

Interaction of the business community with the state authorities as a factor in the development of the Arctic zone of the Russian Federation

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Abstract. The development of the Arctic zone of the Russian Federation, as well as the development of the Arctic regions of the Russian Federation and its industrial exploration, requires solving many complex problems, including the creation of new highly efficient technologies for resource extraction and processing, better organization of production activities, transport, logistics, ensuring international standards of environmental safety, conservation and support of indigenous peoples, and many more. The current stage of the Arctic development and exploration requires highly effective organizational systems, the activities of which are determined by the interaction of the state and business structures.

1 Introduction

One of the critical factors in the dynamic development of the Arctic zone of the Russian Federation (hereinafter – the Russian Arctic) is to ensure active interaction between the business community and government authorities. The authorities themselves also recognize the importance of such a dialogue, which is gradually reflected in the main directions of the Russian Arctic development, defined by the "Arctic" section of the President's Address to the Federal Assembly on March 1, 2018 [1], as well as the instructions given in its execution. In particular, this is the Russian Federation President's Decree dated 07.05.2018 No. 204 "On national goals and strategic objectives of the Russian Federation development for the period up to year 2024" [1], on the basis of which 12 strategic directions of development (national projects) are defined. These documents also include projects that will be implemented in the Russian Arctic, and in addition, provide for a regional component, the implementation of which is possible in the Russian Arctic, according to the needs and proposals of the regions themselves. In addition to national projects, the implementation of the Integrated plan for the modernization and expansion of the main infrastructure for the period up to 2024, approved by Government decree No. 2101-r of September 30, 2018 [2], has begun. This plan includes two Federal projects (hereinafter referred to as FP) in the energy sector, and nine FPs — in the transport sector. Most transport FPs are associated with the Russian Arctic, or will have a regional part in those regions of the

Russian Arctic where projects are not included in the Integrated plan. The "Fundamentals of the state policy of the Russian Federation in the Arctic for the period up to year 2035", approved by the Presidential Decree on March 5, 2020, are extremely significant [3].

2 Main part

In addition, a whole package of fundamental documents on the development of the Russian Arctic is currently being prepared. This is due to the fact that many documents are already expired or require significant processing. Therefore, a full package of documents is being prepared at once:

1. Fundamentals of the state policy of the Russian Federation in the Arctic for the period up to year 2035 and beyond,

2. Strategy for the development of the Arctic zone of the Russian Federation and ensuring national security for the period up to year 2035,

3. State program of Socio-economic development of the Arctic zone of the Russian Federation

The future law "On state support of business activities in the Russian Federation", the draft of which was submitted by the Government of the Russian Federation to the State Duma, is also important for interaction between the business community and the executive power [4].

In order to build an effective model of interaction between government and the business community, in particular, business associations in the Russian Arctic,

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one should clearly imagine the most significant, stable patterns of power relations with associated business in Russia. It is important to emphasize that some of them (although not all) are characteristic of both stages of the accelerated development of capitalism in Russia – in the Imperial period at the turn of the 19th-20th centuries and in the post-Soviet era. Next, we describe the main similarities and differences concerning the fundamental characteristics of the interaction of associated business and government in the late Russian Empire and in the Russian Federation of the post-Soviet period. At the same time, based on the fact that during each of the analyzed periods there was a certain significant internal dynamics, in many cases it is necessary to give rather a comparative description of trends.

Speaking about the direction and nature of the transformation of the relationship between government and organized business, one should first note the tendency for both periods to increase the importance of inter-sectoral business associations. At the same time, at the beginning of the twentieth century— after October 1905— it happened abruptly. In addition, despite the emergence of national inter-sectoral business associations: the Congress of industry and trade representatives, which initially included 47 business unions (later the Council of congresses began to function on a permanent basis, as well as the Congress of exchange trade and agriculture representatives, which included representatives of 58 exchanges and other business structures [5] — industry business associations continued to be more influential. In the second period under review, industrial business organizations initially co-existed with inter-sectoral associations, but until the early 2000-s, the former were clearly significantly more influential. The latter grew in importance gradually over the course of 2000-2010, largely due to a change in the position of the state authorities, for which interaction with national inter-sectoral business unions, and primarily the Russian Union of industrialists and entrepreneurs, became the preferred format.

