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## **GENERAL CHARACTERISTICS OF THE LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN AND SOME FOREIGN COUNTRIES IN THE FIELD OF AGRICULTURAL COOPERATION**

In modern society legal support of activity of agricultural cooperatives is one of the crucial direction of jurisprudence. This trend is seen not only in the practice of Kazakhstan, but nevertheless also abroad. Modern civilization is forced to develop agricultural cooperatives, due to the urgent need to ensure food security. Therefore, associations in cooperatives can significantly improve agricultural income, which will positively affect the development of the economy as a whole. The purpose of this article is to study the legislation of foreign countries in the field of agricultural cooperatives. Make a comparative legal analysis of the legal framework of some foreign countries in the field. To create scientific conclusions and proposals for improving public policy in this area. The results of this study can be used in the scientific materials of subsequent studies. The study of this topic is necessary for several reasons. First, the study identified some gaps in domestic legislation in this area and proposed specific solutions to these problems. Secondly, the authors proposed specific recommendations for improving the agricultural legislation of our Republic. The authors also identified the importance and role of agricultural cooperatives and possible directions of its development. In the final part, the authors note that for the objective and comprehensive development of agricultural cooperatives, first of all, it is necessary to have quality legislation. That is, without proper regulation it is impossible to get proper development. And also in the first the concept of economic instruments of development of agricultural cooperatives is used.

**Key words:** agricultural cooperation, agrarian legislation, pratique of foreign States, economic mechanism, state policy.

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### **Қазақстан Республикасының және кейбір шетелдердің ауылшаруашылығы кооперациясы саласындағы заңнамасының жалпы сипаттамасы**

Қазіргі кезде ауыл шаруашылығы кооперативтерінің құқықтық қамтамасыз етілуі құқықтанудағы ең өзекті бағыттардың бірі. Бұл үрдіс Қазақстан тәжірибесінде ғана емес, шетелде де байқалды. Қазіргі заманғы өркениет азық-түлік қауіпсіздігін қамтамасыз ету қажеттілігіне байланысты аграрлық кооперативтерді дамытуға мәжбүр болып отыр. Сондықтан да кооперативтерге бірігу аграрлық табысын айтарлықтай жақсартып алады, бұл тұтастай алғанда экономиканың дамуына оң әсер етеді. Ұсынылып отырған мақаланың мақсаты ауыл шаруашылығы кооперативтері саласындағы шет елдердің заңнамасын зерделеу. Қарастырылып отырған саладағы кейбір шет елдердің заңнамалық базасына салыстырмалы құқықтық талдау жасау және мемлекеттік саясатты жетілдіру бойынша ғылыми тұжырымдар мен ұсыныстарды тұжырымдау. Осы зерттеудің нәтижелері келесі зерттеулердің ғылыми материалдарында пайдаланылуы мүмкін. Бұл тақырыпты зерттеуді бірнеше себептермен түсіндіреміз. Біріншіден, зерттеу қорытындысы бойынша осы саладағы отандық заңнаманың кейбір олқылықтары анықталып, осы

мәселелерді шешудің нақты шешімдері ұсынылды. Екіншіден, авторлар республиканың аграрлық заңнамасын жетілдіруде нақты ұсыныстар келтірді. Сондай-ақ, авторлар ауыл шаруашылығы кооперативтерінің маңызы мен рөлін және оның даму бағыттарын айқындады. Қорытынды бөлімде, авторлар ауыл шаруашылығы кооперативтерінің жедел және жан-жақты дамуын атап өтті, ол үшін ең алдымен сапалы заңнама болуы қажет. Яғни сапалы құқықтық реттеусіз тиісті дамуға қол жеткізу мүмкін емес. Сондай-ақ мақалада алғаш рет ауыл шаруашылығы кооперативтерін дамытудың экономикалық құралдары ұғымы қолданылады.

**Түйін сөздер:** ауыл шаруашылығы кооперациясы, аграрлық заңнама, шетел мемлекеттерінің практикасы, экономикалық тетік, мемлекеттік саясат.

