

# Institutional foundations of cross-border international cooperation

**B Krasnoyarova<sup>1,2\*</sup>, A Krotov<sup>2</sup> and R Karatabanov<sup>3</sup>**

<sup>1</sup> Institute for Water and Environmental Problems, Siberian Branch of the Russian Academy of Sciences, 1 Molodyozhnaya str, Barnaul 656038 Russia

<sup>2</sup> Altai State University, 61 Lenina prosp., Barnaul 656049 Russia

<sup>3</sup> Eurasian National University named after L.N. Gumilyov, 29/1 Shakarim Khudaiberdiuly, Nur-Sultan 010000 Republic of Kazakhstan

E-mail: bella250352@mail.ru

**Abstract.** The study on the example of the regions of the Great Altai substantiates the paramount nature of the institutional basis for the sustainable and effective development of cross-border areas. The models of integration efforts of the border areas with the aim of positive changes in the life of local communities and the economic complex are studied and proposed. More than that, the authors importance of a differentiated approach to the processes of gradual reforming of socio-economic realities with the obligatory consideration of the natural-geographical component of the space in question with a view to its balanced and optimal functioning.

**Keywords:** cooperation, paradigm, institutional paradigm, sustainable development, system

## 1. Introduction

Since the 1980s, the ideology of sustainable development has become firmly established in our reality, after L. Brown [1] had coined the term into scientific circulation. This ideology is not a dogma; it is constantly changing, just as the attitude to it changes from complete denials to absolute recognition, active discussion and revision of the main provisions and principles [2-6]. The category of “sustainable development” has experienced a whole evolution of approaches. Different specialists contribute to its understanding. Economists link sustainable development with the preservation of natural capital and its social utility. There is also an “ecological” view, it is aimed at maintaining the sustainability of ecosystems over time. But today, the views of scientists are increasingly turning to the institutional paradigm of sustainable development. Sustainability is seen as consensus and institutional development.

The implementation of the institutional paradigm of sustainable development is especially important, firstly, in the conditions of a transitional economy and the formation of new production relations, which is typical of the former socialist countries. And, secondly, the implementation of the institutional paradigm of sustainable development is especially important in a transboundary environment, when state borders cross / cut through a single natural system, as, for example, within the Greater Altai, in our case.

## 2. Materials and Methods

The research methodology is based on the application of a system-dialectical approach. This approach involves consideration of any regional system in its development, i.e. at the stage of its formation, functioning, and development [7].

The main materials of the study were the official statistics of the four countries of the Great Altai, as well as the media, largely presented on the “Altai Transgranichnyy” website, which provides information support for integration links within the International Coordination Union “Altai is Our Common Home”.

## 3. Results

The Greater Altai is a “transnational” macroregional system. It unites in nature the predominantly mountainous territories of four states – Kazakhstan, China, Mongolia and Russia. In administrative and economic ties are connected the six subjects of the four states (East-Kazakhstan region of the Republic of Kazakhstan, Altai district of Xinjiang-Uygur autonomous region of China, Bayan-Ulgiysky and Khovd aimags of Mongolia, Republic of Altai and Altai Region of the Russian Federation). The area of the region is more than 780 thousand km<sup>2</sup>, the population is about 5 million people.

Our transboundary analysis showed that the Altai regions, regardless of state affiliation, are distinguished with a high level of biological and landscape diversity, self-indivisibility and proximity of cultures, as well as peaceful coexistence of religions. The commonality of the natural component represents a great potential for cooperation in the field of biodiversity conservation through the creation of transboundary reserves on the migration routes of rare and protected animals. At the same time, these regions are peripheral from the standpoint of socio-economic development, they are distinguished with a low level and quality of life even in comparison with not high indicators of their countries.

The Altai regions that are quite similar in basic indicators of retrospective development, and there are significant differences. These issues include different living standards of the local population, differences in the mentality and cultures of the national-ethnic groups inhabiting them and, most importantly, different directions and trends in economic development. We should also note the insufficient consideration of institutional factors of development, both at the national and at the interregional level.

Countries and regions of the Greater Altai are in the process of reforming, a new type of production relations is being formed, which is the transitional from universal state ownership of the means of production to other property relations (private and private) state partnership, new forms of organization of production, etc. All this is happening against the backdrop of the collapse of the bipolar world and the global economic crisis. These processes have a very specific manifestation in different Altai countries.

