

2. Theoretical foundation for the study of Arctic development models

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I will never forget the fish, the hundreds of iridescent dead fish that floated on the rancid and oil-saturated water around the wharfs of the refineries. They were the standard welcoming committee. the spectacle that greeted us each time the tugboats pulled us into port. The ugliness was so universal, so profoundly linked with the lucrative activity and the power associated with the money of those who earned it – to the point of distorting the landscapes, totally turning the natural universe upside down – that it began, despite my aversion, to inspire a sort of respect. If we look at things closely, I said to myself that is what the world is all about. Whatever one may think, this ugliness is reality.

Paul Auster, *Le diable par la queue*. 1996. Paris, Acte Sud, Poche 14920, p. 74. (Our translation from French)

2.1. Development models

Development is not some mechanical phenomenon whereby the introduction of capital in a region results in general prosperity, a conception that presupposes that the interrelations between the actors involved follow an inevitable direction. Instead, it is a complex process bringing into play a multiplicity of actors and interrelations. Nevertheless, I suggest that the observation of development is likely to reveal co-occurrences between the aspects of the phenomenon based on models of interrelations between the

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actors. In given regions, one would find similar characteristics concerning, for example, economy, the health and education of the population, the political system, corresponding to certain regular occurrences in the relations between civil society, the State and corporations. I tested this approach in Northern Quebec, subdivided into ten ethno-geographic regions, using nine indicators (Duhaime and Godmaire 2002). This examination revealed four main models (and variations) of northern development, which are mainly distinguished from one another by the type of exploitation of natural resources and the characteristics of the population. In those regions where the exploitation of resources is practiced on a large scale, the populations benefit from the economic spin-offs of development. But the populations do so in different manners, directly because the families earn their living from this development, or indirectly because the populations in question have been able to capitalize on the attraction exerted by resources. In those regions where the exploitation of resources takes place on a small scale, where prosperity is no longer ensured by mechanisms which in the past were efficient, the general situation is deteriorating not only because the economic infrastructure remains weak, but also because the populations do not have the political weight to change things. In this perspective, the ethnic factor would be a determinant that is much less important than the presence of massive resources and the ability to take advantage of these resources locally.

These empirical generalizations suggest that the approach of development “models” in the North may be profitable for underscoring similarities and differences, as well as factors that seem to have a decisive influence on the configuration of development. This approach must now be tested at the circumpolar level, where the differences could be much more marked due to the number and the diversity of the regions, the economic and political systems, whose elucidation could provide insight into the major factors of the processes in question. But there is more. These empirical generalizations may lead to theoretical generalizations, if we are willing to explore their potential. Do these generalizations comprise more than a typology of actors and their relations? Do they correspond to processes whose most important theoretical dimensions have only been explored to a very limited extent? In summary, if we plausibly assume development models, may we not deduce from them a theorization of the development process, where the variations would be but manifestations of more fundamental phenomena?

2.2 Deliberate action

If the observable development reveals similarities and variations, a research initiative that adopts this premiss must address two preliminary questions. First, are the observable models the result of the deliberate action of the actors?

A similar vision would first presuppose that the actors share similar motives for taking action and secondly that they implement coherent methods when carrying out such actions. Development brings into contact the corporation, the government and society in a given geopolitical area. Each of these social actors is pursuing its own interests, which it promotes more or less effectively depending on its capacities. Each of these actors represents realities, whose large complexity can only be mentioned. The corporation is a legal entity bringing together capital with a view to making it flourish. The government is an institution that redistributes the resources levied from corporations and society. Society is all of the social institutions other than the corporation and the government: it is the plural universe of individuals and the multiplicity of their social roles, associations (unions or voluntary associations for example) and institutions (family or church for example). The specific interest of the corporation is to make profits in order to redistribute them among its shareholders. To achieve this goal, the corporation will endeavor to impose its interests and the means to attain them on the other two collective actors, namely the government and society. The government redistributes collectivized resources according to the perception that it has of the common good. The corporation seeks to impose its vision of the common good on the government. Neo-liberal societies have governments that endorse this corporate vision and that seek to impose it on society. Society participates in these interrelations in various ways; it may simply contribute by its consenting silence, which in fact allows the corporation and the government to pursue their own logics; it may participate actively by indicating its preferences or claims; it may endeavor to impose its interests by impassioned representations, revolt or rebellion (Bergeron 1977).

