

# Resilient Arctic communities: is there a life during natural resources extraction?

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Nowadays the Arctic is changing due to global warming, climate change, industrial development. Many countries including Russia and even non-Arctic consider this territory as a strategic key-point of resource development and in geopolitical context. Today there have been already many projects of exploration and production of hydrocarbons on the continental shelf, extraction of minerals, rare earth metals, diamonds, building infrastructure (pipelines, roads etc.). Arctic becomes a place of different stakeholders' interests. Obviously one of the critical point is projects impact on the indigenous peoples' living area. Can they provide the perspectives for sustainable development for indigenous communities? The industrial development of the native habitat of the indigenous peoples currently defines their future socio-economic and ethno-cultural prospects. From the one hand it could provide the employment and income increasing (including the benefits sharing), on another hand the extraction damages the natural capital de-facto decreasing the assets for the traditional economic activities (reindeer herding, hunting, fishing etc.). The indigenous communities also risks to be culturally and socially assimilated by upcoming migration to the Northern regions. The climate change threats to traditional way of life more than industrial development but the difference lays in short-term or long-term impacts. What mechanisms and tools could be used to provide sustainable development of Russian Arctic? The partnership between main actors (government, local and indigenous communities, business, NGO) can be considered as one of such approaches.

The Republic of Sakha (Yakutia) is the largest region of Russia which nowadays realize many investment projects as well as has been implementing in practice new methods and mechanisms of the indigenous communities' support. Constitutional norms and federal legislation of the Russian Federation include norms that protect the traditional way of life and the use of nature of indigenous people and oblige public authorities to ensure the rights of small peoples to their own socio-economic and cultural development, to protect their original habitat and management. On the territory of Yakutia are the richest deposits of diamonds, coal, oil, gas, iron ore, precious, non-ferrous and rare metals, antimony, gold, silver. This potential is involved in economic circulation, there is a new wave of industrialization and development of the Arctic. Intensive industrial development of the natural resources of the northern territories of the Russian Federation significantly reduces the chances of traditional economic activities of the indigenous peoples of the North: from the traditional economic circulation, large areas of deer pastures and hunting lands are removed, while some of the lands and reservoirs used for traditional fisheries, in connection with environmental problems, lose its purpose. To the loss or sharp deterioration of the traditional for the occupation of the aboriginal lands are also the construction of roads, pipelines and other infrastructure, the use of environmentally harmful vehicles and construction equipment for various purposes, other types of man-made impact on nature.

Currently, a number of investment projects are planned and implemented in Russia, including in the Arctic, which in one way or another can affect the territories of compact residence of indigenous peoples of the North (Evenki, Even, Dolgan, Yukaghir, etc.). Such projects suppose exploration of deposits and extraction of minerals, hydrocarbons on the Yamal peninsula, the Arctic shelf, placer mining in Yakutia, development of production facilities and infrastructure (pipe lines, roads, ports) including the coastal zone along the Northern Sea Route, the construction of “The Power of Siberia” gas pipeline, which is designed to transport gas from the Chayanda oil and gas field in Yakutia to China and other countries in the Asia-Pacific region.

In the “Basics of the state policy of the Russian Federation in the Arctic for the period till 2020 and for a further perspective” (2008), the territory of the Far North of the Russian Federation is considered as a strategic resource base for development (Rossiyskaya Gazeta, 2009). In recent years there has been a process of active industrial development of the territories, including the territories of compact residence of the indigenous peoples of the North. The future of the Russian Arctic is associated with the subsoil development. Due to the fact that a number of projects on industrial development that could affect the interests of indigenous peoples of the North and their traditional way of life, are currently in the stage of justification, development and implementation it is important to correlate the interests and goals of the indigenous inhabitants (preservation of culture, traditional economic activities etc.) with the extractive corporations.

