Economic Brief 5

Social Services, Social Welfare and Community Development in the Arctic

How do economic cutbacks from national governments negatively impacted the Arctic?

What effects do we see in the region, with the current distribution of educational prospects?

How should we move forward for a just and sustainable community development in the Arctic?

This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 869327

ECONOMIC BRIEFS in the Series

JUSTNORTH Economic Brief 1:
ENERGY TRANSITION IN THE ARCTIC: GOVERNANCE AND JUSTICE IMPLICATIONS

JUSTNORTH Economic Brief 2:
ARCTIC TRANSPORT: ENVIRONMENTAL, SOCIAL AND GEOPOLITICAL CONCERNS

JUSTNORTH Economic Brief 3:
NON-ENERGY RESOURCE EXTRACTION(MINING AND FISHERIES): GOVERANANCE, JUSTICE AND SUSTAINABLITY

JUSTNORTH Economic Brief 4:
RECREATION & TOURISM

JUSTNORTH Economic Brief 5:
SOCIAL SERVICES, SOCIAL WELFARE AND COMMUNITY DEVELOPMENT IN THE ARCTIC

JUSTNORTH
Economic Brief 5

Social Services, Social Welfare and Community Development in the Arctic

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Authors

Elena Conde, Universidad Complutense de Madrid
Valentin Clavé-Mercier, Universidad Complutense de Madrid
Belén Requena, Universidad Complutense de Madrid
Corine Wood-Donnelly, Nord University

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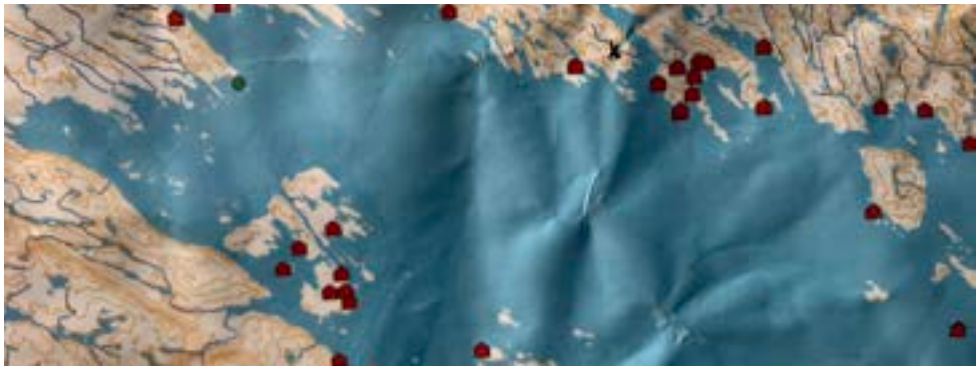
Table of contents



About the Economic Briefs

JUSTNORTH economic briefs are topical outputs drawing upon research previously conducted in the JUSTNORTH project, an undertaking funded by the European Union under Horizon 2020 programme. In these briefs, we build on the findings of the research conducted in 17 case studies (Work Packages 2-4) and underpinned by the comprehensive overview of various forms of justice and of the idea of ecosystem services (Work Package 1). The objective is to assess the sustainability of the regulatory frameworks supporting the main economic activities and sectors developed in the Arctic. Sustainability, understood here as the responsible use and management of spaces, common goods and shared resources with the aim of guaranteeing a fair use and enjoyment of them by future generations, is intrinsically linked to the idea of justice, the core concept upon which JUSTNORTH relies.

With the aim to reach a wide audience and to disseminate the previous work developed by JUSTNORTH work packages 1-4, the economic briefs constitute short and accessible analyses on different aspects of regulatory, policy and governance frameworks in the Arctic. As such, they are knowledge resources for policymakers, scholars and stakeholders/rightsholders. They will also serve as background papers in the process of co-producing the EU Policy Analysis Report and Recommendations.

Beyond the personal contributions made by the authors in their economic briefs, they all share a common outline. Each brief opens with the main key messages on the topic under consideration. They continue by outlining relevant findings of the JUSTNORTH case studies, highlighting issues identified by researchers and research participants as problematic, challenging or having implications for the actors' perception of justice. Third, the economic briefs analyse the governance regulatory mechanisms and gaps and policy frameworks related to the earlier identified findings. Which frameworks correspond to or address these problematic issues? What public goods are to be promoted and harms mitigated? Are future generations considered? What is the spatial scale of these policies and regulations? Fourth, we consider the justice implications derived from the economic sectors and their governance regulatory frameworks. The procedural, distributive, recognition and restorative forms of justice are considered, alongside the rights, balance of different values and interests and opportunities for participation. We ask if the governance frameworks themselves can be sources of social ills and injustices. Fifth, the relevance of discussed policies and regulations is analysed from the perspective of the Sustainable Development Goals and of ecosystem services – regulating services, provisioning services, cultural services and supporting services – that is, the varied benefits obtained by humans from healthy environments.

Finally, we provide initial thoughts on recommendations or areas where recommendations could be proposed – these will become subjects for discussion with Arctic stakeholders and rightsholders leading towards proposing recommendations at the end of JUSTNORTH project.

The briefs build on the findings of the case studies, written outputs of which have not been made public at the time of publication of these briefs. The ideas included in the briefs originate from these written outputs as well as discussions between case study leaders and the drafters of the briefs. However, for reasons of scope, the briefs consider only some aspects of the economic sectors analysed here and do not cover the entirety of said sectors.

1. ENERGY TRANSITION IN THE ARCTIC: GOVERNANCE AND JUSTICE IMPLICATIONS

This brief focuses on the governance and justice implications of the energy sector in (Sub-)Arctic in the context of ongoing energy transition. It presents case study-derived insights into: (1) energy demand and energy services; (2) renewable energy and energy storage; and (3) oil and gas extraction. Energy, particularly oil and gas, has played a critical role in the economic development of the Arctic while contributing to the narrative of the region as an extractive frontier. The ambition of the relevant JUSTNORTH case studies and this brief is to contribute to ending this narrative. The brief takes a critical view of the current governance mechanisms and identifies vertical and horizontal fragmentation problems. Placing justice-based conditions as part of permitting and licensing (leasing), wide implementation of strategic energy planning, accounting for equity and justice in rate and tariff-making, and incorporating collective and individual capabilities into environmental and social assessments are identified as possible solutions for the shortcomings.

