Chapter 9

SOCIAL AND CULTURAL CHANGES IN THE EUROPEAN ARCTIC

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* The authors would like to thank stakeholders who participated in the consultations and other contributors, especially Birgitta Evengård (University of Umeå), Janika Luukinen (East and North Finland Office in Brussels), Mikael Jansson and North Sweden Office in Brussels, North Norway European Office, Mid Sweden EU Office, Päivi Ekdahl (Regional Council of Lapland) and Ole Damsgaard (Northern Periphery Programme Secretariat), for their inputs, comments and suggestions (including written input and statements).

Key Messages:
• Social development in the region is characterised by generally growing, often highly innovative Arctic cities and thinning-out rural areas that face demographic and resource challenges.
• Dependence on extractive/primary industries and support from national budgets to a great extent shapes socioeconomic development.
• Accessibility and connectivity, especially intra-regional and cross-border, are among the key concerns.
• Indigenous peoples experience the challenges faced by all Arctic inhabitants in a distinct manner. These challenges need to be addressed in the light of indigenous peoples’ rights.
• Various EU programmes in the North are well-aligned with the needs identified by regional actors, primarily because decision-making takes place at the local/regional level.

Recommendations to the EU:
• Give a voice to Arctic communities in policy developments that may affect them.
• Support entrepreneurship and innovation with sensitivity to indigenous youth and gender issues.
• Invest in intra-regional accessibility and connectivity.
• Consider the special needs of Arctic cities in relevant EU policies and programmes.
“In the Arctic and Northern regions people possess particular knowledge of the reciprocal relationship between humans and nature. The knowledge [regarding this relationship] could be one of the aspects to be protected and supported.”

**Researcher, Finland**

“Contemporary art and education [should be supported], not so much heritage and traditional forms of culture. I don’t want the north to be a museum.”

**Culture entrepreneur, Sweden**

“The EU could support cultures and societies in the Arctic by informing and enlightening European citizens about the cultural differences and way of living in the Arctic compared to other European cultures.”

**Environmental NGO, Denmark**

“As long as it is as expensive to set up a business in Jokkmokk as in Malmö, there will always be less reason to carry the extra costs of being in a remote area.”

**Tourism researcher, Finland**

The quotes come from respondents to the online questionnaire – an element of the consultation process within the ‘Strategic Assessment of Development of the Arctic’

Chapter cover image: Tromsø, Norway in winter.
Photo: GettyImages
9.1 Introduction

This chapter discusses selected social and cultural trends in the European Arctic. Arctic cultures are characterised by high resilience and adaptive capacity, but aspects of social change have been challenging. Peripherality is an important feature of the region. The presence of indigenous peoples distinguishes the North from the rest of Europe.

9.2 Key Sociocultural Trends in the European Arctic

9.2.1 Complex Demographic Trends and Urbanisation

Demographic trends in the European Arctic are significantly influenced by migration—north-to-south and rural-to-urban—and the influx of people seeking work in the resource extraction and services sectors. The patterns differ across the region—for instance, the population is growing in northern Norway and Iceland, and declining in Finnish Lapland and northwest Russia (Figure 9.2.). In most regions net out-migration from rural areas has been coupled with the growth of Arctic urban centres (Figure 9.3.).

Urbanisation is a global trend connected with modernisation. Urban areas offer economic opportunities, education, culture and social networks. In the Arctic, urbanisation has been driven by an increase in regional trade and administration centres, industrialisation, the expansion of the welfare state, resource extraction and military facilities. The emergence of knowledge-based economy may lead to further urbanisation. At the same time, conditions for viable economic and social activities are becoming limited in thinning-out rural areas.

Urbanisation in the Arctic, understood as the changes in lifestyle, occurs in areas previously not considered “urban”. Indigenous people living in cities face particular challenges, as their connection to traditional livelihoods and access to language education may be limited.

Young people, especially women, are increasingly moving to Arctic urban centres and cities in the south, attracted by economic and educational opportunities. This has raised the share of the elderly population in some areas, resulting in gender and age imbalances, and threatening the fabric of social services (e.g. workforce shortages in the health and elderly care sectors).


6. In Finland, over 70% of Sámi children live outside of the Sámi Homeland Area in the north of Lapland, where the Sámi enjoy access to Sámi-language schooling.


