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# INCENTIVES FOR INTERREGIONAL COOPERATION IN FEDERAL SPATIAL POLICY: CHALLENGES AND OPPORTUNITIES



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The approval by the Russian government of a new Spatial Development Strategy for Russia at the end of 2024, which, unlike a similar document in 2019, does not contain a thesis on the need to strengthen interregional cooperation in macro regions and the composition of such macro regions, raises questions about the current state of interregional cooperation as an object of federal spatial policy and the importance of macro regions for its strengthening. The paper shows that there are both prerequisites and limitations for its development, primarily in terms of financial and economic interaction based on the analysis of scientific literature, federal legislation, and accumulated experience in the field of interregional cooperation. We propose the following areas of improvement of federal policy in the field of interregional cooperation to mitigate the latter: clear articulation of issues of financial and economic interaction between regional authorities as the object of activity of departments responsible for spatial development of the Ministry of Economic Development of Russia, organization of work in the Ministry on generalization and dissemination of best practices of interregional cooperation, monitoring and coordination of activities of other federal ministries in this field; expanding the practice of federal participation in projects related to cooperation between regional authorities, developing additional financial support measures for such projects; working out the issue of distributing personal income tax between territorial budgets as a necessary condition for the development of interregional cooperation, especially in urban agglomerations. The article highlights the stages in the transformation of federal policy toward macro regions in their broad sense (as associations of subjects of the Federation, regardless of their names). The correctness of the decision to abandon the unified grid of macro-regions is recognized and a flexible approach is proposed to form associations of regions for cooperation between regional authorities – combining regions in different compositions that are optimal for solving specific tasks of interregional cooperation.

Interregional cooperation, competition, regional authorities, spatial development strategy, macro regions, fiscal legislation.

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### Introduction

The approval of the new Spatial Development Strategy of Russia<sup>1</sup> at the end of 2024, being an important milestone in the development of federal spatial policy, requires reflection and discussion of the innovations proposed in the document. One of them is the abandonment of the macro regions grid present in the previous strategy<sup>2</sup>, which appeared due to the fact that the reduction of interregional differentiation in the socio-economic development of subjects of the Russian Federation was assumed, among other things, "by strengthening interregional cooperation and coordinating the socioeconomic development of the subjects of the Russian Federation within the framework of the macro regions of the Russian Federation". The promotion of interregional and intermunicipal cooperation was named one of the principles of Russia's spatial development. The new spatial development strategy mentions interregional cooperation, collaboration, and connections, but not in such a focused way. Since the importance of interregional cooperation (IRC) and the preservation of the potential for its further development is quite obvious, it becomes necessary to understand why this topic has not been adequately reflected in a key document from the point of view of the formation of federal spatial policy and what the federal policy of supporting IRC at the present stage is, what its main features, problems and prospects are. A related question is how justified was the rejection of the previously proposed macro regions grid in the new spatial development strategy. The aim of this article is to find the answer to these questions. The specific tasks to be solved in this case are to assess the current practice of empowering federal authorities in the field of IRC, identify the prerequisites and obstacles to its development, analyze the role of macro regions in the development of IRC, and, ultimately, formulate proposals to improve the federal policy of supporting cooperation between regional authorities.

The article is based on an analysis of the existing federal regulatory framework in the field of IRC, the existing experience of IRC, as well as scientific publications on this topic. It seems that the greatest attention was paid to it at the Institute of Economics of the Ural Branch of the Russian Academy of Sciences (cycles of articles by Yu.G. Lavrikova, I.S. Vazhenina, S.G. Vazhenin, etc.), Vologda Research Center of the Russian Academy of Sciences (works by T.V. Uskova, E.V. Lukin, S.A. Kozhevnikov, etc.), the Institute of Regional Economic Research (publications P.I. Burak, V.G. Rostanets, and others).

