Murmansk is the capital of the Arctic

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Abstract. The mastering of the Arctic is one of key priorities at the present stage of development of Russia. The Arctic region extremely rich with resources having great transit and military meaning is considered as the most important driver of strengthening of economic and geopolitical positions of the country. The Arctic zone of the Russian Federation (further AZRF) is conglomerate of separate administrative formations with the different status among which both the whole regions, and certain municipal districts, and the cities. At the same time the Arctic territory has no uniform office of management and, as a result, tools for central planning and control over execution of the made decisions. Besides, the majority of strategically important projects in our country are supervised by central office of the power, but not on places. And despite the general nature of problems of development of regions of the AZRF, each of them goes the way of overcoming difficulties and, without waiting for adoption of the basic "Arctic" law, develops regional legal acts and forms the administrative structures. But the governing body of the Arctic has to be one and be located in the Arctic zone – in its capital. According to the explanatory dictionary by S.I. Ojegov, the capital - the main town of the state, as a rule, the place of stay of the government and government institutions. Proceeding from this definition, the option of the organization of management process of the AZRF is presented in article and justification of a possibility of placement of governing bodies in Murmansk region is given.

1. Introduction
On November 20, 2015 at a joint meeting of State commission on development of the Arctic and Council for the Arctic and Antarctic at the Federation Council of Federal Assembly of Russia of the Ministry of Economic Development of the Russian Federation it was entrusted to develop the Federal Law draft "About development to the Arctic zone of the Russian Federation", the including specified structure of the AZRF and a technique of its definition.

Now it is already impossible to count precisely all attempts to develop this law. Initially the parliament discussed creation of the comprehensive law regulating all spheres of life in the Arctic. However today's version offered the Ministry of Economic Development is the frame document and is devoted to questions of creation and functioning of the Arctic basic zones of development which are designated in the new edition of the Strategy of development for the AZRF [1].

Besides, the Federal Law draft provides creation by the Government of the Russian Federation the managing company – structure to which functions of coordination and analytical maintenance of functioning of basic zones and monitoring of realization and synchronization of actions for construction of infrastructure of basic zones and the investment projects implemented in basic zones and also creation of the Fund of support of projects in the Arctic representing the financial means
formed of contributions of the Arctic territorial subjects of the Russian Federation, the federal budget and economic entities will be assigned.

At the same time only functions of management company and main objectives of use of a fund are described in the Federal Law draft. That is in the law draft the mechanism of creation of management company is not described, the structure is not defined, and creation of Fund is not obligatory.

It should be noted that many experts consider that management company – structure superfluous, creating additional bureaucratic weighting to already labor-consuming and expensive procedure. In reality – it is a sinecure for the officials leaving positions and one more potential zone of corruption.

And concerning Fund of support of projects in the Arctic their opinion is similar: "It is not necessary to the Arctic regions as they have to fill it theoretically, and future officials of management company who to themselves not only positions, but also a source of income beforehand prepare will dispose of it. Voluntarily any Arctic subject or economic entity will not form this Fund. Remains or compulsion of those who should be helped on the contrary, or to charge with filling of fund the federal budget. Why the intermediary between budgets of different levels and the realized infrastructure facility is necessary - it is unclear. It is very necessary for the official, but strongly harms business and loosens controls of financial flows" [1].

2. Mechanism of management of the Arctic zone of the Russian Federation
However, the structure coordinating development of basic zones is simply necessary. If we speak about the Arctic zone as uniform space on which certain privileges as for the population, and potential investors have to act, then also the mechanism of management of this space has to be realized. Though hardly the concept "management company" is appropriate here.

Let’s address the dictionary by S.I. Ojegov again and we will remember that the company is rather trade or industrial enterprise, commerce and industry association of businessmen, than option of the organization of public and private partnership.

Considering the sizes of the territory of the AZRF, it would be appropriate to compare it to the European Union and to take some principles of management of the EU as a basis.

The Council of AZRF consisting of heads of the Arctic territorial subjects of the Russian Federation and representatives of the scientific centers researching the Arctic can become the main governing body (management company). As well as at the heart of creation of the European Council, creation of Council of AZRF the idea about holding the regular summits of leaders of the Arctic subjects is the cornerstone. Being the highest public officials, they head the executive authority, provide protection of the rights and freedoms of citizens, unity and territorial integrity, social and economic development of the region, political stability and consent, performance of laws of the region. That is, in order to avoid corruption, there is no need to include in the structure of governing body of AZRF of "third parties".