Main trends
- Demographic shifts and urbanisation.
- Changes in livelihoods and lifestyles.
- Economic dependence on primary sector and public transfers.
- Increasing role of education and research.
- Empowerment and increasing complexity of governance.

Main implications of socio-cultural changes
- Changes in social structure, culture and lifestyles; loss of human capital; pressure on public services; environmental impacts.
- Social disruptions; changing family structure; physical and mental health issues; loss of traditional culture and language; rediscovery of identities.
- Community vulnerability; pressure towards resource extraction and development; lack of autonomy; single industry communities.
- Positive effect on Arctic human capital and development; additional resources and employment.
- Empowerment of indigenous and local communities; stronger roles of private and non-governmental sectors.

Figure 9.1: Main Socio-cultural Drivers and Trends and Their Implications for the European Arctic
Figure 9.2: Arctic Population: Indigenous and Non-Indigenous.

Note: The Arctic Human Development Report (AHDR) (2004) estimated that there are four million people living in the Arctic, of whom 10% are indigenous, e.g. Inuit, Sámi and Nenets. 1.3 million people live in the Arctic regions of the Nordic countries (including Greenland. According to the AHDR boundary: the three northernmost counties of Norway, Norrbotten county in Sweden, Lappi (Lapland) in Finland, whole territory of Iceland, the Faroe Islands and Greenland). The Barents region (which extends south of the AHDR boundary) has a population of six million. Arctic areas in Russia, according to AHDR (2004) include: the Murmansk Oblast, the Nenets, Yamalo-Nenets, Taimyr, and Chukotka autonomous okruags, Vorkuta City in the Komi Republic, Norilsk and Igarka in Krasnoyarsky Kray, and those parts of the Sakha Republic whose boundaries lie closest to the Arctic Circle.

Figure 9.3: Migration Intensity in the Nordic Region, 2010
Source: Johanna Roto, Nordregio, 2011.
Historically, in-migration has significantly influenced the Arctic social landscape. People migrating to northern regions are often attracted by employment opportunities in extractive industries or the quality of life connected to landscape/nature values. Currently, the migration from new EU member states and countries such as Thailand to Arctic regions is increasing.⁹

Arctic gender issues have recently received more attention.⁹ Challenges include male-dominated rural areas and low female participation in traditional and resource-based industries. However, women have a comparatively strong position in Northern governance structures.¹⁰ There is a lack of gender-disaggregated data specific to the Arctic regions.

### 9.2.2 Changing Livelihoods and Lifestyles

The Arctic economy is characterised by the co-existence and interdependence of a formal and informal economy.¹¹ The major components of the formal “cash” economy include tourism, fisheries, large-scale mineral and energy development, forestry and reindeer husbandry. The informal economy consists of small-scale subsistence use of forests (e.g. berry and mushroom picking), hunting, reindeer herding, fishing and trapping, and is also important for cultural practices and identities. In the European Arctic the relative role of traditional activities as a source of livelihood has been declining over the last century.

Changes in lifestyle bring about a cultural transformation, including alterations in family structure, values and cultural forms of expression. These can lead to positive developments, e.g. the increasing role of women in society, and negative ones, e.g. barriers to inter-generational knowledge transmission or loss of indigenous languages.¹²

Lifestyle changes, combined with climate change, have had an impact on human health and well-being (although Fennoscandia has been less affected than other Arctic localities). Due to changes in climate, flora and fauna, humans in the North could be exposed to new micro-organisms, causing vector-borne infections. Contaminants such as pollen, persistent organic pollutants or mercury are also a threat to health. Dietary changes have increased obesity rates, Type 2 diabetes and cardiovascular diseases.¹³ Many Arctic communities are also afflicted with domestic violence, substance abuse and high suicide rates.

### 9.2.3 Ongoing Dependence on the Primary Sector and Public Transfers

Substantial hydrocarbon and mineral resource developments in the Arctic region are important contributors to national economies, especially in Russia and Fennoscandia. In addition, fisheries and forestry remain vital industries. Primary industries and resource extraction strongly link Arctic regions to the global economy and provide resources for social development, but they also expose the regions to market and price fluctuations.¹⁴ Single-industry communities are particularly vulnerable to boom-and-bust cycles. Primary industries tend to often create islands of economic activity, rather than serving as engines of development for entire regions.

