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# Competing Arctic Futures

## Historical and Contemporary Perspectives

Edited by  
**Nina Wormbs**

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Editor

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*Editor*

Nina Wormbs

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and Environment

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Stockholm, Sweden

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## CHAPTER 8

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# Political Regime Influences in the Barents Euro-Arctic Region

*Alexander Gnatenko and Andrian Vlakhov*

In studies of Arctic futures, issues of regional development and public politics play a particularly important role. A crucial question in these studies is: how does regional governance influence the vision of Arctic futures? The collapse of the USSR brought forward new trajectories of institutional development in the regions of Russia, including ones located in the Arctic. From the beginning of the 1990s to the mid-2000s, the Russian political system experienced different forms of political institutional design both on the federal and regional levels, allowing scholars to call it an “institutional laboratory.”<sup>1</sup>

In this chapter, we study the Barents Euro-Arctic Region, or BEAR, located in Northern Europe and stretching through four countries. This transnational region emerged in 1993 after the collapse of the Soviet Union, aiming at developing cooperation between Northwest Russian regions and the Nordic countries.<sup>2</sup> Regional representatives of Finland,

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A. Gnatenko  
Agile Montreal, Montreal, Canada

A. Vlakhov (✉)  
National Research University Higher School of Economics,  
Moscow, Russia

Norway, Russia and Sweden, together with indigenous peoples, signed a cooperation protocol that established the Regional Council for the Barents Euro-Arctic Region with the same objectives—to support and promote cooperation and development in the Barents Region in the areas of economy, trade, science and technology, tourism, environment, infrastructure, and educational and cultural exchange, as well as projects particularly aimed at improving the situation for Arctic indigenous peoples.<sup>3</sup>

However, the BEAR regional cooperation has embraced two different versions of international relations. During Boris Yeltsin's two presidential terms (1991–1999), the dominant foreign policy framework was one of openness to regional cooperation. During Vladimir Putin's first presidency (2000–2008), the main aim of Russian foreign policy instead shifted towards regaining the USSR status of being a self-sufficient superpower.

We trace the trajectories of governance, local residents' voices and changes in the resource extraction structure in two Russian BEAR regions during the two decades following the fall of the Soviet Union, namely the Republic of Karelia and Murmansk Oblast. We show how the perspectives of the cooperation and the futures of the Arctic in these regions have developed among NGOs and local voices, using an interdisciplinary approach drawing on tools from political science and social anthropology.

## A BRIEF BACKGROUND

After the collapse of the USSR, Russia experienced dramatic changes in its governance structure. Both sides of the conflict, the president and the parliament, gave the regions many generous offers for their support in terms of financial resources and political rights. In turn, regions tried to influence federal politics and create more room for their own agenda. Yeltsin won the struggle in 1993 and implemented a constitution that gave the lion share of the political power to the president. The role of the regions diminished. In addition, intimidated by the decisive military actions against Chechnya, many regions were cautious and concentrated on bargaining with the federal centre on financial resources coming to the region.

In the 2000s, Yeltsin's appointee Putin continued the line of increasing the amount of federal power in the regions. The political slogan of

his first term in office was “strengthening the vertical of power.” Putin initiated the revision of regional legislation, created so-called federal districts to observe the activities of regional elites by presidential appointees, relaxed the impeachment procedure for the regional governors, along with a number of other measures. Finally, he reduced the scope of regional autonomy by removing elections and giving the president the power to appoint regional leadership.

The political and economic windows of opportunity provided by the collapse of the USSR allowed the regional political elites to pursue a regional agenda independently from the centre, despite the efforts by Moscow to control the regions. In contrast, Putin’s reforms on the federal level in the early 2000s have certainly reduced the space for action for the regional political elite. However, we argue that these reforms have not considerably changed the possibilities for the partners in the BEAR cooperation.

The Barents Euro-Arctic Region includes fourteen administrative units from four countries—Russia, Finland, Sweden and Norway. The region is governed by two bodies: the Barents Euro-Arctic Council (ministerial level) in charge of the general framework and policies, and the Barents Regional Council (regional level) working on the practical issues of cooperation.

The main driving party during the first period of the BEAR operation was Norway, who wished to gain access to Russian natural resources, whereas Russia was willing to bridge the technological and infrastructural gaps to the West and thus generally complied with suggested model and engaged in the cooperation with good grace.<sup>4</sup> During the following years, the cooperation shifted towards non-commercial areas. Twenty years after the first Kirkenes Declaration, a new one was signed in 2013 confirming the new focus. The new declaration reaffirms grass-roots human interaction and environmental, educational and cultural cooperation to be the main goals from then on, not touching on the sensitive matters of resources and major business (Fig. 8.1).

