

Regional Measures to Support the Socio-Economic Sphere in the Russian Arctic in the Context of Sanctions Restrictions



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Abstract. The importance of studying policy-making issues related to anti-sanctions legislation and practical measures to support the population and business at the level of Russia's Arctic regions in the context of sanctions pressure is associated with the major role of the Arctic zone of the Russian Federation, which has geopolitical, strategic and socio-economic significance. The article provides a brief overview of the history of sanctions pressure and response measures based on a comparative analysis of foreign and Russian studies; we also conduct a content analysis of the anti-sanctions legislation in the Russian Arctic regions for 2022–2023 and current regional measures to support businesses and population to ensure socio-economic stability. Among the Arctic regions, the Komi and Sakha (Yakutia) republics are leaders in terms of the number of regulatory legal acts and the number of regional anti-sanctions measures,

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while the Nenets and Chukotka Autonomous areas are outsiders. The Krasnoyarsk Territory, the Yamal-Nenets Autonomous Area, the Republic of Karelia, the Arkhangelsk and Murmansk regions are Arctic territories that conduct quite moderate activities fulfilling the requirements of Presidential Decree 121, dated March 16, 2022. In this regard, it is necessary to continue to improve and update anti-sanctions legislation and anti-sanctions measures at the regional level in order to adjust the socio-economic sphere properly. It is necessary to study certain areas of regional support, for example taxation issues, more thoroughly. It is recommended that the authorities of the Arctic regions pay attention to regional taxes, which can play an important role in ensuring socio-economic stability. The content analysis also shows that there is no uniformity in policy-making activities at the level of the Russian Arctic regions, and a multidirectional practice of using state support measures to ensure socio-economic stability in the face of sanctions pressure is applied. Currently, it is necessary to streamline and balance the anti-sanctions legislation and measures it envisages at the level of the Russian Arctic regions.

Key words: state support, regional measures, sanctions, anti-sanctions legislation, anti-sanctions measures, socio-economic stability, Arctic zone of the Russian Federation.

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Introduction

Western methodological guidelines¹ and monographs (Kern, 2009), as well as a comparative analysis of research by foreign and Russian scientists (Nahrstedt, 2021; Berdnikova et al., 2023; Risks and Opportunities..., 2022), show that sanctions pressure is a historically established form of disagreement with foreign and domestic government policy pursued by the country against which it is being implemented. Moreover, since the 1930s, international law has provided for the use of multilateral and unilateral economic sanctions as an instrument to ensure collective security, which is detailed in the UN Charter (Kochler, 2019). As an element of the foreign policy used by certain countries, sanctions pose a threat to international

cooperation and contradict the common goals and objectives of the world community (Semenova et al., 2019).

In the modern economy, the United States is leader in the regular application of economic sanctions against other countries (Cuba, USSR, Syria, Pakistan, Iran, North Korea, Iraq, Haiti). The analysis conducted in the work of Pakistani scientists showed that the American policy of targeted sanctions against the ruling elite of these countries was contradictory and insufficiently effective, since political regimes continued to exist, while the main burden of sanctions pressure fell on the population (Irfan et al., 2021), depriving ordinary people of basic necessities (food, medicines, etc.). The situation when sanctions are ineffective against a political regime is also typical of Iraq, where the deterioration of socio-economic conditions led only to the redistribution of very limited resources among the main groups of influence and contributed to

¹ Economic Sanctions. Effectiveness as Tools of Foreign Policy. Report to the Chairman, Committee on Foreign Relations, United States Senate. 1992. Available at: <https://www.gao.gov/assets/nsiad-92-106.pdf> (accessed: January 20, 2024).

the tightening of domestic policy with the use of repression (Mamedov, Morozov, 2020). In addition, in the context of globalization, there is a way to find other trading partners and reorient transport and logistics chains. For example, sanctions pressure on Iran has helped to reduce its dependence on oil revenues. Iran's foreign economic activity during the sanctions period was characterized by an increase in exports of goods of higher processing stages – gas processing and petrochemicals (Dobrev, 2023).

As for relations between the United States and Haiti, due to the instability of the ruling elites of the latter, their high corruption, involvement into slave trade and drug trafficking, as well as taking into account the factor of close geographical proximity, the United States called on other international partners and the UN Security Council to impose sanctions against politicians and gang leaders and those who provides them with financial support. However, at the current stage, there is no significant decrease in the number of gangs, arms and drug trafficking in Haiti (Rios, Seelke, 2024).

North Korea, despite a fairly long history of sanctions restrictions imposed by the UN since 2006, has not changed its behavior in the field of nuclear tests (Biersteker, Hudáková, 2021). While GDP decline in North Korea in 2020 amounted to about 4.5% per year, which led to a decrease in household income by 25% (Haggard, Noland, 2023).