The public sector and transfers include government employment, welfare payments, pensions, as well as development policies and infrastructure maintenance. The public sector is responsible for 20 to 50% of economic activity in most Arctic regions, and dominates the expanding service sector (e.g. education, health care and administration). The share of public sector employment in the European Arctic (30-55%) is higher than the average for developed states (5-28%) (Figure 9.4).

As regional authorities in the European Arctic attempt to reduce dependence on government transfers, there is greater interest in developing natural resources. Simultaneously, governments are increasing support for activities that offer alternatives to resource-based economies, such as tourism, creative industries, research and innovation or aquaculture.

### 9.2.4 Rising Role of Education and Research

The education level in the European Arctic is generally high (it is comparatively lower in Greenland) and lays a solid foundation for enhancing Arctic human capital and empowering Arctic communities. On the other hand, centralised educational systems have often had adverse implications for indigenous cultures. Education and research also create jobs and bring resources into communities. International co-operation constitutes

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10. Women account for 56% of the Swedish County of Västerbotten’s Council (compared to 43% in Finnmark and 35% in Finnish Lapland, with Russian regions falling significantly behind). The Sámi Parliament in Norway had 50-50 gender composition after the 2005 elections and companies such as LKAB (a state-owned company operating, inter alia, the Kiruna iron mine) highlight the position of women in traditionally male-dominated extractive industries. See, e.g. Staalesen, A. (4 February 2014) “Best on Women and Democracy”, Barents Observer at http://barentsobserver.com/en/society/2014/02/best-women-and-democracy-04-02. Accessed 13 February 2014.
an important element of Arctic research, based on organisations such as the International Arctic Science Committee and the University of the Arctic.

Human capital is critical for economic and social development in the Arctic. Although human capital in the Arctic is seen as underdeveloped, this overlooks the diversity of creativity among Arctic residents, based on informal and traditional knowledge. Education allows people to both benefit from and develop alternatives to primary industries. At the same time, high levels of education may stimulate greater out-migration from rural areas (especially of women).

9.2.5 Increasing Inclusiveness and Complexity of Governance

Various intergovernmental and regional forms of cooperation between Arctic nations and other stakeholders (especially indigenous organisations) have emerged over the last 20 years, such as the Arctic Council, the Barents Euro-Arctic Council and the Northern Forum.

Non-state actors have become increasingly active in advocating interests and values of various groups, including environmental organisations and industry associations. The role of indigenous peoples has changed throughout the Arctic, due to reasons such as the establishment of Sámi Parliaments in Fennoscandia and self-government in Greenland, coinciding with the evolution and adoption of international norms. In Russia, the indigenous influence on decision-making is comparatively minor. Most legal systems currently include safeguards for indigenous land rights.

9.3 What Is Driving Social and Cultural Changes in the European Arctic?

9.3.1 Globalisation and Demand for Natural Resources

Global economic shifts shape social and cultural development around the world and the Arctic is no exception, especially in light of the privatisation and commercialisation of Arctic industries. Robust economic growth in emerging economies shapes
9. Demand for Arctic natural resources and influences Arctic migration, urbanisation, politics, governance and global connections. Globalisation results in competition between regions for companies, skilled workers, tourists and public investments (also within the EU context). \(^{18}\)

Resource exploitation and resistance to certain large-scale developments were key factors in the emergence of indigenous activism and indigenous rights.

### 9.3.2 Accessibility

The Nordic northern peripheries are among the least accessible regions in Europe (measured by ground accessibility). Insularity, one-directional linkages, proportionally high dependence on air and maritime transport, the dominance of north-south connections and high costs are features of all modes of Arctic transport. Initiatives to facilitate Arctic-Arctic (east-west) transport connections have so far had limited success. \(^{19}\)

In remote regions, information and communication technologies (ICT) provide crucial opportunities for people and services, including education, entertainment, health, administration, as well as social and political life or identity building. While coverage and digital competence appear to be strong in the European Arctic, the costs, quality and capacity of the networks may pose significant limitations in locations such as Greenland.

For northern companies, ICT allows access to global niche markets, although this primarily promotes the greater integration of local markets. \(^{20}\) Intra-regional connections are crucial, in terms of both infrastructure and spaces for co-operation, as actors functioning in the same economic, social and physical environment are better positioned to build networks necessary for the emergence of a knowledge-based economy.