### Interregional cooperation as an object of federal spatial policy

The basic issue that is important for the formation of federal spatial policy is the definition (understanding of the essence) of IRC. The diversity of IRC manifestations is discussed in detail in (Lukin, Uskova, 2016; Nikityuk, 2023), and in the broadest sense, IRC can include the lion's share of the processes taking place in the economy of regions, including all interregional trade, interregional tourist flows, construction of transport infrastructure for interregional relations, university education for students from different regions, etc. One of the components of IRC is traditionally recognized as the interaction of the authorities of the subjects of the Russian Federation. In our opinion, such an approach to understanding IRC is, on the one hand, correct, and on the other hand, unsuitable for making managerial decisions, since the variety of IRC manifestations leads away from specifying the goals, objectives, responsible authorities, and instruments of federal support for the development of IRC. Thus, creating conditions for industrial cooperation of enterprises is a task of industrial rather than spatial policy (and, accordingly, the Ministry of Industry of Russia), the development of transport infrastructure is the responsibility of the Ministry of Transport of Russia, ensuring

<sup>&</sup>lt;sup>1</sup> On approval of the Strategy for Spatial Development of the Russian Federation for the period up to 2030 with a forecast up to 2036: RF Government Resolution 4146-r, dated December 28, 2024.

<sup>&</sup>lt;sup>2</sup> On approval of the Strategy for Spatial Development of the Russian Federation for the period up to 2025: RF Government Resolution 207-r, dated February 13, 2019.

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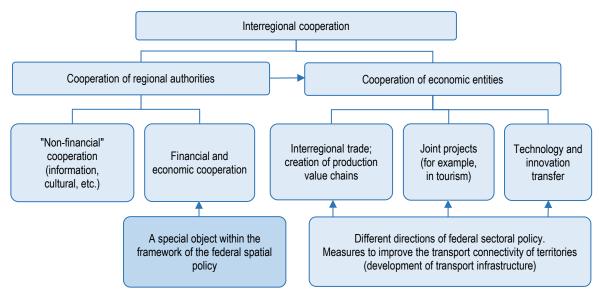


Figure 1. Components of interregional cooperation

Source: own compilation.

the interaction of research and educational organizations in different regions – the Ministry of Education and Science of Russia, etc. Of course, within the framework of various areas of federal policy, attention should be paid to the development of interregional cooperation, while the object of federal spatial policy should, in our opinion, be to support cooperation between regional authorities (including those related to the contribution of regional authorities to the development of economic entities). Schematically, this logic is shown in Figure 1. This article will focus specifically on cooperation between the authorities of subjects of the Russian Federation, and mainly on financial and economic cooperation, since it is this cooperation that faces the greatest difficulties.

In practice, the situation with the formation of federal policy in relation to IRC is difficult to call acceptable. The relevant powers, as well as general spatial policy issues, are assigned to the Ministry of Economic Development of Russia, which "is a federal executive authority responsible for developing state policy and regulatory regulation in the field of ... socio-economic development of subjects of the Russian Federation and municipalities,

regions of the Far North, cross-border and interregional cooperation, territorial planning, development and implementation of complex projects of socio-economic development of federal districts ..."3. Among the powers of the Ministry of Economic Development of Russia are the implementation of state policy in the field of interregional relations between subjects of the Russian Federation municipalities; interregional, municipal and interdepartmental coordination of activities for the development of subjects of the Russian Federation and municipalities. We should note that in the adopted document, the Ministry's policy framework is clearly linked to regional issues.

However, if you look at the structure of the Ministry of Economic Development of Russia, it turns out that departments working on spatial development issues (planning of territorial development; regional development; regional policy) do not engage in IRC (the only exception is the Department of Socio-Economic Development of the North Caucasus Federal District, whose activities mention support for interregional investment projects). But the Department for the Development and Regulation of Foreign Economic Activity

<sup>&</sup>lt;sup>3</sup> About the Ministry of Economic Development of the Russian Federation: RF Government Resolution 437, dated June 5, 2008 (as amended on January 25, 2025).

is responsible for the development of "state policy and legal regulation in the field of foreign economic activity (with the exception of foreign trade), as well as in the areas of cross-border and interregional cooperation". In other words, in the Ministry's activities, IRC is understood as cooperation between the regions of Russia and other countries.

