Innovation policy in the Arctic as a part of the strategic approach of nation branding of Russia

Elena Danilova¹,²
Financial University under the Government of the Russian Federation
49 Leningradsky Ave., Moscow, Russia
National Research Tomsk State University, 36 Lenin Ave., Tomsk, Russia
E-mail: elena.a.danilova@yandex.ru

Abstract. The paper presents the results of a research of the modern political interests and a role of Russia in the Arctic. Two main directions of development and presence of Russia in the Arctic region - economic (production of hydrocarbons) and military (military bases, the fleet, aircraft) are investigated. The conclusion is drawn on need of expansion of influence of Russia in the Arctic along with need of carrying out the balanced flexible policy for a prevention of the geopolitical conflict in the region.

1. Introduction
In the context of growing global competition, the position of innovative technologies as a part of implementing the strategic vision of nation branding has become a significant method of political marketing for detuning from global competitors based on exclusive competences. The foreign-policy situation additionally actualizes the correlation with nation branding in the category of prestige in world politics as a meaningful imaginary construct that provides global economic success [1, 2], which specifies superior armed forces [3]. The positioning of the government innovation policies in priority economic sectors for its significant regions is an effective element of place branding which is evaluated as a strategic tool of spatial planning and strategic communication structure to the foreign public [4, 5, 6]. An important contemporary academic activity is the examination of the role of public administration for the development of place brands [7, 8, 9]. For the development of the strategic approach of nation branding, it is important to determine a symbolic influence on the strategic spatial areas of government policy. In this regard, the problem of the innovative exploration of the Arctic is highly relevant to contemporary Russian political discourse.

2. Results
At present, the Arctic region is on the focus of geopolitical interests for many of the world's powers, while not only five powers which geographically and historically claim the presence in the Arctic region (the current international law establishes the division of the Arctic into five sectors, along the Northern borders of Russia, the United States, Canada, Denmark (Greenland), and Norway), but also significantly remote from it, such as India, China, Japan. Due to the present-day geopolitical gap, the strengthening of military and economic influence in the Arctic is a task of decisive action for Russia.

Current political and economic opportunities of Russia in the struggle for the Arctic are largely based on the powerful scientific and technical groundwork of the Soviet period. The leadership of the USSR in the development of the North Pole is certainly beyond doubt: legendary Russian expeditions on icebreakers in the 1930s and the 1940s under the leadership of O. Schmidt, V. Wiese, et al; heroic epic of the rescue of...
the steamship Chelyuskin crew; launch of the first polar scientific drift station “North Pole-1” (“NP-1”) under the command of I. Papanin; heroic transpolar nonstop flights across the Northern Pole by V. Chkalov; landing of four Soviet aircrafts at the Pole; other technical records and projects. All this provided insight into the territory where there is not only a place for a heroic deed but the area for the qualitative synthesis of national science, engineering, and technology [10]. However, due to the deep internal political crisis related to the Soviet Dissolution, the work of polar stations (NP) that provided a significant scientific and technical groundwork in the Arctic study during the Soviet period, was discontinued for a decade in the 1990s. While the other Arctic powers were actively carrying out scientific research and industrial development of the Arctic territory, in fact, Russia abandoned this process.

Since the early 2000s, with the advent of Vladimir Putin, political and expert circles began the active discussion about the need to regain Russian influence in the Arctic. In March 2000, as the Chairman of the Government and Acting President of the Russian Federation, Vladimir Putin held the All-Russian meeting in Murmansk on the development of the Russian Arctic sector, Eastern Siberia and the Russian Far East [11] that outlined the fundamental interest of new Russia in the Arctic. On 2008, the President of the Russian Federation Dmitry Medvedev approved the document “Principles of the state policy of the Russian Federation in the Arctic up to 2020 and beyond” [12]. Since 2014 the socio-economic development of the Arctic has been carried out within the framework of the state program of the Russian Federation that emphasizes the priority of the state interests in the region [13].