Although improved transport and ICT infrastructure is hoped to encourage people to remain in rural areas, better accessibility coupled with higher levels of education often facilitates migration to urban areas. \(^{21}\)

### 9.3.3 Global Cultural Change

Arctic social and cultural changes reflect global, particularly western, cultural trends. At a general level, these include: declining respect for authority; increasing emphasis on freedom of expression and equality of opportunities; growing social and political tolerance.

22. See: Glaersen et al. (2005).
emancipative orientation towards the role of women; wider political protests; and an increasing emphasis on democratic principles combined with dissatisfaction with the democratic process. These trends are coupled with the spread of popular culture, information technology, virtual networks and the culture of innovation. In the increasingly globalised world, notwithstanding developments within the region, Arctic societies will undergo a transformation that mirrors global cultural developments.

9.3.4 Indigenous Activism and Recognition of Indigenous Rights

Over the last four decades, indigenous peoples have become more active in international forums, with a focus on human rights. Their key demands include self-determination, land rights, cultural development, and participation in decision-making. The International Labour Organization (ILO) Convention No. 169 concerning Indigenous and Tribal Peoples (1989), the UN Declaration on the Rights of Indigenous Peoples (2007) and the establishment of the UN Permanent Forum for Indigenous Issues are the main achievements of the global movement. The influence of international indigenous law in the European Arctic varies: from major significance in Norway and Denmark/Greenland, moderate acknowledgment in Finland and Sweden (land rights issue being the most problematic) and a fairly complex situation in Russia.

9.4 Outlook to 2030

The Arctic regions will very likely remain highly dependent on resource extraction as well as public transfers from national budgets over the next twenty years. This socioeconomic dependence will continue to drive public policy and priorities as well as social attitudes. Communities and authorities will continue to attempt to attract more extractive industries and at the same time diversify local economies. The recent economic crisis (2008 onwards) has increased pressure on the public sector, and this is experienced more strongly in remote areas due to their financial and employment dependence on national budgets. Key uncertainties include volatile resource prices and the character of national regional development policies.

Economic and social life will likely increasingly concentrate in major urban centres, resulting in the increasing importance of Arctic cities. Current demographic challenges may be expected to remain a problem throughout the region (including implications for governance and service delivery) with population growth in major towns and resource extraction areas and decline/thinning-out in rural areas. The continued presence of academic and research institutions in the north will contribute to economic and social diversification. Nevertheless, the development of a knowledge-based economy will be limited to the major Arctic urban centres. Indigenous rights are likely to gain increasing attention, but land rights will probably remain a challenging issue throughout Northern Fennoscandia.

Remote and Peripheral – Northern Sparsely Populated Areas

The northern peripheries of Nordic states have been recognised within the EU’s cohesion policy as “regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density” (Treaty of the Functioning of the European Union, TFEU, Art. 174). Peripherality should be understood as a political, socioeconomic and cultural construct (e.g. meaning remote, rural, fragile or less-favoured), rather than only a demographic or geographic one. Limited access to advantages inherent to agglomerations has implications for social interactions, the availability of public services and economic activity (including the small size of the local economy, limited local demand, high transaction, transport and logistics costs, lack of specialised services, the dominance of traditional industries and dependence on extractive industries). Importantly, peripherality is dynamic, changing due to economic shifts or infrastructural investments (or degradation).


9.5 Assessing EU Policies: How Does the EU Influence Social and Cultural Changes in the Arctic?

The role of the European Union in shaping the direction of sociocultural changes in the region is limited, with the greatest influence in EU Arctic regions and through various cohesion and regional co-operation instruments. However, as all economic activities have a social dimension, a broad range of EU policies, e.g. environmental legislation, may contribute to changes in the sociocultural landscape. Policies designed for the development of the entire EU may not always be effective in the peripheral Arctic context. In many policies, that has been acknowledged; for example, the EU/EEA State Aid Guidelines allow for additional support for regions with special characteristics.

9.5.1 EU Funding for Regional Co-operation and Cohesion

The European Commission estimated that EUR 1.14 billion has been dedicated to regional development in the EU and neighbouring Arctic regions in 2007-2013. A number of EU programmes cover the European Arctic: cohesion funding in North Finland and Sweden, Bothnia-Atlantica, InterregIVA/North, Kolarctic ENPI (European Neighbourhood and Partnership Instrument) and the Northern Periphery Programme (NPP) 2007-2013.