Moreover, it is in this sense that IRC appears in the new Spatial Development Strategy, which proposes "ensuring the effective use of marine areas linked to the development of coastal territories, including through ... the development of interregional (inter-municipal) and cross-border cooperation with friendly countries in the rational use of marine resources". In all other cases, "interregional" is used in combination with "collaboration", "connections", "interaction", but not "cooperation".

Such an understanding of IRC (as the development of foreign economic relations between regions) is not so rare in the scientific literature, but it has a completely different meaning that does not correspond to either the tasks in the field of regional development or the formal regulations on the Ministry of Economic Development of Russia. In our opinion, IRC should become a clearly articulated object of activity of one of the "regional" departments of the ministry. Its tasks in this direction should be related to the generalization and dissemination of best practices of financial and economic cooperation between the authorities of subjects of the Russian Federation (for instance, the work (Rostanets et al., 2018) proposed to develop a standard for the development of interregional economic relations); the development of measures to eliminate barriers to IRC and, possibly, its additional support; monitoring and, as far as possible, coordination of the activities of other federal ministries and departments for the development of IRC in its individual areas, the range of which is shown in (Kotov,

2020). To date, unfortunately, there is no official reporting on the development of IRC<sup>4</sup>.

Horizontal subsidies and budget loans can be cited as one example of the lack of information on the best practices of IRC. The norms relating to them were introduced into the Budget Code of the Russian Federation back in 2019 and 2020, respectively, but so far neither the Ministry of Finance of Russia nor the Ministry of Economic Development of Russia have published any materials related to the generalization of experience in the implementation of horizontal subsidies in the regions. Only isolated examples of their use can be found in the scientific literature (Bogomolova, 2022; Klimanov et al., 2021).

## Prerequisites for and obstacles to the development of interregional cooperation

The theoretical framework explaining the prerequisites for and obstacles to the development of IRC of the authorities of RF subjects is research on the relationship between competition and cooperation among regions. Publications on this topic have been regularly published in foreign literature for several decades, at least since the 1960s and 1970s, which are associated with the active development of regional science (VanRompuy, DeBruyne, 1976), and further (Goetz, Kayser, 1993; Bacaria, 1994; Gordon, Jayet, 1994; McCarthy, 2003; Feiock, 2006; Lee et al., 2012) up to the present (Reiner, Benner, 2022). In one way or another, all studies discuss the positive role of both competition and cooperation in economic development, stating the inevitability of their coexistence, while a final decision on their optimal combination is impossible, including due to changing economic conditions, the specifics of territorial management in different countries, etc. Russian research is developing in approximately the same direction: for example, in the work (Vazhenina, Vazhenin, 2021) it is proposed to talk about the

<sup>&</sup>lt;sup>4</sup> Previously, this type of information was provided, paradoxically, only for municipal entities (on the number of municipal entities of regions participating on a voluntary basis in associations of municipal entities, in intermunicipal non-profit and commercial organizations), but Rosstat stopped issuing the corresponding statistical bulletin ("Formation of local self-government in the Russian Federation in ... year") in 2021 (https://rosstat.gov.ru/folder/11110/document/13263; accessed: 17.09.2025).

competitive cooperation of regions. The same authors show that in the current difficult conditions of anti-Russian sanctions, IRC is beginning to gain more importance than before (Vazhenina, Vazhenin, 2023).

