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Formation of an Institutional Basis for Increasing the Social Attractiveness of the Arctic Territories of Russia

Sviatlana E. Vitun¹, Cand. Sci. (Econ.), Associate Professor

Aleksey V. Grigorishchin², Cand. Sci. (Econ.), Senior Lecturer

Irina A. Sivobrova³✉, Cand. Sci. (Econ.), Associate Professor

Dilmurad B. Yahyaev⁴, Senior Lecturer

¹Yanka Kupala State University of Grodno, ul. Ozheshko, 22, Grodno, Republic of Belarus

^{2,3,4}Northern (Arctic) Federal University named after M.V. Lomonosov, Naberezhnaya Severnoy Dviny, 17, Arkhangelsk, Russia

¹s.vitun@grsu.by, ORCID: <https://orcid.org/0000-0002-2967-8523>

²a.grigorishchin@narfu.ru, ORCID: <https://orcid.org/0000-0001-5087-7677>

³i.sivobrova@narfu.ru ✉, ORCID: <https://orcid.org/0000-0002-2592-3763>

⁴d.yahyaev@narfu.ru, ORCID: <https://orcid.org/0000-0002-3650-3924>

Abstract. This study examines the phenomenon of social attractiveness of the Arctic territories of Russia, its institutional basis, current and prospective development mechanisms. The authors propose a theoretical and methodological approach to the social attractiveness of regions as a system of socio-economic mechanisms for state regulation of the development of the North and the Arctic. A retrospective review of the formation and development of the social attractiveness of Arctic territories made it possible to analyze the evolution of state and legal approaches to the object of study over a century of history. In total, the authors identified five stages of the implementation of the Arctic agenda (from the 1930s to the current stage of human development in the North), taking into account the strategic planning horizon until 2030. The existing and emerging state, market and corporate mechanisms for regulating social attractiveness, which have a significant impact on the social potential of the Russian Arctic, are systematized. The need to transform the institutional approach to the formation and development of the social attractiveness of the Arctic territories on the basis of an indicative feature is substantiated. The results of the study can form the basis for adjusting state policy on social development of the Arctic in terms of a targeted systemic transition to promising social attractiveness for the accelerated development of the macro-region.


Keywords: Arctic, institutional framework, social attractiveness, social infrastructure, social policy, systematization of mechanisms

Introduction

The growth of geopolitical tension in the Arctic, linked to the possible and actively discussed inter-state reallocation of certain Arctic territories, as well as changes in the military-political landscape [1, Petrovskiy V.E.] are forcing some states, and Russia in particular, to seek new ways of protecting their state borders, rights and interests in the region. Classical state theory proclaims a triad of its elements: “territory — people — power”, with the presence of a permanent population on the territory being the key argument for establishing state borders and

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sovereignty. The relevance of the well-known Latin expression *terra nullius* (“no man’s land”) [2, Balakleyets N.A.] increases when territories are “depopulated”. The Russian Arctic has been characterized by stable negative trends in the reduction of the permanent population over the last few decades, primarily due to migration outflow [3, Fauser V.V.]. The factors of migration in the northern and Arctic territories have been studied in sufficient detail and published in the works of leading Russian and foreign demographers [4, Ukhanova A.V.; 5, Rudenko D.Yu.; 6, Heleniak T.]. Summarizing the results of these and related studies, it can be concluded that the social group of factors is the determining one. This means that, in order to maintain and increase the permanent population in the Arctic zone, it is necessary to create comfortable living conditions and enhance the social attractiveness of the territory, a phenomenon that has not yet been fully studied.

Russia’s Arctic territories are highly differentiated in terms of their level of socio-economic development, meaning that they all differ in their social attractiveness parameters. This ultimately has a direct impact on demographic processes in the Arctic, whose population has declined by 37.5% between 1989 and 2021 according to census data, and this trend continues [7, Fauzer V.V.]. The problem is recognized and addressed at the state level, but its solution requires finding new mechanisms and tools to enhance social attractiveness and changing the approach to forming public motivation for living and working in Arctic territories.

At present, Russia is forming and implementing a new institutional framework for the spatial and territorial development of the state for the period 2025–2030 (until 2035). This is confirmed by the adjustment and adoption of important strategic planning documents — the Spatial Development Strategy until 2030, the National Security Strategy, the National Development Goals (National Projects until 2030), and others. For example, the main goal of spatial development is to create a balanced system of settlement and territorial organization of the country’s economy, including through the creation of a network of key settlements where accessible and high-quality social infrastructure will be concentrated. The Arctic macro-region is assigned a special geostrategic role as a center of future economic growth, while the imbalance between economic and social development in the territory remains. Therefore, it is becoming clear that preserving and enhancing the region’s social potential is a priority strategic national objective, the solution of which requires not only various types of resources but also adjustments to state policy.

