

## Scenario development forecast of the region under the conditions of economic instability

*The problem of the reliable prognoses of economical development is mainframe for making up any strategic document. No methodology can guarantee clear indexes of the long-rang dynamics. Under such circumstances the proper way out can be creating of the alternative scenarios, characterizing the threshold possibilities of the event development. Such point of view is especially relevant under the circumstances of the economic instability.*

*Prognosis, economic development, methodology, dynamics, scenario, perspectives, instability.*



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The problem of the reliable prognoses of changes both in the external and in the internal environment for any economic system (among them are national, regional, brunch-wise ones, etc.) are mainframe for making up long-range strategies and the programs of their introduction. At the same time it's evident that time parameters, behavior and influence degree cannot be precisely foreseen. For instance, up-to-date market processes taking place in the world economy, were just guessed by some economists a year ago. Anyway, no national, regional or brunch-wise economic concepts didn't foresee such dramatic dynamics. The question is how much all these concepts should be adjusted. This matter was being discussed at the post-production of the Strategy of the social and economic development on the territory of Murmansk Region to the year of 2025, and at the approving it at the Center of Strategic Elaborations "North-West".

The response will depend on the crisis continuance, the following recession and their influence on the world economy. On the one

hand, economic instability is a normal state of the economic processes because the economic situation is constantly changing. On the other hand, we should mention what anomaly can be considered as dangerous and demanding interference.

There are also some contradictions in the economic processes. For instance, one of the important elements of the market economy is available spare human resources. At the same time unemployment is a sign of instability. Or, inflation stimulates demand, but it also carries negative consequences if it passes the possible bounds. To conclude the necessity of the updating the elaborated prognoses, we should mention the methodologies having been produced for the national and regional situation for the recent 5 years.

Despite the rise of the Russian macroeconomic stability, its development's prediction remains the issue of the day. It is being studied by specialists, experts, scientific research institutes and The Ministry of Economic Development of the Russian Federation. But the state values

of short-term trends differ greatly. For instance, in 2007 the growth estimate was at the level of 6,2%, then it was raised to 6,5% and later to 7,3%. The revisions of the previous years were also considerable.

The differences between the medium-term and long-term prognoses are even more considerable. The best known example is the previous version of the Energy Strategy-2015, adopted by the Russian Government in 2003. In that document the rate of the economic growth was at the point of 5%. In reality from 2004 to 2007 the rate of the economic growth was at the point of 7%. Undoubtedly, the economic dynamics for the period to the year of 2020 cannot be predicted precisely. It's clear that the previous version of the Economic Strategy couldn't become the document warning about the forthcoming deficiency in the power systems' sphere and in the field of the electric generation.

The further the prognosis looks to the future, the higher profile the characteristics of the capital reproduction obtain. Yet the material and economic characteristics can demonstrate a wide range of changes over years or even decades, in spite of their stability and invariance.

It's true that the scientific prognosis is not a prediction. The scientific prognosis is a system of interrelated and complementary hypotheses, that's why it cannot give exact information. At the same time, if no knowledge about the future trends is generated within the limits of this system of hypotheses, the value of the prognosis can fall considerably.

Actually the prognosis' rigidity means the degree of its sufficiency. The more sufficient the source data is the more rigid and sufficient the prognosis is. We must admit that the long-term prognoses having been worked out by different administrative bodies are not rigid enough. This could become possible because the long-term prognoses cannot be worked out by a small group of experts in short terms which as a rule are set for such type of work.

Future can be defined as inconstant and alternate phenomenon. Taking into consideration different alternatives and their causes

allows taking appropriate measures. We should note that the information about the perspectives of development gives the opportunity not only to solve the problems of the forthcoming processes, but also to settle the up-to-day matters. The promptly formed idea of the variants of the future can determine the state's strategic alternative.

