

PARTNERSHIP AS A SPECIFIC FORM OF BUSINESS INTEGRATION

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The article defines the content of current views on business integration. The goal of the article is to study the theoretical aspects of formation integrated business structures, based on partner integration model of interaction. Integration is considered as an integrated structure or set of enterprises) functioning as a uniform system and have a common objective of management and are able to win and hold a considerable share of the market and thus provides the increasing of revenue and improvement financial stability of the structure. The role of integrated business structures based on the market principles of management in modern economic conditions in connection with implementation of public sector regulation is increasing. The question of determining the nature of integration interaction during formation of integrated business structures, taking into account current market realities, is considered. The integration processes increase the confidence among economic agents which take part in a one living space and share by relevant information. Partnership is defined as documentary issued cooperation of participants, which is formed for achievement of a common goal, by combining resources and efforts in the conditions of information openness, also it is a specific form of interaction can be created as one investment project and a prospect by conclusion of the partnership agreements, gradually forming a complete integration of the participants. Theoretical aspects of integrated business structures based on a partnership model of interaction and the relevance of the partnership as a specific form of business integration are proved. The levels of partnership are introduced. The first level - Partnership is a form of business organization registered more natural or legal persons, the second - a form of cooperation mostly legal entities, not enshrined in the statutes, but actually supported. Integration and partnership aren't synonyms despite their relationship and interrelation of concepts. As a generalization of different views it is possible to claim that integration is a voluntary association of two or more earlier independent subjects of business by establishment between them the various types and forms relations for achievement of multiple goals by cooperation of each the united subjects.

Keywords: partnership, integration, structure, integration interaction.

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STATEMENT OF THE PROBLEM IN GENERAL AND ITS CONNECTION WITH IMPORTANT SCIENTIFIC OR PRACTICAL TASKS

Enterprise integration is an influential factor of the further development the society's productive forces and improvement the industrial relation system. In modern conditions the main prerequisite for the formation of integrated business structures is to pool all types of resources the participants (logistical, nonlogistical and financial assets) in the purpose of creation optimum technological and cooperation communications, increase of production and activization of investment processes.

ANALYSIS OF LATEST RESEARCH AND PUBLICATIONS

The problems of integration development of different branches and forms are represented in the works of famous home scientists such as I.Lukinov and P. Sabluk [4], M.Khorunzhii and M.Zabolotniy [8], A.Pilipenko [5] and others. At the same time, in spite of the variety covered problems, the questions of integration interaction the nature determination, taking to account modern market realities, are actual and demand further researches.

PURPOSE AND MAIN TASKS OF THE PAPER

The research purpose is to study the theoretical aspects of formation integrated business structures, based on partner integration model of interaction.

RESULTS AND DISCUSSIONS

The experience of world economic activity is characterized by constant and continuous change of different integration forms formations. From the point of view of systems theory, integration is considered as an integrated structure or set of enterprises (both from one branch of industry and different ones) functioning as a uniform system and have a common objective of management and are able to win and

hold a considerable share of the market and thus provides the increasing of revenue and improvement financial stability of the structure. At the same time enterprises which are part of the integrated structure complexes which can independently carry out production and commercial operations, effectively carry out economic and financial activity [7].

The category "integration" comes from the Latin word *integratio*, which means maintaining integrity, it derives from the root *integer* that means integral. The concept of "integration", despite its Latin origin (*integratio* - lat.), has the same root words and practically the same meaning in all languages of Romance group. The term "integrity" is translated from English as integrity. In French, integration refers to renewal and recovery.

Consequently, the concept of "integration" reflects such type of relationship, which in the process of interaction forms a certain economic system - an integrated structure. In terms of system theory, integration is seen as an integrated structure or set of enterprises (both from one industry and multi-sectoral), which function as a single system and have a common goal of management, and are capable of conquering and retaining a significant market share, and, therefore, providing increasing profits and improving the financial stability of each member of the structure. Along with this, the enterprises that are a part of the integrated structure are integral financial and property complexes that can independently carry out production and commercial operations, perform effectively economic and financial activities and be competitive in the market [7].

