Hug- og félagsvísindasvið

Félagsvísindadeild

2014

Sunset at Kap Brewster, Greenland. Photo by Árni Valur Vilhjálmsson

# Arctic Indigenous rights – the journey from Welfare State to Competition State

*Alfa Dröfn Jóhannsdóttir*

*Lokaverkefni á hug- og félagsvísindasviði*

Hug- og félagsvísindasvið

Félagsvísindadeild

2014

# Arctic Indigenous rights - the journey from welfare state to competition state

Alfa Dröfn Jóhannsdóttir

Lokaverkefni til 180 eininga B.A.- prófs

Við Hug- og félagsvísindasvið

Leiðbeinandi: Jón Haukur Ingimundarson

# Yfirlýsingar

Ég lýsi því hér með yfir að ég er ein höfundur
þessa verkefnis og að það er afrakstur eigin rannsókna

I hereby declare that I alone am the author of this thesis,
and it is the result of my own research

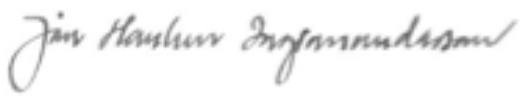
Alfa Dröfn Jóhannsdóttir

---

Það staðfestist hér með að lokaverkefni þetta
fullnægir að mínum dómi kröfum til 180 eininga B.A.- prófs
á Hug- og félagsvísindasviði

It is hereby confirmed that this thesis fulfills, according to my judgment, the
requirements for B.A.-degree in Social Sciences.

Jón Haukur Ingimundarsson



---

# Abstract

The race for resources in the Arctic plays a huge role in the rapid changes in the political, economic and cultural environment. Industrial development and the unfair manipulation of resources are having a direct impact on the traditional livelihoods of the Indigenous peoples. The rights of Arctic Indigenous peoples are being disregarded and the prospect of monetary payments connected to resource exploitation seems to control government actions in many ways. In addition, the welfare states seem to be slowly shifting towards the modern ways of competition states. Wellbeing, human rights and cultural heritage tend to score low on the spectrum of priorities vis-à-vis the horn of plenty, which has resulted in a scramble for natural resources or in some cases a race between states. Are states truly playing welfare games?

In order to get a better grasp of the issues concerning the Arctic region, we must ask ourselves some pertinent questions such as: what rights do Indigenous populations have in all this? And what are the costs we are willing to pay in our endeavor to tap into their natural resources, both renewable and non-renewable? Perhaps it is time to take a look at the actions of the government to see if decisions concerning Arctic resources are based purely on economic growth of the few rather than the people's wellbeing. Is the concept of a „competition state" more immediate than initially though and are the Arctic people ready to comply with it?

# Ágrip

Kapphlaupið að auðlindum Norðurslóða spilar stórt hlutverk þegar kemur að breytingum á pólitísku, efnahagslegu og menningarlegu umhverfi svæðisins. Iðnþróun og ósanngjörn meðferð auðlindanna hafa bein áhrif á hefðbundið lífsviðurværi frumbyggja Norðurslóða. Réttindi þeirra frumbyggja eru sniðgengin og mögulegur efnahagslegur ágóði, tengdur nýtingu auðlindanna, virðist stjórna gjörðum stjórnvalda að mörgu leyti og velferðarríkið virðist vera að þróast hægt yfir í samkeppnisríki nútímans.

Vellíðan, réttindi og menningarleg arfleifð virðist vera aftarlega í forgangsröðun þegar kemur að gnægtarhorninu sem hefur leitt af sér auðlindakapphlaupið - og í sumum tilvikum jafnvel kapphlaup milli ríkja. Spila ríki „velferðarleiki“?

Það er ómögulegt að ræða málefni Norðurslóða án þess að velta upp spurningunni; hver eru réttindi frumbyggja á Norðurslóðum í þessu öllu? Hverju erum við tibúin að fórna fyrir aðgang að auðlindum þeirra, bæði endurnýjanlegum og óendurnýjanlegum?

Kannski er kominn tími til að skoða gjörðir stjórnvalda til að sjá hvort ákvarðanir þeirra tengdar auðlindum Norðurslóðanna séu einungis byggðar á efnahagslegum gróða fárra manna, eða velferð heildarinnar. Er hugtakið um „samkeppnisríki“ nær okkur en við upphaflega töldum og eru íbúar Norðurslóða tilbúnir að mæta því?

# Special Thanks

To my parents, without whom I would still be struggling and only just dreaming. For supporting me, loving me and giving me the power to break free when I needed it the most.

To Baldvin, without him I would still be thinking about what kind of life I wanted to live – instead of living it. For his patience and love.

To my instructor, Jón Haukur – I aspire to love what I do, if only half as much as he loves teaching it. His passion is infectious.

And last but not least, to Lilja and Jakob – who inspire me to become more.

# Contents

# Introduction

The changing features of the Arctic are vast and are a series of changes impacting all aspects of the area. Arctic warming causes melting of sea ice which in turn leads to better access to the great amount of natural resources the Arctic holds. The global demand for oil, gas and minerals keeps increasing and people and corporations seek those non-renewable natural resources wherever they are to be found. The change in climate has not only changed the Arctic landscape but also the lives and prospects of the residents of the Arctic, including the Indigenous peoples who have long relied heavily on the renewable resources of the land and sea for existence. These changes don't solely affect the environment they live in - often resulting in migration because of increased heavy industrialization and damage or destruction of their habitats - but also the social, cultural, economic and political aspects of their lives. It is important to look at these processes and focus on whether or not the rights and wellbeing of the peoples of the Arctic are even being taken into consideration in the race towards the resources that are becoming increasingly accessible due to climate, economic and political changes.

These changes have consequences all over the world, and as the changes happening in the Arctic serve as a warning sign for the rest of the world it's pressing to think of the local residents' rights in all this – in order to lead by example. Good welfare system and governance is crucial in order to avoid ignoring the rights and needs of those Indigenous peoples who inhabit the land which is currently being exploited with little regard for the locals, their livelihood and culture.

Services are supplied mainly by governments and seek to provide certain levels of wellbeing and social support for the state's or region's citizens. It comes in all kinds of shapes and forms, such as monetary payments, subsidies and vouchers or even housing assistance. A welfare state is a notion of government in which the state is the key player in the protection and promotion of the economic and social wellbeing of its citizens. It is at its core based on the concept of equality of

opportunity, non-discriminatory distribution of wealth and public responsibility for those who don't have the resources to provide for themselves to a decent life.

The manner in which welfare systems work, vary from country to country.

It's important to discuss the degree in which profits of resource exploitation is being distributed and to whom. Are the revenues made available to the permanent residents in areas that are under construction or being industrialized, by the (Multi-National Corporation) MNC and government owned or sponsored companies? Do Arctic residents even have a say in the matter? In the words of Maxida Marrak, a Saami theatre actress who's city in northern Sweden is to be moved to a new location entirely*; „It's weirder to move a city than to go to the moon, it's all about the money and they don't care who it's affecting. And I think it will affect more than people probably realizes – okey, you can move a house, but what about the land? What happens to that land? What happens to the lakes? To the mountains? I just can't get a grip of it" (Ellis, 2013).*

Extensive lands in Norrbotten and Lapland are being turned into fields for mining and opposing voices of locals are being ignored and their rights trampled on. They do have rights other than those they are born to by being born as citizens in a state proclaiming to be a democratic welfare state, they have specific rights as Indigenous peoples – as declared by the United Nations.

With the increased economic activity, environmentally destructive heavy industry and change in scenery the questions are bound to be expected – whether or not the race for resources in the Circumpolar North is destroying numerous cultures and communities? At what cost are we ready to meet the global demand for those natural resources within the Arctic – and who are delivering sacrifices so this demand can be satisfied? Is it the Multi-National Corporations, competitive state enterprises and their mass industries, or is it the peoples of the land, who in turn see their traditional livelihood and knowledge disappear rapidly?

What are the rights of Indigenous stakeholders in the world's economic and political scheme that is the *race for resources?* Is the gain of tapping into their "free gift of nature" worth the cost?

Large-scale industrial development has already had obvious ramifications for the lives of Indigenous peoples in many regions of the Circumpolar North. It might be

time to take harder look at the actions and purpose of governments who claim to maintain a healthy Welfare State, and see if their decisions regarding the exploitation of natural resources reveal a concern for the social and economic wellbeing of their citizens or economic growth for the benefit of a few.

It is perhaps time to see if the imperative of the *Competition State* instead of Welfare State is closer to contemporary realities than we might have originally thought.

## The Arctic way – forgotten Indigenous rights?

The Arctic comprises an area of more than 40 million square kilometers, which equals about 8% of the Earth's surface. The human population is relatively smaller or around 4 million, half of whom are found within Russia (Young and Einarsson, 2004). Even though the area is extremely diverse and has various and different histories, they face similar projects and shared problems. The Arctic is still being revealed as a recognized territory in global matters so it has been appealing to many to present and outline particular issues while ignoring or belittle the connection between the Arctic and the outside world. What is ambiguous about that is that the Arctic itself has been greatly affected by outside developments, and the area has in turn played a role in forming the development of world matters/business (Young and Einarsson, 2004).