A preliminary analysis of the emerging institutional framework suggests that a structural shift in emphasis from industrial to social development is currently underway in the Arctic. People are recognized as the main driver of the socio-economic development of these territories. In order to retain the permanent population and attract qualified specialists, the state is already introducing a system of support measures, such as the “Arctic Mortgage” to address housing issues, the “Arctic Concession” — compensation for construction costs to create social infrastructure, and the presidential “Unified Subsidy” for Arctic and Far Eastern regions. It is worth

noting the approval of the list of key settlements in the Arctic zone of the Russian Federation¹. The government has identified 16 key Arctic settlements where a new standard of comfort and attractiveness for living is being tested. Special development master plans are being prepared for these key areas, thereby forming a belt of economic growth centers in the Arctic.

The aim of this study is to systematize key mechanisms for increasing the social attractiveness of Arctic territories by generalizing them according to regulatory impact criteria and to justify the need to transition to managing the prospective social attractiveness of macro-regions as a state policy priority for the accelerated development of the Arctic.

Theoretical approaches to studying the social attractiveness of a territory

For decades, economic research on northern and Arctic territories has focused primarily on studying investment attractiveness for the purpose of economic development of the macro-region. Economic priorities have also been decisive in the development and implementation of state policy, reflected in program and project documents on the development of Arctic spaces. The studies of the Arctic's investment attractiveness have been the subject of research by V.A. Tsukerman, V.N. Myakshin, O.M. Gizatullina, N.A. Serova, S.Yu. Kozmenko, I.I. Matvienko, and others. The approach of "the Arctic as a storehouse of resources and a guarantee of the state's economic sovereignty" still prevails today, but increasing attention is being paid to issues of social development of the territory.

Scientists have been studying the economic essence of the social attractiveness of the territory for a long time. Among the most relevant studies of the modern period, we can highlight the works of the Ural State University of Economics (Academician A.I. Tatarkin, E.V. Popov, I.S. Katz, E.N. Sidorova), the fundamental works on the social attractiveness of the regional territorial-sectoral socio-economic system by V.A. Ruban, the concepts of territorial competitive attractiveness by scientists from the Institute for Regional Economic Studies of the Russian Academy of Sciences (B.M. Grinchel, E.A. Nazarova), and the strategic directions for developing territorial marketing as a basis for increasing the social attractiveness of regions (G.V. Dvas, Yu.I. Busheneva, V.G. Karvitskaya, B.M. Khasbulatova, E.I. Charushina).

For the purposes of this study, a comparative analysis of the approaches of northern studies scholars to the social attractiveness of northern and Arctic territories was conducted. Economists typically apply an actor-based approach to studying the functional (or organizational) role of a territory's social attractiveness and assess it for two main actors: population and businesses. In the first case, social attractiveness is characterized as "a set of factors determining the degree of comfort of a given territory for the population to live in" [8, Popov E.V., p. 58]. For business, social attractiveness is considered as "the ability of the region's socio-economic systems to meet the demand of social services market participants" [9, Ruban V.A., p. 128], assessing not

¹ Order of the Government of the Russian Federation No. 3377-r of November 28, 2023 (as amended on August 13, 2024) "On approval of the list of key settlements (municipalities) of the Arctic zone of the Russian Federation". URL: <https://www.garant.ru/products/ipo/prime/doc/408019009/> (accessed 10 February 2025).

only the physical availability of the necessary labor resources to solve economic tasks, but also their quality and skill level. The author of five conceptual provisions for the socio-economic development of the Russian North, V.N. Lazhentsev, highlights the importance of social infrastructure in developed Arctic territories as a specific challenge for the future development of territorial and economic systems [10]. V.N. Leksin notes the imbalance between social and corporate development and argues that the social development of the Arctic is an adequate model for Russia's immediate future [11, pp. 15–23]. Sociological approaches to social diagnostics of Arctic regions are fundamentally aimed at studying the perceived social attractiveness of a territory for living and conditions for life activities. For example, V.V. Markin and A.N. Silin, analyzing the social potential of neo-industrial development of Arctic regions, apply their own methods of sociological research in settlements of the Arctic frontier, which allows forming the contours of direct and indirect characteristics of the quantity and quality of people who expressed a desire to live and work in the Arctic. [12] The results of studies by sociologists G.V. Zhigunova and E.N. Sharova confirm the growing relevance of creating more comfortable social conditions for the population in the Arctic Zone of the Russian Federation (AZRF), and their respondents highlight the underdevelopment of the service sector and the insufficient social conditions for residence as one of the main problems [13]. Specialists in economic geography of the Arctic A.N. Pilyasov and N.Yu. Zamyatina note the unconditional dependence of social development in the Arctic on the location of productive forces, which is confirmed by the theory of localized growth poles [14]. However, in developing and testing a new theory of development of the North and the Arctic, they focus primarily on the key role of local grassroots communities, which, “by engaging and connecting with objects and projects of regional and national significance, create other levels of development” [15, pp. 16–17].