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### **Общая характеристика законодательства Республики Казахстан и некоторых зарубежных стран в области сельскохозяйственной кооперации**

На сегодняшний день правовое обеспечение деятельности сельскохозяйственных кооперативов выступает одним из актуальных направлений юриспруденции. Данная тенденция замечена не только в практике Казахстана, но и за рубежом. Современная цивилизация вынуждена развивать аграрные кооперативы в связи с острой необходимостью обеспечения продовольственной безопасности. Поэтому объединения в кооперативы могут значительно улучшить аграрный доход, что позитивно будет влиять на развитие экономики в целом. Целью данной статьи выступает изучение законодательства зарубежных странах в области сельскохозяйственных кооперативов, сделать сравнительно правовой анализ законодательной базы некоторых зарубежных стран в рассматриваемой области, сформулировать научные выводы и предложения по совершенствованию государственной политики в этой области. Результаты данных исследований могут быть использованы в научных материалах последующих исследований. Изучение данной темы необходимо по нескольким причинам: во-первых, по итогам исследования выявлены некоторые пробелы отечественного законодательства в этой области и предложены конкретные пути решения этих проблем. Во-вторых, авторами предложены конкретные рекомендации по совершенствованию аграрного законодательства нашей республики. Авторы также определили значение и роль сельскохозяйственных кооперативов и возможное направления его развития. В заключительной части авторы отмечают в целях объективного и всестороннего развития сельскохозяйственных кооперативов прежде всего необходимость иметь качественное законодательство. То есть без надлежащего регулирования невозможно получить должного развития. А также впервые используется понятие «экономические инструменты» развития сельскохозяйственных кооперативов.

**Ключевые слова:** сельскохозяйственная кооперация, аграрное законодательство, практика зарубежных государств, экономический механизм, государственная политика.

## **Introduction**

Cooperative activities have been an integral part of the economic life of most countries for a long time. In the modern world, there are about 1 million cooperative organizations of more than 120 species and varieties. They unite about 600 million people. In the cooperative sphere of activity, the strongest economic positions are occupied by agricultural cooperatives. For example, in the USA, Canada, Australia, cooperation is represented, in essence, only by farmers associations (Tiyambe, 1990:68-94). Consumer cooperatives in these countries have not been widely developed. As for credit cooperation, it is mainly related to the maintenance of farm production Cooperative organizations are not new inventions in regards to their structure and

principles; however, their presence amidst the post-industrial landscape of the 21st century can be seen as a quiet protest against conventional individual and corporate means of ownership and production. Cooperatives provide an alternative business model that has the capacity to compete against traditional and investor-owned businesses through cooperative participation and marketing. The International Cooperative Alliance (ICA) defines a cooperative as «an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise» (Fairbairn, 2004:225).

2012 was recognized as the international year of cooperatives (Ленин В.И., 1954:58). The international cooperative ideology came to this

decision through 150 years of development. The effective activity of cooperatives has shown that this organizational and legal form of Association of people can solve many economic and social problems. According to the UN, cooperatives exist in all countries and cover more than 1 billion people. The international cooperative Alliance, the Committee for the promotion and development of cooperatives, other intergovernmental and non-governmental organizations have repeatedly noted that cooperatives are organizations that act in both the interests of cooperative members and cooperatives themselves, an important element of the mechanism of public-private partnership. A special place among the entire world cooperative system is occupied by agricultural cooperatives (Ковбас,2010:170).

### **Purpose of article**

The aim of the article is to study the legal issues of regulation of agricultural cooperatives under the legislation of foreign countries. Identify the main areas of activity of agricultural cooperatives. To make a comparative legal analysis of the legislation and practice of its application in foreign countries. To offer theoretical and practical recommendations on legal regulation and theoretical support of activity of agricultural enterprises

### **Methodological foundations of the theory**

Among the methodological methods of research were used universal methods of knowledge as dialectical, comparative and legal, system-structural methods. The empirical research methods include aspects of legal personality in international law and its application in national legislation, methods of consideration and comparison of scientists' opinions, observation, expert observation, measurement.

### **The discussion and the results of the study**

In General, International legal regulation of cooperation undergone a long evolution. Initially, cooperatives were developed at the national level: the first consumer cooperatives appeared in England, production cooperation in France, and credits cooperation in Germany. But nevertheless, at the same time for a long time there wasn't national legal regulation of their activities. In a special study of the International labour organization (ILO) on cooperatives, countries are divided into two groups at the time of the adoption of rules governing the activities of cooperative organizations: 1) countries

where cooperative laws have been adopted that have led to the development of the cooperative movement; 2) countries in which the cooperative movement arose before the adoption of cooperative legislation. Most European countries belong to the countries of the first type: the first cooperative laws appeared in the middle of the XXI century: in 1852, in England, in 1867, in Germany, France, Portugal, and Prussia, in 1868 in Spain, in 1873, in Belgium and Austria, in 1876 – the Netherlands and Romania. The main legal achievement of these laws was that cooperative organizations were recognized as legal entities engaged in marketing, procurement, credit functions. But nevertheless this way was the first experience of regulating cooperative relations (Seeberger,2014:336).

