

Report from the Workshop on Governance in the North

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List of Tornio workshop participants

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- *Bernard Funston*, Executive Secretary, Arctic Council Sustainable Development Working Group Secretariat, Canada
- *Lassi Heininen*, Docent, University of Lapland, Chairman of Northern Research Forum, Finland
- *Timo Koivurova*, Research Professor, Northern Institute for Environmental and Minority Law, Finland
- *Thomas Lunden*, Professor of Human Geography, BEEGS, Södertörn University College, Sweden
- *Kaisa Lähteenmäki-Smith*, Senior Researcher, Nordregio, Sweden
- *Aleksei Morozov*, Head of International Cooperation, Karelian Law Institute, Russia
- *Gennadi Oleynik*, Chairman of the Committee on issues of the North and Indigenous Peoples, Council of Federation of the Federal Assembly of the Russia Federation
- *Hannele Pokka*, Governor of Lapland, Chairman of Northern Forum, Finland
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Introduction and main aims

The workshop on ‘Governance in the North’ took place in Tornio, Finland, on 1-3 April, 2004. It was organized as a joint effort by the Northern Research Forum (NRF) and the Northern Forum (NF), in cooperation with the Provincial Government of Lapland, Provincia Bothniensis (Haparanda-Tornio), the Regional Council of Lapland, the University of Lapland and the University of Oulu. It was financed by the Ford Foundation.

During the three days of the workshop, participants from Canada, Russia, Finland, Iceland, Sweden and Latvia discussed issues of governance in the North. Governance was discussed not just from a purely theoretical and normative point of view, e.g. “What is good governance?”, but, even more importantly, also from a practical perspective..

The main aim of the Workshop was, on the one hand, to provide a comparative overview of the different styles of governance in the Circumpolar North and, on the other hand, to have a principled discourse on existing theories of governance and regionalization with the aim of promoting designs for new ways of applying governance for local and regional purposes.

More specific aims and objectives included:

- 1 To provide an inventory of expert opinions on the current situation in the whole Circumpolar North;
- 2 To bring together and transmit relevant information and experiences, derived from different northern societies, regions and countries in order to promote decision-making processes at different levels, and build up regional, inter-regional and international networks for different purposes;
- 3 To carry out a comparative analysis based on the information provided at the workshop and the material collected for it;
- 4 To discuss the current state of the relationship between centre and periphery in the North, and estimate the voice of the North in global governance;
- 5 To have a discussion on the existing theories of, and the relationship between, governance and regionalism as well as the interplay between theory and practice;
- 6 To identify new ideas and models, as well as possible obstacles, for different ways to apply governance in general, particularly from the perspective of regions (for both local, regional, and ethnic purposes – i.e. as a social relevance of science).

Possible outcomes and products of the Workshop were: An inventory of the current situation of the Circumpolar North, a report with possible proposals and key-questions for promoting the discussions of the 3rd Open Meeting of the NRF, material for the new Strategic Plan of the Northern Forum, meaning especially the Program of Governance and a proposal for a common project by the NF and the NRF were mentioned.

The following chapters summarize the report presentations and discussions that took place in the workshop. The first part summarizes the idea, background and proposed themes of the workshop. The second part discusses the concept of good governance, as well as the main problems related to this concept in the context of the northern areas. Participants agreed that the main problem is that the northern areas are objects to external influence, but due to specific conditions prevalent in the North the local communities cannot respond adequately to the challenges posed by these external factors. It was also agreed that local communities in the North should develop their strategies with external foci, though at the same time there was less agreement regarding the possibilities for improved political

influence for the northern communities.

The third part briefly touches upon some examples of good governance in different parts of the circumpolar North, Northern Europe (for example, the successful cooperation between the twin-towns of Tornio-Haparanda), North America and the Russian North. The fourth part of the report summarizes environmental issues that were discussed during the workshop with a focus on the impact of external actors on northern areas. The final part of the report summarizes some conclusions from the workshop and identifies issues that require further investigation.

I. Idea, background and proposed questions of the workshop

The workshop was opened with remarks from *Lassi Heininen* who outlined the main aims and expectations behind the workshop. He mentioned the potential that lies in seeing the North as something particularly fresh and innovative, also when dealing with governance. The North, free of any immediate major regional or global problems such as war or military crisis, or lack of fresh water, hunger, real poverty and terrorism might be seen as an example of good governance and politics. However, these facts should not obscure the increasing necessity to improve governance in the North.

