



## Calotte Academy 2010

### *The High North in World Politics and Economics*

### Final Program

*The Calotte Academy 2010 will be organized as a travelling symposium in April 7-13, 2010 in Salla and Inari, Finland; in Apatity and Murmansk, Russia; and in Kirkenes, Norway. The main theme of the Calotte Academy 2010 is "The High North in World Politics and Economics".*



**KALOTIN OPPIMISKESKUS**  
Osaaminen - Koulutus - Ammattitaito  
[www.kalotinoppimiskeskus.fi](http://www.kalotinoppimiskeskus.fi)



SAAMELAISALUEEN KOULUTUSKESKUS  
SÁMI OAHPAHUSGUOVDDÁŠ

## **Main Theme**

The main theme of the Calotte Academy 2010 *The High North in World Politics and Economics* includes on one hand, two main fields, Politics and Economics, and on the other hand, two main geographical contexts and dimensions, the High North and the World.

The twenty-first century's High North is a stable and peaceful area without either armed conflicts or an uncontrolled race on natural resources, which situation is much based on international, mostly multi-national, cooperation. Furthermore, the northernmost regions of the globe are not isolated, but closely integrated into the international community, and indeed, there is a manifold growth in its geo-strategic importance in world politics and economics. There is also a growing global interest toward the region and its resources, and options for either to be, or become, actively present in the region.

This is largely on one hand, due to growing interest in the region's rich potential energy resources, and a growing utilization of them, by the Arctic states as well as powers from outside the region which have shown their regional interests through energy security. On the other hand, this is largely due to global environmental problems, such as long-range air and water pollution, and climate change and its physical and socio-economic impacts. Climate change much precipitates physical change and contributes to Arctic vulnerability thus reinforcing the interdependence between the Arctic and the rest of the globe. Furthermore, this is even more due to the combination of the strategic importance of energy security and a potentially bigger share of more accessible Arctic regions in the global economy due to global warming and melting sea ice. As one of the results would be for example, new potential global trans-arctic sea routes between North Atlantic and the Pacific. Finally, all this indicates that the High North plays an important role in world politics and economics, but also that the region has entered into a significant and multi-dimensional geopolitical and geo-economic change.

The idea is that the papers of the Calotte Academy 2010 both cover at least one of the two aspects and deal with both of the geographical contexts. And furthermore, that each paper will bring one to two points of view to the discussion on the main theme.

The main theme much deals with the focus areas of the Thematic Network on Geopolitics and Security of the Northern Research Forum (NRF) and the University of the Arctic (UArctic), and hence the Calotte Academy 2010 also plays as the first meeting place for this Thematic Network. Finally, there is a tentative idea to make a publication on the main theme based on the paper presentations at the Academy 2010. Therefore, each presenter is asked to write and deliver an abstract on her / his presentation beforehand.

## **Route and Program**

When travelling from Rovaniemi, Finland to Apatity on the 7th of April the first stop (for the core group of speakers and participants) of the Calotte Academy 2010 will be in Salla, a Finnish town located just beside the Russian border. There will be a short discussion on northern economies and economic development of East Lapland with local policy-makers hosted by the Municipality of Salla.

The first sessions of the Academy 2010 will be in Apatity on the 8th and 9th of April. They are organized back-to-back to the 5th international scientific conference, *The North and the Arctic in the New World Development Paradigm - Luzin Readings 2010* in April 8-10, 2010. It is organized by the Institute of Economic Studies and the Kola Science Centre, Russian Academy of Sciences (see Call for Papers).

Here "back-to-back" means on one hand, that all the participants of the Calotte Academy will attend the program of the first day, and some of them will be among the speakers of the Plenary Session, of the Conference on the 8th of April. Correspondingly, those participants of the Conference, who are interested in, are welcome to attend the Calotte Academy sessions on the 9th of April. On the other hand, "back-to-back" means that the main theme of the CA2010 supports well the conference theme by giving additional points of view.

After Apatity the Academy 2010 will continue the route and stop in Murmansk on the 10th of April for a Youth Conference organizes by the Murmansk Humanities Institute. The four topics of the conference are *Health ecology under conditions of the High North, Health ecology socio-economic aspects, Global warming-myth or reality?, and Environmental safety on the Kola North*. There will be 2-3 reports on each topic (supported by printed materials in English).

Sunday, the 11th of April will be a travelling day from Murmansk to Kirkenes, Norway, where will be two sessions on Monday, the 12th April. The sessions will be organized in cooperation with the Northern Dimension Institute's Scientific Thematic Group "Energy & Environment" (STGEE) which is under development by the Barents Institute. It is an open forum that will link northern researchers and developers into multidisciplinary alliances. It will promote collaboration in the Northern Dimension research communities, and between them and the public and industrial sectors. As

part of the NDI it will facilitate applications to EU and other funding agencies for running projects within the scope of interest.

STGEE is one of four such groups that are being established in 2010 under the auspices of the Northern Dimension Institute's (NDI), the others are: "Public Health", "Logistics" and "Culture and Education". The NDI is a new European Union umbrella research institute and think-tank that is a new component in its Northern Dimension policy. Its secretariat is based at the Lappeenranta University of Technology, Finland. Russia, Norway and Iceland are full partners in the Northern Dimension policy, the US and Canada are observers.