The following researchers are studying individual elements of the social attractiveness of Arctic territories: social infrastructure (E.E. Toropushina, N.P. Veretennikov, A.V. Grigorishchin, L.V. Voronina, T.B. Skripkina), life expectancy (A.A. Provorova, O.V. Gubina, V.P. Toichkina), unemployment and the labor market (A.G. Korovkin, E.A. Korchak, T.P. Skufina, V.P. Samarina), climate (A.G. Granberg, B.N. Porfiriyev, L.A. Ryabova, E.M. Klyuchnikova), social partnership (E.P. Bashmakova, M.V. Ivanova, U.E. Yakusheva, E.E. Toropushina), etc. The central component of social attractiveness is the formation and development of territorial social infrastructure. The level of development of social infrastructure has a direct impact on the quality of the regional labor force [16, Grigorishchin A.V.]. Underestimating the importance of social infrastructure in Arctic territories leads to a decrease in the region's attractiveness, increased social tension, and a loss of labor force [17, Toropushina E.E., p. 102].

The term “social attractiveness of a territory” is broader than, for example, “standard of living”, “quality of life”, “territory image”, or “human development”, as it takes into account the level of development of territorial infrastructure. The social attractiveness of a territory can be classified as a complex and multidimensional subject category. To clarify its economic basis, it is

necessary to decompose and study its individual elements. The authors of the study propose an approach to studying the social attractiveness of Arctic territories as a system of socio-economic mechanisms, which consist of two fundamental characteristics: social potential of the territory and social risk protection.

Materials and methods

In addition to general scientific methods, systems analysis and systematization techniques were extensively utilized in the study. To determine the extent to which the problem was studied, a comparative analysis of the scientific literature was used in the context of theoretical approaches to the subject of research. When studying the institutional basis of the social attractiveness of Arctic territories, methods of content analysis of strategic planning documents and project-targeted financing programs for Arctic development were applied.

The information base included data from the Federal State Statistics Service; publicly available data on the corporate social responsibility of economic entities operating in the Arctic macro-region; strategic and program documents for the development of the Arctic Zone of the Russian Federation; and regulatory acts establishing new mechanisms for enhancing the social attractiveness of the Arctic. Particular attention was paid to the decisions of relevant ministries and agencies of the Government of the Russian Federation and committees of the Federal Assembly of the Russian Federation responsible for the development of Arctic territories.

An analysis of the evolution of state and legal approaches to the formation and development of the social attractiveness of Arctic territories has made it possible to offer the authors' view on the necessity and directions of transformation of state policy on social development in the Arctic.

Evolution of institutional approaches to the formation and development of the social attractiveness of the Arctic

Despite the fact that Russia's strategic objectives for the Arctic undergo periodic changes in terms of priorities, tasks and instruments used, the need for labor resources remains unchanged. This determines the need for a well-founded answer to the main economic questions:

- who are these labor resources (quantitative and qualitative composition);
- how to attract these labor resources (motivational mechanisms).

An analysis of state regulatory and legal documents defining individual elements of the social attractiveness of northern (Arctic) territories made it possible to conditionally identify:

- stages of implementing the Arctic agenda;
- vectors (objects of management);
- priorities (subjects of management).

The main principles of the evolution of state and legal approaches to the formation and development of the social attractiveness of Arctic territories are presented in Figure 1. At the first

stage — the 1930s–1950s — the Arctic region was designated as a key resource base for the country, which determined its subsequent socio-economic development. The labor shortage issue was addressed in two ways. On the one hand, a system of high northern wages was formed, which attracted able-bodied workers willing to perform the most difficult, dirty and non-prestigious jobs. On the other hand, part of the workforce was formed through the Soviet system of forced settlements, with this phenomenon reaching its peak during this period. It should be noted that, in terms of productivity and efficiency, forced labor lags significantly behind voluntary labor. At the same time, the issue of labor accommodation had to be addressed; affordable and quickly constructed housing was needed, which later changed its status from temporary to permanent. Social infrastructure was supposed to meet only essential basic needs; no additional requirements were imposed on it.

The 1960s–1980s are associated with the rapid construction of new cities and settlements in the developing northern territories. The economies of northern cities diversified, and large-scale complex projects were implemented, which could be ensured by additional labor with specific training and qualifications. The development of an appropriate regulatory framework, the finalization of the list of Far North territories, and the legislative establishment of regional coefficients and northern allowances contributed to the attraction of qualified personnel to the Arctic regions.

