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Russia: the Arctic Resource

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Abstract. *The author views the Arctic region as a vital resource for Russia; its importance will only grow. There is awareness, that the North is not a dead load. The shock therapy of the 1990s undermined the development of the North, millions of people left, cargo transportation dropped dramatically. Along with production increase and infrastructure creation it is time to accelerate the social development of the Arctic zone. It is not feasible to use rotation system only. New localities should be created and the existing ones – modernized. The global warming stimulates the demand for the Northern Sea Route, due to its advantages over other routes. It is expedient to start broad social movement «Arctic exploration».*

Key words: *Arctic, Extreme North, Northern Sea Route, permafrost, Northern Supply, Arctic exploration.*

Unresolved territorial issues lead to international conflicts. At present, the Arctic theme is proposed on the world agenda with a long time perspective. Meanwhile, political discussions are held around the Arctic without catchy headlines in the current press, but unless a satisfactory to all parties solution is found, undesirable large-scale actions in the Arctic region itself are possible. In our epoch when universal values are declared, there is a complicated task to inscribe into history the page of the fair division of the ice region's myriad resources: territory, oil, gas, metals, bio-resources, transport possibilities, including transpolar aerospace routes.

But this is just a part of the Arctic issue.

In the near future, due to the global warming, the changing of the physical map of the planet will accelerate leading to various consequences for countries and continents. In some countries parts of land will disappear under sea water, while for some countries it will be easier to reach the Arctic vastness. Other changes, both positive and negative, are also expected, such as agriculture moving to the north, destructive floods, aggression from the south of alien species of flora and fauna¹. The northern territories are facing a serious problem: the permafrost of the soil, being a vast area of the country, will recede with such consequences as destruction of building foundations and other structures.

Special World

The Arctic is the vital resource for Russia for time to come. In spite of all undesired international events and possible mistakes in domestic economic policy, our country has its own reliable basis for self-preservation, development and defense capacity. The objective strength of our nation can grow, in particular, according to international law, 1.2 million square km of the Arctic territory can become property of the Russian Federation. A corresponding application was submitted in 2015 for consideration to the UNO Commission on the Limits of the Continental Shelf. It is the second attempt, as the first application was been rejected due to the lack of some data².

The Arctic, being part of the Russian North, covers a number of the Russian Federation subjects and its territorial entities. At the same time, the Extreme North has other geographical coordinates, thereby, there are different northern bonuses, regional coefficients, and other benefits.

Negligence towards natural purity of the region often led to its contamination. At present, elimination of accumulated dumps started, with the RF General Prosecutors Office demanding to change the attitude towards the fragile nature of the North and announcing ecological monitoring as one of its priority tasks.

If the Arctic zone is considered the front line, then the territories lying lower on the geographic map are its rear, and without reliable rear it is impossible to count on success. It means that it is necessary to create a modern infrastructure that organically includes the river-sea system (including icebreakers with reduced draft), port and road facilities, etc.

The social development of the territory should be implemented simultaneously. It is wrong to force development only or mainly by using the rotation system.

Modern provision of the necessary facilities of existing settlements and creation of new ones is required. The «closing of the north» that took place in the 1990s, when the inhabitants left their hard-settled homes, which often happened with the financial support of the state, was completely unjustified. Instead of stimulating people to move to new places at the same Far

¹ As an example of different kinds of unexpected events, one can cite an outbreak of Siberian plague in Yamal in the summer of 2016, this seemingly forever overcome disaster. As result, a part of the deer population died. The reason was extraordinary heat, and there is no certainty that such an acute situation will not happen again and will not become sustainable.

² On the classification of maritime areas, see in more detail: [International political conditions, 2015].

