Development of the Tourism Industry in the North of Russia Based on the Environment Features

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Doi:10.5901/mjss.2015.v6n5s4p387

Abstract

The environmental features in the northern regions of Russia present an interesting case for enhancing knowledge of tourism. The importance of tourism development for the northern region's economy makes the study of the influences on the newfound goal of sustainable tourism development imperative. The study, which comprised of scientific researches into the problems of tourism in the northern regions of Russia, showed an extremely low exploration level for this particular topic. This paper investigates economic, environmental and historical factors as well as that of natural potential and how they influence sustainable tourism implementation in the North of Russia. An analysis of the tourism industry in the northern regions of Russia highlighted its lack of development and the absence of a specific development scenario for the tourism cluster. This paper describes the research progress into the impact that tourism has on the environment in the context of the northern regions of Russia through a review of the growing literature in this field. This paper proposes measures for promoting tourism in the North of Russia aimed at the growth of the regional economy and accounting for the ecological, social, cultural and historical factors of the environment. This paper proposes a theoretical framework and methodology for studying the development of tourism in the northern regions of Russia.

Keywords: *tourism, marine tourism, the North of Russia, tourism environment, recreational resources, tourism potential*

1. Introduction

The main purpose of the federal policy of the Russian Federation in relation to the Northern regions is to form institutional conditions that will ensure a sustainable and integrated mode of socioeconomic development for its territories on the basis of accelerated transition from the preferential policy for the development of raw material resources to the balanced growth of industries and to establish mechanisms for supporting the implementation of scientific and technological progress' achievements.

The territory of the northern regions of Russia is of strategic importance for economic development, since almost 80% of all mineral reserves of the country are concentrated in this territory (Novikov, 2014). Therefore, territorial development and disclosure of the resource potential of the North predetermine the main development trend of the world civilization in the 21st century. Severe climatic conditions causing significant costs to production and population life-support, scaled distances, the low level of transport supportability, and the threat of ecological vulnerability of the environment in the North of the Russian Federation, predetermines the necessity for the development of an innovative economy as the only possible and perspective strategic development of the northern regions. During the process of innovative reorganization of the economy in the North of Russia, special importance is given to the tourism sector as an extremely promising and highly profitable sector of economy which is able to provide a steady flow of funds, generate additional workplaces and to a large extent solve the aggravated issues of recreation for the Russian population .

As evidenced by the world practice, in terms of profitability and dynamic development, the tourism sector is one of the most profitable sectors of the economy, which is often characterized by high efficiency and fast returns on investments. It is a pioneer industry in the economic development of new regions and serves as an effective instrument for the protection of nature and cultural heritage (Blanke, 2013; Kochenyuk & Bekker, 2007). Given the fact that the North belongs to the territories with extreme climate that is a destructive and unfavorable factor for the stability of the economy, it is the active development of the tourism industry in interaction with the environment that can become a catalyst for maximum disclosure of the region's natural potential with the purpose of ensuring economic growth for the region.

Tourism is the world's largest service industry, which is a firmly established component of the contemporary globalization processes. The policy of many countries, including Russia, enabled the use of tourism as an effective

economic mechanism allowing for the development of national economies. Due to the rapid fall of the real expenditures associated with long distance travel, the developing countries around the world managed to enter into the international tourist exchange process and enlarge their share in the growth of international tourism. Developing countries can potentially obtain greater economic benefits.

Tourism is a global industry. Its structural characteristics suggest that the majority of tourism revenues still fall to the shares of America and Europe. The process of services globalization in the field of travel and tourism, including information technologies and internationalization of hotels and other tourism-related enterprises, determine the latest trends in the tourism industry.

Promoting the sustainable development of the tourism industry in the North of Russia under the conditions of protection and rational use of natural resources, construction of natural environments in accordance with human needs and activities in conjunction with the preservation of the natural and cultural heritage of the region are the proactive factors for preventing the transition of social, cultural, and economical systems into a state of irreversible degradation. In this connection, the determination of prospects and peculiarities of tourism industry development, the implementation of measures for effective industry interaction with the environment as a priority direction of the economic policy in the North of Russia are of particular importance.

Tourism development is largely dependent on the natural, social and cultural environment. Thus, it is important in order to maintain or improve the quality of the tourism framework.