The warming effects of global change are diverse and include the melting of permafrost, changes in water uptake and snow layers and increased melting of glaciers and ice. Increased rain during the winter could lead to more melting of snow and perhaps even flooding in certain areas. Greater melting of sea ice will result in a reduction and thinning of the sea ice, which then might lead to the sun's rays not being reflected in to the atmosphere because of the white surface of the ice, but instead goes straight into the dark sea that absorbs much more heat than the ice does. According to *UNEP Year book – emerging issues in our global environment 2013,* sea extent, was at a record high in 2012 and in July of 2012, 97% of the Greenland ice sheet surface was melting. Greenland is the Arctic's biggest long term concern as it is covered by up to three kilometer thick ice, which is enough to raise

global sea levels by an eventual 7 meters if melted (UNEP, 2013).

Considering the global economy, as it is today the greatest demand is for oil and natural gas. The Arctic holds large parts of the global supply for those natural resources, although it is difficult to say exactly how much supply there really is as conditions for research is often expensive and difficult to execute. However, it is estimated that the Arctic basins hold about 25% of undiscovered petroleum resources (Ahlbrandt, 2002). It is evident that the stake is high and that the demand for the Arctic's natural resources will continue to grow as the sea ice continues to retreat.

The increased development and industrialization also has had the effect that there now is increased emphasis on education and health that has led to more Indigenous peoples moving their permanent residence to towns or bigger villages and they base their economy, to a great extent, on paid employment in industry or services. Hunting has always been an important factor in the lives of Indigenous peoples of the Arctic and reflects their close relationship with nature, and still has some economic, social and cultural significance. It could be said that in the Arctic there exists market- and public economy and subsistence economy, both being very important and in most cases intertwined (Popel, 2006).

There have been made suggestions for the Arctic that future governance should demand an international authority binding all states, but it has also been stated that the creation of such an authority will not be possible unless these same states are prepared to give up jurisdiction over their natural resources (Jabour and Weber, 2008). Now the Arctic governance is a combination of sovereign state enterprises and cooperative efforts encompassing non-binding soft law measures to binding hard law instruments. All of the eight Arctic states; The United States, Canada, Russia, Iceland, Finland, Sweden, Norway and Denmark (on behalf of the Faroe Islands and Greenland) enact their own legislation conferring with international law and national interests. The Arctic's transnational collaboration consists of a mosaic of distinctive arrangements of issues rather than a unique, comprehensive and unified government (Young, 2005). The health of Indigenous peoples in the First World countries is considerably worse than that of the non-Indigenous populations of those countries, measured by life expectancy

(Cunningham, 2009). This is important to remember.

Canada, one of the eight Arctic states, recognizes that crucial socio-economic indicators for Indigenous peoples are much lower than for non-Indigenous Canadians, and even though their quality of life has improved in the last 50 years, they still are far behind non-Indigenous peoples in terms of living conditions (Cunningham, 2009).

The basic economic issue of developing natural resources is at what extent the government is responsible for collecting royalties from the resource development and whether or not such profits are used to solve the socio-economic problems that arise in the areas of development. Even though development can bring considerable dividend to the northern areas it can also cause negative impacts on the environment and the lifestyles of the peoples of the North (Kryukov and Wilson, 2007). In all of this it is important to think about the cost of development to the lives of Northerners?

The Indigenous economies between territories have much in common as the communities are similar in form. They are dependent on local natural resources, as rural economies and the Indigenous community economies are mainly based on the resources they have relied on throughout history (Huskey, 2007).

As well as protecting the natural environment from thoughtless exploitation of resources, one of the basic reasons behind modern systems of underground resource extraction is the foundation of systems of social and economic safety measures against the negative repercussions of draining non-renewable resources. According to Kryukov and Wilson, all territories that have natural resources try to maximize the result of development on the local economies and solve social problems such as unemployment (Kryukov and Wilson, 2007).

For Indigenous peoples of the north the world is rapidly changing and with the new way of life being imposed on them the need to establish themselves in the community rises and the need to form and conserve an environment that encourages health and wellbeing is dire. The need to attend to health issues rises as the social structure the people have become to rely on is altering dramatically, and with those dramatic changes come new and serious social problems such as declining of mental health and increasing violence due almost directly to the change

in traditional way of life. Suddenly their world of strong cultural, social and spiritual values is altered and thrust into the future by development, industrialization and new ways of employment. Their mental health embraces the individuals' attitude and hope for the future and their legacy, which is bleak in many parts of the Arctic. Their spiritual values speak loudly to their innermost need to belong to a place and to a community which is a privilege Indigenous peoples have had for centuries and is now dwindling (Hild and Stordahl, 2004). It is safe to say that they have been robbed of the ability to take care of themselves, as a direct consequence of these changes. The state is not fulfilling its end of the bargain as a welfare state and needs to address these problems accordingly, and might start by recognizing their own agreement.

Each Arctic community is different from the next despite some similarities, so there is a need for adjustability in community-based services focusing on the rising social problems following the economic changes. The values and decision-making processes of the local communities need to be recognized in order to form and conserve a good working cooperation for maintaining and advancing wellbeing for the Indigenous peoples of the North (Hild and Stordahl, 2004).

The need for a good working welfare system is obvious and long overdue.

## Increased economic activity in the Arctic

The United Nations Environment Programme (UNEP) published in 2008 a proposal conveying great concern over the effects of climate change on Arctic Indigenous peoples, other communities and biodiversity. It focused on the possibly crucial repercussions of changes in the Arctic (Marz, 2010).

The Arctic is changing. We are currently witnessing the dramatic changes of Arctic land and ocean as we see temperatures rise twice as fast as in other parts of the world. The ice and snow cycle is shifting, which affects migratory species relying on certain conditions to thrive and are now having to relocate and alter their behavior due to lack of traditional Arctic elements. The Arctic environment is the home to species with exceptional conversion skills to survive in the uncompromising climate conditions of the area. The extreme cold of the Arctic is home to more than

21.000 noted species of cold-adapted mammals, birds, fish, polar bear, muskox, walrus, caribou and Arctic fox to name a few (CAFF, 2013). The Arctic is a home to a very contrasting arrangement of plants and animals, an environment the Arctic people have completely adjusted to and rely heavily on – both land and sea for livelihood.

This very change in scenery has also resulted in change in Arctic biodiversity. The United Nations Convention on Biological Diversity defined biodiversity in 1992 as; "the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part: this includes diversity within species, between species and of ecosystems." (United Nations, 1992).

On land, flora and fauna are seeking life elsewhere and heading further north which is affecting the complete ecosystem resulting in a wave of further change. Larger species need to change habitat and move to seek sustenance - that weighs heavily on Indigenous people who depend on larger animals for gathering food for the long winter months. In the ocean, sea ice supports an extensive variety of life and presents important natural surroundings for fish, mammals and birds. The Arctic sea ice has changed these last few years and has diminished substantially in both size and thickness. These changes are happening faster than anticipated and the Arctic Ocean is predicted to be almost ice-free in late summer, within 50 - 80 years or less (Marz, 2010: 58). Melting sea ice also opens up sailing routes to one of the world's largest untapped resources of oil and gas and other natural resources– resulting in massive marine traffic affecting the natural environment of a massive area.

The race for those resources in the Arctic plays a huge role in the rapid change of scenery. Industrial development and manipulation of resources are affecting the traditional livelihoods of the natives directly.

In Canada the mining sector has been the main economic operation for decades, and location of large diamond accumulation in the Northwest Territories has escalated the extent of development (Gibson and Klinck, 2005). While partaking in the mine economy individuals who work long hours have less time to spend on

the land hunting and fishing, which alters their subsistence lifestyle and particular knowledge and precious relationships to the land are lost.

Industrialization in the Canadian North has fundamentally affected and changed Indigenous wellbeing and values. Important to the territorial project and the ground for signing of the treaties in the North, are the mineral and metal resources. Those treaties served to remove Indigenous peoples from the decision-making regarding the land, paving the way for development industries to have easy access (Gibson and Klinck, 2005).

The modern developing companies are generally from the South incorporating their cultural values and ways of life from the West. The most immediate cultural effect is the loss of traditional languages, which is a significant measure of culture – it carries with it meaning and holds the keys to identity and self-worth (Gibson and Klinck, 2005).

The post-war political and economic upheavals have led to significant changes in traditional Greenlandic fishing and hunting culture, in addition to changes in traditional social structures. Industrialization, the adjustment to a cash economy, educational mobility and growing migration to the urban areas have dramatically changed Greenlandic society away from the subsistence production of inclusive families in small, closed communities and in the direction of income generated in a more globalized and open society (Carino, 2009).

In Greenland new industries are developing with the intent to attain a solid economic platform for future development. The people of Greenland have expressed their concern about how life will be once new projects have been put into effect. It is understood that mining and hydrocarbon projects might bring to pass significant and serious effects to society, both locally and nationally (Hansen, 2014).