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Competition between regions is primarily for investments, as mentioned in both the mentioned foreign and Russian works (Lapo, 2020). We should note that the federal authorities, while declaring the need for IRC, nevertheless support competition between regions to a certain extent. Thus, the Budget Code of the Russian Federation Art. 132.1) provides for the provision of other intergovernmental transfers from the federal budget "in order to encourage the achievement of the best values of indicators based on the results of evaluating the effectiveness of the executive bodies of the subjects of the Russian Federation and (or) best practices of local government", and the growth rate of investments in fixed assets, money incomes of the population (dependent on new investment projects) are traditionally indicators for evaluating the performance of regional authorities<sup>5</sup>. The rating of regions by various parameters, which is quite common at the federal level, promotes their competition rather than cooperation. At the same time, we do not know of a single rating that would assess the quality of IRC in the subjects of the Federation, as well as the efforts of regional authorities to develop inter-municipal cooperation. Such a rating of regions could also be part of the tasks of the relevant department of the Ministry of Economic Development of Russia as part of the analysis of best practices in the interaction of territories.

Maintaining the importance of competition between regions means that the development of IRC is facilitated by the emergence of situations where the joint efforts of regional authorities produce obvious positive results, and for all participants in the interaction, and /or without such interaction, solving the tasks or problems facing the authorities is basically impossible. As an example of these, the following can be cited:

- projects for the development of transport infrastructure connecting the subjects of the Russian Federation (contributing to the expansion of sales markets and opportunities for interaction between territories) that are not funded from the federal budget,
- the development of urban agglomerations separated by the borders of the subjects of the Russian Federation (the most obvious examples of these are the agglomerations of Moscow, Saint Petersburg, Krasnodar), which require solving problems in the field of transport, ecology, social infrastructure, housing construction, territorial planning,
- provision of various social services to residents of small-sized subjects of the Russian Federation who continue to remain or have historically been part of complex regions,
- formation and implementation of largescale projects that are impossible or extremely difficult within the borders / forces of one region (one example is a number of world-class scientific and educational centers),
- development of interregional tourism routes (the opportunity to visit several regions at once increases the attractiveness of the relevant destinations for tourists).

Russian legislation provides for a number of formats/tools for interaction between the authorities of the subjects of the Russian Federation: the organization of associations of interregional cooperation, the conclusion of contracts/agreements between subjects of the Russian Federation (which is an urgent need in complex subjects of the Russian Federation, but is practiced not only in them), the creation of joint development corporations, horizontal subsidies and budget loans, etc. These tools are often considered in the Russian literature (Klimanov et al., 2021; Kozhevnikov, Sekushina, 2021; Kozhevnikov, 2025; Kuznetsova, 2019b, etc.). In general, the set of such IRC formats/ tools is assessed as sufficient. Another thing is that in some cases they need further refinement, primarily horizontal subsidies and budget loans (Barbashova, Komarnitskaya, 2024), and

<sup>&</sup>lt;sup>5</sup> On assessing the performance of senior officials of constituent entities of the Russian Federation and the performance of executive bodies of constituent entities of the Russian Federation: Presidential Decree 1014, dated November 28, 2024.

their practical implementation faces a number of obstacles to the development of IRC.

It is important that regional budgets have limited resources that can be used to implement infrastructure and other projects. IRC projects should be truly significant for the regions (but not among the projects of federal importance). A significant obstacle to the development of IRC is the achievement of agreements on co-financing projects from regional budgets and, in general, ensuring a balance of interests of partners. For example, attention is focused on trust as a necessary condition for the development of IRC (Vazhenin, Vazhenina, 2020).

In the case of urban agglomerations, the problem of distributing costs and benefits in the implementation of joint projects is largely related to the peculiarities of the distribution of personal income tax. As is well known, it is actually paid at the place of work of citizens, whereas the lion's share of social services is provided at the place of residence. As a result, it turns out that being a "bedroom community" is unprofitable. Citizens who travel to suburban housing (dachas) in the summer also sometimes find themselves in a difficult situation, because they are unable to receive medical care (except for emergency care) at their place of summer residence, and they cannot rely on local authorities to invest in road and other infrastructure. In Russia, the idea of crediting personal income tax to budgets at the place of residence of citizens has long been voiced, as is the case in other countries (for example, in Germany), relevant bills have been submitted to the State Duma, but for many years no decision has been made. In addition to the subjective reasons for this kind of situation (the unwillingness of city authorities to give away part of their income, financial authorities to complicate their activities), there are objective ones: in Russian conditions, personal income tax crediting at the place of residence of citizens is not able to solve the problem of a fair distribution of this tax between the budgets of different territories due to the fairly widespread practice of citizens living in two or even more

