



## THE CONVERGENCE AND INTERACTION BETWEEN THE BUSINESS AND PUBLIC SECTORS IN THE CONTEMPORARY WORLD ECONOMY

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**Abstract.** The processes of convergence of business and public sectors in the contemporary world economy, as well as some aspects of the processes of internationalization and of the processes of social and economic development in global space are analyzed in this theoretical article. The processes of the convergence of business and public sectors as an important factor of the contemporary social and economic development in the global context are characterized. The variety of the processes of convergence of business and public sectors in the context of contemporary processes of social and economic internationalization is described, the main problems and processes of the creation of modern society and effective economy, related to the convergence of business and public sectors, are identified and studied. New ideas oriented to the complex analysis and multidimensional evaluation of the processes of internationalization of social and economic development and of the processes of convergence of business and public sectors, as well as of the processes of modern society and effective international economy creation, as an perspective theoretical approach in research on societal changes and modern economic development in the context of globalization are defined and described in the article. The main idea of the complex analysis and evaluation of the processes of convergence of business and public sectors in the general context of the processes of social and economic internationalization in the global space is that all these processes, as a common global transformation, are defined and analyzed. This idea is defined as a perspective theoretical framework to solve not only many problems of the creation and development of modern society and effective economy in the context of globalization in general, but also some specific problems typical both for the business and public sectors and for convergence and interaction between these sectors. It is noted that the convergence and interaction between the business and public sectors should be defined as a particularly important and effective form of innovations and synergy effects oriented trend of the international development creating conditions for the intensive economic growth. Innovations and synergy effects oriented development should be defined as particularly important and representative feature of the processes of convergence and interaction between the business and public sectors in the contemporary conditions of globalization. The main phenomena and regularities of the convergence of business and public sectors in the contemporary world economy in the context of the processes of social and economic internationalization in global space are identified, the impact of the convergence processes on the processes of modern society and effective economy creation is characterized, the main trends of the convergence of business and public sectors are described.

**Keywords:** convergence, interaction, business and public sectors, internationalization, social and economic development, globalization, knowledge society, knowledge economy.

**JEL classification:** F20, F50, O10, O30, O32.

### 1. Introduction

The search and use of the opportunities to modernize contemporary society and to accelerate the economic growth in the conditions of globalization and internationalization of the social, economic and political development could be defined as *particularly important field* of the academic studies and scientific research on the contemporary changes and challenges in the world economy and global social and cultural space. It is obvious that

academic studies and scientific research of this kind should be oriented to the search and use of the opportunities *to generate new potencies* for effective economic and technological activities in all sectors of the contemporary economy, as well as for comprehensive social and cultural modernization in all spheres of societal life.

The search and use of the opportunities to generate new potencies for effective economic and technological activities, as well as for comprehensive social and cultural modernization, must be

based on the ideas of *innovations and synergy effects oriented development*, these ideas could be defined as characterizing *the main priorities* of the academic studies and scientific research on the processes of social and economic development typical for the contemporary situation in the world.

It could be noted that *the processes of convergence of business and public sectors*, as well as *the processes of interaction between these sectors* could be defined as *an important form of the innovations and synergy effects oriented development* occurring in the contemporary situation in the world. In addition, these processes could be interpreted as *development trends typical for the contemporary conditions of globalization*. The processes of convergence of business and public sectors, as well as the processes of interaction between these sectors could be perceived as one of the most important *priorities* of the modern society and its lifestyle development, as well as of social, economic, political development, science and technological progress, especially – in the European Union, these processes could be assessed as *the most important assumption* and *the main way* to solve most of the social, economic, technological, even security and defense problems worldwide as well as in various countries or regions in general and in various countries or regions in the space of the European Union.

The processes of convergence of business and public sectors and the processes of interaction between these sectors expresses the *essential qualitative changes* in all the areas of social, economic, political life, science and technological progress, and interaction with nature. These processes deeply influences the content of *globalization* processes and the effect on a situation in the contemporary world. It may be noted that these processes, in general, could be perceived and assessed as an *essential worldwide transformation*, which determines a number of *breakings and sallies*, important to all the humankind. Contemporary processes of convergence of business and public sectors, as well as the processes of interaction between these sectors could be defined not only as a *very complicated processes*, but also as *processes requiring much broader and deeper scientific cognition*. It must be emphasized that *the modern understanding* of the essence of the processes of convergence of business and public sectors, as well as the processes of interaction between these sectors *should be adequate* to the contemporary needs and challenges of existing situation.