As already mentioned, in the Russian Empire in 1905-06, inter-sectoral associations of industrialists and entrepreneurs emerged on the basis of industry unions, and partly regional business associations. In the Russian Federation, industry and inter-industry associations emerged in parallel in the 1990ies. At the same time, in the 2000ies, interaction between them increased; moreover, industry business associations in many cases become collective members of inter-industry business associations, primarily the Russian Union of industrialists and entrepreneurs.

Due to the above-stated reasons, during the first period, industry (sometimes regional) business associations were more active (including in the public space) and were more significant until 1917. As for the second period under review, there is a tendency to reduce at least the public activity of industry business associations, which (even those that remain quite influential by now) usually prefer to operate through the Russian Union of industrialists and entrepreneurs and other inter-sectoral structures.

Interaction of business associations with the state authorities, on the one hand, and monopolies/oligopolies (or major corporations and banks, in relation to post-Soviet Russia) within each of the two periods considered were the two channels of interaction between business and government. During the first period, up to 1905-06, these two formats of interaction were in most cases competitive in nature [6]. After 1905, competition did not completely disappear, but since the second half of the 1900ies, the monopolies representatives try to join the leadership of the largest business associations and, in some cases, not only succeed in this, but also partially subordinate them to their interests [7]. In our opinion, during the second period under review, there was no pronounced competition between the two formats of interaction between government and business at any of the stages. At the same time, in the second half of the 1990s, the so-called oligarchs had a significant, and in some cases, a determining influence on the state policy, while the influence of business associations, including the universal in their composition ones, was relatively small (despite the large activity of some of them in the public space). The 2000-ies were marked by a sharp reduction in the impact of the largest private business on the government. At the same time, these years were marked by the transformation of Russian Union of industrialists and entrepreneurs into the mission of interest, primarily of large businesses including thanks to the entry of its representatives into the leadership of this Union. It should be noted that there was a parallel trend towards increasing the influence of state-owned companies, primarily due to a serious increase in the scale of the public sector of the economy.

Speaking about the participation of organized business in the political process, we should note the general trend characteristic of both periods under consideration (in the first case, of course, we are talking about the period after 1905, when freedom of association was proclaimed and the decision was made to create a people's representation): from attempts to create bald entrepreneurial parties (the Commercial - industrial party in 1905-06; the Civil Union, and other business parties in post-Soviet Russia) to the increase in the representation of the United business in other political parties, as the futility of winning any broad support of the population by the business parties themselves became obvious.

If we talk about the role that representative and legislative authorities played in the interaction of the state and business, the epochs we analyzed are characterized by directly opposite trends. In Russia, from 1906 to 1917, there was a steady increase in the importance of "people's representation" in general, including in the development of economic policy, in the influence on the budget process, and, consequently, in the interaction of the state with business. At the same time, business associations have steadily increased the level of their interaction with both the legislative chambers in general and with key political parties. For the second period, starting from the mid-2000ies, there is a tendency to reduce the role of the Parliament, in general, and in the interaction of the state with business, in particular. Among other things, this has become one

of the most significant factors in strengthening the "corporatist" principles in this area.

What is common between the two stages considered is that the actual representation of the interests of medium and small businesses in public authorities was quite modest. In the Russian Empire this was caused by, among other things, the lack of major associations representing small and medium entrepreneurs (despite the genuine concern of state power with the fate of the so-called people's production) [8]. However, in the last years of Imperial Russia this was partly offset by an increase in the values of the cooperative movement organization and activities. In post-Soviet Russia, despite having associations which aimed to represent the interests of small and medium businesses nationwide, moreover, which were quite active in the public sphere, their real influence was hard to recognize as substantial. This can be explained not so much by the lack of demand from the public authorities to interact with them (in recent years, the reality of such a demand seems undeniable), but by the lack of most entrepreneurs' trust in "Business Russia" and "Support of Russia", as well as by the obvious problems in the internal organization of these structures.