The brief also criticises the current supply-centric approach and proposes incorporating the concepts of energy justice and services into energy decision making. This approach is linked to the current energy crisis that poses a challenge for winding down the ongoing hydrocarbon projects in the Arctic and not launching new ones. The issue of a post-extraction development looms large for policymakers, but it also presents opportunities for sustainable redeveloping of post-industrial spaces. The brief also notes conflicts and opposition to energy development are not unique to the O&G sector and that it is not necessary the technology or energy type but the approach to project development that matters. Therefore, renewable energy development cannot be solely justified by the decarbonisation effort and SDG7 considerations must be carefully balanced with complementary sustainable development goals.

2. ARCTIC TRANSPORT: ENVIRONMENTAL, SOCIAL AND GEOPOLITICAL CONCERNS

As the second largest contributor to greenhouse gas emissions, the transport sector significantly contributes to environmental degradation. Given this context, this JUSTNORTH Economic Brief considers how Arctic countries have taken different paths towards energy transition in line with European climate change goals. In particular, we consider private transport electrification and the opening of new railway networks in the region. Special attention has been given to justice issues that have emerged during the research process, as well as to the impact of these initiatives on the Sustainable Development Goals and on ecosystem services. considerations must be carefully balanced with complementary sustainable development goals.

3. NON-ENERGY RESOURCE EXTRACTION (MINING AND FISHERIES): GOVERNANCE, JUSTICE, AND SUSTAINABILITY

The brief provides an overview of the governance of (Sub-)Arctic fisheries and mining – two key economic sectors in the Arctic. Justice, sustainability and ecosystem services are discussed building on the findings of the JUSTNORTH case studies. Fisheries and mining are governed by a patchwork of policies, regulations, resource ownership frameworks, and standards. Governance shapes the distribution of benefits and burdens, and affects sustainability potential and justice outcomes. Justice and sustainability in mining and fisheries needs to be analyzed at different spatial scales, as global sustainability benefits may be intertwined with unsustainable practices when considered from the local perspective. Contrast between the distribution of positive socio-economic impacts and the distribution of environmental impacts remains a central concern. In fact, extractive industries can exacerbate existing inequalities. The process, timing and stakeholder/rightsholder composition of consultations are the key issues for procedural justice. opposition to energy development are not unique to the O&G sector and that it is not necessary the technology or energy type but the approach to project development that matters. Therefore, renewable energy development cannot be solely justified by the decarbonisation effort and SDG7 considerations must be carefully balanced with complementary sustainable development goals.

4. ECONOMIC BRIEF: RECREATION & TOURISM

This report presents findings from across several case studies of the JUSTNORTH project as they relate to tourism in the Arctic.

The Arctic features a landscape and ecosystem that exert a strong pull for visitors. However, climate change is threatening the long-term viability of the region in its current bio-geochemical form and, therefore, the socio-economic foundations of Arctic societies as well. Barriers to sustainability in the economic sector of tourism arise from structural problems associated with the industry, including differential bargaining powers of employment contracts and the broader lack of capacity for stakeholders to engage in consultation processes at national and international contexts. In addition, the lack of overarching regulatory mechanisms or frameworks beyond consumer rights and safety measures means that a number of UN Sustainable Development Goals (SDGs) are adversely affected.

This report sketches distributive, regulatory and procedural issues of justice as well as different dimensions of ecosystem services as they relate to the SDGs. The report closes with a list of potential regulatory recommendations, including a certification scheme, approaches for employment, and integrated spatial planning.

5. SOCIAL SERVICES, SOCIAL WELFARE AND COMMUNITY DEVELOPMENT IN THE ARCTIC

This JUSTNORTH Economic Brief explores the relations between some economic sectors (transport, resources extraction, search and rescue activities) and the social development of Arctic countries and communities. Special attention has been given to how these different economic activities can potentially contribute to or hinder "community viability" in the region. The current governance and regulation of public transport, of welfare state provisions, of corporate social responsibility, and of search and rescue activities have all been analysed under the light of justice considerations and in relation to environmental sustainability. While progress in Arctic social welfare is clearly observable, major challenges remain.for employment, and integrated spatial planning.

JUSTNORTH Case Studies informing JUSTNORTH Economic BRIEFS

Transport 1

Opportunities For Sustainable Mobility and Addressing Transport Poverty in Iceland

Lead researchers:
Benjamin Sovacool, Sussex University
Paul Upham, Sussex University

DataCentres 2

Sustainable Digitisation & Resilient Communities: Low Carbon Data Centres in Greenland, Iceland & Norway

Lead researchers:
Benjamin Sovacool, Sussex University
Chukwuka Monyei, Sussex University

WindNO 3

Renewable and Ethical?: Motivation for Wind Power Resistance in Sápmi & the Norwegian Arctic

Lead researchers:
Ragnhild Freng Dale, Western Norway Research Institute
Halvor Dannevig, Western Norway Research Institute

Post Industrial 4

Liabilities into Assets — Reviving Post-Industrial Communities Through Repurposing Industrial Infrastructures in the Swedish Arctic

Lead researchers:
Roman Sidortsov, Sussex University,
Timothy Scarlett, Michigan Technological University

OilGas 5

Stranded Assets, Path Dependencies & Carbon Lock-in: Short/Medium/Long Term Implications of Oil & Gas Development in the Russian, Norwegian and U.S. Arctic

Lead researchers:
Roman Sidortsov, Sussex University
Anna Badyna, Sussex University

Energy 6

Corporate Cultures & Geopolitical Aspirations: Exploring Socio-Political Barriers to the Energy Transition in Russia & Norway'

Lead researchers:
Darren McCauley, Erasmus University Rotterdam
Ryan Holmes, Erasmus University Rotterdam

Fisheries 7

Changing coastal communities, fisheries governance and equity issues in Iceland

Lead researchers:
Níels Einarsson, Stefansson Arctic Institute
Catherine Chambers, Stefansson Arctic Institute

Tourism 8

Communities, Globalisation and Marine Tourism in Northern Iceland

Lead researchers:
Niels Einarsson, Stefansson Arctic Institute,
Edward Huijbens , Wageningen University,
Edward Ariza, Universidad Autonoma Barcelona
Silvia Gomez, Universidad Autonoma Barcelona

Mining 9

Socio-economic Development, Self-determination and Global Change Impacts in Greenland

Lead researchers:
Joan Nymand Larsen, Stefansson Arctic Institute
Jon Ingimundarson, Stefansson Arctic Institute

Research Stations 10

Field Research Stations, Sustainable Development, and Knowledge Production in the North

Lead researchers:
Hele Kiimann, Uppsala University
Susan Millar, Uppsala University

SAR 11

Northern Seas, Global Connections: Shipping, Search & Rescue and Small Communities in Canada & Norway

Lead researchers:
Corine Wood-Donnelly, Nord University
Hannes Hansen-Magnusson, Cardiff University