It should be borne in mind that many cultural and aesthetic goods and elements of heritage in the Far North are products of whole generations of human interaction and the natural environment. Many of them do not require intervention or government control. Nevertheless, developed countries have appropriate special programs. The set of “public goods” and a set of private and public activities to provide them at a socially desirable level vary depending on costs and other factors, such as the history and culture of the country, aesthetic views, natural resources, private property rights and population density. Moreover, within the framework of common goals, the exact balance of projects of social, ecological, economic and cultural development for each region will be individual. That is why it is necessary to develop publicly-demanded projects aimed at problem-solving of social, ecological, economic and cultural support and development of a particular region in the area of responsibility of extractive corporations.

As noted in the Report on the Environmental Development of the Russian Federation for Future Generations (2016), Russia needs to assess the contribution of ecosystem services to natural capital for the development of the economy of the regions and the country as a whole, and on this basis to begin a work on the creation of compensation mechanisms for the use of Nature (State report, 2016). For most ecologically valuable territories in Russia, including areas of indigenous peoples, the paradoxical rule “rich nature - poor population” is true. Hence the role of social and environmentally responsible business in the industrial development of such territories is compensation payments (benefits sharing) and the financing of sustainable development of the territories inhabited by indigenous people.

At present, in some regions of the Russian Arctic (the Republic of Sakha (Yakutia), the Yamalo-Nenets Autonomous District, the Khanty Mansiysk Autonomous Okrug, etc.), a mechanism for coordination and harmonizing the interests of all target groups, is being formed. This mechanism is needed for project implementation on the territory of the indigenous peoples of the North on the basis of ethnological expertise, compensation for caused damage, as well as agreements on socio-economic development of the territory between companies, authorities, associations of indigenous peoples and local residents (Potravnyy I, Gassiy V. et al., 2016). Since 2012, the

Republic of Sakha (Yakutia) has conducted 8 ethnological examinations of industrial development projects for indigenous peoples' territories, which received a positive conclusion.

To create solid bases for sustainable development of the territories of traditional nature use and resilient indigenous communities, which still retain spiritual unity with nature and therefore painfully perceive any intrusion into their life environment, especially industrial development, the most important principle is a balanced solution of the tasks of industrial development with the preservation of traditional economic activities peoples of the North. Therefore, the interaction of industrial companies and the indigenous population must inevitably occur in the framework of dialogue, and in the future - co-management. We can consider this approach as the main mechanism for the indigenous communities to survive during active Arctic development. Co-management supposes to develop system of benefits sharing based on the fair compensation of the damage to the indigenous communities due to industrial development of their territories.

In Russia, there are many papers addressing the problems of the indigenous communities development. Some researchers, in particular Shadrin V., identify three types of interaction between subsoil users and indigenous communities: ignoring the interests of indigenous communities, dialogue and co-management (Shadrin V., 2015). The works of Gassiy V. and Potravny I. are devoted to the formation of a partnership for the purpose of the resilience and sustainable communities (Potravny I., Gassiy V.). For Russia as a whole, the first level of interaction is characteristic - indigenous peoples continue to remain "small-numbered", whose opinion is not considered. In some regions there is a transition to the second level. So, in the Republic of Sakha (Yakutia), information about planned economic and other activities and its possible impact on the environment, consultation and project coordination with the local population, organization and conduct of public hearings, as well as ethnological expertise are mandatory. Unfortunately, this has not yet become a rule, but the legislative framework has been created.

During industrial development of the Arctic the real threat to indigenous peoples is the loss of historical lands, habitats and territories of traditional nature use: deer pastures, hunting grounds, fishing areas and wild-plant collection sites. Therefore, their timely legalization is necessary. In practice, many communities of indigenous peoples cannot secure land plots with hunting and fishing grounds, reindeer pastures and fishing areas in the territories of traditional nature management. Having no documents on the right to use land in these territories, representatives and communities of indigenous peoples that carry out such traditional nature use cannot obtain long-term licenses for the right to use wildlife objects, one-time licenses for fishing for fur-bearing animals, as well as quotas for fishing. This is a serious blow to the viability of indigenous peoples, since the very existence of these peoples as independent ethnic groups without traditional nature use is hardly possible. Therefore, it is important to conduct legal training seminars for indigenous representatives on registration of communities and registration of land rights.

