

# Legal regulation of cross-border economic cooperation of the Altai region and the Republic of Kazakhstan

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**Abstract.** This article explores the basics of legal regulation and law enforcement practice of cross-border economic cooperation between the Russian Federation and the Republic of Kazakhstan on the example of agreements concluded between the Administration of the Altai Region and Akimats of East Kazakhstan and Pavlodar regions of the Republic of Kazakhstan back in 2010-2012. The article concludes that the adoption of the Federal Law on the Basics of Cross-Border Cooperation of July 26, 2017 provides the necessary basis for enhancing cross-border economic cooperation between municipalities of the respective border areas.

**Keywords:** legal regulation, economic cooperation, agreements, municipalities

## 1. Introduction

Economic sanctions imposed on Russia have reduced our country's interstate contacts with Western countries. On the other hand, cooperation at the regional level has become more significant in the context of resisting Russia's international isolation and blocking its foreign economic cooperation. As noted at the on-site meeting of the Committee on Foreign Affairs of the Federation Council held in the Altai Region on June 22, 2016, international regional cooperation makes it possible to maintain favorable relations and continue to carry out foreign economic activity. Establishing and maintaining mutual economic relations between enterprises, creating and implementing common projects, maintaining conditions for attracting investments, improving infrastructure, information assistance, strengthening cultural ties, scientific and humanitarian interaction are those mechanisms that the regions successfully use to build mutually beneficial relations with foreign partners. An important aspect of international relations with adjacent territories is cross-border cooperation. It should be emphasized that in the Russian Federation, the resource for cross-border cooperation is of particular magnitude. Russia ranks first in the world in terms of the length of the state border and in the number of states bordering it [1]. The total length of the Altai section of the state border of the Russian Federation with the Republic of Kazakhstan is more than 840 kilometers [2].

In this regard, the need to develop legal and organizational procedures for concluding agreements on cross-border economic cooperation of both the constituent entities of the Russian Federation and the municipalities has become particularly relevant.

## 2. Materials and Methods

In this article, the object of study is a set of social relations emerging in connection with the implementation of cross-border economic cooperation between the border territories of the Russian

Federation (Altai region as a case) and the countries belonging to the EAEU (Republic of Kazakhstan). The subject of the research is legal norms that fix and regulate the basis of cross-border economic cooperation. The study was based on the provisions of federal and regional legislation on cross-border cooperation and the emerging international law enforcement practice. For the study, a set of complementary research methods were used: systematic, comparative legal, formal legal and analogy. Their use made it possible to consider the object of research in a holistic and comprehensive manner.

### **3. Results**

For the first time, cross-border cooperation became the subject of legal regulation in 2017 after almost seven years of discussing the concept and principles of such cooperation. The Federal Law on the Basics of Cross-Border Cooperation, which was adopted on July 26, 2017, became the first law in the Russian Federation that laid the normative basis for concluding agreements on cross-border cooperation with participation of the constituent entities of the Russian Federation and municipalities, although cross-border cooperation itself had been always existing [3].

In accordance with Article 2 of the Federal Law on the Basics of Cross-Border Cooperation, cross-border cooperation is considered as part of the international relations of the Russian Federation, international and foreign economic relations of border regions of the Russian Federation and municipalities of border regions of the Russian Federation with subjects of cross-border cooperation of neighboring states. The main contiguous state for the Altai region is the Republic of Kazakhstan.

Our analysis of the legal basis of cross-border economic cooperation and law enforcement allowed us to reach a number of insights.

First, the federal legislator has determined the areas of cross-border cooperation related to the subject of legal regulation in the concluded agreements in various fields: economics, transport and communications, energy, social relations, science and education, culture and art, sports and tourism, health care, ecology and environmental management, agriculture, forestry and fishing, prevention of emergency situations, liquidation of the consequences of catastrophes, natural disasters, fight against epidemics. It is also noted that other areas of cross-border cooperation are carried out by relevant subjects of cross-border cooperation of the Russian Federation within their competence.

