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Methodological framework for the assessment and comparison of various models of regional economic integration

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Abstract
The author proposes in this article an updated methodological framework for the assessment and comparison of various models of regional economic integration in terms of assessing their advantages, strengths, weaknesses and effects. Set of criteria has been developed for this purpose (type, form, methods, mechanism, factors, terms). The proposed methodological approach also creates a framework, which allows comparing the scale, depth and dynamics of different models of integration.
Keywords: methodology, regional economic integration, regional economic groupings, models of economic integration.

Metodologiczne zasady analizy i porównywania różnych modeli regionalnej integracji gospodarczej

Streszczenie
Autor przedstawia w tym artykule znowelizowane metodologiczne podejście do badań regionalnej integracji gospodarczej, które pozwala dokonywać wszechstronnej analizy tego zjawiska z różnych perspektyw w oparciu o opracowany zestaw kryteriów: typ integracji, forma integracji, metoda integracji, mechanizm integracji, czynniki integracji, warunki integracji. Zaproponowane podejście ma służyć jako narzędzie umożliwiające porównywanie zalet, mocnych i słabych stron oraz skutków poszczególnych modeli regionalnej integracji gospodarczej.
Słowa kluczowe: metodologia, regionalna integracja gospodarcza, regionalne ugrupowania gospodarcze, modele integracji gospodarczej.

Nowadays assessment and comparison of different models of regional economic integration is not only a scientific problem, but also has a basic practical significance. The rapid dynamics of integration processes throughout the world, the emergence of new models of regional economic integration and the complication of existing ones are the key reasons that have drawn attention to this topic.

A wide variety of regional economic organisations have emerged over the last several decades, ranging from the simplest free trade areas to such complex political and economic organisations such as the European Union. Study of these processes often comes down to a detailed description of certain integration models or an analysis of their selected aspects. Such approaches allow scientists to study every model thoroughly and in detail, but they are insufficient in terms of comparing important parameters of various integration models, which is essential in assessing their advantages, strengths, weaknesses and effects.

The methodological gap and lack of applicable research tools, in turn, reduces the value of discussion on political decision-making regarding the best choice for a regional economic integration model, reducing it to slogan speculations rather than fact. Discussions about the model of future relations between the EU and the United Kingdom is the most notorious recent example of such a problem that one might notice. The difficult and frustrating negotiations about optimal models of integration between the EU and the countries belonging to the European Neighbourhood Policy is an illuminating case as well.

There is no commonly accepted methodology that would provide participants of similar discussions with facts and arguments rather than political slogans and irrational emotional judgments. Finding a way of filling this gap is the ambitious goal of this article. In this context, the aim of the article is to develop a methodological framework that would enable experts not only to analyse various models of regional economic integration, but compare them as well.

The hypothesis and research methodology

The author has the hypothesis that the research methodology of regional economic groupings should be based on analysing of a set of developed criteria that reflect the key parameters and characteristics of regional economic organisations. This would help to compare different integration models in terms of their strengths and weaknesses, which, in turn, might provide valuable knowledge for the members of regional economic organisations to make better choices.

In order to confirm the hypothesis, the following research tasks were formulated:

a) deconstruction of the phenomena of regional economic integration,
b) identification of the most important functional parameters of regional economic integration,
c) development of a set of criteria that might enable the assessment and comparison of various models of regional economic integration.

The author operates according to theoretical research methods, including descriptive evaluation methods, content analysis of key sources of information, literature on the subject[1], international agreements and other official documents. Of particular importance for this research is the case study method, which has been used for analysing various regional economic groupings in detail.

Regional economic integration as a complex phenomenon

Regional economic integration is an extremely complicated phenomenon in the history of humanity and quite a thorny topic for academic research. Contrary to the fact that the definition itself indicates that it concerns the regional actors of the international arena that strive to strengthen economic cooperation, academic thought still does not even have a strict and universally accepted definition of the concept in question. Some schools treat it as a process, others as a state, and others still as a combined phenomenon (both a process and a state). In fact, every school uses its own definition, which is sometimes not suitable for academic consideration within other schools.

The common basis for all definitions is the general statement that the integration process involves merging the economies of individual countries into one whole (integration grouping). This is a compromise term, which (despite the fact that it does not fully satisfy all academic schools) does not, however, evoke any serious controversy or opposition. It is worth emphasising that the integration grouping formed is not a simple summation of national economies, but – due to the extent of the internal economic connections achieved – it stands out from other entities of the worldwide economy (Barcz et al. 2012).

Regional economic integration as a highly complex phenomenon involving many different strands permeating different levels. Describing each integration grouping does not present a problem, but comparing two or more integration groups is a more complicated task. This requires the development of a methodological tool.

In this context we are recommended to use the term 'regional economic integration model', which can be described by using a set of criteria. It is worth noting that in the literature on the subject this term is used fairly readily. For example, J. Rosiek understands it as an overview of the integration system, encompassing a set of its basic features, including in particular the division of jurisdiction between international or supranational bodies and the offices of Member States, and between central economic power centres in individual countries and enterprises (Rosiek 2003: p. 32).