The Republic of Karelia and Murmansk Oblast, the Russian Northwest borderland regions, have much in common: their size and population are roughly the same, there are similar climate conditions and both share a lengthy land border with Finland (and Norway in the case of Murmansk Oblast). Practices of cooperation with neighbouring regions of Northern Europe have existed since the times of Imperial Russia. In the Kostomuksha district, the Karelians have practiced



**Fig. 8.1** Barents Euro-Arctic region: Borders and administrative division (*Source* Arctic Centre, University of Lapland (<http://www.arcticcentre.org/EN/communications/arcticregion/Maps/Barents>))

cross-border bartering of farm goods at least since the eighteenth century.<sup>5</sup> The instalment of the state border in the early Soviet years did not stop these practices. There is evidence that Karelians performed direct barter disregarding the state border up until the 1940s. For centuries, the Pechenga district in the northwest of Murmansk Oblast has also been an area of intensive cross-border cooperation which reached its peak in the eighteenth and nineteenth centuries.<sup>6</sup> The ports of the Rybachiy Peninsula were a common resource for Russian, Finnish and Norwegian fishermen and tradesmen up until the 1920s. The existence of such links in the past, preserved in the collective memory, helped to re-establish the cooperation after 1991.

However, there are also differences in the political regimes and economic structures of these two regions. The political regime that was established in Karelia in the 1990s and 2000s can be described as competitive. The regional governor could never fully control the regional political and economic elite, rather serving as mediator between different

actors. In Murmansk, on the other hand, powerful authoritative governance was established after a short period of competing elites. From 1996 to 2009, the governor had consolidated power in his own hands, controlling all aspects of life in the region, ranging from economic activities to the third sector.

The economic base of the Republic of Karelia consists for the most part of timber production, the bulk of which goes to neighbouring Finland and other EU countries. The entrepreneurs in the timber business are mostly regional. The regional economy of Murmansk is based on metallurgy, mainly for domestic use in the other regions of Russia. The enterprises producing metals are owned by large firms at the federal level.

How the region is governed identifies the paths of cooperation, ability of regional actors to develop projects with partners from bordering Northern European countries, and the scope of autonomy to exercise their own vision for the Arctic future. Given this similarity and diversity, we ask how regional governance influences visions of Arctic futures.

## THEORETICAL APPROACH AND METHODOLOGY

We approach the Karelian and Murmansk visions of Arctic futures from the perspective of the three interrelated categories: *governance*, *voices* and *resources*—categories presented in the introduction to this volume.<sup>7</sup> There are evident differences in the foundations and mechanisms of political processes as well as in the role of politics and institutions in established democracies and post-Soviet independent states. The political analysis of Russian regions provided in this chapter is based on the governance theoretical framework.<sup>8</sup> A governance approach “could identify common logic and specific tendencies of the development in Russia and the West.”<sup>9</sup>

Therefore, following the lines of the governance approach, we consider institutions, processes and organizational structures that define behaviour in the political system, covering both formal government and other institutions and processes. Furthermore, we consider institutions as “sets of rules, decision-making procedures, and programmes that define social practices, assign roles to participants in these practices, and guide interactions among the occupants of individual roles.”<sup>10</sup> Governance structures and institutions serve as mediators of the self-interests of actors.<sup>11</sup>

Governance structures also constrain, or expand, the capacity for actors to exert agency.<sup>12</sup> For example, it can set formal boundaries upon the range of permissible activities. Along these lines, governance structures are created by the actors achieving their goals (or failing to achieve them) at specific historical junctures. Nevertheless, such structures create continuity. Therefore, they persist for (either entirely or in part) considerably longer periods of time than the actors that shaped them.

This means that visions of the future embedded in these structures can continue to exercise projections beyond the period and purposes of their creation, following the will of those in power who created them. This also applies to international agreements based on consensus at a particular historical juncture, including those that have provided fundamental elements in later governance regimes.

According to Avango et al.,<sup>13</sup> voices articulate values as well as interests, and are produced by actors rather than existing independently of them. Ideas cannot emerge in the discourse unless articulated by an actor. The tools for studying voices are borrowed from social anthropology, in which actors' positions and interests are assessed through the study of their judgements as expressed in direct communication. We conducted a set of expert and in-depth interviews with different actors in the regions in question, ranging from ordinary town dwellers to local authorities, to evaluate how the ideas and actions of the governance structures are reflected in local narratives. The subjectivity of this discourse is essential: the interviews provide more direct access to individual perspectives than the reproduction of official narratives.

The other theoretical framework underlying our study is the analysis of resources as constructed rather than found, in the sense that they constitute cultural appraisals of utility and value. We trace changes in the resources extraction in these two regions of Russia over the given period of time and study how it relates to the trajectories of political developments and cross-border cooperation. (See also chapters by Warde, Avango and Lajus on resources.)

