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Methodology of formation of the state financial policy in the Arctic zone of the Russian Federation

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Abstract. The article substantiates the need to develop a holistic state financial policy for the Arctic regions of the Russian Federation, including budget, tax and customs instruments for implementing this policy in the current economic conditions. The current financial policy system of the Russian Federation does not take into account the specific conditions of the development of the Arctic, it does not include special measures of state supervision aimed directly at supporting and stimulating the socio-economic development of the Arctic region of the Russian Federation. For Russia, investment projects in the Arctic are not just hydrocarbon production projects on the continental shelf. These projects are designed to ensure national and economic security, develop infrastructure, mineral resources, Arctic production and improve the standards and quality of life of people, including indigenous peoples of the North. The author emphasizes that currently the mechanisms for implementing the state financial policy for the Arctic zone of the Russian Federation in terms of the scientific development of the region, the need for financial resources in the priority areas of the development of the Arctic, ways of attracting them and use efficiently, are not working effectively. A method of forming the state financial policy in the Arctic region of the Russian Federation is proposed to ensure sustainable socio-economic development in strategic macro regions and to increase the effectiveness of the implementation of the Arctic policy. The article outlines the consistent formation of the mechanisms for regulating macro-regional development, which can take into account the impact of financial investments on the development of the Arctic, resource utilization factors, risk and efficiency. The stages of fiscal, tax, customs, financial and credit development, as well as financial and institutional mechanisms for the implementation of the national fiscal policy in the Arctic region of the Russian Federation were developed.

1. Introduction

The geostrategic significance and a special geopolitical status of the Russian Arctic are characterized by increased international competition for the resource potential of this macro-region. The development of the Arctic region of the Russian Federation, the development of its continental shelf is not only a multifaceted problem, but also a complex issue, including strategic development, geopolitical and economic relations. This is a scientific problem whose solution will largely determine the economic security and socio-economic development of the Russian Federation in the future. An important role in solving this problem belongs to the country's financial policy and its effective use, which can attract financial resources to the development of the Arctic regions of the Russian Federation [1].



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In modern conditions, one of the problems of the development of the Arctic regions of the Russian Federation, including regional infrastructure investment projects, is insufficient funding of state programs. Without systematic and comprehensive measures of financial support and stimulation of the socio-economic development of the Arctic region of the Russian Federation, the priority tasks of the Arctic state policy cannot be solved.

It should be noted that Russian practice needs effective mechanisms for implementing the national fiscal policy in the Arctic zone of the Russian Federation, including the creation of a scientific database, effective mechanisms to support and stimulate infrastructure investment projects, methods for determining the need for financial resources for the priority areas of the Arctic development, and efficient use of financial resources.

There is a need to create innovative ways of solving the problem of financial support for the development of the Arctic region of the Russian Federation, creating a modern system of financial support, promoting the development of strategic regions, as well as creating effective fiscal and tariff mechanisms for implementing modern economic conditions.

2. The main problems of the financial policy in the Arctic zone of the Russian Federation

In modern scientific literature there is no research on the issue of financial regulation, comprehensively covering the development of the Arctic region of the Russian Federation. Nevertheless, the theoretical and methodological issues raised in the article are based on the work of Russian and foreign scientists in the field of finance, budget, and theoretical and practical aspects of the economy.

Studies by foreign and Russian authors have made a significant contribution to the development of the theory of public finance, budgets and taxation. Domestic economists have also studied the theoretical and methodological issues of developing a macroeconomic strategy. They are L.I. Abalkin, S.Yu. Glazyev, R.S. Grinberg, V.N. Lexin, D.S. Lviv, A.D. Nekipelov, S.S. Sulakshin, A.I. Tatarkin and others.

Russian scientists have created important groundwork in studying the socio-economic development of the Arctic and have devoted research to the formation and implementation of Arctic policy and the modernization of its economy. These include: V.I. Voloshina, A.E. Gorodetsky, N.I. Didenko, A.M. Konovalova, V.V. Kuleshov, F.D. Larichkina, Yu.F. Lukina, V.I. Pavlenko, V.N. Pivnenko, A.N. Pilyasova, V.S. Selina, D.F. Skrypnyuk and others.