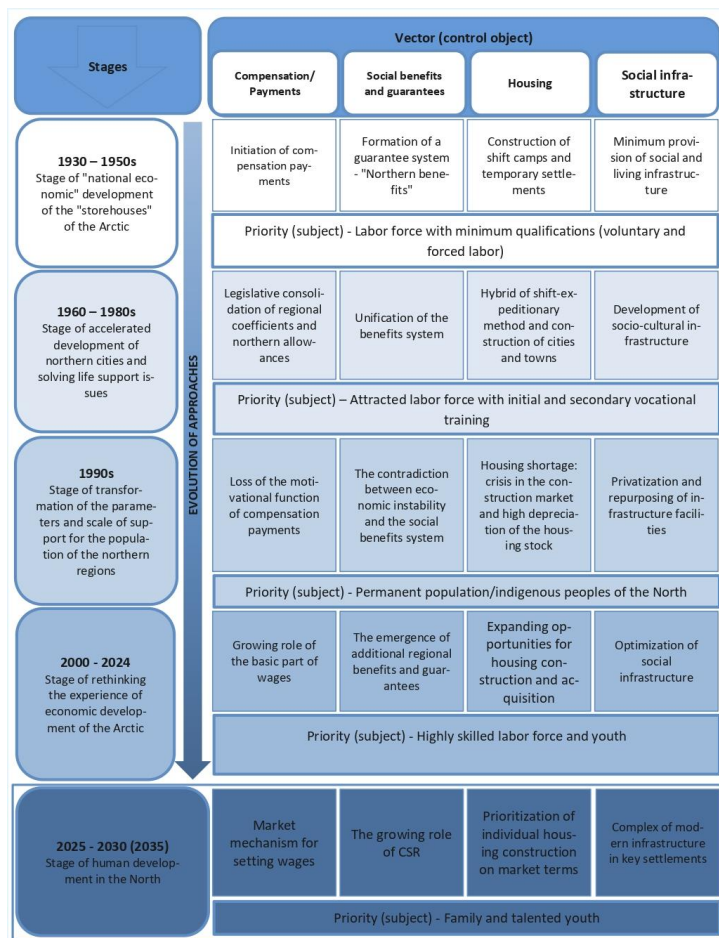


Fig. 1. Evolution of state and legal approaches to the formation and development of the social attractiveness of Arctic territories (compiled by the authors).

More educated and qualified workforce placed higher demands on infrastructure, not only in terms of basic necessities, but also in terms of social, cultural and leisure facilities. It can be argued that at this stage, state policy was approaching its target of improving the quality of life of the population in the northern territories.

During the 1990s, economic reforms were accompanied by transformation of the social role of the state, with market rules and norms replacing the usual measures of support for the population. Against the backdrop of price liberalization, inflation, and ruble volatility, “northern” wages, despite compensation payments, became uncompetitive, leading to the loss of the motivational function of the wage system in the Arctic territories of the Far North. Economic instability negatively impacted the construction market, which, combined with the high depreciation of the housing stock (mostly built as temporary), led to an acute housing shortage. The transfer of social infrastructure facilities from state to private ownership during privatization led to their inefficient use, with some of them being repurposed and transferred to more commercially attractive segments. Economic entities, having analyzed their assets, abandoned non-core assets, which were mostly elements of social infrastructure. By the early 2000s, the standard of living and quality of life of residents of the northern territories had declined not only relative to the previous period, but also compared to the Russian average. A distinctive feature of this period was the policy towards the indigenous peoples of the North, which was determined by the State Committee for the Socio-Economic Development of the North, established in 1990 and abolished in 2000. This institution supervised federal target programs, including those providing social support to the indigenous peoples of the North. Separately, we can highlight the federal target program “Children of the North”, aimed at the comprehensive and harmonious development of children living in the North. The problem of funding shortages prevented the full implementation of initiatives to address the pressing social development issues in the Arctic territories.

The 21st century has set new benchmarks for determining the vectors of development of the Arctic regions and justifying new growth points which, in line with the Millennium Development Goals, are socially sustainable and enable not only the use of labor capital, but also the development of human potential. In the new reality, Arctic territories are interested in highly qualified people with developed skills and unlimited potential. The issue of increasing the social attractiveness of northern territories, characterized by negative natural and migration growth rates, has become increasingly pressing. It has become clear that a critical analysis and revision of federal incentive instruments is necessary, as well as the development of additional regional benefits and guarantees. The possibilities for material incentives depend directly on the effectiveness of the development of regional socio-economic systems, rather than on state policy regarding the organization of wages in the North. At this stage, a search is underway for new, effective forms and tools for shaping and enhancing the social attractiveness of territories, primarily through expanding opportunities for the construction and purchase of housing, as well

as extending the list of social infrastructure facilities in quantitative and qualitative terms.

Since the development of Arctic territories in the context of modern challenges attracts close attention from the state and the business community, a broad list of mechanisms has been formed to address the social challenges specific to the North. There is a pressing need for a critical analysis of existing regulatory mechanisms in order to correct poorly developed or missing elements.

Systematization of modern mechanisms for increasing the social attractiveness of Arctic territories

According to the criterion of regulatory impact, all mechanisms for increasing the social attractiveness of Arctic territories are divided into state, market, corporate and supranational. The authors of the study systematized only the key mechanisms that have a significant systemic impact on the attractiveness of Russia's Arctic regions. To maintain the unity of the research object and the consistency of the authors' approach, the vectors (objects of management) chosen were the same as those used in the analysis of the evolution of state and legal approaches to the formation and development of the research object: compensation/payments, social benefits and guarantees, housing, and social infrastructure (Fig. 2).