Here the Calotte Academy 2010 acts as the first platform for discussions of a NDI Thematic Group, and also as a meeting place for members of STGEE and the NRF-UArctic Thematic Network on Geopolitics and Security. This Thematic Network will also have its business meetings, first in Kirkenes and then in Inari.

The last stop and final public sessions will be in Inari, Finland, where are the roots of the Calotte Academy, on Tuesday, the 13th of April. The final destination (for most of the speakers) will be Rovaniemi on Tuesday-evening.

## Detailed Program and Schedule

### Wed. 7 April, 2010 travel to Apatity

- Charter bus to pick up morning passengers from Rovaniemi airport at 8:50
- Bus leaves from Rovaniemi for Apatity at (approx) 9:00
- At 12:00 – 14:00 in Salla: Discussion on economic development in Eastern Lapland and on Salla-Kantalahti economic corridor by the Municipality of Salla
- Dinner in Apatity

### Thurs. 8 April, 2010 in Apatity

#### At 9-9:45: Opening of the Conference Luzin Readings 2010

Welcoming speeches by D. Dmitrienko, Governor of the Murmansk Region; V. Kalinnikov, President of the Kola Science Centre; and M. Antropov, Mayor of Apatity

#### At 9:45-16:30: Plenary Session

Among the speakers are:

**A. Granberg**, Academician of the Russian Academy of Sciences

**V. Lazhentsev**, Professor, member of the Russian Academy of Sciences, St. Petersburg

**I. Eliseeva**, Member of the Russian Academy of Sciences

**V. Okrepilov**, Corresponding member of the Russian Academy of Sciences, St. Petersburg

**U. Wrakberg**, Senior Scientist, Barents Institute, "Current Concepts for Cross-border Collaboration in the Barents Region"

**M. Blunden**, University of Westminster

**R.O. Rasmussen**, Professor, Roskilde University, Denmark

**R. Tripolsky**, Professor, Murmansk

**L. Heininen**, Docent, Chairman of the Northern Research Forum, "Northern Geopolitics in a change, and the High North in World Politics"

**V. Kostyukevitch**, Minister of education and science of the Murmansk region

**A. Pilyasov**, Professor, Moscow

**V. Akulov**, Professor, Petrozavodsk

**I. Shpector**, President of the Union of Polar cities

**A. Shishkin**, Professor, Petrozavodsk

**Yu.P. Shaposhnik**, General director of 'Apatit' company

#### 19.00-21:30: Reception at the Municipal Library of Apatity

## **Fri. 9 April, 2010 in Apatity**

### Morning session of the Calotte Academy 2010 at 9:30-12:30: *Economics, Resources and Development*

1. **Ilmo Mäenpää**, Thule Institute at University of Oulu, "Economic Development of Barents Euro-Arctic Regions in 2000's"
2. **Vladimir Didyk**, Institute of Economic Studies at the Kola Science Centre, "The impact of global crises on urban settlements of the Russian High North: the results of a survey"
3. **Nikolai Kolesnikov**, Institute of Economics of the Karelian Research Center of the Russian Academy of Science "Foreign investments as an indicator of economic cooperation in the Arctic Region: case of the Russian North"
4. **Larisa Riabova**, Institute of Economic Studies at the Kola Science Centre, "State policy in the Russian North and its social outcomes"

### Afternoon session at 14:00-16:00: *Economics, Resources and Development*

1. **Elena Bashmakova and Ludmila Ivanova**, Institute of Economic Studies at the Kola Science Centre, "Social responsibility of corporations in northern regions of Russia"
2. **Alexey Konovalov**, "The Northern Transport Corridor – a sea route from Murmansk to Petropavlovsk-Kamchatsky – as an implementation of Russian policy in the High North"
3. **Helga Haftendorn**, Free University of Berlin, "A Nordic Concept of Security"

### Plenary session at 16:30-18:00: *Sum-up*

## **Sat. 10 April, 2010 in Murmansk**

- Departure to Murmansk by charter bus at 10:00

### Session of Youth Conference at Murmansk Humanities Institute at 13:00-17:00: *Health, Ecology and Environment*

Reports on the following topics:

1. Health ecology under conditions of the High North
2. Health ecology socio-economic aspects
3. Global warming - myth or reality?
4. Environmental safety on the Kola North

## **Sun. 11 April, 2010 towards Kirkenes**

- Departure from Murmansk to Kirkenes at 10:00 - arrival (approx) at 16:00

At 17:30-19:00: Business meeting of NRF-UArctic Thematic Network on Geopolitics and Security

- Dinner

## **Mon. 12 April, 2010 in Kirkenes**

Sessions in Kirkenes are organized in cooperation with the Scientific Thematic Group on "Energy and Environment" of the Northern Dimension Institute (NDI STGEE).