The NPP is part of a territorial co-operation objective within EU’s cohesion policy. The programme aims at developing the economic, social and environmental potential of peripheral and remote communities by promoting innovation and competitiveness as well as the sustainable development of natural and community resources. Stakeholders have a generally positive view of the NPP. The programme has had a visible impact in developing innovative solutions in public service provision (including ICT and self-organisation), creative industries and aquaculture. However, the major shortcoming of the NPP is the lack of involvement of the private sector (due to state aid constraints).

At the time of finalising this report, the design of programmes within the new 2014-2020 financial perspective is in the final stages, including the new Northern Periphery and Arctic Programme (NPA) (Figure 9.5). The draft of the new programme builds on key priorities of the NPP, focusing on small and medium-sized enterprises, innovation, and sustainable resource and energy developments. There is concern that the new structure of cohesion funding has limited the choice of priorities within the NPA and will lead to support for fewer themes, in ways that do not always fit the specific needs in the region.

Programme objectives, owing to the strong involvement of regional actors, correspond generally to the key social and cultural challenges identified in this report. However, the NPA’s role is largely limited to promoting desirable developments and enhancing co-operation between actors who can facilitate such developments, as the NPP/NPA has the smallest budget among transnational programmes (approximately EUR 100 million), although the NPA budget is likely to be 20-30% higher than for the NPP. Adding “Arctic” to the programme’s name has not changed the priorities, as the main problems are seen as shared with other European peripheral regions. The key challenges in the implementation of the NPA will likely include: involvement of the private sector; assessment of results based on the impact on the programme area; co-operation with Russian partners; and the limited scope of the programme in comparison to the NPP. A more substantial involvement of partners from outside of the European Arctic would have been desirable, but is limited by the EU funding schemes and lack of strong interest from other partners.

The priorities of currently negotiated cohesion programmes covering northern Sweden and Finland are also generally in line with the challenges identified in this chapter, including ICT developments in the north. The notion of “smart specialisation” in the post-2013

30. Currently, four priorities have been identified: innovation to maintain and develop robust and competitive communities, promoting entrepreneurship to realise the area’s competitive advantage, fostering energy-secure communities through promotion of renewable energy and energy efficiency, protecting, promoting and developing cultural and natural heritage, with a focus on transfer of knowledge and technology, sustainable use of resources and demographic development (NPA programme overview 2014).


32. Sparsely populated areas receive an extra allocation within the cohesion policy. Although it has been decreased (from EUR 35 to 30 per inhabitant, constituting, for instance, 38% of cohesion funding assigned for east and north Finland, thus representing a fairly significant component of the programmes’ budget), the overall funding in northern Sweden is similar to that in previous funding periods and 13% lower for east and north Finland (but only 2% lower for Lapland). Although there is currently one operational programme for mainland Finland, a separate implementation plan for east and north Finland has been drawn up (Personal communication with the Brussels offices of north Sweden and east and north Finland and with regional authorities.)
cohesion framework is generally commendable, but decision-makers must ensure that this does not mean that Arctic regions are limited to the role of a European resource base.

Overall, projects within the EU-funded programmes (see Annex 2) have promoted and encouraged the diversification of the northern economy through supporting youth entrepreneurship, creative industries and media, combining traditional livelihoods and business, including assistance for Sámi entrepreneurs, and developing tourism. Similarly, various projects address Arctic demographic challenges: promoting local development; strengthening urban and rural services; as well as promoting cultural heritage and projects dedicated to social well-being, including elderly and physically challenged people. Such projects are limited in scope and resources, but they have important inspirational leverage, e.g. by promoting the exchange of experience.

Owing to the crucial role that local and regional actors play in deciding on the priorities of the cohesion and co-operation programmes, the objectives of the EU funding schemes are in line with the key needs and they respond to the main challenges in the region. One shortcoming of the EU funding schemes is the lack of co-operation between programmes, the cohesion framework and EU policies covering sectors such as transport, agriculture or fisheries. The so-called “Bodø Process” (initiated by Norway), which brings together programmes and funding frameworks in the European Arctic (including Barents co-operation, the Nordic Council of Ministers and EU programmes), is a step in the right direction.

