Environmental agenda and priorities for integration cooperation in the development of financial technologies at the global and national levels

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Abstract. The active application of financial technologies in the processes of international financial integration actualises the search for the formation of national models of financial technology development, ensuring sovereignty with effective international cooperation. Considering the forms and directions of relations coordination at the level of emerging alliances of national models of fintech development, the article analyses the directions and forms of coordination in the sphere of financial technology development at the level of interstate unions, alliances and coalitions, and systematises the priorities of integration cooperation in the sphere of fintech. Based on the ways of participation in the processes of global financial integration, the study establishes strategic alternatives for the formation and development of national models, conditioned by approaches to the management of fintech development at the national level, on the basis of which the prospective priorities of the Russian segment of the development of financial technology are presented at the intersectoral and international levels.

1 Introduction

Fintech embedded in the processes of traditional sectors with its algorithms is growing together with related areas of artificial intelligence, biotechnology and neurotechnology, expanding the range of digital financial services [1]. On the one hand, the convergence of technologies expands the composition of participants [2] in international relations and changes their interests, stimulates the creation of international alliances and coalitions [3], and integration processes. On the other hand, these processes create new interconnections and forms of interaction, show signs of networks [4], and become more stable structures, redistributing resource flows, creating threats to national security.

The processes of fintech development at the national level in the external loop are determined by the activities of international corporations and organisations and state authorities, as well as integration economic and geopolitical processes.

The adaptation of national models of financial technology development to the impact of the global system justifies the need to form a national model of fintech development, ensuring...
both interoperability of financial systems at the global level and national sovereignty. This will require the systematisation of integration cooperation priorities and the establishment of approaches to managing the development of financial technologies.

2 Methods

The article uses complex and system analysis, as well as interdisciplinary research, based on a combination of analysis of the work of international organisations and institutions, ecosystems and alliances, coalitions, and other forms of strategic partnership in the field of fintech, artificial intelligence, and neurotechnologies, research of publicly available documents of national legislation. The article establishes trends in the development of international relations of their forms and areas of coordination at the level of emerging alliances of national models of development on the basis of which the priorities of integration cooperation and approaches to managing the development of financial technologies are highlighted. Taking into account the convergence of technologies and the declared integration priorities of national models of fintech development, the prospects of development at the intersectoral and international level for the Russian segment of fintech are presented.

3 Results

The processes of globalisation, international economic integration, pandemics and sanctions policy have changed the field of interests of participants and stimulate the need to create new links and alliances for redistribution of resources.

The creation of international alliances and coalitions to harmonise international standards in fintech has intensified, initiated by the EU and the US, England, Japan, Singapore, etc. (examples: GFIN Global Financial Innovation Network), and the activity of industry associations at the level of national states, which indicates the strengthening of coordination and harmonisation of actions within the industry and at the international level. Against the backdrop of sanctions pressure, a number of coalition associations have accelerated their consideration of the introduction of supranational reserve digital currencies.

Forms and directions of coordination of international cooperation, sequence of initiated processes and priorities of integration cooperation, alliances of national models of financial technology development at the international level, forming processes of resources redistribution based on the use of financial technologies confirm the signs of international integration in the field of financial technology development (Table 1).

Table 1. International coordination mechanisms and forms of coordination of fintech development at the level of emerging alliances and international institutions
are based on traditional bilateral or multilateral relations between nation states. Such relations are characterised by fragmentation and regional character.

USA, China, Singapore, India

Creation, adjustment and scaling of high-tech clusters of financial information technologies, financial technological redistribution ecosystems, creation of conductive technological infrastructure and equipment, monitoring, tracking, demand creation - tasks of scaling and capturing markets, territories and population based on the introduction of blockchain technology.

International cooperation of regulators

Agreements with other regulators to share information on innovations in financial technology, regulatory challenges, and assistance in entering the international market. Forms - agreements on common standards for clearing and settlement, identification, data processing and messaging, as well as interconnection of different CSD systems or even development of a single system for cross-border CSD. International projects on different approaches to organising cross-border payments based on CSEC and their interoperability with different systems. Since 2017, Great Britain, France, Switzerland, Singapore, Australia, China have been initiators for the BIS (Bank for International Settlements) projects. The situation is similar in 2023.

Options for interoperability of central bank digital currency systems are developed by Israel, Norway, Sweden; Tunisia and France; BIS and Switzerland, Singapore, Malaysia, South Africa, Australia, Hong Kong, China, Arab Emirates, Thailand.