houses. This applies to common seasonal living (in winter in the city, in summer outside the city), commuting employment (shift work and the so-called otkhodnichestvo, when people temporarily reside in localities at their place of work or at another permanent place of residence with their families). It is necessary to search for flexible schemes for the distribution of personal income tax, possibly providing for the distribution of this tax between the budgets of different territories based on applications from citizens about their places of residence. This is important for the development of not only small towns, but also urban agglomerations located in several municipalities, as well as peripheral territories that are "donors" of commuters, which will contribute to reducing interterritorial differentiation and create additional opportunities for the development of territories losing their populations.

We think that, due to the above circumstances, successful examples of the development of IRC are often associated with its federal support, when federal authorities co-finance projects (which increases the attractiveness of projects in terms of possible benefits from participating in them) and, importantly, act as a co-organizer of interaction between regional authorities, contributing to the development of decisions acceptable for all the parties. Examples can be:

- the Moscow transport hub, in the development of which Moscow, the Moscow Region, the Ministry of Transport of Russia with subordinate structures, the airports of the capital region, JSC Russian Railways and other organizations participate; and the governments of Russia and the two regions founded the Autonomous Non-Governmental Organization "Directorate of the Moscow Transport Hub" to organize the relevant activities<sup>6</sup>;
- the Autonomous Non-Governmental Organization "Directorate for the Development of the Transport System of Saint Petersburg and the Leningrad Region", a similar organization established by the governments of Russia and the two regions;

<sup>&</sup>lt;sup>6</sup> Available at: https://anomtu.ru/o-direktsii/ (accessed: 20.05.2025).

<sup>&</sup>lt;sup>7</sup> Available at: https://spbtrd.ru/directional/ (accessed: 20.05.2025).

– the already mentioned world-class scientific and educational centers that can receive federal support through the national project "Science and universities"; of the 15 such centers created so far, ten are interregional, i.e. initiated by the authorities of two or more subjects of the Russian Federation<sup>8</sup>;

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– the project for the development of interregional tourist routes "Bolshoy Ural", implemented under the national project "Tourism and the hospitality industry"; the parties to the agreement on cooperation in the implementation of this project are the Sverdlovsk, Chelyabinsk, Tyumen regions, Perm Territory, the Republic of Bashkortostan, as well as Rostourism<sup>9</sup>.

Of course, the availability of federal support is not a guarantee of the success of IRC, but unsuccessful examples are associated with megaprojects, the implementation of which requires significant resources, and the validity raises certain doubts. One well-known example is the "Ural Industrial - Ural Polar" project, for which funds from the Investment Fund of the Russian Federation were allocated for the development of project documentation<sup>10</sup>. However, the actual implementation of the project did not come due to a number of problems that had previously been discussed in some detail in the scientific literature, for example in the work (Mitrofanova, Zhukov, 2012). Another similar example is the construction of the Elegest - Kyzyl - Kuragino railway line. At first, money from the Investment Fund of the Russian Federation was also allocated for it, then the project was included in the "Yenisei Siberia"11, integrated investment project, but in 2021 its implementation was suspended for five years<sup>12</sup>.

At the same time, the positive examples of federal support for IRC show that such support is in high demand and can help the subjects of the Russian Federation gain some experience in interregional cooperation. But at the same time, projects must be realistic in terms of the necessary costs for their implementation. The formats of federal support for IRC, as shown above, can be different - participation in the creation of development corporations or their analogues, the allocation of additional funding for the implementation of interregional projects. It is also possible to adjust the existing instruments of the federal spatial policy in terms of taking into account their contribution to the development of IRC, but in its broad sense. For example, when making decisions on preferential business regimes, one of the requirements for supported investment projects may be their contribution to the creation of interregional value chains.