On this basis, three models of international economic integration are usually distinguished, in particular:

[1] For example: Balassa 1961; Barcz et al. 2012; Bożyk 2002, 2008; El-Agraa 1999; Ładyka 2001; Molle 2006; Pelkmans 2006; Proniewski, Niedźwiecki 2004; Rosiek 2003; Sannwald, Stohler 1959; Tinbergen 1954; Zielińska-Głębocka 1999; Żołądkiewicz, Orłowska 2012; Czarczyńska, Śledziewska 2007; Wojtaszczyk, Nadolska 2015; Howarth, Verdun 2020; and others.

d) **International integration**, which assumes that all decisions should be taken by the member countries, with integration centres playing a very limited role restricted to coordinating the actions of the member states.

e) **Transnational integration**, where both the transnational centre and the national centres have the right to influence the integration processes within a given grouping. The scope of competence manifested by a supranational integration centre depends on the consent of the member countries, which usually delegate some of their decision-making powers to it.

f) **A 'mixed' model of economic integration,** which, on the one hand, consists of elements typical of the model of international integration while, and on the other hand – featuring elements characteristic of transnational integration.

While agreeing that this approach is consistent with the definition of the term 'model', we nonetheless believe, that models of international integration must be analysed on the basis of wider set of criteria.

Criteria for the analysis and comparison of various models of regional economic integration

Analysis of regional economic groupings and their comparison with each other requires the researcher to identify several relevant criteria regarding integration, including: type, form, method, mechanism, factors and terms.

1. Type of integration. The literature on the subject contains several approaches to typologising regional economic integration. According to the most general one, there are four types of integration:

- contractual integration of sovereign states (equal partners),
- supranational contractual integration of states voluntarily limiting their own sovereignty in favour of integration institutions (equal partners),
- politically unequal integration (political subordination of politically unequal partners),
- economically unequal integration (economic subordination of economically unequal partners) (Proniewski, Niedźwiecki 2004: p. 13).

The above classification opens a new research perspective, pointing to an important detail of regional economic integration, namely the differences in the 'starting positions' of the countries that participate. This is extremely relevant because different types of integration will yield completely different effects for their participants.

In this context, one ought to depart from the position of the major mainstream schools of economics, which often disregard the specifics of integration participants, assuming that the process of regional integration involves the participation of several equal players in the international arena who co-create the "rules of the game". However, it is often the case that there are some countries participating in regional economic integration that are able to independently influence the processes of integration and the functioning of the entire grouping. There are also those that do not have any major impact, which is why they adapt passively to the rules of this process. This creates a certain asymmetry in the processes of regional economic integration.

2. Form (stage) of integration. When it comes to the classification of forms of economic integration, special attention should be paid to several key issues. Most scholars see regional economic integration as an evolutionary process, involving a shift from less to more advanced stages of integration. For example, according to W. Molle, regional economic integration means the gradual elimination of economic boundaries between countries, consisting of three stages. The first is the liberalisation of trade in commodities. The second concerns the removal of obstacles blocking the flow of production factors (i.e. capital, labour resources and technology), while the third involves coordination between partners in various aspects of economic policy (Molle 2006: p. 9). Molle's approach indicates that, in addition to the legal form of economic integration, real processes should be included too. After all, entering the term 'free trade zone' in an international agreement does not mean that an actual free trade zone will indeed be organised between countries.

The classical approach to the classification of forms of economic integration is systematisation, as presented by B. Balassa. This economist identified five forms of integration that reflect the various levels (or degrees) of integrated economies of the participating countries. Here the criterion of division is the scope of elimination of barriers to cooperation as well as the level of institutional cooperation of the grouping's members. These forms are as follows:

1) Free trade area.
2) Customs union.
3) Common market.
4) Economic union.
5) Total economic integration (Balassa 1961).

In addition to this extremely elegant classification, which was accepted by the academic community as classical, B. Balassa also introduced a hypothesis that integration proceeds along an upward trend, i.e. from a free trade zone to full economic integration.

Although the above classification is highly practical and adequately describes the majority of integration groups in the world, it is not universal. There are some cases that cannot be included in this concept. For example, the European Union cooperates – within the scope of the European Economic Area – with Iceland, Liechtenstein and Norway, which provides for the launch of a free trade zone between these countries and the Union and their entry into the EU single market along with the lifting of barriers against the flow of people, goods and capital. However, this model of cooperation actually bypasses one of the stages that, according to B. Balassa, would precede the common market – a customs union.

Other theorists have also pointed out the same problem. J. Pelkmans indicates that the stages of integration have tended to be established along the principle of succession for analytical purposes. According to him, there is no necessary reason to follow the adopted sequence strictly (Pelkmans 2006: p. 42).

In concurrence with this statement, S. Ładyka claims that individual stages of the integration process follow each other, but also overlap, co-participating in time. In addition,