A comprehensive analysis of the institutional environment revealed that, despite the active development of market and corporate mechanisms to increase the social attractiveness of the Arctic, a systemic imbalance persists in this macro-region: state mechanisms have a decisive influence on the object of this study. This is explained by the special conditions of life of the population and the weak economic development of the territory. Social processes taking place in the North and the Arctic are extremely vulnerable and require constant monitoring, analysis and corrective actions by the state through the implementation of policies aimed at social protection of citizens.

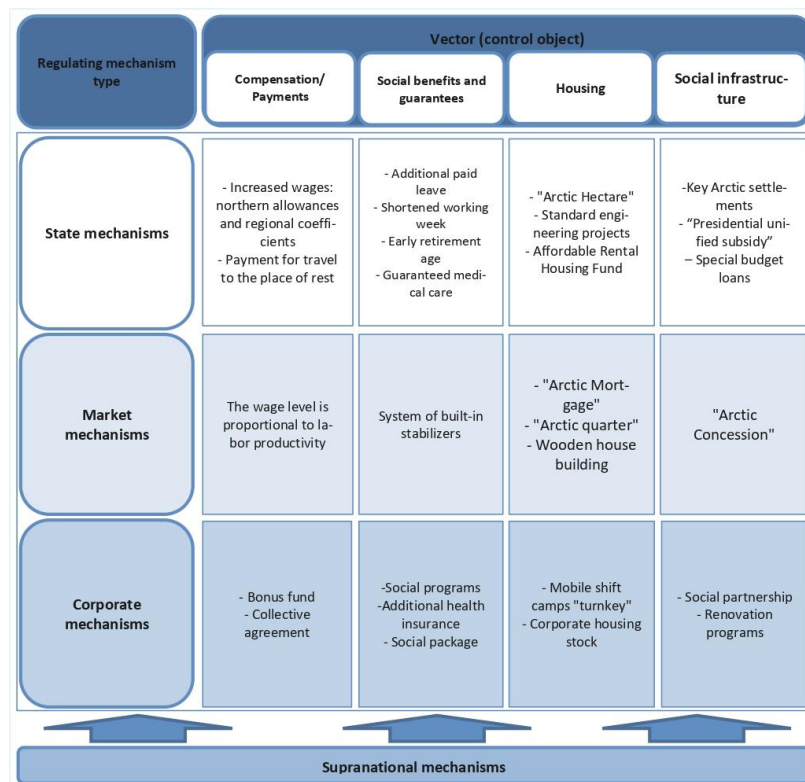


Fig. 2. Key (current and emerging) mechanisms for regulating the social attractiveness of Arctic territories (compiled by the authors).

All state mechanisms for regulating social attractiveness can be divided into traditional ones, i.e. those that have evolved over time (and are perceived by society as a social imperative), and new mechanisms, developed and implemented by the state in response to emerging modern challenges and threats. The former group includes compensation payments, social benefits, and guarantees that are enshrined in the Labor Code of the Russian Federation and other regulatory acts in the Far North and equated regions. For public sector employees, these include increased wages, including northern allowances and regional coefficients, reduced working week, additional paid vacation and travel expenses to the vacation destination, early retirement age, and more. Many experts note that traditional mechanisms for enhancing the social attractiveness of northern and Arctic territories have lost their motivational function over time and do not provide comparative competitive advantages. Therefore, in order to retain the population in the Arctic territories and attract new specialists, it is necessary to search for special forms of motivation, and for this purpose, the state is creating comprehensive programs for the development of the Arctic and its individual mesoregions.

The issue of providing the Arctic population with high-quality and safe housing has always been a central one, and is currently critically acute. The depreciation of the housing stock in some Arctic settlements exceeds 70%, and this percentage is increasing, as the rate of new housing construction under resettlement programs lags behind the growth of the number of unsafe housing. Such situations are particularly common in settlements where temporary, quickly constructed residential buildings (barracks) were constructed during the economic development of the North from the 1930s to the 1950s. To address this housing issue, the state not only

promotes the development of market mechanisms, such as the “Arctic Mortgage”, but also acts as a full-fledged holder and regulator. The volume of housing construction and commissioning in the Arctic zone is significantly lower than the national average. One of the government’s priorities in this area is promoting the development of individual housing construction (IHC). Since 2021, the “Arctic Hectare” program has been implemented, allowing citizens to rent land in the Arctic zone free of charge for development, for example, for IHC, agriculture or entrepreneurial activities. Over the three and a half years, more than 9,700 people have participated in this program. The Ministry of Construction, Housing and Utilities of the Russian Federation is also developing standard project documentation for construction in the Arctic zone, including wooden and modular housing construction. The creation of an affordable rental housing fund in the Arctic is being considered, which would require the purchase of rental apartments and the subsidization of rent. Some Arctic regions have regional state housing programs. For example, the Murmansk Oblast has a program called “Own Home in the Arctic”, under which participants can receive 1–1.5 million rubles for building a house or purchasing a prefabricated house.

