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Beyond extractivism and alternative cosmologies: Arctic communities and extractive industries in uncertain times

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ABSTRACT

The Arctic remains of great interest for extractive industry development, despite fluctuating mineral and hydrocarbon prices, and the technological and political challenges of accessing these resources. The articles in this special section explore the realities of living close to extractive industries in the Arctic; the expectations surrounding extractive projects; the nature of local and distributed benefits; and the extent to which local knowledge is incorporated into public debates. In this introduction, we consider how an 'extractivist' logic can stifle other ways for local communities to imagine the future, contrasting this with local perspectives based on sustainability and co-existence with nature. Where industrial activity takes place, local involvement in shaping an industry's 'social licence to operate' offers a counterbalance to an 'extractivist' imperative, by focusing more on equitable benefit sharing and protection of local livelihoods and the environment. We conclude that rights holders and others directly affected by industry operations can use their own knowledge to ensure that decisions are sensitive to longer-term sustainability risks, and that alternative development options are adequately considered. An empowered local civil society also has an important role in ensuring extractive industry operations are environmentally sound and compatible with existing local livelihoods.

1. Introduction

The Arctic remains a region of particular interest for extractive industries, despite the collapse in the price of oil from 2014 and ongoing fluctuations in the price of minerals, and despite the technological and political challenges of extracting minerals and hydrocarbons from Arctic environments. The increased potential for renewable energy industries is accompanied by increased demand for minerals that are required by those industries (notably the rare earth metals). Yet the inconsistent nature of oil and mineral markets itself makes future planning on the basis of natural resource development very difficult. Nonetheless, in many societies the desire to develop extractive industries is a high priority and is seen as a guarantee of government revenues and wellbeing. The prioritising of extractive modes of resource management, including oil, gas, mining, forestry and fisheries, within the political economy and development planning has been termed 'extractivism' and is also associated with colonial and neo-colonial policies of appropriation (Acosta, 2013; Stammler and Ivanova, this section). At the local level, the high hopes of extractive industry development are often associated with employment for local people in economically weak remote regions. In some cases these hopes are satisfied and communities are able to build a thriving economy on the basis of extractive industry development. Yet expectations tend to be the same, no matter how many times such expectations have been disappointed or opportunities wasted in other regions in the past.

The so-called 'resource curse' is a well-known phenomenon, whereby the exploitation of natural resource wealth does not necessarily translate into wellbeing for local populations, due to mismanagement of resource revenues; distortion of the overall economy through currency rate fluctuations; and power asymmetries that are accentuated by resource development (Auty, 1993; Soros, 2007; Gilberthorpe and Hilson, 2014). Yet even before extractive projects start up, the very prospect of a mine or hydrocarbon development can transform the way a local community thinks about its future, often overshadowing alternative options (Nygaard, this section), while a failed extractive industry development or 'bust' cycle can also lead to a deep disappointment that overpowers efforts to seek alternative development options (Young, this section). We can thus talk about how an 'extractivist logic' might stifle other ways of imagining the future. The extractivist logic can be contrasted with indigenous cosmologies that are based on co-existence with the

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natural environment and are frequently in opposition to extractive industry activity (Stammler and Ivanova, this section). 'Extractivist' narratives or 'storylines' played out in public can also encourage strong oppositional narratives suggestive of doom and destruction (Bjorst, this section). If a decision is made to go ahead with an extractive industry project, local people are frequently not directly involved in that decision, but will want to influence it one way or another (Wilson, this section). Local influence starts with the inclusion of local voices in debates, documentation and decision-making around an extractive activity (Dale, this section; Nygaard, this section; Hansen et al., this section). Saxinger (this section) also reminds us that not all 'local voices' belong to the local and indigenous populations, an example being the long-distance commuting (LDC) workers who divide their lives between two 'localities' thousands of miles apart. While being a part of the 'extractivist' paradigm through employment, they are also dependent on a company to grant them respect and ensure their safety and wellbeing at work.

It is helpful to consider a company or industry's 'social licence to operate' from the perspective of local society as a counterbalance to an 'extractivist' imperative. A social licence is often based on a desire for sustainable co-existence: ensuring that benefits from a development are shared equitably with the local population and that local livelihoods and the environment are not damaged in the process. Critics of the predominant 'social licence' literature have highlighted the fact that the concept was invented by industry; analysis often takes the company perspective; and that industry has created tools for trying to obtain or maintain a social licence (Syn, 2014). This might be perceived as an extension of the 'extractivist logic', as the tools tend to derive from corporate management systems and not from local cosmologies or norms, while the goal is to legitimise extractive activities. Some studies have tried to counter this by exploring community perspectives and encouraging use of local cultural norms and traditional decision-making processes in the implementation of company social policy (e.g. Wilson and Blackmore, 2013).