Heads of the region and representatives of scientific centers as a part of Council will continue to carry out by and large the main work, but they will also have an additional opportunity to advance projects, strategically important for the Arctic regions, shares experience, to render each other the feasible help and to take part in development of the legislative base concerning the Arctic zone of the Russian Federation.

Besides, Council of AZRF has to define the main strategic directions of development of AZRF. A main objective of Council - development of the general line of economic integration which is understood as process of rapprochement, mutually adaptation and merging of regional economic systems (basic zones) having ability of self-regulation and self-development on the basis of the coordinated interregional economy.

Within the European Council so-called "ceremonial" management when presence of politicians of the highest level gives to the made decision at the same time both the importance, and high legitimacy is performed. Heads the European Council of the chairman who participates in all meetings of heads of state and government of EU Member States [3]. Also Council of AZRF can have similar structure:
- The chairman of the board of AZRF (it is appointed to a position by authorized federal organ),
- Members of council of AZRF - as it was mentioned already earlier, the heads of subjects of the AZRF (who are regularly reporting to the chairman on the course of realization of strategic actions), representatives of the scientific centers researching the Arctic (the analyzing prospects of further development of subjects of AZRF).

Representatives of commercial structures (heads of the city-forming enterprises, small and medium business) can also be a part of Council of AZRF for preliminary coordination with other members of council.

The fund of support of projects of the Arctic cannot, and has to be created and be under authority of Council of AZRF. Means of the federal budget have to come to Fund in the form of subsidies. At the same time, the economy of means of a subsidy which is formed during implementation of government procurement for realization of the project for which they were allocated is not subject to return to the budget, and is redistributed on implementation of other projects, after coordination with authorized federal organ. Such order of expenditure of means of a subsidy will allow to avoid idle times waiting for financing and will allow to use more effectively the budget funds allocated for development of the AZRF.

3. Choice of the basic region
Now there is a natural question: where will Council of AZRF territorially have to gather? For implementation of the activity to Council holding conference calls is not enough. Really again Moscow will become the center of strategic planning? Or after all problems of the AZRF have to be solved in its territory? And if yes, that why Murmansk has to become "the capital of the Arctic"?

Article purpose - to remove a certain informal rating of the regions which are a part of AZRF. And informal because in this article the aim some regions is not pursued to note as perspective and to give others up as a bad job as the economy of the considered regions is very different, and economic and social situation of everyone is very perspective. Key indicators of regions (table 1) were analysed for this purpose.

| Regions                      | Gross regional product for 2016, million rub. | Level of unemployment, % | Average monthly nominal salary, rub. | Size of a subsistence minimum, rub. | Relation of the average monthly salary to the size of a subsistence minimum | Density of population |
|------------------------------|---------------------------------------------|--------------------------|--------------------------------------|-------------------------------------|--------------------------------------------------------------------------------|-----------------------|
| Komi Republic Nenets Autonomous Okrug | 546895,30                                  | 7,8                      | 49255                                | 12948                               | 3,8                                                                          | 3,20                  |
| Arkhangelsk region           | 255496,60                                  | 8,0                      | 81416                                | 20460                               | 4,0                                                                          | 0,25                  |
| Murmansk region              | 427863,40                                  | 6,4                      | 44269                                | 12090                               | 3,7                                                                          | 3,48                  |
| Yamalo-Nenets Autonomous Area | 425831,20                                  | 7,0                      | 55973                                | 14798                               | 3,8                                                                          | 5,20                  |
| Krasnoyarsk Krai             | 1963870,50                                 | 3,2                      | 95341                                | 15931                               | 6,0                                                                          | 0,70                  |
| Sakha Republic (Yakutia)     | 1767908,20                                 | 5,7                      | 43875                                | 11914                               | 3,7                                                                          | 0,21                  |
| Chukotka Autonomous Okrug    | 868607,00                                  | 7,1                      | 64875                                | 16463                               | 3,9                                                                          | 0,04                  |

Table 1. Key indicators of the Arctic territorial subjects of the Russian Federation
However, during the analysis of the key macroeconomic indicators of regions, it became clear that these indicators are insufficiently informative for drawing up rating and are not suitable for comparison of regions among themselves because of a big difference in the areas of their territories, number and density of the living population.