The severe climate's influence on the costs of production and population life-support, scaled distances, the low level of transport infrastructure and the threat of ecological vulnerability of the natural conditions in the northern regions of the Russian Federation predetermine the necessity for the development of activities that will take into account these environmental features and impacts. Tourism development not only influences positively through the creation of new jobs, infrastructure development and attraction of investments to the regional economy, but can also have a profoundly negative affect the environment (water and air pollution, ecosystems degradation) and the sociocultural environment (the loss of traditional cultures, values, beliefs and practices). Therefore, well-planned, well-designed and well-managed measures are required for the continued development of the tourism industry of a particular region. The programs of the European Neighbourhood and Partnership between Russia and the EU became a significant stimulus for tourism development in the northern regions of Russia. Tourism is a generator of jobs, and in this regard, tourism development in the North of Russia is fully integrated into the strategy of tourism development in the Russian Federation.

Currently, the northern regions of Russia have begun to develop the tourism industry based on the concept of sustainable development of the Russian Federation.

Northern regions are important for the geostrategic interests of the Russian Federation. The natural, resource and economic potential play an important role in the development of the national economy of the Russian Federation and the tourism industry.

This causes the relevance of the study topic and predetermines the scientific priority in order to resolve the main problem of scientific and practical nature—to provide the effective development of the tourism industry and full disclosure of its potential while accounting for environmental factors with the purpose of achieving sustainable economic development of the region.

2. Literature Review

Different scholars have defined the concept of the tourism environment differently. The resulting studies on tourism consequences within the global scientific community reflect a growing concern over tourism's negative impact on the environment. Along with the rapid development of tourism industry, we can observe the enhancement of ecological problems such as the increase in noise pollution, the deterioration of air quality, water pollution levels and biodiversity reduction. Acknowledging the growing importance of tourism as a means of economic advancement and growth in the northern region, we must distinguish between the works exploring the relationship between tourism industry development and the influence on the environment from the economic development of the Russian Federation. Thus, N. Voskolovich (2010), V. Chernenko (2012), J. Brida (2010), Y. King (2015) and G. Hughes (2002) considered essential characteristics and patterns of tourism industry development. The authors reasoned the directly proportional impact of the growth of the potential tourism business on the development of the national economy and the level of employment.

Significant contribution into the theory of tourism made by such scientists as V. Novikov (2014), L. Carvalho (2011), and C. Hall (2014) have focused on innovative approaches in the tourism industry as the basis of its effective development and evolution. The scientists substantiated the necessity of introducing information technologies into the tourism sector in order to ensure its integration into the economic activities of commercial entities. Such scientists as T.

Taygibova (2011) and S. Arzeni (2014) emphasized the need for diversity in tourism services as a factor for sustainable development of the tourism industry within the framework of economic growth.

Interaction of the tourism industry with environmental factors was widely discussed by domestic and foreign scholars. Thus, A. Dorofeev (2010), E. Khokhlova (2010), I. Eremina (2007), and C. Shanklin (1993) worked on the issues concerning the consequences of tourism industry development for the environment, the effective use of natural resources, as well as the historical and cultural heritage of regions with the purpose of productive development of the tourist business. The works of such scientists as T. Kochenyuk (2007), I. Bekker (2007), V. Goncharov (2012), N. Berdennikova (2012), A. Franklin (2004), A. Holden (2013), and L. Mastny (2011) are of particular interest and whose scientific priorities were the study of principles and mechanisms for the coordinated interaction of eco-tourism and the environment as a factor of balance between the interests and opportunities of the economic and ecological systems and a provision for the sustainable development of the civilization.

Such Russian scientists as E. Dedusenko (2015), K. Pavlov (2010), N. Rozhkova (2014), T. Skufina (1993), and E. Smirennikova (2014) were engaged in studying the tourism problems in the northern regions of Russia with reference to environmental factors. In their works, they argued that the consequences of tourism development for the economic potential of the economy, justified the climatic impact on the environment of the northern regions of Russia as a deterrent to the development of the tourism industry and economy in the North as a whole. The scientists focused on evaluation of the actual role of the total economic potential of the North and development of an innovation policy in the tourism sector aimed at creating conditions for attracting Russian and foreign investors.

At the same time, the summing up of the achievements of scientists and practitioners, their accumulated experience and results obtained with respect to the interaction of the tourism industry and the environment, in particular, within the northern regions of the Russian Federation substantiates the need for further scientific research in this field. Thus, the issues of evaluation of the climatic potential of the North of Russia remain discussible for the development of the tourism industry within the framework of sustainable development of the region, development of optimal approaches to the optimization of interaction processes in the tourism industry and the environment of the northern regions. The ambiguity of scientific positions and narrow dredging of scientific problems predetermined the purpose of the study—to analyse the peculiarities of functioning and the key problems of tourist industry development in the North of Russia; substantiation of the nature of the environmental factors' influence on the development of the tourism industry in the region and development of conceptual recommendations on optimizing the interaction with the tourism business development in the circumstances of destructive and beneficial effects of the environment with the purpose of ensuring sustainable development of the northern regions.