While some in Greenland are appreciative of the chances of increased exploitation as it might facilitate the country to seek independence from Denmark by minimizing their need for financial aid/subsidies, others have expressed concern that a country with as small a population as Greenland would have difficulty withstanding the coercion of huge multi-nationals and that full independence could therefore be catastrophic in economic terms (Sale, 2008: 598).

Implementing new industries will possibly alter life and culture in Greenland, as MNC's (Multi-National Corporations) can simply move from one project to another if mistakes are made, but the communities might simply have that one chance to get the development right, so it is crucial to do so.

The responsibility for social needs is in the hands of both the government of Greenland and the communities themselves as today, but persistent and lifestyle-induced diseases and disabilities are getting more and more frequent and the weight of poor health directly connected to social circumstances does not seem to be diminishing (Niclasen and Mulvad, 2010).

The economy of Greenland has been decisively influenced by the public sector in the past and the Greenlandic GDP (Gross Domestic Product) has increased these last years. That might be due to the fact that the Greenlandic economy is not based on traditional activities anymore, such as hunting and fishing, although their ancestral culture and ways of life still play a significant role and influence the formal economy consequentially (Hansen, 2014).

Carrying on with industries like mining and hydrocarbon exploitations will most likely have great ramification for the way of life in Greenland and other similar places as the development itself could expedite or even reverse the course of development if managed poorly. The social effects following developing industries could be difficult and complicated to address as projects can create wealth but can also create substantial disturbance for the people and environment. The disturbance can appear in the form of new jobs being generated along with ways of transportation, educational institutions and new possibilities in service as demand increases – but the interests and costs may be shared unequally which in turn could lead to social straining and violent disagreements (IIED, 2002).

These industrial activities are very relevant to basic human rights. Mining demands access to land and sea, which are often the foundation for livelihood for these communities. The relocation of inhabitants and their settlements in the process is also a possible violation of their human rights (ICMM, 2012).

The effects following new industries can be fluctuating in length, alterations, and may differ in nature. How the possible effects will come to play depends on the

management of the possible changes, the softening of negative effects and strengthening the desired effects (Hansen, 2014).

In the example of Greenland the population seems to distrust the government and worries have been voiced concerning whether or not they are protecting and preserving the interests of the locals and whether they are strong enough to challenge the private companies and MNC, if push came to shove. Even though the public sector in Greenland has been strong so far, it is feared that the local values and positive development will not be protected and secured (Hansen, 2014).

Communities are probably going to be directly affected by activities on land connected to explorations and exploitation of resources, and indirectly by activities at sea. Activities on land will lead to an impact because of possible human migration and resettlement and alterations in relation to access to land. Activities at sea will be affected because of the community's utilization of the sea for fishing and hunting. The communities would also be affected by the possible environmental risk involving oil spills – and even just the understanding of that possible risk could change behavior of individuals (Hansen, 2014). Some might stop hunting in fear of contaminated fish and sea mammals, which could in turn have extensive effects on diet and food security, culture and way of life – whether genuine or perceived.

Most people in Greenland and other parts of the Arctic have altered their lifestyles where they mix their traditional activities with paid employment. This has changed their relationships with natural resources be it through the living aspect or non-living, and as a result it has affected the constitution of families, diets, consumption patterns, occupations and sources of income, places of residence, health and wellbeing, education, perspectives, values and desires.

It was roughly estimated in 1945 that 66% of the Greenlandic labor force (out of a population of 21,412 individuals) was participating in hunting and fishing. In 1996, this percentage had become significantly smaller and was around 25%, counting those working in the modern fishing industry as well (Carino, 2009).

Northern Russia has experienced substantial changes since the break-up of the Soviet Union in 1991. One of the changes has been the privatization of the economy, leading to weighty economic decline in the northern areas. The execution

of privatization policies has had serious effects on the economic practices of many of the communities in the North-Eastern areas, including Yakutia, Chukotka, Magadan and Kamchatka, where the communities specialize in breeding reindeer. As repercussions of the central government's lack of financial backing, the domestic reindeer population plummeted by more than one-third between the eight years, from 1991 and 1999 – from 2.2 million reindeer to 1.4 million reindeer (Abryutina, L., 2009). This has resulted in a more settled way of life since following the reindeer is not lucrative anymore.

Nevertheless, it has become necessary for locals in some areas to invest further in hunting, fishing and trapping in order to support themselves. (Duhaime, 2004). This is where governance is lacking; where the supply networks that supported production and distribution were cut off or became too sporadic it pushed people to look back to the traditional life in order to live and feed themselves.

Even though privatization has undermined many communities in Northern Russia it has in a way also revived traditional subsistence means of economic support, and by that proclaimed the persistent need for understanding and treating of Indigenous notions of economy and relations to the land (Duhaime, 2004: 80).

It is evident that any discussion involving policies of the Arctic are challenging, especially when this discussion touches the rights of the key players, i.e. the Indigenous peoples of the north. Is the gain of tapping into their "free gift of nature" really worth the cost? Are the consequences less harmful because of the ethnicity of the sufferers?

In the light of new industries and development and the clear effects it has had on Indigenous livelihood and traditional culture, time has come to look into the actions of the national governments to see if decisions concerning Arctic resources are based primarily on economic growth serving MNCs and governments, rather than the wellbeing of Arctic peoples. How close to home hits the idea of the competition state, and at what cost is it being implemented? Is it even possible in the modern economy of today, to avoid economic competition between states, sacrificing the livelihoods of those who do not have a voice loud enough to be heard in parliaments and MNCs' boardrooms.

## Industrialization, globalization and development in the Arctic

Industrialization is according to dictionaries at its core; *the process in which, a community or a country alters itself from an essentially agricultural society into a society mainly based on the manufacturing of goods and services* (Merriam-Webster, n.d.). Manual labor is often replaced with machines and craftsmen become irrelevant before mass production. Attributes of industrialization also encompass the use of technological innovation to find solutions to problems that arise, rather than superstition and magic or in other words dependency on circumstances beyond human control – such as the weather and surroundings. This has not been lost on the Indigenous peoples of the Arctic, who have for centuries worked and lived off the land. Having known the land and sea completely, made recognizing the weather and rearranging accordingly, a tradition.

Increase in population, production and mobility, cooperate to set forth an overwhelming need for jobs and improved income distribution which can be fulfilled solely by new and better use of the world's resources – and that is what is happening in the Arctic of late. In 1971 the United States Agency for International Development considered the prospects and problems of international industrialization and came to the conclusion that; *The contribution of industrialization to fulfilling national goals, including employment, is complex, requiring an understanding of individual national factor endowments, such as natural resources, capital, labor, and infrastructure, and of alternative paths for their use and development* (National Academy of Engineering, 1973).

There was a transformation of the market in early 1990s where institutions were supposed to act, from a national to a global scale and that transformation, from the national to the global, is in Cerny's (1997) opinion what determines the cause of *political globalization.* At the center of the event, previously explained as "political globalization" lies the evolution of the nation-state into a so-called *competition state.* During this conversion, the cultural and the market structures change in complicated ways (Cerny, 1997) both on which the Indigenous peoples of the Arctic have relied heavily – their culture and the market in which they could exchange goods and services. Goods, referring to products applied in more primitive

and traditional ways – such as agriculture, fisheries and hunting rather than in the modern ways of markets.

Fligstein (1996) outlines a political-cultural approach to market structures where he uses "market as politics" as a metaphor in order to discuss how those social structures come to play and how they can be used to produce stable worlds. Firstly, he describes the formation of markets as a part of the state system whereby modern states with modern economies (capitalist economies) create the institutional conditions for the market to be stable. Furthermore, he points out that great societal crises like war, depression or the entry of a nation into modern development or industries are crucial in understanding the communities' economic development. The power struggles he discusses between firms and institutions of markets can be connected to the struggles between peoples of Indigenous heritage and non-Indigenous people in the Arctic. At the same time he points out that the internal power struggle revolves around who will control the organization in question, how it will be organized and how situations will be examined and responded to. It is not difficult to relay those same examples to the management of Indigenous peoples and their communities. It is crucial to remember that economic worlds are social worlds as well and so they operate in theory in accordance with other social worlds (Fligstein, 1996).

Cerny on the other hand claims that by trying to find ways to make adjustments to the range of complex changes both the state and the market are trying to reinvent the state as a supposedly "enterprise association" in a bigger world setting. This process requires three central contradictions of sort (Cerny, 1997:251).

The first contradiction, or *paradox* according to Cerny lies in the reality that the globalization process does not lead to reduction of the state. We should instead take it as given that the state will have to grow its intervention and governance in practice, guided by the theoretical ideas of competitiveness and marketization.

The second paradox is connected to the first one and says that the actors of state and institution are looking to adjust state action to manage what the new global realities are conceived to be. They are supporting new forms of complicated globalization. The third and last paradox involves how the new political landscape

blocks the potential of the state to convey the kind of collective consensus that was one of the main support of the modern nation-state's legitimacy, institutional power and social immersion (Cerny, 1997).