Morning Session at 9:00-13:00: *Energy and energy security*

1. **Matthias and Amanda Finger**, Swiss Federal Institute of Technology in Lausanne, "Energy security, geopolitics, and arctic governance"
2. **Mika Flöjt**, Pyvi at University of Lapland, "Energy and Energy Security in European North"
3. **Svetlana Touinova**, Institute of Economic Studies at the Kola Science Centre, "Problems, threats, opportunities and challenges for energy policy of Northern Region in Russia"
4. **Björn Gunnarsson**, School of Renewable Energy Science, RES, "Assessing the Future Potential of Renewable Energy Sources in the Arctic Region: The Role of Alternative Energy Systems and the New Arctic Energy Portal"

Afternoon Session at 14:00-17:00: *Business meeting of the NDI STGEE*

- Presentation on the NDI STGEE by its chairman and coordinator Urban Wråkberg
- Round table discussion of the needs for further knowledge following from the global increase in geo-economic interests in the high-north, by the necessity of good stewardship in the utilisation of its natural resources, and for to identify further synergies of Northern Dimension cross-border economic and social development.

Departure to Inari by charter bus at (about) 17:00

At 21:00: Dinner in Inari, and Business meeting of NRF-UArctic Thematic Network

## **Tues. 13 April, 2010 in Inari**

Session(s) of the Calotte Academy in Inari

Opening at 9:00-09:30: *Coffee and welcoming speeches*

Morning Session at 9:30-12:00: *Policies and Strategies of Arctic States*

1. **Harry Borlase**, University of Akureyri / University of the Arctic, "Consistencies and inconsistencies in the national strategies of the Arctic littoral states"
2. **Lotta Numminen**, Finnish Institute of International Affairs, "Perspectives to the Policies of the five Arctic coastal states"
3. **Joel Plouffe**, University of Quebec at Montreal (UQAM), "The Arctic in American IR literature: Framing Security and Policy Objectives for the United States"

Afternoon Session at 13.30-16:00: *Regionalism and Region-building in the High North*

1. **Heather Nicol**, Trent University, "The High North and Global Politics: Where do Indigenous Rights fit in Sovereignty Claims?"
2. **Gleb Yarovoy**, Petrozavodsk State University, "New regionalism, cross-border regions and international cooperation in the North"
3. **Igor Shevchuk**, Karelian Research Centre of the Russian Academy of Sciences, "Green Belt of Fennoscandia as one of the relevant concepts for sustainable development cooperation in the European North".

Departure to Rovaniemi by charter bus at 16:30



## Abstracts

**Elena Bashmakova and Ludmila Ivanova**, Institute of Economic Studies at the Kola Science Centre, "Social responsibility of corporations in northern regions of Russia"

Efficient development of the institute of "social responsibility of corporations" for northern regions of Russia has its own specificity caused by the following:

First, more close relations between population and businesses - regional industrial companies are located in settlements where they practically are so called "town-forming enterprises", forming most part of the local budgets, which is constituted from taxes revenues from the same companies;

Second, most of regional enterprises are part of larger industrial companies (groups, holdings), which on the one hand favour more stable and sustainable performance of enterprises, but on the other hand, make them dependent on policies of these companies, both in production and social context. As a rule the main economic actors in northern regions are the leading Russian corporations, which have already become transnational and their subdivisions: Loukoil, Sibneft', TNK-VR, Tatneft', Gazprom, Rusal, Norilskiy Nickel, Severstal', Eurokhim, Fosagro, etc.

Third, extraterritorial behaviour of large raw material based companies, which regional enterprises are part of is oriented to decrease of tax revenues to the region which bears most ecological and social burden.

**Harry Borlase**, University of Akureyri / University of the Arctic, "Consistencies and inconsistencies in the national strategies of the Arctic littoral states"

The Arctic has become increasingly an area for strategy making and policy formation. Despite the breadth of issues involved and the complexity of these documents, there is little known about what kind of political impact they will have on the region. This is particularly true of the Arctic Ocean states who are in the process of redefining their interests within the region, through national policy directives. Beginning with the release of Norway's High North Strategy in 2006, there has been a series of national directives released from each of the coastal Arctic states, the most recent coming from Canada in July of 2009. Though these strategies are tailored to national considerations, there are a number of commonalities in priorities and objectives that are consistent throughout each. This presentation will look at how four areas of foreign policy- cooperation, security, environment, and energy- are represented in each of the documents, as well as the similarities and differences as policy areas. It will also consider how the strategies symbolize a new level of commitment from the coastal states, and the types of outcomes coastal cooperation might initiate.

**Vladimir Didyk**, Institute of Economic Studies at the Kola Science Centre, "The impact of global crises on urban settlements of the Russian High North: the results of a survey"

**Matthias and Amanda Finger**, Swiss Federal Institute of Technology in Lausanne, "Energy security, geopolitics, and arctic governance"

The world's dependency on fossil fuels will only increase, and this despite all energy saving and substitution measures. The Arctic still holds significant reserves of fossil fuel resources (oil and gas), as well as mineral resources, which, because of global warming, will increasingly become accessible. The warming Arctic will also become more navigable to transporting these and other resources. Because historically the Arctic has already been highly militarized with the presence of the two main superpowers, it is likely that the development of the Arctic resources will rapidly turn into national security issues, in the Arctic even more so than elsewhere (e.g., energy security). This evolution will not only accelerate and exacerbate the extraction of Arctic's resources, it will also make it impossible to explore alternative approaches, in particular approaches that will leave the Arctic's natural resources undeveloped and the Arctic's biotic resources in the hands of its various indigenous peoples. Avoiding the extraction of the Arctic's is however a necessity in light of the looming global ecological crisis. This paper will analyze the current transformation of the Arctic into an "energy security battlefield" and try to assess the current governance traps. Furthermore, it will explore the options and likelihood of alternative solutions to such looming socio-ecological disaster.