A major challenge connected with the programmes implemented in the region is co-operation with Russian partners. This co-operation is affected by the overall political situation as well as internal regulatory frameworks in Russia regarding, for example, the operation of non-governmental organisations. There is a concern among local stakeholders that funding for programmes such as Kolarctic ENPI would be limited in the future.

9.5.2 Accessibility

The long-standing criticism that trans-European transport networks neglect the special needs of remote regions to a certain extent can be upheld for the upcoming financial perspective. Until 2020, major support (80 to 85% of transport networks expenditure) will be dedicated to the core network linking key EU centres, which in Northern Fennoscandia includes only the “Bothnian corridor” and the corridor to Narvik in Norway. A broader “comprehensive network” is to allow all regions to access the core transport nodes. However, the social and economic development of peripheral regions depends greatly on intra-regional connectivity and the emergence of local clusters capable of generating critical mass, not only on core-periphery connections. Elements of the transport network such as the Midnordic Green Transport Corridor may play a vital role here.

Various projects within EU-funded cohesion and regional co-operation programmes are directed towards developing transport connections and mitigating the adverse effects of remoteness (through concrete investments, transport subsidies for ports in the Gulf of Bothnia, feasibility studies and innovations) (see Annex 2). The impact of these projects is difficult to assess as the key challenges – deficit in east-west connections, high costs of transport and the disadvantaged position of certain localities – have remained largely unchanged over the last decade, or have even become more visible due to the thinning-out of the population in rural areas. Enhancing ICT services in remote communities, including e-medicine and e-learning, appears to have more tangible impacts.

Stakeholders from the private sector and local

33. Input from the EU office of East and North Finland. Personal communication, 24 March 2014.


35. Railway connections encircling the Gulf of Bothnia.

administration have underlined that various EU actions directed at lowering greenhouse gas emissions and air pollution, although commendable at the European level, may have a proportionally higher impact on transport costs in the northern periphery than in the lower latitudes. One example is the directive limiting the sulphur content in marine fuels (Directive 2012/33/EU, discussed in Chapter 8), as some companies are reconsidering their investment plans due to the expectations of higher transport costs. Another example is the possibility of future stricter standards for heavy-duty vehicles (trucks and buses, which constitute the basis for cargo and passenger transport in remote areas), as the European Commission is currently developing a strategy to reduce carbon dioxide emissions from such vehicles.

9.5.3 Research, Education and Cross-border Co-operation

EU programmes for student and teacher exchanges and professional training have become an important element of the educational framework in the region. The European Union’s Seventh Framework Programme (2007-2013) funded Arctic research at about EUR 20 million a year. Stakeholders clearly see Arctic research as an area where the EU’s role is most visible, although they note that there is a deficit in funding for Arctic social sciences.

The EU-Greenland Agreement supports education, vocational training and the development of human resources. Progress in these areas since 2007 has been recorded. As still only 11% of the population in Greenland has a university degree and many educated Greenlanders live outside of the island, primarily in Denmark, the ongoing focus on education and training, in line with the priorities of the Greenlandic government, is vital. In 2007-2013, Greenland received EUR 175 million, which will rise to over EUR 217 million in 2014-2020. In addition, Greenland may participate in other programmes funded from the EU budget, including research, education or innovation (e.g. within NPP/NPA programmes) as well as receives financial contributions (around EUR 18 million for 2013-2015) within the Fisheries Partnership Agreement.

Support for international co-operation in the Arctic is one of the EU’s Arctic policy objectives. EU funding for cross-border co-operation includes research platforms, co-operation between companies, non-governmental organisations (Arctic NGO Forum), joint public services and infrastructure and development of information channels.

9.5.4 Traditional Livelihoods and Indigenous Peoples

Exclusive Sámi rights to traditional livelihoods, primarily reindeer husbandry, are safeguarded in a Protocol to Finland’s and Sweden’s Accession Treaty (Protocol 3). Also various EU environmental regulations are of relevance for indigenous livelihoods (see Chapter 8). EU-funded programmes acknowledge the dynamic nature of indigenous culture and many projects aim to develop creative industries and facilitate cultural co-operation, events and network-building, rather than focusing on the protection of heritage. The sub-programme InterregIVA/North/Sápmi focuses on developing Sámi languages and language resources. The existence of a separate Sápmi sub-programme is seen as a positive development. Its creation allowed many Sámi actors to conduct activities vital for cultural development and contributed to strengthening Sámi cross-border co-operation. There are concerns that Sámi objectives would be lost among other programme activities after 2014, as the draft Interreg programme for 2014-2020 does not include a separate Sámi sub-programme, even if Sámi-specific objectives are evident throughout the new programme activities, including support for culture, language, livelihood and cross-border co-operation.

