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ARCTIC RESOURCES: DEVELOPMENT FOR WHOM?

An analysis of Arctic policies and strategies from a
resource-fairness approach

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Outline

- * Resource Fairness
- * The Arctic in Context
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- * Natural Resources in the Arctic
- * Resource Fairness in the Arctic
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Resource Fairness (1/2)

The organization of the “access to, and distribution and use of natural resources [...] in a way that takes into account the legitimate interests of all actors and institutions involved – producers, consumers, affected communities and the general public, both spatially (i.e., at the local, national and international level), and across time (i.e., between the generations)”.

Austrian Conference on International Resource Politics, 2014

Resource Fairness (2/2)

Direct lineages with “broadened” understanding of security :

- * Human, Societal, Environmental, Economic security.

Indirect linkages with other forms of “traditional” security:

- * Military, Political, Economic security.

The Arctic in Context

What is the Arctic?

- * Many definitions and interpretations;
- * Too different from the Antarctic;
- * Pristine and delicate natural area, and an underdeveloped region;
- * A 'thermometer' for monitoring climate change;
- * The next frontier for massive development of natural resources?
- * A new scenario for economic competition yet political cooperation?



View from Ullsfjorden, Tromsø.



Framework for Analysis – Why Policies and Strategies? (1/3)

In their Policy and Strategy documents (P&Ss), states:

- * establish their **priorities and objectives** to their populations and to one another;
- * outline **interpretations and visions of reality**;
- * set a **roadmap for development**.

P&S can be used for **accountability** purposes.

Framework for Analysis – Why Policies and Strategies? (2/3)

Strengths:

1. Identifies **existing approaches** towards resource fairness.
2. **Focus on** the only actors (**states**) with legislative capacities.
 - * States promote and enable the exploitation of natural resources within their territories.
 - * States are best positioned to develop and implement policies for redistributing the wealth generated through resource-related activities.
3. Useful to identify which **actors** are **taken into consideration** by states.
4. Baseline for **future comparative analysis**.
5. Answers two key **questions**:
 - * Do states **take resource fairness into account**?
 - * If so, **to what extend**?

Framework for Analysis – Why Policies and Strategies? (3/3)

Weaknesses:

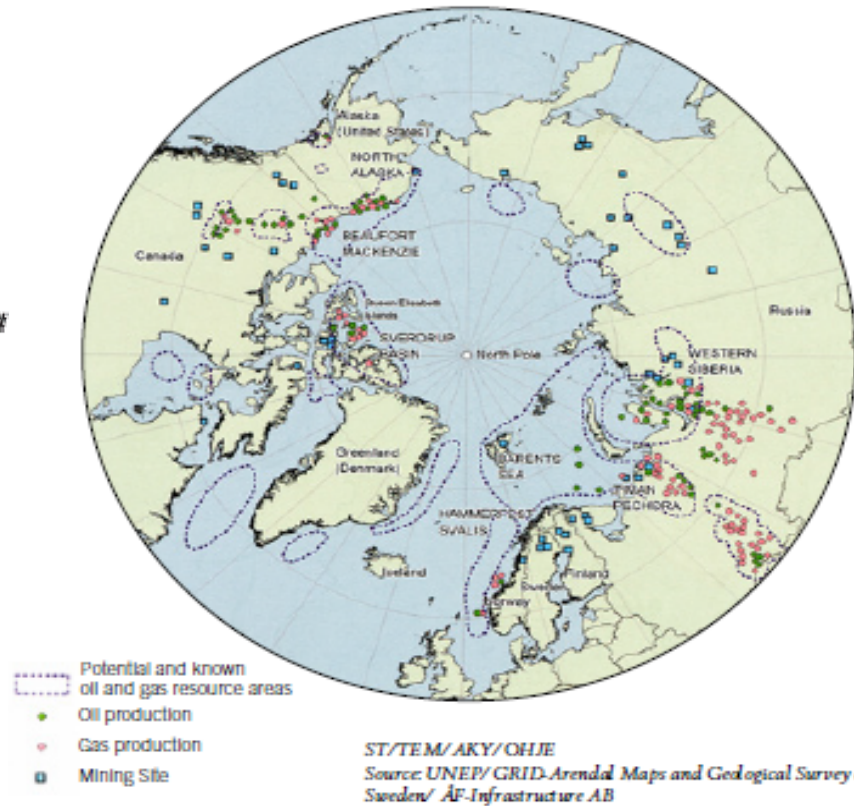
1. Study of intentions/declarations, not of actions.
2. Not necessarily **binding**.
3. **Realpolitik** may force outcomes far away from those set on the P&Ss.