Cruise Tourism 12

Polar Tourism, Cruise Ships and Northern Communities: Competing Interests and Resource Use

Lead researchers:
Hannes Hansen-Magnusson, Cardiff University
Charlotte Gehrke, Cardiff University
Corine Wood-Donnelly, Nord University

Railway 13

Transportation Links and Power Disparities: the Arctic Railway Plans in Finland

Lead researchers:
Soili Nystén-Haarala, University of Lapland
Pigga Keskitalo, University of Lapland
Juha Kähkönen, University of Lapland

Mining 14

Mining in the Finnish Arctic

Lead researchers:
Jukka Similä, University of Lapland
Henri Wallen, University of Lapland

Livelihoods 15

The Power and Perish of Multiple Land-Use for Indigenous and Traditional Livelihoods in Northern Finland

Lead researchers:
Mia Landauer, University of Lapland
Juha Joona, University of Lapland

WindFIN 16

Balancing Sustainable Opportunities in the Arctic: Wind Power & Reindeer Herding in Northern Finland

Lead researchers:
Tanja Joona, University of Lapland
Soili Nystén-Haarala, University of Lapland

IndEntr 18

Empowering Equitable and Robust Indigenous Economy through Indigenous Entrepreneurship in the Swedish & Russian Arctic

Lead researchers:
Elena Bogdanova, Northern Arctic Federal University
Ildikó sztalos-Morrell, Swedish University of Agricultural Sciences

Forms of Justice

Distributive Justice: "to give everybody their due shares in benefits and costs" (Deplazes-Zemp 2019); equitable distribution of social and economic benefits and burdens within and across different generations and geographies.

Procedural Justice: "to give everybody their due voice and participation in decision-making processes" (Deplazes-Zemp 2019); adherence to due process and fair treatment of individuals under the law; justness of procedures that are used to determine how benefits and burdens of various kinds are allocated to people; not necessarily determining the substantive justice.

Recognition Justice: "respecting identities and cultural differences; the extent to which different agents, ideas and cultures are respected and valued in intrapersonal encounters and in public discourse and practice." (Martin et al. 2016); Inclusion of the vulnerable, marginalised, poor, or otherwise under-represented or misinterpreted populations and demographic groups.

Restorative Justice: acknowledging past harms and possibly finding pathways for compensation and reconciliation, as well as ensuring that past conflicts, injustices and harms are not repeated; it should not be confused by the purely "retributive" form of justice, which is primarily concerned with punishment of wrongful acts (e.g. polluter pays principle).

Ecosystem Servcies

Ecosystem services[1]

Cultural Services
Intangible benefits derived from interactions with nature that contribute to the cultural or spiritual development of people, including the aesthetic appreciation and inspiration for culture; spiritual experience and cultural identity; tourism and recreation, etc.

Regulating Services
Benefits provided by ecosystems through their regulation of environmental processes. Examples: carbon sequestration; erosion and flood control, climate regulation and pollination, etc.

Provisioning Services
Provision of natural resources by ecosystems that are subsequently used by human communities for their survival and development. Examples: food, water, medicine, raw materials, etc.

Supporting Services
Fundamental ecosystem processes and functions that support and enable the other types of services, such as photosynthesis, nutrient cycling, the creation of soils, and the water cycle.

[1]For more on ecosystem services, see: https://www.nwf.org/Educational-Resources/WildlifeGuide/Understanding-Conservation/Ecosystem-Services and http://aboutvalues.net/ecosystem_services/.

JUSTNORTH Economic Brief 5: Social Services, Social Welfare and Community Development in the Arctic

Lead author: Elena Conde
Contributing authors: Valentin Clavé-Mercier, Belén Requena, Corine Wood-Donnelly

KEY MESSAGES

Arctic social welfare stands at a crossroads in the early 21st century. The fact that the region has increasingly been the focus of ever more economic activities poses the question of whether such an increase has positive or negative impacts on community development in the Arctic. While it is undeniable that many success stories emerge from particular communities in the region, social general trends are still cause to worry and need to be addressed.

- Economic cutbacks from national governments have negatively impacted the region, leading to a lowering of quality of life and a degradation of available social services[2]. This is heightened by the complex and remote Arctic geography.

- Health disparities between Arctic inhabitants and the rest of national populations remain a significant issue, with mental health being one of the main challenges of Arctic communities (e.g. high suicide rates) . Additionally, within the region, disparities are observed between Indigenous and non-Indigenous peoples.[3]

- Lower rates of educational attainment than national averages are observed across the Arctic region, especially in the case of local remote communities. There is a serious - although progressively addressed - problem of distribution of educational opportunities leading people to leave the area to pursue higher education[4].

- Overall, many local communities are experiencing depopulation trends due to outbound migration towards areas with more socio-economic opportunities (either Arctic urban centers or outside of the Arctic region altogether)[5].

In such a context, social services and interventions oriented towards social welfare are crucial to ensure the development of Arctic communities. This brief focuses only on the aspects of social welfare provision that were addressed in the different JUSTNORTH case studies: public transport, redistributive policies, corporate social responsibility, and search and rescue activities. Interestingly, this sample already lays bare that community development in the Arctic is, at least partially, a shared responsibility between public and private sectors.

[2] N. Einarsson et al. (eds.), Arctic Human Development Report (Stefansson Arctic Institute 2004).
[3] J. Larsen et al. (eds.), Arctic Social Indicators (Nordic Council of Ministers 2014).
[4] K. Young & S. Chatwood, 'Comparing the health of circumpolar populations: patterns, determinants, and systems' in B. Evengård, J. Larsen, Ø. Paasche (eds.), The new Arctic (Springer 2015).
[5] J. Larsen et al. (eds.), Arctic Social Indicators.
[6] Níels Einarsson et al. (eds.), Arctic Human Development Report.

Social Development through the lens of JUSTNORTH Case Studies

In spite of this concerning socio-demographic landscape, several ongoing processes and experiences reveal the resilience and even prosperity of some Arctic communities. These are encouraging trends towards "community viability", understood as the building of communities "in which people are able to dwell and prosper, for some period, finding sources of income and meaningful lives."[6] This brief stems from the need to strengthen community viability in the Arctic and considers how it could be fostered in several ways. Undeniably, social welfare is a key aspect of community viability, as will be seen in the following three illustrations we selected. However, in all of them, this brief also puts special emphasis on how economic activities interplay with social welfare and on their potentially crucial role in community development.