In the background there is both continuity and change in the international system, and its influence on the North. The knowledge and experience that the northern people have gathered on the utilization of natural resources, when trying not only to survive but also create a culture, as well as governance and economics may provide some new models of governance for the North as well as other regions of the world. In the North trans-boundary cooperation is seen as a realistic possibility and a new resource for regional and local development. Regionalization represents a new possibility of international cooperation at the regional level.

Looking at the new geopolitical situation of the North the main conclusion is that a great, even dramatic, change has taken place since the 1980s. Specifically, there has been an increase of trans-national and inter-regional co-operation. In general, the northern regions are undergoing large and fundamental structural change, and many peripheral areas are becoming more and more sparsely populated.

This transformation is partly due to global changes and the general change of the international system in the 1990s, as well as the new kind of regional dynamics in the circumpolar North. Thus the transformation of the North deals closely with globalization and regionalization, the two new trends of the international system which even challenge the legitimacy of the whole unified state system.

The spontaneous, even dramatic, rise of non-governmental and regional actors and of their mutualism-based organizations, with many intensified activities, has also happened in the North. Main features include:

- a) The declining importance of military-based security - while still having high strategic importance and heavy military structures, as well as environmental risks related to the military such as the nuclear problem of the Barents Sea region;
- b) an increased emphasis on, and competition over, the utilization of natural resources, as the northern economies become integrated into the globalized world economy;
- c) more international, inter-governmental, and inter-regional cooperation, as well as trans-boundary activities and region-building, and different aims and interests and how new external political structures influence the future development of the whole circumpolar North and its sub-regions e.g. CBSS, BEAR, AC and EU's ND;
- d) great political and institutional changes in governance in the North - the increased autonomy of the Greenland Home Rule government, the establishment of Nunavut as a territory in Canada, the re-independence of Estonia, Latvia and Lithuania, the re-establishment of Scotland's own parliament, the twin-town of 'Hapatornio', Land claims and self-government agreement between Dogrib Treaty II Council and the Federal Parliament of Canada and the NWT Legislature. Democracy has been interpreted and even institutionalized in a new way.

Governance, deriving from the verb 'to govern', includes both 'government' and 'governance'. The ideal model for conducting governance in Europe, as defined in recent years especially by the European Commission, includes such principles as Openness, Participation, Accountability, Effectiveness, and Coherence. The idea in the workshop was to have a broad understanding of governance in general, and, when dealing with the North, to address governance from the point of view of regions, and particularly regionalization.

If there is a need for a new kind of governance, then it should build on both the experiences and innovation accumulated through the existing forms of northern governance. An especially critical question here is how to avoid both geographical and mental barriers. In the new external structures there are some innovative features such as, first, the two-level structure of both ministerial and regional council in the Council of Baltic Sea States (CBSS) and the Barents Euro-Arctic Council (BEAC); second, states as the members and indigenous people's organizations as the permanent participants of the Arctic Council (AC); third, the large presence and strong representation of regional actors such as counties and provinces and indigenous peoples in the NF; fourth, the equal position of the partner countries within the European Union's Northern Dimension (ND); fifth, new innovative networks such as the structure and courses of internet study at the University of the Arctic; sixth, a newly designed platform for open dialogue between stakeholders at the NRF.

One additional point of view is traditional knowledge, and especially the applications of new technologies such as the 'information society'. This is particularly relevant with respect to sparsely populated areas, although it is not clear if there is a real, perceived linkage between traditional knowledge and new technologies among many indigenous peoples. In information and communication technologies there is both technology and means including equipments and substance. One of the main concerns is the balance between technology and substance.

Although stability and security via cooperation (instead of confrontation), non-traditional designs and new innovations are part of the northern governance, North is heavily influenced by external political structures that have their limitations, constraints and taboos. Also, there is a necessity for a continuous open dialogue that would involve a common readiness for genuine structural changes. For many regional and local actors involved in northern cooperation there seem to be more institutions and meetings, challenges and dreams than actual deeds or tangible results.

Are the new external and internal political structures in favor of new ideas and experiments of governance, and are they interested in creating them? Or, on the contrary, is there more of an understanding that entails the right to expression without the

concurrent right to participate in decision-making? Is there in fact more democratic control than democracy?