The President of the Russian Federation approved the strategy for the development of the Arctic Zone of the Russian Federation and provision of national security up to 2020. The priority areas for the exploration of the Arctic zone include: comprehensive socio-economic development of the region, development of science and technology, creation of modern information and telecommunications infrastructure, environmental security, international cooperation in the Arctic, military security, defence and protection of the state border of the Russian Federation in the Arctic [14]. The Strategy of the provision of national security of the Russian Federation highlights the growing role of the Arctic region in the implementation of Russian national interests in national security [15]. The new large-scale state armament programme, launched in 2018, gives particular attention to the adaptation of weapons and military equipment to the Arctic conditions [16]. The splash of political and scientific interest is also expressed in the regular convening of meetings on the Arctic exploration, in speeches of country's top leadership about the need to strengthen Russian presence in the Arctic region, extended coverage of the topic in mass media; in annual holding of the Days of the Arctic since 2010, and other applied research conferences. In 2015, the Arctic summit was held in Salekhard, and the international Arctic science, innovation, and exhibition campus EXPO-Arctic was opened. The information context contributes to the attention of the public and external players on the expansion of Russian presence in the Arctic that provides a solid foundation for applying this subject in the strategic approach of nation branding.

Arctic exploration has been performed by Russia in two main areas: expansion of the hydrocarbon production and strengthening of its military and political presence in the region. According to the Presidential Address to the Russian Federation Federal Assembly on December 2014, the Arctic is positioned as a priority direction for Russian economic policy. The Address emphasizes the need for a comprehensive project of contemporary competitive development of the North Sea Route as an effective transit route and a stimulator of business activity on the Russian Pacific coast in the exploration of Arctic territories [17]. Arctic gas and oil reserves present a potential major additional source of hydrocarbons for Russia. According to experts, the total reserves of fuel and energy resources of the Arctic part of Russian Federation exceed 1.6 trillion tons, and the continental shelf contains about a quarter of all offshore hydrocarbon reserves in the world [18].

The resource-based structure of the Russian economy and the unstable situation on the global geo-economic market determine Russia’s strategic interest in the development of Arctic deposits. Under the conditions of the current political and economic situation, the two main subsoil users, Rosneft and Gazprom, found themselves in a complicated situation: these companies cannot attract foreign partners with their technologies to exploration and exploitation, and other Russian companies do not have access to the shelf due to legal requirement; at the same time Gazprom and Rosneft have to implement license
commitments that force them to conduct the exploration according to the schedule of licenses, and require large financial investments. Rosneft owns 80% of the licensed areas on the Arctic shelf, 70% of which is a less explored Eastern part of the shelf. The company develops large poorly explored fields which also increases the need for investment in their development. At the same time, Gazprom does not seek the leadership by territories but it focuses on real field development in the near future. Gazprom has an operating Prirazlomnoy e field on the Arctic shelf, and the Sakhalin shelf is also being developed. Gazprom, in turn, develops small fields which more explored and closer to existing fields. It reduces the relative need for investment in comparison with Rosneft's fields [19]. The largest innovative project of recent times can be considered the successful launch of the first and only one offshore ice-resistant fixed oil-producing platform “Prirazlomnoy e” owned by JSC “Gazprom Neft Shelf”, from which the first commercial batch of oil was shipped in April 2014.

Due to insufficient knowledge of areas and extreme Arctic climatic conditions, the most advanced innovative technologies in the development of hydrocarbon fields are needed to overcome the dependence on foreign technologies and equipment. In March 2014 Deputy Prime Minister Dmitry Rogozin informed about the launch of the newest strategic project for developing of underwater (subglacial) technologies of autonomous (robotic) exploration of mineral deposits in the Arctic seas. Project developers face a serious technological challenge. It is proposed to set up “unmanned multimodule complexes with a full production cycle. These are completely underwater “cities” with their transport, energy supply, and communication lines. The main elements of these complexes will be underwater exploration vessels and carrier vessel, equipment for drilling, production and preparation of products, power supply, operation and repair, integrated security” [20]. As a part of the conversion, the project will involve the resources of the military-industrial complex. As a result, the industrial development of the Arctic will also serve to strengthen the military and political presence of Russia in the region. At the same time, the aggravation of the worldwide geopolitical situation and sanctions against Russia could not but impact on the political and economic situation in the Arctic. Practically all company's projects in difficult fields of the western waters of the Russian Arctic were associated with foreign partners: ExxonMobil, Statoil, Eni. Due to sanctions, ExxonMobil indefinitely discontinued cooperation with Rosneft on these fields. Representatives of the other two companies have noted that the projects are not discontinued but are subject to adjustment [19]. Therefore, Russia faces a serious technological challenge for the rational use of foreign investment for own innovative development work. In addition, today, the defense of territories of the subarctic shelf, which Russia claims, is likely to be more difficult.