Modern science identifies two directions of economic integration. The first of these involves the cooperative scheme of cooperation - establishment of communications between market players in order to improve their activity based on contractual cooperation and independence of each participant. The second vector is connected with the corporate consolidation of potential interested participants. To the integrated enterprise structures clusters are carried as a form of branch and territorial integration of enterprise structures, including small businesses; integrated innovation business structure, realizing the idea of integration of science and industry (business incubators, technology parks, technopolises); integrated corporate structure (the Associations, corporations, financial-industrial groups, concerns, holding companies, consortiums and trusts, conglomerates, etc.).

The essential characteristic of modern integration interaction allows to detail the following models (Table 1).

Table 1.

Models of integration interaction

Model	Specific features of the model
Non-integrated	Relationship based on the principles of competition. Subjects are used as individual economic units
Asymmetric	There is asymmetry of economic development. A strong side tries to absorb the weak one dictates the terms of transactions, shows own advantages
Partnership	Active communication process on the basis of principles equality. Effective interaction with keeping of own independence. There is an administrative decentralization.

The result of the classification models of integration interaction should be considered the possibility of identification of realized type with existence of a certain set of specific features: balance of integration interaction, the interrelations between them and the type of behavior.

The role of integrated business structures based on the market principles of management in modern economic conditions in connection with implementation of public sector regulation is increasing. This is a special kind of economic relations between the business structures which form steady association and interaction strengthening on the basis of mutually advantageous partnership. From the point of view of partner interaction economic integration will promote establishment of mutually advantageous partnerships between enterprise structure and is the key to success of their sustainable development, activation of potential opportunities in more effective using of all available resources. It is noted by A.Zagorodny and G.Voznyuk [3] who under the concept of "integration" understand the enterprise association (complete or partial) for production of a certain output with the minimum expenses of financial and material resources and the explanatory dictionary explains that. "Integration" is a coordinated development and mutual addition of the enterprises, branch of economy, based on the interests of more effective resources using and more satisfaction of participants` needs of this process [2].

A.M. Gataulin [7], lays special emphasis on the partnership interaction and cooperation. He considers integration to be a complex of organizational forms of developed cooperation (where cooperation

is a joint, related activity) of enterprises and organizations of various spheres, branches and types of activity.

In the context of partnership and cooperation as the basis of integration should pay attention to the research of James Sartori [6], who under the "integration" meant a final state, or process, or function carried out by the corresponding agents. The term "integration" is inexpedient to apply to any kind of "joining" and any kind of the "merger" is proved by the researcher. According to the author's conception, integration has no relation to compulsion.

The features mentioned above allow us to draw to a conclusion that these relations are based, first of all, on the voluntary principles of the parties, therefore we can say that integration is an association of subjects for the realization of the goals of effective joint cooperation, which determines the voluntary nature of this process. Thus, the interaction with the indicated features can be precisely attributed to the integration. At the same time, we can focus on voluntary implementation of the process of unification. A voluntary activity in its turn, implies the commission of any action on the initiative of the parties through the awareness of their desire for this action and making efforts to commit this action, that is, the product of mutual consent.

In the modern management according to the new realities, the emphasis isn't placed on the competition but on the cooperation as the basis of the business development. Contractors of the market interaction can be converted into the partners and can form a joint integrated command. M. Bilousenko [1] and O. Yastremska [10] are hold such opinion. In particular they stressed that in the current economic conditions it is the process of replacing opportunism to cooperative relations. These integration processes increase the confidence among economic agents which take part in a one living space and share by relevant information [10].

These results lead to the conclusion that in the present conditions prevail the approach to the building of relationships between participants of integration processes as the relations based on the fundamental common interests of members. Summing up the scientists' views on the nature of the formation of an integrated business system, we can state that integration is a voluntary association of two or more previously independent entrepreneurs by establishing different types and forms of relationships for the achievement of multiple goals through the cooperation of each combined entities. The process of establishing connections between the entities, which is a sequence of defined actions, is at a fundamental level of the association.

The contractual nature of the partnership is determined in the encyclopedic work of Soviet economists under the editorship of S. Mochernyi, who considers the partnership to be the form of organization of an enterprise in which two or more persons unite their property, become co-owners of the established enterprise, manage production and property collectively, distribute profits and bear mutual responsibility for their obligations. A similar opinion is shared by other scholars, for example, V. Zolotohov, who defines partnership as the combination of efforts and money of individual entrepreneurs (traders) when two or more persons jointly engaged in entrepreneurship in order to make a profit. Management decisions are taken mutually by them, costs are allocated to each partner and the remuneration is shared between them.