The economy of the Altai regions is distinguished mainly by agrarian orientation and low energy supply. However, with all the common goals of national and regional development oriented towards the achievement of “sustainability”, the strategies for achieving them are different. For example, the Altai Region has always focused on the growth of its economy. The Altai Republic lobbied for the ecological or environmental conservation status of its territory. The western aimags of Mongolia, supporting GEF, WWF, MAB and other environmental organizations' environmentally-oriented projects, at the same time cooperate extensively with Chinese companies in developing their fields or in breeding downy goats, which pose a significant threat to the unproductive and ecologically sensitive high-mountain pastures of Mongolia.

The asymmetry and asynchrony of the development processes of the Greater Altai regions [8], which we identified and reflected in previous works, requires a differentiated approach to building models for sustainable development of different regional communities and the gradual convergence of basic indicators of their development.

In our opinion, sustainable development in transboundary regions can be realized only in the conditions of supported and acceptable development, taking into account external constraints for administrative units, but internal constraints for natural systems in order to ensure their systemic integrity and optimal functioning.

From an economic standpoint, this is ensured by the principle of complementarity, when the economic complex of border regions, usually operating in the peripheral mode, realizes its potential due (for example, the need for a resource base or markets, and sometimes resources of infrastructure industries) to the proximity of state borders and the interests of adjacent regions of other countries.

Ensuring social stability in cross-border regions also has its own characteristics, based on the identity and mentality of the peoples living here. There is no antagonism between the peoples inhabiting the region in neither cultural, nor religious, nor in multi-ethnic relations; but there are discrepancies in some issues of contemporary life.

In cross-border regions, the implementation of the institutional concept is particularly important. According to this concept, sustainable development provides, first of all, the achievement of formal goals. In particular, it implies “the development of a socio-economic system with a high potential for integrity, since it is within the economic, social and cultural, environmental and physical constraints” [9].

This concept is advisory, not imperative, and it is implemented at the level of agreement of the countries participating in cross-border agreements. The institutional factor of sustainable development at the global (international level) is implemented through a system of international treaties and conventions. At the national level, the institutional factor is realized through the design of forms of ownership of natural resources and their distinction between economic entities.

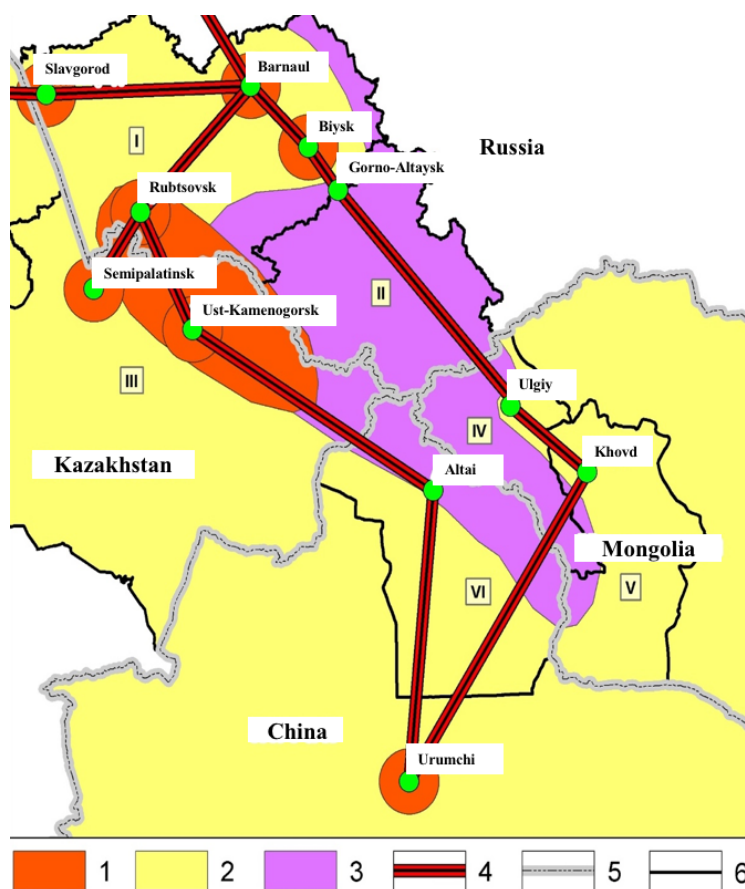
Based on the above theoretical positions, we believe that:

- A balanced approach to the involvement in the economic turnover of natural resources with the production of the final product is important for industrially developed or actively developed regions;
- Compliance with the principle of acceptability of development is important for agrarian-oriented regions; compliance with the imperatives of a balanced structure of agricultural land and plowing levels is mainly important for lowland areas; compliance with the rational structure of the herd and the density of livestock per 1 ha of agricultural land for various purposes is important for mountainous regions;
- Creating a comfortable environment for recreants is also highly important, i.e. providing the necessary information and infrastructure availability of tourist products of different price levels, and regulation of the recreational load on natural objects.