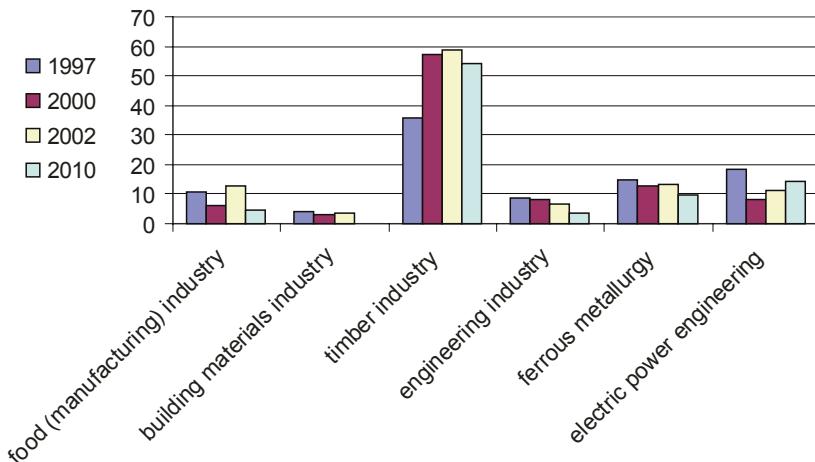
To trace the changes of governance and perceptions of the BEAR cooperation, we analysed articles, speeches, memoirs and interviews in the media conducted with senior regional officials and NGO representatives, as well as regional legal documents on the BEAR cooperation and socio-economic development reflecting socio-economic changes. To get up-to-date information and feedback on the political and economic events of the 1990s and 2000s as well as voices of grass-roots actors, two

field trips were made to Murmansk Oblast and the Republic of Karelia in 2012 when the research project was carried out. In both regions, we interviewed regional government officials, local experts, NGO representatives and local residents. Some of these interviews are expert ones, aiming at capturing official discourse and decision-makers' positions; such interviews include ones with regional and municipal government officials and large-scale company managers. Another type of recorded material is in-depth interviews with local residents of the regions in question, whose position indicates how the public policy and the extractive industry management influence grass-roots life and social interaction. All interviews were conducted with prior informed consent, and the full data-set of 48 transcribed interviews is kept by the authors. The main field study was conducted in 2012, but data from later research trips by Vlakhov (2013–2017) reaffirm the trends described in this paper.

### THE REPUBLIC OF KARELIA

The Republic of Karelia is situated in the north-western part of Russia and is rich in natural resources. Most important for the regional economy are timber production and ores, but fish is also exported to other regions of Central and North-West Russia, and building materials are a considerable source of revenue. The regional economic structure witnessed a change in resource extraction in the post-Soviet period. Two substantial pillars of Karelian economy emerged in the 1990s and 2000s. These industries revolve around timber (timber extraction, pulp and paper industry, logging industry, etc.) and ferrous metallurgy. The pulp and timber production industry rose considerably and served as a main source of revenue for the regional economy in the 1990s and 2000s.<sup>14</sup> Finland provided a growing market for timber. The inability of the state to control the economic sphere allowed timber industry producers to exist in the “grey zones” in the 1990s.<sup>15</sup> Moreover, “black producers” manufactured timber that illegally appeared on the market. Therefore, from the beginning of 1990s and onwards the wood processing industry became major in Karelia.<sup>16</sup>

Ferrous metallurgy of the region in the 1990s was taken over by the federal company Severstal owned by an oligarch, Alexei Mordashov. The revenues increased 6.5 times from 2004 to 2008 on markets in the EU as well as other Russian regions. Plant production rose in the 2000s and in 2010 constituted 32% of regional output (Fig. 8.2).<sup>17</sup>



**Fig. 8.2** Structure of the regional economy of Republic of Karelia, 1997–2002. Graph based on: *On the strategy of socio-economic development of Republic of Karelia to the year 2020*

After the collapse of the USSR, the Republic of Karelia took active political steps to improve the opportunities of defining the rules of the game in the new state. The regional governor, Victor Stepanov, leader of the Communist Party in Karelia during the Perestroika, had considerable political experience. Stepanov used the political situation—with emerging new governance structures and the windows of opportunity wide open—to promote the importance of Karelia for Moscow, the federal centre. To fulfil his agenda, he used a twofold strategy. Firstly, he used his deputy mandate in the Supreme Council for the Karelian agenda to strengthen the position of the Republic on the federal level. For instance, he proposed that Petrozavodsk be a meeting place for the Constitutional Council, which had to elaborate the draft of the Constitution.<sup>18</sup> Along with the other regional governors of Russia, Stepanov initiated negotiations with the federal centre on the Constitution to attain resources and political power. His other strategy was to allow the more radical of Karelian indigenous groups to give their agenda for secession with Finland to the federal press, so that Stepanov would seem a moderate reformer to the eyes of the federal political elite. Ethnic policy in Karelia is considered by officials to be insufficient; no indigenous language has

any official status, the rights of ethnic minorities are not well supported by the region, and ethnic activism is not strong even in the “national” districts.

Another important aspect of Stepanov’s political activities was the enlargement of partnership projects with Finland. He successfully lobbied for establishing the new Russian-Finnish border crossing points and a reduction of military zones (where no cross-border contact was possible) near the border.<sup>19</sup> His other political move was the opening of the office of Russian Ministry of Foreign Affairs in Petrozavodsk, which made it easier for local residents to access neighbouring Finnish regions. Stepanov established the attractiveness of the Department for Investments within the Karelian government, with the main goal of attracting foreign companies, mainly Finnish, to the region and of conceptualizing a regional economic strategy to neighbouring countries.<sup>20</sup> Another step towards the institutionalization of the collaboration with Finnish counterparts was the proposal of sending representatives of the Russian North-West to the Russian embassy in Helsinki. In Stepanov’s view, such a regional voice could help to ease contacts and serve as a direct mediator between the Finnish authorities and the Russian regions concerned. However, this proposal was declined by the Russian Ministry of Foreign Affairs.