Studying the future trends and their using for both the long-term strategy and the current economic policy should be supported by the advanced system of economic, social, scientific and technical forecasting. That means that the forecasting cannot be represented by separate and non-related researches of some departments and institutions.

Generally speaking, any elaboration of the future modes involves the consistent realization of the appointed aims for such elaboration. There exists the principle difference between the forecast scenario and the construction of the future modes. The forecast scenario has the list of variants as it is based on some definite scenario. As for the construction of the future modes, it's already fastened to some definite image of the future mode. At the same time while realizing some constructing models of the future mode any amendments are inevitable. The difference is that in case of the forecast scenario the choice hasn't done yet, but in case of the construction of the future modes the direction of the development has already been determined.

The researchers' aim is to substantiate the variants of the future modes, whereas the politicians' and the population's aim is to choose the optimal (desirable) way of development. The aims of a global scale involve the realization of the great number of sub goals and the existing of the system of measures and institutions for its realization.

We believe that one aim (for instance, the duplication of the Gross Domestic Product) isn't enough for the realization of the long-term plan of the development. One hundred aims are not enough either in case if they are just the manifestation of good intentions. It's neces-

sary for these aims to turn into the executive power's obligations supporting the cash flow. The government as well as separate departments should account for carrying out the aims of the national development.

The points of issue are as follows:

- 1) duplication of the road and infrastructure building;
- 2) duplication of the electric power stations' generating facilities;
- 3) carrying out the housing program (producing of about 100 million square meters a year);
- 4) providing the renewal of the fixed capital in branches at the approximate level of 8%;
- 5) the rise of the norm of the fixed capital's accumulation to 30% GDP;
- 6) reduction of the production energy intensity three times more;
- 7) providing the educational level and the apprenticeship in Russia as it is accepted in France and Germany;
- 8) achievement of a level of provisioning urban population by personal computers and access to the Internet, corresponding to a average European level;
- 9) maintenance of the export's rates of growth, outstripping the gross national products' dynamics;
- 10) admission to the world markets not less than ten large companies, belonging to processing industries;
- 11) reduction of the level of differentiation in the population's incomes to the average European level;
- 12) increase in average life expectancy in Russia till 70 years.

Full elimination of the ambiguities concerning the future is objectively impossible. Therefore at any forecasting elaborations the acceptance of the whole system of hypotheses and assumptions is inevitable. It is important, that these hypotheses and assumptions are coordinated among themselves and do not contradict each other. Besides any forecasting always assumes commensurability between the expenses and the results in the forecasting cal-

culations. The coordination of the hypotheses, the commensurability between the expenses and the results, and the formation of the final forecast demand corresponding modeling toolkit.

The defect of the forecast working system is that it is constructed on the basis of the federal government's requirements. The Ministry of Economics of the Russian Federation used to form the system of the regional forecasts' parameters on the basis of the departments' proposals. The needs of the authorities in the subjects of the Russian Federation were not taken into account. As it follows from Russia's regional policy, more and more significant economic and social issues are on the Russian Federation's subjects' responsibility; the working system of forecasting does not cover many vital regional problems and cannot serve as the tool for decision-making on the issue of the regional development. Such matters as the use of natural resources, intraregional differentiation in economic and social status, the financial position of the enterprises belonging to various branches, the intensity of financial resources' outflow, the investment appeal of regions and a number of other questions having basic value are behind the frameworks of the centralized forecast.

The modifications of the regional development's criteria and factors essentially change the estimations of the developed accommodation of productive forces' rationality, and demand new and adequate methods of the directions' substantiation and measures for its carrying out. All this predetermines the expediency of studying the processes of the regional markets' formation, revealing the regional crisis situations in social, economic and ecological spheres, estimating the financial and investment potentials of regions and inter-regional redistribution of the financial resources, studying the features of the economic reforms' course and the analysis of some other problems, directly connected with the modern type of the socio-economic transformations. The scientific aims of studying the regional economy's