As of today most of the Arctic falls within states where the greater part of the citizens live outside the Arctic region with a collection of political structures to govern the relationships between the nation states and their northern areas (Broderstad and Dahl, 2004). Arctic nation-building was a method by which separated communities were brought together under new sovereign political organizations. The results of these efforts were in some cases the creation of new states, and in others it was more concerned with the quest of Indigenous peoples for self-rule.

This newly evolved part of the state; the competition state, makes it and all its actors the most important players in the globalization process. Even though globalization does not only happen in an environment of national entities, it does happen within nation-centered means of thought and action (Kettunen, 2012).

That suggests a great change in the ways states and actors of those states work. It is undeniable that the state should still play a key part in the welfare of the citizens although its governance is now advised by the discussions on competitiveness and the new ways of market (Kettunen, 2012).

Kettunen also states that the old state institutions are adapted to serve the new competition state since the lengthy change has been linked to an institutional change. Therefore, the position of the institution has changed from providing welfare service for the peoples, to dispensing marketization through competition as governance (Kettunen, 2012). The role of the competition state is to effectively bring the population into play, and have companies and actors of state participating in the global competition (Pedersen, 2013).

It should not be possible to make decisions that affect the lives of the population of the ever-changing Arctic regions without regular communication between decision makers and those affected by those decisions (Broderstad and Dahl, 2004). This includes democratic legitimacy and the strengthening of political citizenship, redistribution of resources and the growth of public welfare.

According to some, globalization is positive and brings wealth and success

and makes better employment certain through participation in international development. But for the Arctic areas to benefit from globalization and its many opportunities followed with newly created jobs and economic growth, they need companies and public institutions that can embrace a global outlook to ensure that local employees have a high professional skill level, to be able to compete with international labor force.

Nation-building is a long-term process and incorporates so many things. The aim of nation-building is to secure political strength, connecting political institutions within and strengthen ethnic loyalties. It is important to remember that, by this nations are often seen as completely identical, which can cause problems (Broderstad and Dahl, 2004). The Indigenous peoples have their different cultures and way of life despite some undeniable similarities within and throughout the Arctic.

The world is becoming more open and we have to see Arctic society play a pivotal role in that openness. New challenges are introduced to the Indigenous peoples of the North by globalization, while they are having to participate in the global development.

Indigenous peoples have taken the notion of nation-building and structured it to fit their culture and community. For them it stands for the efforts of indigenous peoples to increase their abilities for self-rule and for self-determined sustainable community and economic development (Broderstad and Dahl, 2004). They are trying to take some of their power back. Indigenous nation-building operations directly linked to international human rights development managed to connect Indigenous political efforts to the modern Arctic nation building (Broderstad and Dahl, 2004).

Moving from waiting for global challenges and opportunities to come to play, to developing the global challenges and opportunities by presenting solutions – that is what needs to be happening. By that motion we see the states of globalization as Cerny asserted them, not crumbling but rather as an important actor of its own change. *Giving a little bit of the power back to the Indigenous peoples.*

## Social problems facing the Indigenous peoples of the Arctic

With a rise in social problems and suicide rates within the communities of the Arctic it is more important than ever to look to the source and the direction the governance of the regions is taking (Hild and Stordahl, 2004).

Globalization of the Arctic economy has coincided with development in the Arctic's transportation infrastructure as many areas and communities that have been isolated are now connected to bigger cities and towns by air traffic (Parkinson, 2009).

If we use Gross Domestic Product as the measurement of whether or not the North is richer, most of the Arctic areas are not that much poorer than their countries as a whole, and the per capita GDP of several areas are in fact some times higher, mostly the areas where there is large-scale oil and gas development occurring. Nevertheless, the way the rich dividends from natural resources development are distributed and how they really benefit the Indigenous peoples, is a whole other story. In the North, Indigenous people are inclined to experience less prosperity and success than non-Indigenous people in most areas (Young, 2013).

According to Hild and Stordahl, authors of *Human health and well-being* in the Arctic Human Development Report (2004), there is an increasing problem with mental health and violence in the Arctic. The role individuals take on in the community is not only an important personal characteristic but also an outer measure of social health. It is important for the individuals to recognize their value to the communities, how they contribute and how reliable their relationships are. For Indigenous peoples of the north, their world is rapidly changing as previously stated, and with the new way of life being imposed on them the need to establish themselves in the community rises. The need to attend to health rises as the social structure the people have become to rely on is altering dramatically, and with those dramatic changes come new and serious social problems such as decline in mental health and increase in violence due almost directly to the change away from a traditional way of life. Suddenly their world of strong cultural, social and spiritual values is altered and thrust into the future.

Their mental health also embraces the individual's attitude and hope for the future and their legacy. Their spiritual values speak loudly to their innermost need to belong to a place and to a community which is a privilege Indigenous peoples have had for centuries and is now dwindling (Hild and Stordahl, 2004).

In many Arctic areas living conditions are changing from an economy that has until now been based on subsistence hunting and gathering to a capital-supported economy. The increased development activity has widened the Arctic involvement in the global economy, but has also caused an increase in the generality of chronic diseases, such as diabetes, hypertension and obesity to name a few. But there is also an increase in rates of child abuse, alcohol abuse, drug abuse, domestic violence, suicide and inadvertent harm and injuries are also related to the fast cultural changes happening – with loss of cultural identity and low self-esteem within these communities (Parkinson, 2009).

Mental health issues, stress, alcohol abuse and poor economy are huge warning indicators and signs of social problems that may lead to suicide and immature death. The need to establish and keep up an environment that promotes and sustains good health is crucial – that has to nurture, not only the social and cultural aspects of the Indigenous peoples, but also the mental and spiritual well-being – help them to belong and find a purpose in life (Hild and Stordahl, 2004).

According to Mariekathrine Poppel, violence in Greenland has been examined thoroughly and it has shown that 47% of women and 48% of men have been subject to violence at least once in their life (Williamson et al., 2004).

It has also been shown that the evident and extraordinarily high suicide rate in most of the northern regions may indicate that, along with extreme housing problems and substance abuse, some connection with unemployment statistics (Williamson et al., 2004). The peoples of many northern regions – especially outside of Scandinavia and Finland are failing to find their way in the modern life and cannot find a suiting employment, which in turn often results in increased sexual and domestic violence and suicide.

# Indigenous rights and the Declaration on the rights of Indigenous peoples

Indigenous peoples throughout the world are affected by the historical colonization and plain invasion of their territories. In many cases there is a total disregard to their presence, their culture, identity and their unique way of life. The peoples of the Arctic are very exposed to climate change because of their close connection and dependence on the land, sea and the natural resources for their wellbeing, not only their physical health, but also their cultural, social and economic wellbeing. It is consequential to address the health risks that might and will follow the changes in climate and the vast changes happening in the North, both social and economic (Parkinson, 2009).

These past few years the global community has shifted its focus to the human rights circumstances of Indigenous peoples and in 2007 the United Nations put forth a declaration, stating that Indigenous peoples are equal to all other peoples and recognizing that they have endured historic injustice as a result of colonization, industrialization and expropriation of their lands, territories and resources, consequently preventing them from exercising their own rights to development.

This declaration also points out the necessity of respecting and advancing the fundamental rights of Indigenous peoples which originates not only from their cultural background, but also their political, economic and social structures – and their rights to their lands and resources (United Nations, 2008).

In Article 5 of the Declaration it says:

*Indigenous peoples have the right to maintain and strengthen their distinct political, legal, economic, social and cultural institutions, while retaining their right to participate fully, if they so choose, in the political, economic, social and cultural life of the State.*

Furthermore it says in Article 20;

1. *Indigenous peoples have the right to maintain and develop their political, economic and social systems or institutions, to be secure in the enjoyment of their own means of subsistence and development, and to engage freely in all*

*their traditional and other economic activities.*

2. *Indigenous peoples deprived of their means of subsistence and development are entitled to just and fair redress.*

The Declaration seeks out the individual and common rights of Indigenous peoples, their rights to culture, identity, language, employment, health, education and other concerns. It encourages their involvement in all issues concerning them and their right to strive for their own vision of economic and social development.

The purpose of the Declaration is to aspire countries to work side by side with Indigenous peoples to try and find a solution to global problems like development, multicultural democracy and decentralization (United Nations, 2008).

Article 31 of the Declaration states that; *there is a major emphasis that the Indigenous peoples will be able to protect their cultural heritage and other aspects of their culture and tradition, which is extremely important in preserving their heritage.*

There is an obvious link between the change in global environment and the rights of Indigenous peoples. The close relationship between Indigenous people's cultural and economic circumstances and the environmental habitat plays a big role in that connection. The relationship between the natural environment, the cultural, social, economic and physical wellbeing of Indigenous peoples should encourage international efforts to execute environmentally satisfactory and sustainable development in order to advance and strengthen the position of Indigenous people and their population.

The matter of Indigenous rights is also connected to other stages of human struggles; because of previously stated connection between economic situations and environmental habitats the matters of Indigenous rights are also connected to worries over environmental change and sustainable development (Suagee, 1995).