**Mika Flöjt**, Researcher NIEM, Arctic Centre, University of Lapland, "Energy Security in the Barents region, more nuclear or new energy innovations? "

According to International Energy Agency the coming decades will be crucial for the Earth energy security and battle against global climate change. These two issues are deeply interlinked, in bad and the good. The coming era is predicted to be era growing demand of energy, having at the same time crowing insecurity of energy, due to intensifying climate abrupt events, which will hammer down city infrastructure and energy grids. In this research I try to figure out the existing energy systems of the Barents region, future perspectives and new possible roles of Barents renewable energy cooperation under the Barents Euro-Arctic Council.

**Björn Gunnarsson**, School of Renewable Energy Science, RES, "Assessing the Future Potential of Renewable Energy Sources in the Arctic Region: The Role of Alternative Energy Systems and the New Arctic Energy Portal"

Two central energy challenges facing us today are securing the supply of reliable and affordable energy, and effecting a rapid transformation to a low-carbon, efficient and environmentally benign system of energy supply.

Most remote communities in the Arctic Region use inefficient diesel-fueled generators for electricity generation, which leads to local pollution and rising GHG emissions, that in turn leads to climate change. In order to address the issues of fuel dependency, safety of supply and climate change, there is a need for increased focus on energy efficiency and utilization of indigenous renewable energy sources – i.e. more sustainable energy systems. To secure energy supply we need to find specific, unique and innovative energy solutions for communities at periphery. The new energy systems need to be able to provide electricity, heating and transportation fuels.

Hybrid energy systems – combination of renewable energy sources that provide a constant flow of uninterrupted power in conjunction with (or without) fossil energy sources, can provide increased fuel flexibility, energy efficiency, reliability, reduced emissions, and lower costs. Incorporating heat, power, and highly efficient devices (fuel cells, advanced materials etc.) can increase overall efficiency and conserve energy for a hybrid system when compared with individual technologies.

Subsequently, we need to do the following:

- (1) Promote the development of integrated alternative energy systems in the North, with the focus on keeping the share of renewable energy as high as possible;
- (2) Promote networking amongst renewable energy experts in the Northern countries; sharing knowledge and promoting transfer of technical know-how;
- (3) Find ways to encourage active cooperation between energy producers, energy users, as well as the scientific and research community to find innovative energy solutions for remote regions of the North, with the aim to make these regions as sustainable as possible in term of energy;
- (4) Assist in mapping the potential for each renewable energy source and its possible share in the overall energy mix for each region of the North;
- (5) Promote education in renewable energy science for the inhabitation of the North as well as training in the build-up, operation and maintenance of alternative energy systems;
- (6) Assess the capabilities of remote societies in the North to take full advantage of available renewable energy technologies, as well as provide information on initial capital investments, as well as operation and maintenance costs for alternative energy systems;
- (7) Assess the efficiency and dependability of such alternative energy systems under weather conditions prevailing in the North;
- (8) Promote demonstration projects in selected regions of the North to show the use and efficiency of such alternative energy systems in remote locations.

**Helga Haftendorn**, Free University of Berlin, "A Nordic Concept of Security"

Traditionally, the North has a history of military neutrality and a predilection for peaceful settlements. The Nordic Concept of Security is based on mutual respect for Arctic states' sovereignty, consideration for the development of indigenous peoples, and a commitment to the rule of law. It differs somewhat from the political concepts of other European states and the USA or China. Its post-Cold War form is based on three elements:

1. Extended human security;
2. Peaceful settlement of conflicts; and
3. Arms Control and Disarmament.

Extended human security involves meeting the needs of the individuals living in the Northern region and assuring them a life without great fear and danger. It presupposes the rule of law, the assurance of human rights and fundamental freedoms; good governance and social justice. In the North it is principally focused on the human development of the indigenous people.

The peaceful settlement of conflicts refers to both states and social groups. Sources of conflict in the Northern region relate to marine boundaries that have not yet been finally settled and that involve territorial claims. Most acute is a conflict in the Barents Sea on the extension of Norway's and Russia's continental shelf and their exclusive economic zones (EEZ). At stake is the right to exploit the rich gas and oil deposits in the area. Norway has submitted its claims to the UN Commission on the Limits of the Continental Shelf. CLCS rulings are, however, non-binding. Russia has not accepted a ruling favourable to Oslo that would entitle it to a larger EEZ. But both countries have agreed to settle their differences by arbitration.

Other bones of contention are the status of and the control over the Northern Seaway following the Siberian coast. Moscow insists that this route is a domestic line of communication requiring advance permission and the payment of substantial fees; members of the European Union, however, maintain it is an international waterway; they demand the right of innocent passage. As this watercourse is open only for a number of months in the summer, the conflict is not acute; and concessions on fees and procedures could be more productive than legal clarifications.