Public Transport

The complex geography of the Arctic region and the remoteness characteristic of many Arctic communities make the provision of public services both challenging and essential to Arctic social development. For instance, some stakeholders expressed concerns over water sanitation and fresh water supplies due to the negative impacts of some economic activities and the resulting contamination or increase in consumption[7] . However, the outcomes of the JUSTNORTH research were more extensive in relation to another public service: public transport notably emerged as a key aspect of Arctic life[8] . This is especially the case for the most vulnerable sectors of society for whom private transport may be out of reach economically speaking or due to their own personal capabilities (e.g. elderly people or people with disabilities).

Transport in general is key for everyone's participation in economic activities, but also in order to access other social services such as education, health, etc. However, "transport poverty", or the lack of the necessary mobility services for the fullest participation in society as possible, is found to be an important aspect of social life in the Arctic. The need for affordable and accessible means of public transport thus arises as a key determinant of social welfare, especially in an Arctic region where mobility is both more complex and often more essential due to geographical dispersion.

[6] Níels Einarsson et al. (eds.), Arctic Human Development Report, p.152.
[7] CS9-Mining; CS12-Cruise Tourism; CS15-Livelihoods.
[8] CS1-Transport.

Social Welfare

The complex geography of the Arctic region and the remoteness cmarked by a clear importing trend meaning that income produced locally is finally redirected outside of the region. As such, Arctic communities are often dependent on state subsidies and the public sector represents an important source of employment.[9] Some countries have effectively harnessed the income potential derived from resource exploitation to effectively benefit their populations - be it strictly Arctic or national.[10] However, both the global shrinking of welfare states associated with neoliberal economics and the environmental sustainability questioning of fossil resources exploitation may greatly affect the Arctic region and its relation to social welfare provision.

Additionally, while many of the large-scale economic projects have at least some positive ripple effects on local economies, companies established in the Arctic are increasingly expected to contribute more actively to community development. As such, "corporate social responsibility" (CSR) is seen as a factor contributing to the creation of attractive and viable Arctic communities and was especially highlighted as a positive pathway by the Arctic Council in the 2013 Kiruna Declaration. CSR is a "self-regulatory mechanism"[11] built on the premise that companies have duties and responsibilities with the communities they develop their activities in, especially to improve the quality of life (e.g. human rights, social and environmental sustainability, labor practices). However, as we will see through two illustrative cases from Sweden (Kiruna mine) and from Russia (Yamal LNG), one of the main problems of CSR is precisely its non-legally binding nature, leaving it to each company to decide on its implementation. Moreover, its loosely-defined meaning and character leads to different understandings and expectations that in turn end up in disputes, conflicts or opposed interests.[12]

Search and Rescue

Changing environmental conditions in the Arctic due to climate change have resulted in exponential changes in commercial patterns in the region (e.g. opening of new transportation routes and increasing of shipping; fishing activities further North; offshore extraction activities; increase in tourism). This surge in commercial activity in an increasingly unstable climate means that accidents are more likely to occur. These risks similarly affect individuals living and operating in the Arctic, either directly in terms of safety or indirectly when local communities must bear the weight of responding to a nearby incident with their bodies and resources. Therefore, search and rescue (SAR) activities are key to reduce the risk of incidents in the region and are an essential aspect of climate change adaptation for Arctic states and communities.[13] R is an internationally-required state responsibility in which military personnel, private sector actors and community-based charitable organizations cooperate.

However, due to the complex Arctic geography and to the current implementation of SAR, the provision of such services inshore and on land very often rely almost entirely on community volunteers.[14] Although SAR is not a commercial activity per se, it constitutes a crucial support for a variety of commercial activities in the Arctic due to the commercial interest in the reduction of risks. Additionally, SAR has the potential to strengthen local communities through income and employment generation as well as contributing to mental health. However, the current state of SAR provision reveals that local communities are generally underprepared, under-resourced and facing many pressures limiting their capacity to engage in SAR activities.

[9] J. Larsen et al. (eds.), Arctic Social Indicators.
[10] CS4-Post-Industrial; CS5-OilGas.
[11] A. Makaros et al., 'Corporate Social Responsibility: Practice Models for Building Business Community Collaborations' in R. Wolf et al. (eds.) Empowering Organizations Through Corporate Social Responsibility (IGI Publications 2015).
[12] I. Kelman et al., 'Local Perceptions of Corporate Social Responsibility for Arctic Petroleum in the Barents Region' (2016) Arctic Review on Law and Politics 7(2).
[13] CS11-SAR.
[14] J. Ford & D. Clark, 'Preparing for the impacts of climate change along Canada's Arctic coast: The importance of search and rescue' (2019) Marine Policy 108.

Social Development Governance in the Arctic: Key Regulatory Mechanisms and Gaps

Public Transport

In Iceland, the government's Climate Action Plan includes a clear commitment to encourage public transport over the use of private vehicles, within a strategy to reach carbon neutrality by 2040.[15] National regulations explicitly declare that public transport should be oriented to improving people's lives and social, cultural and work connectivity, independently of their possibilities to access private vehicles.[16] Public transport services are required to be affordable and sustainable. Additionally, regional policy ensures that access to efficient public transport should be irrespective of places of residence - thus being equally distributed between rural and urban areas.[17] At the municipal level, where most policies about public transport actually come to life, Reykjavik Municipal Plan (2010-2030) and the 2016 Reykjavik's Climate Policy aim to increase the share of public transport use in the city by strengthening or improving existing services and infrastructures. Both policy documents also contain a strong orientation to the electrification of private transport and commitments to make public transport more accessible to vulnerable groups and to the developing areas surrounding the city.

Alaska similarly follows the same tripartite structuring of the public transport's regulating context. Nationally speaking, public transportation is regulated by the U.S. Code Title 49, Chapter 53. Nonetheless, public transport in Alaska is planned and defined through the state implementation of the Statewide Long-Range Transportation Plan. The Plan recognises an urgent need to improve the public transportation system, putting special emphasis on connectivity within and between rural and remote regions, as well as on the needs of people with disabilities and of people dependent on public transport. According to the Plan, consultation with Alaskans is an integral part of decision-making processes regarding public transport. These goals are then taken up by the different municipalities. In particular, the 2019 Anchorage Climate Action Plan stands out for its concrete policy plan on public transport and its overall provision for public participation in the solving of urban problems. Recent improvements in the local bus system have ensured more direct and frequent service, leading to a progressive increase in public transport ridership. These changes are seen as crucial steps towards the fulfillment of international covenants such as the 2015 Paris Agreement and the subsequent 2021 Glasgow Climate Pact.

