
GLOBAL SOCIETY

LI Menglong

Doctor of History, assistant professor, School of International and Public Affairs, Jilin University, (No.2699, Qianjin Street, Changchun, China zipcode:130012).

E-mail: limenglong@jlu.edu.cn

Kong Xiangqi

Master, School of International and Public Affairs, Jilin University, (No.2699, Qianjin Street, Changchun, China zipcode:130012).

E-mail: kongxiangqi@jlu.edu.cn

A STUDY ON THE PROBLEMS AND COUNTERMEASURES IN THE BORDER TRADE BETWEEN CHINA AND RUSSIA IN THE NEW PERIOD¹

Abstract: *Since the Northeast of China and the far east of Russia are geographically bordered, the economic and trade cooperation between the two countries in this region have increased rapidly. However, it has also given rise to some problems which affecting the further development of cooperation. This paper first introduces the current situation of the development of Sino-Russian border trade from three aspects: transportation, energy cooperation and investment. Then the paper puts forward several questions from the aspects of policy, law and the docking of executive departments according to the actual trade situation. Finally, according to these problems, this paper profoundly explains the cause of the problem and puts forward its own solutions from the aspects of policy cooperation, perfecting laws and regulations, strengthening non-governmental exchanges during Sino-Russian cooperation and building well-known Chinese brands.*

Key words: *Sino-Russian cooperation, border trade, revitalization of Northeast China, far East region*

In the historical process of opening in the Northeast, trade with Russia has always played an important role. Over the years, the Northeast has seized the historical opportunity of globalization, strengthened cooperation between the Northeast and the Russian Far East, and stimulated the vitality of economic development in the Northeast. In the new era, relying on the "the Belt and Road" strategy, the Northeast region is an important window for opening to Northeast Asia. The Changjitu Development and Opening Pilot Zone is the core area of Northeast Asia. The development of China and Russia in the eastern region has also received great attention from both countries.

I. Current situation of Sino-Russian border trade.

In the strategy of revitalizing the old industrial base in Northeast China, the three provinces in Northeast China have focused on the development of high-tech industries such as automobile, optoelectronic information and petrochemical industry; constructing northeast coal and electricity base, petrochemical industry base, major equipment manufacturing base and other six industrial bases; developing raw material industry and equipment manufacturing industry dominated by heavy industry, machinery manufacturing and military industry. Those strategies have created opportunities for the development of Russian machinery manufacturing industry and promoted multi-channel cooperation between eastern Russia (especially the far East) and Northeast China.

1. Transport cooperation.

At present, the border transportation infrastructure of the northeast and the Far East of Russia cannot meet the bilateral trade demand of the two places. *The Revitalization Plan of Northeast China* puts forward the need to improve the comprehensive transportation system and speed up the construction of trans-regional transportation infrastructure. In addition, "The Belt and

¹ Работа выполнена при финансовой поддержке проект «Changchun academy of social sciences 2019 planning project» (№ CCSS2019016) и «Jinlin academy of social sciences 2019 planning project» (№ 2019c62).

Road" proposed the construction of a new Eurasian Continental Bridge Economic Corridor and a Sino-Mongolian Economic Corridor. The Heihe-Blagoveshensk Heilongjiang Road and Bridge has provided great convenience for the construction of these two economic corridors. The construction of "Binhai No. 1" and "Binhai No. 2" is an important cooperation project between China and Russia, because these two international transport corridors can make up for the unfavorable factors of the seaports shortages in Heilongjiang Province and Jilin Province. On July 4, 2017, China and Russia signed a memorandum of understanding on the development of the "Binhai I" and "Binhai II" international transport corridors, further deepening the comprehensive strategic cooperative partnership between China and Russia. Among them, Heilongjiang Province participated in the construction of "Binhai No. 1" and Jilin Province participated in the construction of "Binhai No. 2". The project has important guiding role for the reasonable docking of the two sides' strategies. In 2017, China and Russia reached a consensus on the construction of the "Silk Road on Ice", hoping to jointly develop the Arctic waterway. "The construction of 'Silk Road on Ice' is a model for the in-depth development of Sino-Russian regional economic cooperation. It has led to structural changes in Sino-Russian regional economic cooperation, from the field of economic and trade cooperation in the past to the field of investment and infrastructure construction." The construction of "Silk Road on Ice" will promote the construction of "Binhai No. 1" and "Binhai No. 2" transportation corridors.