The work of these scientists on the whole reflects the general theoretical and applied aspects of the application of budget and tax regulation in the socio-economic development of the Russian Federation and its regions, including certain types of activities of industrial and economic entities.

Despite the urgency of the development of the Russian Arctic, comprehensive scientific research has not actually been conducted within the framework of fiscal, budget and tax theories. For the Arctic zone of the Russian Federation, research on the state fiscal policy formation and the mechanism of its implementation is not sufficiently developed. First of all, there is no comprehensive budget, tax and customs supervision in the field of socio-economic development of the Russian Federation for the Arctic zone. There is no theoretical justification for measures aimed at improving the fiscal influence of the state through the mechanisms of taxation, budgetary and customs supervision on the level of socio-economic development, which negatively affects the implementation of fiscal policy without any theoretical foundations [2].

There is no scientifically based approach to the formulation and implementation of the national fiscal policy in the Arctic region of the Russian Federation. And the concept of developing fiscal and customs mechanisms for implementing the national fiscal policy in the Arctic zone of the Russian Federation has not yet been developed.

Analyzing the features and development trends of the Russian Arctic, it is possible to summarize and systematize the main problems of the development of the Arctic zone of the Russian Federation, which can be conventionally divided into three structural and functional units: general economic and economic, social, legal and organizational and management problems. In turn, this will make it

possible to determine the basic conditions for the development of the Arctic economy from the position of the leading role of the state in the process of organizing economic relations in the “Arctic” macro-region. The following are the main conditions for the development of the Arctic economy:

1) formation of a modern institutional and regulatory environment in the Arctic zone of the Russian Federation to address the new challenges of Russia’s economic development;

2) reduction of political risk (“Arctic” and all-Russian);

3) ensuring a balanced state and corporate policy in the Arctic (ensuring public interests in the Arctic zone of the Russian Federation);

4) creation of a national system of financial support to promote the development of the Arctic Zone of the Russian Federation;

5) restoration and integration of the military presence of the Arctic in the socio-economic development of the Arctic zone of the Russian Federation (for a particular Arctic). The restoration of the military presence in the region can serve as a basis for its further socio-economic development [3].

Due to the special conditions, features and problems and the specifics of the development of the Russian Arctic region, using M. Porter’s theory of the competitive advantage of the country and emphasizing the basic conditions and obstacles for creating favorable conditions for the potential competitive advantage of the Arctic region of the Russian Federation, table 1 can be presented.

Table 1 Analysis of the environment for realizing potential competitive advantages of the Arctic zone of the Russian Federation

Conditions forming a favorable environment for realizing potential competitive advantages of the Arctic zone of the Russian Federation	Conditions forming an unfavorable environment for realizing potential competitive advantages of the Arctic zone of the Russian Federation
unique natural and raw material potential, including mineral, energy, land, forest and water resources	harsh climatic conditions as a powerful factor for the rise in the cost of energy resources, construction, labor (high costs) climatic discomfort
the presence of a powerful industrial layer, the large scale of the economic activity of the mega region	insufficient geological exploration of the territory with high potential
geographic location benefit	raw materials economy, underdeveloped infrastructure and energy systems
availability of the Northern Sea Route - the national unified transport communication system of the Russian Federation in the Arctic	high transport tariffs for transportation, high cost of electricity generation and transportation
significant human potential adapted to life and work in extreme conditions	low market capacity and their monopolization
	the need to use unique expensive equipment capable of working in the harsh conditions of the Arctic
	extremely high risks of implementation of investment projects
	particular riskiness of private enterprise (inevitable overpricing of tariffs, goods and services)
	migration activity of the population, a large proportion of the labor force attracted from other regions (rotational)

Source: compiled by the author.

3. Methodology for the development of the mechanism for implementing the state financial policy of the Russian Arctic

When choosing instruments for implementing the state financial policy of the Arctic zone of the Russian Federation, it is necessary to take into account the specifics and characteristics of the development of the Arctic, and this should be a determining factor.

