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### A PRELIMINARY ANALYSIS OF THE SOCIO-ECONOMIC DEVELOPMENT OF ARKHANGELSK AND MURMANSK REGIONS AFTER THE COLLAPSE OF THE USSR

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We analyze the socio-economic development of Arkhangelsk and Murmansk regions in the period after the collapse of the USSR. We regard the two regions as one of the representative regions in the Russian Arctic zone. We examine statistical data on national accounts, industrial production and demography, in particular. We find a sharp reduction in the size of the economy in the 1990s, accompanied by a considerable decrease in population. Only in the 2000s, there were some recovery in the economy, but the depopulation continued.

This kind of overall trend of the socio-economic development was observed in the Russian Far East as well. We compare Arkhangelsk region with Khabarovsk region, and Murmansk region with Primorsky region, since there are some similarities between these two pairs in terms of their size, geological location and historical background. Here, we exclude Nenets Autonomous Okrug (AO) from Arkhangelsk Region, since this Okrug has developed rapidly due to its oil and gas resources. In a separate paper, we will compare Nenets AO and Yamalo-Nenets AO with Sakhalin region, examining the impacts of oil and gas developments on regional economies.

We pay special attention to the economic and industrial structure of these regions. Which industries had disappeared in the 1990s and which industries survived and recovered in the 2000s? These structural changes have significantly influenced on the demographic trend through changes in employment structure by industry.

Since there are some previous studies on the economic performance of the two regions in the 1990s, we concentrate more on the performance in the 2000s. We find that even in the period from 2000 through 2007, when the Russian economy enjoyed high economic growth fueled by oil price increases, economic performance of the two regions was relatively poor. This is in a sharp contrast with Primorsky and Khabarovsk regions, especially in the period after 2010, where economic growth was supported by a huge amount of state investments in the development of infrastructure, including those for APEC summit and oil and gas transportation.

This research will become a basis for considering economic development of the two regions in the near future. One of the keys for the future growth will be development of manufacturing industries, as was emphasized in the State Program "Socio-economic development of the Arctic zone of the Russian Federation for the period until 2020," adopted by Government Resolution No. 366 dated on April 21, 2014.

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