In general, foreign experience in countering sanctions pressure includes the use of strategies to reduce government interference in the economy, the implementation of the “resources in exchange for food and other goods” principle, use of shadow fleets and contraband trade, introduction of cryptocurrencies into the national financial system, implementation of a policy of hidden sanctions, establishment of free economic zones, development of the tourism industry, introduction of preferential customs regimes, business support, legalization of contraband trade, use of ration coupons, policy

of import substitution and acquisition of new technologies, etc. (Ugryumova et al., 2023).

Since 2012, the United States has been using a wide range of economic sanctions against Russia, which has led to a significant deterioration in the already difficult relationship between the two countries. The United States is currently developing and applying “smart” or targeted sanctions designed to exert maximum pressure on Russian elites and firms (Ziegler, 2020). We should note that more tangible pressure on the Russian economy began to be exerted after the accession of Crimea to the Russian Federation in 2014. Later, due to the start of the special military operation in February 2022, the European Union (EU) imposed an unprecedented number of sanctions against Russia (as of January 2024, 12 packages of sanctions were already in effect²).

According to experts from the European Parliamentary Research Service, the tightening of the sanctions aims primarily to weaken Russia's military potential and the Russian economy and energy sector and cause subsequent irreversible processes (Caprile, Deliverias, 2023).

Western scientists are conducting a monitoring of EU sanctions regimes, which focuses on the practical aspects of the implementation of sanctions and their enforcement (Portela, Olsen, 2023). The study examines the effectiveness of the work of various EU institutions with the participation of more than 160 competent authorities within the member countries, raises the problem of harmonization and ensuring adequate guidance for EU economic operators. It is noted that, in general, the work on the implementation of sanctions pressure is quite expensive and, in addition to positive effects, entails a set of problems and destructive consequences.

² The European Union has imposed the 12th package of sanctions against Russia. Available at: <https://rg.ru/2023/12/18/smena-dekoracij.html> (accessed: January 22, 2024).

Sanctions against Russia have been imposed and supported not only by the EU and the United States, but also by their strategic partners, such as Japan, Australia, Switzerland and others. In Russia, these countries are recognized as unfriendly.

The influence of sanctions pressure is also felt by the union State – the Republic of Belarus; however, it does not prevent the country from deepening integration ties with the EAEU countries and the Russian Federation, transforming internal and external processes that contribute to greater self-sufficiency (Sibirskaya, Suleikov, 2023).

The authors believe that studying and systematizing the foreign experience of sanctions confrontation, including determining the degree of proximity of the Russian situation to the examples considered, will help to find effective ways to ensure socio-economic stability in the country as a whole and its regions in particular.

To minimize the consequences of sanctions, the Russian government systematically carries out legislative amendments, sometimes applying extraordinary measures, such as nationalization of companies with foreign founders who stopped operating their enterprises in Russia, “closure” of intellectual property protection related to individual goods, etc. (Ashinova et al., 2022).

Of course, due to the new geopolitical conditions and sanctions pressure, the Russian economy needs targeted support measures concerning import substitution and ensuring technological sovereignty, food security (Reshetnikova, 2018), searching for new points of industrial growth, and addressing social sphere issues (Ignatiev, 2023).

In the framework of the current system of state strategic development in Russia, close attention is currently being paid to the role of regions, especially the Arctic zone of the Russian Federation, taking into account its territorial scale and heterogeneity (Socio-Economic Development..., 2022). The Russian Arctic is a unique territory, a treasure

trove of Russia’s natural resources. In addition, the RF Arctic zone plays an important strategic, geopolitical and socio-economic role within the framework of resource, energy, climate and water security. In the RF Arctic zone, localization of large domestic manufacturing corporations is maximum, ensuring high GRP and export rates (Leksin, 2023). With all the wealth of the Russian Arctic, the effectiveness of managing its socio-economic sphere leaves much to be desired, including due to the presence of a number of problems of regulatory support for innovative, infrastructural and other development (Matvienko, 2018). There are certain issues regarding import substitution in the military-industrial complex, work of mining companies and implementation of investment projects in the Russian Arctic (Ivanov, Shchegolkova, 2016).

Several major European (Equinor, British Petroleum, Total) and Asian companies (for example, Trafigura) have withdrawn from Arctic projects. March 3, 2022, foreign ministers of Western countries, permanent members of the Arctic Council “suspended” their participation in the work of this council (Krivorotov, 2022), which was chaired by Russia in 2021–2023. After the official withdrawal of Western companies from many Arctic projects, a possible increase in the outflow of citizens and an increase in the number of unemployment in the territories of the Russian Arctic is predicted. Scientists and politicians occasionally make bold assumptions that the implementation of large projects in the Arctic territories in the future (especially in hard-to-reach places) is likely to be carried out mainly on a long-distance commuting basis. In the context of the new sanctions reality, regional and local authorities are recommended to increase cooperation ties and continue to strengthen cooperation with large Russian businesses, which form the basis of the Arctic economy, in order to develop the Arctic territories and address a number of socio-economic issues (Zhuravel, 2022).

