Imagining the future: Local perceptions of Arctic extractive projects that didn’t happen

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Introduction

External imaginings of the future Arctic range from protected wilderness to booming oil and gas province, and proponents of different visions frequently clash in global public arenas. At the same time, external perceptions, whether pro-development or pro-conservation, frequently fail to reflect the realities of living in the Arctic, or to incorporate the views (and imaginings) of local inhabitants – those most affected by Arctic resource projects.

The Arctic region does have significant resource potential. The United States Geological Survey estimated that 25 per cent of the world’s undiscovered petroleum reserves were to be found in the Arctic. The Arctic also represents around 10 per cent of the global nickel, cobalt and tungsten markets, 26 per cent of diamond gem stones and up to 40 per cent of the global production of palladium. Yet uncertainty about the viability of natural resource projects is ever-present. Companies may be highly visible and a project intensely debated long before it is clear whether natural resource deposits, national-level negotiations and global markets will result in actual extraction for the market. Often local communities have very little information available at this point and yet the very prospect of an industrial project can transform the way a local community imagines – and prepares for – its own future.

While the challenging work of seeking equitable, just and environmentally sound practices around natural resource projects
has been much studied, we know too little about the societal consequences of anticipated but ultimately unrealised projects. In this article we explore three cases of Arctic extractive industry developments – in Russia, Norway and Greenland – where a highly anticipated extractive industry development has failed to take place. We consider the local expectations around the development and how the fact of it not taking place has affected local peoples’ perceptions of their future prospects.

What is characteristically ‘Arctic’ about Arctic extractive industries?

Given the overall theme of the volume, we reflect here on some of the commonalities of Arctic extractive industry development. Why does it make sense to review our three Arctic case studies in conjunction with one another?

One shared factor is the extreme sensitivity of the Arctic environment and the length of time it takes for damaged ecosystems to recover. By expanding further into the Arctic, extractive industry exploration is increasingly encroaching on isolated and vulnerable territories, often on indigenous peoples’ lands or in the waters where they hunt or fish. This environmental and social vulnerability has drawn extreme levels of global concern about the prospect of extractive industries expanding further into the Arctic, as indicated by the campaigns of international environmental non-governmental organisations (NGOs) and indigenous rights groups. The risks include climate change, which is a dominant feature of global Arctic discourses.

Second, it may make sense to compare Arctic case studies simply because Arctic stakeholders themselves make these intra-regional comparisons. Three decades of post-Cold War ‘region building’ in the circumpolar north make it likely that Arctic communities look first to one another for lessons learned; likewise for companies and regional governments in their planning and policy-making. Ever stronger links are being built between Arctic (and sub-Arctic) indigenous groups, sub-state regions and communities. Links are strengthened through international academic and civil society networks; increasingly strong international legal and regulatory guidelines, some of which are Arctic-specific, such as those issued by the Arctic Council; and increased use of social media. This having been said, comparative analysis between Arctic and non-Arctic regions is also extremely valuable.
A widely shared feature across the Arctic is the historical tendency towards establishing single-industry or ‘one company’ towns (‘monotowns’ in Russia) at the heart of which is a single, dominant or ‘town-forming’ industry. Single-industry towns have often faced repeated boom and bust cycles related largely to the price of commodities on global markets, and frequently leading to extreme poverty and social dislocation. This type of development push is sometimes interpreted in terms of centre–periphery economic development, associated with large states and colonial or imperial expansion, where the far flung corners of a polity provide raw materials to be processed and marketed in and for the imperial or national ‘centre’. The government may have identified the lands where the resources are to be extracted as being ‘unproductive’, despite them being highly productive from an indigenous perspective. An overwhelming focus on extractive industries in the political economy and development planning is sometimes dubbed ‘extractivism’. In the Arctic context, this has been contrasted to the indigenous cosmologies based on sustainable resource use with which extractivist policies and projects frequently come into conflict.

As Arctic communities and resources have become incorporated into global capitalist markets, the focus has mostly been on large-scale high-investment development of internationally valued Arctic resources – oil, gas, minerals, timber and fish. This kind of ‘single point’ economic development encourages a continuation of the ‘single industry’ vision of twentieth-century expansion, with bold versions of the future or efforts to ‘save’ the community via one grand project. Policy-makers in national capitals rarely envision an economic future for Arctic communities that is as complex and multifaceted as those anticipated for more southern towns and cities.