2. Energy cooperation.

In the process of Russian energy strategy adjustment, energy strategy gradually shifted to the east. In 2003, the Russian government promulgated the first energy strategy, *The Russian Energy Strategy until 2020*, which made it clear that the energy strategy would shift eastward. In 2009, in the wake of the financial crisis, Russia released *The Russian Energy Strategy until 2030*, indicating that Russian oil exploration is reaching its peak. As competition in the European energy market becomes increasingly fierce, Russia will begin to reduce its oil and gas supplies to Europe. In 2014, Russia formulated *The Russian energy strategy until 2035* and proposed that Russia would expand its exports to the Asia-Pacific market. By 2034, 32% of crude oil and 31% of natural gas will be shipped to the Asia-Pacific region. From China's point of view, as the world's second largest energy consumer and importer, Russia's oil energy channel is exactly what China needs for development. *The Strategic Action Plan for Energy Development (2014-2020)* states the need to strengthen regional energy cooperation with Russia and Central Asian countries and establish a regional energy trading market within the framework of "Belt and Road Initiative".

Northeast is a traditional old industrial base. The extensive economic growth mode at the expense of energy consumption has consumed a lot of energy in Northeast China. Thus, there is an urgent need to import energy to meet the needs of economic development in this region. *The Plan for the Revitalization of the Northeast region* clearly points out that it is necessary to strengthen energy cooperation in Northeast Asia. As the main supplier of oil and gas resources, Russia needs to continue to increase the development of oil and gas resources in the far East and invest more capital, market and human support. Northeast China has the advantages of geography, foreign exchange reserve, manpower and material resources, and the Chinese government and enterprises are also willing to give necessary help. Therefore, under such circumstances, only by further strengthening the cooperation between the two places in the field of oil and gas can achieve a win-win situation.

3. Trade and investment cooperation.

In order to attract foreign investment and improve the competitiveness of the far East market, the federation government of the Russia has announced the establishment of 18 leapfrog economic development zones. In 2017, Russia promulgated *A law of Extending Tax breaks for large-scale Investment Projects in the Far Eastern Federal District*, which provides for the extension of the profits tax concession period for projects that invest more than 500 million roubles in leapfrog economic development zones and free ports. In 2016, Chinese investment in Russia's leapfrog economic development zone and free port also increased by 30%, making China the largest

trading and investment partner in Russia's far East. On November 1, 2017, China and Russia signed 28 far East investment cooperation projects.

Trade and investment between Northeast China and the far East of Russia play an important role in Sino-Russian economic cooperation. In recent years, the field of trade and investment has been expanding, especially in the field of infrastructure construction. In addition, Northeast China and the far East Russia are seeking investment and cooperation in real estate and telecommunications. *The Plan for the Revitalization of Northeast China* points out that China should speed up the development of high-tech industry and focus on the construction of Changchun national optoelectronic industry base to make the electronic information industry grow continuously. The development of the telecommunications industry in the Russian far East is weak and the infrastructure is obsolete and backward, which has seriously restricted the development of telecommunications and related industries in the far East, and greatly hindered the economic and social progress of Russia. In the Federal Special Plan for Economic and Social Development until 2013, the Government of the Russian Federation recommended ensuring the stable development of telecommunications systems in the far East and Lake Baikal. In the future, China and Russia can learn from each other's technology and experience in the field of telecommunications and carry out bilateral cooperation.

II. Problems in Sino-Russian Border Trade

China and Russia have achieved remarkable results in border trade cooperation, especially since China's northeast revitalization strategy and Russia's far East development strategy were put forward and gradually integrated. Constantly deepening cooperation and jointly creating a mutually beneficial win-win situation have not only played a good role in promoting the development of Northeast China and the far East of Russia, but also played a good exemplary role in border trade cooperation in the world. However, there are also a series of problems in the cooperation.

1. The problem of docking at the policy level.

Trade between the two countries involves two sovereign countries, and each country has different political systems and trade policies. In order to carry out trade cooperation, the two countries must first introduce corresponding policies to promote the development of trade between the two countries. At the policy level, China and Russia have issued *Some Opinions on the Implementation of the Strategy for the Revitalization of the Northeast and other Old Industrial Bases*, *Some Opinions on the Further Implementation of the Strategy for the Revitalization of the Northeast and other Old Industrial Bases*, *The 12th five-year Plan for the Revitalization of the Northeast*, *Social and Economic Development Strategy for the Far East and Baikal Region of Russia before 2025*, and *The Concept for the Development of Border Areas such as the Far Eastern Federal District and Baikal region of Russia*. However, there is the problem of policy docking. First of all, each policy is relatively independent, lack of links and coherence with the previous policy; second, China and Russia lack communication and exchanges with each other when formulating policies related to economic exchanges; finally, most of the projects involved in these policies were operated in isolation. This shows that, "On one hand, the content of this transnational cooperative development document is not perfect, on the other hand, there is not enough enthusiasm of the relevant cities. Those problems lead to the negative situation that the development projects signed by both sides are not docked and stagnant."

