There are also a number of EU subsidiary bodies active in a particular area. Each of the institutions carries out its activities on the basis of treaties adopted by the member countries.

The role of some institutions in the EU of an economic and financial nature.

EU budget. Traditionally, budget revenues include: part of taxes on the import of goods into the EU (up to 25%); VAT revenues (but not more than 50% of the GNI of the member country); income from payroll tax for employees working in various EU organizations, etc. Each member state participates in the formation of the EU budget with a share of about 1.3% of gross national income (calculated in 2018 prices), and the share of each country in the total revenues of the EU budget is different [11, p. It is worth mentioning that out of the total expenditures provided for in the EU budget for the period 2014-2020 in the amount of **1082 billion euros, 32.5%** was provided for the financing of the cohesion policy (**351.8 billion euros**).€) and **67.5%** to finance other policies: agriculture, research, foreign policy, etc. (**€730.2 billion**). The EU's long-term budget for **2021-2027**, together with the Next Generation Recovery Instrument (NGEU), supports the recovery from the COVID-19 pandemic and the EU's long-term priorities in various areas, provides for **€2.02 trillion** in financing (at current prices) [18]. More than half of EU funding is provided through 5 European Structural and Investment Funds: *European Regional Development Fund (ERDF); the European Social Fund (ESF); Cohesion Fund (FC); the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).* During an economic and financial crisis or pandemic, special funds are created.

Common Policy of the European Union: General Conclusions [11, pp. 102-132].



The EU's economic policy is characterized by a better process of cooperation between the member states in terms of procedures for harmonizing interests, reaching consensus, developing and applying new forms of economic behavior, etc. As an advanced form of understanding, the EU demonstrates that institutional harmonization is becoming insufficiently effective, which dictates the need to transfer decision-making powers from the national level to the level of EU institutions. At Community level, common policies have emerged, developed and become more complex in response to the growing interdependence between the economies of the Member States for certain reasons: to mitigate the negative externalities resulting from the free functioning of the market mechanism; to establish rules for the functioning of the market by removing obstacles any kind for the free movement of factors; goods and services [3, pp. 8-11; 4, pp. 7-11].

The European Union occupies a crucial place in the development of the world economy and international economic relations. With 7.3% of the world's population, the EU is the third largest economy in the world in nominal terms and in terms of purchasing power parity (PPP). For example, in 2024, the nominal GDP of the EU is estimated at 19.34 trillion US dollars [16]. In addition, all 27 EU countries have a very high human development index according to the United Nations Development Programmed. The EU accounts for more than 14% of global trade in goods and services. The EU, China, and the United States are the three most important global players in international trade. In 2012, the EU was awarded **the Nobel Peace Prize**. Through its foreign and security policy, the EU plays an important role in international relations and defense. The Union has permanent diplomatic missions around the world and is represented in the UN, WTO, G7 and G20.

The EU is making great efforts to overcome the economic crises caused by the *Covid-19* pandemic and to create conditions conducive to the development of a more competitive economy with a higher level of employment. To this end, the EU, together with the Member States, has developed and is implementing certain strategies. For example, in recent years, **the Europa 2020 Strategy** has been successfully implemented [11, pp. 132-135]. *smarter*, through more effective investments in education, research and innovation; *sustainable* – through the transition to a low-carbon economy; and *inclusive* – through a focus on job creation and poverty reduction. Another example would be **the Sustainable Europe Strategy for Europe 2030**, in which the UN Sustainable Development Goals (SDGs) are a benchmark, a policy paper that identifies key elements for the transition to sustainable development [17]. The objectives of the Strategy have been endorsed at the highest political level of the EU, providing a basis for future policies and activities. EU institutions and Member States, including regional and local authorities, will work more closely together to ensure good coordination and set targets to be achieved in the run-up to 2030.

Below are some indicators of economic and social development in the member countries of the European Union and their role in the world economy [14].