Moreover, the high cost of such ambitious, monolithic development planning in the Arctic means that a drop in commodity prices might translate rapidly into the withdrawal of investment from expensive and risk-laden Arctic environments. The oil price collapse of 2014/2015 triggered the withdrawal of a number of oil majors from Greenland, while the rise of the shale gas industry in the United States drove down gas prices and contributed to the decline in investor interest in Russia’s Shtokman project (see case studies in this chapter). In rare cases, a community has the opportunity to decide themselves whether or not an extractive industry development should go ahead. One such case, in Norway’s Kautokeino municipality, is also discussed below.
Any anticipated, yet unrealised, major economic development projects – and the regulatory, stakeholder, business and scientific processes that attend them – can be seen as resulting in ‘unbuilt environments’ of often invisible effects.\textsuperscript{12} In some cases, infrastructure is actually constructed without being used, or is used for only one or two exploration seasons, such as the abandoned oil industry harbour infrastructure built in the Greenlandic village of Aasiaat. After a brief review of methods, we turn to three case studies of such ‘unbuilt environments’ in the Arctic, in Greenland, Russia and Norway respectively. We seek to explore and identify some of these effects, considering what might be characteristically ‘Arctic’ about them. We also consider the ways in which our analyses diverge, and how this illustrates the diversity of Arctic experience.

\section*{Methods}

This chapter draws upon three sets of field work, in Greenland, Russia and Norway. Semi-structured qualitative interviews were a key method in all cases. In Upernavik, Greenland, a total of 16 qualitative interviews were conducted in 2013 and 2014 in Kalaallisut, the Greenlandic Inuit dialect. The research focused on capturing the expectations and aspirations of people living in the area, so as to document and understand their perspectives and the potential for the possible recruitment of locals to work in the industry while also securing local benefits.\textsuperscript{13} In Murmansk, Russia, a set of 21 qualitative interviews were carried out (in Russian) in April 2013 with government officials, company representatives, indigenous and civil society representatives and a sampling of ‘everyday citizens’ who had no direct connection to the oil and gas industry.\textsuperscript{14} The research aimed to understand how the urban Arctic residents of Murmansk reacted to and understood an unrealised petroleum development, how they envisioned the future of the region; and how they judged the petroleum companies’ corporate social responsibility (CSR) efforts. In Kautokeino, Norway, a total of 26 qualitative interviews were held in 2015 and 2016 with rural residents living close to a proposed mine site. The interviews were held in Saami, Norwegian or English, with translation into Russian or English for the benefit of a multi-national research team. The aim was to understand the extent to which international standards and guidelines on ethical performance in the extractive industries are implemented at the local level.\textsuperscript{15}
The case studies

Our case studies are linked primarily by the fact that in all localities a major extractive industry development was actively anticipated by the local community but ultimately did not take place. In the Greenlandic and Russian cases, this was for reasons beyond local control; in the Norwegian case it was a conscious decision made by the local municipality. Two of the case studies involve rural indigenous communities, but the Russian case study is of a non-indigenous urban population in Murmansk – the world’s largest Arctic city. The Greenlandic and Russian case studies relate to offshore oil and gas, while the Norwegian case study relates to a proposed gold mine. Our aim is therefore not to draw direct comparisons or make scientifically grounded propositions, but to illustrate a range of local responses to a phenomenon – the unrealised project – that has been covered very little in the academic and policy literature to date.

Upernavik, Greenland

Oil and gas exploration in Greenland has been taking place since the early 1970s without any commercial discoveries yet being made. After a general low level of activity, the beginning of the new millennium brought remarkable increases in the global market price of crude oil (from less than 30 USD/barrel to more than 100 USD/barrel after 2007) and a subsequent increase in the exploration interests of oil companies in Greenland. The Government of Greenland (Naalakkersuisut) consequently released a hydrocarbon strategy for Greenland in 2002, announcing new licensing rounds for blocks offshore West Greenland in 2002, 2003 and 2004. In 2008, the US Geological Survey published assessments of large quantities of undiscovered oil and gas resources in the Arctic. The survey indicated that offshore areas between West Greenland and East Canada could hold seven billion barrels of oil, while areas offshore East Greenland were estimated to hold nearly nine billion barrels of oil. The presence of significant gas reserves was also estimated in both offshore areas. Naalakkersuisut then released a second hydrocarbon strategy in 2009, which included a new licensing round in North West Greenland in the area of Baffin Bay in 2010 and a two-phased licensing round offshore North East Greenland in 2012 and 2013 (Figure 12.1). The Baffin Bay licensing round led to seven new exploration licences and the licensing round in North East Greenland led to
Fig. 12.1  An overview of active oil exploration licences in Greenland (from and used by permission of NunaOil A/S).
four new exploration licences. In 2010 and 2011, Cairn Energy drilled eight wells offshore Central West Greenland. However, all wells were declared commercially dry.¹⁸