During the preparation of the workshop the following themes and questions were proposed for discussion in the workshop:

- How to understand and define governance today?
- What is the new governance, and innovation(s) of governance in the North?
- Governance and democracy: what is the legitimacy of representative democracy today in general, and in the North especially?
- What are the roles of sub-national units such as counties, provinces, regions and local authorities in governance in the North?
- What is the role of interest groups and stakeholders in developing democratic governance regimes in the North?
- Correspondingly, what might be the role of civil society, and the form of interactive relationships between the different actors within the forms of northern governance?
- What form does the center and periphery dilemma take in the North in the 21st century, given the prevailing multi-level governance structures?
- What kind of challenges are brought about by globalization in general, and global changes (climatic, social, political, economic, etc.) in particular?
- What kind of examples, experiences and ideas exist for new forms of governance in the North - attempting to design a new agenda for governance.

II. Governance and northern voice(s) in the world

Bernard Funston started with an attempt to conceptualize what governance is. He argued that it is the sum of the many ways in which:

- 1 individuals and institutions (public, private and civic) manage their common affairs
- 2 diverse interests accommodate and resolve their differences, and
- 3 many actors and organizations are involved in a continuing process of formal and informal competition, cooperation and learning.

It was noted that governance involves many stakeholders and that there is an obvious normative aspect attached to it. The fact that understanding of governance involves many

different actors and stakeholders leads to the conclusion that democratic governance is impossible without the active participation of various interest groups and without the consent of those who are governed.

According to Funston, governments have certain functions that they perform during the governance process. Traditionally among the functions of local governments are:

- 1 Protective functions: policing, public safety, public health, sanitation, and local environmental protection.
- 2 Social services: education, welfare, hospitals, seniors services, parks and recreation.
- 3 Cultural services: language preservation and development, religious institutions, artistic and cultural celebration, and maintenance of local knowledge.
- 4 Physical services: roads, airports, and public utilities (light, power, water sewer).
- 5 Economic functions: planning, development licensing and regulation, borrowing and attracting investment, advancing opportunities and livelihoods.

In the example of the North Western Territories in Canada Funston showed that local communities in the process of governance can achieve new status and gain new powers. There emerges a clear necessity for a positive relationship with other communities and layers of government because new powers and status does not necessarily lead to higher capacity.

The acquisition of new powers by local communities and discussions regarding the distribution of powers and competencies leads to a very simple question: "Who governs?" This question, although being answered in practice in different ways to achieve certain redistribution of powers, raises discussions concerning a wide range of issues. There is the challenge of realizing vertical cooperation among local, regional, national and international governing bodies. This can lead to different outcomes. It might lead to participation or proliferation of responsibilities. This challenge also leads to discussions regarding the number of layers of governance – how many layers of government are enough?

Funston argued that there are several trends at work that influence local northern communities and create the necessity for adequate responses to the challenges:

- 1 Significant local impacts from external

and international issues - climate change, trans-boundary pollutants and increased demands for northern natural resources.

- 2 New and expanded responsibilities for local northern governance bodies such as self-government agreements, land claims agreements, home rule processes and increased constituents' expectations.
- 3 Increased access to northern regions if climate change projections are accurate.
- 4 The impact of globalization calls for local communities to respond.

Although northern local communities are moving away from a focus on the internal circumstances of communities, and are starting to look at the external relations influencing their development, it was also noted that the North, due to its certain characteristics, has problems influencing the decisions of governing bodies. Small northern communities have problems influencing larger Southern urban areas. The opportunity for policy-impact is biased in favor of urban areas where the majority population and the most influential political actors are located. An obvious problem with the potential impact of northern local communities on policy-making processes is that it requires that many (densely populated Southern areas) change for the few (sparsely populated northern areas).

The necessity of reacting to external impact results in the dissonance dilemma between the zones of impact and jurisdiction. Local communities have several choices: They can think locally and act locally, they can think globally and act locally, or they can think globally and act globally. However, the possibilities of global impact are limited because of the lack of jurisdiction power that small northern communities have over decision-making processes.

Funston also mentioned an interesting idea that the North is the developing world of the developed world. This is not only an interesting and innovative approach, but it can also be used as an approach for building partnerships with other developing areas in the South. In other words, the Arctic can be seen as a bridge between the North and the South. The North can offer valuable experience about the use of information and communication technologies (ICTs) for development, and also show the potential of mobilizing networks for political action. The digital revolution accelerates globalization, and, ironically, also revitalizes local communities. There is speculation that a more community-based

model of governance will be widely adopted that, while appropriate to the culture of each government and society, will have several characteristics such as:

- 1 The new networking technologies will eliminate the boundaries between branches of government and among governments, as service delivery gets organized around the needs of end users, not historical, political or public service structures.
- 2 New networks of government, civil society, and the marketplace will redefine the nature of public services as boundaries collapse and the focus is on who can best add and build value.
- 3 Citizen-centered government will create new roles for citizens and new prominence for citizen engagement as governance systems re-engage the citizenry, moving beyond "broadcast" democracy to a more intimate and immediate model.