Likewise, a pragmatic solution for the Norwegian-Russian disagreement on fishing rights in Svalbard's EEZ should be easier to be reached than a consensual interpretation of the Svalbard Treaty of 1922.

Arms Control and Disarmament: Though none of the Northern states harbours any hostile intentions, the deployment of substantial military forces in the North, military over flights and nuclear submarine sailings near other Arctic states boundaries can be interpreted as aggressive acts and generate counter reactions. To prevent tensions building up in the North, states will be well advised to agree on the limitation of flight patterns and nuclear submarine activity. Another potential arms control device is a Nordic nuclear weapon's free zone. Confidence- building measures will further contribute to a friendly climate among northern neighbours.

In my conference paper I will discuss the utility of the concept of Nordic Security and its limitations. I will further ask how its application could be broadened and strengthened. An area holding many uncertainties due to climate change might serve as a model for the rest of the Arctic.

**Lassi Heininen**, Docent, Chairman of the Northern Research Forum, "Northern Geopolitics in a change, and the High North in World Politics"

The twenty-first century's High North is a stable and peaceful area without either armed conflicts or an uncontrolled race on natural resources, which enjoys considerable international, mostly multi-national, cooperation. Furthermore, northern regions of the globe are not isolated, but closely integrated into the international community, and indeed, there is a manifold growth in its geo-strategic importance in world politics and economics. There is also a growing global interest toward the region and its resources, and options for either to be, or become, actively present in the region. This is largely on one hand, due to the growing interest in the region's rich potential energy resources, and a growing utilization of them, by the Arctic states as well powers from outside the region which shown their regional interests through energy security. On the other hand, this is largely due to global environmental problems, such as long-range air and water pollution, and climate change and its physical and socio-economic impacts. Climate change much precipitates physical change and contributes to Arctic vulnerability thus reinforcing the interdependence between the Arctic and the rest of the globe. Furthermore, this is even more due to the combination of the strategic importance of energy security and a potentially bigger share of more accessible Arctic regions in the global economy due to global warming and melting sea ice. As one of the results would be for example, new potential global trans-Arctic sea routes between North Atlantic and North Pacific Rim. Finally, all this indicates that on one hand, the High North has entered into a significant and multi-dimensional geopolitical and geo-economic change, and on the other hand, the region plays an important role in world politics and economics.

**Nikolai G. Kolesnikov**, Researcher, Institute of Economics of the Karelian Research Center of the Russian Academy of Science, 'Foreign investments as an indicator of economic cooperation in the Arctic Region: case of the Russian North'

The Arctic North with the adjacent areas constitutes the focus territory for several regional initiatives at levels varying from the community networks to intergovernmental organizations active in various spheres. The Arctic Council, the Northern Forum, the Barents Euro-Arctic Council (BEAR), Nordic Council of Ministers (NCM) are just a few examples of those initiatives.

One of the major aims, most of the initiatives are targeted to, is to promote the business cooperation in the region. The idea that lays in the background of the current study is to examine the foreign investments flow originated from the Arctic states and directed to Russia as a whole and, in particular, to Russian Northern areas. In this case the

investments are considered (regarded) as an indicator for measuring the intensity of the economic cooperation. The investing countries that are covered with the study are Norway, Sweden, Finland, and Canada.

The investments originated from Norway are mostly concentrated in the European North of Russia being present in almost every area (Subject of Federation) located in the respective region. However, the investments have been also made in several other areas dispersed all over the Russia. The major beneficiary of the Norwegian investments is Murmansk Oblast (which is a part of the Russian European North) that shares the common border with Norway.

The spatial priorities for investments from Sweden are not bounded with a single macro-region. Nevertheless the European North of Russia with its adjacent areas is the region that attracts the major share of investments from Sweden.

The Finnish investors are active in the region that is commonly regarded as Northwestern Russia and intersects in its greater part with the European North of Russia. Every Northwestern area and some adjacent areas benefit from the Finnish investments plentiful in volume as compared to investments made in other areas.

The investments originated from Canada are concentrated mainly in the southern areas of Siberia and the Russian Far East. Three separate northern areas have gained Canadian investments above 10 mio. US dollars within the period of 2006-2009.

The case of the Arctic countries shows that spatial allocation of foreign investments largely depends on the geographical proximity of the investing country: the closer the investing country to the potential beneficiary, the higher concentration of investments in the border areas of the beneficiary country.

Another factor that should be taken into consideration is institutional framework. Relying on investments as the indicator we may conclude that the highest intensity of business cooperation between Russia and the Arctic countries is located in the region that is covered with BEAR initiative, and adjacent areas. Whether the regional initiatives correlate with or exert influence on investments particularly and business cooperation in general is a matter for further studies.

**Alexey Konovalov**, "The Northern Transport Corridor – a sea route from Murmansk to Petropavlovsk-Kamchatsky – as an implementation of Russian policy in the High North"

**Ilmo Mäenpää**, Thule Institute at University of Oulu, "Economic Development of Barents Euro-Arctic Regions in 2000's"

All countries of the Barents Euro-Arctic Region (BEAR) - Norway, Sweden, Finland and Russia – have at present have systems of economic statistics which are based on the statistical system of EU, the European System of Accounts. Thus all BEAR countries adhere in their economic statistics to the same concept definitions, classifications and compilation methods at national as well as regional levels. And also, comparable regional level statistics can be found in all countries BEAR. In particular, Russia's regional statistics are compiled in very comprehensive yearbook Regions of Russia.

