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Problems of Modernization of the Economy of the Northern Territories

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In the given article we consider the problems of the North economy development under the conditions of structural transformations. Some principals of a new social-economic policy of the North are formulated there. The authors suggest the approaches to creation of a mechanism of protection of the primordial living environment and traditional way of living of the native peoples in the course of commercial exploitation of the North.

Keywords: territory of traditional environmental management, native small-numbered peoples of the North, ethno-ecological expertize of investition projects, functional zoning of northern territories.

The questions of economy modernization of the northern territories and transition of Russia towards an innovative way of development will have had a prominent place in the strategy of the Russian economic development for the next decade and for a longer perspective.

At present, northern territories are the main storage place of this country's mineral resources. According to the existing estimations, there are concentrated more than 80 % of all the mineral resources of Russia. Moreover, less than 10 % of the country's population of the northern territories live there, but they produce more than 20 % of all the gross domestic product, one fourth of all the industrial production, one tenth of the

livestock product, they perform more than a third of all the construction works, produce more than 90 % of natural gas and 75 % of oil, almost 100 % of all the Russian diamonds and platinum group elements, 90 % of nickel and copper, 83 % of silver, and more than 60 % of gold.

In general, the North produces twice as much industrial goods per capita, as in average in this country. Potentialities of the Northern Sea Route are just colossal. According to the calculations of the RF Ministry of Transportation, the flow of cargo of the Northern Sea Route will exceed 50 million tons by 2020 (for the time being, it is less than 2 million tons) (Ponomaryov, 2011). Here lives the main part of the small-numbered

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peoples, who have preserved their traditional way of living. The North is a unique natural complex, which is a global ecological reserve of not only Russia, but also of the entire planet. Northern territories will not lose their geo-strategic role in the foreseeable future, as far as the struggle for natural resources, water, and forest resources and so on will only get worse. And Russian will be able to stand against such challenges only if it bases upon the modern economy, including the regions of the North.

An increasing influence of the North on the development of the Russian economy requires a balanced solution as of most important economic problems, connected with the future development of natural resources of these territories, so of social problems, which influence the quality of life and interests of the native and enrooted population.

In connection with the mentioned, we need to perfect the conceptual bases of the territory and natural resources development, to improve the methods of social-economical potential estimation and to develop the methodological theses of a complex estimation of natural resources.

We may not omit the fact that in recent years the organs of the RF state power have begun to pay more attention to solution of the problems of social and economic development of the northern territories. In 2008, they approved “The Bases of the State Policy of the Russian Federation in the Arctic Region for the period until 2020 and for a future perspective” (The Bases of the State Policy., 2008), in 2009, they approved “The Strategy of Social-Economical Development of the Far East and the Baikal Region for the period until 2025” (Concerning Confirmation., 2009), and in 2010, it was “The Strategy of Social-Economical Development of the Siberia until 2020” (Concerning Confirmation., 2010). Though, their realization goes on very slowly.

Generalization of the approaches, which have been rendered in the scientific literature, and also of that vast (as positive, so negative) experience of the northern territories development in this country (in the pre-revolutionary, soviet and post-soviet periods) and also of the experience of foreign northern countries (Canada and Scandinavia) let us single out and formulate the following principal positions of the modern approach to development of the northern territories:

1. The paradigm of the northern territories’ development should be revised. We need to change the strategy of ‘development’ for the strategy of ‘assimilation’. In the soviet period, under ‘the process of development’ the economic theory meant the following: interaction of nature and society; development of resources; organization of the territorial economy; social-economic development; distribution of productive forces, which reflected different sides of the given process in various degrees.

Under the modern conditions and along with the development of natural resources, it has become necessary to live in, ‘to assimilate’ these or those northern regions. The given process is considered as a system of social and economic relations, which concern development of the territory and its natural resources, which represents an interaction of separate types of development (industrial and transport ones), and population of a certain territory for its resource potential usage in economic purposes, with a due account of the native people’s interests and assessment of the impacts on the native and migrated people and the natural environment.