#### **4. Discussion**

We offer a combination of recreational and agrarian-oriented model (Fig. 1) with the obligatory observance of the principle of environmental acceptability as a priority model for the regions of the Greater Altai, as well as:

- a. Creating an international multimodal transport corridor between the regions;
- b. Creating a favored regime for cooperation between the countries of the Greater Altai;
- c. Integrating in the field of tourism business, for example, in the framework of the project “Zolotoye koltso of Altai”;
- d. A joint mutually beneficial development and processing of mineral deposits;
- e. A comprehensive energy development of the regions with the involvement of non-traditional energy sources, including through the creation of a unified energy system;
- f. Developing cooperation in the field of processing and marketing of agricultural products.;
- g. Preserving culture and using ethnic experience in the use of natural resources by the peoples inhabiting the mountainous territories of Altai, etc.



**Figure 1.** Recommended models of sustainable development for the regions of the Greater Altai: 1 – areas of industrial development, 2 – areas of agrarian-oriented development, 3 – areas of recreational-oriented development, 4 – transport corridors, 5 – state borders, 6 – other administrative borders; I – Altai Region, II – Altai Republic, III – East Kazakhstan region, IV – Bayan-Ulgi Aimag, V – Khovd Aimag, VI – Altai District.

Unfortunately, at present, the models of socio-economic development of the Altai regions and the level of their cross-border cooperation are far from optimal. There are a number of objective and subjective factors within the economic and geopolitical causes. The problems of cross-border cooperation are associated with the international economic crisis and affect the level of economic development of the Altai regions, the imbalance of old and incomplete new relations between states, the lack of necessary institutions of cooperation, including those responsible for the formation of border relations between regions. The unfavorable factors of cross-border cooperation include the practical absence of production and cooperation links between enterprises of the two countries, as well as a decreasing supply of innovative and technological goods from Russia, for example, the machine-building complex. Abolition of the visa regime between Russia and Mongolia, the creation of the Customs Union of Russia and Kazakhstan, China's strategic initiatives to develop the "Silk Road" do not save the situation.

## 5. Conclusion

Prospects for cooperation between the regions of the Greater Altai may be related to the development of production links between enterprises of a single technological line for the development of mineral deposits, the processing of agricultural raw materials, and the creation of international tourist routes. An important condition for the realization of these prospects is the participation of local authorities,

business elites and the active population in the promotion of their initiatives to revive and raise the border area. A carefully crafted and at the same time institutionally filled development strategy for the territory of a transboundary region, taking into account the location of the territory inside the center of Eurasia, is necessary.

The regions of the Greater Altai are sometimes separated with impassable mountain ranges, but close political, economic, social and ecological relations are bind them. Their development can have a positive response, both at the national and at the regional level, increasing the competitiveness of each of the Altai regions under consideration and the balance of their economy.

## References

- [1] Brown L 1981 *Building a sustainable society* (NY; London: Norton)
- [2] Evteeva S A, and Pereleta R A E Eds 1989 *Our common future: Report of the International Commission on Environment and Development* (Moscow, USSR: Progress)
- [3] Koptuyug V A 1992 Mankind before the choice: Agenda 21 *ECO* **10**
- [4] Hinteregger G 1993 *Basic principles for achieving sustainable industrial development in Europe* (Novosibirsk, Russia: ITAM SB RAS)
- [5] Moiseev N N 1995 “Sustainable development” or a transition strategy *Green World* **14** pp 3-5
- [6] International Centre for Trade and Sustainable Development website 2012 “Rio + 20”: *Results and perspectives of the process* Available at: <http://www.ictsd.org/> (Accessed 20 02 2019)
- [7] Ryashko B V 1995 On the development of ERGO system-dialectic methodology *Problems of the Methodology of Interdisciplinary Research and Integrated Research Activities* **2** pp 56-78
- [8] de Graaf H J, Musters C J M, and ter Keurs W J 1996 *Sustainable development: looking for new strategies. Ecological Economics* **16**(3) pp 205-216
- [9] Vinokurov Yu I, Krasnoyarova B A, and Surazakova S P 2006 Altai cross-border biosphere territory: Ideas of conservation and development *Region: Economics and Sociology* **2** pp 156-163