Economic statistics measured in own currency of each country have to be converted into a single, uniform purchasing power unit which can be done by the purchasing power parity (PPP) coefficients. At present there are available sophisticated PPP coefficients for almost every country of the world compiled by international organizations OECD, Eurostat and the World Bank.

The presentation creates an overview of BEA-regional economies, namely the physical magnitudes of surface area and the population, the level of economic activity or gross regional product, the production structure or the value added by branches of production and the livelihood of the population or households disposable income in the year 2005 and their developments over 2000 - 2007.

Additionally the presentation studies possible problems in the unification of statistics of different countries at regional level which include e.g. incorporating the value of sc. subsistence economy into value added of the market economy and regional differences in the PPP coefficient inside a country.

**Heather Nicol**, Trent University, "The High North and Global Politics: Where do Indigenous Rights fit in Sovereignty Claims?"

Nations states located within the circumpolar region have signed agreements with indigenous groups, and they must recognize and reflect the legal obligations they have entered in regarding indigenous territorial rights, particularly when they represent their own territorial claims. A case in point is the discourse surrounding Canadian sovereignty and the "international" ascription of the Northwest Passage. This passage, according to Inuit tradition has been a hunting territory for centuries. While the Law of the Sea views Canada's position strictly from a Westphalian framework, The United Nations Declaration of Human Rights and its more recent Declaration of Rights of Indigenous Peoples (UNDRIP) enshrines indigenous rights, and indeed, the latter has become the referent documents for indigenous people with respect to Arctic sovereignty. Article 26 of the Declaration, which passed in 2007, declares that "Indigenous peoples have the right to the lands, territories and resources which they have traditionally owned, occupied or otherwise used or acquired." This paper explores the potential role of the UNDRIP in supporting indigenous claims in Canada's north, and in influencing Canada's claim to sovereignty in the Arctic Ocean and the Northwest Passage.

**Lotta Numminen**, Finnish Institute of International Affairs, "Perspectives to the Policies of the five Arctic coastal states"

As the main political actors of the Arctic Ocean, the five coastal states, Russia, Canada, the US, Denmark-Greenland, and Norway will set the future Arctic agenda.

The coastal states have assured willingness to remain committed to the UN law of the sea, and "to the orderly settlement of any possible overlapping claims" in the Ilulissat Declaration. They have also expressed a view that there is no need to develop a new comprehensive international legal regime to govern the Arctic Ocean and that they are willing to contribute actively to the work of the Arctic Council.

These statements indicate that the coastal states are willing resolve the Arctic Ocean issues, especially those related the energy reserves and fishing, among themselves in stead of establishment of, for example, an international Arctic treaty. Thus, the Arctic Council is likely to remain as the main forum of international governance and cooperation and the UNCLOS as the main legal framework regulating the future of the Arctic Ocean.

National policies of the coastal states have also influence on the future of the Ocean. The coastal states have similar interests when it comes to the use of resources, but there are also differences in the national approaches.

**Joel Plouffe**, University of Quebec at Montreal (UQAM), "The Arctic in American IR Literature: Framing Security and Policy Objectives for the United States"

Images of disappearing ice in the Arctic, thoughts of increased competitive economic activities and maritime claims, and endless opportunities in the unknown world of the Great North have revived "Frontier language" in American IR literature, with references to founding myths of the United States (Jackson-Turner) and their significance in the Arctic in contemporary times. The "far away" Arctic is now being perceived and addressed like never before in IR forums and literature, with potential impacts on national and foreign policymakers in Washington. This paper wishes to examine American IR literature since the publication of the Arctic Climate Impact Assessment in 2004 and identify potential "framing patterns" establishing the "Arctic" as a security policy problem for the United States. The paper concludes with a look at the U.S. Arctic Regional Policy of 2009 which establishes new policy objectives for Washington in the Arctic and redirects the traditional approach to perceiving Arctic security in the United States.



**Larisa Riabova**, Institute of Economic Studies at the Kola Science Centre, "State policy in the Russian North and its social outcomes"

In the presentation the current federal policy towards Northern regions in Russia will be discussed. The loopholes of Russian northern legislation and shortcomings of federal northern policy will be indicated. The social outcomes of the northern federal policy and the need for more socially oriented strategies in the Russian North will be envisaged.

**Igor Shevchuk**, Karelian Research Centre of the Russian Academy of Sciences, "Green Belt of Fennoscandia as one of the relevant concepts for sustainable development cooperation in the European North".

The concept of the Green Belt of Fennoscandia (GBF) appeared early in the 1990s as the result of international cooperation and united efforts in implementation of sustainable development principles, implying a balanced combination of economic development and nature conservation the society is interested in. GBF is a zone stretching along the Russian-Finnish (and Russian-Norwegian in the North) border from the Barents to the Baltic Sea. GBF also includes waters, islands and coast of the Gulf of Finland in the Leningrad Region. GBF core areas are nature reserves of both national and regional subordination and they are ecologically linked with the pan-European environmental network Natura 2000 and with Norwegian nature reserves.