Natural Resources in the Arctic (1/3)

Why is the Arctic so attractive today?

- * Proven and potentially large reserves of **natural resources**, both biological and non-biological.
 - * Primary energy sources: oil, gas, coal.
 - * Also renewable primary energy sources: wind or hydropower.
 - * Mineral resources: Iron, ferroalloys (nickel, cobalt), non-ferroalloys (zinc, copper), precious metals (gold, silver, platinum) or industrial minerals (diamonds, phosphates).
 - * Fisheries, woods and water.
- * Shared among eight Arctic countries: **limited competition**;
- * Most **resources** are located or thought to be located in and around the Arctic Ocean, i.e., within **national borders**.

Natural Resources in the Arctic (2/4)



Natural Resources in the Arctic (3/4)

Factors making economic exploitation attractive:

- * **High prices** that ensure profits after high investments;
 - * However, prices are **volatile!**
- * **Advanced technologies** that allow a cost-efficient extraction and transportation;
- * **Maturity** of known and long-exploited **deposits** elsewhere in the world;
- * **Increasing demand**, particularly in developing economies.

Natural Resources in the Arctic (4/4)

Challenges to exploiting the Arctic's natural resources:

- * **Decreasing prices** in some commodities (gas and oil).
- * Extreme **remoteness** and **harsh** environmental **conditions**.
- * Lack of transport **infrastructures**.
- * **Environmental concerns** and tighter environmental regulations.

Resource Fairness in the Arctic (1/2)

- * 4 million Northerners.
 - * 300,000/400,000 are indigenous peoples (10%).
 - * Governed by capitals in the “south”.
- * What are the (legitimate) interests of the **Northerners**?
 - * Happiness, decent jobs, well-being and security: Economic and social development.
 - * Plus cultural and heritage factors for indigenous peoples.
 - * Specific gender perspective.