In relation with the sharp deterioration of the geopolitical situation, the country's leadership deliberately focuses the attention of the population, world community, and other geopolitical players on the subject of expanding Russian military, political and economic presence in the Arctic. In April 2014, the President of the Russian Federation Vladimir Putin held a historically significant broadened meeting of the Security Council of the Russian Federation. It was announced an upcoming creation of a special government body for the implementation of the state policy in the Arctic on the strategic approaches of national security [18]. Thus, the President of the Russian Federation Vladimir Putin instructed to create an integrated system of basing surface ships and submarines of the new generation, support the development of ice-breaker fleet (in this regard, Russia is a world leader but the agenda still contains the problem of ice-breaker ageing and the need of new technological solutions on the subject). A milestone event can be considered the construction and transfer to the Russian Navy in December 2014 of the ballistic missile submarine of the fourth generation “Vladimir Monomakh”, from the board of which in September 2014 the ballistic missile “Bulava” was successfully launched as a part of state test operations [21]. Such communication reasons should systematically fill the strategy of nation branding on an ongoing basis. In April 2019 during the annual international forum “Arctic: Territory of Dialogue”, the President of the Russian Federation Vladimir Putin reiterated Russian intention to strengthen its military, political and economic presence in the Arctic, in particular, the embracing of a new strategy of the exploration of the Russian Arctic until 2035, the development of the Russian Arctic icebreaker fleet which by 2035 will consist of at least 13 heavy linear icebreakers, including 9 atomic ones [22].
Russian military presence in the Arctic is related to the political, economic and scientific interests. In September 2013 the Ministry of Defence of the Russian Federation resumed permanent Russian military presence in the Arctic, organizing a campaign of the surface combatant squadron of the Northern fleet led by the heavy nuclear missile cruiser “Pyotr Velikiy” in the sub-arctic regions of the Northern Sea Route [23]. In October 2013, the work of the military airfield “Temp” on Kotelný island was restored [24]. Today, the Joint Strategic Command “North” serves as a garrison. It is the only and most powerful formation of the Russian naval fleet, which has the status of a military district. After the creation of the “North” based on the Northern fleet on December 15, 2014, to date, it has increased its combat potential and showed its readiness to protect Russian national interests in the Arctic. The structure of the Joint Strategic Command “North” includes the union of atomic submarines, union of all-arms forces, air force and air defence, army corps of land forces, coastal defence troops, and naval surface force. The subunits of radio troops are deployed and carried out the tour of duty on a round-the-clock basis in the next archipelagos: Franz Josef Land, Novaya Zemlya, Severnaya Zemlya, Novosibirsk Islands, near the town of Tiksi, on Wrangel Island and Cape Schmidt. Military bases “Arctic Shamrock” and “Northern Clover” were put into operation [25]. The build-up of a systemic military presence contributes to the strengthening of Russia's geopolitical influence in the Arctic Region.

3. Conclusions
At the same time, it should be expected to take the parallel reciprocal steps from the Arctic countries of NATO that convert the Arctic into a zone of potential geopolitical conflict. Russian presence in the Arctic is necessary and possible, but in any case, only those states that will respond to the Arctic technological challenge with innovative solutions and development works will be able to claim political and economic influence in the region.

The expansion of Russian economic, military and political influence in the Arctic region has the potential to strengthen the position of the state in the international community. However, in current geopolitical realities, balanced state policy is extremely important to neutralize as much as possible a hotbed of tension in the North.