[15] Icelandic Government, 'Climate action plan' (2020). URL https://www.government.is/library/01-Ministries/Ministry-for-The-Environment/201004%20Umhverfisraduneytid%20Adgerdaaaetlun%20EN%20V2.pdf

[16] Icelandic Cabinet Ministry of Transport and Local Government, 'Policy on public transport between settlements' (2019). URL https://www.althingi.is/altext/pdf/150/fylgiskjol/s0599-f_1.pdf. [6] JUSTNORTH policy briefs: Justice in Environmental and Social Impact Assessments, fn, 3 above.

[17] Parliamentary resolution of 15 June 2022 on strategic regional planning for the years 2022–2036(2022) 27/152.

Social Welfare

For several Arctic countries, the revenues linked to oil and gas exploitation are significant for the states' national economies and are considered to be of extraordinary societal value as they contribute, among other things, to the maintenance of the welfare system.

- In Norway, the Government Pension Fund Global, commonly known as the "Oil Fund" was established through the 1990 Government Petroleum Fund Act. Revenue from oil and gas exploitation - emerging from taxes to companies, payments for exploitation licenses or dividends from state-owned companies - are all transferred to the fund and then invested internationally. Subsequent legal additions were made to clarify objectives and management responsibilities in the 2005 and 2020 Government Pension Fund Acts. The Fund is said to stabilize the integration of oil and gas revenues into the Norwegian economy, as well as to act as a "financial reserve and as a long-term savings plan so that both current and future generations of Norway get to benefit from our oil wealth."[18] It is owned by the Norwegian state on behalf of the Norwegian people and is managed by a branch of the Norwegian Central Bank. In spite of its name, it currently has no specific pension obligations. Accumulated and generated wealth is used to fund public goods and represents close to 20% of the government budget.[19]

- In Alaska, the Permanent Fund was established in 1976 through a Constitution amendment. In 1980, its management passed from public hands to a state-owned corporation. At least 25% of revenues coming from "mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State" are placed in the fund. As in the Norwegian case, said revenues are then invested to generate wealth that is supposed to benefit both current and future generations of Alaskans. Additionally, the fund is used to finance the Permanent Fund Dividend, a basic income system through which almost all Alaskan residents receive annual dividends from mineral exploitation revenues.[20]

[18] Norges Bank Investment Management, 'About the fund' (27/02/2019) https://www.nbim.no/en/the-fund/about-the-fund/ accessed 19/12/2022.
[19] Norges Bank Investment Management, 'About the fund' (27/02/2019) https://www.nbim.no/en/the-fund/about-the-fund/ accessed 19/12/2022.
[20] Article 9, Section 15 of the Alaska State Constitution (1976).

Being more a voluntary act than a legally-enshrined duty, the governance of CSR is rather loose. Several international principles and frameworks exist. The 2000 OECD Guidelines for Multinational Enterprises call companies to commit to respect human rights and to mitigate their activities' negative impacts and establish a mechanism to report alleged violations and a dispute resolution system. The 2000 UN Global Compact puts the same emphasis on companies' respect for human rights and conducts annual reporting on companies' implementation of its principles or their failures. The Global Reporting Initiative, funded in 1997, is another reporting mechanism considering companies' record on both human rights and environmental questions. However, these different initiatives are all fraught with the same limitations, namely that their non-binding legal nature renders them mere voluntary codes of conduct.

Nationally speaking, interesting cases of CSR are observable throughout the Arctic region, although they generally evolve in a legal vacuum. National regulatory frameworks vary, as seen in the divergence in depth and scope of impact assessments for instance.[21] Overall, a breakdown between national government, companies, local government and local communities can be observed since communication is not particularly regulated and local communities often found it hard to influence companies. A lack of integrated outlook is also observable in CSR where assessments of sustainability and reports on the impacts of the companies' activities are often individualized and hinder a collective commitment or action plan. CSR as designed in corporate offices and inspired by international protocols and guidelines is often very distant and different from its actual implementation at local level.[22] In Sweden, the relocation of the Kiruna community due to LKAB's expansion of mining activities and its associated risks is an interesting example.[23]

Such a move has been recognised as an opportunity to improve the sustainability and overall quality of life of the Kiruna community, a mission that LKAB is officially committed to.[24] Through a series of bilateral agreements, LKAB is providing financial compensation to the municipality so that it can rebuild municipal infrastructure, land and properties equivalent to those lost to the company's activity .[25] So far, this compensation has been used to fund infrastructure projects and compensation agreements with owners over the loss of properties. However, the JUSTNORTH research identified discrepancies between residents and LKAB over the desired depth of the transformation.[26] LKAB is generally seen as doing the bare minimum in terms of compensation, exemplified for instance by the fact that they aim at rebuilding the community at the same value as the loss. Instead of pursuing urban transformation in the fastest and cheapest way, residents believe LKAB could and should invest to improve the Kiruna community in a way otherwise impossible for the limited municipal resources.

This is especially so when considering that the expansion of mining operations and the company's needs for its transition to sustainable production would also put additional pressure on local infrastructure and services. Interactions between LKAB and the municipality are actually limited and often more competitive than collaborative as the company seeks best value in the deployment of its CSR. There is thus a segmentation in the overall approach where both sides are conducting limited interventions lacking a strong participative, democratic and holistic project. The Swedish state, as owner of LKAB, could be key to foster cooperation between the different actors and scales, but no legal obligation to intervene exists.

[21] See Policy Brief "Justice in Environmental and Social Impact Assessments".
[22] L. Henry et al., 'Corporate Social Responsibility and the Oil Industry in the Russian Arctic: Global Norms and Neo-Paternalism' (2016) Europe-Asia Studies 68(8).
[23] Policy Brief "The planning of Arctic landscapes and seascapes and its impact on sustainability".
[24] LKAB, 'Social responsibility' (12/08/2020) https://www.lkab.com/en/sustainability/social-responsibility/ accessed 19/12/2022.
[25] LKAB, 'Agreement with the municipality' (12/07/2018) https://samhallsomvandling.lkab.com/en/kiruna/we-are-moving-a-town/agreement-with-the-municipality/ accessed 19/12/2022.
[26] CS5-OilGas.

In the Russian Federation, the industry developed the "Social Charter of Russian Business" in 2007 to tackle the involvement of companies in local development. Later approved as an official national document, the Russian federal system however means that its implementation depends on regional initiatives and frameworks to negotiate industry-local stakeholders' agreements. Regional differences are thus significant. In the case of the Yamal LNG project, NOVATEK has reported important investments in regional infrastructure; funding and modernisation of local services (health, education, transport, housing); support of cultural events; campaigns to prevent environmental damage to local ecosystems; cooperation with and nonmonetary support to Indigenous organizations . Notwithstanding, the project has also been criticized for its negative social and environmental impacts , on top of being itself dependent on state expenses in the form of tax exemptions and massive state investments.