In 2012, a consortium of oil companies with exploration licences in Baffin Bay drilled 11 so-called ‘shallow core holes’ to evaluate the area. A further four operating companies, including Maersk Oil Kalaallit Nunaat, ConocoPhillips, Cairn Energy PLC and Shell Greenland, held licences to a total number of five blocks in the Baffin Bay area. Seismic exploration and site surveys were undertaken here in 2012 and 2013. The activities were the most extensive in any area of Greenland to date, and all taking place in the sea off Upernavik District. The exploration was expected to lead to the production of oil and related industrial activities; activities that could bring significant change to the communities, both in terms of impacts on nature, the local economy and social structures. During preparation for the exploration programmes, the operating companies were legally requested to, and did, undertake environmental and social baseline studies. They visited and engaged with the local communities to inform them about activities and to manage expectations.

In 2014, the Government of Greenland presented a new strategy on minerals and hydrocarbon resources. This strategy specifies selected areas to be announced for new licensing rounds or open door procedures including the areas of Baffin Bay, Davis Strait, west of Nuuk, Jameson Land, Nuussuaq Peninsula, South Greenland and South West Greenland. But in 2014/2015, the oil price dropped and the level of activity in Greenland similarly declined. After some years of holding on to their licences, several operating companies decided to give them up in 2016. The licences to only ten blocks are still active in 2016, including those in Baffin Bay.

The uncertainty regarding whether industrial development related to oil and gas exploration and extraction will take place in the future and the potential for social change if commercial finds are made place the people living in the Upernavik area in a situation of uncertainty. In the following section, we describe how the exploration activities were perceived at the time, and how the locals coped with the uncertainty.

Local populations and livelihoods

Upernavik District covers 448 km of coastline in North West Greenland. The area includes the town of Upernavik with about 1,100 residents and nine smaller settlements with populations of about 1,700. The inhabitants
are, as in most communities in Greenland, predominantly Inuit by ethnicity. The main occupation in the area is hunting and fishing, which is practised both as a commercial and a recreational activity. Families travel to traditional or communally shared hunting, fishing and gathering places along the coast, inlets and smaller islands. Hunting quotas in Greenland regulate the hunting of selected species, but, while some species, such as seal or Arctic cod remain abundant, other animals, such as narwhals and belugas, remain subject to government regulations. Whale quotas are set by Naalakkersuisut annually and subsequently distributed to local districts where the municipal authorities decide on the allocation of commercial and leisure hunting licences. Other hunted species include seabirds, walruses, seals and polar bears. Commercial and subsistence fishing, as well as the hunting activities are considered important supplements to the economy for many households.

Local expectations

In 2012 and 2013, when the licence-holding companies were gathering seismic data to map geological features of the sub-surface, a number of public consultations were undertaken and meetings took place between the people of Upernavik District and company representatives. According to the interviews that we subsequently held with people in Upernavik District, they were very aware of the activity and the presence of oil companies and their plans. They did not, however, distinguish between individual companies but rather perceived the industry as ‘one’ entity. They did not seem very affected by the ongoing activities and in general they expressed relatively little interest in the industry. They did, however, express concerns regarding the potential influence of the activities on their (whale or fish) catch and were also curious to hear more about what kinds of industrial activities were going to take place. They were also curious to hear more from the companies about opportunities to work for or in the industry.