2. The meaning of the reproductive approach to organization of natural-resources and social-economical systems of the North ‘from its usage to reproduction’ is growing. And it means, that the main part of the locally-created capital is materialized on the native territory, it means a conversion from mono- to poly-specialization on

the basis of scientific-technological innovations, it is a transition from translation of foreign ideas to generation of one's own ideas, it is a switchover from the state paternalism to a coordination of all the subjects of economic and social activity. We must consider the way of life, the language, the culture and the health of the peoples of the North as a reproducible inherent worth.

3. In future, industrial development of the North must be based on acknowledgement of the native people as partners in the processes of development, supported by realization of plenary powers of the native peoples for lands, resources and self-government. The basis of the model of partnership relations is a formation of understandable rights of the native small-numbers peoples of the North for lands, resources and self-government. Elaboration of treaties and agreements with the peoples of the North is an instrument of restoration of rightful relations, of decrease of informational uncertainty in the questions of property, lands and resources management. Here, we need a complex policy, which will motivate the native people to become economically active, to strive for changes, and to wish to work in favor of these changes. The main positions of such a policy are as a rule expressed in conceptions of partnership relations among the state, the business and the majority of the nonresidents with the peoples of the North.

4. Necessity of a bigger role (in comparison with other regions) of the state sector of economy and state initiatives in the process of formation of 'trigger mechanisms' of large national economic programs and innovative projects. Shortly, we can denote it as 'a transition from global presence of the state to selective state business activity'. But, thereat, the priority of the public interests and national security remains to be of the main importance, especially on the Arctic territory. The mentioned positions are interrelated and

are generally connected with the problem of co-relation of raw materials and post-industrial beginnings of the modern economy. They are extremely important for the North in order to create there a new foundation for its economic and social development.

5. Strategy of the Northern policy must have its own spatial projection, which would single out the types of regions and would define where and what kind of instruments of the regional policy would be most efficient. In the North, the instruments of the regional development and the reproductive crisis bailout can be the following: state donations, subsidies; economy diversification; educational programs and qualification courses for the northern people; social and industrial infrastructure formation; combination of traditional and industrial economy; tax deductions and credit facilities; protectionism in realization of the products, produced in the North; creation of a hospitable investment climate; research and scientific-technical projects; formation of geological data bases and information; assurance of social protection of the population of the Extreme North and the Arctic Region; population optimization; investment interregional cooperation; formation of the regional and interregional infrastructures.

6. It is necessary to define the borders of the North. It is a long-felt need to have a look at the North in a new light, at its features and its territory, taking into consideration both foreign and national experience. Essentially, we are talking, firstly, about singling out of specific various-factored features of the North, which characterize the course of natural-climatic processes, and also the changes of social-economic and medico-biological situation; secondly, about systematization of internal-factored indicators and definition of the northern territory according to its natural-climatic, social-economic and

medico-biological factors; and thirdly, about integration of factorial borders of the North into one common border. It is important to underline that the natural-climatic factor changes very slowly, while the processes, determined by the social-economic and medico-biological factors, are very dynamic. The given peculiarity of the natural-climatic factor can be considered to be the leading one for determination of the territory of the North in comparison with the other factors.

7. The main problems of the economy of the North, of the life-sustaining activity of the northern people, protection of the ecological potential and of the last-in-the-world reserve of free territories must be solved from the position of the Russian national strategy. A lot will depend on the success of macro-economic policy, which stimulate the demand for the products of the leading branches of the northern economy and correspondingly for geological prospecting work, transport loading, and maintenance of capital construction works. What especially important is that it cheapens the credits and regulates the transport tariffication in order to support steady economic relations with the internal regions of the country.

In order to provide a complex development of the northern territory, as an integral part of Russia, we need to formulate and realize a complex of economic incentives, being directed to a formation and reproduction of labor resources for new northern projects. Assimilation (inhabitation) of new territories, polar and poleward areas must be agreed with a program of the general social-economic development.

Most special and severe problem is presented by interrelations of the projects of industrial development of the North and the traditional way of living of the native northern peoples, including the small-numbered nations.