GDP (nominal): 2024	▲ \$19,34 trillion dollars;
GDP (PPP): 2024	▲ \$26,64 trillion dollars;
GDP per capita:2024	▲ \$43,300 (nominal); ▲ \$59,050 (PPC);



Export	8.705 trillion dollars (2021);
Import	8.037 trillion dollars (2021);
Inflation (CPI)	7.5% (March 2022);
Average salary	€2.792 per month (2021);
Total FDI	€5.2 Trillion \$ (in appearance, 2012);
Gross <u>external debt</u>	\$13.05 Trillion \$ (31 December 2014);
Total foreign investment	▲ –€2,557.4 Billion ; 17,5% GDP (2015);
Economic Assistance (Donations)	ODA, \$87.64 Billion.

Cooperation of the Republic of Moldova with international and regional economic and financial institutions [see: 11, pp. 154-184].

Aware of the realities of the system of international economic relations, after the proclamation of independence, the Republic of Moldova focused its efforts on promoting an active foreign economic policy. Since 1992, the Republic of Moldova has become a member of the most authoritative international financial and economic bodies. This marked the beginning of the country's self-assertion in the international arena, allowed it to obtain profitable state loans and credits, etc. Cooperation with the most important actors in the field of international monetary and financial management (*IMF, WB, WTO, EBRD, EIB*, etc.) is of particular interest to any country, since they are called upon to accelerate the process of harmonization of international economic cooperation and the implementation of consensus at the regional level, having the opportunity to contribute in a timely manner to the correct dissemination of global goals on a macroeconomic scale. In this context, the Republic of Moldova promotes active cooperation with the main international and regional economic and financial bodies.

Relations of the Republic of Moldova with the IMF [11, pp. 155-158]. The International Monetary Fund is an international organization whose purpose is to promote international monetary cooperation, to promote the expansion and balanced growth of international trade, as well as to promote the stability of the currency. The Republic of Moldova adopted the Articles of Association of the IMF by a decision of the Parliament and on August 12, 1992 became a member of the IMF as the financial agency of the Republic of Moldova at the IMF and is authorized to carry out all operations and transactions authorized by the IMF in accordance with the IMF Articles of Association. Currently, Moldova's quota in the IMF is 172.5 million Special Drawing Rights (SDRs). Since joining the IMF, the country has benefited from the financial assistance of this organization to support various economic programs and policies of national authorities, as well as technical assistance in a number of sectors, including monetary policy/central bank organization, monetary reporting system, banking supervision, etc. According to Mark Horton (Deputy Director of the IMF's European Department), the partnership is good, noting that the IMF has an important program with the Republic of Moldova with substantial financial support. We had such programs in previous years. The current schedule is long and lasts a long time - from December 2021 to October 2025.

Relations of the Republic of Moldova with the World Bank (WB). In 2023, the Republic of Moldova celebrated 30 years of partnership with the World Bank Group. This cooperation began just one year after the country's declaration of independence and a few months after the end of the military conflict on the Dniester.



Since then, the World Bank has been advocating for better governance and transparency, supporting important reforms, investing in roads, energy, agriculture, schools, health facilities, thereby contributing to the improvement of the standard of living of citizens. In total, more than US\$ 1.5 billion has been allocated for more than 70 operations in Moldova. According to *Inguna Dobrazhi, Country Director of the World Bank Group in Moldova* [11, pp. 158-162], a number of projects have been implemented over the years, significant progress in many areas, but the speed of reforms could be higher. **The World Bank's current program for Moldova** includes **12 projects** with a total commitment of **US\$650 million**. Areas of support include regulatory reform and business development, modernization of public services, tax administration, cadastral registration, education, roads, health, agriculture, water, sanitation, and energy. Moldova for the period 2023-2027, supporting the government's efforts to transition to a new economic model that is well aligned with *the priorities of the National Development Plan of the Republic of Moldova "European Moldova 2030"*.