A representative of the municipal office in Upernavik provided the following explanation for why people were interested: ‘The word “oil” has been mentioned many times, so there is a general feeling of understanding of oil being important, but the real physical understanding of what oil exploration is and what it means is not clear to people.’ Some of the young men in the area expressed an interest in potentially supplementing the income of their hunting activities with jobs in the oil industry in order to support the life they already lived. They expressed
a generally positive attitude towards the oil industry, which they saw as a potential facilitator of some of the changes needed locally to uphold their desired way of living in close connection with the land.

There were no high hopes in relation to the activities, but rather a curiosity and an interest from the locals. There were, however, great expectations in Nuuk among the government officials and politicians at the national level. It is also worth noting that expectations were much higher in relation to mining developments and the proposed construction of an aluminium smelter in the southern regions of Greenland, perhaps because these activities are taking place onshore and potentially have a much more direct impact on local livelihoods.²⁶

**Reflections on the Upernavik case study**

In Upernavik, the attitude of the locals and the pragmatic reaction to potential development could be seen as characteristically ‘Arctic’. The people of Upernavik were not very influenced by the ‘hype’ of the potential oil developments. They focused on what was known (birds in the hand and not in the bush) and held on to the importance of traditional activities, rather than dreaming about the future. In a similar way, the Inuit living in the small communities on Alaska’s North Slope after 40 years of oil production still have a primary focus on traditional activities rather than on the potential for working in industry or changing or modernising their communities. This also means that local benefits in the Arctic are not necessarily obtained through skills training or the creation of job opportunities in the extractive industry itself (as has been the case in other parts of the world). Stronger and more sustainable communities are achieved instead by securing healthy living standards for people by providing the necessary infrastructure (housing, clean water, transport and supplies), and definitely not from paying out dividend cheques.

**Murmansk, Russia**

The Shtokman gas field, located in the Barents Sea some 600 km north of the shores of the Kola Peninsula, is one of the world’s largest natural gas fields. Development of the field had been discussed in earnest since the mid-1990s. Anticipation on both sides of the Norwegian/Russian border reached fever pitch around and after 2005, when cooperation
agreements to develop this field were signed by Russia, Norway and France, with Gazprom at the forefront. This triggered an avalanche of bids for field development and efforts of companies to profile their technical, financial and socially oriented capacities. Eventually Statoil and Total joined a consortium with Gazprom called the Shtokman Development AG in 2008. However, exploration never got off the ground, with the ‘shale revolution’ in the USA driving gas prices down in what had been a target market for liquefied natural gas from the Shtokman field.

**Great expectations**

The interview findings were illustrative of the effects of extractive anticipation in two key regards – negative views on future prospects and changed understandings of potential extractive stakeholders. There are also, potentially, a myriad ways in which the Shtokman development may have had lasting impacts on the region outside of the ones identified via the interview set. Should the case study site have been located in Teriberka on the Murman coast, the impact of actual physical changes in the environment, including advanced infrastructure and changed budgeting or infrastructure planning, may have been more evident. One may also have found more individual decision making directly influenced by the prospect of the project (building choices, business plans, educational decisions and so on). As the case study presented here was focused on tracing the broader regional impacts of the Shtokman project, in particular the expectations and recollections in the regional capital city of Murmansk, the impacts of anticipation remain more cognitive and collective rather than individual or material.

First, there was an impact on how respondents perceived the economic prospects of the region. Some argued that oil and gas had remained entirely ‘virtual’, yet had still managed to have a negative impact on the region. Local respondents recalled overly optimistic personal spending and borrowing in the course of the build up to the expected project. Interviewees from business, NGOs and the public sector argued that housing prices had become inflated during the days of Shtokman mania, but not matched by employment and salary growth: ‘Just say the word Shtokman and apartment prices go up’, was a comment that several interviewees made.

Second, respondents’ experience with and perceptions of the petroleum companies’ corporate social responsibility (CSR) efforts seem
to have catalysed change in some understandings among the broader web of stakeholders in the region. In other words, the Shtokman project likely changed perceptions of who can and should play a role in shaping major new extractive projects in the region and we should consider how those new understandings may play a role in future prospects as well.

On the whole, respondents had fairly strong recollections of the social policies and efforts of the international oil companies (e.g. Rosneft, Total and Statoil) that had vied for a position in the Shtokman project. Many interviewees had positive memories of international petroleum companies’ advance engagement in the region, such as support for business alliances and NGOs, youth engagement and musical and cultural events.