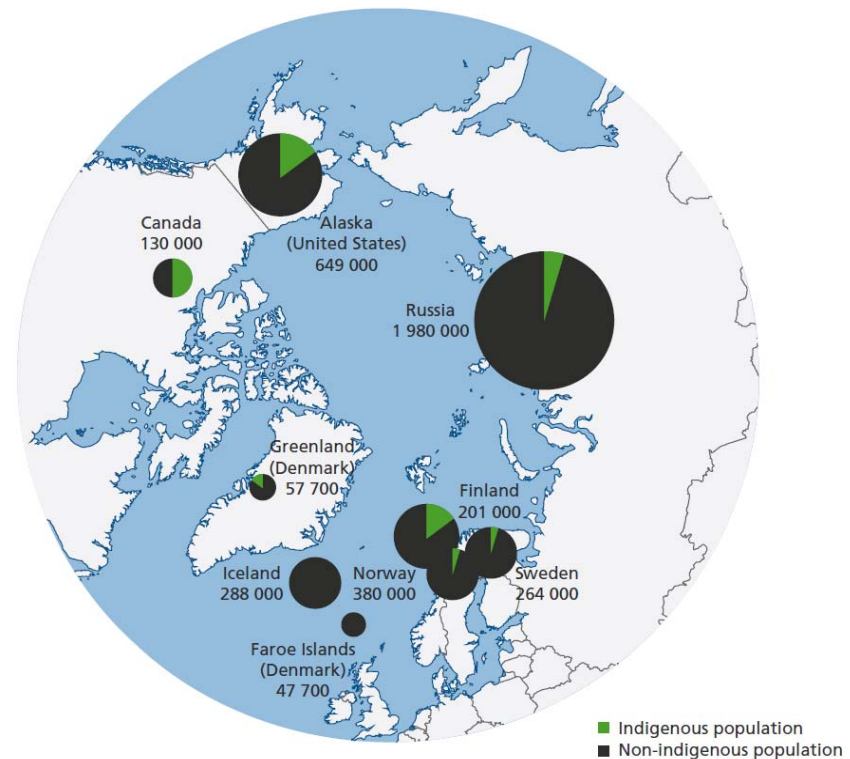


FIGURE 2: Distribution of indigenous and non-indigenous population in Arctic areas. (Source: Hugo Ahlenius, UNEP/GRID-Arendal, 2008. <http://www.grida.no/polar/ipy/2840.aspx>)

Resource Fairness in the Arctic (2/2)

- * What are the (legitimate) interests of **other actors**?
 - * States (e.g. energy security, 'exercising' sovereignty).
 - * Multinational and Transnational Companies (e.g. resource development and economic profit).
 - * (I)NGOs and Civil Society organizations (e.g. environmental protection).
 - * Consumers (e.g. cheaper energy bills, cheaper products).

Policies and Strategies

Canada

Key points in the Canadian P&S:

- * Environmental protection;
- * Indigenous governance and involvement of indigenous peoples in decision-making processes;
- * Future generations;
- * Inclusive involvement of the Northerners;
- * Regional cooperation;
- * Limited recognition of non-state actors;
- * An overall good 'resource fairness' approach.

Denmark

Key points in the Danish P&S:

- * Environmental protection and sustainable economic development;
- * Economic activities are subject to environmental protection;
- * Economic activities are to benefit first local populations;
- * Involvement and ownership by the Greenlandic government;
- * Indigenous populations and future generations (Greenland's Mineral Resources Fund);
- * Regional cooperation;
- * Limited recognition of non-state actors;
- * A way to fund the independence of Greenland, or rather to sustain the autonomy of Greenland?
- * An overall good 'resource fairness' approach.

Finland

Key points in the Finnish P&S:

- * Environmental protection;
- * Recognition of non-state actors;
- * Regional cooperation;
- * Human and social development;
- * Indigenous populations and local inhabitants;
- * An overall good 'resource fairness' approach.

Iceland

Key points in the Icelandic P&S:

- * Sustainable management and environmental protection;
- * Limited recognition of non-state actors;
- * Regional cooperation;
- * Indigenous populations, but not future generations;
- * An overall good 'resource fairness' approach.

Norway

Key points in the Norwegian P&S

- * Sustainable economic development and environmental protection;
- * Indigenous populations and future generations (Government Pension Fund Global);
- * Recognition of non-state actors;
- * Regional cooperation;
- * An overall good 'resource fairness' approach.

Russia

Key points in the Russian P&S:

- * National interests before other interests;
- * Limited recognition of non-state actors;
- * Limited regional cooperation;
- * Limited involvement of local populations in decision-making processes;
- * Vague references to Northerners;
- * An overall poor 'resource fairness' approach.

Sweden

Key points in the Swedish P&S:

- * Sustainable economic development, environmental protection and preservation of habitats and cultures;
- * Youth, indigenous and non-indigenous populations;
- * Limited recognition of non-state actors;
- * Regional cooperation;
- * Only country addressing gender issues!
- * An overall good 'resource fairness' approach.

United States

Key points in the US P&S

- * (Sustainable) economic development;
- * Environmental responsibility;
- * Local populations and indigenous peoples (oil revenues);
- * Limited regional cooperation;
- * An overall fair 'resource fairness' approach.