There are many different theories and theoretical models of convergence and interaction between the business and public sectors. Unfortunately, there are many cases in the practice of academic studies and scientific research on the contemporary changes and challenges in the

world, when the processes of convergence of business and public sectors, as well as the processes of interaction between these sectors are analyzed *in a fragmentary* and when there is *a lack of complexity* in the analysis of these processes.

It is obvious that the cognition, analysis and scientific research on the processes of convergence of business and public sectors, as well as the processes of interaction between these sectors, should be based on *the ideas of complexity*, all these processes, as *a whole*, must be interpreted as *a system of different and complicated processes with multifaceted relationships*.

*Some ideas* of the complex analysis and of the evaluation of the processes of convergence of business and public sectors and of the processes of interaction between these sectors could be mentioned. *The main idea* is that the processes of convergence of business and public sectors and the processes of interaction between these sectors in the context of globalization could be visible and should be defined and investigated as *an particularly important precondition* for the creation of modern society and effective economy, especially in the European Union: this idea is described in details in the article.

*The object of the research presented in this article* is the processes of convergence of business and public sectors and the processes of interaction between these sectors in the conditions of globalization and in the context of the contemporary processes of internationalization of the social, economic, technological and political development: the main focus is put on the *interaction* between these processes of convergence and the processes of modern society and effective economy creation, especially – in the general global context.

*Tasks of the research* - to explore the new definitions and to systematize the processes of convergence of business and public sectors and the processes of interaction between these sectors, especially – in the conditions of globalization and in the context of the contemporary processes of internationalization of the social, economic, technological and political development; to describe the main cases and features of the convergence of business and public sectors; to explore the needs and perspectives of the convergence of business and public sectors in the context of global changes and challenges for the European integration.

The main ideas of the article could be perceived as partly controversial. It may be noted that these ideas, in general, could be defined as the basis for further scientific discussion and as the basis for the scientific research in the future.

## 2. The convergence and interaction between the business and public sectors as the main precondition for the creation of modern society and effective economy

The processes of the development and changes in the contemporary society are very complicated and controversial. A lot of new phenomena and circumstances show up under the contemporary conditions of social, economic, political development and progress of science and technologies (Ambros, Schlegelmilch 2009; Benz 2009; Brady 2010; Heywood 1997; Hofbauer 2003; Huntington 1998; Polanyi 2002; Steger 2010; Whitley 2009; Wendt 2005; Melnikas 1990, 2002, 2011, 2013). In order to understand and react to them, it is necessary to see into so-called *problems of the complexity of the development processes and changes of different types and nature* and to strive that these problems were solved adequately with the *new challenges* in the life of the society. Besides, the importance and significance of *the problems of the complexity* of development processes and changes are indicated by the fact that the understanding and salvation of these problems is one of the main priorities implemented in the contemporary practice of scientific research.

The complexity of the processes of globalization and of internationalization of social, economic, technological, political development and progress of science and technologies, as well as of the processes of various changes in different cultural spaces could be defined as an especially important phenomenon (Appiah 2009; Castells 2000-2004; Chossudovsky 2003; Currie 2000; Dicken 1998; Friedman 2006, 2009; Huntington 1998; McNally 1999; Perraton 2001; Ravenhill 2008; Steger 2008; Tomlinson 2002; Melnikas 2002, 2011, 2013). The importance and significance of this phenomenon are indicated by the dominance and prevalence of the processes and problems of globalization, as well as processes and problems of international changes and various forms of internationalization in the context of the changes, development processes and problems of the contemporary society and its life in global space in general, especially – in the modern European cultural, social, economic and political space (Fischer *et al.* 2010; Hix 2006; Hofbauer 2003; Johnson, Turner 2006; Wiener, Diez 2009; Zeitlin, 2008; Melnikas 1997, 1999, 2002, 2008, 2013; Melnikas, Reichelt 2004).

It may be noted that under the contemporary conditions of globalization and of internationalization of social, economic, technological, political development and progress of science and technologies, as well as of the processes of various changes in different cultural spaces *new trends* in the devel-

opment and interaction between *business and public sectors organizations* can be observed. These trends could be defined as *the convergence of business and public sectors* and as *the processes of interaction* between these sectors, these trends reflect *qualitative changes* in various areas, particularly, in those associated with the processes of the creation of modern society and effective economy.

In this context, the changes, reflecting *the integration, interaction and convergence of the organizational forms of activities characteristic of business and public sector's organizations*, should be emphasized. To describe these processes several issues should be considered.