3. Analysis of the Current State of Tourism in the Russian North

In the circumstances of constant generation of socioeconomic problems of the North, it is relevant to solve the problems concerning the possibility of compensating the unfavorable development trends of the region through more efficient management of these specific territories. In view of this, the statement is reasonable that during the reorganization of the economic system of the North of Russia, tourism is considered as one of the priority sectors of socioeconomic development for the region.

When measured on a recreational level, these areas are considered poorly developed, which explains the absence of diverse types of tourism in these regions (Figure 1) (Kochenyuk & Bekker, 2007; Rozhkova, 2014) (Tourism in Russia).

The northern territories make up about 65% of the territory of Russia but only accounts for 8% of the population. This area includes fully or partially around 25 entities of the Russian Federation. However, despite all the evidence regarding the high potential of this sector of the national economy, the Polar Regions of Russia are not viewed in this sense.

Each year demonstrates an increase in the number of passes (and pass requests) by vessels for tourist (as well as with research and scientific) purposes along the Northern Sea Route. Entities of the Russian Federation are more actively raising the question on the development of this tourist route. The main deterrent to improvement of tourist traffic is an undeveloped tourist infrastructure.

Discussing the problems of tourism development in the northern regions, we cannot but dwell on the competitive advantages of the territories under consideration:

- Environmental problems in the northern regions are of local, spot nature, whereas the natural potential of the regions in terms of both landscape, and flora and fauna is extremely high.
- Due to low population density, most of the northern territories are preserved in their primordial state, which is very important for the organization of ecological, hunting and fishing types of tourism.

- There is a variety of free territories for construction of new facilities in the North.
- Unique natural phenomena and objects make it possible to develop different types of tourism.

Figure 1. The types of tourism existing in the Russian North

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All Soviet Union tourist routes that existed in the past (cruises along the Yenisei and Lena rivers, from Murmansk to Arkhangelsk city, hiking in the Khibiny and Polar Ural mountains, bus and canoe routes along the Kola Peninsula, etc.) are practically not operational now. Despite the loss of many popular recreational territories after the collapse of the Soviet Union, the expansion of international contacts allows the Russian North to attract an increasing numbers of tourists. Murmansk serves as a place of weekend leisure for residents of Scandinavian countries; the Taimyr, Lapland and Ust-Lena nature reserves have become centers of scientific tourism; cruises to the North Pole are organized using vessels of the powerful Russian icebreaking fleet. Russian travel companies are now offering northern routes with more regularity. The North of Russia is one of the highlights of our country, which attracts Russian and foreign tourists.

Among the main problems facing tourism development in the northern regions of Russia, it is important to mention the geographical remoteness and poor transport infrastructure; difficult climatic conditions as a factor of seasonal tourism; the current state of tourism development and lack of long-term and multistage planning in the field of tourism within the Russian regions; limited resources of private small and medium businesses in the regional tourism market; lack of a full chain of services related to tourism products (transport, accommodation, and tour).

Currently, such a channel of advancement in the international tourism market as participation in international cooperative programs remains underused. The Arkhangelsk and Murmansk Regions utilize this kind of cooperation most intensively, as they work closely with Scandinavian and European countries. The border regions of Siberia and the Far East also successfully operate in this manner. Of course, the development of tourism in the northern territories of the Russian Federation requires a systematic approach and coordination with the federal center.

An analysis of the current state of the tourism industry in the North of Russia in the past five years shows the slow

pace of development for this economic sector. Despite the positive trend showing an increase in the volume of paid tourism services by 64% over the past five years, the share of the North area as of 2014 amounted to only 37% of the volume of paid services within the Northwestern Federal District, which is 7% less than in 2010. This tendency may indicate a decrease in the competitiveness of the sector, both on the regional and federal level, that is caused by rather narrow specific characteristics of tourism services and their low quality (Figure 2) (Website of the Federal Agency for Tourism; Website of the Federal State Statistics Service).

Figure 2. The change in volume indices of paid tourism services in the North of Russia over time

A characteristic feature of tourism industry operation within the recreational area of the European North is the high level of concentration of paid tourism services by regions. As evidenced by the analysis, the most developed tourist areas in the North of Russia are the Arkhangelsk Region, the Vologda Region and the Republic of Komi. They account for over 70% of the total volume of paid services in the North area and 27% of the volume of paid services within the Northwestern Federal District (Figure 3) (Website of the Federal Agency for Tourism; Website of the Federal State Statistics Service).

This tendency is indicative of the uneven development of the tourism industry due to the non-engagement of the Kola-Karelian recreational area, comprising the Murmansk Region and the Republic of Karelia, as well as the Nenets Autonomous District, which artificially creates preconditions for a reduction in tourist potential of the North of Russia in the course of its buildup.