When it came to the environment and also the capacity of companies to bring sustained long-term benefits to the region, however, several interviewees had developed a more sceptical understanding of ‘new’ extractive actors (even though their operations never reached the stage where these benefits or risks materialised). Other respondents were uncertain about the actual outcomes of CSR, wondering if it had been just PR or empty words to satisfy company policy. One interviewee from the public sector put it this way: ‘We have CSR on paper only. I wish companies understood that they have a responsibility not only to their managers and owners – but to all of us who live here.’

Whether the interviewees had negative, positive or neutral recollections of these concrete CSR practices, for nearly all the interviewees, the memories and current perceptions of the major economic actors that established themselves in the region during the Soviet period were an important conceptual touchstone. These longstanding industrial actors (mining and metallurgy, shipbuilding, nuclear power plants) were held up as the standard against which the social performance of the ‘newcomer’ petroleum companies (both domestic and international) was judged. Interviewees from all walks of life warmly recited past and present benefits and services provided by the companies to their own employees – entertainment and celebrations, travel, pensioner housing, specialised medical care, education and other family benefits. This renewed appreciation for existing industry can be seen as a lasting imprint of the Shtokman project and may be important in steering regional politics. How will these companies be treated in the future? How hard will they be pressed (or not) by regional government or the public on social and environmental issues as they arise?

In light of experience from the unrealised Shtokman project, the regional authorities interviewed described themselves as limited
in holding any large economic actor to account in social and environmental matters. The possibility that companies can ‘re-register’ their tax home to another region was mentioned by three regional government interviewees as causing them to focus on providing ‘hospitality’, ‘maximum comfort’ and ‘being appealing’ for business, rather than pushing for high social and environmental standards. Regional authorities saw their role in relation to oil and gas companies as especially problematic. In the words of one involved regional civil servant:

The development of this sector is carried out by companies of federal significance. Because of this, many of the strategic decisions about them are taken in Moscow. But there is a huge number of tasks that need to be carried out by regional and local levels, we have to create conditions for building of commercial objects, infrastructure, roads … not least the right social conditions. We know the region best and a lot of these tasks can be carried out by us more efficiently and quickly.

Environmental organisations also saw themselves as important participants in shaping industrial development in the region and overall felt that their engagement with companies had been constructive, even while they maintained a vigilant attitude toward the companies involved. They felt increasingly well-educated by the process of engaging with petroleum companies new to the region, including being further attuned to the international practices and standards that may serve as pressure points on companies (as they are important for companies’ access to international finance).

One interview was conducted with a representative of an indigenous Saami organisation visiting Murmansk. Here, the geographical focus on Murmansk city is limiting as most Saami organisations representing the approximately 2,000 Saami people in the region are headquartered elsewhere on the Kola Peninsula. This interviewee painted a worrying picture, arguing that the Saami had not been effectively consulted in terms of commercial developments and saying they felt they had been affected by industrial development relating to the offshore in subtle ways but that it is hard for them to prove causal links (with the burden of causality left placed on them). Other interviewees were dismissive about indigenous interest groups, indicating a divide in public engagement vis-à-vis the Shtokmann project along ethnic lines.
Reflections on the Murmansk case study

Despite the project remaining unrealised, a cross-section of the public in Murmansk nevertheless possessed well-developed expectations and perceptions of the oil and gas companies that had jockeyed for positions around the Shtokman gas field. Interviewees were reluctant to engage with the concept of CSR that the companies had brought with them and instead referred warmly to a gold standard of past and present employee benefits set by the industrial complexes of the Soviet period. Interviewees also had clear perceptions of their own and others’ potential roles as stakeholders in managing an oil and gas future that had not come into existence. These findings suggest that the anticipatory practices around the Shtokman field have had lasting repercussions for how economic development and environmental risks are understood in the region and for shaping understandings of what kinds of stakeholders matter for large-scale economic development.

Kautokeino, Norway

In Norway, uncertainty around offshore oil and gas development has influenced national government efforts to revive its mining sector, which is focused particularly in Finnmark County in Northern Norway, where Saami reindeer herding is most intensely practised. Norway has opened no new mines in 30 years; therefore recent developments in Kautokeino and neighbouring Kvalsund have attracted great interest. While the Kvalsund copper mine may go ahead, the decision by Kautokeino to refuse a proposed gold mine has caused shock and questioning within Norway.