The author proposes a three-stage development of mechanisms for the implementation of state financial policy in the Arctic zone of the Russian Federation.

Stage I “Setting up impact mechanisms for the projects in the Arctic” (short and medium term prospects, 3-5 years), which are created for the integrated development of the Arctic. The stage of the formation of the basic zones of development of the Arctic and the start of implementation of priority projects. For the state, this is the “costly investment” stage.

At this stage, an integral set of mechanisms for implementing the state financial policy in the Russian Arctic that meet the requirements of the new paradigm of the development of the Arctic is being formed - an integral set of fiscal and customs regulatory mechanisms in a coordinated relationship with financial and credit and financial and institutional mechanisms of influence, aimed at providing incentives for the integrated socio-economic development of the Arctic. At the first stage, it is necessary to apply an active state financial policy, using direct and indirect methods of economic regulation aimed at the development of the Arctic territories.

Stage II of the “breakthrough mechanisms of influence” (medium and long-term prospects, 5-10 years). The key stage involves creating conditions for the realization of the competitive advantages of the Russian Federation in the development of mineral resources in the Arctic based on the operation of the Arctic transport system of the Northern Sea Route. This stage is directly connected with the active phase of the development of the Arctic zone of the Russian Federation - with the start of the implementation of “Arctic projects” for the extraction of mineral resources; sustainable functioning of the NSR; the functioning of the main zones of the development of the Arctic. For the state, this is the stage of “individual effects” - obtaining financial effects on a number of “Arctic” projects. At this stage, on the basis of an improved and adjusted set of regulatory mechanisms formed during the preparatory stage, a system of state financial support and stimulation of the development of the Arctic is created, aimed at creating conditions for sustainable innovative socio-economic development of the Russian Federation's Arctic Zone. At the second stage, it is necessary to apply an active state financial policy that comprehensively uses direct and indirect methods of economic regulation aimed at implementing projects in the Arctic.

Stage III of “mechanisms with selective impact” (long-term prospects, over 10 years). It is a stage of limited minimal state intervention in economic processes in the Arctic zone of the Russian Federation. The implementation of a subactive state financial policy, consisting in the limited use of regulatory mechanisms aimed at creating conditions for ensuring sustainable economic growth in the Arctic economy - the point use of indirect methods of economic regulation to provide incentives for developing sectors and high-tech industries of the Arctic zone of the Russian Federation. The final stage of the implementation of projects in the reference areas of the development in the Arctic. For the state, this is the stage of “declining costs”, “payback and profitability” - the transition from the costly implementation stage of “Arctic” projects to the payback and profitability stage.

The system of state financial support and stimulation of the development of the Arctic zone of the Russian Federation, which fulfilled the main goal of implementation at the previous stage, is point-wisely used by its individual elements. At the third stage, it is necessary to have a subactive state financial policy, limited to using indirect methods of economic regulation aimed at ensuring sustainable economic growth in the Arctic economy. The consistent formation of regulatory mechanisms for the development of the macro-region consists primarily in creating an effective system of financial support and stimulating the development of the Russian Arctic in order to ensure its sustainable economic and social development [4]. In this connection, a complex of tax and customs mechanisms for the implementation of the state financial policy in the Arctic region is necessary. It is proposed to introduce a special tax regime and customs regulation to stimulate investment, research and business activities (Table 2).

Table 2. The complex of tax and customs mechanisms for the implementation of the state financial policy in the Arctic zone of the Russian Federation

Special tax and customs regulations for the development of the Arctic	Special tax and customs regulations “from the perspective of national interests”
<i>Special tax regime.</i> Introduce a special taxation system for priority infrastructure investment projects and	

projects to modernize and create new Arctic industries. <i>Special tax regime.</i> Special taxation system for organizations implementing priority investment projects in the Arctic.	
Tax and non-tax incentives including tax breaks and reduced insurance rates, organizations implementing investment infrastructure projects, investment tax breaks, modernization and new production projects, as well as projects for the development of Arctic fields.	Tax and non-tax incentives Small and medium enterprises, organizations engaged in research in the Arctic, as well as tax and non-tax incentives for the economically active population in the Arctic region of the Russian Federation.
Special procedures for the implementation of customs supervision for organizations implementing priority investment projects in the Arctic include the use of customs duties and non-tariff regulatory measures (in the form of customs exemptions exempted from VAT), as well as the use of special customs procedures and special customs simplifications.	Special simplifications of customs procedures. Special procedures for customs control - special simplification of the use of special customs procedures, as well as customs and customs management measures - seasonal tariffs on imported goods for the “northern deliveries” in the Arctic region of the Russian Federation