The new federal Strategy for Spatial Development of the Russian Federation until 2030² identifies a system of key settlements as the main spatial priority. The development of these settlements will contribute to the implementation of national development goals and the formation of a more effective system of population distribution and social infrastructure placement. A total of 2,160 key settlements have been approved by the Presidium of the Government Commission for Regional Development in the Russian Federation, which are divided into four categories: new growth points, urban agglomerations and regional administrative centers, strategic settlements, and other settlements performing functions of key settlements³. Currently, development programs for engineering, municipal, transport and social infrastructure are being developed for all key settlements, which will be implemented as part of the national project “Infrastructure for Life”⁴ through infrastructure budget loans and treasury infrastructure loans. At the end of 2023, the Russian Government approved a list of key settlements (municipal formations) in the Arctic zone of the Russian Federation with the aim of improving the living conditions of the permanent population, increasing the quality and accessibility of essential social services, and creating conditions for people’s self-fulfillment⁵. It includes 16 strategically significant key settlements (agglomerations) with a population of over 1.6 million people, or 65%

² The Strategy for Spatial Development of the Russian Federation for the Period up to 2030 with a Forecast up to 2036 was approved by the Order of the Government of the Russian Federation of December 28, 2024 No. 4146-r. URL: <https://www.garant.ru/products/ipo/prime/doc/411143583/> (accessed 12 February 2025).

³ As part of the implementation of the List of Instructions for the Implementation of the Address of the President of the Russian Federation to the Federal Assembly of the Russian Federation dated February 29, 2024, No. Pr-616 dated March 30, 2024. URL: <https://www.garant.ru/products/ipo/prime/doc/408704827/> (accessed 10 February 2025).

⁴ Developed in accordance with the Decree of the President of the Russian Federation No. 309 of May 7, 2024 "On the national development goals of the Russian Federation for the period up to 2030 and for the future up to 2036". URL: <http://www.kremlin.ru/acts/bank/50542> (accessed 10 February 2025).

⁵ Order of the Government of the Russian Federation of November 28, 2023 No. 3377-r (as amended on August 13, 2024) "On approval of the list of key settlements (municipalities) of the Arctic zone of the Russian Federation". URL: <https://www.garant.ru/products/ipo/prime/doc/408019009/> (accessed 11 February 2025).

of the total population of the Russian Arctic. Master plans for the period up to 2035 — comprehensive plans for long-term socio-economic development — are being developed for these territorial units. For example, the key areas of development for the Arkhangelsk agglomeration (Arkhangelsk, Severodvinsk and Novodvinsk), where 20% of the population of the AZRF lives, are the development of public transport infrastructure, increasing housing availability through the construction of comfortable housing, reducing the deterioration of communal infrastructure, creating recreational spaces, constructing leisure and sports infrastructure, improving the environmental well-being of the area, and others. The mission of the Arkhangelsk agglomeration is defined as preserving the population in the Arctic and the uniqueness of northern culture and history, and a total of over 1.8 trillion rubles is planned to be allocated to achieve this.

Another important state mechanism for regulating the social attractiveness of the Arctic is the “Unified Subsidy” program⁶. It consists of inter-budgetary transfers for the implementation of social development plans for economic growth centers in the Far East and the Arctic. This mechanism allocates funds to Arctic regions for the renovation of housing and communal services, improvement and modernization of social infrastructure. In total, over 10 billion rubles were allocated from the federal budget for these purposes from 2022 to 2024. Most often, the subsidy is spent by regions on the construction and renovation of preschools, schools, cultural institutions, clinics, and sports facilities.

When analyzing the key mechanisms for regulating social attractiveness, the importance of labor market self-regulation cannot be underestimated. The mutual influence of the commodity and labor markets increases as the regulatory functions of the market mechanism develop. The main regulatory force is entrepreneurial profit, and fluctuations in the rate of profit, depending on market conditions, compress or expand the labor market, regulating its qualitative and quantitative composition. This directly affects the redistribution of income among owners of production factors; wages change proportionally to changes in the marginal product of labor. In other words, one of the basic market laws is at work: the level of wages corresponds to productivity. Government regulation instruments become additional, reinforcing the regulatory function of the market through the built-in stabilizers of legal norms.

Furthermore, the state activates the motivational functions of the market by determining specific areas of financing and setting priorities through official and unofficial “messages” to business. This is how special regimes for increasing the investment and social attractiveness of northern territories are launched — the “Arctic Concession” and the “Arctic Mortgage”. In the context of the global sustainable development agenda, government authorities are setting trends for all market participants. For example, to achieve the goals of “Sustainable Cities and

⁶ By Decree of the Government of the Russian Federation No. 1694 of September 27, 2022, the effect of Decree of the Government of the Russian Federation No. 254 of March 14, 2018 and the Rules for the provision and distribution of other inter-budget transfers approved by it for the implementation of activities of social development plans for economic growth centers of constituent entities of the Russian Federation that are part of the Far Eastern Federal District shall also extend to the territory of the Arctic zone.