In September 2015 Kautokeino’s municipal council placed a four-year moratorium on discussions about whether or not to re-open their existing copper/gold mine, known as Biedjovaggi. The municipality had twice rejected proposals by Swedish mining company Arctic Gold. Municipal leaders argued that reindeer herding is critically important for local livelihoods and the Saami culture, and they would prefer to protect and support the reindeer herding families who make up over half of Kautokeino’s population of 1,386. Mining is not the only threat to herding, although a map of exploration licences in Finnmark County reveals a land scattered with claims. It is one of many (cumulative) threats, including wind farms, roads, electric power lines, tourist cabins and hydropower projects.
Kautokeino had experience of mining from the 1970s to the early 1990s, when the previous copper/gold mine was closed (for the second time). Today, Kautokeino has a budget deficit and one of the highest unemployment rates in Norway at 6.4 per cent, almost twice the national average of 3.3 per cent. Reindeer herding is the largest economic activity in Kautokeino, but it cannot provide for everyone.

The Kautokeino decision: how and why did the project not happen?

Finnmark County has a special status supporting the rights of the indigenous Saami, who make up around 10 per cent of the total population. Kautokeino municipality is situated in inner Finnmark, which has historically preserved traditional livelihoods and Saami language more than the coastal regions of Finnmark and has the largest concentration of reindeer herders in Norway. It is one of only two municipalities where the majority of the population is Saami and where the Saami language is used by most people in daily life. The practice of reindeer herding is important for maintaining the language and is protected through the Reindeer Act (2007). Saami rights are also protected by legislative developments in the 1980s and 1990s and the establishment of the Saami Parliament in 1987.

Arctic Gold took ten years to obtain an exploration licence for the Biedjovaggi mine from the Norwegian government. They succeeded in 2011 and invested heavily in exploratory drilling. The proposal was for an open pit mine, greatly expanding the footprint of the existing mine on land currently used as reindeer pasture. A clause in Norway’s revised Planning and Building Act (2009) allows municipal councils to decide whether or not to move forward with a mining project at the stage of environmental impact assessment (EIA). In April 2012 Kautokeino’s 19-member municipal council, with a narrow 10-9 majority, voted not to allow Arctic Gold to do an EIA. Those who voted against the mine argued that people were well aware of the impacts of mining from previous experience and did not need an EIA. A further concern was the fact that a decision made after the EIA was completed could be challenged at the ministerial level in Oslo, thus taking power away from the municipality.

Following the 2012 vote, Arctic Gold challenged the legality of that decision; offered to carry out a social impact assessment (not mandatory according to Norwegian law); and excluded the southern part of
the proposed mining area, which was most important for herding. They drafted an agreement with the municipality to support local business, culture and infrastructure. Arctic Gold’s CEO also offered a one-off payment of NOK 20 million and stated that a further ‘no’ would mean that Norway’s mining legislation was not working properly. He was labelled ‘arrogant’ in the press: a picture of him in a Texan hat was circulated on social media and he was dubbed ‘the cowboy’. A second refusal came in December 2013, with a similar narrow majority (10–9). Company representatives admitted they had not realised the importance of reindeer herding.  

Arctic Gold indicated that a further attempt was possible after Kautokeino’s municipal elections in September 2015. However, the new council announced immediately that there would be no further discussion about the mine for the rest of their four-year term in office, as they wanted to focus on other things. The current moratorium is not a definitive ‘no’ and much remains to be done if the conflict is not going to emerge again.

Local perceptions and responses

One of the most striking observations from Kautokeino was the powerful effect that the mere prospect of the mine had on the community. It exacerbated tensions along existing fault lines, with non-herding Saami claiming that the herders did not want the rest of the community to develop and revealing resentment at the legal rights that have been afforded the reindeer herders to date. A strong supporting voice for the mine came from the political party that was established to defend the interests of non-reindeer herding Saami following the enhancement of legal rights for herders. Views were not always clear cut, however, and pro- and contra-groups were also deeply intertwined through family and communal ties.