The aim of our research is to analyze regional measures to support the socio-economic sphere in the Russian Arctic under sanctions restrictions, identify problems in the completeness and balance of anti-sanctions legislation at the regional level and find ways to solve them. In the course of the research, the following tasks were set and solved:

- perform a brief overview of the history of sanctions pressure, anti-sanctions legislation based on a comparative analysis of foreign and Russian studies;
- give a brief description of the formation of anti-sanctions legislation on the example of the Arctic regions;
- conduct a content analysis of existing regulatory legal acts in the Arctic zone of the Russian Federation and existing regional support measures to ensure socio-economic stability in the face of sanctions;
- identify current problems on the topic of the study, propose a number of recommendations aimed at improving the anti-sanctions legislation and the measures it provides for.

Scientific novelty of the work consists in applying an object-based approach to the comparative analysis of regional measures to adapt the socio-economic sphere in the context of sanctions in the Russian Arctic. Support measures are classified according to the objects of influence: population, business, system-wide measures. Practical significance lies in the possibility of using the conclusions and recommendations by the authorities to improve anti-sanctions legislation and support measures it provides for the Arctic regions of Russia.

Research methods

Information base of the study includes methodological guidelines of international organizations on the effectiveness of sanctions policy, works of Russian and foreign authors on issues of sanctions pressure and opposing it.

We analyzed legislation of those regions of the RF Arctic zone for 2022–2023, which under sanctions pressure established appropriate measures of state support to ensure socio-economic stability of their territory. At that the content analysis of anti-sanctions measures purposefully did not take into account legislative documents of the federal and regional levels adopted before 2022. In particular, we did not analyze state support measures adopted in accordance with Federal Law 193-FZ “On state support for entrepreneurial activity in the Arctic zone of the Russian Federation”, dated July 13, 2020.

In the course of the study, a content analysis of more than 90 documents of anti-sanctions regional legislation was carried out on the example of those RF constituent entities whose territories belong to the Russian Arctic, and a comparative analysis of special literature on sanctions pressure was performed. Methods of systematic and logical analysis were also used to process the selected material.

We should note that the works of Russian scientists³ on economic growth and ensuring social stability under sanctions can serve as a theoretical and methodological basis for analyzing the regulatory framework.

According to Presidential Decree 296, dated May 2, 2014⁴, the RF Arctic zone includes the entire territories of the Murmansk Region, Nenets, Yamal-Nenets and Chukotka autonomous areas and some territories (a number of municipalities) of the Arkhangelsk Region, Krasnoyarsk Territory,

³ The Russian economy in the context of systemic economic sanctions (2023). Saint Petersburg: Prometheus; Regional models of economic and social adaptation of the population to changes in the external environment (2021). Yekaterinburg: Institute of Economics, Ural Branch of the Russian Academy of Sciences.

⁴ On the land territories of the Arctic zone of the Russian Federation: Presidential Decree 296, dated May 2, 2014. Available at: https://www.consultant.ru/document/cons_doc_LAW_162553 (accessed: January 22, 2024).

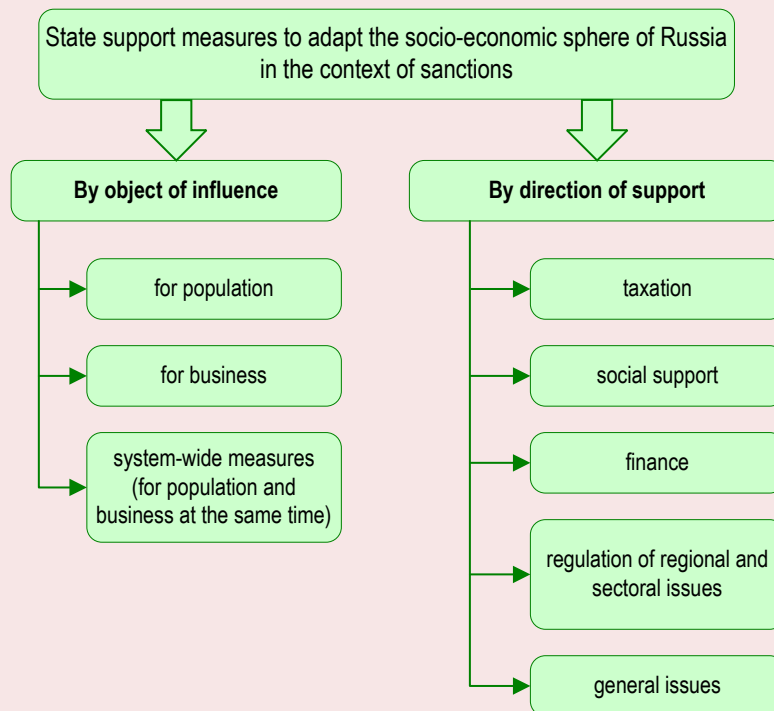
republics of Komi, Karelia and Sakha (Yakutia). While for the purposes of content analysis of normative activities on issues of regional anti-sanctions policy it is not essential whether a constituent entity is included in the Russian Arctic entirely or partly.