Figure 3. The degree of paid tourism services concentration in the Russian North as of 2014, (%)

An analysis of the current state of the market demand for tourism services in the northern regions of Russia also indicates a high degree of disproportionality, which manifests itself in significant dominance of demand for tourism services in the region by foreign tourists. Thus, for the analysed period from 2010 to 2014, the growth in the number of foreign tourists having visited the North increased by 27% and amounted, as of 2014, to 72.1 thousand people. At the same time, though the number of Russian tourists has increased by 20% over the past five years, it still amounted only to 1.2 thousand people. That is 60 times less than the number of foreign tourists (Figure 4) (Website of the Federal Agency for Tourism; Website of the Federal State Statistics Service). In addition, differences in the territorial preferences of the foreign and Russian tourists can be traced with regard to the North of Russia. Thus, as of 2014, the Republic of Karelia enjoyed the

greatest demand among foreign tourists, which amounted to 49% of the total volume of foreign tourists in the North, while Russian tourists preferred to visit the Murmansk, Vologda, and Arkhangelsk Regions (Figure 5) (Website of the Federal Agency for Tourism; Website of the Federal State Statistics Service).

Figure 4. The number of tourists visits to the North of Russia over time

Figure 5. The share structure of tourists' visits to the North of Russia as of 2014

The disproportion of tourist demand and regional preferences of tourists in the Russian North suggests external orientation of the tourism industry, which also significantly reduces the potential for its development.

Regarding the number of employees in travel companies operating in the North area, as evidenced by the data for the last five years, a steadily increasing tendency can be observed. As of 2014 and compared to 2010, the growth amounted to more than 50%. But relatively to the number of working personnel in travel companies operating in the Northwestern Federal District, a decline in 4% is noted (Figure 6) (Website of the Federal Agency for Tourism; Website of the Federal State Statistics Service).

Figure 6. Dynamics of the number of travel companies' employees in the North area of Russia

This situation confirms the decline in competitiveness of the region as a tourist area in spite of its institutional development.

The concentration of the number of travel companies' employees in the European North area is relatively uniform. The highest level of employment can be seen in the Vologda Region, which in 2014 accounted for 27% within the recreational area, and 7% within the Federal district (Figure 7) (Website of the Federal Agency for Tourism; Website of the Federal State Statistics Service).

Figure 7. Concentration of the number of travel companies' employees in the Russian North area as of 2014, (%)

An analysis of financial support for the tourism industry in the Russian North demonstrates a high level of volatility in the volume of direct investments for this period, which complicates determination of a clear trend of investment attractiveness of this sector of commerce (Figure 8) (Website of the Federal Agency for Tourism; Website of the Federal State Statistics Service). Thus, for the past five years, the tourism sector of the northern regions received an average of approximately 376 million rubles per year in the form of direct investments. In the regional aspect, investment preferences during the study period were characterized by a high level of concentration. Thus, in 2010, over 70% of direct investment in the tourism sector of the Russian North fell on the Arkhangelsk and Murmansk Regions, and in 2011, the same Regions already had more than 85% of investments. From 2012 to 2013, the investment priorities shifted towards the Vologda and Murmansk Regions, whose share was equal to 90% of investment resources. In 2014, the highest level of investment attractiveness was demonstrated by the Republic of Karelia and the Murmansk Region and accounted for 94% of the volume of direct investments in the tourism sector of the Russian North.

Investment support of the tourism sector in the Russian North along with the high level of volatility and concentration is characterized by the instability of investment rates. On average, during the analyzed period, the growth of investment resources within the tourism sector of the northern regions amounted to approximately 31%.

Figure 8. Change in direct investments volume made in the tourism industry of the Russian North in the regional context, million rubles.

The relative level of direct investments in Russian North tourism demonstrates a decline in the level of investment attractiveness of the territories as a factor of its decreasing competitiveness within the Northwestern Federal District and within the Russian Federation. On average, during the study period, the availability of investment resources in the tourism industry of the northern regions amounted to 14% of the total direct investments in tourism sector of the Federal District and 1.5% of the Russian Federation (Figure 9) (Website of the Federal Agency for Tourism; Website of the Federal State Statistics Service).

Therefore, the above mentioned gives reasons to say that at the present stage, the tourism industry of the Russian North, in spite of its high profitability as an economic activity, is characterized by sluggish development and "demands development" to achieve economic prosperity of the territories.

Figure 9. Change in direct investments in the tourism industry of the Russian North, %

4. Features of the Environment and Its Impact on the State of Tourism in the Northern Regions of Russia

Geological, geographical and climatic characteristics of the northern territories are the most important indicators that define the conditions for the operation and development of the tourism industry. As evidenced by the analysis, the northern regions have sufficient potential of natural and climatic environmental resources for the effective development of the tourism industry.