That is proceeding from data of table 1, an undisputed leader is the Yamalo-Nenets Autonomous Area. But low density of population of the region in total with considerable territorial remoteness of small settlements create special requirements to development of transport infrastructure and form a serious call to the level and rates of social and economic development of the region.

The problem of insufficient development of transport infrastructure is in addition aggravated with a condition of the existing infrastructure elements – a number of the airports, railway lines and highways need reconstruction and expansion of capacities. The imperfection of regional transport infrastructure in general interferes with diversification of regional economy.

The raw nature of regional economy does it dependent on the international and in-Russian prices for hydrocarbons and also from volumes of demand for the current and perspective period. It concerns also other regions presented in the table.

High, at first sight, level of the nominal salary when comparing with a subsistence minimum shows that the real income of the population in regions is almost equal, and the size is caused by the rate of inflation.

Therefore on the basis of economic indicators alone it is impossible to make real representation of the level of development of the region.

So for assessment of social welfare of regions of the Russian Federation by M.Yu. Malkina the analysis of simple and expanded Sen’s and Atkinson’s functions in 11 years (2004-2014) was carried out. Their expansion by inclusion of four additional elements of welfare was offered: indexes of free time, remaining life expectancy, security with housing and net real savings. In table 2 data for 2004 and 2014 on relative values of welfare are provided in regions of the AZRF to the average Russian level ($W_S/W_{Sav}$ and $W_A/W_{Aav}$). Ranks of regions for the specified years ($R_S$ and $R_A$) are also presented.

According to the multiple-factor function of welfare based on the modified Atkinson’s function, the ratings of regions in 2014 looked a little differently though big divergences are not noted. At the same time Murmansk region on welfare in 2014 takes the 4th place and enters into top five, such as Moscow, the Moscow and Magadan regions and also St. Petersburg [4].

However, in work as M.Yu. Malkina official data of Federal State Statistics Service in all regions of Russia without the Arctic specifics and consequently without allocation in the region of its Arctic part, namely without allocation of the Nenets and Yamal-Nenets autonomous areas which are full

| Regions                    | Multiple-factor Sen’s function 2004 | Multiple-factor Sen’s function 2014 | Multiple-factor Atkinson’s function 2004 | Multiple-factor Atkinson’s function 2014 |
|----------------------------|-------------------------------------|-------------------------------------|------------------------------------------|------------------------------------------|
|                            | $W_S/W_{Sav}$ | $R_S$ | $W_S/W_{Sav}$ | $R_S$ | $W_A/W_{Aav}$ | $R_A$ | $W_A/W_{Aav}$ | $R_A$ |
| Komi Republic              | 1,194            | 4    | 0,986         | 19   | 1,170         | 6    | 1,021         | 19   |
| Arkhangelsk region         | 0,975            | 15   | 1,003         | 18   | 1,087         | 10   | 1,108         | 12   |
| Murmansk region            | 1,046            | 8    | 1,067         | 12   | 1,133         | 7    | 1,183         | 4    |
| Krasnoyarsk Krai           | 0,869            | 29   | 0,805         | 57   | 0,899         | 35   | 0,818         | 62   |
| Sakha Republic (Yakutia)   | 1,010            | 9    | 0,905         | 31   | 1,084         | 11   | 0,950         | 32   |
| Chukotka Autonomous Okrug  | 1,055            | 7    | 1,111         | 7    | 1,178         | 5    | 1,169         | 7    |
territorial subjects of the Russian Federation which constitutional and legal condition defines features of the status both the most autonomous area, and edge, area which part it is were used. Their relationship differs from their relations with other territorial subjects of the Russian Federation as public authorities of both equal subjects of RFV the interests of the population of the region, areas are obliged to provide maintaining territorial integrity and unity [5].

In 2012-2016 in research associates of FGBUN of Institute of economic problems of G.P. Luzin KNTS RAN the technique of assessment of social stability of regions of the North and the Arctic of Russia was developed and approved. According to this technique the rating of regions of the North and the Arctic of the Russian Federation by the index of level of stability on the "social infrastructure" block (taking into account territorial and transport availability of health care and education) for 2013, was 2014, 2015 (table 3 is submitted without the data on regions of the North which are not included in AZRF).