Research results

Legal framework establishes a specific list of state measures to adapt the socio-economic sphere in the context of sanctions. State support is provided for by federal and regional legislation of the Russian Federation in five main areas and three objects of influence, which is shown in *Figure 1* and which corresponds to the classification proposed by the RF Government⁵.

In the context of sanctions pressure and in order to comply with the requirements of Presidential Decree 121, dated March 16, 2022⁶, during 2022–2023, regional measures were taken in each Arctic constituent entity of Russia to ensure socio-economic stability, taking into account geographical, socio-economic and other features of the territory. These measures of state support are vital and socially significant, they have contributed and continue to contribute to the adaptation of the economy and the social sphere to modern realities; therefore, our work pays close attention to them. The problematic field of research is primarily related to regional specifics of the formation of anti-sanctions legislation on the example of those RF

Figure 1. Classification of state support measures for the adaptation of the socio-economic sphere of Russia in the context of sanctions



Compiled according to the materials available at the official website of the RF Government.

⁵ Government measures to increase the stability of the economy and support citizens in the face of sanctions. Available at: http://government.ru/sanctions_measures/category/general (accessed: January 22, 2024).

⁶ On measures to ensure socio-economic stability and protection of the population in the Russian Federation: Presidential Decree 121, dated March 16, 2022. Available at: https://www.consultant.ru/document/cons_doc_LAW_411742 (accessed: January 22, 2024).

Table 1. Regional system-wide support measures to ensure socio-economic stability in the Russian Arctic under sanctions

State measures	Constituent entity of RF Arctic zone								
	Republic of Karelia	Republic of Komi	Arkhangelsk Region	Nenets Autonomous Area	Murmansk Region	Yamal-Nenets Autonomous Area	Krasnoyarsk Territory	Republic of Sakha (Yakutia)	Chukotka Autonomous Area
TAXATION									
Application of a reduced tax rate on the STS for organizations and individual entrepreneurs		+						+	
SOCIAL SUPPORT									
Provision of subsidies for partial remuneration of labor and material and technical equipment for the organization of temporary employment of employees of organizations at risk of dismissal	+	+	+	+	+	+	+	+	+
Provision of subsidies for partial remuneration of labor in the organization of public works for citizens registered with the employment service in order to find a suitable job	+	+	+	+	+	+	+	+	+
Provision of subsidies to cover the costs of paying for educational services related to the organization of vocational training and additional vocational education for employees of enterprises of the military-industrial complex	+		+		+		+		+
Provision of subsidies for the organization of vocational training and additional vocational education for employees of industrial enterprises at risk of dismissal		+				+			
Provision of subsidies for the formation and maintenance of an updated non-reduced volume of food stocks, as well as for reimbursement of costs for the formation and maintenance of an updated non-reduced volume of food stocks								+	
FINANCIAL ISSUES									
Setting the amount of the advance under a government contract			+				+	+	+
Changing the amount of advance payment under a state contract	+	+			+	+			
Change of material terms of the contract under Federal Law 44-FZ		+	+		+	+	+	+	
Application of rent deferral		+					+	+	
Reduction of rent			+	+	+	+		+	+
REGIONAL AND SECTORAL ISSUES									
Approval of the list of products necessary to ensure import substitution	+		+				+	+	
Establishment of preferential rent in order to carry out activities for the production of products necessary to ensure import substitution		+							
GENERAL ISSUES									
Procurement from a single supplier in certain cases	+	+	+	+	+	+	+	+	+
Simplification of authorization procedures without public discussions or public hearings		+	+		+	+	+	+	
Renewal of contracts for placement of non-stationary trade facilities and facilities for delivery trade without tenders			+	+			+		
Simplification of authorization procedures without state fees							+		
Compiled according to the results of the content analysis of the anti-sanctions legislation in Russian Arctic regions for 2022–2023.									

constituent entities whose territories belong to the Arctic zone of Russia.