In a pan-Arctic context, EU policy statements support enhancing EU-indigenous dialogue in the Arctic. There are, however, problematic issues, as the Inuit in Greenland and Canada are concerned about the EU ban on placing seal products on the EU market. Despite an exemption granted to indigenous peoples, the Inuit argue that, due to the collapse in the global market for seal products, the ban adversely affects their traditional practices and culture. Beyond the European Arctic, commercial (or...
non-indigenous) seal hunters in Canada claim that the ban has been designed with the goal of extinguishing their sealing traditions dating back hundreds of years. In addition, the EU position regarding the aboriginal quota within the International Whaling Commission is of relevance to Greenlandic whaling.

9.6 Critical Factors for EU Decision-making

Issues identified by stakeholders in consultations as important and uncertain are clustered into four critical factors for decision-making.

9.6.1 Intra-regional and Core-periphery Accessibility and Connectivity

Actions facilitating or jeopardising accessibility and connectivity should be carefully considered, as their consequences may be far-reaching. Physical accessibility, including transport networks and ICT-based connectivity, is of major importance in sparsely populated remote regions. Traditionally, the development of peripheries has been seen as dependent on connectivity with the main economic, social and political centres. However, intra-regional connectivity is equally important as it leads to inter-regional synergies and the critical mass needed for innovation, dynamism and competition within the global market.

9.6.2 Power Structures, Social Conflicts and Cultural Diversity

Despite being sparsely populated, the European Arctic is characterised by power structures within and between communities including urban-rural interactions and relations with the national and global political and economic centres. Many important decisions are taken at the global or national level, where the peripheral regions have little influence on decisions. Tensions between economic, social and environmental interests may occur, especially in light of new resource developments. The rich cultural diversity of the European Arctic regions needs to be taken into account as a part of the social landscape of the region, as an element of the power networks and as background for social conflicts. Policy-makers need to understand these power-conflict-culture frameworks when considering actions affecting the region.

9.6.3 Human-nature Interactions

Each society and its natural environment are interconnected on a number of levels. This is particularly important for northern, including indigenous, communities, whose livelihood and economy depend directly on the natural environment, as well as culture, identity and leisure-time activities. The understanding of resilience is based on analysis of social-environmental interactions. Nature or “wilderness” is more often seen as a resource by the tourist industry and is part of the image of the Arctic.

9.6.4 Innovation, Entrepreneurship and Education

The level of innovation and entrepreneurship within Northern communities as well as the level of education provide an important frame of reference for policy-making. This should be taken into account when making decisions concerning extractive industries or programmes aimed at supporting local development. Education, research, entrepreneurship and innovation are closely linked, forming a basis for a knowledge-based economy and driving bottom-up development. Arctic local knowledge and non-technological innovativeness are important elements of this framework. Although Nordic states have a high level of entrepreneurship and innovation, in peripheral, rural regions the levels are usually lower than the national average.

9.7 Recommendations

The recommendations have been developed by experts taking ideas proposed by stakeholders as a starting point.

9.7.1 Give a Voice to Arctic Communities in Policy Developments that May Affect Them

The European Arctic is a very diverse region, with each area having unique challenges. Local specifics require locally designed strategies, which the EU could then support. EU policy priorities should be adjusted to changing circumstances, perceptions and social needs. That requires dialogue with Arctic stakeholders. Social issues should be taken into account in EU environmental policies, especially when the interests and values of vulnerable groups are at stake.