Relations of the Republic of Moldova with the WTO [11, p.163-173]. The purpose of joining the World Trade Organization was to accelerate the process of integration into the world economy, which would allow for the creation of a democratic society with a market-based economy. On July 26, 2001, after 7 years of negotiations in the GATT and the WTO, the country became a full member of the WTO. For more than 20 years, the impact of WTO accession has been extremely important from both an economic and social point of view. Accession to the WTO, along with the process of European integration, has become a catalyst for economic transformation and reforms in the country, significantly increasing trade in goods through reduced duties, minimal trade barriers and predictable regulation. The structure of trade has also improved due to the policy of diversification of exports, both in terms of partners and types of products. Accession to the international trading system within the framework of the WTO has also contributed to the social development of the country. In recent decades, the geographical orientation of the country's foreign trade has changed significantly, becoming predominantly EU-oriented. At the same time, there is an alarming situation in this area, for many years imports significantly exceed exports of goods and services (Table 3).

Table 3. Foreign trade of the Republic of Moldova in recent years.

Year	EXPORT (million \$)	European n Union	CIS	Other countries	IMPORT (million \$)	Europea n Union	CIS	Other countries
2000	▲ 471.5	35,05%	58,56%	6,39%	▲ 776.4	53,22%	33,46%	13,32%
2010	▲ 1.541.5	47,29%	40,48%	12,23%	▲ 3.855.3	44,20%	32,60%	23,20%
2015	▼ 1.966.8	61,90%	25,03%	13,07%	▲ 3.986.8	49,01%	25,53%	25,46%
2020	▲ 2.467.1	66,5%	15,2%	18,3%	▲ 5.416.8	45,3%	24,1%	30,6%
2021	▲ 3.144.5	61,0%	14,8%	24,2%	▲ 7.176.8	43,9%	29,6%	26,5%
2022	▲ 4.332.1	58,6%	24,0 %	17,4%	▲ 9.219.0	47,3%	23,7%	29,0%
2023	▲ 4.048.6	65,4%	22,2%	12,4%	▲ 8.673.7	48,3%	18,6%	33,1%

Source: Developed by the author based on data from the NBS of the Republic of Moldova [19].



Relations of the Republic of Moldova with the EBRD [11, p.173-175]. The European Bank for Reconstruction and Development is an international organization whose goal is to support the economic development of the countries of Central and Eastern Europe, the Southern and Eastern Mediterranean and Central Asia, as well as to disseminate the principles of a market economy, to encourage private and entrepreneurial initiative. The Republic of Moldova became a member of the EBRD on May 5, 1992. is €30.01 million. During this period, the republic has received and continues to receive financial support from the EBRD. Since the accession to the Republic of Moldova, 163 projects have been implemented, with a total investment of more than €2 million. The EBRD will provide financial support for the modernization of the railway infrastructure, providing a loan of €23 million in two installments over 15 years.

Cooperation between the Republic of Moldova and the EIB. The European Investment Bank is interested in developing cooperation relations with the Government of the Republic of Moldova [11, pp. 176-179]. In recent years, the Republic of Moldova intends to focus on infrastructure development projects, and in this regard, the EIB's role is important in the implementation of these goals of the government. In the process of supporting investment projects, it is important that a significant part of the loans offered by the EIB is accompanied by grants from the EU. Currently, *10 EIB projects are being implemented in Moldova with a budget of more than €423 million.* For example, *EIB Global will invest €41.2 million in the rehabilitation of Moldova's railway infrastructure.* It should be noted that since the start of its activities in Moldova in 2007, the EIB has allocated **more than 1.19 billion euros to 33 projects**, supporting the objectives of the EU policy in the following sectors: transport, energy, small and medium-sized enterprises, agriculture, municipal infrastructure [11, pp. 176-179].

In the Republic of Moldova, a number of projects are also implemented with the financial support of other international and regional economic and financial organizations, such as: the United Nations Development Programmed (**UNDP**), with which it works in almost 179 countries and territories; The Food and Agriculture Organization of the United Nations (**FAO**), which in recent years has provided support and assistance to our country through **15 projects worth about 2 million dollars and in 5 other regional projects**, our country has also been a beneficiary; **USAID** (United States Agency for International Development), which contributes to strengthening the Republic of Moldova as a competitive and democratic European country, contributing to the country's economic growth.