The most acute contradictions arise in connection with representations subsoil-users about "no man's land". It can often be heard that company has issued a license for the territory, according to which, as it turned out, wandering reindeer herders. The subsoil-users do not often know and do not take into account the nomadic lifestyle, and Russian laws do not require them examination. Only mandatory ethnological examination can identify potential threats of the industrial development to the territory. The greatest rejection by indigenous communities is irrational use of resources, as well as domestic pollution forests and tundra, a huge amount of waste - industrial and domestic waste, which cause the deer to die. This causes a deep stress in the native inhabitants

of the tundra, which in such conditions themselves forget the rules of behavior, violate them. It also happens that the "educated" oil and gas workers become a model for indigenous peoples.

As for the prospects for development, then, according to researchers and indigenous peoples themselves, public policy should be built not on one-time assistance, the same system of measures of state protectionism and active cooperation with indigenous peoples. Neither compensation nor subsidies, or sponsorship cannot solve the problem of sustainable development of indigenous people. Developed measures and programs should be aimed at creating conditions for independent development of traditional industries and the culture of indigenous population of the Arctic zone of the Russian Federation. At the same time, there is an understanding that in modern conditions it is important for indigenous peoples to establish a more dense dialogue with authorities and industrial companies. Today, the concept of culture is culture-oriented modernization and multivariate self-development. The indigenous peoples of the North, which implies not only "Ethnic survival", but ensuring the conditions for community sustainable development with a combination of different types of economic activity, including the development of modern professions, the approval of mechanisms of self-organization and assistance of the state

In Recent years in Russia the governmental basic documents were adopted establishing the rules and principles for the Arctic zone development of the indigenous peoples support. Some of them are federal and regional strategies and others are federal laws. Among the main there are:

- 1) The development strategy of the Arctic zone of the Russian Federation and national security for the period until 2020 (adopted in 2008).
- 2) The basics of the state policy on the environmental development of the Russian Federation for the period up to 2030.
- 3) The concept of sustainable development of the indigenous peoples of the North, Siberia and the Far East (adopted 2009).
- 4) Federal Law of May 7, 2001 №49-FZ "On territories of traditional nature of Indigenous Peoples of the North, Siberia and the Russian Far East" etc.

In complex these legal acts regulate the livelihoods of indigenous peoples, guarantee their rights to preserve and to develop their culture and to keep the essential elements of their identity, such as language, traditions and cultural heritage; to preserve and to promote traditional methods of land use and biological resources in accordance with the traditional cultural practices, etc.

Since 2016 the 3 Stage of the concept of sustainable development of the indigenous peoples of the North, Siberia and the Far East has been realized. It includes measures on original habitat and traditional way of life preserving, economic activity modernization, social infrastructure development (health, education, and traditional culture). However, the legislation concerning the legal status of indigenous peoples in the present time is still a controversial subject and contains many gaps, thus preventing the possibility of its implementation. The same situation is seen in the sphere of mechanisms' and tools' use for the damage assessment of the indigenous peoples due to industrial development in Arctic. The territories of traditional nature management are an organizational and legal form of realization by peoples of the right to land and related rights. This will ensure:

- The protection of natural resources and prohibition of economic activities that adversely affect their safety;

- The compensation for losses caused as a result of damage to the original habitat of the indigenous small-numbered peoples of the North by the economic activities of organizations of all forms of ownership, as well as by individuals;
- The receiving a part of the income from the exploitation of natural resources by industrial enterprises and organizations.