North, the authorities encouraged the outflow from there. Those who wished to move to the European part of Russia could apply for state subsidies in order to acquire housing there, while moving within the northern territories was not encouraged. Little has changed today. The Head of the State Duma Committee for Regional Policy and Problems of the North and Far East, N. Kharitonov cites the following data: «Almost 200,000 families are waiting in line to receive housing subsidies in order to leave the North, and many have been waiting for more than 20 years. Almost 8 thousand people are older than 80»³. It cannot be assumed that the Trans-Uralian natural conditions are not suitable for permanent residence. Some companies, operating in the North, realize the importance of material support for securing people in their industries and provide social benefits, not given by the state to employees, such as holiday travel expenses, housing and hoisting subsidies.

Shock therapy seriously undermined the development of the northern regions. It was here that the thesis that the market would put everything in its place, and that competition would ensure greater efficiency everywhere, showed its inconsistency. This is least applicable in the Far North, where there is a need of tangible state presence, be it reindeer herding or air traffic.

As you know, our economy has a commodity orientation, which is not easy to get rid of. It is even more so in the northern regions. Such a hopeless situation cannot last indefinitely. Significant transformations are needed to overcome this negative heritage of the past. However, there is no precise opinion as what to do. Sometimes you have to deal with strange statements. Let's quote one of them: «Obviously, in a significant part of the territory of the Far North and the Arctic it is hardly expedient to create and develop deep processing enterprises. The transport component alone will make any product uncompetitive». In our opinion, this is not at all obvious. Such assertions are more likely to mislead than to help the cause. For some reason, the transport component of northern deliveries is not taken into account in the case and it could be reduced by means of local processing industry.

The following example is quite illustrative. A factory in Zhatai, near Yakutsk, had been for a long time a ship repairing yard, but later it became both ship-repairing and shipbuilding. It turned out to be more advantageous to produce smaller vessels on site than to buy them somewhere, including import.

In the past a far-sighted decision was made to organize in the Republic of Sakha (Yakutia) enterprises to cut diamonds mined there.

The experience of the Nordic countries, which created highly efficient enterprises and industries, is rather interesting. For example, the government of Norway has set the task to accelerate the development of marine industries, as it considers that the demand for product will increase. It concerns food, pharmaceuticals, energy and cargo flows. Prime Minister Erna Solberg called the ocean resources the foundation of Norwegian prosperity and wealth fare in the past, present, and future. In 2016 the EU's High Representative Federica Mogherini, together with the European Commission, put forward for a wide discussion 39 different events regarding the Arctic, from the environment to external security.

³ Rossiyskaya Gazeta, 13.10.2017.

There is growing understanding that the North is not a dead load, the costs of which should be exempted to the extent possible and with financing practiced on a residual principle, as it has been until recently. It is an equal and most promising territory, already bearing the main share in the revenue side of the state budget. The geological exploration is being restored, which will bring quite a number of discoveries. At the same time, it is necessary to take into account the large time lag between such discoveries and the beginning of practical work on the extraction of raw materials.

The Northern Sea Route

Insufficient attention to the Arctic on the part of Russia, together with its low economic dynamics, may lead to the fact that the country might lose its rivalry with Western countries and leave future generations with cut northern territories, the strategic significance of which will fully manifest itself in the near future. Competing states will secure their occupied space, bringing under this a legal basis, whatever it may be. It should be taken in consideration that several states consider the Arctic territories today as a zone of their interests. Besides, they are putting in a claim not only for the Arctic shelf, but also for the Northern Sea Route. A number of countries suggest withdrawing this sea route from the jurisdiction of Russia.

The large territory of the northern regions and the severe climate require creating a, reliable transport system. Even in the Gulf of Finland, you cannot do without icebreakers. In the absence of railways, which is typical for this area, key transportation routes are main and local waterways.

There are certain dangers here, especially the presence of ice. Deliveries are sometimes hampered because of the sudden shallowing of rivers and transshipment of cargoes to small-sized vessels is required, which does not always help. On some small rivers the navigation lasts only a few days. If this time period is missed, the costs of supplying local communities increase sharply. For example, deliveries of fuels and lubricants are carried out on winter routes (on hard ice) by cars and gasoline trucks. Sometimes air transport is also involved. During the year, the population is forced to live in difficult conditions until the next season in the hope that the situation will not happen again.