Source: compiled by the author.

A notable feature of the proposed mechanism for regulating the tax and customs complex is that, first of all, the mechanism is based on a differentiated approach to taxation and customs regulation, as well as on targeted use of the benefits of implementing Arctic investment projects based on the following principles: “For each priority project - a set of tax and tariff mechanisms and means of research control related to its strategic orientation”.

Secondly, taking into account the Arctic features, details of the subject of the Arctic zone of the Russian Federation, the formation of these mechanisms and regulatory tools, taking into account not only the all-Russian nature of the development of the Arctic, but also the internal features of the region [5-7].

Thirdly, a general relationship with the budget mechanism and functional links with financial and credit, financial and institutional regulatory mechanisms [8-10].

It is recommended to develop a development strategy and appropriate tax and customs mechanisms to ensure special tax and customs supervision procedures for complex investment projects. The proposed impact mechanisms include standard and special tax and customs mechanisms and regulatory tools [11, 12].

Table 3 lists the tax, tariff mechanisms and instruments for regulating the socio-economic development of the Arctic zone of the Russian Federation in terms of strengthening the preparatory stage of national interests - “creating an impact mechanism for the implementation of the Arctic project”.

Table 3. A set of regulatory mechanisms and instruments for the development of the Arctic zone of the Russian Federation from the standpoint of strengthening national interests for the preparatory stage - “setting up impact mechanisms for implementing projects in the Arctic”

Tax and non-tax incentives for small and medium-sized businesses, for organizations engaged in research activities in the Arctic, as well as for the economically active population, working in the Russian Federation AZ	A special procedure for customs regulation in the development of the AZ of the Russian Federation from the standpoint of national interests
Tax holidays for small and medium businesses: - Benefits for exemption from tax burden. Recently registered individual entrepreneurs, newly created organizations in the Arctic region of the Russian Federation and special tax systems operating in the	Special customs procedure: - Exempt from import duties, VAT, non-tariff regulatory measures in relation to imported goods necessary for the implementation of research activities by project participants - organizations

Arctic region of the Russian Federation are exempt from certain tax periods. (for example, 0% during the first 5 years and reduction of tax liabilities by 50% during the next 5 years). -Newly created organizations in the Arctic region of the Russian Federation are exempted for the first five years of income tax, VAT, property tax of organizations, land taxes (for certain types of activities on the list and conditions established by the Tax Code of the Russian Federation and laws of the Federation subjects (for example, in industrial, commercial, social sphere, in the sphere of transport, information services).	engaged in research activities in the Russian Federation or for the use of these goods in construction, equipment and technical equipment of research centers in the Arctic. Special simplifications of customs procedures: Simplified customs procedures applicable to customs transportation of goods at the border: Simplify the implementation of customs operations and conduct customs supervision of projects carried out by organizations engaged in research activities in the AZ of the Russian Federation, projects implemented in the framework of the GP of the RF and the subjects of the Federation in the development of the AZ of the RF, and also the provision of the “northern delivery”. For example, the priority of customs operations, the conduct of customs control (i.e. inspection) in a priority order. Expanding the use of the “green sector”
Tax holidays for organizations engaged in research activities in the Arctic: Organizations engaged in research activities in the Arctic region of the Russian Federation are exempt from corporate profit tax, value added tax, corporate property tax and land tax (according to the list of activities required for scientific research and the conditions established by the NC RF and the laws of the subjects of the Russian Federation). set for organizations engaged in research activities in the Arctic zone of the Russian Federation - 0% within 10 years from the date the organization received the status of a project participant.	Seasonal duties: Seasonal tariffs on the goods imported by the "northern delivery" in the Russian Federation AZ. So, for the period of the “northern delivery” (for example, 3-4 months). Set seasonal tariffs and introduce a 0% tax rate on imports of important social goods that have a national consumption value. For example, for goods related to the products of the milling industry (the main rate of 10%), it is advisable to set the seasonal customs duty at 0% from June 1 to October 1 (for a short period of Arctic navigation). In subsequent months, apply the basic rate of the customs tariff - 10%.
Tax breaks on Personal Income Tax (PIT): 1) Application of a tax deduction in the amount of the minimum wage calculation for citizens working in the Arctic zone of the Russian Federation (the tax deduction for each month of the tax period applies to a citizen engaged in labor activities in the Arctic zone of the Russian Federation in the amount of the minimum calculated indicator); 2) The tax rate on personal income of taxpayers in the Russian Federation should be reduced to 9%. Such tax incentive is aimed at motivating the active population living and working in harsh climatic conditions and increased cost of life in the Arctic zone of the Russian Federation.	
Insurance premiums: Organizations conducting research use lower insurance premiums, for example - 14% for 5 years (for a certain period for newly registered individual entrepreneurs, newly created organizations in the territory of the Arctic Zone of the Russian Federation).	