### Macro regions in the development of interregional cooperation

The legislative definition of the concept of macro region in Russia was given only in 2014 in the federal law on strategic planning<sup>13</sup>, and the grid of macro regions itself, as mentioned above, was proposed in the Spatial Development Strategy of 2019. At the same time, in a broad sense, any grouping of subjects of the Russian Federation can be considered macro regions, and these have been the object of federal policy since the early 1990s. At the same time, several stages can be distinguished in the work of federal authorities with macro regions.

The first was in the 1990s. During this period, while working with statistics (including the preparation of official analytical materials), federal authorities used the grid of economic regions inherited from Soviet times, and the Soviet list of regions of the Far North and equivalent localities was used as part of federal

<sup>&</sup>lt;sup>8</sup> Available at: https://ноц.рф/centers (accessed: 20.02.2025).

<sup>&</sup>lt;sup>9</sup> Available at: https://национальныепроекты.pф/news/proekt-bolshoy-ural-razovet-turisticheskuyu-integrat-siyu-mezhdu-regionami/ (accessed: 20.02.2025).

<sup>&</sup>lt;sup>10</sup> RF Government Resolution 1708-r, dated November 30, 2006.

<sup>&</sup>lt;sup>11</sup> RF Government Resolution 571-r, dated March 29, 2019.

<sup>&</sup>lt;sup>12</sup> RF Government Resolution 760-r, dated March 29, 2021.

<sup>&</sup>lt;sup>13</sup> On strategic planning in the Russian Federation: Federal Law 172-FZ, dated June 28, 2014. According to the law, "a macro region is a part of the territory of the Russian Federation that includes the territories of two or more constituent entities of the Russian Federation, the socio-economic conditions within which require the identification of specific areas, priorities, goals, and objectives of socioeconomic development when developing strategic planning documents".

support for the regions. The only known example of the federal authorities singling out a new macro region – the Far East and Transbaikalia – is related to the approval in 1996 of the federal target program for its socio-economic development<sup>14</sup>. Against the background of the lack of innovations "from above" (at the federal level), initiatives to form macro regions were taking place "from below" – within the framework of the interregional associations of economic cooperation that were created and became widely known as the institute of economic cooperation. But of course, there were no budgetary resources in the 1990s for the implementation of joint projects.

The second stage in the federal policy towards macro regions can be considered the long period of 2000–2018, which began with the creation of federal districts. In fact, they became a universal network of macro regions, since they were associated with the organization of governance (the appointment of presidential plenipotentiaries in federal districts and the formation of their offices), and with the use for statistical and analytical purposes, and with strategic planning - at the turn of the 2000s and 2010s, strategies for the socio-economic development of federal districts were developed (Kuznetsova, 2019b). Regional authorities began to interact at the sites of presidential envoys in the federal districts (Rostanets, Topilin, 2016), while interregional associations began to lose their importance, and some were completely abolished. Periodically, the issue of strengthening the role of associations was raised (Burak et al., 2017), but this did not really happen. As for federal support for the economic development of territories, several specially formed macro regions have become its objects at once: the Far East and the Baikal region, Crimea, and the Arctic zone of the Russian Federation.

The third stage is associated with the years of implementation of the first spatial development strategy of Russia - 2019-2024. However, in reality, this stage differs from the previous one only in the formal presence of a special grid of macro regions. During all the years of the strategy's implementation, there have been no practical solutions for the newly formed macro regions<sup>15</sup>. The grid of federal districts has not only retained all its former functions (and even a new strategy for the Siberian Federal District was approved<sup>16</sup>), but in the summer of 2021, the institution for overseeing their socio-economic development was introduced by deputy prime ministers of the Russian government, and the borders of the Far Eastern Federal District were expanded in the fall of 2018 to a previously formed special object of federal support - the Far East and the Baikal region. New regions of the Russian Federation have become a new significant macro region - the object of federal spatial policy.