It is important to remember to whom the Indigenous rights belong – those being Indigenous peoples who are defined as being the original settlers of a land that has been occupied or colonized by outsiders. A clear definition of the term "Indigenous peoples" has never been adopted by the United Nations although Jose R. Martinez Cobo, the Special Rapporteur of the Sub-Commission on Prevention of Discrimination and Protection of Minorities, stated in his study on *the Problem of*

*Discrimination against Indigenous Populations* that important discussions on the matters of Indigenous peoples had been held within the conditions of the preparation of a draft Declaration on the rights of Indigenous peoples by a working group with the UN, since 1982 (Icelandic Human Rights Centre, 2004).

To sum up, Indigenous rights are those rights that prevail in the acknowledgement of Indigenous peoples. This does not only cover the most basic human rights of survival, but just as importantly the preservation of their land, language, religion and other matters regarding their cultural heritage.

With that in mind it could be used as a support to institute relationship between a government and the Indigenous peoples. Should not international law prevent violation against these peoples, by exploitation of governments or other private groups? (Vinding, 2009).

The United Nations adoption on the Declaration on the rights of Indigenous Peoples on 13 September 2007 after almost twenty years of discussions between governments and Indigenous peoples' spokespersons, can be seen as a great achievement for justice and human self-worth.

Out of the 143 votes on the aforementioned UN Declaration, only four were against. Those were; Australia, New Zealand, Canada and the United States, which is sad news for the Indigenous peoples of the North that live in Alaska and Canada and only demonstrates with certainty the importance of the Declaration to establish minimum degree of survival, self-worth, wellbeing and the rights of Indigenous peoples. The Declaration also prohibits discrimination against these peoples and advances their participation in all matters concerning them (United Nations, 2008).

## The welfare state

The welfare state frames the life of the individual throughout all stages of life. From the time we are born we encounter the welfare state through its many institutions. We come in contact with the welfare state as a citizen, or human being. The human being has specific rights that are crucial for his or her relation to the state and its institutions. The manner in which these institutions encounter the problems they are facing has huge influence on the life of the individual who seeks them, and the

understanding of their rights, as these actions of the institutions of the state and public sector determine how rights are operated.

Rights have been defined in international conventions, like the UN Human Rights Conventions, the European Convention for the Protections of Human Rights and Fundamental Freedoms, or the UN convention of the Rights of the Child. Rights in the welfare state have first and foremost been put together as rights of the citizen of a particular nation state (United Nations, 2008).

In 1949 T. H. Marshall published his essay on *Citizenship and Social Class* and since then citizenship is usually defined in terms of three types of rights, specifically; political, civil and social rights. Social rights are closely linked to the Welfare state and have been extensively disputed on both sides of the political spectrum. Particularly it has been argued whether the social prerogative of the welfare state generates inactive subjects (Marshall, 1949). That is; would dependent welfare state participants expect the state to be responsible for their happiness and general wellbeing?

The Arctic communities are unlike all other communities and so the concept of rights is a paradoxical notion. Different rights or even understanding of those same rights, seem to be regularly disputed or come to be an object of continuous struggle. This is very relevant in understanding what it means for citizens, a part of the Indigenous peoples of the North to have rights in the Nordic welfare states.

The Nordic countries are based on a collective set of values which sets them aside from other societies, they do not approach welfare services the same way but the similarities from country to country are enough to be regarded as “Nordic welfare model”. The Nordic countries will deal with almost all the same challenges and troubles in the future so co-operation and sharing of experiences and knowledge will contribute to social innovation (The Nordic Council, n.d.).

Now the pressure is on the classic public service delivery of welfare states, with welfare state critiques, financial constraints and increasingly individualized populations, social change is seen as a pivotal element in these new forms of welfare solutions. *Social innovation* is a phrase for new solutions to social problems and challenges, which are meager supply in the Arctic communities. These new plans for solution are conceptualized as being social, the purpose being that they generate

social value. Social value could be interpreted as something that does not have an economic value.

Nordic welfare states, according to the Nordic welfare model, are based on a joint political goal of supporting strong social connection. The Nordic social model is recognized for its universal approach to providing welfare to its citizens, which is based on the core values of equal opportunities, social solidarity and security for all. It encourages social rights and the principle that everyone is entitled to equal access to social and health services, education and culture (The Nordic Council, n.d.).

When social innovation is explained it is often described in terms of wellbeing, quality of life, democracy and social justice. The connection between social justice and social innovation emphasizes that social innovation is not only a change to the organization of welfare services and state, but also a whole new customary foundation for the welfare state. The Indigenous peoples of the North need a welfare state that recognizes their right to equal opportunities and equal access to education and the preservation of their traditional culture. According to the description of the Nordic Welfare model, those things are being guarded and granted. But is that really the case?

## The challenges to the welfare state

The welfare states have been transforming these last decades. Pedersen (2013) analyzes the change of the welfare state into a competition state while focusing on a strong economy as pivotal to remaining operative in the global competition. The competition state encourages the population to participate in the global competition and there is a growing focus on the individual place and responsibility of citizens. The competition state organizes economic activities in an internationally directed fashion instead of having the part of making amends and shielding the population against changes in the state of the market (Pedersen, 2013). The state and its politics are therefore about securing economic competitiveness and not only their peoples wellbeing and equality.

The states and governments often aggravated approaches, indicate an ancient division of critique, which is relevant to the separation between two threads

of theory that are rooted in the critical discussion of Enlightenment, as well as the Marxist tradition (Forst, 2007).

The initial thread aims to conquer economic, political and social relations of *inequality* that holds exploitation at the center of political economy. The latter thread mainly condemns the impoverishment of personal and cultural life under modern, capitalism ways of production, where the main exposition revolves around *alienation*, rather than exploitation (Forst, 2007).

The first of these threads sees redistribution of socio-economic resources and opportunities as paramount in overcoming the inequalities deriving from the capitalist production setting and therefore, as the main concept of social justice. The other thread sees the absence of recognition as the leading source of alienation and suffering and therefore holding recognition as the main concept of social justice or wellbeing.

In short, the basic idea behind the welfare state is an idea of redistribution of the risks and drawbacks of market capitalism. It is a balanced out perspective where citizens are provided with certain rights in order to give them a more equal standing considering opportunities for the community to engage in with other communities and citizens. Therefore, social rights working towards redistributing wealth and opportunities in order to increase real equality and freedom became a key principle of the welfare state (Hulgård, 2011).

There are several challenges in the transformation in relation to the normative foundation of welfare provision and the changes to the design of the welfare state. It does not only come down to displacement between opposing parts of society and the borders between the state, market and internal society. More precisely it is a transformation in the models of social justice and politics and a possible de-politicization of different main ideas of justice.

Nevertheless, it may also be a process of opening up to a more recognition-based perspective on social justice, or to identify politics that are aimed towards a specific group of society and a more participatory approach to welfare solutions. Indigenous peoples of the Arctic are a specific group of society who need to get the reigns of their own territory again in order for survival and prosperity of mind and body.

The main criticism of this kind of welfare state, that emphasizes redistribution, has been its focus on the similarity of the citizens and the uniformity rather than the differences and by that account dealing imperfectly with the individual needs and issues that originates from other types of dispossession or domination. Sexism, racism and oppression of minority ethnic or religious groups are examples of issues the welfare state is facing. These are frequent and quite common problems for peoples of the Arctic.

This has led to the different ideas of social justice emanating from identity politics or recognition, making the cultural conditions for injustice or deprivation the center of attention (Fraser, 2003; Young, 1990).

Young (1990) states that the difference-blind politics of redistribution can strengthen justice by falsely universalizing governing norms and demand minor groups to integrate themselves and consequently misrecognizing their individuality (Fraser, 2003; Young, 1990). These ideas of politics are therefore focusing much more clearly on difference rather than likeness or some idea of the general interest. Remembering that the sense of individuality and the sense of belonging is very important to Indigenous peoples, the difference-blind politics become even more relevant. This notion of justice as recognition accompanies the substructure of social innovation in relation to social justice. While the politics of redistribution is often correlated with class politics, the politics of recognition is more often correlated with identity politics, which can be regarded as struggles over gender, sexuality, ethnicity, race and nationality (Fraser, 2003). Redistribution has more to do with injustices defined as socio-economic, which are embedded in the economic structures of society. They could be exploitation (as Indigenous peoples labor is commandeered for the benefits of others) economic marginalization (as Indigenous peoples are confined to unacceptable poorly-paid work or are being denied an opportunity to enjoy income-generated labor entirely) and deprivation of a sufficient way of life.

This recognition paradigm aims at injustices that is understood as cultural and has its origins in social patterns of representation, interpretation and communication (Fraser, 1996).

Cultural domination where Indigenous peoples are subjected to patterns of interpretation and communication that are related to other cultures and are

incompatible with others is one example of those paradigms. Non-recognition is another, where the Indigenous peoples are made to be almost invisible through the dependable representational, informative and interpretive practices of their own culture and disrespect is an important example where Indigenous peoples are systematically minimalized or belittled in stereotypically recognized cultural representations and everyday associations. In this recognition paradigm the solution to injustice and inequality is cultural figurative change (Fraser, 2003).