Another striking observation was the contrast in different ways of imagining the future, between the state and the community, and within the community itself. For instance, researchers at Kautokeino’s Saami University College have explored the chasm between the state vision of future resource development, based on grand economic projects underpinned by science and technology, versus the longer-term and historically rooted vision of the herders, based on customary practice, adaptive management and collective use of land, rather than private ownership.
One positive reason for supporting the mine proposal was the potential for enlivening the local economy. Local residents remembered the previous period when the mine was open. At that time there was also a military camp, and mine workers and soldiers visited the community, people went out more, spent more money and the community was livelier. People also remembered that wages at the mine were higher than in other places locally.

A few local businesses would directly benefit from the re-opening of the mine, for example those that provide drilling services or specialist machinery. Kautokeino is heavily reliant on public sector employment – which is reportedly 70–75 per cent of total employment (compared to the town of Alta to the north, which has more commerce and where only 30 per cent of jobs are in the public sector). In Kautokeino, there are few shops and people regularly go shopping in Alta – a three-hour bus journey away – but are reluctant to set up their own shops. For some, the mine would be the answer to economic stagnation in the village.

One business respondent, however, observed that all the talk of the mine was draining positive energy and enterprise potential from the community:

It has such as psychological impact. The thought that this could be the solution. It’s like a grey cloud. Because young people want to stay. They want to go and get an education and then come back and use it. There is huge potential. We kill this potential with the mine question. I’m afraid of this more than the mining itself.37

In 2015, a local official closely involved with the municipal council decision pointed out that of Norway’s 428 municipalities only a few have mines: “The illusion that a municipality has to have a mine or it dies is not true. We can benefit from a mine but there are other opportunities.”38 He emphasised the sustainability of the reindeer herding industry in Kautokeino and the fact that it is a large part of the reason why young people want to stay in the municipality. The official stated that the mine decision was primarily about Saami responsibility for traditional lands, and the need to respect international indigenous rights. Norway has ratified the International Labour Organisation Convention No.169 on Indigenous and Tribal Peoples (1989); and supports the UN Declaration on the Rights of Indigenous Peoples (2007), both of which require local level decision making by indigenous communities relating to resource extraction projects. The official said there would be no further negotiation with extractive companies unless there is dialogue between those
companies and the rights holders themselves. There has also been talk of setting aside the land permanently for reindeer pasture, but he observed that this would not be supported by many in the local community and would be a very complex process.\textsuperscript{39}

**Reflections on the Kautokeino case study**

Despite support for indigenous rights in Norwegian legislation and institutions, the ‘extractivist’ economic model promoted by the state is at odds with herders’ own vision of the future. Progress in indigenous rights legislation moreover appears to have caused resentment in a mixed community where reindeer herders are perceived to benefit more from government support than non-herding Saami. For those who want the mine, it is seen as a ‘saviour’ project that will address problems that could be addressed in other ways, although these alternatives are poorly understood as yet. The municipality has much to do over the next four years to resolve some of these internal community issues and ensure that the land users are given adequate representation at the decision-making table, while others who feel disempowered or disadvantaged are also allowed the opportunity to have their views incorporated into future planning processes.

**Concluding discussion**

As Arctic cooperation continues to expand, most recently via the newly established Arctic Economic Council, attention to the limits of shared ideas and practices and the abiding significance of realised and unrealised local developments remains essential. Otherwise, it may be difficult to understand the dispositions, policy trajectories, political processes and expectations that Arctic residents bring to future debates about circumpolar economic and social development. One conclusion we have reached in the course of our research around these case studies is that, as yet, the phenomenon of the unrealised project has been covered very little in academic and policy literature, unlike the notion of ‘boom and bust’ for instance.

This discussion explores the findings of our case studies from two angles:

- What do our cases tell us about projects that have not happened?
- What do they tell us about Arcticness?
What do our cases tell us about unrealised projects?

The case studies presented in this chapter have illustrated some of the ways that extractive industry development (often assumed to be an unstoppable force) is by no means a guaranteed outcome, even where ambitious plans are in place and anticipatory actions well underway. Shtokman remains an unrealised oil and gas ‘megaproject’ and Greenland’s oil and gas industry has yet to get off the ground, while Kautokeino municipality has taken the opportunity to reject a proposed project that could undermine traditional lifestyles. Despite the fact that these projects have not gone ahead, all of the cases demonstrate the extent of local impacts from a development, even before it has actually started – something that is rarely taken into account in the analysis of industrial impacts on local communities.