Stepanov envisioned a future for Karelia enabled by signing bilateral agreements with Moscow, which could provide broader opportunities in political and economic spheres and intensify contacts with Finland as a source of revenue and know-how.<sup>21</sup> However, changes in the centre-regions relations, like the new Russian constitution adopted on the 1993 referendum and coercive strategies towards Chechnya, greatly reduced Stepanov’s ambition to heighten the role of the Republic.

We argue that the abovementioned extension of ties to Finland was seen by the regional governance as an important source of constituency support. The partnership helped to achieve “strategic goals” of regional cooperation and carry out projects in the social sphere, which were designed to improve the hardships of everyday life in the transitional period for the majority of the Karelian population. Between 1994 and 1997 there were about 250 large-scale projects financed in the framework of BEAR and other Nordic and European framework programmes.<sup>22</sup>

In 1998, Stepanov had lost the election to the mayor of Petrozavodsk, Sergey Katanandov. According to expert interviews, this happened due

to lack of control over the timber production industry: by 1998, it had become one of the important sources of regional revenue.<sup>23</sup> Thus, controlling resources seemed to be crucial for winning the elections in the Republic. A possible explanation for such outcome is that Stepanov promoted the autonomy agenda but failed in his attempts, which left the Karelian elites with fewer resources.

Katanandov, being the mayor of Petrozavodsk from 1990 till 1998, had prioritized sister-city contacts to foreign cities since the Soviet times. In the late days of the Soviet Union, Petrozavodsk championed this process; priority, however, was given to the Nordic cities. The policy of widening the contacts with Karelian neighbouring regions was further developed. Timber production remained one of the major issues of cooperation in the economic sphere, supplemented by numerous projects carried out with Finland and Sweden (mainly Västerbotten province) in the social sphere (orphan housing support and providing the population with food and clothes).<sup>24</sup>

Changes in the centre-regions relations in the beginning of 2000s, i.e. the “strengthening of the vertical of power”, met with no considerable objection among regional elites. Karelia was no exception. The Karelian elites followed the line of Kremlin’s policy, and this had implications for the cross-border cooperation. According to expert interviews, the cross-border cooperation and growth of contacts with Finland had been reduced in the 2000s, showing the lack of political motivation to extend existing contacts. The local experts on Karelian politics and NGOs share the view that the Karelian political elite had lesser incentives to broaden cooperation in the early 2000s, compared to the early 1990s, since the federal centre under President Putin provided little room for action in this sphere. However, another explanation of the reduction of cooperation is possible. Nomination of governors by the centre, instead of direct election by the population, gave the Karelian elites a great stimulus to stay loyal to the centre. According to a Karelian government official, it made no sense for the mayor of the region to participate in the cross-border cooperation meetings, since the payoff was small. At the same time, dealing with the federal centre could have been more beneficial in terms of financial resources received by the regional budget from the centre.<sup>25</sup>

We will illustrate the partnership with the case of Kostomuksha. This town was built in the 1970s, about 30 km from the Soviet–Finnish border, to develop newly discovered ore deposits. The iron ore processing

plant was built by Finnish contractors to comply with both Soviet and Finnish environmental standards—one of the first examples of environmental awareness in the Soviet Union. Parts of the town itself was also built by the Finns. As of 2017, the town was home to about 29,500 citizens, mostly Russians and Ukrainians resettled in the 1980s from other mining regions of the Soviet Union; about 4000 were employed by the plant. The “Karelskiy Okatysh” plant (“Karelian pellet”) is part of the large-scale federal company “Severstal group”, the leading player on the Russian steel and mining market. The group owns several large enterprises based in the northern regions of European Russia such as Vologda, Murmansk and Leningrad Oblasts and the Republics of Karelia and Komi. The Kostomuksha plant exports its production abroad, including Finland. Many other Nordic industrial companies operate in the town as well.

Alongside Soviet legacies in the economic sphere there are legacies in the social sphere. One is the so-called Society of Finnish–Russian friendship. It has existed since the beginning of town construction in the area. The society organized for example cultural events, mutual visits, and teaching Finnish in the town schools. It was most active at the turn of the century when cultural events organized by the Society took place every two weeks, but during recent years these activities have decreased. Exchange on behalf of the citizens improved as visiting became easier. Citizens of Kostomuksha use the opportunity to buy food and clothes at lower prices in the nearest town of Kuhmo, or to visit other EU countries via the Helsinki Airport. Vice versa, Finns visit Kostomuksha because of the lower price of spirits, cigarettes and petrol. Cross-border marriages have also been an important aspect of exchange and integration, primarily in the 1990s. Learning the language of the other side of the border has helped to establish friendly relations on the individual and family levels.

Environmental cooperation has also been developed in post-Soviet times. The main environmental problem of the district is the local mining plant that emits hazardous substances. The emission is monitored jointly by both Russia and Finland, and the filters that are used in the plant chimneys are repaired or replaced with joint funding. Deforestation has become a matter of bilateral concern as many forests were cut down during 1990s. There are a number of efforts to revive the forests, and several natural reserves were created along the Finnish border, some of them part of cross-border collaboration.