References
[1] Anholt S 2010 Places: identity, image and reputation (London: Palgrave Macmillan) 168 p.
[2] Papadopoulos N et al 2016 Nation branding for foreign direct investment: An integrative review and directions for research and strategy (Journal of Product and Brand Management 25 7 pp. 615–628.
[3] Savage J 2011 The stability and breakdown of empire: European informal empire in China, the Ottoman Empire and Egypt (European Journal of International Relations 17 2 pp. 161–185.
[4] Oliveira E 2015 Place branding as a strategic spatial planning instrument (Place Branding and Public Diplomacy 11 1 pp 18–33.
[5] Hankinson G 2010 Place branding theory: A cross-domain literature review from a marketing perspective (Cheltenham, UK: Edward Elgar Publishing Towards Effective Place Brand Management-Branding European Cities and Regions) pp 15–35.
[6] Van Assche K et al 2011 Planning, preservation and place branding: A tale of sharing assets and narratives (Place Branding and Public Diplomacy 7 2 pp 116–126.
[7] Warnaby G et al 2015 Sketching Futures for Place Branding Rethinking Place Branding, Comprehensive Brand Development for Cities and Regions (Cham: Springer) pp 241–248.
[8] Eshuis J et al 2012 Branding in Governance and Public Management (London: Routledge) 188 p.
[9] Cerda-Bertomeu M J et al 2016 Stakeholders’ perceptions of place branding and the role of the public sector: An exploratory analysis (Place Branding and Public Diplomacy 12 pp 299–313.
[10] Scherbinin A et al 2015 The Russian Arctic: innovative possibilities at the turn of the past and the future (IOP Conference Series: Earth and Environmental Science vol 27 No. 1) URL: http://iopscience.iop.org/article/10.1088/1755-1315/27/1/012022/pdf (access date: 27.09.2019).
[11] Order No. 96 of the Government of the Russian Federation of January 20, 2000. “Holding on March 24, 2000, in Murmansk the All-Russian meeting on the problem of the development of the Russian
sector of the Arctic, Eastern Siberia and the Russian Far East” 2000 (Legal information portal “Poisk zakona” January 20) URL: http://poisk-zakona.ru/169390.html (access date: 03.08.2019).

[12] Decree No. 1969 of the President of the Russian Federation of September 18, 2008. “Principles of the state policy of the Russian Federation in the Arctic up to 2020 and beyond” 2008 (The Government of the Russian Federation, September 18) URL: http://government.ru/info/18359/ (access date: 03.08.2019).

[13] Decision No. 366 of the Government of the Russian Federation of April 21, 2014 “On approval of the state programme of the Russian Federation – Socioeconomic Development of the Russian Arctic Zone up to 2020” 2014 (The Government of the Russian Federation April 21) URL: http://government.ru/media/files/41d4d600d9800a20c26f.pdf (access date: 13.09.2019).

[14] “The strategy for the development of the Arctic Zone of the Russian Federation and provision of national security up to 2020” 2013 (Government of the Russian Federation February 20) URL: http://government.ru/info/18360/ (access date: 11.09.2019).

[15] Decree No. 683 of the President of the Russian Federation of December 31, 2015. “The strategy of national security of the Russian Federation” 2015 (The President of the Russian Federation. December 31) URL: http://www.kremlin.ru/acts/bank/40391 (access date: 19.02.2018).

[16] State armaments programme of Russia. Dossier 2018 (TASS February 26) URL: https://tass.ru/info/4987920 (access date: 19.08.2019).

[17] Presidential Address to the Federal Assembly of December 4, 2014 2014 (The President of the Russian Federation December 4) URL: http://www.kremlin.ru/transcripts/47173 (access date: 13.09.2019).

[18] Meeting of the Security Council on the implementation of Russia's state policy in the Arctic 2014 (The President of the Russian Federation April 22) URL: http://state.kremlin.ru/face/20845 (access date: 03.09.2019).

[19] Buzovskiy V V 2016 Factor analysis of Russian Arctic shelf exploration. Strategic differences between approaches of PJSC “NK Rosneft” and PJSC “Gazprom” URL: http://pro-arctic.ru/01/11/2016/resources/23925 (access date 13.09.2019)

[20] Rogozin D 2014 Let's look into the abyss (Rossiyskaya Gazeta March 14 No. 6331 (59) p 17.

[21] From the board of atomic submarine “Vladimir Monomakh”, the launch of “Bulava” was successfully executed 2014 (JSC PO Sevmash September 11) URL: http://www.sevmash.ru/economy/1769--l-r-lr-.html (access date: 14.09.2019).

[22] Putin: a new development strategy for the Russian Arctic until 2035 will be adopted this year 2019 (TASS April 9) URL: https://tass.ru/ekonomika/6312429 (access date: 19.08.2019).

[23] The Ministry of Defence resumes Russian permanent military presence in the Arctic 2013 (RIA Novosti September 14). URL: https://ria.ru/20130914/963158271.html?in=t (access date: 21.08.2019).

[24] The Russian airfield “Temp” in the Arctic resumes its work 2013 (RIA Lenta.ru October 29) URL: https://lenta.ru/news/2013/10/29/temp/ (access date: 10.09.2019).

[25] “Arctic Shamrock” and “Northern Clover” 2018 (Armeyskiy sbornik April 25) URL: http://army.milportal.ru/arkticheskij-trilistnik-i-severnyj-klever/ (access date: 09.08.2019).