Today it is widely assumed that GBF will facilitate the generation of a holistic environmental-economic domain where the aim of conserving unique northern nature shall take historical and cultural characteristics of local people into account and be integrated with the targets of economic development of respective administrative districts, municipalities and settlements.

To a wider political extent GBF is being recognized as a model for international cooperation in sustainable development of the area that used to be geo-strategically disputed. The multiplier effect of such cooperation could bring new solutions to stagnant problems hindering dialog between the countries that still are trying to outdo each other in standing up for illusive political goals.

**Svetlana Touinova**, Institute of Economic Studies at the Kola Science Centre, "Problems, threats, opportunities and challenges for energy policy of Northern Region in Russia"

PROBLEMS. The recent announcement of a new state energy policy in Aug 09 casts a shadow of uncertainty over Russia's future direction and commitment towards renewable energy. This policy announces that *"the country's economy eventually will turn towards the use of alternative energy resources. However, before that, the country will boost production of oil and gas"*. This amendment updates Russia's previous policy which laid out Russia's approach to energy through to the year 2020. The policy revision was made as a result of recent pressures brought about by the world-wide "credit crisis". Russia's commitment to renewable energy policy is now pushed out by a further decade to 2030. Within the Murmansk region, this new policy impact needs to be fully assessed and new

regional policies devised. What are the plans for the new regional administration? Is there a desire and political appetite for the region to become a pioneer of renewable energy in the light of the new energy policy? Can it be stated that this lack of policy commitment could result in the region encountering difficulties which may, in the medium to long term, threaten Energy Security for the North West. Problems with energy generation (equipment obsolescence), energy transmission (grid limitation) and energy tariffs (profiteering) all need to be coherently and consistently managed

THREATS. Lack of operational controls and effective legislative structure towards the development of renewable energy within the region does inevitably impose uncertainty. If this uncertainty is not managed effectively and early investment secured (either from within Russia or from foreign collaboration) then how sustainable is the region's current energy balance? How long can current operations continue and be sustained - if a "do nothing" energy policy is adopted across Russia? Is there an understanding of what critical (generator) mechanical components may fail first? Is there an understanding of which industries will consequently be worst effected should electricity supplies become intermittent? Is it to be anticipated that privatised generator companies will want to invest and replace failed components to provide future energy security or will they adopt a minimalist "patch and repair" policy. How long can the region's current infrastructure continue to operate if nothing further happens to sustain the regions energy capability? What is the outlook for the Kola nuclear power station (who's life has already been extended by 25 years) what plans are in place for the next 15 years? Will a new power station be commissioned? Will new reactors be constructed? Or will the power station be de-commissioned? Indeed, could the region sustain the complete withdrawal of the power station if nothing further occurs to supplement its grid energy loss?

OPPORTUNITIES. The rest of the world is moving forward at a pace with large scale commitment to renewable energy, in particularly wind energy. Russia currently lies 52<sup>nd</sup> (of 76) in world table of installed wind energy production. Many countries, especially across Europe, are adopting a 20-20-20 policy (*by the year 2020, to reduce fossil fuel consumption by 20%, to reduce CO2 emissions by 20%, to increase renewable energy generation by 20%*). Many of these countries DO NOT HAVE the renewable energy potential evident in the Kola Peninsula. The table below shows that the Kola Peninsular can potentially generate more wind energy than many similar areas across the world. Scotland (who's geography is not so dissimilar to that of the Kola Region) has only a third of the potential of the Kola Peninsula. Coupled with this huge potential for wind energy is the immediate availability of Kola's 17 hydro electric plants to help provide stable energy sources during lower periods of wind speeds. Valerie Minin (head of the Lab for renewable energy in Kola Science Centre) projects renewable energy could replace 351,000 tonnes of fossil fuels if the Centre's programme on renewal energy is adopted. Also planned for construction are two windparks (200mw and 100mw). The first along the Murmansk – Tumany road and will be built by Windlife Energy BV. Today, the company already has in its hands the positive decision of the Murmansk Regional Interdepartmental Commission on the Industry Citing to build the wind park, as well as all necessary documents confirming its location. Paul Logchieis, the company's director, suggests the Murmansk Region has the highest wind indicators in Europe. These benchmark data were a catalyst in the European Bank of Reconstruction and Development's decision to earmark, despite the world financial crisis, €300 million for the realisation of this project. It is planned the

wind park will be operational by 2012. Although there are dependencies in obtaining support from the Russian Federation for the framework of federal laws on the support of sources for alternative energy. The second wind park will be built by the St. Petersburg based Russia company Russky Veter, Ltd. (Russian Wind, Ltd). It's 50 windmills will be situated in the Pechenga District of the Murmansk Region near the village of Linakhamara, where the average wind speed reaches eight metres a second. The approximate cost of construction is €110 million. It is assumed that the means to realise the project will come only from Russia banks and investors. The plan is that the wind park will come online in 2011, and will have paid for itself in seven to nine years. Construction is slated to start at the end of this year.

