

SOCIAL AND ECONOMIC DEVELOPMENT

SPECIAL ISSUE. SOCIAL AND ECONOMIC DEVELOPMENT OF ARCTIC REGIONS

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Editorial. Research on Socio-Economic Development of the Arctic Regions: a Multidisciplinary Approach*

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Until the 20th century, the Arctic was largely considered a remote and freezing wasteland characterized by low tension as well as a low degree of economic exploitation and development of its natural resources. However, the region is currently in a state of flux, due not least to the manifest and controversial effects of climate change taking place in front of our very eyes. In the aftermath of this, most Arctic territories with their extremely rich yet somewhat hard to extract natural resources have gained visibility and the interest of the wider world. It is therefore no coincidence that the development of the Arctic has become by far the hottest economic and political issue not only for the five littoral Arctic Ocean states [Russia, Norway, the United States (Alaska), Denmark (Greenland) and Canada], but also for the three other Arctic nations [Iceland, Sweden and Finland]. As part of the joint effort to deal with the challenges that the Arctic faces, a handful of highly-regarded international organizations have been founded with the active involvement of the aforementioned nations, encompassing the *Arctic Council*, the *Arctic Economic Council*, and *Barents Euro-Arctic Council*, to name just a few.

What is striking here is that some other nations geographically far removed from the Arctic have also demonstrated a keen and ever-increasing interest in the area. China, Germany, Singapore, Japan and South Korea feature prominently among those countries, meaning that what happens in the Arctic has far-reaching implications for the entire world. A great interest on the part of Asian countries is particularly noteworthy. For the sake of illustration, China referred to itself as a “near Arctic state” in its white paper on the Arctic, even though the country’s nearest point to the Arctic Circle over 1,600 km away. Moreover, international corporations, including but not confined to those operating in shipping, fishing, energy and mineral production, have intensified their

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activities in the circumpolar Arctic. All in all, the total value of planned Arctic infrastructure projects estimated by the global investment and advisory firm Guggenheim Partners¹ amounts to an impressive 450 billion USD².

The rise of interest in the Arctic has been reflected particularly in an unprecedented growth in the number of reports and related communication products. Strongly supported by international institutions [as varied as the Arctic Council, the Arctic Economic Council, the Nordic Council of Ministers, and the Organisation for Economic Co-operation and Development], the Arctic reports have addressed various issues of socio-economic development in the macro-region [1, Timoshenko K., Mineev, A., p. 213]. For instance, the reports include topics / themes relating to human development (*Arctic Human Development Report*), northern sparsely populated areas (*OECD Territorial Reviews*), as well as recommendations for an interconnected Arctic (*Arctic Economic Council Broadband Report*). Furthermore, the Arctic reports have shed light on socio-economic drivers of change in the Arctic (*Arctic Monitoring and Assessment Programme*), the economy of the North (*ECONOR project*), sustainable business development in the Nordic Arctic (*NORDREGIO reports*), Business Development Conditions in the European Arctic including Russia (*Business Index North project*), and European High North business and investments (*Arctic Business Forum Yearbooks*).

A comprehensive review of the Arctic reports above has led us to conclude that the Arctic is not a highly homogenous region, but comprises both a number of benefits and drawbacks. What is common to almost all Northern territories is challenging demographic trends, heavy dependence on natural resources, a relative lack of or deficiencies in the transport infrastructure, and social and environmental issues. On the other hand, numerous positive lessons and experiences have been accumulated there over time, encompassing *inter alia* vibrant cities, innovative clusters and entrepreneurs (e.g., in the Nordic part of the Arctic), and huge industrial developments related to e.g. the production of fertilizers and non-ferrous metals, and the oil and gas sector (Northern Norway, Russia, The US Alaska).