2. Lack of legal protection for multinational enterprises

Although a perfection of the legal system on economy and trade has been introduced, there is still a lack of legal protection for multinational enterprises which will undoubtedly increase the cost of Sino-Russian trade. "Taking Russia for example, due to the lack of an effective legal enforcement mechanism, the seizure of Chinese enterprises and seizure of goods occur from time to time. Besides, some local governments are deeply wary of Chinese enterprises, thus they have a strong tendency to protect trade." In addition, Russia's social governance is relatively backward, the efficiency of the government is low, the formulation of policies and the implementation of personnel are arbitrary, which will undoubtedly increase the operating costs of Chinese enterprises.

At the same time, due to the absence of law, enterprises that have been damaged in Sino-Russian trade have no place to redress their grievances, which will not be conducive to the further development of Sino-Russian trade.

3. Lack of docking and cooperation between the executive departments of China and Russia

Russia is a federal country, and local governments have great independent power. When China and Russia sign cooperation documents, they are generally signed by the Chinese central government and the Russian federal government. However, when the implementation is carried out by the local government, there will be a problem of docking between the federal government and the local government. In addition, the political culture of China and Russia is different, the implementation concepts and working methods of the executive departments are also different, and the executive departments of the two countries lack cooperation in work. For example, in order to improve the efficiency of customs clearance, the customs departments of China and Russia have both carried out some activities and cooperation, but most of these cooperation are only superficial cooperation, lack of strict docking, and have not really played a practical role.

4. Lack of mutual trust in trade between China and Russia

To carry out cross-border trade cooperation, mutual trust between cooperative enterprises is particularly important. The relations between China and Russia are at the best stage in history, since the two countries have held many meetings to deepen cooperation. However, in the actual cooperation, the enterprises of the two countries still have the problem of mistrust. Because of this mistrust, there is a lot of friction in the process of cooperation, which greatly effects the level and quality of cooperation.

III. Measures to Solve the Issue of Sino-Russian Border Trade

In view of these problems, we have put forward our own solutions and countermeasures, in order to make some contribution to promote the development of Sino-Russian border trade.

1. Deepening cooperation at the policy level

Docking policies of the two countries requires the joint participation of trade experts, scholars and trade participants of the two countries to improve the trade policies of the two countries. It should be the trade participants who play an important role in it, because they know what they need and what kind of business environment the market needs. Only with their participation can the policy "land" and achieve practical results. Although the two countries have issued a large number of policy documents, but these documents need to be integrated, so that trade participants can better understand and grasp the content of the policy. In addition, in the light of the new problems in reality, the policy needs to be adjusted and revised in a timely manner in order to prevent the emergence of blocking factors.

The national political systems of China and Russia are different, and there are great differences in culture. Understanding the differences can make the policy serve the two countries better, when formulating the policies, political system and cultural differences between the two countries should be taken into account, "seeking common ground while reserving differences". The cooperation between the two sides needs to be docked at the policy level. Although the heads of state and government of China and Russia have frequent contacts, the communication between specific policy makers is also essential because they are the specific implementers of policy planning. Therefore, the policy makers of China and Russia need to have regular and in-depth communications, views, identify problems timely, find policy docking points and strengthen policy cooperation.

2. Perfecting laws and regulations and strengthening the protection of multinational enterprises

Law is essential to the society of the rule of law, as well as to transnational cooperation. In transnational cooperation, there are often unpleasant events of cooperation due to the lack of perfect laws and regulations and the lack of understanding of the laws of the other country. How can we avoid the occurrence of this phenomenon? This requires us to improve the laws and regulations.

First of all, in our country, we need the government to advise the People's Congress to improve the laws of transnational trade. However, the improvement of the law requires a long process. This requires the government to introduce relevant regulations and regulations according to the shortcomings of the law and to make up it. Besides, the government should strengthen the protection of transnational trade and multinational enterprises. Second, it is necessary for the law-making organs of the two countries to carry out in-depth cooperation, so that the laws and regulations on border trade can be coordinated as far as possible, and sign relevant memorandums of understanding, so as to avoid the double interpretation of the law. Thus, the laws relating to border trade between the two countries can have an identity. Third, the government should enhance the development and defense capabilities of China's foreign trade law. Many of the provisions in China's foreign trade law are too macro, which make it difficult for subjects involved in foreign trade to grasp the content of the law. We should refine the legal provisions, and the interpretation of the law should be detailed and specific, at the same time, we should keep pace with the times, constantly revise and improve the related laws.