The intense contacts have left numerous important traces for the further collaboration: the Karelian governance shares the view that the Finnish regions are the Karelian partners on the European Union, in the political, non-governmental and grass-roots levels alike. Though decreased and stripped of romance, the Karelian cooperation with the Nordic countries persists.

### MURMANSK OBLAST

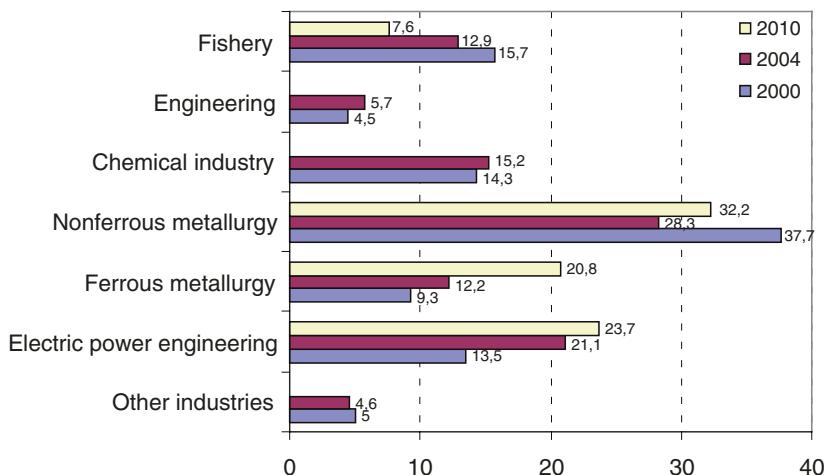
The resource base of Murmansk Oblast was a great asset to the Soviet Union. However, the dissolution of the Union brought many discrepancies to the region, as governing the extraction activities in the free market proved to be tricky.

After the fall of the Soviet Union, the Murmansk regional economy remained strongly oriented towards resource extraction. The base of the economy has developed around the so-called Kola mining complex, consisting of mining (ore extraction), nonferrous metallurgy, fertilizer production and sulphuric acid production.<sup>26</sup> These enterprises saw a structural crisis in the late 1990s. The birthmark of Soviet planned economy was building cities around enterprises and the Murmansk Oblast is a case in point. Due to a highly controversial process of privatization, the former Soviet giants in Murmansk were taken over by the big firms on the federal level run by Russian entrepreneurs later known as oligarchs, such as “Interros” of Vladimir Potanin, “Yukos” of Mikhail Khodorkovsky, “Renova” of Viktor Vekselberg, and “Severstal” of Aleksey Mordashov.<sup>27</sup>

The distribution of power between regional and federal actors in Murmansk Oblast varies from industry to industry, which can be clearly seen when comparing nonferrous metallurgy, the fishing industry and the marine. Nonferrous metallurgy and its substantial branch—electric power engineering—together constituted more than 50% of the regional GDP in the mid-2000s. The importance of federal companies for the regional economy was thus significant. On the one hand, the federal management never meddled in the Murmansk political elite’s struggle directly. On the other hand, federal management has always been interested in a strong regional governor to secure smooth economic processes and to evade disputes over property rights. In Soviet times, an important part of regional economy was the fishing industry. However, its role in the post-Soviet era has been reduced due to high taxes and customs

duties, which belongs to the federal sphere of legislation. During the 1990s, this had been a source of dispute between federal and regional authorities over taxes and custom regulations. The fishing industry has been declining throughout the 1990s and 2000s.<sup>28</sup> Another considerable source of the regional budget was the marine and the Northern Fleet. However, in the 1990s numerous financial issues and the non-payment of salaries to the servicemen, as well as debts of the Russian Ministry of Defence for goods and services delivered to the Northern Fleet, made this source of income less significant compared to Soviet times.<sup>29</sup> Changes in regional economic structure are summarized in the graph (see Fig. 8.3).

Compared to Karelia, Murmansk Oblast has had a different path of governance development. To have capacities that normally are related to a sovereign state were of great importance for the region and its governance. In parallel, the region has seen a massive depopulation for many years. During the Perestroika, the proportion of pro-reformist, pro-democratic voters was high in Murmansk Oblast owing to the comparatively high level of education and large urban population.<sup>30</sup>



**Fig. 8.3** Structure of the regional economy of Murmansk Oblast, 2000–2010. Graph based on: *Strategy of socio-economic development of Murmansk Oblast to the year 2020* ([https://minec.gov-murman.ru/activities/strat\\_plan/sub02/](https://minec.gov-murman.ru/activities/strat_plan/sub02/)). Accessed 4 February 2018)

Most of the Murmansk representatives in the Soviet, the Chamber of Soviet Parliament, became deputy members of the pro-reformist platform during the Perestroika. Boris Yeltsin, possibly influenced by this, appointed a representative of this democratic platform, Evgeni Komarov, as the governor of the Murmansk Oblast.