First, under present conditions, the *convergence* of the values and interests of the traditional *business and public sectors*, gradually turning into *integration*, can be observed. Basic values and interests of traditional *businesses* are oriented to the principles of giving *the priorities to egocentrism, egoism and seeking economic profit*. At the same time, the values and interests of the traditional *subjects of public sector* should be definitely oriented to the *priorities associated with the development of the whole society* and promotion and consolidation of the principles of *humanism, democracy and morals common to all mankind* in all the areas of social life. It should be noted, that, at the present stage, the convergence of the considered values and interests is characterized by increasing penetration and realization of the interests and values of traditional business subjects in the activities of the *public sector subjects*. This means that the *convergence* of the interests and values of the subjects of business and public sector is really taking place, thereby creating the conditions for *integration* of their interests and values, with the dominance of business interests and values in all spheres of social life. This, in turn, implies that public sector tends to become business-like. However, an *opposite* trend, characterized by gradual penetration of some values and interests, which, according to their contents and orientation, are characteristic of *public sector subjects*, into the area of business activities can be observed.

Second, at present, a general trend of using and developing *the same or similar technologies, organizational forms, as well as control and management methods and models*, in business and public sectors manifests itself. The creation, promotion and use of similar forms, methods and models of work by both sectors reflect the trend of their convergence and integration. In this environment, traditional business technologies, organizational forms, control and management models and methods are being adapted for the needs of the public sector, while the respective technologies,

organizational forms, control and management methods created and used in the public sector are being adapted for business.

Third, under present conditions, *new forms of interaction and cooperation between business and public sectors manifest themselves*. New trends can be observed in this area, which show that the convergence and integration processes are taking place in reality. Moreover, a new *trend of creating, developing, spreading and expanding networks of various business and public sectors* can be clearly observed. This trend reflects the growing importance of *networking* for general processes of convergence and integration of business and public sectors, allowing us to realize that networking largely contributes to the development of these sectors and the increase of their efficiency. At the same time, it also fosters internationalization, by making use of the interrelations between the considered sectors.

Particularly important is the newly perceived *networking significance* both in terms of *convergence and integration* of business and public sectors, their activities and development and in terms of *fostering and activating internationalization* of these sectors, their subjects, activities and development (Melnikas 2011, 2013).

### **3. The interaction between international business subjects and national states as the dominant form of the convergence of business and public sectors in the contemporary conditions of globalization**

The increasing interaction between the subjects of business and public sectors under the conditions of globalization and internationalization acquires various new forms and embraces various spheres of social development, also including *the interaction between national states and international business subjects*. In recent years, the role of the emerging *new forms of interaction between international business subjects and national states* has largely increased. Now, these processes determine the essential changes taking place in social and economic development and scientific and technological advance (Brakman *et al.* 2006; Dang, Umemoto 2009; Farnsworth, 2005; Friedman 2006, 2009; Hunt 2000; Johnson, Turner 2006; Munasinghe *et al.* 2001; Olsen, Osmundsen 2003; Parker 1998; Perraton 2001; Ravenhill 2008; Redding, Venables 2004; Melnikas 2002, 2010, 2011, 2013).

The interaction between national states and international business subjects is *varied* and has many *peculiar features*. In real life, the states and the subjects of international business pursue various *interests*. There are also various cases and cir-

cumstances, when these interests can *match, be compatible or incompatible*.

It is well-known that the concept of *state* may be interpreted in a broader sense as *the highest organizational form, performing, as a subject, the functions of organization and administration*.

It should be noted that, in fact, all the states existing now in the world are *national states* (except for Vatican and some others), functioning *within the borders of their territories in the geographical and ethnocultural sense*. Taking into account that a society formed in the area of a national state acquires the status of a *nation*, it may be argued that a *national state is the organization of the society, having the status of a nation and living on the territory of this state*. At the same time, it is a *power holder, organizing and administering the development of this society*. It should be also noted that, usually, a nation does *not* have a *homogeneous* structure, being *inhomogeneous in the ethnical sense* because it often includes various ethnical or other groups and layers of people.

Modern national states have a variety of organizational forms as well as government and self-government systems. In any case, a national state has *innate characteristic features as well as national interests*. All national states consider it their duty to represent and realize the *interests of their nations* (i.e. *their national interests*), which means that *representation and realization of national interests* may be considered to be a specific feature of any national state. It is the feature reflecting the nature of a national state as a holder of power and an organization, coordinating and administering the development and advance of the nation, whose interests it represents.

