

CURRENCY- FINANCIAL INTEGRATION IN EUROPE, ASIA AND AFRICA: MAIN CONCLUSIONS FOR INTEGRATION OF FRAMEWORK IN THE SHANGHAI COOPERATION ORGANISATION (SCO)

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Abstract

In the present article, the vast experience of monetary integration within successful integration associations of Europe, Asia, Latin America and Africa and their applicability in the conditions of an intensification of integration processes within SCO is investigated. In article features of formation and modern trends of monetary integration within successful integration associations of Europe, Asia, Latin America and Africa are considered. From positions of the objective analysis, various models of monetary integration and a condition of their applicability concerning SCO are shown.

Keywords: Regionalism, integration, regional integration, integration association, economic integration, monetary integration, currency union, Central Asia, Uzbekistan, SCO

INTRODUCTION

Conceptually, we note that the need for integration is generated today by a number of pressing economic problems that cannot be solved by countries in one place. The growing globalization and internationalization of production, the deepening of the international division of labor make the traditional policy of supporting free competition by an individual country ineffective. Alone, one country cannot alone resist tough competition in the world market. This spurs the search for

new forms of international cooperation that would ensure the sustainability of the development of individual countries in the world economy. One of such forms is the integration of countries into various kinds of interstate unions, including large-scale regional economic complexes with a common territory, administrative apparatus, financial system, economy, citizenship, foreign policy.

In the process of regional cooperation, states can effectively ensure their interests, while remaining independent players. Clarifying the definition of the terms "regionalism" and "regionalization", S. Perko believes that when it means regional cooperation between states, it would be wrong to use the term "regionalization". More appropriate in this case, the author considers the use of the term "regionalism".

Under "regionalism," or regional construction, also understand the formation of interstate entities from countries linked by interdependence. Regionalism is a concept that deals with a specific identity and is related to the realities of a regional and global arrangement. In a broad sense, the term "regionalism" can be interpreted as strengthening ties between countries that are not only geographically close, but also have common problems, economic and strategic interests specific to the region.

Intensification of international cooperation at the regional level (in other words, the growing regionalization of international economic relations) is becoming an increasingly effective tool for ensuring regional and global economic security and stability. The states, united on a regional basis, successfully carried out and carry out today joint measures for ensuring geo-economic stability.

At the same time, we should also note that regional economic integration is not only a way to protect against world market competition, but also protection from economic expansion supported by globalization. This is a way to ensure the sustainability and independence of each country's development.

In this connection, the President of the Republic of Uzbekistan Sh. Mirziyoyev in his Strategy of Action for the Further Development of the Republic of Uzbekistan as the fifth priority area in the sphere of ensuring security, interethnic accord and religious tolerance, as well as the implementation of a balanced, mutually beneficial and constructive foreign policy, pointed out the need "to strengthen the independence and sovereignty of the state, and the country's role as a full-fledged subject of international relations, creating a security belt around Uzbekistan and, stability and good-neighborliness».

Analyzing the features of regional cooperation in the example of Europe, F. de Schoutet identifies three types of regional subsystems: hegemonic, integration and defensive. In turn, T. Pedersen, relying on the research of F. de Schoutet, suggests extending the typology and

talking about six types, highlighting hegemonic, dominant, balancing, integration, protective and functional regional subsystems. In our case, without delving into the theoretical postulates about regional systems and subsystems, we note that regional integration is a universally recognized constant in all scientific works and studies, without exception. According to the just statement of the domestic political scientist, associate professor F.F. Tolipov, "regional integrationism is one of the symbols of world politics at the end of the twentieth and beginning of the 21st century. Regional integrationism, together with such phenomena as inter-civilizational dialogue and globalism, are the three foundations on which a new systemic structure of international relations is being built ". The basis of regional integration is undoubtedly economic integration. At the same time, monetary and financial integration is also an important component of integration. According to A.S. The book and VN. Parkhayev, the reasons for the development of integration processes are:

- 1) The internationalization of economic life, the strengthening of international specialization and co-production, interlacing of capital;
- 2) Confrontation of the centers of rivalry in world markets and currency instability. In our deep conviction, there can be no full-fledged economic integration without monetary and financial integration. The constant of full-fledged economic integration is and will be monetary and financial integration. In this connection, President of the Republic of Uzbekistan Sh. Mirziyoyev in his speech at the meeting of the Council of the Heads of State of the CIS (Sochi Summit) on October 12, 2017 specifically noted, "Uzbekistan is also interested in implementing new concrete projects with trade and investment, innovative and financial spheres ". Thus, financial integration is promising and in demand not only from the states of individual regions, but also from the countries of the CIS, Central Asia and Uzbekistan, in particular.