Preservation of the traditional way of living of the RF native peoples, including the

native small-numbered peoples of the North, is guaranteed by the RF Constitution.

The rights of the native small-numbered peoples for traditional way of living and for protection of their primordial living environment are guaranteed by a row of special federal laws '**Concerning provision of the rights of the native small-numbered peoples of the Russian Federation**', '**Concerning general principals of organization** of communities of the native small-numbered peoples of the North, Siberia and the Far East of the Russian Federation' and '**Concerning the territories of traditional environmental management of the native small-numbered peoples of the North, Siberia and the Far East of the Russian Federation**'.

Along with the norms of the Federal Legislation, **the rights of the native peoples** for their leading a traditional way of life are also guaranteed by the constitutions, statutes and other legal acts of the Russian Federation subjects.

At the same time, the situation of the mentioned legislative documents realization is far from being an ideal one. The RF Government acts in the direction of drastic changes: it is going to plunge the native small-numbered peoples in the conditions of the market economy, thus violating both as the norms of the RF Constitution, so the international principles and norms, in particular those, admitted by the International Labor Organization Convention № 169 '**Concerning the native peoples and the people, leading a tribal way of living in the independent countries**', which was admitted in Geneva, on 27 June 1989 (Conventions and Recommendations..., 1991).

On the federal level, there are precise norms for estimation of the industrial development projects impact on the primordial living environment and on the native peoples' traditional way of life, and also there are mechanisms of a just damage compensation.

Only in 5 northern subjects out of 27, where there are native peoples (in the Nenets, the Yamalo-Nenets and the Khanty-Mansiisk autonomous districts, the Republic of Sakha (Yakutia), and in the Sakhalin Region) they have adopted special normative acts concerning that the industrial companies must conduct negotiations and make agreements with the representatives of the native peoples. But as far as there are no corresponding norms in the Federal Legislation, the companies have a right to argue these regional requirements or dictate their own conditions of their fulfillment. For large companies it is much easier to pay some agreed sums of money to the RF subjects' organs of power and to the municipal organs of local self-government; in some cases they pay money to some concrete large commercial farms of the native small-numbered peoples. In most cases, the companies do not go in for an active interaction with the native peoples of the North in the sphere of projects' ethno-ecological monitoring, common decision making (natural resources co-management), projects correction, educating and employment of the native people.

Questions of the legitimate interaction of the projects organizers with the native and local population must be solved on the state level. The sphere of protection of the primordial living environment and traditional way of living of the small-numbered ethnic communities of the native peoples and local population needs federal regulation in order, that the principals of civilized interrelations, partnership and civil rights guarantees could become a rule.

The Federal Legislation must precisely define the duties of business representatives and the state in relation to the native small-numbered peoples and local population, in those cases, when industrial development of the natural resources and construction of power assets take place on the territory of traditional inhabitation and environmental management of these groups of population. The Federal Law must include the entire mechanism of provision of the small-numbered ethnic groups' rights for protection of their primordial living environment and traditional way of living, in correspondence with the Constitution of the Russian Federation.

This mechanism must have the following elements:

- scientific research works concerning the main characteristics of the traditional way of living and the primordial living environment of the small-numbered peoples and ethnic communities, which are situated in the impact zone of a planned economical or some other activity;
- forecasting of possible negative consequences of this influence;
- development of measures for decrease and prevention of negative impacts;
- estimation of the impact in the course of project realization and development of the corresponding measures for prevention of the activity's negative impacts on the traditional way of living and the primordial living environment of the native and local population.

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Проблемы модернизации экономики северных территорий

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В статье рассматриваются проблемы развития экономики Севера в условиях структурных преобразований. Формулируются принципы новой социально-экономической политики на Севере, предлагаются подходы к созданию механизма защиты исконной среды обитания и традиционного образа жизни коренных народов при промышленном освоении Севера.

Ключевые слова: территории традиционного природопользования, коренные малочисленные народы Севера, функциональное зонирование северных территорий.