What is perhaps more important is that the Arctic area today has been subjected to numerous measurements and quantifications including the use of various metrics and measures of socio-economic progress. While the Arctic reports undoubtedly provide a valuable and comprehensive description of the current status and reveal the major trends, they are unlikely to afford a more profound understanding of the Arctic development in more analytical terms and categories. That emphasized, there is a dire need for more studies that can potentially contribute to further knowledge development on the Arctic in a very much more *interdisciplinary way*. To the best of

¹ Guggenheim. Promoting Sustainable Development in the Arctic. A Private Sector Proposal for Partnership. Presentation at Arctic Economic Council Top of the World – Arctic Broadband Summit. July 2016. URL: https://arcticeconomiccouncil.com/wp-content/uploads/2017/02/Michael-Perkinson_Sustainable-Investment-Strategy_-Guggenheim.pdf (accessed 27 February 2019).

² According to this estimate, the Russian Federation has the highest level of both planned and needed investments among countries in the Arctic region, followed by the USA, Canada, Norway and others.

our knowledge, two of the most recent attempts in this regard that are worthy of mention here are *The Palgrave Handbook of Arctic Policy and Politics* [2, Coates K., Holroyd, C.] and the ongoing book project by the High North Center for Business and Governance at Nord University entitled “*International Cooperation for Global Development: Arctic Scenarios 2035*”.

A search for the word “Arctic” in Google Scholar³ revealed the high and mounting interest in the region among members of the international academic community. As Figure 1 shows, this interest in the Arctic has more than tripled since 2000!

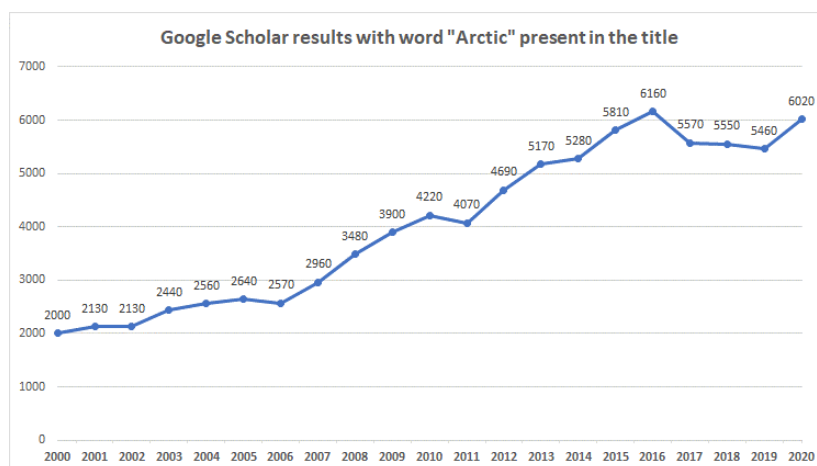


Fig. 1. The number of research publications with the word “Arctic” present in the title over the last two decades⁴.

As a systematic review of the publications over time has clearly evidenced, the Arctic research is undergoing a disciplinary shift away from *natural sciences* towards *social sciences* and *humanities*, thereby inaugurating a paradigmatic change. This new way of thinking about the Arctic delves deeper *inter alia* into the environmental, technological, political and energy-related issues [3, Biresselioglu M.E., Demir M.H., Solak B., Kayacan A., Altinci S., p. 1]. Putting this brand new avenue of thought at the forefront of our attention, we have pleasure, in this special issue, in offering you a curated collection of scholarly works that deal with an analysis of the socio-economic development of the Arctic regions.

Outline of the Special Issue

Our call for papers was announced in December 2019, inviting members of the international academic community, practitioners and policymakers to participate in the ongoing debate concerning various aspects of socio-economic development in the Arctic. According to our original idea, the issue was calibrated to showcase and celebrate the growing body of research on Arctic issues. We were delighted to receive a cluster of high-quality submissions as our call had sparked off a genuine interest among a large group of scholars and experts from different geographical territories and areas of expertise. Submissions encompassed a diverse array of themes, including but

³ Google Scholar is a freely accessible web search engine that indexes the full text or metadata of scholarly literature across an array of publishing formats and disciplines.