The ability of a national state as an organization and a subject to properly understand, formulate, represent and realize *the interests of the whole nation and the society, formed in the area of this state and continuing to live there*, largely determines the vitality and successful development of the state itself and the society it represents. It should be noted that orientation to the primary needs of *the society, closely associated with ethnocultural and geographical parameters*, largely determines the content of these interests.

The interests of a national state, the nation and the society of this state, as well as the interests of various state institutions and government bodies, can either match or *differ considerably* in particular cases. This means that the *identification of the national state interests* requires the evaluation of the ability of a national state to properly formulate and represent the interests of the nation and the society of this national state. This also implies that various government bodies and state institutions should be

able and willing to properly formulate the interests of a national state, its nation and society.

The above considerations are particularly important for us if we want to gain an accurate and deep understanding of the role of modern national states and to adequately assess their ability to exert influence on the life of the society under the conditions of globalization and internationalization. The significance of these considerations is also confirmed by the growing influence of the *interaction between national states and the subjects of international business* on the life of society. Therefore, it should be noted that identification and assessment of the interests of national states make sense only if these interests are identified and evaluated, *taking into account* the interests of the subjects of international business (Melnikas 2011, 2013).

The identification and adequate assessment of the *interests of international business subjects* require, in their turn, the consideration of some factors, which may help to describe both *general and specific features of business subjects' interests*, manifesting themselves only in the *international environment*.

First, we should understand that the interests of international business, like those of local business, *are oriented to achieving egocentric and egoistic goals, as well as economic profit*. This orientation shows that the subjects of international business tend to give the *priority to gaining economic profit, ignoring*, to some extent, the needs of the society. In spite of the fact that the processes of convergence and even integration of the interests of business and public sectors and their activities are taking place in the life of modern society, and that, in general, the subjects of local and international business more often declare and implement in their activities the principles based on social responsibility, ethics, the morals common to all mankind, justice, lawfulness, environmentalism and other factors not associated with egoistic and economic goals, in real life, they still give the *priority to egocentric, egoistic aims and economic profit*.

Second, more attention should be paid to an emerging trend of business subjects to show *less regard to ethnocultural and geographic limitations*, which really should be taken into account in international business development under the conditions of internationalization in economics. *Ethnocultural and geographical dimensions* are gradually losing their priority status, which implies that the interests of international subjects are getting *incommensurable* with the interests of the society, which was formed and still lives in the area identified in ethnocultural and geographical terms. Moreover, when the interests are *incommensurable*, there is a great possibility that they will become *incompatible*, and this *incompatibility* of the

interests will manifest itself more often and to a greater extent.

Third, it should be taken into account that, in the context of globalization and internationalization, the *significance of the international business subjects and their influence on the economic situation and other aspects of the state development* is constantly growing in various national states. This implies that the subjects of international business can more strongly influence *the processes and outcomes of national state interests' realization*. The above statement confirms the significant role and growing importance of interaction between national states and the subjects of international business.

In globalization environment, we can observe that national states as power holders are *losing the possibility to control the life of the societies on their own*. Under the conditions, when the society, its life and economic development are getting more open, the changes in these areas often take place *independently* of the actions of national states as power holders. The life of the society in any state is more strongly influenced by the *processes, taking place in international spaces and by factors, reflecting various aspects of internationalization*. Then, it follows that, under the existing conditions, national states can really change the situation within the country only if they can effectively interact (cooperate) both with each other and with the subjects of international business. However, the efforts of any national state to monopolize the control over the life of the society within this state may encourage the society to become more closed. This will finally cause backwardness and destruction in various spheres of life.

In this environment, the authorities, making the efforts to strengthen the interaction and cooperation between national states and their relationships with international business subjects, should understand and evaluate the *logic of the above-described interests*, taking into account the *matching* of some of these interests, *possible harmonization* of some *differing* interests and *inevitable incompatibility* of some other interests.

Proper understanding and consideration of the discussed logic of interests is required, when the *matching and compatibility of the interests* of a national state and international business subjects manifest themselves in the development of particular economic activities on the territory of the considered state or elsewhere. In this case, the conditions are created for international business to gain the economic profit, while a national state gets a possibility to ensure the satisfaction of social and economic needs of the society members. Therefore, the interests of national states and international business subjects, as well as government decisions, particular actions, methods and

technologies, helping to realize these interests, may be *harmonized* in the process of their interaction. When the interests of national states and international business subjects are *incompatible*, various means of harmonizing these interests should be sought through cooperation for the sake of achieving the common goal of successful development of the society.