condition are set due to both the necessity of the socio-economic forecasting of the country's development and the territorial strategy's formation. The analysis of the regional policy's effectiveness and its substantiation in various spheres of social life is also very important. As we can see, the working methodical approaches both at the national and the regional levels have been rather poorly focused on the opportunities the instability's increase in home markets and furthermore on a global scale. Modeling which doesn't correspond with the input indicators could hardly give any essential results. While preparing the Strategy of the socio-economic development of Murmansk area till 2025 the basic attention was drawn to the scenario approach. The strategy's authors clearly understood, that none of the three developed scenarios will be realized, but they were sure, that possible variant of the real processes' development will lie somewhere between these three directions. Such approach allows carrying out the scenario the most adapted to the external indignations.

In this case the scenario approach is a subject scheme which contains the attempts to guess the most possible variants of a regional socio-economic system's "behavior" taking account the current condition and probable challenges. A scenario method consists in studying the future processes' development with revealing potential opportunities and consequences by a collective of experts. The aim of the scenario approach is a logical representation of the socio-economic development in the hypothetical future. The scenario is created with the purpose of the forecast of the future situation which will allow determining the specific aims and the necessary measures in various variants of the future mode's development. While elaborating a scenario it is possible to show that one typical variant can become a source of occurrence of the whole family of modifications.

The scenario forecast has the following advantages:

- it is the most effective method of traditional vision's slackening;

- it makes experts "to be immersed" into unfamiliar socio-economic situations, instead of considering the variants which represent simple projections of the present;

- an expert has to consider the details and the elements which he could easily miss while studying general tendencies.

It can hardly be said that in March, 2008 while developing the Strategy of the socio-economic in Murmansk area for the period till 2025, the participants clearly saw the forecast situation both in the external and internal environment, including the global depressive phenomena. Nevertheless the certain challenges and factors have been taken into account. The external challenges in socio-economic development of the region are possible to divide into three big groups. The first group is made up of the circumstances, which cannot be influenced by the government bodies and municipal management's authorities, representatives of business and civil society. Here we can mention fluctuations of demand and the prices in the world markets or analogues of the up-to-date financial crisis. The second group is made up of the factors which can be influenced by the region in a minimal degree: it's the redistribution of powers in the governmental sphere and strengthening of centralism, including the sphere of budgetary policy; the international situation, including in struggle for resources of Arctic regions (for instance, delimitation water area borders). The separation of the third group is supported by the idea that all governmental and public institutions should operate integrated for the purpose protecting the interests of the region; it involves the interaction among separate ministries and departments, engaged in the realization of federal target programs and projects; the negotiations with managing companies (holdings) on the issues of the corresponding enterprises' development; frontier cooperation, etc.

The development of the Arctic shelf resources has no alternatives in strategic prospect, and the global financial crisis cannot affect these processes. However in the medium-term

period considering the technological opportunities the input of the new strategic objects, in particular Shtokmanovskoye deposits, most likely, will move not less than for 5 years that is till 2017.

The financial crisis has complicated the opportunity of expensive projects' realization and has lowered the largest raw corporations' capitalization and credit status. However, taking into account the stability of the real economic sector and the reduction of the proved stocks of hydrocarbon raw material in the advanced countries, it is possible to predict, that the need for energy carriers will be restored for the nearest 3 or 4 years. For the home economy the development of the Western Arctic region's shelf is a long-term strategic necessity both from the positions of fastening on the major water areas, and the significant improvement of innovational dynamics, taking into account the climate changes' forecast.

Within the medium-term period even with the active attraction of foreign experience, the oil-and-gas sector won't find fast decisions with comprehensible parameters of profitability in the conditions of the prices reduction and the absence of the ready technological decisions for extraction at presence of the ice cover and in case of occurrence of icebergs, and also of transportation at great distances at negative temperatures of water. As for the time characteristics, the Norwegian operators' work at the shelf shows, that not less than seven years passed from the moment of the initiation of the project before the reception of the first production.