Partnership in this context is defined as documentary issued cooperation of participants, which is formed for achievement of a common goal, by combining resources and efforts in the conditions of information openness. Partnership as a specific form of interaction can be created as one investment project and an prospect by conclusion of the partnership agreements, gradually forming a complete integration of the participants. First of all it is the organization of joint business activities under the contract, which is regulating the rights and obligations of the partners, the rules of participation in joint actions and basic positions about of profit distribution. At this level the formation of partnership is based on the contribution of each participant. Partnership of the second level, so-called strategic, is based on long interaction, supported in fact, but fixing them in authorized documents is optional. Relations between partners are more informal, in difference of hard links the first level (Figure 1).

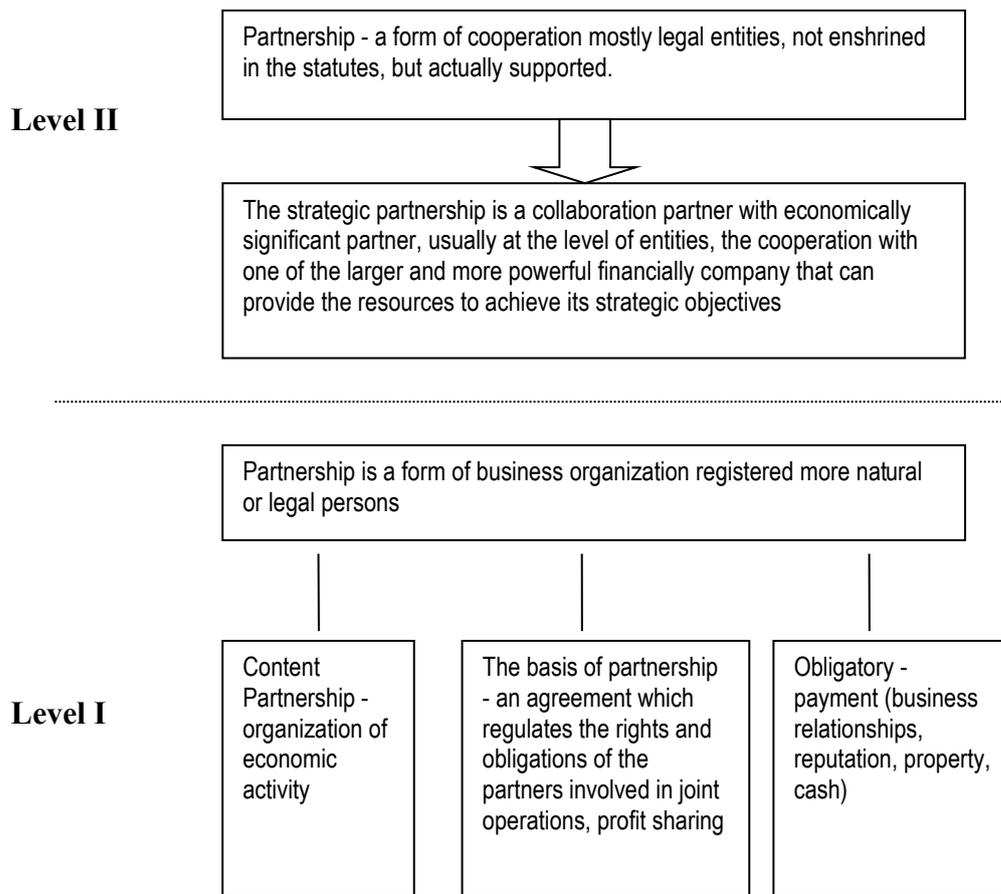


Fig. 1. Levels of partnership

The formation of the partnership interaction takes place through flows, links that are caused by the activities of the enterprises that are the members of this interaction, and these connections should be accessible to all participants in the process of interaction. The information about outgoing activities inside the system should be available both to the enterprise and to the partner.