Yet in practice a social licence does not depend solely on company approaches and tools. It may be influenced by the dominant governance regime, legal frameworks for land rights and decision making, the extent to which customary law and indigenous rights are respected, institutions of participatory democracy, NGO campaigns, and existing levels of well-being within a community. A key factor is the empowerment of local communities, and the extent to which people understand the level of power that they can exert over a project, are informed about the industrial activities, and can articulate their wants, needs and expectations (Syn, 2014; Nygaard, this section; Wilson, this section). Moreover, while local communities themselves may not talk about a social licence (in the same way as they may not talk about corporate social responsibility), the essence of the concept is fundamental to them—do they accept a project or not and can they have that project on their own terms? While there might still be cases where a social licence is in place when people are unhappy with an industry, yet tacitly accept it (Wilson, this section), there are other examples of where communities have taken control and shaped the social licence to reflect their own needs and expectations (Gunningham et al., 2004; Nygaard, this section). As Syn (2014:320) suggests, 'we now talk about a social license because previously marginalized people are finally able to show that they will no longer stand by quietly while their homes and livelihoods are destroyed'.

The advances over the past decade in refining good practice guidelines, articulating ethical values and improving implementation in practice suggest that industry is now starting to understand that sometimes a different type of world view needs to be seen in balance to their own. For example, at the Arctic Energy Summit in Alaska from 28 to 20 September 2015,[1] most speeches by industry and government incorporated an upfront acknowledgement that all development happens on the homeland of native Alaskans, and that all parties respect local worldviews and livelihoods. While cynics might talk of 'lip service', we would suggest that even the fact that companies feel the need to acknowledge such alternative worldviews as valid and valuable is already evidence of progress. On the other hand, the Alaskan example also raises the question of the resilience of indigenous worldviews in a world where Alaskan native corporations have turnovers of billions of dollars. In the Russian context, Stammler and Ivanova (this section) consider whether those indigenous groups who internalise the utilitarian approach to resource development are the most successful.

This special section brings together papers to allow a comparison of how extractive industries affect local ideas and development opportunities in different regions united by a northern environment, to explore what we can learn from these insights for broader debates on extractive industries and local development. In particular we consider what anthropologists and social scientists can contribute to these debates, through in-depth consideration of local voices and contexts, political processes and discourses. While this is an academic publication, the authors are conscious of the importance of including non-academic voices in these debates, and several papers explicitly emphasise and explore this aspect. In Section 2 we consider the current state of energy and mineral markets, questioning whether the unpredictable and volatile nature of current markets is a reliable foundation for constructing development plans. In Section 3 we consider the importance of understanding the local context of extractive industry projects and consider how the field has evolved over the past 10 years in this respect. In Section 4 we consider each of the papers in this special section, considering in particular the linking themes of 'extractivism', 'social licence' and local knowledge and empowerment. Section 5 offers some concluding thoughts.

2. Uncertain times for the extractive industries in the Arctic

Governments and corporations continue to pursue opportunities for opening up the Arctic to more extractive industry development. However, commodity price volatility and other political, economic and governance factors mean that extractive industries are becoming a less certain foundation for sustainable long-term socio-economic development. Despite strong opposition from environmentalists, in August 2015 the US government gave Shell the final permit required to drill for oil off the northwest coast of Alaska.[2] Yet Shell subsequently abandoned Arctic drilling after finding disappointing results from a well in the Chukchi Sea,[3] citing the high costs of the project and the unpredictable regulatory environment as factors in that decision.[4] At the September 2015 Arctic Energy Summit in Alaska, Shell's announcement resulted in a subdued mood, as delegates apologized for speeches they had prepared that started by outlining the huge potential for developing one of the last energy frontiers and how this meant Alaska could secure a future long

[1] This congress was attended by co-author Stammler. See also http://cryopolitics.com/2015/09/29/mood-at-arctic-energy-summit-subdued-following-shells-withdrawal/.

[2] http://www.usatoday.com/story/money/business/2015/08/17/shell-arctic-alaska/31890239/.

[3] http://www.bbc.com/news/business-34377434.

[4] http://barentsobserver.com/en/energy/2015/09/shell-abandons-oil-exploration-arctic-ocean-28-09.