THEORETICAL BACKGROUND

As very rightly notes the Russian researcher N.V. Serebryakov, "the ideas of regional integration in the post-Soviet space, including in the Central Asian region, are developing on the basis of comprehension of the experience accumulated by the world community." In connection with the foregoing, one can turn to the experience of a number of regional integration structures for monetary and financial convergence and full integration, where integration was the formula - economic integration - currency integration - financial integration.

Uzbekistan attaches great importance to the development of cooperation within the SCO. Significant prospects for multilateral cooperation within the SCO are available in the economic, monetary, and financial spheres. In this regard, President of the Republic of Uzbekistan Sh. Mirziyoyev in his speech at the Astana summit of the heads of state and

government of the SCO in particular noted "Uzbekistan stands for the consistent deepening of trade and economic ties with the SCO countries." "An important component of the SCO's activities is the development of close economic interaction. We must continue to remove barriers to trade, capital flows and labor, deepen industrial and technological cooperation," said Russian President V.V. Putin during his speech at the jubilee Tashkent summit of the SCO on June 24, 2016.

In connection with the previously mentioned, it is possible to especially note the initiatives of banking cooperation within the framework of the Shanghai Cooperation Organization (SCO).

The study and analysis of the processes of monetary and financial regional integration makes it possible to identify the following successful regions:

1. Monetary and financial integration in Europe.
2. Monetary and financial integration in Asia.
3. Monetary and financial integration in Latin America.
4. Monetary and financial integration in Africa

Speaking about monetary and financial integration in Europe, it is necessary to note the creation of a regional monetary system in Europe, the first attempt within which was the development of the "Werner Plan", as well as the introduction in the future of the ECU and the approval of the "Delors Plan".

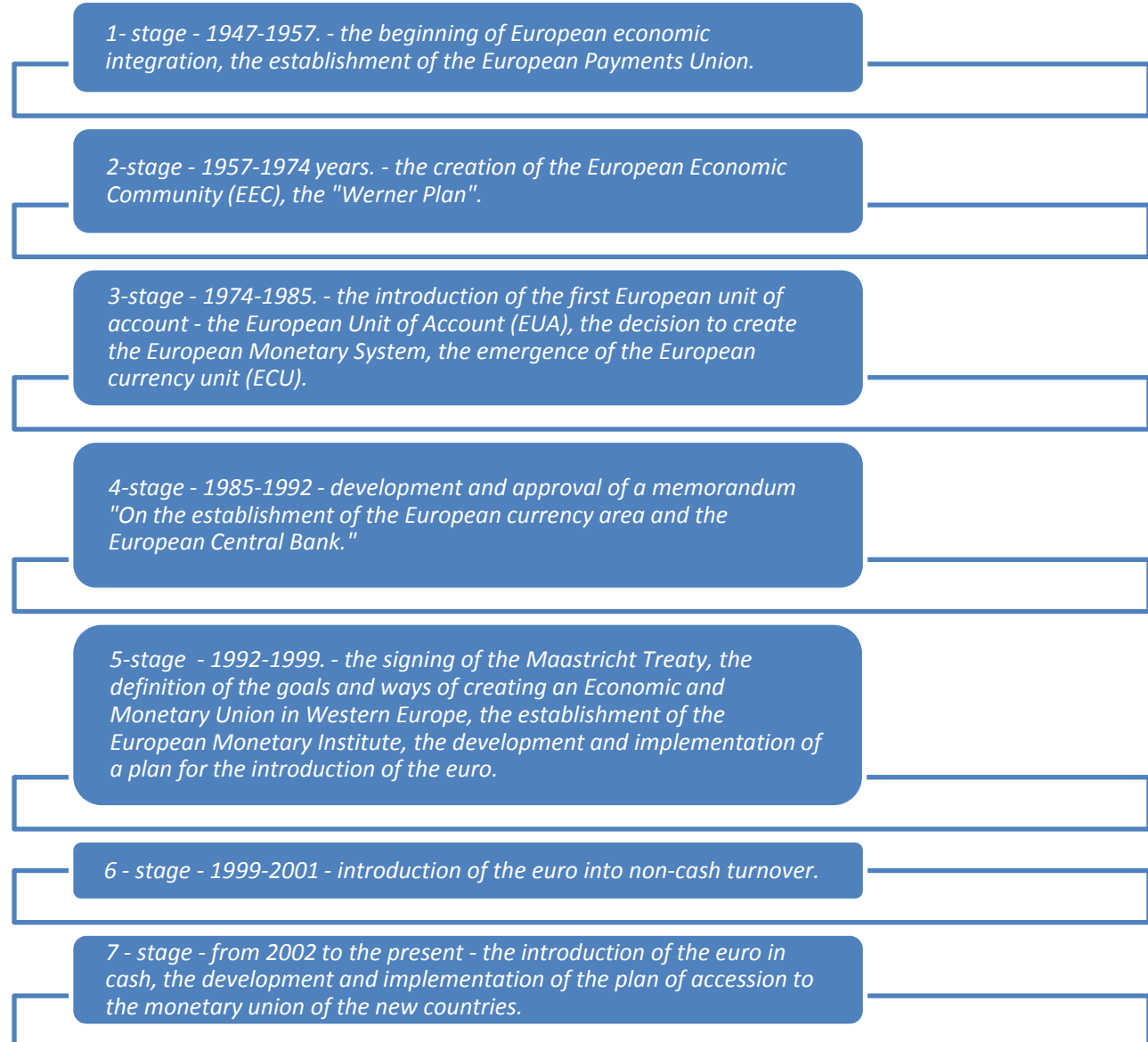
At the same time, there are, and can be said, outstanding successes in the field of monetary and financial integration, and there are a number of problems, in particular:

- The state of financial integration in the EU in various market segments;
- Problems in the way of creating a single market for banking services;
- Problems of integration of the securities market, insurance markets.
- The problem of integration of national retail financial markets;
- The distrust of the population of individual EU member states against the euro after the financial crisis of 2008 and, as a consequence, the launching of the process of Britain's withdrawal from the EU - Brexit.

MONETARY SYSTEMS AND REGIONAL INTEGRATION

In this regard, we believe that the original concept of European integration - the integration of different speeds was the optimal integration tool in all stages of the development of European integration. However, the accelerated integration of the 2000s led to the abolition of this fundamental principle of European integration, which ultimately causes real difficulties and problems in the field of integration, in particular in the field of monetary and financial integration.

From the point of view of the development of the European monetary and financial integration, at the current moment it is possible to single out seven stages of integration of the member states:



In order to optimize the introduction of the single currency, in particular, the Financial Action Plan for the years 1999-2005 was adopted and for 2005-2010. (Financial Services Action Plan).

The monetary and financial integration in Asia can be illustrated by the example of the Association of Southeast Asian Nations (ASEAN) and the Cooperation Council of the Arab States of the Persian Gulf (GCC).

In the development of the process of monetary and financial integration within ASEAN, modern researchers are encouraged to distinguish the following stages:

- The preparatory phase, during which framework agreements were laid that laid the foundation for integration (1995-2003);
- The initial stage of the creation of the Economic Community (2003-2006);
- Acceleration of integration processes aimed at the formation of the Economic Community by 2015 (2007 - end of 2015);
- The official establishment of the ASEAN Economic Community and the implementation of further activities to form a single market for financial services (end of 2015 - 2025)

Based on the above, it is possible to highlight the specific features of the financial integration of ASEAN member states:

Firstly, this is our own concept of development - the "ASEAN Way", which implies non-interference in each other's internal affairs. Priority is given to the existence of the exclusively goodwill of countries both in the format of participation in regional financial initiatives and in the time of their adoption, which allows member states to accede to agreements as they are prepared and individual assessments of the degree of readiness of national financial systems for integration.

Secondly, an important role in financial integration within ASEAN is attached to state sovereignty, which is recognized as indivisible and supranational institutions are not created within ASEAN. In this regard, relations between ASEAN members are built at the intergovernmental level in the course of meetings and consultations of officials in the absence of supranational institutions, which, in the case of EU bodies (e.g. the EU Council, the EU Commission, and the EU Court), delegate some of the powers of states and whose decisions are binding.

Thirdly, this is the very process of organizing economic and financial integration. This task is solved with the help of commercial and investment activities of private companies, firms and organizations that are of a non-state nature.

Let us note that, along with all the successes in the matter of monetary and financial integration in Africa, two main problems arise in the framework of numerous integration associations:

First, the problems of pan-African monetary cooperation as a whole;

In addition, secondly, the prospects of combining currency zones in the African region with the introduction of a single currency - Afro.