One of the main issues is the lack of "localisation" in the economic growth related to the resources exploitation project. In other words, Arctic communities targeted by the Yamal LNG project are found to contribute more to the national economy than what they receive from national investments and from CSR actions . Local benefits are limited and value is generated either in other parts of the country or internationally. The lack of regulation on localisation effects and requirements is undeniably compounding the issue.[27]

Notwithstanding, the project has also been criticized for its negative social and environmental impacts.[28] On top of being itself dependent on state expenses in the form of tax exemptions and massive state investments. One of the main issues is the lack of "localisation" in the economic growth related to the resources exploitation project. In other words, Arctic communities targeted by the Yamal LNG project are found to contribute more to the national economy than what they receive from national investments and from CSR actions.[29] Local benefits are limited and value is generated either in other parts of the country or internationally. The lack of regulation on localisation effects and requirements is undeniably compounding the issue.[30]

[27] ENVIRON, 'Yamal LNG environmental and social scoping report' (February 2013) http://yamallng.ru/upload/Annex%20 1.%20Scoping%20Report%20ENG%20YLNG%20Issue%204.pdf; NOVATEK, 'Choose a Green Future. Choose Natural Gas. Sustainability Report' (2020).
[28] Policy Brief "Decision-making for a sustainable economic development in the Arctic".
[29] CS5-OilGas.
[30] E. Volodina & S. Anisimova, 'Implementation of Import Substitution and Localization Policy in the Development of Oil and Gas Fields of the Arctic' (2020) https://xn--80aaigboe2bzaiqsf7i.xn--p1ai/ retrieved 24/06/2022

Search and Rescue

The existing regulatory framework concerning SAR activities is mainly international, with the 1979 SAR Convention being the main instrument. The Convention, reinforced by UNCLOS in 1982, establishes that states have responsibility for provision of SAR services and infrastructures along their coasts, as well as requiring the provision of adequate equipment to rescue teams and a 24h coverage and availability. In the Arctic context, the 2011 Arctic Agreement on Search and Rescue was the first legally-binding agreement to emerge under the umbrella of the Arctic Council. The Agreement reaffirms the Arctic commitment to the 1979 Convention as well as establishing the need for cooperation and coordination in the region and defining each party's area of responsibility[31].

Overall, the Agreement has been seen as an important symbolic milestone around Arctic cooperation and a needed political message calling for awareness of Arctic safety challenges in relation to climate change, but the limitation of its practical consequences has been highlighted[32]. It confers no formal powers nor specifies any structural or operational requirements for national SAR organization and policy. Arising from the cooperation between states and industry, the 2017 Polar Code also affects SAR in the region through its requirements for operation safety and training in polar waters.

At the national level, the relations between the different actors involved in SAR activities are regulated through national planning strategies and arrangements, although SAR is entirely state-managed or altogether non-existent as a service in some locations.

- In Norway for instance, the state provision of SAR is channeled through the Joint Rescue Coordination Centre (JRCC) national organization coordinating the national dedicated staff, its centers and its equipment. At the community level, the provision relies on volunteer organizations and tenders with private companies and largely depends on volunteers' time, efforts, equipment and on charitable donations.

- Similarly, Canada follows a similar structuring of state-level SAR under federal ministries' responsibility and a community level provided through a coordination of local organizations. Of special interest is the 2014 Economic Action Plan's provision for tax relief for SAR volunteers to promote participation in SAR activities.

However, the general trend observed in the Arctic is that of a high state reliance on local community volunteers coupled with a lack of local provisions to effectively materialize the SAR international commitments[33]. There is a significant imbalance in the sharing of resources and equipment from state agencies to NGOs, local communities, and industry actors, thus placing a considerable burden on community members and organizations. Overall, one of the main problems of the existing regulatory framework is that it perpetuates barriers to cooperation between NGOs/volunteers and public agencies. Government officials, and the regulations emerging from them, tend to consider the state as the most important actor in SAR and, while the participation of others is appreciated, it is often not considered essential.

[31] E See Art.2 and Annex.
[32] S. Rottem, 'The Arctic Council and the Search and Rescue Agreement: the case of Norway' (2014) Polar Record 50(254).
[33] CS11-SAR

Justice Implications for Community Development in the Arctic

Transport issues in the Arctic are fraught with questions of distributive justice [34]. In a region in which transport is so essential to social connectivity and where transport energy transition is often high in national policy priorities, public transport alternatives need to be strong, affordable and available so as to not be doubly detrimental to the poor segments of society for whom switching to sustainable private transport is out of reach. Economic policies and regulations thus need to ensure fairness in the distribution of burdens and opportunities in the climate transition process. As such, improving and investing in public transport can be seen as complementary to transport electrification policies and their unequal impacts.

Given the negative impacts of transport poverty, fair access to transport services should especially take into account the needs of low-income households and of individuals with special needs such as elderly people, people with disabilities or geographically remote communities. Insufficient public transport provision in terms of vehicles fit for disabled access or in terms of reach and frequency in rural communities can be seen as discriminatory towards certain social groups by further increasing their already existing vulnerability. This would constitute a recognition justice issue as well as a distributive one if the benefits from public transport are not serving everyone in the same way. Finally, community participation in public transport planning and governance is often circumscribed to consulting processes, thus limiting the fullest expression of procedural justice.

The weight of revenues coming from oil and gas extraction in the funding of Arctic welfare states, especially in the cases of Norway and Alaska, is problematic within an agenda of environmental sustainability and climate action. While environmental impacts are undeniable, oil and gas activities in Alaska contribute to 50% of the overall economy[35] . Decreasing revenues from the Alaskan Permanent Fund have resulted in financial downturn and uncertainty[36] . Walking away from these economic activities would thus potentially have dramatic consequences for the provision of social services and for social sustainability in general. In order to ensure distributive justice and environmental justice, a well-considered economic transition is necessary. Long-term impacts, such as environmental contamination or the disturbance of traditional livelihoods and other activities, are also a significant consideration for intergenerational justice. The risk of economic dependence on a finite - and contaminating - resource is high if initiatives such as the Permanent Fund and the Pension Fund do not seek to diversify their revenue streams so as to allow a reconciliation of the different values and interests of diverging stakeholders.

CSR has the potential to be another significant contributor to Arctic welfare. Its influence on intergenerational justice is for instance clear in that it can help ensuring sustainable and attractive communities beyond the companies' time-limited activities in specific regions. In the case of LKAB particularly, there is an element of restorative justice as well in that the company is seen by some stakeholders as having a responsibility to invest due to the historic accumulated harm of mining on the Kiruna community. However, some concerns surround CSR as well. For instance, there is a risk that states would use it to "privatize" some of their welfare obligations in what has been presented as "neo-paternalism"[37] . This would be especially worrying given the observation of procedural injustice in the existing lack of input from the communities most affected by companies' activities in CSR-related decision-making, especially indigenous and future generations' interests.