⁴ Google Scholar. URL: <https://scholar.google.com/> (accessed 26 November 2020).

not limited to logistics, sustainability, entrepreneurship, economic geography, marketing and tourism. The geographical coverage of the countries studied went far beyond the Russian context to include those of Norway, Finland and the USA. As has been the case everywhere in the world, the outbreak of Covid-19 disrupted our original plans, causing significant delays in the publication process. The publication of this special issue was scheduled for September 2020 but delayed by nearly half a year. That said, some manuscripts representing potentially promising contributions to the topic do not appear here in this edition. However, we are convinced that they would contribute to the discussion either in the forthcoming issues of the *Arctic & North Journal* or in other reputable outlets.

Comprising articles by contributors from varied backgrounds, this edition brings together a range of scholarly perspectives on the Arctic by focusing on the nexus of human, economic and social systems in the Arctic. The list of themes to be covered here is so wide as to include *inter alia* community sustainability and innovation, economic geography, tourism, transport safety, blue economy, public-private partnerships, data centres and connectivity, thus underlining the multi-disciplinary nature of this edition. Written in an accessible manner for the general interested reader, practitioners and policymakers with a keen interest in the Arctic, it sets forth directions for future research in this vital region. It is our profound hope that the current edition will trigger fruitful discussions and widen our comprehension of the Arctic region by providing lessons from the empirical evidence presented in these papers. Needless to mention, all the manuscripts were peer-reviewed by experts within their specific fields of research. The authors are very grateful to the anonymous referees for their many comments and suggestions, which helped to significantly enhance the quality of this issue.

The eight contributions that we have meticulously curated for this collection are as follows, in the order of their appearance:

Drawing upon two case areas in the Arkhangelsk region of Russia, namely the Solovetsky Archipelago in the White Sea and the islands in the delta of the Northern Dvina River, JULIA OLSEN, MARINA NENASHEVA, GRETE HOVELSRUD and GJERMUND WOLLAN provide a captivating account of what factors shape community viability and residents' willingness to stay in these two settlements undergoing massive changes. Their findings clearly indicate that community viability and the reluctance of community members to abandon their traditional settlements are largely impacted by livelihoods, employment opportunities and social capital. Olsen, Nenasheva, Hovelsrud and Wollan reach the conclusion that further enhancement of community viability and support for local livelihoods is to a large extent dependent upon (1) bottom-up initiatives of engaged individuals and their access to economic support and (2) top-down investments that contribute to local value creation and employment opportunities.

In their conceptual study of sustainable tourism development in Norway, OLGA HØEGH-GULDBERG and SABRINA SEELER seek to gauge the potential of the country's unique traditions and attitudes for fostering tourism. Based on a comprehensive review of refereed journal articles,

book chapters, official reports and media publications, they carry out a critical assessment of the degree to which national identity can eventually be converted into a key driver of tourism development. Their theoretical frame of reference develops at the interface between the research on tourism development and marketing, tourist experiences and social identity theory. Høegh-Guldberg and Seeler reach the conclusion that national and regional identity possesses an enormous untapped potential for regional tourism development which, until now, has only fragmentarily been addressed in the context of the Norwegian tourism industry.

Taking a close look at primary sector transformation in the post-Soviet Russian Arctic, GALUSTOV and KHODACHEK seek to delve deeper into some of its key drivers, distinguishing features and development prospects. Relying almost exclusively upon expert survey as the major method of data gathering, the authors highlight the primary sector's role in the economic development of the Arctic regions. Among other things, Galustov and Khodachek point to the prominent role played by the oil and gas sector in the bitter conditions of the Arctic. They caution, however, that in the future heavy reliance on oil and gas may generate visible detrimental effects on the Arctic territories of Russia.