Thus, the integration experience of various regions - Europe, Asia and Africa in the monetary and financial association shows that the prospects for monetary and financial

integration within the SCO framework for Uzbekistan are very promising and, most importantly, will make a tangible contribution to the development of the economy of Uzbekistan.

INTEGRATION OF FRAMEWORK IN SHANGHAI COOPERATION ORGANIZATION (SCO)

The Shanghai Cooperation Organization is of great importance for the economic integration of member countries. The SCO, along with other multilateral mechanisms and institutions operating in this region, in the opinion of all members of the organization, is a new important link in the multilateral cooperation system. As very rightly notes the Russian researcher N.V. Serebryakova, "The Shanghai Cooperation Organization can be considered as an integration association that has a number of specific features, its development trajectory." We can also refer to the opinion of A.I. Bykova who notes "OJC fulfills its main function as an effective instrument of regional economic integration and cooperation."

We are deeply convinced that the deepening of integration processes and the expansion of regional cooperation within the SCO framework will not only promote the socio-economic recovery of member countries and joint entry into world markets, but will also contribute to the creation of conditions for ensuring the security, stability and sustainable development of the entire Central Asian region.

To date, the Interbank Association of the SCO is the main mechanism for financing and banking services for investment projects, supported by the governments of the member states of the organization. The SCO was established in accordance with the agreement on interbank cooperation (association) within the framework of the SCO, signed in 2005.

Following the results of the 13th meeting of the SCO IBA, a strategy was adopted for further development of the SCO for the medium term - 2017-2021. The objectives of the strategy, in particular, identified the implementation of cross-border infrastructure projects, the expansion of cooperation with international financial organizations operating in the SCO and in the Asian region.

In addition, work continues on the creation of the SCO Development Bank. The bank should become an institution for financial support of project activities within the framework of the SCO. According to the former SCO Secretary-General D. Mezentsev, the bank will not only help to increase settlements in national currencies, but also expand cooperation between participating countries.

The concept of creating the SCO Development Bank was first put forward by China. All this time the question does not leave the agenda of the organization. At the summit in Yekaterinburg in June 2009, the heads of the SCO member states discussed the possibility of creating the SCO Development Fund.

There are already several scenarios for creating a bank. Russia proposed to organize it on the basis of the Eurasian Development Bank, established by Russia and Kazakhstan in 2006. It is also discussed the idea of making the SCO Development Bank open to new participants, like the Asian Bank for Infrastructure Investment, initiated by the PRC. Asia's needs for infrastructure investments exceed \$ 700 billion, so we can confidently note that the new financial institutions will not compete with each other.

According to Dean Zhizze, Rector of the Financial Institute of the Foreign Economic University, "if the SCO Development Bank is successfully established, it will be useful for advancing the development of this region, for strengthening cooperation between the member states of the organization, for the formation of mutually complementary advantages. It will also be useful for the global ordering of currency and finance and for the formation of a certain limit for the US dollar. "

It should also be noted that the heads of government of the SCO member states in the Joint Communiqué on the results of the 10th meeting of the Council of Heads of Government of the organization members confirmed "the principled support for the establishment of the SCO Special Account and the Development Bank of the SCO and instructed to continue work on the formation of effective mechanisms for financial support for the project activity under the SCO. "

In our opinion, the creation of the Development Bank and the Development Fund of the SCO will help not only to respond to fluctuations in international and foreign financial markets, but also to optimize the financial resources of the SCO, as well as to strengthen the internal financial cooperation of the SCO. This is directly useful for all SCO member states. This also represents a new and purposeful real concept of cooperation within the SCO framework.

Proceeding from the existence of objective prerequisites for regional monetary and financial integration within the SCO framework, now the main task is the development of its new, viable model.

CONCLUSION

Based on the above, we can draw the following main conclusions:

Currency integration as an economic phenomenon appeared in the middle of the XIX century, when several currency unions were formed at once. At the same time, this phenomenon has acquired the greatest importance in the modern world, in the era of growing globalization and tougher competition in world markets. Many countries of the world are currently striving for monetary integration, striving to realize themselves as significant players in world markets and to strengthen national currency rates.

In the world practice, there are several forms of monetary and financial integration, any of which has its positive and negative sides. In the process of monetary and financial integration, the countries participating in the agreement pass several stages of the development of the monetary union, which in many works appears to be the highest form of currency integration, but, according to some authors, is not a "panacea for all ills".

In connection with the foregoing, it can be noted that monetary and financial integration should become one of the locomotives of the SCO's integration development, within which unique integrals of monetary and financial integration must be developed that really will meet the interests of all the SCO members, and not only its individual members.

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