Analyzing the cooperative laws of Western Europe, operating at the turn of the XIX-XX centuries., we can conclude about the generality of their provisions: cooperatives de jure recognized organizations that have significant differences from other societies (in particular, trade), had independence, the ability to carry out operations in the interests of its members, to carry out internal economic management on a democratic basis. In most countries, there is still no single model of agricultural cooperative at the national level, and agricultural cooperatives continue to operate in the forms of production, consumer and credit cooperation. This is the reason for the right differences in the models of regulation of the establishment and activities of agricultural cooperatives (Fici, 2010:150).

Mr. Popescu mentioned some main shortcomings of European agricultural cooperatives, including conflicts between economic and social goals, Realism objectives, Subordination cooperatives political interests, management (Popescu, 2014:148).

In most countries of the European Union, there is still no single model of agricultural cooperative at the national level, and agricultural cooperatives continue to operate in the forms of production, consumer and credit cooperation. This is the reason for the right differences in the models of regulation of the establishment and activities of agricultural cooperatives.

The first model is the General legal regulation of the activities of legal entities of all legal forms, including agricultural cooperatives. Here as a source of legal regulation are either civil codes or non-codified laws governing the activities of legal entities of various organizational and legal forms.

The second model is a separate legal regulation of cooperation (or cooperatives) without taking into account their type and industry characteristics. The

source of legal regulation is the cooperative code or the law on cooperation (on cooperatives, on cooperative societies).

The third model is a separate legal regulation of different types of cooperatives. Here the sources of legal regulation are differentiated regulations on cooperatives, depending on their type and industry.

The fourth model is the General legal regulation of cooperation (the law on cooperation) in combination with special legal regulation of certain types of cooperatives.

The fifth model is the lack of centralized legal regulation of cooperation (or cooperatives) (Шилова.,2013:233).

Therefore, today the search for the most optimal model of legal regulation of cooperation in the mechanism of international legal regulation of cooperation has not lost its relevance: the General Law on cooperation (cooperatives) or special laws on various types of cooperation (cooperatives). This fully applies to agricultural cooperatives. The variety of cooperative practices does not allow the international cooperative community to dictate strict rules to agricultural cooperatives regarding the choice of legal form and method of legal regulation of their activities. Flexibility in legal approaches is also due to the autonomous nature of cooperatives themselves. However, the UN has adopted several recommendations on the content of the cooperative law. In particular, cooperative normative legal acts should reflect cooperative values and principles, the cooperative identity of established organizations, their autonomous nature, democratic governance and control. In addition, the peculiarities of the legal status of certain types of cooperatives shall be determined either in the form of a special section of the general cooperative law or a separate law (Hagen,2012:133).

In the European community, farmers' cooperatives account for more than half of the total turnover of the cooperative sector. In most European countries and Japan, cooperatives account for more than 80% of agricultural producers. In the UK and some other countries this figure is much lower than the average for the European continent and is about 50 % (Bigan J.,2014: 497).

### **Denmark**

In Denmark all farmers are members of cooperative societies. They produce and sell milk and dairy products- 93% of the total production and sales of products, oil – 92%, beef – 65%, fertilizers – 47%, feed grains and animal feed – 48%. In addition

to the production, processing and marketing of products in the domestic and foreign markets, cooperatives provide farmers with agricultural machinery, fertilizers, fodder, seeds and other services. The basis of agriculture in the country is a family farm. In modern Denmark, there are about 69 thousand farms, and 20 years ago there were about 200 thousand. This indicates the concentration of production in agriculture. The average size of the land on the farm is 40 ha. In Denmark, farms are acquired only through purchase. In order to become a farmer, Denmark has one necessary condition. The future farmer must undergo a special 5-year training in an agricultural school. Farmers in Denmark are highly specialized. In the 70-80 years of the 20th century, almost all farms were engaged in the production and sale of several types of livestock products. Every farm had cows, pigs, birds, and even horses. Currently, the modern farmer is engaged in either cattle, or pig, or poultry, or crop production (Pyykkönen, 2012:33)