Arctic stakeholders, especially indigenous peoples, often lack the capacity to engage in consultation processes or follow various policy or regulatory developments. The EU should be proactive in reaching out to these Arctic actors. Forums such as Arctic Dialogue (a format for, so far irregular, meetings between EU officials and Arctic indigenous organisations) or initiatives similar to this assessment are steps in the right direction. However, there is a clear need for institutional solutions supplementing existing EU structures (e.g. the Committee of Regions or consultations within impact assessments) and for incorporation of Arctic, including indigenous, actors from outside the EU. In the near future, a strong involvement of various stakeholders may be needed in regard to the EU Seal Regulation and the examination of its impacts, especially that the issue has been recently raised by the European Parliament. The EU may undertake more efforts to inform the European public on the Inuit seal hunt and facilitate marketing of seal products in line with the indigenous exemption.

9.7.2 Support Entrepreneurship and Innovation with Sensitivity to Indigenous Youth and Gender Issues

The EU should continue to focus on entrepreneurship and innovation (including social innovations), which need to be aligned with northern values and lifestyles. As external investments triggering the emergence of a knowledge-based economy are limited, long-term development can originate primarily from inside the region. Areas of innovation where EU support may have comparatively greater added value include creative industries, e-services, leisure-time activities, innovations in traditional industries or cold climate technologies. Youth (especially women) who are learning, living and working in the Arctic should be seen as the cornerstone of local entrepreneurship and innovation. Moreover, programmes designed over the next 10 to 20 years could more actively engage migrants, who, if given an opportunity, may greatly contribute to regional development.

Emphasis on indigenous entrepreneurship (including social entrepreneurship) should be continued. The potential of the young indigenous generation (which is very active socially and politically) could be better addressed in the EU programmes. Separate funding lines for projects addressing indigenous-specific challenges are needed, as these may be less visible within general funding schemes.

The focus on innovations and entrepreneurship can be better incorporated in research funding, exchange programmes and regional programmes supporting educational or research institutions. The EU could also support the establishment of networks dedicated to research and innovation, which could promote cooperation between various research programmes and funding schemes (e.g. EU/EEA programmes, Barents cooperation and even taskforces in the Arctic Council).

9.7.3 Invest in Intra-regional Accessibility and Connectivity

The EU can influence accessibility and connectivity in the Arctic. There is a need for a holistic and comprehensive approach to accessibility including transport infrastructure, information flows, ease of crossing borders, and opportunities/spaces for dialogue and interaction. Many experts consider intra-regional connectivity a “sounder alternative to upgrading the transport system than direct core-periphery linkages.”

In terms of physical infrastructure, a comprehensive network within the trans-European transport network should not be neglected. Cross-border co-operation and venues such as Barents co-operation may provide support in the planning phase, but over the longer term, after 2020, there is a need for more targeted and substantial support for intra-regional connections.

Cross-border co-operation, especially between Nordic states and northwest Russia, is an area where the EU can play a major role. Additional projects that support economic connectivity and people-to-people connections are needed.

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53. See also the report by the WWF, Gerde, E. (December 2013) Seals in Greenland. The important component of culture and economy. The Last Ice Area Project. WWF.
54. Social innovations are new ideas (e.g. products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. (Open Book of Social Innovation, Murray, R., Cälulier-Grice, J. & Mulgan, G., March 2010). For the European Commission, “such solutions are both social in their ends and in their means. They can take the form of genuine innovations or improved solutions.” (European Commission Social Innovation, http://ec.europa.eu/enterprise/policies/innovation/policy/social-innovation/index_en.htm. Accessed 10 December 2013.)
55. Focus on innovation, research and education is clearly supported for example in the Kirkenes II Declaration (Declaration on the 20th Anniversary of the Barents Euro-Arctic Cooperation, Kirkenes, Norway, 3–4 June 2013).
57. Dubois and Roto (2012).
58. Dubois and Roto (2012), p. 64.
59. In fact, some stakeholders point out that such programmes are currently less visible than in the 1990s and early 2000s (see Annex 1).
9.7.4 Consider the Special Needs of Arctic Cities in Relevant EU Policies and Programmes

Arctic urban areas are small in comparison to large cities in southern latitudes but perform a variety of functions normally associated with larger centres. For Arctic cities, strategies and supportive tools that are tailor-made to their needs may be more appropriate than policies designed for urban, rural or sparsely populated areas. Arctic cities and their unique challenges should be included to a greater degree in initiatives directed at urban development. An urgent issue is to support indigenous identities and cultures in urban environments.

The EU should take advantage of expertise existing in the North and facilitate production of knowledge regarding Arctic urban development. That includes the exchange of experiences, including with Greenland and Russia.

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