## Transformation in welfare - From welfare to competition

The idea of the "competition state" might be understood as a state aimed towards international competitiveness and as such it is easy to see how most present-day states meet those requirements. The distinction of the problem following competitiveness has been referred to as a threat to national security whereas the close definition of the theory according to Philp G. Cerny (2005) is; *The promotion of economic competitiveness and competition as a political priority in response to globalization's lowering of economic borders between countries.*

It refers to the process by which political and governmental parties transfer their attention from traditional forms of state involvement to activities intended to guarantee the competitiveness of national firms, multinational corporations and economic policies in global markets. This transfer has been an answer to globalization's lowering economic borders among countries and the decrease of domestic political independence that is required on one hand and a never-ending process on the other, where the aim of competitiveness encourages the further elimination of national barriers to global economic activity (Cerny, 2005)**.**

The competition state theory seeks to find reason in the extreme changes in the global economy and try and explain the effect of globalization on both the nation state and the welfare state (Horsfall, 2011).

The world's governments are facing great financial crises, and have been for some time and are executing severe financial plans – so arguments for the existence of the competition state are appropriate. Some say the days of the welfare state are gone and that the days of the competition state are here to stay – brought to life by

the global economy and evident inequality (Horsfall, 2011).

The shift in the responsibility of the welfare state in the direction of advancing business competitiveness is an easier way to try and understand the modern ways of states today. In a competitive world, increasingly dominated by MNCs that are supported by the WTO (World Trade Organization) and empowered by the WEF (World Economic Forum), it is easier to understand the welfare state taking a backseat.

In contrast to the welfare state, the competition state does not protect the national labor force and business form neither does it offer reimbursement in the absence of competitiveness or if unemployment happens.

Unemployment rates among peoples of the Arctic differ between regions, but they do have the same effect and in many parts, the same repercussions. The devaluation of the traditional role in society has set off a chain reaction, starting with the people not finding their place and value in the community, resulting in unemployment and in alcohol-, sexual- and domestic abuse and even suicide. The economic problems caused the unemployment and in a market competition it is hard to find a job and keep it (Williamson et al., 2004).

In a political setting that approves self-sacrifice, is prudent towards the public sector and fears the unfavorable effects of inactivity, the welfare state might find itself in danger (Pedersen, 2013). When speaking of an active welfare state it is useful to look to the EU – since the European Council opted, in the year 2000, to "build an active welfare state" while stating that the distribution of welfare benefits and services should be decentralized to local communities. Decisions about granting welfare benefits and services should be aimed at reinforcing the individual's position in the labor market (Pedersen, 2013).

A central goal to welfare states should also be to care for social outcasts as well as vulnerable groups in society such as minority groups like the Indigenous peoples. It should also aim to create opportunities for all to be involved in the social life and decision-making process of communities. The Nordic Welfare model characterizes itself by strong ties between welfare and labor-market policy (The Nordic Council, n.d).

Presumably the current development of the welfare state inspires the idea

that the welfare state is transforming into an “active” welfare state. What are the possible repercussions following the appearance of the competition state on social, political, economic and cultural life of the Indigenous peoples of the North? And it is worth considering whether the Nordic Welfare model is by its own definition securing the future of Indigenous peoples by having them take part in the decisions of development in their regions and communities.

## Political environment and the future of the Arctic

Political environment that approves such a strict setting - where competition in the market is essential - is therefore cautious of the public sector and fears the ill of inactivity. The welfare state in turn finds itself in an uncertain situation and by that account the welfare state, as we know it, is gone and has been replaced by the competition state (Cerny, 1995; Cerny and Evans, 1999).

Cerny and Evans state that the welfare state has been so greatly changed that it no longer serves the same purpose as when it was first established. The state’s citizens are changing their ways, and are simply living – without the sorts of public services and redistribution attributes of welfare states (Cerny and Evans, 1999).

They also argued marketization has spread through all features of the welfare state, to the extent that social policy has been integrated into the economic traditionalism of the competition state. The traditional welfare purpose throughout most countries has declined and has had to adapt to a more financially harsh environment, resulting in a smaller labor force, that seeks to integrate into the private sector wherever possible (Cerny and Evans, 1999).

There are many different kinds of government in the Circumpolar North and it has been a challenge to find ways to intertwine the histories of the Indigenous peoples and their present day legal and political status. Most of the government structures and institutions in the Arctic are recognized under western laws and orders and none of the Arctic models of self-governance are founded on traditional governance.

One type of response of state governments to the claims of the Indigenous

peoples has been to negotiate land claim agreements (Broderstad and Dahl, 2004). The main notion behind a land claims agreement is that Indigenous peoples surrender most of their territorial rights they are born to by their aboriginal heritage. These rights are surrendered for a one and final payment – a kind of reimbursement for their land and rights. In some cases the lands are co-managed in an attempt to reduce conflicts that have risen over conflicted territories. Co-management has been described as allocation of decision-making power in the course of resource management. The most desired element of co-management is that it emphasizes negotiation rather than litigation as a way of solving disagreements over land and territories (Campbell, 1996).

The political and administrative answers to increased Indigenous influence differ from state to state, although the idea is a common ground within the eight Arctic states. One of the solutions is connected to the growth of regional self-government and is established by public governments. This is the number one solution and most important in the areas where Indigenous peoples are in the majority such as in Nunavut and Greenland. The level of involvement becomes pivotal when linked to decentralization of decision-making powers and to the level of territoriality and consistency of self-governing arrangements (Broderstad and Dahl, 2004).

We see evident examples of cases like this when negotiating land claims in the Arctic. This was the case when negotiating land claims in Canada, and it distinguishes the introduction of self-governing arrangements in Greenland. In no other Arctic region have Indigenous peoples participated in the process of establishing special arrangements for Indigenous peoples as equals, except perhaps in North Slope Borough, Alaska. As is their born rights as citizens and as Indigenous, aboriginals or first born – whatever name you choose to use.

Small steps are being taken in the direction of self-governance and Indigenous peoples taking part in the decision-making concerning their land. The Saami Parliament in Finland was established in January of 1996, the Norwegian Saami Parliament was founded in 1989 and the Swedish Saami Parliament was established in 1993. The three Parliaments have a combined number of 91 elected representatives and although they do not have all the same purposes and

responsibilities they do have a shared ground; the ability to ask questions and issue statements on all questions within their area of activity (Broderstad and Dahl, 2004: 96).

The Home Rule in Greenland was brought into force on May 1st, 1979. Danish citizens who have lived in Greenland and those over 18 years of age could vote for and be elected to the Home Rule Parliament. The members of the Parliament are 31, and of those only one is a Danish member – Danes constitute 12% of the Greenland population. The number of Greenlanders in administrative positions has increased remarkably the past 20 years. On June 21st 2009 the Act on Greenland Self-Government came into effect, thus deepening the Home Rule act of 1979. Now the people of Greenland have the right to self-determination under international law, the Greenlandic government and the Danish government are identified as equal partners and the Inuit dialect, Kalaallisut, became the official language of Greenland (The Greenland Self-Government Arrangement, n.d.).

Perhaps times are changing - the states still need and want to exploit Arctic resources but at the same time there has been some acknowledgement of the unique status of the Indigenous peoples. This can be explained, for example, by the Saami rights in Fenno-Scandinavia, Greenland Home Rule and subsequent Self Rule, and the former Soviets' legal classification of the "small peoples of the North", or the Suktul – Yukagir self-government.

A specific characteristic in the Arctic states is the participation of Indigenous peoples as independent political players in modern nation-building processes (Broderstad and Dahl, 2004).

## Is there a race to the bottom?

One might wonder whether or not this transformation from welfare state to competition state, and the changes in economies throughout the Arctic emanating from the rapid climate change and increase in exploitation of resources, are in fact a disguised race to the bottom.

In the case of mining in the far North of Scandinavia, in both Finland and Sweden, the disregard towards the locals of the mining areas was absolute. Clive

Sinclair, chairman of Beowulf mining, bluntly stated that the objections to mining were completely irrelevant since there were simply no locals there to regard.

Europe's far north is a magnificent place of beauty; of mountains and forests, lakes and rivers. The far north has also been a sanctuary to an array of plants and animals that have mainly survived because of the Indigenous peoples of the area, such as the Saami of Finno-Scandia. Many of the Saami have maintained their traditional lifestyle of reindeer herding and in doing so, have preserved their ancient heritage and environment well into the 21st century. However, in modern times, industrialization, globalization and the fluctuations in temperature have brought into play a new element; the Multinational companies and industries that are more than willing to exploit the regions resources. These new players are currently made to feel welcome by Scandinavian governments who seem to have buried their own statements of welfare and disregarded the Declaration of Indigenous rights in the chase for bounty of jobs and income the MNC's promise to deliver (Ellis, 2013).

January 1st 2011, the Swedish Constitution was revised to directly recognize the Saami as a people. This was implemented after a long-standing request of the Saami to be differentiated from other minority groups in Sweden. Still the UN Special Rapporteur criticized Sweden severely for failing to address the most urgent issues for the Saami, especially those concerning land and resource rights (Walker, 2012).