In Denmark 80% of all agricultural products are processed and sold by cooperative commercial organizations. Farmers, uniting in cooperatives, are the owners of procurement, processing, marketing enterprises, logistics organizations. Each farmer can be a member of one or more cooperatives. Such associations have existed in Denmark for over 100 years. The farmer who is the owner of a cooperative dairy plant is himself obliged to hand over his milk to this plant. In parallel, the same farmer is also the owner of a cooperative slaughterhouse, where he is also obliged to put his cattle intended for slaughtering. For their part, cooperative enterprises are obliged to accept all these products. In this situation, both farmers and enterprises benefit. Farmers have a permanent market for their products, and the cooperative enterprise has permanent suppliers of raw materials. As a result, the problems of sales and marketing are solved. This relationship leads to larger associations – clusters, which are automatically involved and other cooperatives, associations, unions, associations. These associations exclude the participation of intermediaries in this chain of relationships, which can significantly reduce the cost of sales and marketing of products. There are 300 cooperative associations in the country (Axeltorv, 1609:56).

### **Japan**

Another country where the cooperative movement is developed is Japan. The structure of agricultural production in the country is the

integration of established Eastern traditions, which are based on private interests, hard work, responsibility, production discipline, and public administration in the development of market relations. The interest of the Japanese to unite in the structure allowed all agricultural producers in Japan to become members of cooperatives. The country has established a universal type of cooperatives, which include various types of services: credit, supply, and marketing. This type of cooperatives covers the majority of agricultural producers. In total, there are 737 cooperatives in Japan, whose members are about 10 million people. In Japan, the cooperative legislation includes both statute and common laws. The provisions in the Constitution may back it. It constitutes the overall framework of the cooperative activities, but the extent of constraints varies from one country to another. It can be neutral to any organizational form and give equal treatment to cooperatives as seen in most of industrialized countries. It can favor cooperatives by allowing a supportive treatment in taxation and subsidies while placing them in the strict control as in the case of many developing countries (Kurimoto, 2004:112).

These cooperatives are controlled by the state and operate with its direct participation. This allows for more efficient and efficient use of financial and material resources. The main activities of universal cooperatives are the following functions: economic, banking and credit, mutual assistance, Advisory.

1. The economic function is represented by:

- material and economic support, supply of feed, cattle, fertilizers and other goods necessary for the production of agricultural products;

- assistance in the sale of marketable products in wholesale markets;

- joint control of pests of agricultural crops and infectious animal diseases;

- joint contracts for agricultural work, the use of industrial buildings and equipment (warehouses, elevators, trading floors, etc.), the construction of industrial premises, etc.;

- processing of rice, fruits, vegetables, milk, meat and other agricultural products. The economic functions include social and commercial issues. Such as the delivery of fuel for heating residential buildings and industrial premises. Construction and maintenance of health facilities of the cooperative, assistance to the elderly (former members of the cooperative).

2. The banking and credit function means the following:

- provision of short-term and long-term loans, with the annual rate of credit funds does not exceed

3 % (the average term of the loan or loan issued by the Bank of the cooperative for the modernization of production is 7 years at 1.6 % per annum, for management – 1 year at 2.95 %), there are also short-term loans up to 1 year at 1.15-1.45 % per annum;

- work with the contributions of members of the cooperative.

The main financial investments for the development and modernization of agricultural production come from the banks of the agricultural cooperative to 60% and financial corporations – about 40 %.

3. The function of mutual assistance is to conclude mutual assistance agreements for life insurance in all agricultural cooperatives, including universal ones.

4. The function of consulting business is expressed in the fact that the universal cooperatives organized a service of consulting members of agricultural cooperatives and conducted training in new techniques of agricultural-economic production. This activity of consultants is directed and United by The center for management of cooperation. Consultation is carried out at the location of production. The consultant goes to the farms assigned to him and conducts individual training at the place of work of each employee. This allows the farmer to obtain the necessary new information specific to his occupation. This attitude to innovation does not allow the farmer to lag behind the standard of living and production and keep up with the times. In Japan, much attention is paid to agricultural education, training and retraining, research and adaptation of new technologies to specific conditions (Szabo, 2006:20).