Region	Population	Area Total	Potential Wind/All
Scotland	5,168,000 (2008)	78,782km <sup>2</sup>	127 TWh
Norway	4,839,008 (2009)	385,252km <sup>2</sup>	20TWh (2020)
Kola Region	1,164,586 (1992)	144,900 km <sup>2</sup>	360 Twh

As oil stocks decline, Aberdeen (Scotland) is trying to recreate itself from the "Oil Capital of Europe" to the "Energy Capital of Europe". Can the port of Murmansk similarly position itself as a world energy centre? It is the gate to the Arctic Sea Way and is comparatively close to the ports of Western Europe. It is ice free all year round. Do the oil and gas deposits located in the arctic shelf area offer fresh opportunities for Murmansk to become the energy capital of the North West region? In summary, opportunities for self-sufficiency within the region clearly exist. Significant research and effort has already taken place to assess the, determine and evidence the viability of the region to pioneer the way forward for the rest of Russia and to bring the region to the same footing as the rest of Europe. Critically, the Kola Region is regarded by foreign experts and investors as an area of enormous potential that can demonstrably bring about commercial success.

**CHALLENGES.** The region must energetically and positively pursue regional security on two fronts. Outward: to pursue continued self-sufficiency through innovative energy policies and legislative reform to emerge as a creditable and viable and attractive renewable energy generator rivalling Europe's and the world's best. Inward: to conduct a forensic and objective assessment of the regions capability to sustain its current capabilities over the next decade in the absence of policy reform and foreign/regional development to renewable energy.

**Urban Wråkberg**, Senior Scientist, Barents Institute, "Current Concepts for Cross-border Collaboration in the Barents Region"

The presentation will discuss contemporary motives and drivers of Barents regional collaboration, such as cross-border integration of maritime, road and railway transport networks, seen also in the wider dynamics of a transcontinental context. The role of knowledge production applied to business and regional development will be considered. By comparison with similar designs applied elsewhere in the European borderlands and in Russia, reflections will be made on some of the experiences of the geo-economic innovations applied or discussed in Barents regional collaboration so far. This includes twin-city collaboration, Special Economic Zones, maritime logistical hubs and cross-border industrial clustering.

**Gleb Yarovoy**, Petrozavodsk State University, "New regionalism, cross-border regions and international cooperation in the North"

In 1999 L. Hedegaard and B. Lindström in the volume under the title "The NEBI Yearbook 1998" outlined four scenarios for the development of interrelationship in the North European and Baltic Sea macro-region: inter-state integration, block-building, 'Balkanization' and inter-regional integration. Five years later they found all described scenarios relevant for the future of the region (Hedegaard L., Lindström B. 1999, 2003). Needless to say that the authors did not consider Russia (and Russian sub-national regions) as an essential part of the region.

At that time they regarded the first scenario, i.e. inter-state integration as the most realistic. Such institutions as Nordic Council and Nordic Council of Ministers, Council of the Baltic Sea states prove their stability and efficiency. However the block-building scenario has had and is still having reasons to be taken into consideration. Although NATO, the EU and the Arctic Council are not at all antagonistic organizations, yet they have different agendas, and thus Finland and Sweden (EU members and not NATO members) on the one hand and Iceland and Norway (NATO members and non-EU countries) on the other hand have specific dimensions in their internal and external policies. While the so called 'Nordic identity' formerly used to be the unifying substance for Nordic integration, Norden, today the researchers are claiming that the Nordic identity is eroding vis-à-vis the broader European identity, Nordic values are not unique any more, they were replaced by common European values .

'Balkanization' was estimated to be the least possible option. Of course, the disparities and different interests exist between the Nordic regions. The northernmost regions are more disposed to discuss Arctic issues, southern regions are eager to solve the Baltic problems, eastern are concerned with the questions and prospects of cooperation with Russia. Therefore, although 'balkanization' appears not to be the most relevant term to describe the current situation, 'the North of the regions' (which is an illustration of the fourth scenario) is not likely to emerge for the foreseeable future.

Which scenario seems to be more appropriate for the future of the NEBI region? – the question is still open. To answer this question it is essential not to ignore such trends as regionalization and region-building, increasing role of the indigenous people, eroding of the state sovereignty etc. All these phenomena could influence the developments of international relations in the North and 'regional' scenarios could outweigh the others.

In this context the main idea of my presentation is to assess if the described scenarios and trends are relevant to describe both the future of the NEBI region and the prospects of cooperation in the wider area which is labeled the 'New Northern Europe' by Russian researchers (see Deryabin, Antyushina 2008) and which I by analogy with NEBI call NEBR (Northern Europe, Baltic and Russia)?

## About the Calotte Academy

The Calotte Academy 2010 is an annual travelling symposium for a dialogue among members of the research community and students, and a wide range of other northern stakeholders. Further, the Academy is structured so that in each location there will be a working session with academic presentations and / or a public session with expert presentations.

The 2010 Academy will also act on one hand, as a sub-forum for the 6th Open Assembly of the Northern Research Forum (NRF) "*Our Ice Dependent World*", which will take place in October 24-27, 2010 in Oslo and Kirkenes, Norway (see NRF website – [www.nrf.is](http://www.nrf.is)). On the other hand, it is the first meeting place for the NRF-UArctic Thematic Network on Geopolitics and Security.

