

# Arctic a "reservoir of resources" for the South

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REYKJAVIK, Iceland - The Arctic region is an economic powerhouse, but little of that stays in the region, says the Arctic Human Development Report, released in Reykjavik on Sunday.

The planet's circumpolar region produces \$230 billion, mainly in the form of natural resources. That's an amount roughly equivalent to the total gross national product of Belgium or 80 per cent of Saudi Arabia's oil-rich economy.

"If you see the Arctic as a region, it has huge economic importance," said Gerard Duhaime from Quebec City's Université Laval, one of the contributors to the AHDR, who was in Iceland this week.

But Duhaime said the Arctic region sees little of the money it generates because the capital, market and benefits flow out of the region, leaving residents to cope with pollution.

At the same time, the Arctic is looked at as a poor place, dependent on transfers from government.

However, Duhaime said if the Arctic kept the wealth it generated, this would more than pay for the amount governments spend in the form of transfers.

The problem now, he said, is that the devolution of political control to regional and territorial governments hasn't been followed up with a similar devolution of control over resources.

So, the economy of the Arctic region continues to produce the raw materials that meet the needs of the industrialized world and continues to be dependent.

This is especially true in the Russian Arctic, which produces nearly 70 per cent of Russia's gross national product, while Russia sends little back to its impoverished North.

Duhaime said the Arctic is likely to continue to play a role as "a reservoir of resources" for the rest of the world, although partnerships and privatization of resources may make the economic balance more equal in the future.