If we talk about the personnel composition of the governing bodies of business organizations, then in the last period of the Russian Empire, in the vast majority of cases, they included real representatives of real business. The presence of retired officials in the leadership of business unions was quite rare, and almost always, if this was the case, these people had truly unique competencies (a striking example is V. I. Kovalevsky). For the 1990s, when, according to A. Zudin, "capitalism without capitalists" was being formed [9], it was quite natural that representatives of the former "nomenclature" prevailed not only in the apparatus of business associations, but also among "top officials" – especially in "universal" business associations. This phenomenon was somewhat less typical of organizations focused on representing the interests of small and medium-sized businesses, than of the Russian Union of industrialists and entrepreneurs or the Chamber of commerce and industry. Since the 2000s, the situation has been gradually changing, which is especially noticeable in the case of the most influential business association, the Russian Union of industrialists and entrepreneurs, after its reorganization and large businesses' entrance the Union's leadership.

At the end of the 19th century, Russia was characterized by the predominance of "temporary" (created for a specific task) formats of interaction between business associations and state authorities. Here, first of all, one should note the participation of business unions representatives in special, interdepartmental and other meetings aiming at developing certain solutions. Commercial and industrial circles' representatives' petitions on various issues of economic development and economic policy are also difficult to attribute to stable institutions of interaction. The situation gradually begins to change in the last years of the 19th century, but the "turning point" occurs after 1905, when permanent forms of joint work of business

associations representatives and the newly created Ministry of Trade and Industry were created [10]. As a result, in the years 1905-1913, constant interaction formats replaced the temporary ones. This is even more typical of the First World War period, when special meetings and Military-industrial committees, which included both government representatives and entrepreneurs, became key elements of the military-economic regulation system. As for post-Soviet Russia, in the 1990s and early 2000s, one can note an implicit tendency to increase the importance of stable forms of interaction, comparative with situational ones. In the 2000s-2010s, this trend is becoming obvious and is accompanied by a significant increase in the number of platforms for interaction between government representatives and associated businesses. At the same time, in recent years, there has been a tendency for the authorities to actively create temporary formats of interaction in order to solve certain key problems. Government structures representatives usually characterize this trend as the development of a project approach in interaction with business.

The analysis of two historical periods once again confirms that the specifics of interaction between business and government is largely (perhaps decisively) determined by the nature of the organization of state power in general, and the degree of its centralization / fragmentation, in particular. This is one of the key factors of fragmentation or consolidation of business interests and forms of their interaction with the state. At the same time, while describing most modern highly developed countries, researchers usually talk about such forms of fragmentation of power as federalism, the nature of the separation of powers and the presence of coalition governments, Russia still has certain specifics. In the Russian Empire until 1905, there was a formally monolithic autocratic government but no "united government". It resulted in serious interdepartmental contradictions that generated specific forms of their coordination, sometimes with the participation of commercial and industrial circles representatives, as in the case of a number of interdepartmental meetings. This stimulated businesses to try to use the situation to their advantage – to look for more or less situational partners in power structures in order to promote their interests. The events of 1905-1906 fundamentally changed the situation, since when associated businesses had to interact with the unified Council of Ministers and the Ministry of Trade and Industry, which represented the Council in such a dialogue. This, in our opinion, stimulated organized business to develop a unified, coordinated position, affecting the nature of its dialogue with the authorities even more significantly than the appearance of another power center – the people's representation with legislative functions. As for the Russian government in the 1990s, it was extremely fragmented due to several reasons: the confrontation between the legislative and executive branches of the government, contradictions between the government and the Presidential Administration and the presence of rival groups (usually led by Deputy Prime Ministers) in the government itself.

3 Conclusion

This created the most favorable conditions for individual business structures to find ways to resolve their issues with the authorities without contacting business associations; the latter did not have sufficient incentives to unite their efforts. The changes that took place in the 2000s and 2010s (reducing the role of the Parliament as an independent political center and ensuring the relative internal unity of the presidential and executive power) were crucial prerequisites for a radical increase in the role of universal business associations, primarily the Russian Union of industrialists and entrepreneurs. Successful activity in the Arctic is impossible without the participation of highly effective organizational systems (clusters, industry corporations, participation of highly effective organizational systems). It could make it possible to form a unified policy for the development of this region [12]. At the same time, it is important to note the participation of large companies not only in the industrial development of the Russian Arctic, but also in its sustainable development. In particular, 'Norilsk Nickel' company is successfully developing its business in the Arctic regions (Murmansk region, Norilsk), being one of the leaders of the modern innovative industry. At the same time, 'Norilsk Nickel' is actively involved in the implementation of the national project "Ecology", including the Federal project "Clean air" [13].

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