Integration activity of the states and regions of Russia within the Great Silk Road

Actividad de integración de los estados y regiones de Rusia dentro de la Gran Ruta de la Seda

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ABSTRACT:

The article investigates scientific approaches to assessing the impact of integration processes on socio-economic phenomena using comparative analysis, as well as economic and statistical methods. It is revealed that conceptual approaches of the idea of creating a single market space regardless of the policy of states, as well as national and international pieces of legislation, have changed to the concept of creating a global socio-economic space through the mediation of functional international organizations. The developed multicriteria evaluation method of integration activity allows assessing the integration activity of the countries involved in the Silk Road Economic Belt at the macro- and mesolevel. Conducted analysis indicates strengthening of labor and educational migration, increasing the role of cross-border remittances in global financial flows, changing the role of countries in the international division of labor, and the development of virtual labor migration. High integration activity is observed in China and Russia, while Mongolia and Kazakhstan are characterized by low integration activity.
Keywords: globalization, integration processes, integration activity, socio-economic development,

RESUMEN:

El artículo investiga enfoques científicos para evaluar el impacto de los procesos de integración en los fenómenos socioeconómicos mediante el análisis comparativo, así como los métodos económicos y estadísticos. Se revela que los enfoques conceptuales de la idea de crear un espacio de mercado único independientemente de la política de los estados, así como las leyes nacionales e internacionales, han cambiado al concepto de crear un espacio socioeconómico global a través de la mediación de funciones funcionales. organizaciones internacionales. El método de evaluación multicriterio desarrollado de la actividad de integración permite evaluar la actividad de integración de los países involucrados en el Cinturón Económico de la Ruta de la Seda a nivel macro y mesolelano. El análisis realizado indica el fortalecimiento de la migración laboral y educativa, el aumento del papel de las remesas transfronterizas en los flujos financieros globales, el cambio del papel de los países en la división internacional del trabajo y el desarrollo de la migración laboral virtual. Se observa una alta actividad de integración en China y Rusia, mientras que Mongolia y Kazajstán se caracterizan por una baja actividad de integración.

1. Introduction

In today's globalized world, the strategy of the Silk Road Economic Belt (SREB), as a large-scale idea, can become a driving force of geostrategic development, because in world history the Great Silk Road was a unique phenomenon of mutually beneficial cooperation among different nations and cultures, it was a path to prosperity. Therefore, it is no coincidence that the countries situated in the zone of its influence expect certain positive complex transformations which would result from the restoration of this path. The extent of these changes differs across countries and regions (Dagbaeva et al., 2017; Zhylankozova, 2018; Kiselitsa et al., 2018).

The 21st century makes adjustments and qualitative changes in the global processes that, among other countries, affect the regions situated in the zone of influence of the modern Great Silk Road.

There are many scientifically grounded approaches to the essence of integration (Chimitdorgieva et.al., 2016, Mikhailova S. S, et al., 2017). The authors have revealed a change in conceptual approaches from the idea of creating a single market space, regardless of the policy of states, national and international pieces of legislation to the concept of creating a global socio-economic space through the mediation of functional international organizations (Table 1).

Table 1
Scientific approaches to the definition
of the concept of integration

Approach	The essence of the approach
Market integration (Kassel, 1995; Repke, 2002; Alle, 2003).	Integration is a single market space on a regional scale, regardless of the policy of states, as well as national and international pieces of legislation. The market is the best regulator of the economy.
Neoliberal integration (Weiner, 2000; Balassa, 1961; Alle, 2003)	Government intervention is needed in the integration process.
Structural integration (Myrdal, 1958; Marshall, Blaug, 1994; Perru, 2007)	Integration is the process of structural reforms in the economy; the integration space is built on the basis of a new economic mechanism.
Neo-Keynesians (dirigisme) (Cooper, 2003; Tinbergen, 1940)	Integration is international economic cooperation based on the harmonization of domestic and foreign policies of the integrating countries.
Functional integration (Haas, 1970; Lindberg; Schumann, 1963)	Integration is a global socio-economic community, an international cooperation through functional international organizations.
Integration within the Silk Road Economic Belt (Luzyanin et al., 2016)	Integration of states within the zone influenced by SREB on the ground of international agreements on international cooperation.