Table 3. The rating of regions of the Arctic of the Russian Federation by the index of level of stability on the "social infrastructure" block (taking into account territorial and transport availability of health care and education) for 2013, 2014, 2015 (for the beginning of year)

| Regions                        | The place in the rating of 2013 | Index 2013 | The place in the rating of 2014 | Index 2014 | The place in the rating of 2015 | Index 2015 |
|--------------------------------|---------------------------------|------------|---------------------------------|------------|---------------------------------|------------|
| Komi Republic                  | 4                               | 0.464      | 4                               | 0.452      | 4                               | 0.431      |
| Autonomous Okrug               | 5                               | 0.445      | 5                               | 0.429      | 5                               | 0.420      |
| Arkhangelsk region             | 6                               | 0.429      | 8                               | 0.403      | 9                               | 0.362      |
| Murmansk region                | 2                               | 0.514      | 1                               | 0.511      | 1                               | 0.511      |
| Yamalo-Nenets Autonomous Area  | 12                              | 0.350      | 12                              | 0.350      | 11                              | 0.349      |
| Krasnoyarsk Krai               | 9                               | 0.411      | 7                               | 0.411      | 7                               | 0.418      |
| Sakha Republic (Yakutia)        | 13                              | 0.347      | 13                              | 0.307      | 13                              | 0.210      |
| Chukotka Autonomous Okrug      | 16                              | 0.177      | 16                              | 0.182      | 15                              | 0.185      |

Murmansk region is the leader of this rating (1 place, index 0.511) and treats group of the regions having signs of social stability in this sphere. In comparison with rating-2013, the index of level of stability of a social infrastructure slightly decreased (in 2013 the index made 0.514 - 2 place in rating) that is result of decrease in security of the population with services and availability of health care, at preservation of level of security of the population with services of education and the highest, among regions is the North and the Arctic, access to education level, growth of security there are population sports constructions, attendance of cultural institutions and art.

With indexes in the range of [0.400-0.499] treat to group of the regions having signs of social instability (are ranged on decrease of a rank) – the Komi Republic, the Nenets Autonomous Okrug, Krasnoyarsk Krai. The worst positions in rating-2015 in this group have 2 regions (on decrease of the index) – the Arkhangelsk region, Yamalnenetsky autonomous area with indexes in the range of [0.300-0.399]. Other regions of the Arctic of Russia – the Sakha (Yakutia) Republic and Chukotka Autonomous Okrug – are outsiders of rating-2015, belong to group of socially unstable regions with a pre-crisis state on the "social infrastructure" block with indexes in the range of [0.100-0.299] [6].
And at last, in 2018 the first specialized rating of the Arctic territorial subjects of the Russian Federation - "Gives the polar index. Regions". This rating is the joint project of "Design Office of Development of the Arctic" Expert center and department of Economy of environmental management of Economics department Lomonosov Moscow State University.

Task of rating is the balanced assessment of regions of the Arctic meaning equal coverage of economic, ecological and social components of sustainable development.

Results of this rating [7] are presented in table 4.

| №   | Region                                | Polar index |
|-----|---------------------------------------|-------------|
| 1   | Murmansk region                        | 0.673       |
| 2   | Sakha Republic (Yakutia)               | 0.670       |
| 3   | Arkhangelsk region                     | 0.631       |
| 4   | Yamalo-Nenets Autonomous Area          | 0.628       |
| 5   | Krasnoyarsk Krai                       | 0.620       |
| 6   | Chukotka Autonomous Okrug              | 0.604       |
| 7   | Republic of Karelia                    | 0.602       |
| 8   | Nenets Autonomous Okrug                | 0.595       |
| 9   | Komi Republic                          | 0.590       |
| 10  | The lands and islands located in the Arctic Ocean | 0.490 |

First place in rating is won by Murmansk region – one of key regions of the Russian North. Advantages of Murmansk region are: an advantageous geographical location, existence of reserves of minerals and also rather developed transport, power, industrial, scientific and educational infrastructure.

In the West the region borders on Finland, in the northwest – with Norway and is a part of BEAR (The Barents Euro-Arctic region) and also takes active part in programs of the international border cooperation.