Addressing in her study the practical field of road transportation, KATHRINE GRINERUD considers the important question of whether buyers of road transport services in Northern Norway can contribute to safer road transportation. Adopting a modified version of The Pentagon Model, she conducts a thorough search for organizational characteristics and qualities leading to fewer accidents and near-misses. Her study provides strong evidence that buyers of road transportation services can make a significant contribution to a safer road transport system by emphasizing the following five characteristics and qualities: (1) the importance of developing a detailed formal contract with the provider of road transportation; (2) being aware of the possibilities of new technologies; (3) understanding that the decision criteria for ordering transportation can influence road transportation safety; (4) seeing the importance of good communication with both the transport organization and the authorities; and (5) recognizing that knowledge of and trust in a transportation organization is important but could also affect judgement regarding revisions and controls.

HENNA LONGI and SAMI NIEMELA strive to improve our understanding of the various roles played by the public sector in generating and diffusing knowledge to companies and industrial networks. Their empirical evidence is based on data from experiments in the Oulu region of Finland, which has a long history in developing public-private collaboration and innovation systems. Placing emphasis on knowledge application and exploitation, as well as their implications for the public driven innovation system and activities, Longi and Niemela divide operational tools and activities into the following three categories: (1) company collaboration; (2) business development; and (3) competence development. Their analysis also reveals some vivid examples of the future prospects and challenges in the region.

In their comparative study of the United States (Alaska) and Norway (North Norway), ANDREAS RASPOTNIK, SVEIN VIGELAND ROTTEM and ANDREAS ØSTHAGEN shine a light on how aqua-/mariculture is governed. Tackling the increasingly popular concept of blue economy, they create a solid foundation for *blue* discussions by mapping the current status of regulations and systems in the aforementioned settings. In their assiduous efforts to examine how parameters for blue economic projects are determined at the international, regional, national and local governance level, Raspotnik, Rottem and Østhagen illustrate the complexity underlying the concept in question. As clearly appears from their study, highly complex social phenomena, entailing that of blue economy, play an important and irreplaceable role in initiating debates and impact governance relations that are inextricably linked to the development of the aquaculture industry.

Keeping their eyes on the rapidly expanding global data centre industry, JUHA SAUNAVAARA and ANTTI LAINE seek to raise our awareness, knowledge and comprehension of this phenomenon among all relevant national, regional and local stakeholders and to gauge its role in the Arctic. In order to illustrate the inherent merits and limitations of regional knowledge bases and skillsets, they pave the way for data centre-related research and development activities and education in the Arctic, as well as research concerning the development of the data centre industry in the cold, northern environment. Saunavaara and Laine argue that these specific conditions may offer advantageous circumstances for the construction of environmentally friendly and sustainable data centres.

Putting connectivity issues in perspective for scholars around the world, ALEXANDRA MIDDLETON explores those Arctic institutions dealing with them. In light of Gaventa's framework of power and powerlessness and the stakeholder participation model, she investigates the power and powerlessness and modes of participation of stakeholders at the national and regional levels. Drawing upon an illustrative example of connectivity in the Arctic, Middleton makes a substantive contribution to a clearer understanding of power structures and citizen participation in the Arctic institutions. Her major findings suggest that, due to their composition, working formats and governance structures, Arctic institutions have very limited opportunities for citizen participation. Middleton's paper ends with some promising avenues for opening up closed spaces to be inclusive of Arctic citizens' perspectives.

We very much hope that you will enjoy reading the carefully curated articles on the beautiful and alluring, fragile and overwhelming region of the Arctic and find each of them to be as influential to your thoughts and ideas on the Arctic and its developmental prospects as the editors have!

Acknowledgements

As guest editors of this special issue, we are greatly indebted to all the authors for their enduring efforts to push the quality of their manuscripts to a higher level during the review process. We would also like to express our heartfelt appreciation to the reviewers for providing inval-

uable feedback and suggestions for enhancement within the short, stipulated time frame. Last but not least, we owe a special debt to the academic and administrative staff at the Northern (Arctic) Federal University of Russia in general and Arctic & North Journal in particular for giving us a unique opportunity and enlightening experience to lead this special issue.

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