Nevertheless, the impact of ICTs on the possibilities for political action does not mean that the necessity for reaction to external challenges diminishes. On the contrary, ICTs and the adoption of community-based model of governance provides opportunities to react to such global issues as climate change, POPs, heavy metals, ozone depletion, marine pollution, and energy security because it will have significant health and economic impacts on northern communities. Local impacts include contamination of traditional food sources, wildlife fluctuations and changes in species and habitats, increased demand for water exports, increased ship traffic due to mineral and oil and gas exploration and development, possible increased immigration into the Arctic as the climate ameliorates, increased incidents of pest-borne diseases not typically found in the region and extreme weather events. The emergence of global issues that have a serious impact on the northern areas lead to one overarching conclusion – local governments in the North must develop strategies with external foci.

Kaisa Lähteenmäki-Smith picked up the discussion regarding the issues of governance by making a presentation "Democracy and European Union territorial policy: moving from government to governance in the North". In her presentation Lähteenmäki-Smith elaborated upon the relationship between democracy and European territorial policy. The emphasis was put on the necessity to move from government to governance in the

North. According to Lähtenmäki-Smith, governance has several aspects:

- 1 Governance is a process rather than a structure. It is a process of coordinating multiple players in non-hierarchical systems (heterarchies instead of hierarchies) of political negotiation, regulation and administration bringing together and coordinating the actions of an increasingly wide array of social, political, and administrative actors seeking to guide, steer, control or manage societies. Governance places more emphasis on networks rather than hierarchies and self-organizational qualities rather than top-down organizational design.
- 2 Governance is more a relational rather than a positional phenomenon. Governance requires that relationships between the actors be of a more non-hierarchical nature where the state is only one (though often 'first among equals' and in many cases still setting the rules and agenda for new forms of partnership- or network based governance models).
- 3 Governance is more about plurality rather than duality. In some senses even rejecting the traditional duality between the market and the state, "the economic" and "the political", when these two become increasingly enmeshed through "stakeholder" involvement in political processes.

Lähtenmäki-Smith also approached the issue of governance through the idea of polycentricity put forward in the European Union. Polycentricity can potentially be very important from the perspective of Northern Europe because these regions fear being marginalized and sidelined by the richer and more compact regions of the "Pentagon" (the heartland of the EU, stretching from North Yorkshire to Hamburg and Milan, covering 18% of the EU 15 land area, 41% of the population, 48% of GDP and 75% of the expenditure on research and development). Polycentricity can be developed along the lines of a more plural European Union, from which the northern perspective is far more favorable than a Europe of concentric circles.

At the same time Lähtenmäki-Smith gave a reminder of the existence of contradicting tendencies and discourses in the EU policy-making process. The most visible is the contradiction between centralizing economic trends in economic activity and population, as well as the competitiveness discourse with the discourses for territorial balance and cohesion.

This is a dilemma that has to be addressed if the goal is to develop peripheral regions. Lähtenmäki-Smith provided several potential solutions for problems that peripheral regions are facing. She argued that it may become more important how governance is developed rather than how much financial allocations a region has, i.e. in some cases the governance effects of territorial policy might turn out to be more significant than the financing and other direct quantitative effects. The governance impacts referred to here include intensified policy discourses, support for new thinking, leverage of national policies and promotion of transnational links. Most importantly, it is argued that it is more significant how one works with the resources than the total amount of resources as such.

Lähtenmäki-Smith concluded that if governance is the key to success (for territorial entities at different levels of governance), then questions of power should not be overlooked either, as the relevance of state and regional space are being articulated in the political sphere. North becomes salient when it becomes politically relevant. This conclusion was in fact very similar to the one made by Funston because the capacity to influence political decision-making was seen as crucial by both, particularly when it comes to reacting effectively to global and regional challenges.