The Russian North recreational area contains reserves of hydromineral resources, which contributes to the development of therapeutic recreation. These are characterized into different types of mineral waters. For example, environmental resort resources of the Arkhangelsk Region are represented by the chloride and chloride-sulfate mineral waters with a variation in the mineralization in the Nenets Autonomous District. The Pinega River basin is rich in sulfate salt springs and iodine springs (such as Lapominka & Kurtyaevsky, etc.). In addition, a variety of attractions is contained in the caves of the Arkhangelsk Region: underground rivers, lakes, waterfalls, perennial cave glaciers, ice sinters, rare snow crystals, etc (Website of the Government of the Arkhangelsk region).

Many health center resorts operate in the Russian North. Thus, in the Vologda Region, there are many local resorts, such as the "Babushkinsky" Resort, the "Tot'ma" Balneal Resort, and the "New Spring" Sanatorium.

In addition, 104 protected natural territories with a total area (including sea water regions) comprising 6,456.269 thousand hectares are located in the Arkhangelsk Region. Among them, the status of specially protected natural reservations of federal importance belongs to the following entities: The Pinezhsky National Nature Reserve, the Kenozerskiy National Park, the Onega branch of the Vodlozero National Park, the "Franz Josef Land" National Natural Sanctuary, and the Siya State Natural Biological Reserve in the Kholmogorsky District (Website of the Government of the Arkhangelsk region).

The famous national parks "Russian North" and "Darwin Nature Reserve" are located in the territory of the Vologda Region.

The tourism potential of the Karelia environment is represented by the two lakes, which are the largest and second largest respectively in Europe: the Ladoga and Onega Lakes, as well as by the White Sea-Baltic Canal. The Kivach Waterfall also serves as a tourist attraction. It is the second largest plain waterfall in Europe with a height of about 10.7 m. Also, set within the territory of the Karelia Republic, there are great opportunities for fishing and hunting, as well as for water sports and mountain hiking, climbing and skiing (Website of the Republic of Karelia).

A contributing environmental factor in terms of tourism development in the Russian North is the natural potential of the regions, due to both the landscapes and the flora and fauna:

- Massive areas not affected by the anthropogenic impact of nature. Due to the lack of activity in settling northern regions of Russia, most of the territory remains preserved in its primordial form, which can be considered as an advantage for the arrangement of eco-tourism, fishing, and hunting.
- Free territories for the construction of new facilities.
- Unique natural environment, which allows for the development of various non-traditional and unique types of tourism (The results of the Federal Tourism Agency activity in 2014 and tasks for 2015) (Rozhkova, 2014).

The cultural and historical heritage of the region can also be considered as a complementarity factor of the environmental resource potential for the development of the tourism industry in the North area of Russia, which contributes to the development of cognitive tourism. For example, in the Arkhangelsk and Vologda Regions, there are unique ethnographic villages (Website of the Department of Tourism and Regional Policy of the Ministry of Culture of the Russian Federation; Resolution of the Government of the Vologda region "On approval of the state program "Development of tourism cluster Vologda region in 2014-2018 years"). The village of Malye Korely demonstrates the world-famous examples of northern wooden architecture (Website of the Republic of Karelia). Ancient Russian cities such as Kargopol, Tot'ma, Sol'vychevodsk, and Veliky Ustyug also enjoy high tourist demand. The three islands of Valaam, Kizhi and Solovki with their world culture monuments are traditional pilgrimage sites, as well as centers of art and folk tradition revival. The ancient pagan sanctuaries and mysterious stone labyrinths—the "seitas" (natural formations serving as places for religious worships among the Nordic peoples) located on the islands in the White Sea are also of great interest (Tourism in Russia).

In general, the nature and climate of the Russian North has significant potential for the development of the tourism industry provided there is sufficient investment in the tourism infrastructure. Today, scientists give it a score of 71.9 (Figure 10) (Topsahalova, Teunaeva, & Aybazova, 2014).

Environment features in terms of tourism industry development in the North of Russia are still mainly considered as a deterrent.

Figure 10. Comparative evaluation of the tourist potential in the main regions of Russia, score

Regions of the Russian North refer to the territories with natural and climatic discomfort that reflects the adverse environmental impact not only on the development of the tourism industry, but also on human health, life and work (Smirennikova & Karmakulova, 2014). Highly severe weather conditions, frequent fluctuations in atmospheric pressure, changes in the normal photoperiod, impact of geomagnetic disturbances, long and severe winters, extremely low temperatures and short summers cause the seasonality of the tourism industry, which significantly reduces the profitability of tourism services.