In Russia especially, CSR has been identified as plagued with a lack of transparency and accusations of corruption in the use of funds[38]. Additionally, CSR may give rise to distributive justice issues if CSR is too localized - focus on "host community" can lead to intercommunal tensions - or too broad- when negative impacts of some economic activities are not adequately compensated in the affected communities.

[34] See Economic Brief "Arctic Transport: Environmental, Social and Geopolitical Concerns."
[35] P. Mahdavi, 'Cash transfers, political autonomy, and civic participation: Evidence from a natural experiment in Alaska' (23/08/2019) http://paashamahdavi.com/LBP-aug2019.pdf accessed 19/12/2022.
[36] M. Guettabi, 'On the Alaska budget: A historical comparison. Institute of Social and Economic Research' (22/01/2020) https://iseralaska.org/2020/01/on-the-alaska-budget-a-historical-comparison/ accessed 19/12/2022.
[37] L. Henry et al., 'Corporate Social Responsibility'.
[38] I. Kelman et al., 'Local Perceptions of Corporate Social Responsibility'.

In relation to SAR activities, the main identifiable justice issue is a distributive one. On one hand, local communities and volunteers are found to bear most of the costs of SAR activities (in terms of time, material goods and psychological distress) while the allocation of national resources between the different actors involved rarely reflects that.[39] On the other hand, while SAR providers are mainly community or state actors, users are predominantly located in the commercial sector. A better balance should be struck so that the weight of SAR services provision falls more on commercial actors and so that users can be diversified beyond the latter.

Some barriers to individuals' participation in SAR activities are also posing a problem of recognition justice. For instance, the reliance on personal financial costs for volunteers to participate generally curtails the involvement of the lower socio-economic layers of Arctic communities. The same can be said about the overall absence of cultural sensitivity in SAR training and execution that can end up marginalizing some Arctic communities (such as Indigenous peoples if their languages, values and knowledge are not represented and taken into account).

Finally, the fact that community volunteers are often not recognised as an essential actor in SAR provision by existing regulations is a procedural justice issue meaning that their access to relevant decision-making over budgeting and planning and to resources is thus limited.

[39] CS11-SAR

Impact on Sustainable Development Goals and on Ecosystem Services

The electrification of public transport often generates greater positive impacts on environmental sustainability than the electrification of private transport, thus being a crucial aspect in the pursuit of SDG7 (Affordable and Clean Energy) and SDG13 (Climate Action). If actively tackling issues of transport poverty, through affordability measures for instance, public transport provision can also be a key factor in impacting SDG1 (No Poverty) and SDG10 (Reduced Inequalities) via a public transport system offering good service irrespective of socio-economic status. A well-planned and reinforced public transport network would also contribute to SGD11 (Sustainable Cities and Communities) by reducing traffic and emissions and to SDG8 (Decent Work and Economic Growth) by increasing the workforce's connectivity and productivity. However, most of these goals can also be negatively impacted by a lack of appropriate support for public transport services if mobility becomes harder and more expensive for Arctic communities - in their entirety or for some groups.

In relation to SDGs, the Norwegian Pension Fund and the Alaskan Permanent Fund enable progress in a variety of social goals such as SG1 (No Poverty), SDG3 (Good Health & Well-Being) or SDG4 (Quality Education). However, such an economic dependence on the exploitation of finite and contaminating resources put SDG11 (Sustainable Cities and Communities), SDG12 (Responsible Consumption and Production) and SDG13 (Climate Action) at risk. However, in the current context, a reduction in the Permanent Fund payments has been linked to an increase in people living in poverty[40], thus evidencing its direct relation - both positive and negative - with SDG1. In theory, CSR combines SDG9 (Industry, Innovation and Infrastructure), SDG11 (Sustainable Cities and Communities) and SDG12 (Responsible Consumption and Production) through its aim to develop industrial processes that are aware of and committed to social and environmental sustainability. More concretely, SDG3 (Good Health & Well-Being) can be addressed through the provision of medical assistance in the hosting region; SDG4 (Quality Education) through companies' support of educational institutions and programmes; SDG8 (Decent Work and Economic Growth) through the economic and social development of the hosting region.

An expansion of SAR infrastructure and strengthening of SAR activities would contribute to SD9 (Industry, Innovation and Infrastructure) and to SDG11 (Sustainable Cities and Communities) by making economic activity and human development in the Arctic safer. For instance, the improvement of SAR infrastructure and technology would incidentally help tackle existing communication poverty affecting some Arctic communities while resulting in commercial benefits too. The current tension between voluntary participation in SAR and the exigencies of wage labor hinders the retention of skilled emergency responders on the long term. This conflict is thus a problem for SDG8 (Decent Work and Economic Growth) but could also contain potential for its improvement if SAR progressively shifts from a volunteer activity to wage occupation. Additionally, this would reduce the personal economic burdens on volunteers derived from the use of personal equipment in training and rescue activities, thus contributing to SDG10 (Reduced Inequalities). If SAR were to provide employment opportunities in remote Arctic communities, this would also help reduce inequalities in relation to socio-economic national averages. Moreover, lifesaving operations have obvious positive impacts on community and individual physical well-being, but also on mental health (SDG3 - Good Health and Well-Being). Participation in SAR activities has been found to contribute to individual empowerment, to a personal sense of worth and to reinforcing community ties, all of which can have beneficial impacts on mental health. Finally, it is generally accepted that the environmental impacts of SAR activities are lesser than the impacts of their absence (oil spills, ships sinking, groundings, capsizings, etc.) thus helping in tackling SDG13 (Climate Action).