Toms Rostoks continued the discussion on the influence that outside actors exert over the northern territories by focusing upon the impact of the European Union over Northern Europe. Governance in Europe is perceived in terms of various layers of governance or so-called multi-level governance. Rostoks discussed the Northern Dimension (ND) as a tool through which good governance might be provided linking together North with the rest of the EU. The idea is that the EU's ND might be used to provide good governance on a regional level with projects of regional relevance where more than one country is centrally involved. However, Northern European communities are not the only actors that are interested in using the ND for promoting their interests. 'North' can be filled with different meanings because, at the moment, it includes both densely populated areas of countries that are situated around the Baltic Sea and sparsely populated areas in northern Finland, Sweden and Russia. It is very obvious that, as a consequence of the 2004 EU enlargement, attention has mostly been given to new accession countries and Russia's North-Western territories, while

paying less attention to the more northern areas.

The 'North' can be defined in many ways, and this means that northern local communities need to have access to the political decision-making process in order to promote their interests within the ND framework. This conclusion is in line with those made previously by Funston and Lähtenmäki-Smith. It seems that participants of the workshop shared the opinion that for the North to be heard there is a deeply felt need for it to have more influence on political decision-making. However, there were fewer suggestions as to how this increased political influence could be achieved, or even examples of successful practice when it has already been achieved.

III. Examples of good governance in northern areas

North Europe

Hannele Pokka, the Governor of Lapland, spoke about the recent issues of regional government in Finland, relations between regional governments and central government and issues of good governance in terms of the division of functions between layers of government.

Goran Wigren and Jarmo Lokio in their presentation about the possibilities of expanding the city centers of Tornio and Haparanda discussed the opportunities for both cities made available by Finland and Sweden joining the EU. The primary project target is to build a new city center that would be a joint city center for both towns. However, it is evident that a larger project would be to build a trans-border region that would emerge as a new center in the area north from the Gulf of Bothnia. The Tornio-Haparanda twin city project represents the border-breaking efforts of Finns and Swedes that are very much practice oriented. This is very important because region-building and cooperation are activities that have to be rational and pragmatic in their goals, or they are not likely to succeed.

Thomas Lunden spoke about the issues of public participation in an ethnically split border area by examining the case of Haparanda. The case is very interesting because there are lots of issues and interests at stake. However, bearing in mind the question of (good) governance one might ask what is

understood with this in the case of Haparanda because it is very difficult to detach good governance from the influence of history, mental constructions and influence from outside. One part of the people living in Haparanda have certain concerns about the efforts of merging both cities. Although Finland was once part of Sweden, now Swedes living in Haparanda (especially those who are not bilingual) fear being swallowed by Tornio city and the Finnish language and culture. This is a very problematic psychological issue for those Swedes who live in Haparanda.

Also, the gradual process of the two cities merging requires a new type of governance that could provide good governance. Nevertheless, good governance cannot be understood in terms of majority democracy. This would have a disruptive effect both for the North (the report has already mentioned that the distribution of power and influence on government output is highly biased in favor of the majority of people who live in urban areas) and in the North where indigenous people are scattered across the vast territories (the Sami are scattered across 4 countries) wouldn't be able to gain a majority in any of the municipalities where they live and consequently satisfy their existential needs.

The role of municipalities in northern areas was discussed during the third day of the workshop. The discussion was initiated by *Grétar Thor Eythórsson* who presented his research on small and peripheral communities in the North Atlantic. His research was based on the case of Icelandic municipalities that were facing challenges and responding to them. The most important challenge in the case of Iceland is the depopulation of peripheral areas. Between 1989 and... more than 20% of people living in small peripheral communities left their home areas in favor of bigger and more densely populated areas. The process of depopulation is followed by the process of amalgamation – small and peripheral municipalities have to respond to necessities posed by depopulation. This has led to a rapid decrease in the number of municipalities since the beginning of the nineties.

Eythórsson discussed the process of amalgamation in terms of democracy and the principles of good governance. The amalgamation of peripheral municipalities has certain advantages, but it also increases the distance between people and local government. Larger municipalities are stronger providers of services at times when peoples demands are

increasing, but this leads to the loss of an overview. Altogether, amalgamation is a controversial process that brings certain losses and benefits.

Several issues were raised during the discussion on depopulation and amalgamation of peripheral municipalities. It has to be mentioned that the whole process in Russia works the other way around because there is a tendency in Russia to move from bigger to smaller municipalities, although Russia faces the same problem of depopulation as other northern territories. The factors that foster development were also slightly touched upon during the discussion session. Universities are a crucial element in the development of peripheral communities. In Rovaniemi the university (University of Lapland) seems to play an important role because Rovaniemi is better-off than other similar cities in northern Finland that do not have their own universities.