Compared to Stepanov of Karelia, the Murmansk Oblast governor, Komarov, was far more moderate in his struggle to enlarge the region's rights in the new statehood. Building on expert interviews and media coverage of the regional events of that period, we argue that Komarov's primary concern was the stabilization of governance in the region and setting up an agenda in the economic sphere. Deep economic recession, limiting Moscow's capacities of providing Murmansk Oblast with financial resources, and the absence of clear cut rules of budgeting and taxation left little space for Komarov to act accordingly to the formal rules. This was aggravated by his position as "an alien" to the managers of the Murmansk enterprises, the backbone of the regional economy. Moreover, the Russian economic reforms and privatization gave the managers of ex-Soviet enterprises far more room for autonomy. The "loan for shares program" of 1995, which allowed for the privatization of certain "strategic enterprises" of the extraction industry, gave way to the big companies on the federal scale. To sum up, Komarov could not provide the local dwellers with vital resources in the period of recession, nor could he maintain control over the competing elite groups.

Therefore, we may speak about *competing centres of power* as a main governance feature of the region in the given period. This is in correspondence with the political scientist Anna Tarasenko's argument that the given political situation in the beginning of the 1990s in the Murmansk Oblast contributed opportunities for various voices to be represented. She claims that Murmansk NGOs in the 1990s had access to expertise on regional laws on social policies, contributing to the inclusion of the interests of various social groups in law drafts.<sup>31</sup> Similarly, Anton Shirikov traces the source of adopted law initiatives as an indicator of the level of autonomy of the regional assembly from the governor. Shirikov argues that the larger the diversity of sources for these initiatives (proposed by governor, regional assembly and other bodies), the broader the regional autonomy is.

The democratic elections of 1996 brought about a shift from the competing centres of power to the consolidation of power, as Komarov was replaced by Yuri Evdokimov, the former manager of a Soviet

enterprise and a speaker in the regional legislative assembly. Evdokimov took a new course for consolidation of power in his hands, taking full control over decision-making. In keeping with Shirikov's analysis, a decrease in the participation of other bodies followed. Tarasenko notes that in Murmansk, the law on Murmansk Civic Chamber that reduced the role of the NGOs in laws elaboration was only changed in 2003, i.e. seven years after Evdokimov's election as the regional governor and his attempts to consolidate the political regime. Therefore, the role of NGOs, i.e. voices of different society groups, has been reduced to the legitimization of political decisions taken by the governor.<sup>32</sup>

Murmansk governance trajectories not only shaped internal governance structures but had its ramifications for cross-border cooperation. The key issues in the beginning 1990s lay in the field of environmental cooperation. The great concern of Norwegians was air pollution by the ore extracting enterprises. Norwegian NGOs were actively claiming the closure of enterprises in Nikel and Zapoljarny, located some kilometres from the Russian–Norwegian border, due to its excessive generation of pollutant substances and subsequent threat to the entire Northern Europe.<sup>33</sup> Murmansk Oblast was given economic support from the Nordic countries (mostly Norwegian funds) to establish up-to-date cleaning facilities and to train personnel.<sup>34</sup> The Murmansk regional governance, marked by competing centres of power, welcomed financial assistance and tolerated technical support of the Nordic countries in establishing the NGO structures. Federal authorities performed a more controversial approach. On the one hand, Russian President Boris Yeltsin and Minister of Foreign Affairs Andrei Kozyrev stressed the importance of cross-border cooperation for the democratic development of Russia and its regions in public speeches. On the other hand, the strategic position of Murmansk Oblast as the main naval base of the Northern Fleet was a source of concern and suspicion for the federal centre towards Northern European countries.

Cross-border cooperation in the economic sphere between the neighbouring regions of Norway and Murmansk peaked in the 1990s. During his first term in office (1996–2000), and partly during the second one (2000–2003), Evdokimov took people's mandate to broaden cooperation to the countries of Europe.<sup>35</sup> The governor actively widened regional contacts with Norway and Finland in numerous bilateral meetings in the BEAR framework. He initiated projects on environmental cooperation and supported initiatives for radioactive hazards prevention.

He tried to attract investors from the countries of Northern Europe, initiating visits of companies to the region. Evdokimov was also active elsewhere. He tried to promote a regional agenda in every field that had a connection to Murmansk: The Northern Sea Route, the Transregional highway, the Shtokman gas deposit, the fishing industry, etc. However, after 2003 the number of foreign meetings declined, giving priority to federal activities.

The changes of Putin's presidency relating to foreign policy influenced the regional level and cross-border cooperation. According to interviews with representatives of regional NGOs, in the beginning of the 2000s it became difficult for the employees of the federal institutions in the region, and later for regional NGOs, to cooperate and to maintain contacts with Northern European NGOs. Internal regulations of federal ministries issued in the beginning of the 2000s provided less room for communication between their regional representatives in Murmansk and Norwegian and Finnish colleagues. The scope of various projects in environmental protection and culture was reduced to a few projects devoted to nature protection activities on the border and youth exchanges, as interviewed NGO experts say.