In view of the hydrocarbon stocks' structure of the Western Arctic' shelf and the necessity of the export diversity the North-American market of liquefied natural gas is the most perspective. At the same time, taking into account the steady tendencies of the reduction of power consumption and the prices in advanced countries, it is expedient to apply special economic tools, such as agreements on products share and on special economic zones. Now the European market where it is exported more than 90% of both oil and gas is dominating for the Russian

economy. The started advancement to the Asian-Pacific market from the diversity's position should be added with the export development of the liquefied natural gas to the North-American market from the Arctic pool. These processes are promoted by two circumstances. The first of them is that the natural gas stocks in the USA are practically exhausted, and the nearest strategic partner, Canada, has a high level of the forecast security only in oil. The second circumstance concludes in the necessity of the hi-tech manufactures' development for the domestic companies with the simultaneous increase of export mobility, thus the gas transportations by sea appear comparable in the cost attitude with the pipeline transport.

Just as the European Union, the USA forms its strategic programs on the of power consumption's reduction of gross national product by 2025 not less than to 30%. In America in addition it is planned to provide up to 30% of the general need with technological manure gas. In these conditions the long-term tendency for the prices' reduction for the natural gas and the increase of difficulties with the consortia formation and the credits' reception is rather probable at the development of complex objects of the Arctic shelf. The agreements on the production's share under such circumstances can become the important economic tool of the financial projects' imbuing. However the legislative norm of the domestic companies' attraction by the operators should act.

As for the internal challenges, for the last 10 years the state support of the northern territories is consistently reducing, including Murmansk area, in connection with the termination in 2005 the action of the Law "About the state regulation of the socioeconomic development in Russia". The centralization of the government and budgetary streams is accompanied by the unification of approaches to regions while the specific conditions of managing and ability to live in the North have not disappeared.

After the statement the Government of the Russian Federation (the decision from April, 1, 2005, №176) Rules about the charges on Payment's indemnification the most part of pensioners

cannot take advantage of the right on indemnification so as to travel on rest or to go to the places of the organized rest or to the other places (for example, the residing of their relatives). In the field of labor jurial relations' regulation in the Northern territories the distinct tendency to except or to correct some norms concerning northern regions can be observed.

The most indicative example in addition to the aforesaid is the acceptance of the Federal law from August, 22, 2004, №122, by which the guarantee providing the payment of youth (to persons in the age of till 30 years) the percentage extra charge to wages in the full size from the first day of work in regions of the Far North has been liquidated; this extra wage was paid if they have lived in the specified areas and districts not less than five years; the norm established the right of free-of-charge travel by air transport once a year to nonresident students of the internal form of training and post-graduate students of the state, municipal higher educational institutions, trainees in the internal form of the training, constantly living in areas of the North.

On the other hand, the most part of documents is made up not of the laws, but of the statutory acts of the state authorities' agencies. The result of it is the absence of the system and the stability in the legal regulation of many issues on the development of the North. Non-execution or inadequate execution of the accepted statutory acts is widely spread; there is no appropriate control and the responsibility for their realization. The Concept of the state support of economic and social development of areas of the North approved by the Government of the Russian Federation from March, 7, 2000, №198 practically is not carried out. For the recent years the tendency concerning the gradual liquidation of the separate federal laws, regulating problems of the North, and elimination of the other federal laws of concrete norms on this subjects was precisely designated.

As for the third direction, there exist the interactions with corporations, the opposition to challenges and threats is possible, but it

is carried out in conditions of rigid tactical struggle. It should be mentioned, that designed in 2001 – 2002 the circuit of oil transportation to the North-American market through Murmansk port in all directions (the economy, ecology, deliveries, etc.) surpassed the Baltic pipeline system, however a political choice have been made for the benefit of the latter.