Until 2014, the territories of traditional nature use belonged to specially protected natural areas, which provided for a special status and prohibited many types of economic and industrial activities in these territories. At present, the territories of traditional nature use are not specially protected areas. At the initial stage of the implementation of the investment project, information, consultation and coordination of the project with the local population, as well as public hearings on environmental impact assessment, must be provided. An integral part of this stage is the mandatory informing of the public and local authorities about the planned economic activities in the territories of indigenous peoples. The most important condition for the project to be reconciled with the public is the holding of public hearings. There are certain rules for their conduct, including incl. and familiarization with all project documentation, which should contain materials of the Environmental Impact Assessment and the ethnological environment. Public hearings involve obtaining free prior and informed consent of the population for such activities with mandatory compliance with environmental requirements and sustainable development of the local community with the preservation of language and culture.

At the implementation stage of the investment project, it is necessary to work in the following areas:

Firstly, it is the creation of a collective body for consultations between representatives of the industrial company, authorities and indigenous people in places where industrial projects are being implemented, for example, the supervisory board or ethno-ecological council. This is necessary for the permanent tripartite interaction of the industrial company, authorities and indigenous people, resolving disputes and resolving problem situations. To this end, the industrial company should envisage the creation in its management structure for the period of construction and operation of the unit no interaction with the indigenous and local population.

Secondly, agreements must be concluded between indigenous peoples, authorities and industrial companies to implement specific programs to mitigate the negative impact of the project on the traditional way of life of indigenous peoples, the adaptation and sustainable socio-economic development of individual communities and rural communities of indigenous small changes that occur during the implementation of the project. The ecological and ethnological expertises have become a significant step in needs' and interests' harmonizing of the indigenous peoples of the North, which are the state policy instruments on subsoil use for the industrial projects implementation (Potravnyy, Gassiy, Tambovceva 2016). It should be noted that the Republic of Sakha (Yakutia) - the largest region of Russia, is one of the first territory where the sphere of traditional nature has been legislatively regulated, inter alia, on the basis of the ethnological expertise law adopted in 2010 (Potravnyy, Gassiy, Chernogradskiy, Postnikov 2016). The ethnological expertise is a kind of assessment of the potential changes in the native habitats of indigenous peoples of the North and the ethnic group as a whole due to industrial development. Such tools help not only to reduce social tension in the areas of compact residence of the indigenous peoples, but also to promote the search for the effective ways of the interaction with the authorities as well as with the companies-subsoil users.

The industrial development of the native habitat of the indigenous peoples currently defines their future socio-economic and ethno-cultural prospects. In our opinion, an important tool for the

indigenous peoples in order to preserve their self-identity, protect their rights and ensure welfare is the compensation mechanism introduction (Gassiy 2016). However in Russia at the present stage the damage mechanisms compensation to the indigenous peoples caused by industrial companies is not still developed. Although the methodology for damage assessment of land users and other natural resources in the places of traditional residence and traditional economic activities of indigenous peoples was adopted in 2009, many economic standards for its calculation to the characteristics of the traditional nature use territories are not approved.

One of the main activities of ethnological expertise is a comprehensive assessment of the damage of all kinds of traditional nature. As the analysis of Russian practice shows such results are often significantly underestimated (too low). In addition, the economic valuation of natural goods is complicated as there is no market price of some kinds of natural resources and environmental services of natural capital (clean water, picking berries, mushrooms, herbs etc.) - the locals use them for personal consumption (Gassiy 2014).

Today the ethnological expertise is public and a mandatory. It is held in Russian regions before taking decisions on the implementation of the planned economic and other activities in places of traditional residence and traditional economic activities of indigenous peoples. The companies-subsoil users order the ethnological expertise.

For example, the objects of state ethnological expertise in the Republic of Sakha (Yakutia) are identified:

- Normative legal acts, materials and other documentation for the planned economic implementation and other activities in places of traditional residence and traditional economic activities of indigenous peoples.
- The living conditions of the indigenous peoples in the influence area of the planned economic activity.
- Native habitats of indigenous peoples.
- The socio-cultural situation in the influence zone of planned economic and other activities.