The comprehension of the logic of interests of international business subjects is a precondition for effective solution of social, economic and technological problems, arising in most countries in the globalization and internationalization environment. The most important problems are primarily associated with the increasing *multiform differentiation between various regions and states of the world* and ever-changing *competitive environment*. Moreover, the competitiveness is usually increased, when various *means aimed at decreasing expenses* are used.

*Minimization of expenses* has become a key prerequisite for increasing the competitiveness in economic and other types of activities. It should be noted that, in the countries, where a higher standard of living and social comfort has been reached, it is usually *more difficult to decrease expenses* because the conditions for developing traditional sectors of production and services and the required productive capacities in these countries are less favourable than the conditions found in the developing countries with lower living standards. The enterprises producing the products sold in the global and international markets tend to move production from the traditional regions to the countries and regions, where production expenses may be considerably decreased because of lower work payment, cheaper raw materials, energy, etc. In these cases, multinational enterprises get more benefits. However, in the countries, from which the production facilities were moved or in which they were no longer developed, the conditions for slowdown of economic development or even economic recession, social tension, etc. could be created. Moreover, when the productive capacities are too rapidly moved from these states to the countries, where production expenses are low, the latter are faced with a great number of additional ecological, social and economic problems.

In the context of growing differentiation between various regions and states of the world, as well as the emerging new forms of competition between them, both national states and subjects of international business are faced with new challenges. To be able to respond to these challenges and search for new effective ways of solving the arising problems, *national states and subjects of international business* strengthen their interaction (*cooperation*) under the conditions of *globaliza-*

*tion and varied internationalization processes*. At the same time, *new possibilities* of fostering these processes as well as the processes associated with *new networking concepts* are provided. This means that the *interaction between national states and the subjects of international business* should be considered a relevant problem, requiring a comprehensive analysis.

#### **4. The interaction between the states and international business subjects in the context of globalization: the main trends and peculiarities**

Contemporary processes of globalization and internationalization favoured the creation of new conditions for interaction between national states and international business subjects (Appiah 2009; Chossudovsky 2003; Currie 2000; Dicken 1998; Friedman 2006, 2009; Perraton 2001; Ravenhill 2008; Steger 2008; Farnsworth 2005; Friedman 2006, 2009; Hunt 2000; Johnson, Turner 2006; Perraton 2001; Ravenhill 2008; Melnikas 2002, 2010, 2011, 2013). The main of these new conditions are as follows:

1. *The growing influence of international business subjects on the social and economic development and situation in various states and regions*. Now, when *economic openness and internationalization are increasing*, the subjects of international business, i.e. enterprises and other organizations involved in international business as well as their departments and networks, etc., exert a stronger influence on social and economic situation in various countries and regions, determining the main trends and success of scientific and technological development. It may be noted that *international business subjects* either play the leading part in the economic growth and development of various states and regions, making the largest contribution to it, or foster modernization in economics by taking the required measures for accelerating scientific and technological advance. This means that a general economic and social situation, as well as cultural life in various countries and regions, are getting more dependent on the subjects of international business and their activities.

2. *The increase in the scope and expansion of international business subjects' activities to new countries and regions*. Under the existing conditions, the activities of the international business subjects tend to increase in the scope and expand into other countries and regions. This means that multinational enterprises and corporations diversify their activities, as well as extending them into other countries and regions.

3. *The weakening influence of national states and their policies on international business subjects and*

*their activities.* Since the scope of the activities of international business subjects and the number of the markets, states and regions, where they operate, are growing considerably, their dependence on *particular* national states and their policies is decreasing, while the possibilities of *particular* national states to exert influence on the activities of international companies and corporations are also decreasing. This statement describes a real situation, particularly, in the cases, when *large* international corporations, *monopolizing* various markets and having a *higher competitive advantage* than their rivals, are concerned. The weakening influence of national states on international business subjects may be also accounted for by the fact that the national states themselves become dependent on the activities of international corporations. The latter increase their influence on the situation in labour markets, national budgets and economic activities in the respective countries. Moreover, the weakening influence of national states on international corporations is demonstrated by unharmonized and unbalanced development of these countries, when the problems of social and economic differentiation as well as ecological and other problems arise in the context of economic recession and social depression. This indicates that the powers of a national state, allowing it to ensure the sustainable development of the country and prevent various social, economic and other conflicts and threats, are rather limited.