The Swedish government made a decision on the 22nd of August, 2013, ensuing key decision which concerned all Saami people of Sweden. That decision was easily interpreted as if the national interest of reindeer herding and husbandry was of less significance than the national interest of mineral extraction (Risong and MacDougall, 2013). The Ministry of Enterprise, Energy and Communications made a decision about large-scale mining at Saami land without involving the Indigenous peoples of that land in the decision-making process, which in fact was a direct violation of their rights.

The Saami feel that their traditional way of life is being threatened, and have been fighting back. Hanna Hyvönen, a well-known environmental activist, had this to say about the mining and the politics behind it: *In Finland in the stone there is uranium, not so much, but in every place there is enough to open up multi-metal mines where you have nickel, gold and almost always uranium. So it's not only metal*

*politics but also energy politics that is behind this mining (Ellis, 2013).*

This suggests the mining operations are only just beginning. Pekka Pera, Tavlivaara's CEO said in an interview: *In history there has been very strong metal production in Europe. And because of this the production chain exists - we have a lot of base metals and smelting units. But what has been lacking in Western Europe is our own minerals and sources for minerals - and particularly now for instance; uranium. In Europe there are hundreds of nuclear power plants, which have to supply their uranium from outside Europe and in this volatile world I think it would be safer to have our own source for nuclear power (Ellis, 2013).* The two opposing opinions speak volumes to what is happening in the North.

People are growing tired and impatient with the lack of respect for Indigenous rights in the face of all that economic growth and resistance is forming. Among the Finns in the Finnish part of Lapland, fifty-three companies in the service sector are protesting the huge gold rush in Kuusamo in North-eastern Finland. "The cost to the environment will exceed the profits from the gold mines," were the words of warning from the Finnish Association for Nature Conservation. If the mining goes through the outlook is bleak at best, whereas pollution is bound to happen in the process. Furthermore, Matt Saarnisto (2013) geologist states that the waters are in danger of being contaminated with variable toxins such as, sulfates, cyanides, phosphates, arsenic and uranium (Köster, 2013). Economic professor Olli Tahvonen discusses the sell-out of rights to mining and calls out for a mining tax on the exploitation of raw materials. He also made a shocking observation, where he among with the Lutheran Church made a point to object to Northern Finland being abbreviated to a "colony", whose natural resources are ransacked by international companies without ever considering the environment and the local peoples.

The environment is exceptional and holds around 90 bird species where twenty-one are endangered. Rikka Karppinen asked; "How can a mine have been allowed to open in a nature reserve like this one? We will never be able to recover what's being destroyed."

Former environmental minister of Finland, Paula Lehtmäki did nothing to fight against the mining companies and their planned extraction of minerals on the reserves of Viiankiaapa, and furthermore, her family bought huge shares in the

Talvivaara mining company (Köster, 2013). The disregard is complete and competition to more economic growth is obvious.

The reality has yet to hit the reserves of Viiankiaapa, but by looking a little further to the North-east it's easy to see what will happen if the mining continues. Kevitsa, a nickel mine placed 40 kilometers further north, is nothing but a ruined, soot-black crater landscape. The nickel extracted was shipped to Canada where the price has now plummeted and supply has surpassed demand completely for a while not (Köster, 2013). This means that the mine might close in the nearest future, leaving scorched earth behind it, having taken the revenues out of the country, leaving the locals unemployed and the environment without a chance to heal.

What's frightening is that there are now twenty mining companies operating the area and new ones apply frequently. The local peoples are protesting, reminding the mining companies and local authorities of their rights and violation of agreements and are not listened to. Not only are the companies drilling "out of season", since they are only allowed so during the winter, but their permit issued by the government ran out the 17th of August 2013 and they kept on drilling despite of that. Although, according to First-Quantum Minerals ltd. website they have all their permits and approvals in place: *Approval of the environmental expansion permit up to 10 Mtpa is expected during Q1 2014, with all outstanding documentation, statements and responses to authorities' queries submitted*. (Kevitsa, 2014).

This is the future reality for so many northerners. These are but a few examples of the governments' disregard and indifference for the Indigenous peoples and their rights, both their rights as Indigenous peoples and their rights as citizens of a welfare state. But the modern competition between states and the possibility of economic growth at whatever the cost appeals to the shareholders more than preservation of environments, cultural heritage and traditional livelihoods. I guess that the cost has been made clear.

# Conclusion

In the words of Cerny: In a globalizing world, states are undergoing a fundamental transformation in their underlying rationality (Cerny, 2010). In the case of Indigenous rights that much is clear. The northern welfare states are rapidly changing into competition states faster than their inhabitants are able to partake, resulting in an array of social problems and other dramatic consequences they aren't equipped to face. The transforming states still have a crucial, national, yet paradoxical role to play – one where they reveal the domestic to the transnational, in order to make sure that citizens keep up with the numerous pressures and demands of progressively interpenetrated political, economic and social systems (Cerny, 2010).

This process however, leads to the states becoming increasingly pluralistic, and in order to survive they must widen and deepen their transnational connections, which is what we're seeing in the Circumpolar North.

The struggle between states is on-going, everyone is trying to capture the benefits of globalization using whichever methods available – in this case the exploitation of Arctic resources. But as in most struggles there are winners, and there are those who bear the repercussions of those struggles – the downside of globalization in the form of unemployment, income decreases, meagre opportunities and political quelling to name but a few. The competition state is like a bully on the playground, picking on vulnerability and causing constant conflict.

With that in mind it's imperative to remember our basic human rights as citizens of Nordic welfare states, the specific rights of Indigenous peoples of the North which in the midst of previously mentioned struggles, are being utterly violated. The rights of the Arctic Indigenous peoples have been forgotten on this all involving journey from welfare state to competition state.

# Summary

The Arctic landscape is changing rapidly, including its economic, political and cultural environment. The rights of the Indigenous peoples of the Arctic are being ignored and the prospect of monetary payments connected to resource exploitation seems to control government actions in many ways, with the welfare states slowly converting to the modern ways of competition states. Wellbeing, rights and cultural heritage take a backseat in the scramble for resources, and in some instances a race between states. As claimed by Figlio, Kolpin and Reid (1999), states do in fact play welfare games, and to us bystanders, it is evident that the games have begun.

# References


Abryutina, L. (2009). Indigenous peoples of the Russian north: social and climatic changes. *Climate Change and Arctic Sustainable Development: scientific social, cultural and educational challenges.* Paris: UNESCO. 164-173.

Ahlbrandt, T. S. (2002). Future Petroleum Energy Resources of the World. *International Geology Review*, *44*(12), 1092-1104. Retrieved April 14, 2014, from http://www.tandfonline.com/doi/abs/10.2747/0020-6814.44.12.1092#.U1Dxs79KMy4

An Encyclopaedia Britannica Company. (n.d.). *Merriam-Webster*. Retrieved April 12, 2014, from http://www.merriam-webster.com

Broderstad, E. G., and Dahl, J. (2004). Political Systems. In Larsen, J. N., et al (Ed.), *Arctic Human Development Report.* 85-100. Akureyri: Stefansson Arctic Institute.

Campbell, T. (1996). Co-management of Aboriginal Resources. *Information North*, *22*(1). Retrieved May 13, 2014, from http://arcticcircle.uconn.edu/NatResources/comanagement.html

Carino, J. (2009). Poverty and well-being. *State of World's Indigenous Peoples*. 14-49. New York: United Nations

Cerny, P. G. (1995). Globalization And The Changing Logic Of Collective Action. *International Organization*, *49*(04), 595. Retrieved April 12, 2014, from https://www.mtholyoke.edu/acad/intrel/cerny.htm

Cerny, P. G. (1997). Paradoxes of the Competition State: The Dynamics of Political Globalization. *Government and Opposition,* 32(2), 251-274. Retrieved March 22, 2014, from http://onlinelibrary.wiley.com/doi/10.1111/j.1477-7053.1997.tb00161.x/full

Cerny, P. G., & Evans, M. (1999). New Labour, globalization, and the competition state. Cambridge, MA: Minda de Gunzburg Center for European Studies, Harvard University.

Cerny, P.G. (2005). Political Globalization and the Competition State. In Richard Stubbs and Geoffrey R.D (Eds.), *In Political Economy and the Changing Global Order, 3rd ed.* 300-309. Oxford: Oxford University Press.

Conservation of Arctic Flora and Fauna. (2013). *Arctic Biodiversity Assessment: Report for Policy Makers*. CAFF, Akureyri, Iceland

Convention on Biological Diversity. (n.d.). - UN Documents: Gathering a body of global agreements. Retrieved March 3, 2014, from https://www.cbd.int/doc/legal/cbd-en.pdf

Cunningham, M. (2009). Health. *State of World's Indigenous Peoples*. 156-187. New York: United Nations

Dahlberg, M., & Edmark, K. (2008). Is there a "race-to-the-bottom" in the setting of welfare benefit levels? Evidence from a policy intervention. Journal of Public Economics, 92(5-6), 1193-1209. Retrieved March 14, 2014, from http://www.aeaweb.org/assa/2005/0107_0800_1211.pdf

Duhaime, G. (2004). Economic systems. In Larsen, J. N., et al (Ed.), *Arctic Human Development Report.* 69-84. Akureyri: Stefansson Arctic Institute.