Northern delivery is a headache for authorities of all levels and the population. The tension in that period reaches its climax. Everyone realizes that the breakdown of the northern delivery is, without any exaggeration, a real disaster. In the Soviet era, life support for regions, difficult of access for other types of transport, was largely supported by the use of the Northern Sea Route. During the years of perestroika, the Center largely dissociated itself from the organization and financing of the delivery, and the scarce funds were allocated with great delay, which made it difficult or even impossible to conclude contracts with the market suppliers. The regions did not have the means to pay for cargo turnover on the Northern Sea Route. The need for icebreaker support further burdens the problem. The icebreakers gradually break down and also require reliable disposal. There have been cases when tankers, paid for and destined for one Arctic point or for one subject of the Federation, due to the

impenetrable ice cover were unloaded at another point with subsequent bureaucratic lawsuits. Now it is planned to build new nuclear icebreakers at the expense of budget funds.

The regional authorities also made certain mistakes. For example, there was a violation of the integral order of fuel supply. In the past oil bases for storage and distribution of fuels and lubricants materials were erected along the rivers. In cases of under-delivery, fuel was supplied to one tank farm from the nearest bases, and thus it was possible to minimize damage to the population and production in certain areas. The transfer of some tank farms to other owners and thus the withdrawal of them from an interconnected system destroyed the previous coordination between oil berths.

On the southern coast of the Arctic Ocean, as the northerners joke about their land, there are no destructive typhoons, tsunamis, no piracy and the insurance rates here are quite acceptable. There are also no problems with the transit plan for road transport, which happens in interstate relations. These competitive advantages encourage other states to view this transport artery as a workable alternative to traditional trade routes.

We should welcome the strengthening of the defense component of the Arctic development. Traditional military equipment is being modernized and adapted to new conditions. It is especially important that weapons are created specifically for the north. The standards also change with respect to the military contingent, which increases its fighting efficiency. This contingent is needed not only to carry out the military tasks assigned to it, but also to help the civilian population of neighboring settlements to overcome the consequences of harsh natural disasters.

In Need of a Call: The Development of the Arctic

To create and strengthen the spiritual unity of the people is the most important task of any government. It does not give in to a simple solution. Relying on spontaneity is useless. Worse still, something irremediable can happen, namely, the disintegration of the country. Czechoslovakia can be a good example of this. A prosperous state did not have an internal core and paid a high price for it.

Along with the strategic idea of uniting the population, the authorities sometimes establish priority goals that must be achieved at certain stages of development. An appeal to the people for support helps to solve more effectively some current problems in order to move on to the others. Such a policy was repeatedly applied in the Soviet planned economy. In the 60s of the last century, the call for the development of virgin and fallow lands mobilized the country's considerable labor resources and contributed to the economic upswing. Before that, as we recall, the slogan «manpower solves everything» was put into practice quite positively. This includes the youth response to various leadership initiatives (construction of BAM and others). We can also refer to an international example. Modern China has been developing activities to implement its mega-project «One Belt, One Way». Numerous Chinese and foreign companies and many states participate in its implementation.

It seems that in modern conditions a powerful megaproject can serve as a powerful factor in the consolidation of our country. Let us call it – the development of the Arctic, or in common parlance «Give us the Arctic!». It depends, in the literal sense of the word, on the renewal and even the viability of our state. This is an increment of additional territory that Russia can receive if its justified claims are taken into account. In any case, we should prepare and act energetically in this direction. Recently, considerable efforts have been made to expand our presence in this region. But this fact has not yet become a nationwide affair; there is no active patriotic interest of people in transforming our state. Meanwhile, we will face a difficult struggle with Western countries concerned about the growing power of Russia, which will increase with the territorial expansion. The climate warming is a concern of citizens, but it also expands opportunities, including production. We should not be afraid of Arctic difficulties, but we should attract people to the historical process of elevating Russia.

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