Source: compiled by the author

The implementation of the proposed regulatory mechanisms for the development of the Arctic zone of the Russian Federation is carried out on the basis of functional unity and integrated use of budgetary, tax and customs mechanisms for the implementation of the state financial policy in the Arctic zone of the Russian Federation. The stimulating effect of the mechanisms designed to promote development in the region will be strengthened and it will ensure achieving the goals of the state financial policy in the Arctic zone of the Russian Federation and solving its strategic tasks.

In order to control the participants involved in priority investment projects in the Arctic - tax breaks, customs benefits, it is necessary to determine the main priorities of tax and customs administration for the activities carried out in the Arctic region of the Russian Federation.

In accordance with the specific principles of the fiscal and tariff mechanisms for the implementation of the national fiscal policy of the Russian Arctic, [13] the following priorities can be highlighted as the main priorities of the tax and customs administration of participants in an investment project in the Arctic zone of the Russian Federation:

1) creating an effective system of interaction between tax and customs authorities in the implementation of priority investment projects in the Arctic zone of the Russian Federation;

2) creating a joint roadmap for tax and customs cooperation with the support of investment projects in the Arctic zone of the Arctic;

3) creating a single base for participants of investment projects in the Arctic region of the Russian Federation to monitor taxation, the use of customs payments and tax benefits, customs benefits and simplifications, as well as monitoring tax and customs mechanisms for the implementation of state financial policy in the Arctic zone of the Russian Federation;

4) creating, in cooperation with the tax and customs authorities, a system of transport flows through the Arctic region of the Russian Federation in the development of customs administration.

In the future, a single information base of tax and customs authorities can serve as the basis for a single information and analytical platform for all current investment projects in the Russian Federation which will be applicable to special taxes and tax systems.

The use of modern information technology tools will increase the efficiency of tax and customs administration by developing information, analytical and expert activities of tax and customs authorities. It will also help to create systems for monitoring and evaluating the effectiveness of fiscal policy implementation in the Arctic region of the Russian Federation.

In turn, the system will allow assessing the economic consequences of stimulating tax and customs measures of the state financial policy.

4. Conclusion

The geostrategic significance and a special geopolitical status of the Russian Arctic are characterized by increased international competition for the resource potential of this macro-region.

In this connection, effective budgets, tax and tariff mechanisms are needed. The development of the Arctic region of the Russian Federation is the most complex and largest project in modern Russia, requiring significant resources, new and special methods of managing such a multi-purpose and diverse state-owned facility.

The article proposes a methodology for the development and implementation of the national fiscal policy in the Arctic region of the Russian Federation to ensure sustainable socio-economic development in a strategic macro-region and increased effectiveness of national policies in the Arctic.

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