Communities” and “Responsible Production and Consumption”, a trend toward wooden housing construction is being set.

Business, as a participant in the labor market, implements corporate mechanisms to regulate the social attractiveness of the territory, covering not only its employees and their families, but also the entire population of the territory where it operates. Employers in Arctic regions are actively investing in various social benefits. It can be assumed that this process will be intensified due to the emerging shortage of skilled labor. On the one hand, corporations view personnel as an element of the company’s competitiveness and are therefore forced to maintain employee loyalty through a complex benefits package. On the other hand, the excess of existing vacancies over the economically active population forces businesses to offer more attractive conditions to potential employees in the labor market.

Some of these tools have already become common practice and are widely used. This primarily involves collective agreements that include the main obligations of the parties. These obligations are in fact elements of social attractiveness, as they consist not only of mandatory conditions guaranteed by state legal and regulatory documents, but also of optional (additional) components of social and labor relations. These are issues related to pay and working conditions, professional development and career growth, working and non-working hours, health and recreation.

The key task for corporations in increasing the social attractiveness of a territory is to participate directly in the development of the region where they operate: financing projects to create and modernize social infrastructure, supporting regional education, healthcare and cultural systems. In such projects, large corporations can act not only as contractors or customers, but also as grantors, which will stimulate social activity by involving various interested groups. Good practice includes joint actions by regional authorities, businesses and local communities in the development and implementation of comprehensive programs for the socio-economic development of the territory. It is important that such initiatives not only address current issues, but also have a forward-looking vision of the external image and brand of the territory. Urban development plans, renovation programs and projects to create a comfortable urban environment should take into account the opinions of all stakeholders and be based on a well-developed scientific foundation. It is worth noting that such a practice is becoming the norm mainly for corporations in the primary sector of the economy — those whose activities are directly related to natural resources, such as the extractive industry. These companies are not geographically mobile, which creates a mutual dependence between the region and the corporations operating in it. Secondary sector enterprises are generally less restricted in their choice of location, so their social activities in relation to the territory in which they operate are often minimal. State regulation tools can serve as a motivational factor and accelerate the development of this process.

Besides, companies operating in northern territories invest in supporting indigenous peoples. This area of work needs to be coordinated not only at the national level, but also globally,

which is most effectively achieved through supranational regulatory mechanisms, for example, within the framework of the Arctic Council, whose objectives include social support for the peoples of the North. The “Children of the Arctic” and the “Youth of the Arctic” projects were on the agenda of the 2024 meetings of the working group on sustainable development.

Despite existing and emerging mechanisms, the low social attractiveness of the Arctic territories remains a serious challenge to the successful socio-economic development of their territories, leading to significant personnel shortages, labor market imbalances, and ageing of population. In these conditions, it is necessary to transform the approach to addressing social issues, focusing not so much on current problems as on the desired outcome.

Transformation of the institutional approach to the formation and development of the social attractiveness of Arctic territories

The formation of modern mechanisms for increasing the social attractiveness of territories should be carried out in the context of the ideology of a socially oriented economy, i.e., it should correspond to two target orientations simultaneously [18, Podshivalov N.S., Sivobrova I.A., p. 158]:

The first is to increase the social potential of the territory, reflected through the components of the Human Development Index (healthy life expectancy, education, and income level).

The second is to eliminate inequality in opportunities and implement the principles of social justice related to access to social benefits and services for different population groups, and thus to the provision of modern social infrastructure.

It is important to understand that, due to their specific characteristics, it is more difficult to implement this dual approach in the northern territories. Comprehensive programs and projects are required both at the macro-regional level (the Arctic zone of the Russian Federation) and at the level of individual northern territories.

Due to the complexity of the tasks, limited resources and the set time frame, serious attention should be paid to justifying the tools of social attractiveness. The classification of the mechanisms and instruments used can be based on various criteria: scale, objectives, priorities, sources, etc. [19, Musolino D., Kotosz B., p. 1164]. The analysis of social attractiveness as a phenomenon should be based on an indicative criterion (Fig. 3).