Fourth, in the judicial aspect, on the one hand, it is necessary for the judicial organs of the two countries to strengthen cooperation, clarify the jurisdiction of the two countries, and clarify the jurisdiction of foreign-related cases. At the same time, we also need to work together to enforce the law and cooperate with each other in cracking down on illegal border trade. On the other hand, when dealing with issues related to jurisdiction, people's courts at all levels should reasonably use the jurisdiction principles of regional jurisdiction, agreement jurisdiction and exclusive jurisdiction to deal with all kinds of cases. Only in this way can we better achieve the goal of protecting the country's economic rights and interests. Finally, judicial organs at all levels should strengthen the publicity of laws and regulations on foreign-related economic activities. "This will enable Chinese enterprises and investors to enhance their awareness of risk prevention, and thus enable them to defend their legitimate rights and interests with legal weapons, rather than swallowing up their bad luck."

3. Strengthening the docking cooperation between the Executive departments of China and Russia

The formulation of policies, laws and regulations is important, so is the implementation. The executive departments of the two countries need to cooperate and strengthen cooperation in the implementation of border trade cooperation. Good cooperation at border ports can promote the transport capacity of ports. In terms of customs security, the border inspection departments of the two countries should strengthen the cultivation of trust mechanisms, recognize each other's security results, and improve the customs clearance rate of goods. In the implementation of the documents of economic and trade cooperation between the two countries, the executive departments of the two sides should appropriately grasp the actual situation of the two countries and respect the feedback from the other country. Thus, it is necessary for the executive departments of the two sides to communicate. When there is a trade transnational trade dispute or friction, the law enforcement departments of both sides can carry out joint law enforcement. The two sides should make a correct ruling after an in-depth exchange of views according to the laws of the two countries and the actual situation of the dispute or friction between the two countries.

The executive departments of China and Russia should establish a long-term visits mechanism, strengthening mutual understanding, learning from each other in the process of cooperation, and effectively enhancing the ability and level of implementation. Joint executive offices which composed by a number of transnational trade enforcement departments of the two countries can be set up in some important border cities in China and Russia. It can not only help people study how to create a good business environment for cooperation, but also help solve various problems in transnational trade.

Transportation is very important in business development. The executive departments of the two countries should strengthen cooperation in infrastructure construction, for example, increasing the port transport capacity construction, enhancing the transportation capacity of the customs and

increasing the maximum daily throughput. Because China and Russia traders travel by land in the northeast region, it is necessary to increase the construction of Sino-Russian international railways and highways so that goods can flow to the maximum extent.

4. Strengthening our enterprises' understanding of the administrative management of the Russian side

In order to invest in a country, it is necessary to have an in-depth understanding of the administrative system of that country. However, our enterprises lack the understanding of Russian administration. Thus, on one hand, it is necessary for the Chinese Government to popularize the administrative management of Russia to our enterprises, so as to avoid the losses caused by not understanding the administrative management of the Russian side. The government can bring together the relevant responsible persons of enterprises who involved in transnational trade for training, and at the same time set up relevant consulting offices to provide long-term consulting business for multinational enterprises. There is also a need to develop training manuals, audio and video recordings for advocacy and training for all personnel involved in transnational cooperation.

While strengthening our understanding of Russian administration, our enterprises should also pay attention to the construction of the information network. Because, for some entrepreneurs who come to do business between the two countries, entering the market on the basis of a lack of understanding of the target country can easily lead to a lack of knowledge of the national conditions, as well as a lack of understanding of the laws and regulations of the target country. Resulting in restrictions or even losses on the economic activities of enterprises. China and Russia should work together to build a network information platform, publicizing relevant knowledge content, serving the governments and enterprises of the two countries, and helping enterprises of the two countries to understand the information of both sides in a timely and accurate manner.

5. Strengthening civil exchanges between China and Russia

"The friendship between the two countries lies in the good relationship of the people." Although the stable political relations between China and Russia can, to a certain extent, promote the development of economic and trade relations and provide a good political basis for economic and trade cooperation, maintaining the stability of political relations requires the support and mutual trust of the people of the two countries. This requires giving full play to the friendship and ties between the two peoples. The friendly relations formed by the Chinese and Russian peoples in history and today have played an important role in the development of political and economic relations between the two countries. "Continuously deepening people-to-people exchanges can be carried out through activities such as the national year, the year of tourism, the year of the media, and so on. For some provinces adjacent to China and Russia, local people-to-people exchanges are more convenient. Therefore, doing a good job of mutual trust among the people in these areas can be more directly and effectively, in order to create a good atmosphere for grass-roots cooperation. Besides, the role of non-governmental organizations should not be underestimated. "