Considerable isolation and remoteness of the regions from the central areas of Russia assumes significant loss of tourist's time when getting to the destination point and, moreover, automatically increases the cost of transport.

A characteristic factor that reduces the potential for tourism sector development in the Russian North is immense territory size, which causes lesser eventfulness of tourist programs and their value due to the excessive duration of transportations within the region (Website of the Federal Agency for Tourism).

Thus, in view of the foregoing, it can be concluded that according to the environment characteristics, the Russian North refers to the territories with extreme nature and climate, which both contribute to the development of the tourism industry in the region and serve as a fundamental deterrent for its proliferation.

5. Problems of Tourism Development in the North of Russia

As the study shows, the tourism sector demonstrates a relatively low development level, which is caused by both the nature and climate of the regions as well as the market conditions.

Within the framework of empirical research, the following system of factors can be singled out among the main issues of operation and development of the tourism industry in the Russian North.

5.1 Poor Development of the Transport Infrastructure

At present, only the Murmansk and Arkhangelsk Regions, and the Republic of Karelia feature complete transportation services, as there are international airports and seaports within their territory, which can be used for traveling from Europe and from the European part of Russia (Website of the Government of the Arkhangelsk region; Website of the Republic of Karelia; The official portal of the Republic of Komi).

Taking into account the fact that a significant part of the Russian population lives in the central part of the country, the high price of air travel becomes a major obstruction to the development of domestic tourist traffic to the Russian North. The high cost of air travel within Russia contributes to locking out the tourist potential of the North for foreign and Russian tourists. With this in mind, many Russian tourists prefer to visit other parts of Russia and foreign countries with the possibility of acquiring a complete tour package that includes charter flights.

The railway transport, as an alternative to air transport, does not always provide for comfort during transportation with regard to the considerable extent of the territories in the Russian North. Besides, railway can only directly bring tourists to a few northern regions due to lacking infrastructure.

The density of paved highways is also insufficient in the northern regions, which significantly limits the development of the bus tours industry, as well as individual automobile tourism. For example, as of 2014, the total length of paved highways in the Russian North amounted to 56,664 km, which is less than 39% of the region area (Website of the Federal State Statistics Service).

5.2 Poor Tourist Infrastructure

In the majority of northern regions, there is lack of accommodation facilities, especially for mass tourism. Another important problem of the tourism infrastructure in the Russian North is a high degree of property asset deterioration in a number of hotels. The average wear factor of hotel stock in the northern regions exceeds 70% (*Website of the Federal State Statistics Service*). These accommodation facilities, in most cases, have been operating since the times of the USSR and, currently, most of them do not meet the standards required by the tourism industry and are in need of major repairs. In addition to the hotels, there is a lack of major public facilities across the board from modern entertainment to low quality catering facilities.

5.3 Poor Customer Service during the Process of Rendering Tourism Services

At present, only high-level hotels in Moscow and St. Petersburg are able to provide services that meet international standards (Durovich, Kabushkin, & Sergeeva, 2013). However, their services are extremely expensive, and only a sixth of guests in these cities can take advantage of these services. In the northern regions of Russia, the problem of service quality is compounded by the discrepancy between the price level for the services provided and the quality level of these services (particularly in terms of accommodation, meals and transportation).

The problem of providing a proper level of services is also associated with a low level of competence among the core team of employees working in travel companies. This is due to the low level of salary within the tourism industry, which provokes low priority of tourism in the labor market.

5.4 Inefficient Marketing Policy in the Tourism Industry

This problem of tourism development in the North of Russia, which has a comprehensive framework, is typical of the entire national tourism market.

Among the major deterrents for tourism development from the perspective of the marketing policy inefficiency, it is advisable to indicate the following: There is practically no promotion of tourist products within the country (The results of the Federal Tourism Agency activity in 2014 and tasks for 2015). Currently, there still exists a relic of perception by

Russians of the non-prestige nature of tourism within the territory of the Russian Federation, which in most cases is caused by the lack of information concerning recreational opportunities within the country, and existing offers in the domestic tourism market.

This problematic aspect is compounded by the lack of positive information on tourism opportunities in the country and a severe lack of advertising of Russia in foreign markets. Since the late 1990s, in connection with military actions in Chechnya and that of terrorist acts in Moscow and in other regions, a number of states included Russia into the list of destinations not recommended for tourist trips (Malahova & Ushakov, 2012). Information about the socially and politically unstable situation in Russia is continually published in foreign mass media creating an image of a high risk country and therefore unfavorable for tourism. Until recently, the Russian Federation has not taken any coordinated actions to establish and maintain its tourist image. This state of affairs affects the development of the tourism industry in the Russian North, because attraction of foreign tourists with account of the high transportation costs could financially support its development.