4. *The formation of new priorities of national states and their policies.* Under the existing conditions, the activities and policies of national states tend to concentrate on the needs for attaining the sustainable development, which requires close cooperation among the national states as well as between them and international corporations. To achieve this, any national state should orient their activities and policy to creating favourable conditions for the work of international corporations within the country and for raising the living standards, quality of life and social comfort for its inhabitants. The pursuing of the goal to create the respective comfortable conditions determines that any national state should give the priority to the development of interaction between the state and international corporations. It may be argued that giving the priorities to the development of interaction between a particular state and international corporations with the aim of creating favourable conditions for these corporations and for raising the living standards, the level of social comfort and quality of life of the inhabitants shows the intentions and abilities of a national state to really *increase its influence on the economic and social situation in the country.* It may be also mentioned that the orientation of national states to the considered priorities allows them both to *strengthen their influence on economic*

*and social situation* and to *increase social responsibility* of international corporations for economic, social, ecological and other conditions of the development of various states and regions.

The above considerations help to realize that, under the existing conditions, the needs arise for increasing the role of national states and their influence on the social, economic and political situation in the country by implementing the principles of sustainable development and interaction with international corporations.

In general, it may be noted that interaction between national states and international corporations is becoming the key factor, determining both the social and economic situation in many countries and regions, and possibilities and development prospects of modern society.

## 5. Conclusions

The processes of *convergence of business and public sectors* and the processes of *interaction between these sectors*, as well as some aspects of the impact of these processes on the internationalization of social, economic, technological, political development in global space should be defined as *an important priority of the research* on contemporary changes and development processes in the world economy.

The processes of *convergence and interaction between the business and public sectors* should be defined as *an especially important factor* of the contemporary social, economic, technological, political changes and development in the global space and in all countries and regions, in particular – in the European Union.

Scientific cognition and research on the processes of convergence and interaction between the business and public sectors in the context of contemporary processes of globalization and social, economic and political internationalization should be based on *the ideas oriented to the complex analysis and multidimensional evaluation.* Complex analysis and multidimensional evaluation must cover the processes of globalization and internationalization of social, economic, political development in general, as well as the processes of convergence and interaction between the business and public sectors in the context of the needs to create the modern society and effective international economy. In general, ideas of the complex analysis and multidimensional evaluation should be defined as *a solid theoretical basis* to understand adequately and to solve effectively many relevant and particularly important problems typical for the contemporary world economy.



The main idea of the complex analysis and evaluation of the processes of convergence and interaction between the business and public sectors in the general context of the processes of social, economic, political internationalization in the global space is that *all* these processes, as a *common global transformation*, are defined and analyzed. This idea is defined as a perspective theoretical framework to solve not only many problems of the creation and development of modern society and effective economy in the context of globalization in general, but also some specific problems typical both for the business and public sectors and for convergence and interaction between these sectors. The convergence and interaction between the business and public sectors should be defined as a *particularly important and effective form of innovations and synergy effects oriented trend* of the international development creating conditions for the intensive economic growth. *Innovations and synergy effects oriented development* should be defined as particularly important and representative feature of the processes of convergence and interaction between the business and public sectors in the contemporary conditions of globalization.

*The main development trends, phenomena and regularities* of the convergence of business and public sectors, as well as of the interaction between these sectors in the contemporary world in the context of the processes of social, economic, political internationalization in global space should be identified and mentioned:

- *the convergence* of the values and interests of the traditional *business and public sectors*, gradually turning into *integration*, can be observed,
- using and developing *the same or similar technologies, organizational forms, as well as control and management methods and models*, in business and public sectors manifests itself,
- *new forms of interaction and cooperation* between the business and public sectors manifest themselves, *creating, developing, spreading and expanding networks* of various business and public sectors can be clearly observed, the newly perceived *networking significance* both in terms of *convergence and integration* of business and public sectors, their activities and development and in terms of *fostering and activating internationalization* of these sectors, their subjects, activities and development is particularly important,
- *the impact* of the convergence and interaction between the business and public sectors on the processes of modern society and effective economy creation is an increasingly important factor of the positive changes not only in the

world economy, but also in the global space in general.

*The processes of convergence of business and public sectors*, as well as *the processes of interaction between these sectors* should be defined as an *important form of the innovations and synergy effects oriented development* occurring in the contemporary situation in the world. These processes expresses the *essential qualitative changes* in all the areas of social, economic, political life, science and technological progress, and interaction with nature. These processes deeply influences the content of *globalization* processes and the effect on a situation in the contemporary world. These processes, in general, should be perceived and assessed as an *essential worldwide transformation*, which determines a number of *breakings and sal-lies*, important to all the humankind.

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