Cooperatives play a special role in the development of Japanese agricultural production and form a kind of completely unique in the breadth of coverage and diversity of activities system. Currently, the corporate movement of Japan is based on Laws «on the Central cooperative Bank for rural and forest farms» and «on agricultural cooperatives». The basis of Japanese cooperatives are primary cooperatives. Main tool state support for agricultural cooperation is financial system. For example, using the system producers of rice get government subsidies (about 75% of their income). Long lending and government subsidies allow quite effectively implement state of the agrarian reform. The main instrument of state support agricultural cooperation is the mechanism of prices and credit, and the basis of Japanese agricultural policy is protectionism. And for everyone type of agricultural products has its own support mechanism: for rice –

policy of solid state procurement prices; for grain, potatoes, sugar beet and sugar cane – guaranteed minimum prices; for beef, pork, silk – support system by manipulation of purchase and sale; for soybeans and rapeseed – subsidizing, using the difference between current market and the steady state prices. In General, cooperation in Japan has shown extreme resilience, freeing the peasants from the shackles of usury, to some extent protecting them from aggression of trade and financial capital. At the same time the state constantly has an effect on the development of societies. Into the present time in the cooperative movement involved almost all agricultural population (Чупина, 2007:23).

The peculiarity of Japan is that all wholesale markets are owned by the state, so they are always ready to take the farmer's products produced from them. Prices for products in such markets are formed by voting of market participants. The Japanese experience shows that the General systematization and planning of production together with public-private cooperation, based on traditions, customs, private interests of agricultural producers, as well as natural and climatic features of the state make the economic success of the land of the rising sun and create conditions for the effective development of agricultural activities. We have considered the formation of cooperation in countries that are on different sides of each other continent's. But cooperative activities, which have their own characteristics in the functioning of these cooperatives, are developed in both countries. In world practice, there are two types of agricultural cooperatives: the first type – producer cooperatives, or vertical cooperatives that perform service functions; the second type – production, or horizontal cooperatives. Producer cooperatives exist in almost all countries. Their basis is such that agricultural producers are United for joint activity, for production of a certain type of production, but at the same time keep the legal and economic independence. They can contain on shares agricultural machinery, processing enterprises, service. Members of such cooperatives, within the framework of their economy, carry out their own basic production functions, as well as reserve the disposal of the received income. In cooperative processing enterprises, they do not work directly, but hire third parties. The second type of cooperation involves the Association of rural workers for a joint agricultural space. Under these conditions, each member of the cooperative loses its legal and economic independence and is burdened with the duties of personal participation in the production cycle. Management, distribution

of income in cooperatives of these types is built differently. The property in such cooperatives is also formed in the same way. The number of members in the first type of cooperatives is not limited, in the second type of cooperatives the number of members of the cooperative may depend on the technological process of production. In countries with developed market economy the functions of cooperatives apply to such traditional activities as enterprises for processing and marketing of products, supply of means of production and their service, lending and production activity (Prakash, 2016:116)

But now they have acquired a qualitatively new character. This indicates the reorganization of the structure of the agricultural cooperative movement of farmers in European countries, the United States, Canada and other countries of the continent. Marketing cooperatives are engaged in primary production of farm products, including its procurement, delivery to processing enterprises. In addition, they are engaged in the processing of raw materials; provide for the regulation of economic conditions of implementation, to conclude trade deals on behalf of the farmers and undertake the wholesale or retail marketing of products. Most of all, this type of cooperation is developed in the Scandinavian countries – Denmark, Norway, Sweden, where more than 80% of commercial agricultural products are sold. In the United States, dairy marketing cooperatives, fruit and vegetable and grain cooperatives have become predominant. Belgian cooperatives also sell more than half of agricultural products (milk, fruits, vegetables).

### **Armenia**

Creation and activity of cooperatives in Armenia is regulated by the norms Of the Civil Code, The law» on agricultural cooperatives « dated 21.12.2015. According to the legislation which regulation cooperation activity agricultural cooperation is a cooperation of agricultural cooperatives, associations of cooperatives and their members, which is carried out in order to better meet the material, social and other needs of economic entities operating in the agro-food system and agricultural cooperative means a legal entity based on the membership of citizens and legal entities operating in the agro-food system, and created to meet the material and other needs of the participants through the voluntary Association of property contributions of its members (О потребительской кооперации.2012).