Inefficiency of the marketing policy within the tourist industry can also include a narrow range of travel services and tourism products. The lack of tourist product diversity is accompanied by poor comprehensiveness in their implementation. Services are rendered on a fragmentary basis (transport, accommodation, tour). Only a few travel companies in the northern regions offer comprehensive tourist programs, so that in order to go for a tour, a tourist would only need to buy a tour voucher (Durovich, Kabushkin, & Sergeeva, 2013). Besides, tourists are interested in enjoying multifaceted tourism. In the circumstances of the rapidly developing tourist industry, a combination of tours seems particularly popular. It is important to attract tourists and offer recreation options in the region for a few days or a week due in part to extended transportation times, which would further serve as a motivation for visiting more remote regions.

The presence of problems in the sphere of goods and souvenir production marketing for tourists in the northern regions of Russia caused by the absence of the internationally accepted "tax-free" trading system (Kovyneva, 2013). Local souvenir trade is poorly developed, and in some places, there is not any at all. The credit card payment system is also insufficiently developed.

Imperfection of the marketing policy is further hampered by the low level of participation in international programs and exhibitions. At present, the tourist industry in the Russian North almost never positions and promotes tourist products in the international market through participation in joint international programs and exhibitions. Partially, this form of cooperation is being implemented in the Arkhangelsk and Murmansk Regions that demonstrate close cooperation with Scandinavian and European countries, but the rest of the northern regions almost never engage this resource of tourism development.

5.5 Low Level of Investment Resources Attraction in the Tourism Industry

Economic entities do not practice creating favorable conditions for investment in tourism infrastructure facilities. It is complemented by a low return on investments in the tourism sector, thus minimizing the interest of investors in the tourism industry within the Russian North.

The low level of investment attractiveness of tourism in the northern regions is primarily caused by the seasonal nature of the business that has already been noted in the study and the specifics of its activities under the extreme natural and climatic conditions of the environment (*Ecological and Cultural Tourism: Technology and experience of the organization in the regions of Northern European Russia*). Absence of sufficient volume of investment resources limits the opportunities for the renovation of the tourism infrastructure in the region, development of innovative tourism products and the introduction of new advanced technologies enhancing its profitability.

All these destructive factors, which negatively affect the development of the tourism industry in the Russian North, reduce its competitive position in the domestic and international tourism business, which leads to a loss of its investment attractiveness. Given the importance of the tourist industry in the achievement of sustainable economic development in the Russian North, a system of effective measures for neutralizing their influence is required.

6. Optimization to Solve the Problem of the Tourism Industry in the North of Russia and Discussion

Today, an effective resolution of the tourism industry's problems specified in the North of Russia is especially important. Stimulation of tourist industry development and the prevention of adverse trends help create a competitive tourism sector both within the tourism regions and within the whole tourism recreational area in the North of Russia (Carvalho & Costa, 2011; Hall & Williams, 2014).

In our opinion, measures for the optimization of the tourism sector operation in the northern regions should be

based on a rational combination of effective management in the sphere of tourism and loyal state policy accounting for competitive advantages of the environment within the territories considered.

Furthermore, strategic management should be based not only on the administrative and marketing functions, but also have an innovative framework, which persists throughout the development of new innovative and unique types of tourism, as well as different ways of rational combination based on the nature and climate of the region and the appropriate level of the tourism infrastructure.

As evidenced by the analysis of foreign tourist practices, in order to increase the tourist traffic, it is advisable to combine various types of tourism with an eventful tour program (Akkemik, 2012; Hall & Williams, 2014).

We believe that a priority direction for attracting tourists to the North of Russia should be the diversification of tourist products through an integrated approach.

For example, the environment of the northern regions contributes to the development of exotic types of outdoor activities:

- Dog and reindeer sledding.
- Ice fishing.
- Snowmobiles, "northern" walking, ice golf.
- Arrangement of routes in national parks and reserves.
- Arrangement of observing animals in their natural habitat (Safari).
- Development and implementation of special programs for national parks study, which consists of both theoretical (lectures) and practical (field research) parts.
- Creation of functional areas and bus-walking routes with eco-paths and much more within the current parks.

In order to attract a flow of tourists, it is expedient to implement and efficiently combine such types of tourism as educational, recreational and therapeutic, ethnographic and expeditionary, pilgrimage, and others.

Solution of the information secrecy problem concerning the tourism potential in the North of Russia should become an effective image advertising campaign in mass media, both in Russia and abroad (Arzeni, 2014), as well as active promotion of tourism through participation in major international exhibitions, dissemination and implementation of non-commercial advertising practice for tourism opportunities in the region:

- Distribution of promotional brochures on tourism opportunities of the territories.
- Distribution of promotional and informational catalogs on existing tourism products and their combinations, accommodation facilities, tourist route options, guides, and travel tips.
- Formation of a mass electronic database of users, tour operators and travel agents for mailing, correspondence, information gathering and the promotion of products.
- Resumption of practice for study tours to the tourist centers of the Russian North for foreign journalists, etc.