While developing the scenario forecasts of realization some separate strategic projects were taken into account. The complex estimation of the external factors influencing the development of the Murmansk Transport unit, allowed counting as the most important of them the following ones:

- the condition of the basic world markets of power resources (European, North-American, Asian-Pacific), consuming altogether 70% of hydrocarbonic raw material;
- the policy of the basic consumers of oil-and-gas resources in the sphere of power-saving, the occurrence of new economic, technical and technological decisions, and alternative kinds of fuel;
- the rates of the railways' modernization determining the receipt of the basic cargoes into the ports of Murmansk area, and the growth of their throughput;
- the measures taken by the Russian Federation in the field of the Baltic Sea ports' development being, owing to the absence of specialization and the cooperation, the natural competitors of the Barentsev and the White seas' ports;
- the tariff policy of the Open Society "Russian railways", including the determined by the dynamics of cargoes on the Transsiberian highway and the October railway;
- the climatic changes and the policy of the Russian Federation on the revival of the home shipbuilding, first of all of an ice class, determining the opportunity of the freight traffics' revival along the Northern sea way.

At the same time we can note the lacks and restrictions in the considered sphere:

- ▶ the absence at the state level of the well defined and proved priorities on the development of the oil-and-gas Provinces (Arctic, West-Siberian, East-Siberian, etc.), and also on the hydro carbonic raw materials' transportation to the basic world markets;

- ▶ an inadequate appeal of the Russian northern ports and the Russian supervising to the navigable companies;

- ▶ the undeveloped sites of the October railway for the sharp increase of the freight traffics caused by the scale development of a shelf and the possible dynamics of general cargoes within the framework of the program of the Murmansk transport unit's development.

While developing the Strategy the three scenarios have been admitted.

*Inertial* means that in general the structure of the economy and the industry is kept, in branches it is observed a low level of the technological changes. GDP growth rates are lower than in the Russian Federation: 1–2% per year and not more than 50% of the forecast period.

*The starting material* means that the oil-and-gas sector of the industry and the necessary infrastructure are actively formed, though Murmansk area remains the transit region, the processing capacities are not created. GDP growth rates correspond average rates in the Russian Federation, overall growth in the forecast period will be 2–2,5 times. Growth of GDP is 3–3,5 times and labour productivity is not less than in 3 times, which is higher than average rates.

*Innovational* means that the oil-and-gas sector forms the processing enterprises and the infrastructure of a high level in the region. In the traditional branches (mining and fishing complexes) the innovational tendencies can be marked.

In the inertial scenario because of the set economic and political factors the development of the unique oil-and-gas deposits of the Arctic shelf is tightened. First of all the instability of the relations concerns to the USA political factors, by virtue of what the North-American market of the liquefied natural gas is not so

attractive for the Russian corporations, and this causes the delay of the Shtokmanovskoye project's realization. The state and "Gazprom" consider the development of the deposits of Yamal and Pur-Tazov gas-condensate provinces to be very important. The gas-pipeline is laid to China (Asian-Pacific market). The North-European gas main at the initial stage is provided with the Yamal gas, the first production from the Shtokmanovskoye deposits will be received in 2020, by 2025 the volume of the gas extraction of will reach 30–40 billion m<sup>3</sup> a year.

The mining complex remains conducting in the economic structure, the application of new, more powerful and economic technical equipment allows to keep a level of costs and labor productivity during the deterioration of conditions of the extraction and the quality of raw material. However the input of the new enterprises on the platinoid extraction in the Pansko-Fyodorovsky massif, the development of the Soncheozyosky chromites deposit etc. restrains the deficiency of the power capacities, which will arise outside 2015 after deactivating of one of the Kola nuclear station's blocks. The electric power's deliveries to Karelia are reduced.

In the fish branch the tendencies of the raw production's primary export, the great volumes of ship repair in foreign ports are kept. In general the situation is characterized by the low added cost and a low level of wages.