The case studies have yielded some ideas about the different stakeholders who can influence these processes and their capacities. This influence can happen at different levels, with the tension between ‘centre’ and ‘municipal’ levels evident in all cases. In Murmansk, the offshore developments also heightened local expectations about corporate responsibility practices, with long-established industrial entities comparing favourably with the ‘newcomers’. The study also revealed the importance of considering how local, international and regional standards and discourses brought in by media, international companies and circumpolar cross-border interactions combine to shape ‘unbuilt landscapes’ in novel ways.

The cases revealed that local communities are far from homogeneous, even if all the local residents are from the same indigenous ethnic group, and the prospect of a new development can open up existing internal ‘fault lines’ within a community. For example, in Kautokeino, latent resentment about the benefits that reindeer herders receive from the state was intensified when non-herders perceived them as seeking to halt a potential alternative economic option for the community.

While in some cases, such as the Upernavik case, local people are not fired up by the ‘hype’ of a new project, in other cases, local hopes for profits from the extractive industries can be so intense that they crowd out the potential offered by other socio-economic development paths, as was the case for some residents of Kautokeino. The expectation of extractive industries may result in anticipatory activities such as the Government of Greenland developing and updating its hydrocarbon
strategy; or the artificial inflation of the housing market in Murmansk. And yet external forces might suddenly undermine development prospects, leaving communities struggling to revert back to more self-sufficient modes of development.

What do our cases tell us about Arcticness?

Our case studies suggest a number of factors that could point towards an understanding of the notion of ‘Arcticness’. Sometimes these are better seen in terms of a cluster of factors that might come together uniquely in the Arctic; sometimes these are striking similarities that can be perceived in different parts of the Arctic, although not in all communities throughout the region. Two of our case studies focus on small indigenous communities in isolated localities practising traditional livelihood activities and, perhaps, this is a dominant picture that many outsiders have of the Arctic. Yet the Murmansk case study highlights the fact that there are also city populations living north of the Arctic Circle. Meanwhile, the Kautokeino case study illustrates the challenges of modernisation in an indigenous community when only half the community practises traditional livelihood activities (subsidised by the state).

Extractive industry development can threaten people’s connection to the land – something that deeply defines existence for many Arctic residents, particularly those from indigenous communities. Some people seek to keep their ties to their land and resource-use practices strong. For example, the Upernavik communities hold on to the importance and value of traditional activities, rather than dreaming about the future and the possible benefits that externally-imposed modernisation might bring them. This can be compared to observations of Inuit practices in Alaska, despite 40 years of oil production. It is also comparable to the vision of the reindeer herding community of Kautokeino, whose vision of the future contrasts with the extractivist economic model promoted by the state. Yet half of the Kautokeino community, like others across the Arctic, still sees extractive industries as the easy answer to a multitude of local issues, including youth unemployment, economic stagnation and the maintenance of local infrastructure and public services.

Arctic communities may be disproportionately exposed to the experience of unrealised extractive futures. This is often due to events that local people have had little control over, such as commodity price fluctuations, which may lead companies to withdraw from the Arctic first of all as it is one of the most expensive places to work. Sometimes
a project may be halted as a result of local voices making themselves heard in deciding against a development. Yet despite great advances in the understanding and defence of indigenous rights, this is uncommon in the Arctic. Our case studies portray the range of opportunities from mineral resource development, as well as the depth of uncertainty surrounding every development, and the way that decisions, once made, may be thrown up in the air with a turn in commodity prices, or a new municipal election. As such, Arcticness might partially be defined by the regular experience of ambitious, single-industry plans for development, some of which come about and many that do not, but all of which leave their traces.

A key task for companies and policy-makers promoting their visions of the future is to communicate the fundamental uncertainties involved in realising them, and discussing the ways in which anticipation is not the same as prediction or certainty. For researchers and policy analysts, there is a need to explore further the issues surrounding the ‘unrealised project’, including analysis of project impacts that take place before a project is confirmed (such as anxiety, community tension, unrealistic or heightened expectations, and the ‘crowding out’ of other future options); the different factors that may result in a project not being pursued, including issues ranging from commodity price fluctuations to the different ways that communities are able to ‘say no’ to a project; and the range of different outcomes that might follow, be it economic decline or the emergence of local enterprise.