### **Azerbaijan**

In Azerbaijan, the cooperative movement is governed exclusively by the norms of the Civil Code. Such interpretation of the concept of a cooperative is used in the civil code of the country: «a Cooperative, being a voluntary Association of individuals and (or) legal entities on the basis of membership for joint activities, is created to meet the material and other needs of participants by combining its members of property share contributions (*Civil Code of Republic of Azerbaijan, 1999*).

### **Belarus**

Belarus has the Law «On Cooperation in the USSR» of 06.26.1988, the Law «On Consumer Cooperation (consumer societies, their unions) in the Republic of Belarus» of February 25, 2002, Decree of the President of the Republic of Belarus of July 17, 2014 No. 349 «On the reorganization of collective farms (agricultural production cooperatives)», which regulate the activities of consumer cooperatives and agricultural production cooperatives, by which the country refers to collective agricultural enterprises (collective farms). The law defines a consumer society as «a voluntary Association of citizens or citizens and legal entities in the form of a consumer cooperative in order to meet their material (property) and other needs, carried out by combining its members of the property share contributions.» The law of the country contains rules governing the activities of production cooperatives (artels) and implies by such a « commercial organization, whose members are obliged to make a property share contribution, take personal labor participation in its activities and bear subsidiary responsibility for the obligations of the production cooperative in equal shares, unless otherwise specified in the Charter, within the limits established by the Charter, but not less than the amount of annual income received in the production cooperative» (О реорганизации колхозов, 2014).

### **Russian Federation**

The review of the Russian legislation on agricultural cooperation should begin with the fact that the Russian law deals, first of all, not with the process of cooperation, but with the cooperative as such – a legal entity that meets certain formal requirements. In other words, agricultural cooperation, in its Russian sense, is possible only as the creation and operation of agricultural

cooperatives (and, in part, their associations). Other forms of joint activity of agricultural producers as «agricultural cooperation» are not considered. The main provisions of the legislation on agricultural cooperation appeared in 1994 with the adoption of the Federal law «on the introduction of Part One of the Civil Code of the Russian Federation «and at the end of 1995 with the adoption of the Federal law» on agricultural cooperation « № 193-FZ dated 08.12.1995. Despite the numerous changes that the Federal law «on agricultural cooperation» has undergone for 20 years, its main provisions, approaches, mechanisms, principles and terms have remained unchanged (О сельскохозяйственной кооперации, 1995).

### **Republic of Kazakhstan**

In the current legislation of Kazakhstan, in the Civil Code, the Law on Agricultural Cooperatives, an agricultural cooperative is recognized as a legal entity in the organizational and legal form of a production cooperative created on the basis of membership by voluntary association of individuals and (or) legal entities for joint production and (or) other economic activities in order to meet their socio-economic needs in the production, processing, marketing, storage of agricultural household products, aquaculture products (fish farming), the supply of the means of production and material and technical resources, lending, water supply or other services for members of the cooperative, as well as associate members of the cooperative. They are legal entities with general legal capacity arising after their state registration, and act on the basis of the statutes adopted by the founders at meetings in accordance with the norms of general civil and cooperative legislation. The purpose of an agricultural cooperative is joint activities for the production, processing and marketing of agricultural products and the implementation of other activities not prohibited by law. Civil Code of the Republic of Kazakhstan (general part) Art. 226 makes it possible to create production cooperatives on the basis of a peasant farm: «members of a peasant or farm can establish a business partnership or production cooperative on the basis of the property of the farm. Such a reorganized peasant or farm as a legal entity has ownership of property transferred to it in the form of contributions and other contributions by members of the farm, as well as property obtained as a result of its activities and acquired for other reasons not contrary to the law (Civil Code of Republic of Kazakhstan, 1995) »

The main problem of the effective development of the agro-industrial complex of the Republic of Kazakhstan lies in the small-scale nature of production, accompanied by a high proportion of small farms in the total gross agricultural output, the total number of agricultural formations, and the tendency to reduce their land plots (Tokbergenova, 2018:1923)

It should be noted that according to the legislation on entrepreneurial activity, its implementation, including the conduct of agricultural production, is possible without the creation of a legal entity. In this case, the citizen leading such activities, i.e. acting in the role of commodity producer, has the legal status of an individual entrepreneur and the corresponding rights and obligations of the participant in commodity-money and legal relations forming them (Entrepreneurial Code 2018).