The transport complex, as well as the infrastructure of the region, develops in moderate rates. The scale export of general cargoes and coal is kept back by the development of competing capacities at the Baltic Sea, the insufficient throughput of the Transsiberian highway and the growing consumption of the Kuzbass coal by thermal stations in the European part of the country according to the Power strategy. The volume of general cargoes won't exceed in 2025 2-3 million tons.

In general the labor productivity in the regional economy will grow to 40–50%, the average level of wages will grow to 60–70% and will reach 1 thousand euro a month. The

quantity of the innovational active enterprises and the volume of the released high technology production practically does not vary.

In the starting material's variant of the development the oil-and-gas sector is formed more rapidly. The first production from the Shtokmanovskoye deposits will be received in 2016, and by 2025 the project will go to the rated capacity in 80–90 billion m<sup>3</sup> a year. Gas completely goes to the European market through the North-European gas main and the Norway's pipeline system which by 2020 will have started to feel the shortage of raw material for transportation. The infrastructure providing all sector's activities develops, and all this create 5 thousand workplaces.

The enterprises on oil and gas refining in Murmansk area are not formed, the branch plays the role of the intermediary in the maintenance of extraction and transit of hydro carbonic raw material, therefore the sector does not create the high added cost.

To provide electricity to the development of the shelf, and compensation capacity of the outgoing 2016 – 2017 biennium the first power Kola NPP-2 is introduced, which creates prerequisites for the construction of new plants and development of existing industries mining complex.

In the fishing complex there is a modernization of the processing enterprises and the obtaining fleet. Due to the growth of the purchasing capacity of the population's incomes and the capacities of the home market the significant part of production goes to the ports of Murmansk area and here it is processed for the export sale. The ship-repair enterprises start working; the volume of services for the fishing fleet considerably grows.

The rising dynamics of cargoes of the Murmansk transport unit is marked, first of all due to the bulk cargoes going by rail (up to 10 million tons), and from the coastal and the sea terminals of Nenets autonomous region. In connection with expansion of throughput of the Transsiberian highway the volume the coal transshipment increases in one and a half

time. The general cargoes' growth is connected basically with the development of the shelf and, in a smaller degree, with the export transit and the home cargoes. By 2025 it will reach 6-8 one million tons.

The increase of the total regional product will exceed a double level and will meet average parameters in Russia. About 80% of its gain will be provided due to the increase of the labor productivity. The amount of the active innovational enterprises will grow a little, but will not exceed 20% from the general number.

In the innovational scenario the dynamics of the basic economic parameters in a dominating degree will be determined by the growth of the technical level in the sphere of manufacturing and services, by the occurrence of the new enterprises with high additional cost of production.

Owing to the sharp deficiency of natural gas at the North-American market and to the increase of instability in the zone of Persian Gulf the USA corporations and governmental bodies pay attention to the diversity deliveries of LNG, first of all from Russia. The deposits of the Arctic regions are developed in the accelerated rates, the first gas from the Shtokmanovskoye deposits will be already received in 2015, and the factory on the liquefied natural gas's release will be activated to 2020 (45 million tons LNG a year).

The construction of the largest European factory will form a basis for the creation of the industrial manufacturing zone on improvement and duplicating the new (modernized) technological and technical decisions on Gas liquefaction. The Murmansk area becomes the national center of a corresponding structure. Large-scale LNG transportations will serve as a primary factor of the revival of the freight traffics both in the western, and in the eastern sectors of the Northern sea way.

In 2015 the construction of an oil refining factory of modular type with the capacity of 3 million tons comes to the end, it provides heat power capacities of the peninsula and the ships of the Northern fleet with black oil for reduced

prices. The competitiveness of the enterprises raises the mining complex, and as a result the standards of living of the population.

In general the whole power system of the Murmansk area dynamically develops. In 2016 the first power unit Kola NPP-2 with the capacity 1 million kw, and in 2021 the second one will be started, they won't only supply the oil-gas branch with electricity, but also will create the conditions for the second-order construction of the Kandalaksha Aluminium factory, with the capacity of 200 thousand t in 2022.