Ellis, G. (Director). (2013). *People & Power: Under Northern Lights* [Documentary]. Qatar: AlJazeera. Retrieved March 25, 2014, from http://www.aljazeera.com/programmes/peopleandpower/2013/11/under-northern-lights-201311279432224643.html

Figlio, D. N., Kolpin, V. W., & Reid, W. E. (1999). Do States Play Welfare Games? Journal of Urban Economics, 46(3), 437-454. Retrieved March 27, 2014, from http://www.sciencedirect.com/science/article/pii/S0094119099921319

Fligstein, N. (1996). Markets as Politics: A Political-Cultural Approach to Market Institutions. *American Sociological Review*, *61*(4), 656. Retrieved April 14, 2014, from http://www.jstor.org/stable/2096398

Forst, R. (2007). First things first: Redistribution, Recognition and Justification. *European Journal of Political Theory, 6*(3), 291-304.

Fraser, N. (1996, April 30). Social Justice in the Age of Identity Politics: Redistribution, Recognition, and Participation. *The Tanner lectures on human values.* Lecture conducted from Stanford University, California.

Fraser, N. & Honneth, A. (2003). *Redistribution or Recognition? A political-philosophical exchange*. London, New York.

Fraser, N. (2003). Social Justice in the Age of Identity Politics: Redistribution, Recognition and Participation. In Fraser, Nancy and Honneth, Axel (Eds.), *Redistribution or Recognition? A political-philosophical exchange*. London, New York.

Frequently asked questions declaration on the rights of indigenous peoples. (n.d.). *United Nations Permanent Forum on Indigenous Issues*. Retrieved April 14, 2014, from http://www.un.org/esa/socdev/unpfii/documents/FAQsindigenousdeclaration.pdf

Gibson, G. & Klinck, J. (2005). Canada's Resilient North: The Impact of Mining on Aboriginal Communities. *Pimatisiwin - A Journal of Aboriginal and Indigenous Community Health, 3*(1), 116-139. Retrieved on April 14, 2014, from http://www.pimatisiwin.com/uploads/330599908.pdf

Hansen, A. M. (2014). *Community Impacts: Public Participation, Culture and Democracy*. (pp. 1-18). University of Copenhagen. Retrieved on April 14, 2014, from http://nyheder.ku.dk/groenlands-naturressourcer/rapportogbaggrundspapir/Community_Impacts.pdf

Hild, C.M. & Stordahl, V. (2004). Human Health and Well-being. In Larsen, J. N., et al (Ed.), *Arctic human development report*. 155-268. Akureyri: Stefansson Arctic Institute.

Horsfall, D. G., (2011). *From Competition State to Competition States? An empirical exploration.* Published PhD thesis, University of York, Heslington York.

Hulgård, L. (2011). Social economy and social enterprise: an emerging alternative to mainstream market economy? *China Journal of Social Work 4*(3), 201-215.

Huskey, L. (2007). The Changing Economies of Indigenous Communities. *Contemporary Issues in the Circumpolar World 1*, 93-116. Retrieved March 28, 2014, from http://www.uarctic.org/compactArticles.aspx?m=504

ICMM (2012). International Council on Mining and Metals: Human rights, social development and the mining and metals industry. June 2012. London. Retrieved April 13, 2014, from https://www.icmm.com/document/3740

IIED (2002). International Institute for Environment and Development. Breaking new ground: Mining, Minerals and Sustainable development: Chapter 9: Local Communities and Mines. Retrieved April 13, 2014, from http://www.iied.org/pubs/pdfs/G00901.pdf

Jabour, J. & Weber, M. (2008). Is it Time to Cut the Gordian Knot of Polar Sovereignty? *Review of European Community & International Environmental Law*, *17*(1), 27-40.

Kettunen, P. (2012). Reinterpreting the Historicity of the Nordic Model. *Nordic journal of working life studies 2*(4), 21-43.

Kevitsa. (2014). First Quantum Minerals Ltd.. Retrieved May 14, 2014, from http://www.first-quantum.com/Our-Business/operating-mines/Kevitsa/default.aspx

Kryukov, V. A., & Wilson, G. N. (2007). Oil and Gas in the North Circumpolar World. *Contemporary Issues in the Circumpolar World 1*, 161-180. Retrieved March 28, 2014, from http://www.uarctic.org/compactArticles.aspx?m=504

Köster, R. N. (2012, November 2). Klondike in Lapland: Mining Companies Swarm to Finland's Far North. Spiegel Online International. Retrieved April 22, 2014, from http://www.spiegel.de/international/business/mining-boom-underway-in-finland-in-the-search-for-mineral-deposits-a-864561.html

Marshall, T. H. (1949). Citizenship and Social Class. *Classical Works on Social Stratification and Inequality*. 149-154. New York: Cambridge U.P.

Marz, S. (2010). Ecosystems. *Arctic Biodiversity Trends 2010: Selected indicators of change* (pp. 58-62). Akureyri, Iceland: CAFF International Secretariat .

Meeting the challenge of industrialization: a feasibility study for an International Industrialization Institute. (1973). Washington, D.C.: National Academy of Sciences - National Academy of Engineering.

Niclasen, B. & Mulvad G. (2010). Health care and health care delivery in Greenland. *International Journal of Circumpolar Health*, 69(5), 437-447.

Parkinson, A. J. (2009). Sustainable development, climate change and human health in the arctic. *Climate change and Arctic sustainable development: scientific, social, cultural and educational challenges*. Paris: UNESCO. 156-163.

Pedersen, O. K. (2013). Political Globalization and the Competition State. *Introduction to Political Sociology*. 281-298. Copenhagen: Hans Reitzel.

Poppel,B. (2006). Interdependency of Subsistene and market economies in the Arctic. *The Economy of the North.* Oslo/Kongsvinger: Statistics Norway. Retrieved April 12, 2014, from http://www.ssb.no/a/english/publikasjoner/pdf/sa84_en/kap5.pdf

Risong, M., & MacDougall, D. (2013, August 29). Sweden's indigenous Sami in fight against miners. AP Online. Retrieved April 1, 2014, from http://www.highbeam.com/doc/1A1-46c63e49a9e54d57875729f59f2f1a38.html?refid=bibme_hf

Rothstein, B. (1998). *Just institutions matter: the moral and political logic of the universal welfare state.* Cambridge: University Press.

Sale, R., & Michelsen, P. (2008). *A Vulnerable Ecosystem.* The Arctic: The Complete Story. 578-618. London: Frances Lincoln.

Suagee, D. B. (1995). *Indigenous Rights and Responsibilities for the Natural World*. American University – Washington College of Law. Retrieved April 14, 2014, from http://www.wcl.american.edu/hrbrief/v2i3/suagee23.htm

The Greenland Self-Government Arrangement. (n.d.). *Statsministeriet*. Retrieved May 14, 2014, from http://www.stm.dk/_a_2957.html

The Rights of Indigenous Peoples. (2004). *Iceland Human Rights Centre*. Retrieved March 14, 2014, from http://www.humanrights.is/the-human-rights-project/humanrightscasesandmaterials/generalcomments/unfactsheets/No.9therights/

The Universal Declaration of Human Rights. (n.d.). *United Nations Human Rights*. Retrieved May 4, 2014, from http://www.ohchr.org/en/Issues/IPeoples/Pages/Declaration.aspx

UNEP Year Book 2013: Emerging issues in our global environment. (2013). *UNEP YEAR BOOK 2013*. Retrieved March 14, 2014, from http://www.unep.org/yearbook/2013

*United Nations declaration on the rights of indigenous peoples*. (2008). New York: United Nations. Retrieved on April 14, 2014, from http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf

Vinding, D. (Ed.). (2009). State of the world's indigenous peoples - economic and social affairs. New York: United Nations. Retrieved on April 4, 2014, from http://www.un.org/esa/socdev/unpfii/documents/SOWIP_web.pdf

Walker, B. (2012). *State of the World's Minorities and Indigenous Peoples 2012*. London: Minority Rights Group International. Retrieved April 4, 2014, from http://www.refworld.org/docid/4fedb3de37.html

Williamson, K. J. et al., (2004). Gender Issues. In Larsen, J. N., et al (Ed.), *Arctic Human Development Report*. 187-205. Akureyri: Stefansson Arctic Institute.

Young, I.M. (1990). *Justice and the politics of difference*. Princeton, New Jersey: Princeton University Press.

Young, K. (2013). Circumpolar health – what is next? *International journal of circumpolar health, 72*(0), 1-4.

Young, O. R. (2005). Governing the Arctic: From Cold War Theater to Mosaic of Cooperation. *Epsco Host, 11*(1), 9. Retrieved March 28, 2014, from http://connection.ebscohost.com/c/articles/16757497/governing-arctic-from-cold-war-theater-mosaic-cooperation

Young, O. R., and Níels Einarsson (2004). Introduction. In Larsen, J. N., et al (Ed.), *Arctic Human Development Report*. 15-26. Akureyri: Stefansson Arctic Institute.