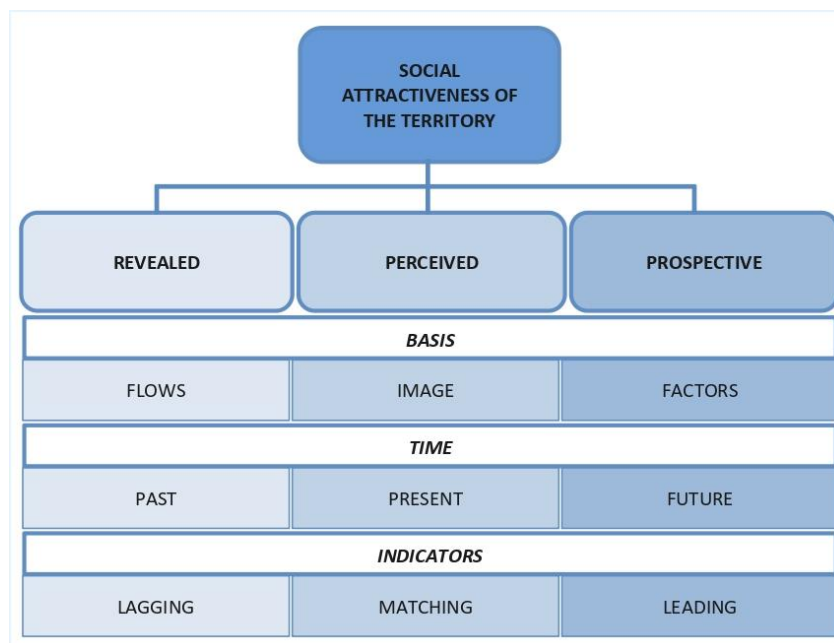


Fig. 3. The concept of social attractiveness of a territory based on an indicative criterion (compiled by the authors).

Various indicators are used to analyze the essence of the concept, which can answer questions about the level and direction of attractiveness.

Revealed social attractiveness is reflected by statistical indicators (flows), such as:

- movement of the economically active population;
- export/import of educational services and their balance;
- inbound and outbound tourist flows and their balance.

This analysis determines the social attractiveness of past periods, since most statistical indicators are lagging in nature and confirm changes that have already occurred.

Perceived social attractiveness is reflected by informal characteristics determined by:

- established image of the territory;
- associations evoked by the territory;
- positive/negative content in the media.

In this case, the assessments and the current situation coincide. Perceived attractiveness can be shaped by interested groups to address various issues.

Prospective social attractiveness reflects the social potential of the territory and is determined by factors that can enhance its attractiveness in the future:

- location;
- climatic conditions;
- proximity to the “center”;
- announced development projects;
- comfortable environment, etc.

When developing tools to increase the social attractiveness of a territory, it is necessary to analyze not so much statistical indicators as factors that can strengthen social potential in the future and become catalysts for positive changes that will correct the current situation. A

qualitative transition from a “plan and report” system to an “opportunities and their implementation” system is necessary. To achieve this, a common vision of the end result should be developed for all stakeholders (government bodies, local governments, businesses, and the public). The parameters of social attractiveness of the Arctic territories are to be significantly higher than those of the southern territories to compensate for the discomfort of living, and new high social standards should become common practice.

The subject of social development management in the Arctic should be the long-term social attractiveness of the territory. This means that the development and implementation of social policy and subsequent management decisions should be based on the principle of advanced development of the territory, built on a long-term strategic forecast. The methodological and organizational basis for the implementation of such a policy could be the harmonization of a system of mechanisms to increase the social attractiveness of Arctic territories based on the principles of social partnership among key actors.

Conclusion

The analysis of approaches to shaping and developing the social attractiveness of the Arctic, starting with the stage of national economic development of its “treasures”, demonstrated that adjustments in the prioritization and directions of state influence occurred gradually. This was explained by both changes in government targets and emerging challenges of the socio-economic development of the northern territories.

The systematization of instruments for increasing the social attractiveness of the Arctic territories reinforced the hypothesis of the continuing prevalence of state mechanisms in this area of regulation. Market self-regulation works only partially and only in the short term; the market lacks strategic vision and thinking, and therefore needs to be strengthened and supported by state institutions.

The critical analysis of individual tools in their interactions revealed the ineffectiveness of the regulatory system as a whole. A number of mechanisms are ineffective, as they have completely or partially lost their functionality. This applies primarily to the motivational function of compensatory payments (northern allowances and regional coefficients). The mechanisms currently being developed, in their efforts to achieve rapid results in the development of Arctic territories, are beginning to duplicate or, even worse, contradict each other (e.g. administrative and tax incentives for residents of the Arctic zone of the Russian Federation and residents of Arctic territories of advanced development). At the same time, there is no healthy competition between individual territories for investors, labor and the attention of the federal center.

Corporate regulation is undoubtedly being developed not only with regard to its own employees and their families, but also in relation to the territories of its presence. Social responsibility is used not only to improve the quality of its labor force, but also to create a positive corporate reputation, expand its sphere of influence, and accumulate intangible assets. The

problem is that only large businesses operating in the primary sector of the economy are involved in such activities. Despite the fact that this sector is the most significant in most Arctic regions, it is not capable of eliminating all the imbalances that exist there.

There is a pressing need to transform the approach to shaping and developing the social attractiveness of Arctic territories through a prospective assessment of social potential on the basis of an analysis of all exogenous and endogenous development variables. Managing prospective social attractiveness with a set of corresponding mechanisms is becoming a field for future applied research on the formation of an appropriate arsenal.

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