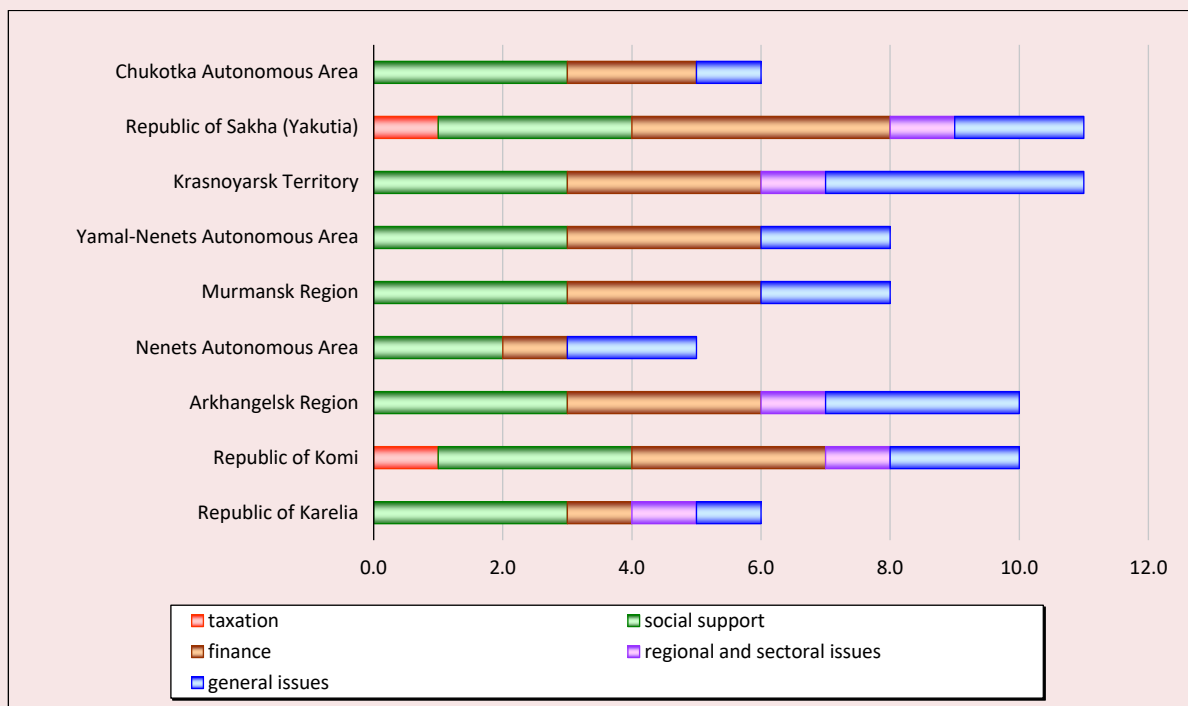
Tables 1–3 provide a comparative analysis of regional measures to adapt the socio-economic sphere in the context of sanctions in the regions of the Russian Arctic by object of influence: for population (individuals and/or individuals registered as individual entrepreneurs), for businesses (organizations/legal entities), system-wide measures are also highlighted – simultaneously for businesses (organizations / legal entities) and population (individuals and/or individual entrepreneurs).

It is worth noting that in our work population includes individuals and individuals registered as individual entrepreneurs, since population / citizens / natural persons are identical concepts based on the civil legislation of the Russian Federation.

The “+” sign in Tables 1–3 indicates the presence of anti-sanctions support measures in regional legislation. Regions of the RF Arctic zone have adopted their own regulatory legal acts in five areas of state support for the socio-economic sphere in the context of sanctions. More than 90 regional regulatory legal acts contain information on the existence of anti-sanctions measures in those RF constituent entities, whose territories belong to the RF Arctic zone.

An analysis of regional anti-sanctions legislation has shown that the largest number of system-wide measures developed and implemented by the Government in the Arctic territories simultaneously affect the interests of citizens and businesses. A summary of the availability of specific system-wide measures for the Arctic regions is presented in Table 1 and, for greater clarity, in Figure 2.

Figure 2. Color map of regional system-wide support measures to ensure socio-economic stability in the Russian Arctic under sanctions



Compiled according to the results of the content analysis of the anti-sanctions legislation in Russian Arctic regions for 2022–2023.

The data in Table 1 indicate that regional system-wide support measures to ensure socio-economic stability in the Arctic regions under sanctions have been developed in all five areas. The minimum number of regional system-wide measures was recorded in the Nenets Autonomous Area, the maximum in the Republic of Sakha (Yakutia) and the Krasnoyarsk Territory. It is worth noting that certain regional tax measures are applied only on the territory of two Arctic regions – the Republic of Komi and the Republic of Sakha (Yakutia).

In most of the RF Arctic regions, measures on general issues, financial issues and social support issues have been worked out more thoroughly. The main measures on financial issues are as follows: setting or changing the amount of the advance payment under the state contract, changing the essential terms of the contract under Federal Law 44-FZ, postponing or reducing rent payment. Measures on general issues affect the regulation of purchases from a single supplier in certain cases, simplification of licensing procedures without charging state duty, without holding public discussions or public hearings, extension of contracts for the placement of non-stationary retail facilities and facilities for carrying out delivery trade without bidding. The main activities related to social support include various kinds of employment subsidies. In these three areas, the maximum number of measures is applied only in the Krasnoyarsk Territory, minimum – in the Nenets and Chukotka autonomous areas, as well as in the Republic of Karelia.

Measures to regulate regional and sectoral issues are being implemented in the Krasnoyarsk Territory, Arkhangelsk Region, republics of Karelia, Komi and Sakha (Yakutia), while there are no such measures in the rest of the Arctic territories. In general, the measures are developed insufficiently and are aimed only at ensuring import substitution.

We should note that, based on Tables 2 and 3, we can conclude that there are no separate measures for population and business to regulate regional and sectoral issues, as well as general issues. Few measures on social support and financial issues are available to population, and a small number of measures have been identified on business taxation issues.

