Chapter 12

Innovation–Driven Growth of Tourist Destinations in the Russian Arctic: Challenges to Sustainable Development

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ABSTRACT

The attractiveness of the Arctic as a tourist destination has been growing. The growth is determined by a number of competitive advantages of the region in the eyes of foreign tourists. Along with higher income to those countries involved, mass tourism brings serious challenges in remote Arctic areas: increasing pollution through tourist traffic, risk of environmental damage because of accidents with cruise ships. One of the possible solutions to the coexistence between the exploration of Arctic tourist destinations and sustainable development is an innovation-driven growth. In the sensitive Arctic areas, traditional approaches to the development of tourism business are not applicable. Innovation approach represents a new concept of how tourism can at the same time bring economic benefits to remote and peripheral Arctic areas and ensure sustainable development of a fragile environment. The goal of this chapter is to define the categories of innovations applicable in Arctic tourism, including process, marketing, institutional, management, product, and service innovations.

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INTRODUCTION

The Arctic region is experiencing transformation due to climate change, generating both threats and opportunities for the sustainable development of the environment, territories, and local communities (Kajan, 2012). Despite its remoteness and strong seasonality as well as the historical dominance of intensive resource exploitation (Usenyuk & Gostyaeva, 2017), the Arctic is becoming a region where tourism industry shows consistent growth in terms of the number of tourists and the portion of income (Maher et al., 2014). Tourism in the Arctic is also increasingly being encouraged by the different levels of government and seen as an important tool for economic development (Kajan, 2012).

Despite its growing importance as a source of natural resources, the Arctic is still a peripheral region in terms of its transport connectivity and development of infrastructure. Therefore, most of the Nordic countries see tourism as an opportunity for economic growth and employment in the region, as well as an opportunity for improvement of the quality of life of the local population. For this reason, they seek the continuous growth of visitor and implement new approaches. However, the region is still one of the most expensive destinations in the world (Marakova & Medvedova, 2016) with a very limited empirical knowledge about the effects of innovation activity in tourism enterprises and on tourism destinations (Hjalager, 2010).

Despite the vast territories of Arctic regions and varying attractions of different Arctic destinations, tourists are distributed very unevenly among various areas. The Nordic countries, particularly the most accessible ones (Northern Europe, Alaska State, and some parts of Canada), have good infrastructure and well-developed tourist offers, while tourist inflows to other parts of the Arctic (mostly, Russian Arctic) are still lower because of the underdeveloped tourist infrastructure, high administrative barriers, high prices, and lack of information.

In Russia, development of Arctic tourism has been gaining the attention of experts and policy-makers (Erokhin, 2017b), however, tourism in Russia’s High North is still a new issue in the public strategic planning, research, and commercial activities (Kharlampieva, 2016). The most urgent issues of tourism development in the Arctic regions of Russia are the low development of infrastructure and a lack of clear-cut and available tourist products (Fedotovskikh, 2016). Major problems are underdeveloped transport, logistics, economic, and social infrastructure of tourism (Ivolga, 2017). In general, regions of Russia’s Arctic zone (Arkhangelskaya, Murmanskaya, and Magadanskaya oblasts; republics of Karelia, Komi, and Yakutia; Nenetsky, Yamalo-Nenetsky, Khanty-Mansiysky, and Chukotsky autonomous districts; and Krasnoyarsky Krai) are on the very early stages of development as attractive and internationally competitive tourist destinations (Ilkevich & Stromberg, 2016). Tourism in the Russian Arctic has been existing for many years, but its development and commercialization are possible with the development of infrastructure, promotion of new tourist products and routes, and the establishment of comfort zones for cruise tourism in accordance with international standards (Kozlitina & Ivolga, 2014). To ensure the development of tourism in the Russian Arctic in line with the sustainable development goals, active elaboration of new solutions and promotion of innovative approaches in Arctic tourism are needed. It is necessary to develop new tourist destinations attractive in terms of both available tourist resources and, primarily, infrastructure, social and economic development of the regions, and transparent regulation framework (Ilkevich & Stromberg, 2016).