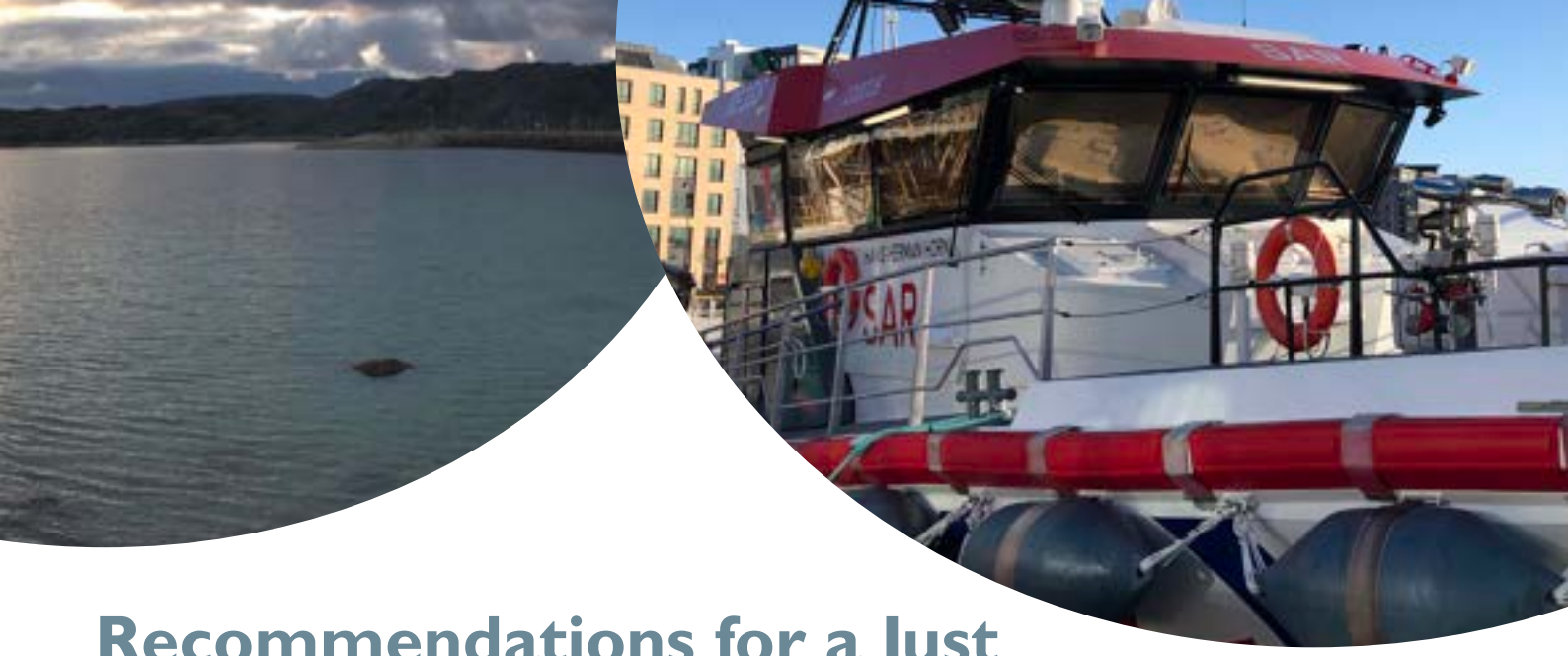
[40] B. Matthew & R. Reamey, 'Permanent fund dividends and poverty in Alaska' (November 2016) https://iseralaska.org › 2016_12-PFDandPoverty accessed 19/12/2022.

Besides, the management and provision of social services and social welfare studied in this brief may impact "ecosystem services" in different ways. Ecosystem services refer to the various services that Arctic ecosystems provide to human communities, from resources needed for human activities to socio-cultural benefits derived from relationships with the environment.

- Public transport is a crucial service for people who do not have access to private vehicles so that they can enjoy nature and maintain (or establish) relationships with it. Interactions with nature provide significant cultural non-material benefits such as mental health or personal development. Therefore, public transport is key to ensure opportunities for these interactions and should provide connectivity with important natural sites for both locals and tourists.

- In the case of the relation between welfare/ CSR and extractive activities, conflicts can be observed between different ecosystem services. On one hand, extractive activities represent a provisioning service for Arctic communities given that they offer access to energy resources and allow to fund social welfare through initiatives such as the Pension Fund or the Permanent Fund. However, the environmental hazards of these activities represent risks for other provisioning services (e.g. contamination of waterways or food sources) and for cultural services (e.g. disruption of enjoyment of nature due to contamination or landscape disruption).

- Finally, the involvement of local communities in SAR activities would simultaneously benefit from and reinforce cultural services provided by the Arctic ecosystem. First-hand knowledge of the local area gathered throughout daily and intergenerational relations with the communities' direct environment is a strong asset in the success of SAR activities. Besides, participating in SAR activities is a way for local communities to protect their natural environment from contamination hazards and to ensure the quality of their relations to an environment towards which they feel a special connection.



Recommendations for a Just and Sustainable Community

1. Investment in public transport systems is crucial to ensure and improve mobility services and their accessibility. Public transport's benefits should be better distributed, especially towards already disadvantaged communities and areas (non-metropolitan, remote, poor), via an increase in service availability, frequency and adaptability to diverse needs.

2. However, the maximization of economic efficiency characteristic of transport governing agencies may be a significant hurdle. A more open and participative governance of the public transport system may be a way to ensure that communities' concerns and needs are properly heard and addressed, thus enacting procedural and recognition justices.

3. Regional development policies are key to ensure adequate welfare provisions in Arctic regions and to ensure the viability of Arctic communities. Adequate, effective and democratic municipal self-government is also a crucial aspect of community development and welfare, as an intermediary between national public resources and local needs, and thus should be strengthened and its effectiveness ensured.

4. The current context of CSR in the Arctic reveals the need for a better integrated approach to the development of Arctic communities through a more systematic and efficient collaboration between local communities, national authorities and companies. An improved engagement with affected communities would ensure that CSR activities are actually matching their needs.

5. Consideration could be given to a progressive transformation of CSR principles into legal requirements in order to establish national frameworks for CSR instead of being a mere charitable decision[41] .

6. Improving the local SAR infrastructures and capabilities will contribute to both reducing costs from states and commercial actors but can also contribute to community development. Such local implementation and deployment would further help states in complying with their international obligations and responsibilities.

7. Recognising and better providing for the crucial role played by community members in SAR activities is another key point emerging from JUSTNORTH's work. Converting SAR local provision into wage labor seems to be a possibly beneficial path but poses the question of states' willingness to fund this change. Otherwise, labour law could at least reflect the possibility for workers to go on SAR activities without loss of pay.

8. Consideration should also be given to possibilities to reduce the financial barriers currently constraining SAR activities. Simplifying the tax credit system (where it exists), lifting TAV and import/export customs on SAR equipment or establishing compensation for wear and tear on personal equipment used in SAR activities could alleviate significant burdens affecting NGOs and community volunteers.

[41] L. Garipova, 'Corporate Social Responsibility in the Arctic' (2016) 104 Geo LJ 973.

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WWW.JUSTNORTH.EU

@JUSTNORTH_EU

JUSTNORTH_EU

JUSTNORTH@ires.uu.se

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