The data in Table 2 indicate that in the Arctic regions of Russia, there are practically no regional measures aimed to support the population alone, with the exception of individual measures on social support and financial issues. The Yamal-Nenets Autonomous Area has no regional measures for population alone in all five directions. Among the RF Arctic regions, the maximum set of regional measures for population on social support and financial issues was identified in the Komi Republic; their number is slightly less in the Republic of Karelia. Only one event on financial issues is presented in the Republic of Sakha (Yakutia), Krasnoyarsk Territory, Arkhangelsk and Murmansk regions, Nenets and Chukotka autonomous areas.

The data in Table 3 indicate that regional support measures focused exclusively on business are present in some regions only on tax issues. The presence of few tax measures to support business can be noted in the Yamal-Nenets Autonomous Area, the republics of Komi and Sakha (Yakutia): the application of a reduced corporate property tax rate for business representatives (small, medium, large) within the framework of the general taxation system, as well as the application of a reduced rate under the simplified taxation system for businesses in the field of information technology. The Krasnoyarsk Territory, Republic of Karelia, Nenets and Chukotka autonomous areas, Arkhangelsk and Murmansk regions are Arctic territories with no targeted measures for business in the field of taxation.

Table 2. Regional measures to support the population to ensure socio-economic stability in the Russian Arctic under sanctions

State measures	Constituent entity of RF Arctic zone								
	Republic of Karelia	Republic of Komi	Arkhangelsk Region	Nenets Autonomous Area	Murmansk Region	Yamal-Nenets Autonomous Area	Krasnoyarsk Territory	Republic of Sakha (Yakutia)	Chukotka Autonomous Area
TAXATION – no measures									
SOCIAL SUPPORT									
Approval of the list of in-demand professions (positions, specialties)	+	+	+						
Provision of additional support to subsidy recipients		+							
FINANCIAL ISSUES									
Application of rent deferral and possibility to terminate rent agreements without penalties	+	+		+	+		+	+	+
REGIONAL AND SECTORAL ISSUES – no measures									
GENERAL ISSUES – no measures									
Compiled according to the results of the content analysis of the anti-sanctions legislation in Russian Arctic regions for 2022–2023.									

Table 3. Regional measures to support business for ensuring socio-economic stability in the Russian Arctic under sanctions

State measures	Constituent entity of RF Arctic zone								
	Republic of Karelia	Republic of Komi	Arkhangelsk Region	Nenets Autonomous Area	Murmansk Region	Yamal-Nenets Autonomous Area	Krasnoyarsk Territory	Republic of Sakha (Yakutia)	Chukotka Autonomous Area
TAXATION									
Application of a reduced tax rate under the simplified taxation system for organizations engaged in information technology activities		+				+			
Application of a reduced rate for corporate property tax								+	
SOCIAL SUPPORT – no measures									
FINANCIAL ISSUES – no measures									
REGIONAL AND SECTORAL ISSUES – no measures									
GENERAL ISSUES – no measures									
Compiled according to the results of the content analysis of the anti-sanctions legislation in Russian Arctic regions for 2022–2023.									

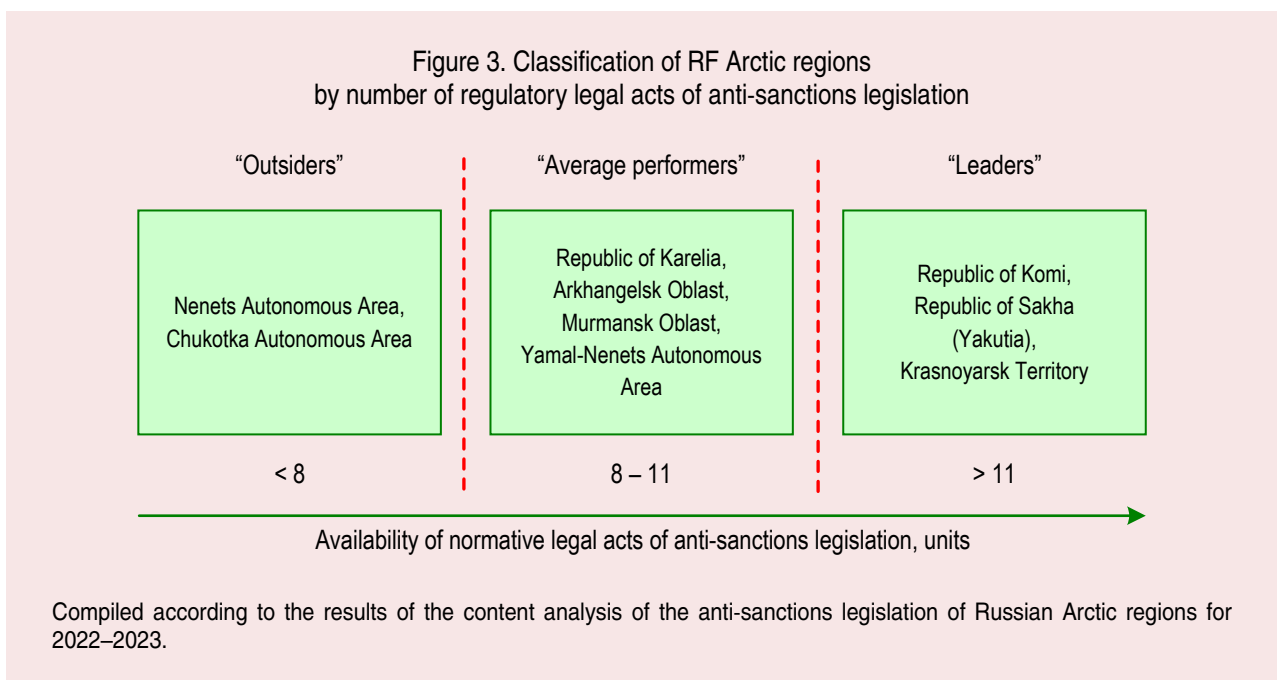
Thus, support measures to ensure socio-economic stability in the Russian Arctic regions under sanctions are mainly focused on system-wide, simultaneous assistance to population and business, in contrast to narrowly focused measures (providing support to either population or business). A set of measures aimed only at population or only at business is not as numerous as system-wide measures affecting the interests of population and business at the same time.