An important aspect of effective tourism development in the northern regions is also the provision of highly specialized and fully trained human resources on a competitive basis (Arzeni, 2014). A tourism industry employee must be well educated and shall rely not only on his practical experience, but also on the forefront of international experience, regularly get acquainted with the constant changes and innovations in the dynamically developing industry. An increase in the labour potential competencies of the tourism industry in the North of Russia will contribute to improving the quality of servicing.

Due to the extreme nature and climate, problems such as transport provision and the development of tourism infrastructure in the North of Russia should be solved with active participation by the government.

In order to stimulate the development of the tourism industry in the northern regions, a state policy should be carried out in the following areas:

- Introduction of legal and regulatory framework contributing to the development of tourism and effective functioning of tourist organizations of different legal forms.
- Implementation of a flexible tax policy in order to encourage the development of tourist companies.
- Attraction of investment resources in the tourism industry through the provision of various government guarantees and regional support measures.
- Funding of activities related to preservation, rational use, and restoration of the historical and cultural heritage of the northern regions.
- State support for the tourism industry with the help of the international service certification system, etc.

The development of transport infrastructure for the territories as regions with extreme nature and climate should be a special line of the state policy in the field of tourism development in the northern regions of Russia. The key directions of the state policy that require rapid implementation should be:

- Coordinated development of all types of transport communications in the northern region.
- Formation of an integrated transport system in the North of Russia, which is integrated into the national and international transport communication system in order to ensure optimal modes of transportation for tourists and cargoes necessary for tourism industry operation.
- Increase in the traffic capacity of road communications by means of their modernization and technical renovation, etc.

State policy should be based on the modernization of transport infrastructure in the North of Russia focused on revaluing the geographic and economic accessibility and quality of transport services, increasing the traffic capacity of transport systems, reducing transport costs for tourists and ensuring continued tourism industry operation.

The tourism industry is a capital-intensive type of business in terms of its infrastructure development. Therefore, sufficient investment resource availability is a key factor in the development of this sector (Dedusenko, 2015). It is the implementation of the measures proposed that will improve the investment image of the tourism industry in the North of Russia and that will be the basis for the formation of the financial potential of its development.

7. Conclusions

Within the framework of the empirical study of the tourism industry prospects in the North of Russia, the following conclusions can be made. The development of the tourism industry is considered a priority for providing the stability in the economy of the northern regions of the Russian Federation as the territories with extreme nature and climate. Currently, the tourism industry in the northern regions demonstrates slow development and at the present stage is characterized by the following features: a lack of differentiation and a high level of concentration of paid tourist services, lack of demand for tourist services from Russian and foreign tourists; weak institutional development; volatility, concentration and a low level of investments in the tourism industry.

The features of the environment were found to be the main determinants of the nature of the tourism industry in the northern regions of Russia. The natural potential as well as the historical and cultural heritage are prerequisites for progressive development of tourism in the northern regions, while the severe climate, isolation and remoteness of the region from the central areas of Russia as well as vast dimensions of the territories are deterrents for its proliferation.

Taking into account the environmental factor, the authors have identified the main problems of modern development within the tourism industry in the North of Russia, the fundamental problems of which are as follows: poor development of the transport and tourism infrastructure, unsatisfactory customer service at providing tourist services, inefficient marketing policies in the tourism industry and a low level of investment tourism potential. Based on the identified problematic aspects of the tourism industry in the northern regions of the Russian Federation, the authors have developed a system of optimization measures intended to improve the efficiency of the tourism business based on the environmental factor. The basis of conceptual recommendations is the coordination of effective tourism industry management and loyalty regarding government policy in the sphere of economy. As part of the optimization measures, the following key directions are required: diversification of tourism products through an integrated approach, popularization of the tourism potential of the region, professional development of personnel working in travel companies, a challenging government policy in terms of preferential taxation, development of the transport infrastructure and the provision of government guarantees. The package of proposed measures is of a scientific and practical nature, wherein their implementation will be a prerequisite for an increase in the investment attractiveness of the tourism industry and its sustainable development in the North of Russia with the purpose of improvement of the tourism image of the region and ensuring stability of its economic development.

For tourism development in the Russian Federation, especially in the northern areas, it is necessary to implement the best practices of Northern European countries with regard to regulation of their tourist sectors. This will, however, require future shift of the Russian economy to an innovative path of development.

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