The innovational tendencies in the Russian economy cause the sharp increase of the demand for rare metals and their compounds. In the central parts of the peninsula on the basis of Hibiny enterprises and the institutes of the Kola centre of science and higher educational institutions the experimental zone and further the sector of the manufacture of strategic materials for the home industry is formed. On the basis of the new technologies the capacities on processing nepheline are created, completely satisfying the second KAF's turn in alumina with the comprehensible prices. The added cost of the Open Society "Apatite's" production practically is doubled.

In the fishing complex the pisciculture is actively formed. The processing enterprises master the newest technologies of the sea products' complex processing, including the purposes of the pharmaceutical industry.

The transportations of general cargoes through the Murmansk transport unit owing to the accelerated development of the Arctic deposits considerably quicken and increase. Their volume reaches 9–11 million tons a year. The port economic zone providing the increase of technology and the profitability of cargo handling, is the mechanism of the perfection of the economic and innovational level of services on the Northern sea way. The transshipment volume of the bulk cargoes reaches 30 million tons a year, and 45 million tons of oil and mineral oil.

The total regional product's growth will make 3–3,5 time by 2025, its rates will exceed the average parameters in Russia. The labor

productivity will grow in 3 times, the average wages in industrial sector will make 2,5–3 thousand euro a month.

The model of the innovational socially oriented development of the region assumes, alongside with the use of the traditional resource and geographical competitive advantages, the activation of the new factors of the growth adequate to the external and internal challenges in the long-term prospect.

It involves the strengthening of economic system' competitive ability, the increase of the human capital's efficiency, the accelerated development of hi-tech manufactures and the radical increase of the living standard and the creation of comfortable social conditions. The integrated considering of the mentioned factors should provide the exit of Murmansk area to the steady socioeconomic growth with the average rate of 6,5–7% a year.

As it was already mentioned, it was accepted, that the arisen macroeconomic instability will not be long-term. However the corresponding stages have been stipulated.

At the first of them (2009 – 2013) the consequences of the global financial crisis are overcome, the necessary conditions and the mechanism of the innovational acceleration are created, and at the second (2014 – 2025) the technological level of the industrial complex and the infrastructure considerably rises, the progressive growth of the added cost and social orientation of economy is provided. All considered stages differ on conditions, factors and priorities of economic dynamics.

*The first stage* is based on anti-recessionary measures, and also on the application and strengthening of those competitive advantages in the region's "traditional" spheres, such as mining and fishing complexes, transport, etc. Anti-recessionary measures assume the expenses optimization in all spheres, including the reduction of administrative charges and "freezing" of investment programs, and also a complex of actions on the issue of employment.

The given stage is characterized by the following conditions of development:

↻ falling of demand of key economic branches' production, the reduction of their capitalization and investment activity in 2008 – 2009, an aggravation of a situation at the labor market;

↻ stabilization, and at critical parameters of economy decrease of the budgetary provisioning at regional and municipal levels;

↻ a primary role of the total regional product of traditional kinds of manufacturing with the low added cost;

↻ a high degree of the equipment's deterioration and the basic production assets;

↻ the insufficient investment activity which doesn't allow modernization and diversity of the economy;

↻ imbalance at the labor market expressed in the lack of experts of an average link and workers on the majority of technical specialties.

The basic priorities in the social and economic policy at the given stage are the following.

In the field of anti-recessionary measures:

➔ the optimization of the budgetary charges at the regional and municipal levels with the possible preservation of the socially oriented purposes, strengthening the support in the sphere of employment;

➔ the restraint of negative displays in financial and industrial sectors, the support of the social stability in the organizations, the strengthening of social partnership's mechanisms.