Overview of Policies and Strategies

Arctic Policies and Strategies

Exploitation of Natural Resources and Resource Fairness

Country	P&S	Natural Resources Extraction			Non-State, non-Industry Actors					Regional Cooperation	Overall Statements on Resource Fairness
	Date	Mineral	Biological	Transport	Indigenous Peoples	Gender Perspective	Future Generations	Environmental Protection	NGOs (environmental or social)		
Canada	2009/2010	High	Medium	High	High	No	Medium/High	High	No	High	High
Denmark	2011	High	High	Medium/High	High	No	High	High	No	High	High
Finland	2013	Medium	Low	High	Medium	No	Low	High	Yes	High	High
Iceland	2009/2011	Low	Low	Medium	Medium/High	No	Low	High	No	High	High
Norway	2006/2009	High	High	Medium	High	No	Medium/High	High	Yes	High	High
Russia	2008	High	High	High	Low	No	Low	Low	No	Medium/Low	Low
Sweden	2011	Medium	Low	Medium/High	High	Yes	Medium	High	No	High	High
United States	2009/2013	High	High	Low/Medium	Medium/High	No	Medium	Medium/High	No	Medium	Medium

Conflict or Cooperation? (1/2)

Constant references to **cooperation** in P&S.

- * Political examples:
 - * Arctic Council.
 - * Barents Euro-Arctic Council.
- * Economic examples:
 - * RU-NO Barents Cooperation.
 - * SARiNOR – Search and Rescue in the High North.
- * Cultural and scientific examples:
 - * International Polar Year (2007-2008).
 - * UArctic – University of the Arctic

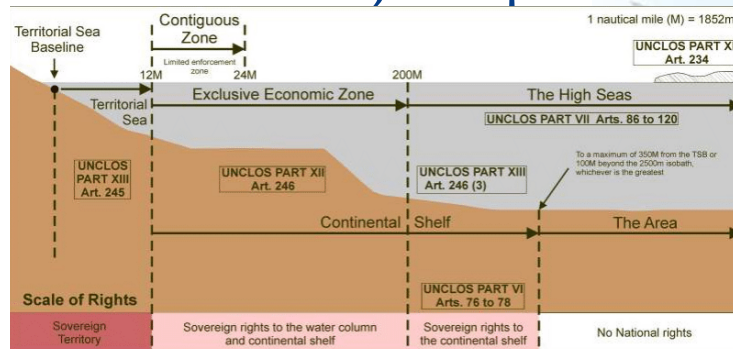
Some existing **conflicts**:

- * Overlapping territorial claims.
- * Raising tension between Russia and NATO countries.
 - * International context affects the Arctic.
 - * Re-militarization of the Arctic.
- * Increasing interests of non-Arctic countries.

Conflict or Cooperation? (2/2)

Continental Shelf Claims submitted:

- * Russia, 2001.
- * Norway, 2006.
- * Canada, 2013.
- * Denmark, 2014.



Findings

- * The Arctic is awakening... hand-in-hand with (the promise of) **economic development**. An Arctic neo/post-colonialism?
- * **Current P&Ss focus on:**
 - * **Interests of states** and state-related institutions;
 - * (Internal) **economic actors**;
 - * **Other internal actors** (e.g. indigenous peoples).
- * **Environmental protection** is present, but will be **subject to economic development**.
- * Generally, a **limited** involvement of Northerners in **decision-making** processes governs P&Ss.
- * A **paternalistic** approach to indigenous peoples?
- * **Gender gap**.
- * Need to identify and include the **legitimate interests of all actors**.

Conclusions

- * A “**resource fairness**” interpretation is possible (and **existing**)...
... but it is not at the heart of P&Ss.
- * A state-driven approach is predominant...
... with an incipient **Arcticlateralism**.
- * **Economic interests** are more relevant than socio-political, cultural or environmental interests...
... although the P&Ss narratives show a slow but certain **change** towards a “resource fairness” context.
- * **Cooperation** exists both in P&Ss and reality...
... but whether cooperation complies with a resource fairness approach is yet to be seen...
... and the potential for **conflict** seems to be on the rise.



Thank you for your attention!

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