Due to a political dispute with Moscow in 2008, Evdokimov was forced to step down from his office. The key element of the dispute was Evdokimov's support for a popular candidate in a Murmansk mayoral election. However, this candidate was not approved by the federal centre, which supported an alternative politician. The departure of this powerful actor left a power vacuum. There were no strong actors among the Murmansk political elite to carry on the projects initiated by Evdokimov. Governor Dmitry Dmitrienko, appointed by President Medvedev in 2009, being an outsider to the regional political elite, left his post before the end of the term. The consolidation of power in Evdokimov's hands left no room for NGOs to maintain their agenda. In the interviews, Murmansk NGOs representatives share the view that the future of the BEAR cooperation lies in the hands of the federal centre. Among regional government officials there is a consensus that the policies set up by former governor Evdokimov needed to be continued. The perspectives for the Arctic future are bound to the trust between the Russian regions and the Nordic countries.

The case of the Pechenga district can serve as an illustration. Situated on the northwest the Murmansk Oblast, it has common borders with both Finland and Norway. The district's main settlements are Nikel and

Zapolyarny, located near the Russian–Norwegian border. These towns contain two high-capacity metal plants that process non-ferrous metals, mainly nickel and copper. The town of Nikel was built in the first half of the twentieth century, and Zapolyarny, the largest settlement in the district, was built in the 1960s when new ore deposits were discovered. Both plants are now in fact a joint mining complex “Kolskaya GMK” owned by the Norilsk Nickel group.

Cross-border turnover in terms of ore is not substantial as the plants’ industrial output is for the most part transported to other Russian regions. The cross-border trade in non-mining areas is limited to the fish-processing factory in Liinakhamari. Hydroelectric power plants located in the district are used jointly by Russian, Finnish and Norwegian consumers. The Pechenga district is the only Russian municipality that has a land border with Norway, and the only road from Murmansk to Norway. The goods transported through the district are quite intensive.

The nearby Norwegian municipality of Sør-Varanger has been cooperating with the Pechenga district in the cultural field, a tradition established before 1991 and persisting even after the 2014–2016 political estrangement between Russia and the West. The local administration of the Pechenga district encouraged the creation of cross-border organizations in the early 2000s, and several ones were created, but due to bureaucratic problems all of them had to close. There are also many opportunities to learn Norwegian in the district, and Norwegian literature is easily accessible in every library.

However, life in Nikel and Zapolyarny depends on the existence of the mining plants, and therefore on the natural resources. One of the most frequently repeated local narratives is about “the closure of the town.” The extractable resources can come to an end, and it means the end for the town. The expert knowledge about this moment is hidden from ordinary citizens, and that is why their views on their own futures are unclear, as one can see in the local discourse:

We can’t make plans for the distant future. That’s the peculiarity of our town: we depend on the plant, if it dies, the town will die too. But no one tells us for how long the plant will operate. My husband works there as the department head, and even he knows nothing, only the rumours — and these were the same twenty years ago: that we’ve run out of ore and the plant is closing. But the other day they say that a new deposit had been discovered and we continue working. And the atmosphere is nervous for

that, some can't bear it and go away, and we, as you see, are still here.  
 (48 year old female official, Nikel)<sup>36</sup>

But there is division between the near future and the distant one. It seems that all the opinions expressed are not far-extending; the grass-roots interest is mainly with the present and the immediate future. The views on the distant future are more vague and undecided:

I know nothing about what will be in the future. They always say different things: we are closing the plant, we aren't closing the plant; and we become used to think only about the daily requests. Of course, children think otherwise, but it's their own life, they have to plan; we, the elders, don't make plans, it's none of our business. (48 year old female teacher, Zapoljarny)<sup>37</sup>

Perceptions of the future tend to correlate with the industrial profile of the city and are a strong marker of local identity. The views on the future in Pechenga are somewhat more apocalyptic because of the absence of other industrial activities in the region. In Kostomuksha, where the industry is more diversified, the perceptions are more optimistic, but citizens often compare the city to other Karelian towns that have suffered economic collapse after the plant bankruptcy. Both regions (Kostomuksha and Pechenga) experience massive emigration to big cities.

Citizens link their futures to resources and their extraction, but there are also other possibilities and variations in the narratives. The grass-roots level voices seem to be more concerned with the present than the future (according to our interviews) and therefore more interested in everyday activities, including international cooperation. The evolution of the post-Soviet cross-border cooperation in these regions seems to follow three stages that correspond with the economic development of post-Soviet Russia: the period of booming cooperation (1991–1998), the period of scepticism and the reduction of the cooperation (1998–ca. 2005), and the period of stable mutual contacts (2005 to this day). This group of informants depends on the actions of the government and is therefore quite pessimistic about the future, remembering the economic collapse of 1998. The voices of people working at the plants are relatively well-to-do, but nevertheless pessimistic about their future because of instability of their working position (it depends on the policy of the

plant and the resources) and—to a lesser extent—because of the environmental situation. The voices of plant officials present a picture of successful activity and a development of the regional economy based on international cooperation. It is unclear how real these scenarios are; there is desire to construct a bright future, and this desire can be implemented. Finally, the voices of the local government are, like the previous group, unwilling to comment on the future. One reason for that can be the weakness of local authorities compared to industrial players.