According to the law, restoration of disturbed natural ecosystems should be carried out at the final stage of the exploitation of resources, including reclamation of agricultural (forest, hunting, fishing) fields returned to economic circulation. The land damaged by the development of mineral deposits is subject to restoration. Restoration of disturbed ecosystems can be carried out by reclamation, or by the method of conservation of degraded lands, the further economic use of which is temporarily impractical. Conservation is carried out to prevent further degradation for the natural restoration of soil fertility, ecosystem productivity, rehabilitation of contaminated areas. It is understood that reindeer husbandry should be developed in these territories, hunting, fishing, gathering berries. The community participation is also important here: in this way, representatives of the local community can be recruited by the companies for restoration and remediation works, the public should participate together with environmental authorities in assessing the restoration of natural landscapes.

It is necessary to distinguish between the state ethnological expertise and impact assessment on the ethnological habitat of indigenous peoples. The first is a tool of governance resulting in legal decision-making to permit or to prohibit the investment project implementation. The second aims to expert evaluation of possible adverse effects, possible damage to the specific culture of the North, taking into account public opinion, the measures development of reducing and preventing

negative impacts. The subsoil-user organizes its process and the resulting calculations and conclusions are attached to the materials of ethnological expertise (Klokov 2015). Currently in Russia many of compensation are solved individually with the subsoil users and local authorities so the indigenous communities are dependent on these negotiations with an unknown outcome for themselves (Novoselov et al. 2016). Thus our case studies have shown the urgent need for a better approach to the damages assessment of the indigenous peoples of the North as well as its mechanism of compensation.

Obviously, the partnership agreements between the subsoil user company and the indigenous peoples of the North should provide the compensation for the land fund use as well as the direct participation of the business in the socio-economic development of the areas. However, compensation payments can contribute to the growth of dependent moods among the local population, and local authorities tend to shift part of their obligations to develop the territory to the company-subsoil user. In my opinion, in addition to ensuring the interests of the territory and its inhabitants in relations with the company-subsoil user one of the tasks of local authorities could be motivation and stimulation of the population to realize economic activity using the received compensation payments. Such policy could be implemented in conjunction with plans and programs for socio-economic development of the territory. This practice is widely developed abroad, where indigenous peoples, united in associations and acting as an independent economic entity, have been playing a major role not only in the development of their territory, but also in preserving traditional territories and ethno-cultural traditions. For example, the experience of the United States and Canada in addressing the socio-economic, environmental and ethno-cultural problems of the indigenous population can be called quite successful. One can say with certainty that the economy of the northern territories of these countries is characterized by a duality. On the one hand, there is active development and extraction of natural resources, and on the other hand, a comprehensive state policy is being implemented to support and preserve the culture and life of the indigenous peoples, as well as traditional nature management. In this regard, the system of socio-economic relations has undergone a significant transformation in recent decades by including in its structure such entities as indigenous corporations acting on the basis of land use agreements, environmental protection, socio-economic development, etc.

In Russia, due to limited potential for income generation, the indigenous peoples of the North are dependent on the decision-making of federal, regional and local government bodies, and their associations have the NGO status. Kamchatka is the first region of the country where the issue of the need to revise the status of tribal communities and their transformation in American style into aboriginal corporations has been raised. Its cause is connected with the problem of preserving traditional fishing in the region. However, due to the absence of an appropriate legislative framework, and also taking into account the intense competition from large fishing enterprises, this initiative was not actually implemented (Vakhrin, 2008). The associations of indigenous peoples operating in the territories of several regions of Russia (for example, in the Republic of Sakha (Yakutia), the Krasnoyarsk Territory, the Chukotka Autonomous District, etc.) could be the basis for the organizing the aboriginal corporations. However, in my opinion, the radical changes in the status of associations of indigenous peoples or, in general, a revision of the economic mechanism for the functioning of tribal communities in the near future should not be expected. This would require a revolutionary transformation of the whole system of political, legal and social relations. Therefore, the partnership of government, business and local communities is the only effective mechanism for sustainable development of traditional territories.

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