The analysis of integration processes indicates the increased international migration, the

migration-based interdependence of labor-redundant and labor-deficient countries, social stratification, and the change in the international division of labor (Tsyrenov and Slepneva, 2018). The role and place of the country in the international division of labor are no longer determined by the availability of cheap labor, but by the quality of human capital. The policies of transnational companies and gradual transfer of production to developing countries, as well as virtual labor migration, i.e. the creation of skilled services by migrant workers, who do not leave the country, while working for another country, play a key role in the international division of labor. The role of cross-border remittances in global financial flows is increasing as well. The basis of cross-border remittances is mainly the transfers related to labor activities of migrants. (Chandrapala, 2018; Todorov et al., 2018).

There is an increase in educational migration flows (Slepneva et al., 2016). In Russia, for the period from 2010 to 2017, the number of foreign students from Kazakhstan has increased 2.6 times, from China - 4.5 times, and from Mongolia - 22 times.

In China, the number of foreign students increased 1.66 times. The main groups of foreign students were from the Republic of Korea (66.7 thousand people), the USA (21.9 thousand people), Thailand (19.9 thousand people), Russia (16.2 thousand people), Kazakhstan (13.2 thousand people), and Mongolia (7.5 thousand people).

2. Methods

To assess the integration activity, a methodology has been developed that uses publicly available statistical indicators (Tsyrenov, 2015, 2018). The method of determining the integrated indicator of integration activity is based on a multistage procedure for determining the specific criteria characterizing the development of socio-economic systems. Integrated indicators of integration activity are used to determine the rating of integration subjects at the macro- and mesolevel. Particular criteria of integration activity are determined based on the ranking of statistical indicators of integration subjects.

To assess the integrated indicator of integration activity of the subjects of integration at the macrolevel, partial criteria are used that characterize the development of the economy, infrastructure, international capital migration, human migration, and foreign trade (Table 2).

Table 2
Indicators to calculate partial criteria of the integration
activity of the subjects of integration at the macrolevel

1. The partial criterion of economic development of the subject of integration	
1	The GDP per capita (USD)
2. The partial criterion of infrastructure development	
1	The proportion of GDP for education (%)
2	The proportion of GDP for health care (%)
3	The proportion of GDP for culture (%)
4	The proportion of GDP for science (%)
3. The partial criterion for the development of foreign trade	
1	Exports of goods and services (bln USD)
4. The partial criterion of international capital migration and human migration	

1	Capital outflows (% of GDP)
2	Immigration (thousand people)
3	Emigration (thousand people)

The method of determining the integral indicator of the integration activity at the mesolevel is based on a multistage procedure of definition of partial criteria characterizing the development of the economy, infrastructure, demographic situation, labor market, and the attractiveness of the territory for investing and living (Dagbaeva, 2018). Partial criteria of integration activity are determined based on the ranking of statistical indicators of the subjects of integration (Table 3).

Table 3
Indicators to calculate partial criteria of the integration
activity of the subjects of integration at the mesolevel

1. The partial criterion of economic development

1	The GRP per capita (ruble)
2	Investment in fixed capital per capita
3	The number of small enterprises per 10,000 population
4	The purchasing power of the average monthly wage in the subjects of the Russian Federation

2. The partial criterion of infrastructure development

1	Range of paid services per capita (rubles)
2	Number of hospital beds per 10,000 population at the end of the year
3	Coverage of children by preschool educational institutions, as a percentage of the total number of children of the appropriate age
4	The total area of commissioned residential houses per 1,000 inhabitants (sq. m. of the total area of residential premises)
5	The total area of residential premises, falling on average per inhabitant (sq. m.)