China, European Union, Japan, UK, USA, FSB industry and cross-industry associations


International organisations, industry associations (US, Japan, (FSA), UK)

Defining development procedures, establishing common rules, regulations and standardisation, methodological support, for decentralised approaches to financial technology development or establishing supranational development regulators, development institutions, institutional frameworks for a centralised approach. Vertical subordination for centralised management and coordination to create a cooperative mechanism based on decentralised systems.
regulation, including technological regulation, is used. Priorities of integration cooperation:
- creation of a common financial market;
- participation in alliances to create a supranational digital currency;
- mobilisation, concentration and redistribution of resources in priority areas of international cooperation, creation of appropriate supranational development infrastructure (BRICS Bank, EAEU cooperation projects [7] and the Economic Belt of the New Great Silk Road EPNWR);
- ensuring interoperability (Bankers and experts named the key trends and challenges for fintech in 2023 - Vedomosti (vedomosti.ru)) for the smooth functioning of the financial sector - stimulating the active participation of Latin American and African countries.

The analysis of emerging alliances and coalitions of national models of fintech development at the international level suggests that they are mainly conditioned by the previous content of interdependencies formed by globalisation. At the same time, the majority of countries participating in alliances simultaneously participate in different forms of coordination of financial and economic blocks: decentralised models of coordination based on standards and common rules, and centralised models based on delegation of coordination to the supranational level [8].

In the management of financial technology development, depending on the degree of influence on the external environment, the levels of possibilities of adaptation of national models to the world system are distinguished. Based on the historical international experience, the types of integration of national models of financial technologies into the world infrastructure are established, together with the choice of three strategic alternatives for responding to its impact - the proactive option, the adaptive option and the integrated option of technology use. All these alternatives are adaptive to the influence of the development level of scientific and technological progress.

Let us consider in more detail these approaches to the development of financial technologies from the point of view of specific priorities of their development directions.

1. Financial technologies are defined as services, a product with the use of innovations, aimed at mediating the processes of redistribution of resources and the process of value movement through the creation and redistribution of monetary funds. When regulating the development, sectoral approaches are used, based on the life cycle of the service and industry, is carried out by sectoral methods and rules, as well as financial management, procedures for the formation and distribution of funds. Priority directions of development are - stimulation of creation of financial services, using innovations and development of necessary conducting and servicing infrastructure, provision of financial stability and national security, protection of consumers' rights. Traditional, classical approaches of state management of financial technologies development on functional and sectoral basis and on the basis of programme-target decisions and project management, special legal regimes and other mechanisms are used [9].

2. Financial technologies are developed as financial engineering and innovation. They are considered as a factor of influence on the levelling of risks in the financial sphere, a mechanism of adaptation to external conditions. The list of participants of relations is expanding due to the institutional sphere. The scenario, risk-oriented and institutional approach to the development of financial technologies, more oriented towards the regulation of development institutions, is a priority. This approach is focused on institutional ordering and consolidation of relations. Institutions, the institutional sphere and financial market
intermediaries, including at the level of self-regulatory organisations, are actively included in the regulatory process. The processes of licensing, certification, admission to participants of financial, and economic relations are the priority areas of regulation. In this approach, the choice to regulate the development of financial technologies is based on the scenario approach, global trends and scenario approaches discussed in the world reflect adaptive-alternative strategies for the development of financial technologies at the national level.

Functional-sectoral and programme-targeted approach, project management are used to regulate the development of financial technologies. Sectoral approaches, inter-sectoral and international approaches are also used to regulate development institutions, building the institutional architecture of financial technology development. Financial management is built on the use of experience, and the development of own potential and initiative is considered within certain external boundaries.

3. In this approach to regulation, financial technologies show more signs of a managerial category and are considered as an independent actor forming new structures of relations. The innovative way of organising financial and economic relations on redistribution of resources is embodied in this approach due to the internal structure-model and algorithm and coordination of relations and activities of participants. Procedures, algorithmic coordination taking into account the interdisciplinary approach and convergence of technologies become the priorities of regulating the development of such technologies. It is oriented on technological fixation of connections. Priorities are behavioural approach, cluster and network methods of technology dissemination, coordinated inter-sectoral and international development directions, taking into account the convergence of technologies, appropriate structures of technology development coordination, risk management, consumer protection, national security and financial stability. It is based on the construction of an appropriate model of financial technology development management (structure, impact mechanisms, how integrated into external interaction) depending on the target constructed management object. Initiative strategies for the development of financial technologies influence factors and conditions for achieving goals through behavioural and cluster and network methods of influence on the organisation of relations between people. Therefore, approaches to the regulation of such technologies are determined not by scenarios within the framework of world trends and external boundaries, but by the creation of target national models of financial technology development-strategic alternatives of their formation, characterising the method, goals and directions of development, methods and structures of coordination, and specialisation.