Finally, the question of justice was brought up – is every citizen entitled to receive the same services even if he or she live in peripheral communities and do not provide sufficient financial contribution in terms of taxes paid into state budget? This question is very relevant for northern communities because, on the one hand, these communities contribute less to the state budget than their Southern neighbors, but, on the other hand, depopulation and environmental problems in the northern areas are at least partly caused by economic activities in the South. The criteria for defining what is or is not just may largely depend on whether one lives in the South or in the North. The capacity of northern communities to make themselves heard on the national, regional and maybe even the global stage are very important in order to achieve a more favorable (just) balance between the North and the South.

North America

The issue of indigenous people was picked up by *John B. Zoe* who spoke about the indigenous people of the North Western territories of Canada from the perspective of governance. What is the meaning of good governance for indigenous people in NWT of Canada? John B. Zoe described the stages of development of the indigenous people: co-existence, respect, collective action, representation and recognition. This means that indigenous people need to adapt in order to protect what they have. This comes as a consequence of contacts with other communities and ways of life. Although good

governance is understood here as a process through which local communities acquire new status and powers, it is a process that is largely controversial because it asks questions about the capacity of local communities to implement their functions. The redistribution of resources is another issue that creates controversy because it is important that new functions are being followed by the resources necessary to implement them.

The Russian North

Two interesting presentations from Russia were made on the third day of the workshop. They helped to understand the importance of the northern areas for Russia. *Vera Smorchkova* made the point that the northern parts of Russia are very crucial for the economic development of the whole country. The future of Russian economy largely depends on the effectiveness of the use of natural resources, and the approximately 80% of Russian natural resources are located in the northern territories of the country. The North produces 90% of Russian gas, 75% of its oil, almost 100% of its diamonds, 18% of its electricity, and 80% of its gold. And many other precious minerals are located in northern Russia. For some of these resources there are no alternatives in other parts of the country. The Northern territories constitute two thirds of the total territory of Russian Federation.

10.7 million people or 7.4% of the total population of Russia live in the northern territories of the country, including 40 indigenous ethnic groups. Traditionally, these indigenous groups have not really been considered as equal partners in negotiations with the government. However, this has recently changed, and there is a tendency that more and more decision-making power and responsibility are transferred to the regions. In fact, no project can be implemented in the areas where indigenous people live, unless they have been consulted and granted their assent. However, there is an overall depopulation tendency in northern Russia. The population of the Russian Federation has decreased by 1.8% (compared to 1989), and this tendency is much bolder for the northern parts of Russia. Compared to 1989, the population of Russia's northern territories has decreased by 16.7% (2.1 million people). This number shows the overall tendency, although the northern regions of Russia have had very different trajectories of development since the break-up of the Soviet Union. While some regions have been very successful in attracting

skilled people and investment others have not – in the Chukotsk autonomous region, for example, the population has decreased severely by almost 70%. Unemployment and population ageing are serious problems. Life expectancy in the northern regions is several years below the Russian average meaning that the quality of life in northern Russia has been in decline since 1991, especially among rural populations and indigenous people.

People in the North are more productive in terms of labor compared to the rest of the country. The productivity of people living in the northern regions of Russia is 2.7 times higher than in other Russian regions. The Russian North provides 20% of Russian GDP and 60% of its foreign currency. Nevertheless, economic reforms beginning in the early nineties have affected the northern part of the Russian population. Contributions from the federal budget have decreased throughout the nineties. In fact, contrary to reports from Finland, Sweden, Canada and Iceland, Smorchkova argues that there is little that the Russian North can offer in terms of good governance. There are very few, if any, examples of good governance practice and experience that might come from Russia.

In light of these facts, it is obvious that there is a need for a special policy towards the Russian North. This policy, in fact, should embrace all aspects of life including laws for indigenous people improving the transport infrastructure, creating higher environmental standards, developing sea routes from northern Russian territories to other parts of the world and much more effective waste management. Incentives must be created in order to stop the current depopulation and ageing trend. The North has a special climate and social conditions, but these are not being taken into account at present.

Although lack of good governance is a problem in northern Russia, it seems to be very difficult to provide good governance also in northern parts of other countries. This idea was supported by the fact that some Russian industries still produce a lot of waste. Environmental pollution does not respect borders. Unsustainable production is a problem that in the age of complex interdependence between people and countries may hinder development in neighboring countries.