In the field of the competitive economic environment's creation:

▷ drawing up of the catalogue of innovational and investment projects of Murmansk area for the period till 2015 and the technical and economic substantiations' preparations for the most perspective of them;

▷ development of the competitive environment in the spheres of industrial and social infrastructure, trade and services due to the financial and organizational support of small and average business, the exception of excessive administrative pressure, the development of special measures of stimulation in priority directions;

▷ preparation of the rules on participation and interaction of executive authorities in drawing up and realization of the projects which are carried out with the use of means of the regional budget;

▷ formation of the set of the organizational and normative documents providing wider and more effective application in the sphere of support of business regional long-term and departmental target programs, including the restrictions directed on the overcoming on the part of transport and power networks;

▷ increase of reliability of the power supply and reduction of the cost characteristics in the field of power consumption due to the starting of the oil refining factory and using coal in some thermal stations.

In the field of the structural diversity maintenance and innovational development:

- assistance to the innovational development of traditional branches of wildlife management, to the complex processing of raw materials and the increase of ecological compatibility of manufactures;

- expansion of the interaction between the bodies of the regional and municipal governmental formations with the leading home companies realizing large-scale projects, including the use of resources of the Investment fund of the Russian Federation and the mechanism of special economic zones;

- expansion of conditions and stimulus for the innovational and investment activity, including professional training; carrying out organizational actions on the Arctic state research university's establishment;

- formation of the new hi-tech obtaining manufactures, on the basis of the deposits "Oleniy Ruchey", "Southern-Eastern Gremyaha", "Soncheozyorskoye" and "Tundra Fyodorova";

- finishing the preparations for the large-scale development of hydro carbonic resources of the Western Arctic regions, including the creation of the necessary coastal infrastructure and transport systems for the delivery of gas to the internal and external markets.

*The second stage (2014 – 2025)* will be characterized by the effect from the actions carried out before, on the increase of the investment appeal and strengthening the innovational fac-

tors in the economic development, the formation of the new manufactures on processing hydro carbonic raw material, the growth of the budgetary security and social appeal of region.

The conditions of the socioeconomic development at the given stage are characterized by:

⇒ the growth of internal consumption's capacity in the national economy and its gradual approach to the financial opportunities and qualitative requirements close to the world markets' standards;

⇒ overcoming the restrictions in the regional economy in the field of power and transport networks, the increase of requirements to the ecological parameters of manufacture;

⇒ finishing the modernization and technological updating of manufactures in the sphere of the traditional entrails' using and the development of the new kinds of mineral resources;

⇒ the presence of the created in the previous period institutions and mechanisms, providing interaction between the bodies of state and municipal authority, and the representatives of a civil society during the realization of the projects on the regional socioeconomic development;

⇒ the growth of Murmansk area's investment appeal in the sphere of the development of the Western Arctic regions' shelf.

The basic priorities in the social and economic policy at the second stage are the following.

In the field of the competitive economic environment's creation:

– On the basis of the actions at the first stage provide the resources' high mobility, full

overcoming of the industrial infrastructure's restrictions, including power and transport networks.

– Realization of the coordinated international industrial cooperation in the production's receiving of the high added cost and its movement to the global markets.

– Modernization and expansion of the capacities and throughput of the regional power supply system, providing all the branches of the economy with the electric power.

– Systematical development of the Murmansk transport unit, leading the turnover of goods up to 50 million tons a year (without taking into account road loading complexes).

In the field of providing structural diversity and innovational development:

♦ finishing the formation of a hi-tech complex on extraction and transportation of hydro carbonic raw material from the Shtokmanovskoye deposit to the basic world markets, first of all to the North-American one;

♦ creating the special zones on the technologies of liquefaction and processing of natural gas, the base object be at Yamal deposits;

♦ functioning of the special economic port zones as the links of acquisition and preparation of the equipment on the extraction and transportation of hydro carbonic raw material;

♦ formation in Hibiny the special zones as the sector on complex processing natural resources;

♦ integration of both scientific and educational spheres of the region with the increase of their efficiency in providing innovational processes in Murmansk area, such as preparation and retraining.

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