R. Moldova in Regional and Cross-Border Cooperation [11, p.186-200].

In the country's foreign policy, regional cooperation is an additional dimension of the European integration agenda as an integral part of economic diplomacy. The Republic of Moldova, being at the crossroads of several regional structures, has been actively participating in a number of international organizations and initiatives in recent years – the Council of Europe, the United Nations Economic Commission for Europe, the Eastern Partnership with the EU, the Organization of the Black Sea Economic Cooperation, regional cooperation with the countries of South-Eastern Europe, cross-border cooperation, etc. The Black Sea region is a topic of priority interest, in the long term, in the country's foreign policy. In 2007-2013, *a total of 40*



joint projects *with partners from the Republic of Moldova* were financed within the BSEC. Another example of regional cooperation is the interaction of the GUAM countries (Georgia, Ukraine, Azerbaijan, and the Republic of Moldova). Initially, there were five states (including Uzbekistan) with the name GUUAM. However, in reality, the activity of this regional structure leaves much to be desired. At the same time, it should be noted that from the very beginning the Russian authorities and experts had a negative attitude towards GUAM, seeing in it a threat to their interests, very much wanting to maintain political control in the region by very specific methods. *structures of cross-border cooperation within the Euroregion with Romania and Ukraine.*

R. Moldova – candidate for EU membership; the procedure for joining the EU has begun.

With the implementation of the Association Agreement, the liberalization of the visa regime and the gradual integration into the EU internal market, the Republic of Moldova is actually integrating into the European political and economic space. On November 28, 1994, the Partnership and Cooperation Agreement (PCA) was signed. The next step was the adoption of the Action Plan developed within the framework of the European Neighborhood Policy, adopted in February 2005. replaced by the Association Agenda agreed on the basis of the Association Agreement between the DIDM and the EU. It is worth noting that due to political instability in the republic, at some stages these cooperation relations were not maintained at the proper level. With the election of Mrs. **Maia Sandu** as President of the country in 2022, everything changed radically. European integration remains the main and irreversible goal of the internal and external agenda of the Republic of Moldova. In recent years, a number of important events have taken place in support of the European path. On May 21, 2023, the Grand National Assembly was held in Chisinau with the participation of many tens of thousands of people, at which the resolution on European integration of the Republic of Moldova – "European **Moldova**"; On June 1, 2023, Moldova hosted the Summit of the European Political Community, which was attended by about 50 leaders from Europe, where the topics of European security, cooperation and energy issues were discussed.

In 2014, the Republic of Moldova, together with all EU member states, signed the Association Agreement, on June 23, 2022, the European Council granted the country the status of candidate country, and on December 15, 2023, the EU decided to start accession negotiations with the Republic of Moldova and Ukraine decided to hold a referendum in order to objectively ascertain the wishes of citizens regarding the process of the country's integration into the European Union.

Summary and conclusions

International economic integration is a special form in international economic relations. The process of international economic integration can be considered as a qualitatively superior method of economic cooperation between countries, which is carried out in various forms on the basis of certain agreements. Usually, this requires a transition period to make the necessary adjustments between partner countries. At the moment, there are more than 20 international integration economic associations in the world, which include the main regions and continents of the globe (NAFTA, CELAC, MERCOSUR, APEC, G7, G20, EU, BRICS, SCO, CIS, UVEA, GUAM, etc.)label.



The EU considers itself the most advanced form of integration, being a political and economic union of 27 member states. A special role in the development of the process of international economic integration is played by the economic and financial bodies of the United Nations (IMF, IBRD, WTO, etc.), TNCs, and various other international and regional organizations.

In 2014, Moldova, together with all EU member states, signed the Association Agreement, on June 23, 2022, the European Council granted the country the status of candidate country, and on December 15, 2023, the EU decided to start accession negotiations with Moldova and Ukraine. On June 21, 2024, the President of the Republic of Moldova signed a decree on the start of accession negotiations with the EU. The main task is to successfully conduct these negotiations, to ensure the implementation of the tasks set to promote the necessary reforms in our country. It is necessary to strengthen the country's society in order to successfully secure its path to EU membership. Every citizen should be aware of the need to participate in the referendum in October this year, so that the majority of us can express consolidated support for Moldova's accession to the EU. Deepening the country's integration into international and regional economic structures and, first of all, its integration into the EU are aimed at economic development and improving the standard of living of the population.

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