When it comes to finding solutions for the problems mentioned above, it might be concluded that most responsibility for Russia's

future lies within Russia itself because the cross-border cooperation within the Euroregions which was discussed by Morozov (see below) is applicable only for bordering regions such as Karelia, Pskov or Kaliningrad. However, this does not preclude cooperation with Russia's Arctic neighbors. Another form of cooperation would be to simply organize seminars on practical issues, such as taxation, in order to help decision-makers of municipalities.

The discussion on aspects of good governance in Russia continued with presentation of *Alexej Morozov* who pointed out several problems regarding inter-municipal cooperation in Russia. Morozov argued that there is very little inter-municipal cooperation within Russia, although the legislation is in place. This is because the municipalities are weak. This leads to waste of resources and lack of coordination. The only exceptions in this sense are Karelia, Pskov and Kaliningrad. Even more importantly, it was argued that some forms of cooperation are dying out because they do not lead to improved governance. Only those forms of cooperation that are able to survive provide good governance. More than 10 years after the fall of the iron curtain it is possible to evaluate the successes and failures of regional initiatives. As already mentioned, forms of inter-municipal cooperation are underdeveloped in Russia. In terms of cross-border cooperation, Morozov outlined the following three main forms of cooperation: sister city relations, region to region cooperation, cooperation through international (sub)regional organizations and interregional international organizations.

However, in some cases cooperation networks are dying out because they do not provide for good governance and cooperation is hindered by too high expectations that do not match with the harsh reality – unemployment and lack of strong industries. The weakness of peripheral municipalities creates obstacles for cooperation. In such an environment it is very difficult for Russian regions to benefit.

However, there are some successful cases of cooperation. For example, Russian border regions participate in Euroregion projects. This is within the framework of the Northern Dimension initiative. Some Euroregions are based on historical experiences. In fact, Euroregions have provided bordering regions with new types of governance. It is still premature to make conclusions whether Euroregions provide good governance, but at

least possibilities have been created. The success of Euroregion projects largely depends on people's participation which means that good governance is impossible to achieve without public participation and transparency.

Morozov also discussed the perspectives of cooperation. He argued that cooperation projects are more likely to succeed if there is synergy between different projects. It is very important to ensure a better flow of information about activities taking place in northern regions because this would help to avoid overlapping projects and activities. Morozov also mentioned that the political context is of crucial importance because the overall political climate has to be taken into account, both in Russia, EU and neighboring northern countries.

IV. Good governance from environmental perspective

A new, although already briefly mentioned theme, was picked up by *Timo Koivurova* who gave a presentation on the environmental governance issues in the Arctic. The issue of environmental democracy is very close to another concept – the human right to a decent environment. Environmental democracy in this case can be seen as environmental governance that should be an essential part of the good governance concept. Good governance, in fact, cannot be separated from the notion of decent environmental standards. The North has been renowned for its nature but that has been put under pressure by pollution coming both from sources in both the northern and southern areas. Koivurova mentioned that although much has been done to make environmental issues in the North more salient, there are still problems. The primary concern is information because many stakeholders are not aware that their vital interests are threatened by environment pollution. However, this is not to ignore other concerns such as the role of military actors and security interests and their impact on the quality of environment. There is very little monitoring and assessment possible in the case of the military.

The environmental theme was continued by *Mika Flöjt* who spoke about the Arctic epistemic community and POP (persistent organic pollutant) governance. POPs are mainly used in developing countries and some chemicals, as PCBs, are still in use in Eastern Europe. Northern Circumpolar region countries do not use them, but are still touched

by them. Long-range pollutants travel by air and sea, through rivers into seas, to colder areas. Pollutants accumulate in northern flora and fauna. This has had a serious impact on human health and has been recognized as a serious problem. The epistemic community in this case is a network of scientists who try to influence the policy-making process. This is a link between natural sciences and politics. Scientific beliefs are important because they provide an understanding that there is a cause and effect relationship.

In general, the Arctic epistemic community has emerged through Arctic Environmental Protection Strategy (AEPS) and Arctic Council activities. Although there are still problems with the implementation of POP governance, it is important that POP problem has a face and a voice. This means that it is necessary to have scientific facts at hand, and that it is necessary to have local groups that are affected by certain pollutants claiming that their rights and interests are violated. In the POPs treaty making processes Arctic indigenous peoples organizations, especially CAIPAP, played this crucially important role. The POP issue is seen as one of the greatest achievements of the AEPS and the Arctic Council, and is one of the most visible cases in which Arctic countries (not just states as actors) have been reasonably successful in safeguarding their interests on the international level.