More than ten regional measures to ensure socio-economic stability have been recorded in the republics of Komi and Sakha (Yakutia), Krasnoyarsk Territory and Arkhangelsk Region. The remaining Arctic territories (Republic of Karelia, Murmansk Region, Nenets, Yamal-Nenets and Chukotka autonomous areas) have less than 10 regional anti-sanctions measures. As a result of the content analysis of anti-sanctions legislation in the Russian Arctic, the maximum set of regional measures of state support for the socio-economic sphere was identified in the republics of Komi and Sakha (Yakutia),

the minimum in the Nenets and Chukotka autonomous areas.

In general, the Russian Arctic has a small number of adopted regulatory legal acts at the regional level, and legislation regulating social support, financial and general issues has been elaborated on to a greater extent. The weak link is the legislation governing taxation issues.

According to the number of regulatory legal acts aimed at ensuring socio-economic stability under sanctions pressure, all regions of the Russian Arctic can be conditionally divided into three groups – “leaders”, “average performers” and “outsiders” (Fig. 3). “Outsiders” (less than eight documents) include Nenets and Chukotka autonomous areas. “Average performers” are the Arkhangelsk and Murmansk regions, the Yamal-Nenets Autonomous Area and the Republic of Karelia. The Krasnoyarsk Territory, the republics of Komi and Sakha (Yakutia) are “leaders” by a significant margin, since they stand out from other Arctic regions with the largest number of regulatory legal acts in total (more than 11 documents).



We should note that the Krasnoyarsk Territory has the maximum total number of regulatory legal acts in comparison with the republics of Sakha (Yakutia) and Komi; however, the republics have developed regulatory documents in all five areas, and the Krasnoyarsk Territory only in four (with the exception of acts on taxation).

Conclusions and suggestions

According to the results of the content analysis, it is possible to summarize information on the number of regulatory legal acts and regional anti-sanction measures in the regions of the Russian Arctic, which reflect the normative activity of the regional government only for 2022–2023, without taking into account policy-making activity until 2022 in accordance with Federal Law 193-FZ “On state support for entrepreneurial activity in the Arctic zone of the Russian Federation”, dated July 13, 2020.

According to these two indicators the outsider regions are the Nenets and Chukotka autonomous areas, the leaders are the republics of Komi and Sakha (Yakutia). The Krasnoyarsk Territory, Yamal-Nenets Autonomous Area, Republic of Karelia, Arkhangelsk and Murmansk regions are Arctic territories where activities in order to comply with the requirements of Presidential Decree 121, dated March 16, 2022, are conducted quite moderately. In this regard, it is necessary to continue to revise and update anti-sanctions legislation and anti-sanctions measures at the regional level in order to adapt the socio-economic sphere. Also, in the future, a more thorough study of certain areas of state support is needed, for example, on taxation issues.

It is recommended that the state authorities of RF constituent entities pay attention to regional taxes, for which there are certain legally established budgetary and tax rights. Within the framework of the RF budget legislation, regional taxes are credited to the budgets of RF constituent entities according

to the rate of 100% (Paragraph 1 of Article 56 of the RF Budget Code⁷). Under the RF tax legislation, state authorities of RF constituent entities have the right to manage certain elements of taxation only for regional taxes, for example, to adjust and set tax rates and tax benefits (Paragraph 3 of Article 12 of the RF Tax Code⁸).