3. The partial criterion of the demographic situation

1	Number of reported crimes per 100,000 population
2	Natural population growth rate per 1,000 population
3	Dependency ratios

4. The partial criterion for the labor market development

1	The load of the unemployed population registered in employment service bodies per one declared vacancy

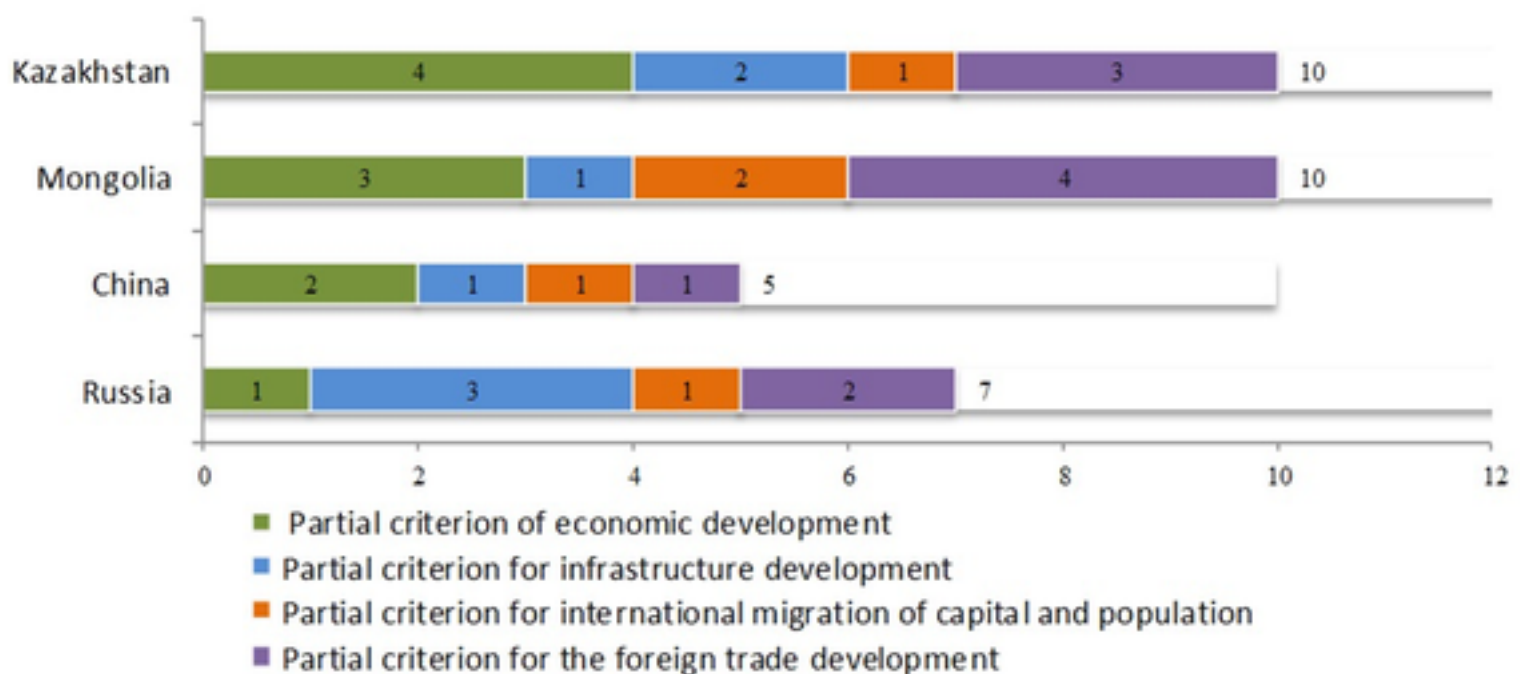| | 5. The partial criterion of the attractiveness of the territory for investment and residence | |
| --- | --- |
| 1 | Total migration growth rate per 10,000 population |
| 2 | Foreign direct investment (mln USD) |

3. Result 1: Approbation of the method at the macrolevel

The assessment at the macrolevel of the integration activity of Russia, Kazakhstan, Mongolia, and China has revealed that China and Russia belong to the countries with high integration activity (their integrated indicator of integration activity equals, respectively, to five and seven. Low integration activity is observed in Mongolia and Kazakhstan (both countries are characterized by an integral indicator of integration activity equal to 10) (Fig. 1).