Based on the cooperation properties, we can point out the basic principles which build up the formation of integrated business structures on the basis of partnership relations:

1. The principle of common needs. The resources of the enterprises that enter into the partnership relationship are used for the co-ordinated development of all enterprises that are participants of mentioned cooperative relations.
2. The principle of an open system. Business cooperation does not limit the possibility of using the links with the enterprise environment.
3. The principle of the duration permanence of the relationship. Enterprises that are a part of the cooperative relationship determine the terms during which the cooperation relations are mandatory.
4. The principle of information availability. Full informational and analytical support for the interaction within the partnership is provided. The information on changes in the internal and external environment should be available to the participants in the cooperation relationship.

Optimization of activities on mentioned principles leads to increased dependence and interconnection, and therefore the interaction on mutually beneficial conditions allows us to talk about the long-term nature of such relationships and the reliability of partners.

Integration and partnership aren't synonyms despite their relationship and interrelation of concepts. The partnership stands on the specific business tool and a form of business integration and on the basis of partner contracts conclusion. But this difference is more quantitative than qualitative according by B.Balassa [11]. But cooperation includes actions whose purpose is to reduce discrimination. The process of economic integration consists of means which are cause of these or those forms of discrimination [11]. Based on the present argument, it can be argued that the term "integration" is wider than the term "partnership".

CONCLUSIONS FROM THIS RESEARCH AND PROSPECTS FOR FURTHER EXPLORATION IN THIS DIRECTION

Generalizing the given scientists' views at the nature formation the integration enterprise system, it is possible to claim that integration is a voluntary association of two or more earlier independent subjects of business by establishment between them the various types and forms relations for achievement of multiple goals by cooperation of each the united subjects. At the heart of association is the process of establishing the partner communications between subjects, which is defined sequence of certain actions.

The main direction of development of modern integration processes - from simple forms of cooperation and integration to the formation of cluster initiatives and strategic alliances that will operate on the partnership principles of the private sector and the state. In according to this formation the effective management and using of the potential partnership will create the basis for successful realization of goal of integration interaction in the changing socio-economic environment.

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ПАРТНЕРСТВО ЯК БАЗИС ФОРМУВАННЯ СУЧАСНИХ ІНТЕГРОВАНИХ ПІДПРИЄМНИЦЬКИХ СТРУКТУР

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У статті визначено зміст сучасних поглядів на інтеграцію бізнесу. Метою статті є дослідження теоретичних аспектів формування інтегрованих бізнес-структур, заснованих на партнерській інтеграційній моделі взаємодії. Інтеграція розглядається як інтегрована структура або сукупність підприємств, що функціонують як єдина система, мають спільну мету господарювання та здатні завоювати й утримувати значну частку ринку, що забезпечує збільшення доходів і підвищення фінансової стійкості структури. Роль інтегрованих підприємницьких структур, заснованих на ринкових принципах господарювання, в сучасних умовах господарювання у зв'язку із запровадженням державного регулювання економіки зростає. Розглянуто питання визначення характеру інтеграційної взаємодії при формуванні інтегрованих структур бізнесу з урахуванням сучасних ринкових реалій. Інтеграційні процеси підвищують довіру між економічними агентами, які беруть участь в одному життєвому просторі та обмінюються відповідною інформацією. Партнерство визначено як документально оформлене співробітництво учасників, яке формується для досягнення спільної мети, шляхом об'єднання ресурсів і зусиль в умовах інформаційної відкритості, а також це специфічна форма взаємодії, яка може створюватися як один інвестиційний проект, так і на перспективу шляхом укладення партнерських угод, поступово формуючи повну інтеграцію учасників. Обґрунтовано теоретичні аспекти інтегрованих бізнес-структур на основі партнерської моделі взаємодії та актуальність партнерства як специфічної форми інтеграції бізнесу. Представлено рівні партнерства. Перший рівень - партнерство - це форма організації бізнесу, зареєстрована більшою кількістю фізичних або юридичних осіб, другий - форма співпраці переважно юридичних осіб, не закріплена в статутах, але фактично підтримувана. Інтеграція та партнерство не є синонімами, незважаючи на їх взаємозв'язок та взаємозалежність понять. Як узагальнення різних поглядів можна стверджувати, що інтеграція - це добровільне об'єднання двох або більше раніше самостійних суб'єктів господарювання шляхом встановлення між ними різноманітних видів і форм відносин для досягнення множинних цілей шляхом співпраці кожного з об'єднаних суб'єктів.

Ключові слова: партнерство, інтеграція, структура, інтеграційна взаємодія.