## CONCLUSION

The governance structure influences the path of cooperation and thus forms the future of the Arctic. The Republic of Karelia experienced a split in the political elite throughout the 1990s, and the regional economy in its crucial sector was oriented towards Finland. These factors created a pattern of cooperation, which allowed multiple projects within the BEAR framework to come into existence. Though diminished, cross-border cooperation projects continue, and Karelian regional NGOs continue to cooperate with their counterparts along the border. Karelian actors' vision for the Arctic futures are signs of hope for the enlargement of regional cooperation.

The Murmansk pattern of governance—a strong and powerful governor, along with significant ties between the regional economy and large federal companies—has not created any powerful actors in the region able to bring the agenda of regional cooperation further. Instead the Murmansk Oblast actors consider their place in the Arctic futures to be bound to the will of the federal centre.

The study suggests that an extensive sustainable network of cross-border cooperation was developed during the past two decades. It included grass-roots economic relations and resource and environmental cooperation. These fields affect different kinds of actors, and hence the cooperation is expressed in a multitude of voices ranging from ordinary people to local government and plant officials. Resources and environmental cooperation, though differently, have played an important role in the transformation of the local economies during the transitional period of 1990–2000s. The projects under the banner of the Barents Euro-Arctic Region helped to ease the cooperation at its initial stage. The cross-border cooperation was performed without a potent ideological framework, but it still penetrates many fields of regional economy; the

possible change of attitudes due to such cooperation can be considered as the formation of a Barents regional identity. The main aspects of the emergent identity are the resources and the environmental issues that are combined with the borderland narrative, and those aspects result in a new form of regional discourse based on economic cooperation.

Experience of common projects, contacts between neighbouring regions and common environmental issues create continuity. The vision of the Russian regions has its place in the competing futures of the Arctic.

## NOTES

1. Shirikov, *Anatomiiia bezdeistviia*; Croissant and Merkel, “Formale und informale Institutionen in defekten Demokratien.”
2. *The Kirkenes Declaration*.
3. See the Region’s official webpage. Accessed 4 February 2018, <http://www.barentscooperation.org/en/About/Barents-region>.
4. Hønneland, “Identity Formation.”
5. Leontyev, *Kostomuksha*; Katajala, “Cross-Border Trade in Karelia.”
6. Bulatov and Shalyov, *Barentsev Evro-Arkticheskiy region i Arkhangelskaia oblast*.
7. Avango, Nilsson, and Roberts, “Assessing Arctic Futures.”
8. Gel’man and Ryzhenkov, *Local’nye Rezhimy*; Shirikov, *Anatomiiia bezdeistviia*, 27–28.
9. Gel’man and Ryzhenkov, *Local’nye Rezhimy*.
10. Young, *Creating Regimes*, 15–16.
11. Krasner, *International Regimes*.
12. McAnulla, “Structure and Agency.”
13. Avango, Nilsson, and Roberts, “Assessing Arctic Futures,” 433.
14. Butkevich, “Uvelichenie finskikh investitsiy v derevoobrabotku Rossii; Kurilo, Nemkovich, and Senyushkin,” *Sotsial’no-ekonomicheskie preobrazovaniya v Respublike Kareliya*.
15. Aho, “Ostorozhnost’ finnov obyasnima,” 9; Kauppila, “K sozhaleniyu, politika i ekonomika v odnoy svyazke.”
16. Boldinyuk, “Finlyandiya raspakhivaet dlya nas vorota”; Deryabin, “Finlyandiya nastorozheno otnositся k investirovaniyu i ne speshit oblegchit’ vizovyy rezhim”; Shlyamin, “Severnoe izmerenie.”
17. *On the Strategy of Socio-Economic Development of Republic of Karelia to the Year 2020*.
18. Todres, “Murmanskie khodoki pravdy v Moskve ne nashli i groziat otvetit’ zabastovkoi”; Portnikov, “We Are Already Late with Union Treaty,” gives examples of the popular opinion.

19. Valtasaari, "Vzaimodeystvie v sopredel'nykh regionakh."
20. Shlyamin, "Vzglyad iz Karelii na vnesheekonomicheskie problemy Severo-Zapada."
21. Todres, *Murmanskie khodoki*.
22. *K Kontseptsii sotsial'no-ekonomicheskogo razvitiya Respubliki Kareliya na 1998–2001 gg.*
23. *K Kontsepsi*.
24. *K Kontsepsi*.
25. As stated by Karelian government officials in numerous expert interviews.
26. *Strategiya sotsial'no-ekonomicheskogo razvitiya Murmanskoy oblasti do 2025 goda.*
27. Shleifer and Treisman, *Without a Map*.
28. *Strategiya 2010*; Jørgensen, "Recent Developments in the Russian Fisheries Sector," 89–90.
29. Sudakov, "Murmansk Regional Digest."
30. Sudakov, "Murmansk Regional Digest."
31. Tarasenko, *Prichiny vozniknoveniya konsul'tativnykh organov v regionakh Rossii*.
32. Tarasenko, *Prichiny*.
33. *Nezavisimaya Gazeta*, a Russian federal newspaper, had several entries of this during 1992.
34. *Izvestia*, a Russian federal newspaper, mentioned this several times during 1993.
35. As stated by Murmansk government officials during research interviews and in public presentations.
36. Grass-root interview August 2012.
37. Grass-root interview of September 2012.

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