Figure 1
Assessment of the integration activity of Russia,
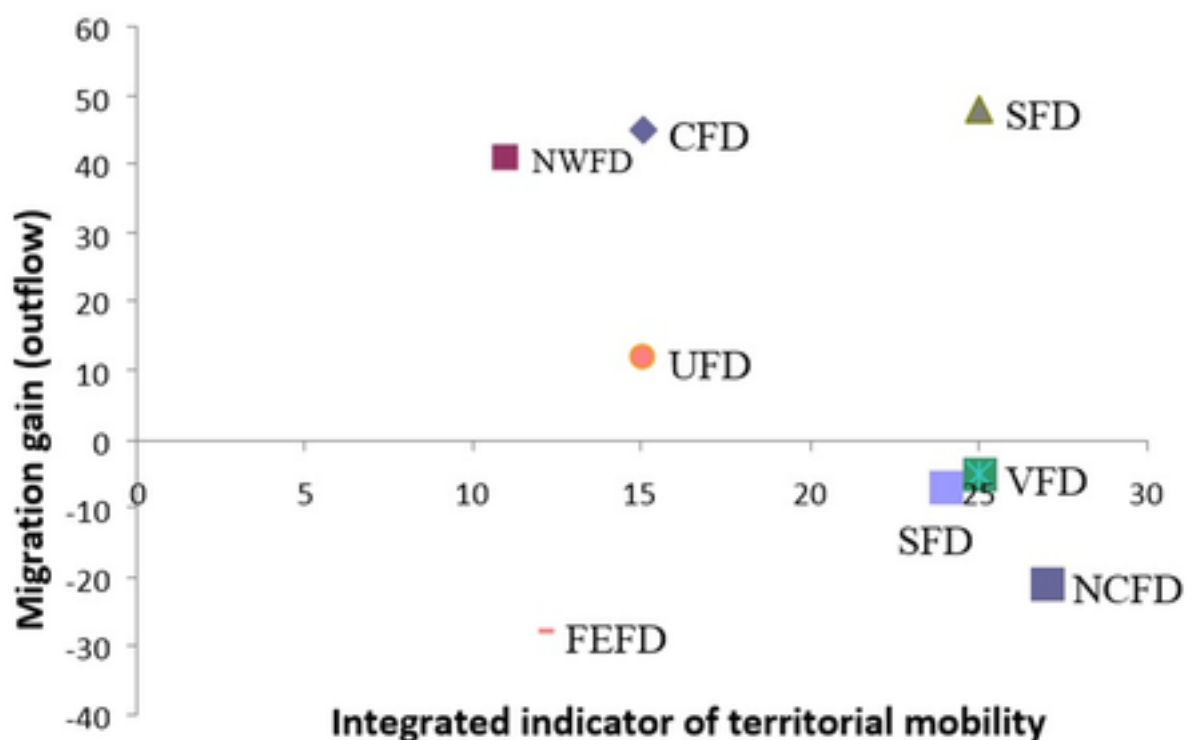Kazakhstan, China, and Mongolia at the macrolevel

4. Result 2: Approbation of the method at the mesolevel

In consequence of the integral assessment of the integration activity of federal districts of Russia, two groups of federal districts were distinguished: districts that were attractive to migrants (the Northwestern Federal District, Central Federal District, Urals Federal District, and Southern Federal District), and districts characterized by migration outflow of the population (the North Caucasian Federal District, Volga Federal District, Siberian Federal District, and Far Eastern Federal District).

It is determined that high integration activity is characteristic to the federal districts, which are characterized by the supportive environment for the entrepreneurship, where investments in fixed assets are made, favorable living conditions are created, education and health systems are developed, and vacancies are available in local labor markets (Fig. 2).

Figure 2
Assessment of integration activity of federal
districts of the Russian Federation

5. Discussion

The conducted analysis of the integration activity of the countries and regions of Russia in the context of the Great Silk Road can be used when developing measures to enhance the integration processes and preparing programs aimed at encouraging the socio-economic development of the regions, forming the attractiveness of the territory for investment and residence (Dagbayeva, 2018).

6. Conclusion

The conducted assessment of the integration activity of the Silk Road Economic Belt countries at the macro- and mesolevel indicates the strengthening of labor and educational migration, increasing the role of cross-border remittances in global financial flows, changing the role of countries in the international division of labor, and the development of virtual labor migration. High integration activity is observed in China and Russia, while low integration activity is noted in Mongolia and Kazakhstan.

Acknowledgments

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