6. Building China's famous Brand in Russia

"In order to maintain economic cooperation with Russia and realize the smooth docking of the two major development strategies, we should also adjust our economic structure and create superior brands against Russia to cope with the new changes in Russia's economic and trade development." The Russian market is paying more and more attention to brands. In order to enhance the status of our products in the hearts of Russians, we should improve the quality of export products, build Chinese brands, expand awareness, and strive to enhance the product image. In addition to the quality of the products, the scientific and technological content and innovation of the products are also very important aspects. Russia's light industry is relatively weak, and China's light industry system is relatively complete. We pay attention to injecting scientific and technological elements and a sense of modernity into the exported light industrial products, which is attractive to the Russians. Through this way, we can not only form a good market effect, but also improve the soft power of our country.

IV. Summary

The economic and trade cooperation between China and Russia in the border areas is of great significance to the revitalization of Northeast China and the development of the far East of Russia. In view of the problems in trade cooperation, China and Russia need to put forward solutions to make trade cooperation develop in a better direction. First of all, we need to improve the "superstructure". Only by setting up a good platform at the policy and legal level can we provide space and protection for economic and trade cooperation between the two countries. Secondly, the main body of trade is enterprises. Only by establishing a high degree of mutual trust between enterprises engaged in economic and trade cooperation between the two countries can they cooperate closely and lay the foundation for the implementation of policies. Finally, the economic and trade cooperation between China and Russia originated from the market trade of the border people. Only the close relationships between the people of the two countries can make the border trade of the two countries "land" and really be implemented.

References:

1. Zhang Li Ang. Research on the New Development Strategy of Eastern Russia and Regional Economic Cooperation between China and Russia//Ph. D. thesis, Jilin University, June 2018, p. 102.
2. Li Jingyu, Liu Hainan, Zhang Jingtao. The Prospect of Russian National Modernization and Strategic Cooperation between China and Russia //Journal of Yanbian University (Social Science Edition), No2, 2011, p. 12.
3. Zhang Chao, Zhao Haifeng. Research on the legal guarantee of Sino-Russian Economic Cooperation Policy //Journal of Harbin Institute of Technology (Social Science Edition), No4, 2018, p. 25
4. Kuznetcova A. Research on the legal system of Border Trade between China and Russia// Master thesis, Nanchang University, May 2017, p. 32-33.
5. Kang Jia. The business cooperation on the New situation of China and Russia. Master thesis //Heilongjiang University, March 2016, p. 34.
6. Li Jinyu, Xu Hua. Border regional cooperation on the development strategy docking argument between China and Russia//Forum of North East Asia. No 6, 2010, p. 24.

ИССЛЕДОВАНИЕ ПРОБЛЕМ И КОНТРОЛЬ В ПРИГРАНИЧНОЙ ТОРГОВЛЕ МЕЖДУ КИТАЕМ И РОССИЕЙ В НОВЫЙ ПЕРИОД

Ли Мэнлун

кандидат исторических наук, старший преподаватель института публичной дипломатии Цзилиньского университета.

limenglong@jlu.edu.cn

Кун Сянци

магистрант института публичной дипломатии Цзилиньского университета.

kongxiangqi@jlu.edu.cn

Аннотация: поскольку северо-восток Китая и Дальний Восток России географически граничат, торгово-экономическое сотрудничество между двумя странами в этом регионе стремительно расширяется. Однако это также породило некоторые проблемы, которые сказываются на дальнейшем развитии сотрудничества. В данной статье впервые представлена современная ситуация развития китайско-российской приграничной торговли с трех сторон: транспорт, энергетическое сотрудничество и инвестиции. Затем в документе выдвигаются несколько вопросов из аспектов политики, права и стыковки исполнительных ведомств в соответствии с фактической торговой ситуацией. Наконец, в соответствии с этими проблемами в настоящем документе глубоко разъясняется причина

проблемы и предлагаются собственные решения с точки зрения политического сотрудничества, совершенствования законов и нормативных актов, укрепления неправительственных обменов в ходе Китайско-российского сотрудничества и создания известных китайских брендов.

Ключевые слова: *китайско-российское сотрудничество, приграничная торговля, активизация Северо-Восточного Китая, дальневосточный регион*

Для цитирования: *Ли Мэнлун, Кун Сянци. Исследование проблем и контрмер в приграничной торговле между Китаем и Россией в новый период// Архонт, 2019. № 5 (14). С. 86-93.*