All agricultural commercial organizations and enterprises are holders of complex legal personality, that is, they can be participants in administrative, civil, labor, cooperative, land and other legal relations. The range of such legal relations with the participation of agricultural commercial organizations (enterprises) is very wide and varied. It is determined for each particular enterprise primarily by the nature of its industrial and commercial activities, industry specialization (Kerimov, 2018:89)

According to G.E. Bystrova «the key to determining the circle of participants in agrarian relations is the concept of agricultural activity». (Bystrova, 2000). The current legislation focuses on the implementation of commercial agricultural production. What signs are inherent in commodity agricultural production and what it is. The current legislation, including the law «On state regulation of the agro-industrial complex and development of rural territories» does not give an answer, which in practice leads to discrepancies and misinterpretation of legislative requirements (The Law about economic partnership, 1995)

In the Republic of Kazakhstan, the legal and economic foundations for the creation and activities of agricultural cooperatives and their unions constituting the system of agricultural cooperation are determined by the Law of the Republic of Kazakhstan from October 29, 2015 No. 372-V «On Agricultural Cooperation». According to Art. 5 of the law, an agricultural cooperative is a legal entity in the organizational and legal form of a production cooperative created on the basis of membership by voluntary association of individuals and (or) legal entities to carry out joint production and (or) other economic activities in order to meet their socio-

economic needs in production, processing, marketing, storage of agricultural products, aquaculture products (fish farming), the supply of the means of production and mate technical resources, crediting, water supply or other servicing of members of a cooperative, as well as associate members of a cooperative (On agricultural cooperatives, 2015).

### Conclusion

Our analysis of the legislation of foreign countries in the field of agricultural cooperatives showed that different States have different models of legal support for the activities of agricultural cooperatives. In our opinion, in order to ensure the development of agricultural activities in the first place it is necessary to have a sufficiently objective legislative framework. Because without proper legal regulation, the state cannot ensure the development of a certain sector. However, on the example of the Republic of Kazakhstan it is necessary to actively implement economic instruments for the development of agricultural cooperatives.

Today, a wide circle of stakeholders is involved in the process of creating and developing agricultural cooperatives: government agencies, research and educational centers, business structures from both the agricultural and non-agricultural sectors, agricultural producers. And it should be noted that among them there is still no common understanding of the essence of cooperation in the agricultural sector, including both the production process and the types of work of a post-production nature (cleaning, storage, processing, marketing and others). This causes certain difficulties in creating cooperatives, and first of all, farmers who are not fully aware of the key conditions and requirements set out in the new law face difficulties, which in turn contain provisions contrary to the norms of other laws of the country. This leads to further complication of the situation.

The main constraints to the development of cooperatives are: an imperfect mechanism for encouraging the unification of farmers into agricultural cooperatives; The lack of coordinating authorities in the cooperation of the union, including in the field of education, protection, accounting, registration, etc.; a high level of distrust of agricultural producers, especially small forms of management of the newly created structure, the fear of losing the main means of production – the land; low level of legal culture in the village, lack of awareness of farmers about the benefits of agricultural cooperatives

Thus, agrarian and land reforms in the countries of Central and Eastern Europe of the 80–s of the 90-s of the last century led to a decrease in agricultural production, to the elimination of large agricultural cooperatives, and to a decrease in employment. As for the legal regulation of agricultural cooperation, the current trend is the lack of special regulation of the status of agricultural cooperatives. The legal model of an agricultural cooperative created as a result of the agrarian reform does not correspond to many classical cooperative principles, since cooperatives of the so-called new type combine the features of both the cooperative organizational and legal form and joint stock companies (capital associations). This trend of regulating the activities of cooperatives in these countries is that the model of the modern cooperative legislation is significantly different from the co-operative model that existed in the late nineteenth-60-70-ies. There

is a blurring of the lines between cooperatives and other legal entities. These changes are influenced by the European cooperative legislation. According to the European cooperative law (2003), cooperatives are companies whose purpose is to meet the needs of the members of the cooperative (as such can be individuals, legal entities of any legal form) or to promote their economic or social activities. European cooperatives have the right to choose any organizational and legal form. Eastern European cooperatives of a new type are most often created in the form of joint-stock or other economic companies operating not on their own, but on leased land, they can be described as small-scale production, often not providing food for their own needs, not to mention the export of products. It also influences the development trend of individual and family farms following the example of the European.

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