Second, the legislator distributed powers between the federal executive body authorized to exercise the functions of state policy development and legal regulation in the field of cross-border cooperation, the state authority of the border region of the Russian Federation in the field of cross-border cooperation and the local government body of municipal entities of border regions of the Russian Federation in the field of cross-border cooperation (Articles 6-8 of the Federal Law No. 179-FZ) [3].

Third, the new law provides order in the system of existing agreements on cross-border cooperation, demanding to systematize a list of concluded agreements and determining the procedure for concluding new ones. Thus, the Law of the Altai Region on the Registration of Agreements on Cross-Border Cooperation of Municipalities of the Altai Region [4], Decree of the Government of the Altai Region of July 9, 2018 No. 266 On the Implementation of the Federal Law of July 26, 2017 No. 179-FZ on the Basics of Cross-Border Cooperation were adopted according to the will of the federal legislator [5]. In accordance with the Decree of the Governor of the Altai Region of February 22, 2019 No. 25 On Approval of the Regulations on the Department of Administration of the Governor and the Government of the Altai Region on Foreign Relations and Protocol, it is this department that has the authority to maintain a list of concluded agreements on cross-border cooperation.

The adopted federal and regional legislation demonstrates readiness of the Altai region and municipalities of the Altai region to continue working on new agreements in the field of cross-border cooperation. Currently, the Altai region has concluded only two agreements on cross-border cooperation with the main economic partner, which is the Republic of Kazakhstan. These documents are: (a) Agreement between the Administration of the Altai Region and Akimat of the East Kazakhstan Region on Trade, Economic, Scientific, Technical and Cultural Cooperation of September 7, 2010 and (b) Agreement between the Administration of the Altai Region and Akimat of Pavlodar

Region on Trade, Economic, Scientific, Technical and Cultural Cooperation of September 19, 2012. At the level of municipalities, the situation with agreements on cross-border economic cooperation is much worse.

#### 4. Discussion

Our research clearly shows the need for legally regulating the procedure for concluding agreements on cross-border cooperation. This issue has caused an active theoretical and scientific discussion among the scientific community, lawyers, and economists. In particular, T. B. Vladislavleva identifies various forms of cross-border cooperation, depending on relations between the countries. In her opinion, three types of cross-border cooperation can be identified: (a) preferential cooperation (granting preferences to border areas, including the use of special tax and customs border regime), (b) partnership (based on the rules of economic and political decentralization, i.e. there is a higher level of regional autonomy), (c) traditional (restrictions on the activities of foreign trade and foreign economic relations) [7]. In our opinion, the border regions of the Russian Federation are characterized by a mixed form of cooperation.

We also would like to note that the increased attention to the problems of interregional and cross-border economic cooperation is not accidental. After all, the more economic ties between countries and their regions are developed, the more joint projects and tasks can appear between all parties to develop and deepen their relationships. The economic stability of the participating countries will depend on the relations between the states, their regions and population, which would have a positive effect on the standard of living of the population. In addition, economic relations will contribute to the development of humanitarian cooperation. Border regions have all the prerequisites for economic, cultural, and humanitarian cooperation. In addition, effective cross-border economic cooperation is the basis for effective development of Eurasian economic integration.

#### 5. Conclusion

It should be recognized that after adopting the Federal Law on the Basics of Cross-Border Cooperation in the Russian Federation, we can expect that cross-border economic cooperation will reach a new level. In particular, municipalities have the right to enter into cooperation agreements with regions of neighboring states. In our opinion, this would give great prospects for the development of good relations, economic growth of municipalities, cooperation in the humanitarian and legal spheres, which can positively affect the general living standard of the regions' population. The problem is that it is not yet clear how active the municipalities will be to exercise such a right. In our opinion, it requires additional explanatory work at the level of local governments.

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