For the revenue part of the budget of an RF constituent entity regional taxes do not play a significant economic role, since receipts from federal taxes and fees (for example, personal income tax and corporate income tax) remain its main source of revenue. In accordance with the current RF tax legislation (Paragraph 2 of Article 12 of the RF Tax Code) regional authorities do not and have never had the right to directly adjust taxation elements for federal taxes and fees, the only exception is management of the corporate income tax rate (Paragraph 1 of Article 284 of the RF Tax Code). There is only an opportunity to manage the standards of deductions from them in accordance with the RF budget legislation (Article 58 of the RF Budget Code), while the standards of deductions from federal taxes and fees to the budgets of RF constituent entities (Paragraph 2 of Article 56 of the RF Budget Code) are set on a permanent basis.

The content analysis we have conducted revealed an interesting experience in the field of taxation in the Republic of Sakha (Yakutia), where a reduced corporate property tax rate is provided for businesses (organizations applying the general tax

⁷ Budget Code of the Russian Federation 145-FZ, dated July 31, 1998 (amended December 25, 2023, with amendments and additions effective as of January 1, 2024). Available at: https://www.consultant.ru/document/cons_doc_LAW_19702/ (accessed: January 23, 2024).

⁸ Tax Code of the Russian Federation (Part 1) 146-FZ, dated July 31, 1998 (amended December 19, 2023, with amendments and additions effective as of January 1, 2024). Available at: https://www.consultant.ru/document/cons_doc_LAW_19671/ (accessed: January 23, 2024).

regime) from January 1, 2023: 50% of the calculated tax amount is payable. The application of this tax benefit does not have a considerable financial effect on the budget of the Republic of Sakha (Yakutia); therefore, it will not significantly affect the budgets of other Arctic regions either. In order to reduce the tax burden on business, other regions of the Russian Arctic can be offered to implement and use the above initiative, since under sanctions pressure this can help business to some extent by releasing additional funds for its development.

On the part of the regional authorities, for the population living in the RF Arctic zone, it is possible to consider applying tax breaks for transport tax. Arctic regions may decide on additional and/or increased tax benefits, primarily for socially vulnerable population groups, for example, poor and/or large families. It is these families who, under the conditions of sanctions pressure, need priority assistance, since their standard of living is most strongly affected by sanctions and their spending has increased significantly after the imposition of sanctions in 2022. The application of these recommendations will make it possible to realize the social effect of state support and reduce the tax burden on population during the difficult period.

Regional authorities can implement all recommended management methods only within their own budget funds, which are currently limited by the financial and legal norms of the Budget and Tax codes of the Russian Federation and the possibilities of socio-economic development in regions. Coordination of the legal and financial capabilities of the Arctic regions will make it possible to apply the recommendations in the field of taxation. Of course, the recommendations we propose are economically costly for Arctic regions' budgets, but in the context of sanctions pressure the priority is to provide assistance to citizens and businesses.

While the solution to the problem of the cost of recommended measures for regional budgets, first of all, may be to revise the current financial and legal norms concerning the revenues of the budgets of RF constituent entities and the relevant rights of regional authorities.

It is worth noting that our study does not provide recommendations for special tax regimes for two main reasons. First, there are too few opportunities at the regional level to manage special tax regimes due to the limitations of the budget and tax legislation of the Russian Federation; second, the share of revenues from special tax regimes in the total amount of budget revenues of a constituent entity of the Russian Federation is not significant. In Russia, the application of special tax regimes under sanctions pressure does not generally have any significant fiscal effect (Bochkov et al., 2023).

Conclusion

The history of sanctions pressure in world practice is a well-known and well-studied phenomenon. Currently, Russia is using anti-sanctions strategies that make up the experience of Cuba, the USSR, Syria, Pakistan, Iran, North Korea, Iraq and other countries. Business and population of the country suffer from economic sanctions, so today in Russia, at the federal and regional levels, work continues on the formation of anti-sanctions legislation and practical measures to support business and population to ensure socio-economic stability. Considering the above, it is worth noting that the Russian system of anti-sanctions legislation does not yet have a "core" regulatory legal act; this creates certain difficulties in updating the domestic legal framework of anti-sanctions measures and mechanisms (Gabov, 2023).

Due to the close attention of Russian state policy to the development of strategically and geopolitically important territories, which, of course, include the Arctic zone of the Russian

Federation, issues of normative activity of the regions of the Russian Arctic and existing regional measures to support businesses and the population to ensure socio-economic stability under sanctions are of particular interest.

The content analysis carried out in the work clearly showed that there is no uniformity in policy-making activities at the level of the RF Arctic regions, and a multidirectional practice of state support measures is used to ensure socio-economic stability under sanctions pressure. Currently, some work is required to synchronize and balance the

anti-sanctions legislation and the measures it provides for at the level of Russian Arctic regions. We need a model federal law that will contain recommendations and explanations for the Arctic regions on state support for the socio-economic sphere in the face of sanctions. The law should contain a recommended and complete set of state support measures that regional authorities have the right to apply in the Arctic territory. At the same time, the set of measures can be adjusted only downward, taking into account financial capabilities of an RF constituent entity.

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