

Report on Project Session
Northern Research Forum
Veliky Novgorod, Russia
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Roundtable Discussion “Business Initiatives for a Joint Agenda in the North”

Report of part 2 of the Roundtable

The second part of the Business session included presentations by Prof. Lee Huskey, Young researcher Joan Nymand Larsen, and Researchers Olga Trofimenko and Prof. Sergei Sutyryn as well as a questions & answers session.

Prof. Lee Huskey, from the University of Alaska Anchorage presented a study entitled: “Limits to Economic Development in the Arctic: Three Hypotheses”. At the beginning of his presentation Prof. Huskey states his definition for economic development as “the sustained improvement of people’s lives”. This concept functions as a sort of introduction to the explanation of the three hypotheses mentioned in the title. The first hypothesis is related to the lack of *information* about Arctic resources and markets. The second focuses on the *remoteness* of the Arctic, that makes market limited because far. The third and last idea focuses on the very nature of *ownership* in the Arctic. According to Prof. Huskey, private ownership promotes economy whereas the more diffused common ownership limits market potentials.

The presentation by Young researcher Joan Nymand Larsen from the University of Manitoba was entitled: “External Dependency in Greenland: Historical and Current Dynamics of a Dependency-Growth Relationship”. The wide amount of data and statistics presented during this presentation aimed to demonstrate that Greenland’s dependency has been fluctuating over the past years. Generally speaking, however, it can be argued that this dependency is due to two factors that operate contiguously: the narrowly based economy and the limited stability. In fact external dependency is itself a cause of instability and in the case of Greenland this dependency concretizes mainly with respect to technological dependency from Denmark. What is suggested to invert the trend of Greenland’s dependency is flexibility, mobility and education.

The third and last presentation provided by Olga Trofimenko and Prof. Sergei Sutyryn from St. Petersburg State University was entitled: “Finnish-Russian Production alliances: expectation, problems, success factors”. This presentation focused mainly on the obstacles and on the potentials of the North Western Russian market in relation to Finland. The Russian market is usually considered attractive because of the higher earnings that can be obtained. The most serious problem with this respect is the high level of bureaucracy included in the business transactions. Over the last two three years however, the pace of reforms aiming to facilitate bureaucratic procedures has slowed down.

The questions & answers session was led by Carsten Bennike General Director of ZAO Dirol who opened the debate by stating that the Russian macroeconomic changes will affect considerably business life. In particular, he stressed on the importance of the WTO accession processes as well as the slow de-bureaucratisation. Moreover, the Novgorod success-story suggests that to think in smaller dimension might help to improve conditions to do business in Russia. The discussion reflected by and large these major points. During the discussion, moreover, the importance of focusing on human capital was stressed as essential to sustain development in non-developed countries