Thus, national development models differ based on the approach to managing the processes of their development depending on the positioning of financial technologies as a financial product and service, financial innovation and engineering, a factor of influence, or as a technology—a way of organising relationships—an independent actor and initiator of processes at the national level.
The Bank of Russia's priorities in the digitalisation of the financial market include: the development of regulatory and legal regulation of financial technologies, experimental legal regimes, implementation of infrastructure projects and information security. Positioning financial technologies primarily as the provision of financial services, regulatory and legal conditions for their development are being actively created: development and regulation of the market and its infrastructure, regulation of the circulation of financial instruments and digital rights within the traditional infrastructure, rights of market participants, regulation of processes, taxation issues, issues of regulatory arbitrage between digital rights and traditional financial instruments, changes in AML/CFT regulation, and issues of circulation of digital rights.

Taking into account the convergence of technologies and the declared integration priorities of national models of fintech development, the following development priorities are reasonable for the Russian segment of fintech: determining the directions and mechanisms of inter-sectoral and international coordination of the development of financial technologies and the digital ruble, and their interoperability, ensuring the development of the economy and foreign trade through the use of fintech opportunities, organising at the national level an effective mechanism of interagency coordination of fintech development, and establishing the interdepartmental coordination of the development of financial technologies.

The tasks and target functions of national public authorities in the Russian Federation in the field of financial technology development allow us to systematise their directions of interdepartmental coordination into inter-sectoral, taking into account the convergence of technologies and international.

The priorities of inter-sectoral coordination include:

- interdepartmental coordination of strategic and programme priorities for the development of the spheres of financial technologies, artificial intelligence and neurotechnologies, ensuring that the priorities of financial market development are shifted from risk management to support competitiveness and strategic planning of its development;
- ensuring integration, consistency and ordering of directions and activities of programme documents in the sphere of financial technologies development, taking into account the way of integration into the world infrastructure;
- ensuring the development of the economy, foreign trade and sources of investment activity at the expense of financial technologies;
- establishment of a structure or body for inter-sectoral and international coordination in the sphere of foreign trade with the authority to coordinate the development of financial technologies serving it;
- organisation of a system for monitoring the development of financial technologies in order to carry out a comprehensive assessment of the regulatory impact and financial and economic justification of the measures taken.

The objectives related to the search for forms of interoperability of financial technologies, initiation of projects to coordinate the development of financial technologies within the BRICS, EAEU, as well as within the framework of the preparation of the Global Digital Compact (GDC) during the UN "Summit of the Future" in 2024[11] are among the promising areas of international coordination.
4 Discussion

Traditional transformation approaches based on the reaction to the development of scientific and technological progress are based on the use of experience and are most widespread when approaching the management of fintech development as a financial service and financial engineering or innovation. In the author's opinion, the approach to regulating the development of financial technologies based on the use of similar economic and legal constructions of foreign experience [12] narrows and simplifies the significance of the ongoing processes. The development of financial technologies changes the existing institutional mechanisms and rules, changes the national development infrastructure and complicates international relations [13]. At the same time, the geographical and temporal unevenness of fintech development, the inappropriateness and ineffectiveness of positive experience of some countries in other countries, different consequences of the use of financial technologies in different countries testify to the decisive fact of the behavioural and actor-network approach [14] caused by the influence of not only scientific and technological progress, but also by the influence of the existing structures of financial technology development management. In addition, the existing structures of fintech development management at the national state level, oriented on the traditional methods of sectoral management, programme and target methods, will have to be adapted and take into account the whole range of risks and opportunities, new relationships and spatial factors of building network processes of fintech development, which will require appropriate forms and new structures of coordination [15].

5 Conclusions

Both external and internal factors will influence the construction of an effective national model of financial technology development. The initiatives of individual countries in the areas of international cooperation in the field of financial technology development are conditioned both by the regularities of the previous stage of financial technology development - globalisation, investment and export potential and the level of fintech development, and by the need to ensure economic security and sovereignty [10]. On the one hand, the development of financial technologies, taking into account their technological content, requires integration and search for forms of interoperability with other financial systems and requires a coordinated financial and technological policy at the global level. At the same time, it is necessary to ensure the continuity of the system of redistribution of resources, the tasks of sovereignty at the national level. On the other hand, the development of financial technologies will depend on the effectiveness of interdepartmental interaction between government authorities in the field of financial technology development at the national level, its consistency and coherence at the intersectoral and international levels. The choice of forms and directions of coordination is conditioned by the content of financial-technological relations at the national level: interrelations, goals and interests, potential and resources, as well as the way of integration into the international infrastructure.

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