The discussion on issues concerning environmental factors raised several important issues. An issue of major importance being the biased North-South relationship, where the North receives pollutants incomparable to the pollution that it actually creates, as well as other environmental hazards coming from the South. This discussion led back to the earlier points that were made regarding the biased impact on decision-making processes, with the North being sidelined.

Another important issue raised during the discussion was efficiency in terms of energy. It seems that this is still an important area open for future research because there is not enough evidence to make a clear-cut decision in favor of smaller or larger communities being more efficient in terms of energy resources.

V. Conclusions

Good governance is the key: The North can provide a laboratory for good governance, both within a national and international context. As

well as seeing the North as “the developing world” of the developed world, we should also entertain the possibility of perceiving the North as a successful example of sustainability and innovation.

Plurality should be seen as an asset: More bold attempts at making the voice of the North heard are, however, required. Here one of the key issues is to make sure that the regions in question do not only engage in discussion among themselves, but rather provide meeting places and discussion within a broader international context.

Despite the plurality, institutional issues should not be made overly complex: The multiplicity of regional and local governance arrangements should be used as an asset, as much can be learnt between closer interaction and regular contacts between the administrative, political and economic stakeholders, as well as civil society. Within the European

Union, of particular interest are the Euro regions and successful cross-border initiatives, such as those presented in the workshop. Internationally the multiplicity of cooperation fora is sometimes seen as problematic, as the question of responsibility may seem blurred at times. Yet the pluralism of interests, actors and fora should be seen as an asset.

Policy innovation should be promoted: Policy innovations and best practices should be sought after in particular areas where northern regions have particular interests. Sustainability, environmental governance, service provision for sparsely populated communities and ICTs (distance learning, e-governance) are amongst such areas. Here the dissemination of experiences and good practices should be intensified.

Appendices

1. Program of the Workshop
2. Invitation letter



WORKSHOP ON GOVERNANCE IN THE NORTH

Tornio, Finland, April 1-3, 2004

Venue: Schooling Center *Peräpohjolan Opisto*, Kivirannantie 13-15, Tornio, Finland

Organizers: Northern Research Forum (NRF), Northern Forum (NF),
in cooperation with the Provincial Government of Lapland, the Lapland Union,
the University of Lapland, Provincia Bothniensis and Thule Institute, University of Oulu

PROGRAM

Thursday, April 1, 2004

- 09.30-12.00** **Session I**
- 09.30 Opening and Introductory remarks
 Lassi Heininen
- Recent issues of regional government in Finland
 Hannele Pokka, Governor of Lapland
- Northern Governance and Global Issues: the challenges and
 opportunities facing local government
 Bernard Funston
- Open discussion on governance in the North
- 12.00-13.30 *Lunch*
- 13.30-18.00** **Session II**
- 13.30- Democracy and European territorial policy: moving from government
 to governance in the North
 Kaisa Lähteenmäki
- Northern Dimension – an essential part of good governance
 in the Northern Europe
 Toms Rostoks
- Forming questions of public policy of Russian Federation northern
 regions stable development under the conditions of market economy
 Gennadi Oleynik
- Open discussion
- Dinner*

Friday, April 2, 2004

09.30-12.30 Session III

09.30 Euro-City and Twin-Town Tornio-Haparanda -
experiences and results (working title)
Raimo Ronkainen and Bengt Westman

Public participation in an ethnically split border area - the case of
Haparanda
Thomas Lunden

12.00-13.30 *Lunch*

13.30-18.00 Session IV

13.30 Gonaewo: Our Way of Life
John B. Zoe

Environmental democracy in the Circumpolar North
Timo Koivurova

Arctic epistemic community and POPs governance
Mika Flöjt

Yugorsk State University presentation
Yuri Reutov

Dinner

Saturday, April 3, 2004

09.30-12.00 Session V

09.30 Small and peripheral municipalities in the North Atlantic. Challenges in
past, present and future
Gretar Thor Eythórsson

Interregional and intermunicipal cooperation in the North West of
Russia. Present and challenges
Aleksej Morozov

12.00-13.30 *Lunch*

13.30-14.00 Summary Session

14.00 – 16.00 *Sightseeing tour*

**WORKSHOP ON GOVERNANCE IN THE NORTH
Tornio, Finland, April 1-3, 2004**

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