The new spatial development strategy has confirmed the importance of the federal districts - it is for them that the development priorities are determined, but also for the Arctic zone of the Russian Federation. The abandonment of the macro regions grid turned out to be quite expected, since the goals of their appearance and specific mechanisms for implementation in federal spatial policy were completely unobvious (several years before the strategy appeared in the work (Leksin, Porfiriev, 2016), it was said that there was no target orientation for the allocation of macro regions laid down in the federal law on strategic planning), and the correspondence of macro regions to real economic regions was no greater than those of federal districts (Kuznetsova, 2019a; Lavrikova, Suvorova, 2024). However, a universal grid of economic regions is hardly

<sup>&</sup>lt;sup>14</sup> RF Government Resolution 480, dated April 15, 1996.

<sup>&</sup>lt;sup>15</sup> Of the 12 proposed macro regions, four fully coincided with federal districts (including the Far Eastern Federal District), and decisions were, of course, made regarding the federal districts. The emergence of the aforementioned "Yenisei Siberia" comprehensive investment project, involving the Krasnoyarsk Territory and the republics of Khakassia and Tyva, stemmed from discussions of the macro region concept during the preparation of the spatial development strategy, but no such macro region was included in its final version (the Angara-Yenisei macro region was formed, which also includes the Irkutsk Region).

<sup>&</sup>lt;sup>16</sup> RF Government Resolution 129-r, dated January 26, 2023.

possible today (Druzhinin, Kuznetsova, 2025), therefore, maintaining the grid of federal districts can be considered the only acceptable solution today; and any associations of subjects of the Russian Federation can be formed for the development of IRC, which shows the accumulated successful experience of IRC. Moreover, the proximity of regions is not at all a prerequisite for the development of IRC. For example, one of the world-class scientific and educational centers was initiated by the Kemerovo Region, the Donetsk People's Republic and the Lugansk People's Republic.

#### Conclusion

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Thus, today the federal authorities declare the need to develop interregional cooperation, but not too many real steps are being taken to support it, and the Strategy of Spatial Development of Russia for the period up to 2030 does not clearly formulate tasks in this direction. In our opinion, such a situation cannot be assessed positively, concrete steps are needed to develop IRC. As such steps, we suggest the following.

1) IRC should become the real area of responsibility of the Ministry of Economic Development of Russia, IRC of the subjects of the Russian Federation cannot be replaced by the cooperation of Russian regions with other countries. The activities of the Ministry of Economic Development should be related to the generalization and dissemination of best practices of the Ministry of Economic Development, monitoring the support of the

Ministry of Economic Development from other federal ministries and departments, and, if possible, coordinating their activities in this area. Special attention needs to be paid to cooperation with the Russian Ministry of Finance regarding the introduction of mechanisms for horizontal subsidies and budget loans, which need to be improved.

- 2) In the development of fiscal legislation, it is important to resolve issues related to the principles of paying personal income tax. The issue is politically complex, but without its solution, one can hardly expect serious progress in the development of urban agglomerations, as well as many peripheral territories with a high prevalence.
- 3) In the activities of federal authorities, it is important to proceed from the fact that the examples of successful experience of IRC are largely related to the participation of federal authorities in it, thanks to financial support for projects and participation in reaching agreements between the regions. Therefore, it is advisable to expand the practice of federal participation in IRC, which will allow the regions to gain experience in implementing joint projects and eventually reduce the role of federal authorities in IRC (to expand the practice of IRC without federal participation).

The analysis carried out in this article is largely applicable to inter-municipal cooperation; therefore, it seems that increasing the participation of regional authorities in joint projects will allow gaining more experience to support inter-municipal cooperation.

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