Among the Arctic regions Murmansk region is the most urbanized where the share of urban population makes 92.7%, with the developed systems of resettlement, large residential locations and relatively dense population.

Murmansk region is reliably connected by the marine, railway, motor transport and air traffic with industrially developed regions of Russia.

Murmansk region is the beginning of the Northern Sea Route, a starting point of its development. In Murmansk the base of vessels of Atomic fleet where the Russian atomic ice breakers providing navigation in waters of the Russian Arctic are based is located.

Over 14% of the all-Russian transportation of goods by the marine transport are the share of Murmansk region where three seaports, including with the nonfreezing water area are located.

The region is the richest natural storeroom, the minerals which actually do not have equal on a variety. An essential part of the minerals which are available in the territory of the area does not meet any more anywhere in the world. The main minerals – raw materials for phosphoric fertilizers the apatite, nepheline and iron ores providing about 10% of the Russian production. Also non-ferrous and rare-earth metals are extracted. On the shelf of the Barents Sea one of the world's largest gas fields – Shtokman is explored. Murmansk region is one of the key centers of fish industry of the country.

The administrative center of the region Murmansk – the biggest city in the world located beyond Arctic Circle. Murmansk is one of the largest ports of Russia. In the city the powerful Murmansk transport hub providing construction of new port complexes on the west bank of Kola Bay and reconstruction of Murmansk Commercial Seaport is formed now.

Murmansk region is among the most power armed and energy surplus regions of Russia. The region has unique opportunities of receiving the electric power from renewable sources – wind power, inflows and outflows, oceanic biomass.
The regional tourist brand is formed by the most interesting natural, cultural, historical and industrial objects. In recent years a considerable boost to development was received by cruise Arctic tourism.

Murmansk region has the powerful potential of fundamental and applied science which kernel is the Kola scientific center of the Russian Academy of Sciences consisting of nine research institutions. The developed vector of development and high level of multicomponent complex scientific research of KNT's RAS define its leading role not only in the realized directions of the basic and applied researches aimed at the development of the Kola North but also in the course of creation of modern scientific bases of management of complex systems of territories of the Russian Arctic in general.

Training and development is carried out by 12 educational organizations of the higher education, including the Murmansk state technical university and the Murmansk Arctic state universities which are the centers of consolidation of educational and scientific resources [8].

In other words, Murmansk region in an issue of development of the Arctic can act as lokomotiv for other Arctic subjects. Having successful experience in development of tourism on would seem to absolutely industrial territory, Murmansk region is for them an excellent example of diversification of economy.

4. Conclusion
In the conclusion it would be desirable to note that AZRF has some uncertainty and regarding program control. On the one hand, AZRF is officially allocated in separate object of public administration. From other party as shows experience of development of the state Arctic programs, specific problems in certain spheres of action are solved with their help. Federal Arctic programs are in coordination supplemented with programs of regional and local level. Whether it is necessary to unite all this "cross-disciplinary model of multilayered space of the Arctic" in the uniform superprogram?

Legislators say that it should be made as "there is no system work on regions of Far North today, everything is separated, separated according to different programs. There are more than 500 various laws, programs, normative legal acts anyway affecting the Arctic, they are not joined among themselves, and sometimes and directly contradict each other, at all do not consider a reality and need of the people living on Far North" [9].

By the time of the end of preparation of this article the Presidential decree of 26.02.2019 No. 78 "About improvement of public administration in the sphere of development of the Arctic zone of the Russian Federation" which provides transfer of the Ministry for the Development of the Russian Far East of functions on elaboration of public policy and legal regulation concerning AZRF was accepted. This ministry, respectively, is renamed into the Ministry for the Development of the Russian Far East and the Arctic [10]. According to the plans read by its management work on introduction of prefential treatments and measures of support in the Arctic which, apparently, will lean anyway on the curves approved in the Far East is necessary.

But I still consider that integration of regions of the AZRF has to be based on close contact of their heads. The consultative nature of management of AZRF would allow to solve through joint efforts problems of certain regions and to exchange experience of successful implementation of regional development strategies.

Let's be hopes that creation of the Ministry for the Development of the Russian Far East and the Arctic at last will shift the publication of the law "About Development to the Arctic Zone of the Russian Federation" from "a dead point" and its today's edition will be processed taking into account opinion of experts.

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