Globalization is the process, whereby the domination of the institutions of western capitalism spreads. It is achieved by the growth of “transnational” corporate practices and by their pressure on national governments, popularized by international political-economic authorities, in order to give free

reign to these practices. It leads to a devalorization of local practices (corporate, governmental and social), to the generalization of the “comprador” mentality and the consumer ideology, and so on (Sklairst 1991). From that moment on, the observable development should obey this fundamental process, and its variations should be less the result of a departure from the process than the impact of local conditions on the process. For example, in a given region, the sharing of the profits of corporations with local forces would not contradict this approach, but would reveal a degree of political organization of civil society rendering it capable of imposing certain constraints on transnational practices. Similarly, the protectionist impulses of a State would reveal local conditions, like the temporary reaction of political powers to certain pernicious effects of globalization. Thus, the actors would approach development based on a vision that would first be imposed by international institutions capable of influencing their actions: more or less imperative recommendations of the International Monetary Fund and the World Bank drawing inspiration from a credit rating assigned to States by agencies “playing the institutions’ tune”, and so on. Put in another way, local players would follow the directions imposed by transnational actors in their development efforts.

This perspective is certainly not invalidated by the contemporary trends toward dismantling the Welfare State, such as the application of budgetary policies promoting a “zero deficit”, the “rationalization” of social policies (namely the systematic reduction of the social safety net created since the generalization of Keynesian policies), the growth of state benefits granted to corporations. While this perspective helps explain a large number of observable phenomena in the transformation of societies, it does have its limitations. Indeed, this perspective would lead us to see opposing trends as temporary failures, as social deviations, which sooner or later would be overcome by the inevitable rationality of neo-liberalism. These limitations are based on a monolithic and misleading vision of social action, whether on the part of the corporation, the State or civil society. Of course, the fundamental motive of a corporation is to maximize its profits; that does not mean, however, that the actions obey uniform or universal mechanisms.

Observation has shown that, even in this universe where the means and the ends of the action and their relationship are explained to a very high degree, agents find their way according to intuitions and anticipations of the practical meaning, very often leaving the main elements at

the implicit state and embarking, on the basis of the experience acquired in practice, upon practical strategies, in the twofold sense of non-theoretical implicit elements and convenient elements, which are adapted to the requirements and the urgencies of the action. (Bourdieu, 2000, p 20–21; our translation from French)

In summary, while the corporation maintains its course toward its destination, it navigates according to the mariner's art rather than according to an exact science, which would ignore the real constraints associated with the operation of the vessel, headwinds and opposing currents, for instance, and which would result in a shipwreck. The same is true for the action of the State. While the perception of the common good, which presides over the redistribution role played by the State, is dominated by the neo-liberal credo (validated by the predominant current in the economy) that general prosperity is achieved by ensuring the prosperity of private enterprise, thus requiring the abolishment of all impediments to the freedom to "do business", the production of the State does not universally abide by this credo. The production of the State is so diversified, its organization so complex, the questions which the State is called to rule upon belong to so many different fields, and the pressures to which the State is exposed come from so many sources, that the resulting decisions often contradict one another. Civil society itself is characterized by these contradictory trends. In short, development cannot be understood solely as the inevitable result of the deliberate action of the actors who purportedly have a uniform vision of their basic interest, a vision, which at the present time is totally dominated by the ideological apparatus serving globalization.

The examples of the past abundantly show that such a thing as planning from the top does indeed exist and that it exerts an influence on the course of development, as evidenced by the major work sites having presided over the economic organization and local structuring of Greenland, the construction of the villages of the Canadian Arctic, and of course, the Soviet exploitation of the Far North. Contemporary examples also show the clear influence of international economic/political organizations and transnational practices on development. The "structural adjustments" having led to the budgetary deficit reduction policy hit Nunavik much harder than they did Québec as a whole, causing a precipitous decline in public expenditures but also in the purchasing power of residents, just as transnational corporations were taking control of the rich nickel deposits intended for

exports. The same “structural adjustments” having led to the privatization of some of Greenland’s government corporations increased the role played by Danish capital on the island, whereas the island would have preferred to gain more freedom from the metropolis. But there are counter-currents (such as the invention of innovative social policies or the improvement of some of them); above all, there exist results of development which cannot be accounted for by an approach founded on the deliberate action perspective, as if the collective actors were in fact unified entities, having a unique and perfectly coherent conscience; unless, of course, one explains the deleterious phenomena as being deviations brought about by confused souls who are temporarily at the helm, phenomena which should disappear in time. Contrary to the neo-liberal credo, the prosperity of private business does not inevitably lead to “general prosperity” (except where the claim is made that an increase in the GDP is synonymous with general prosperity), but instead accompanies the growth of injustices; nor does the abolition of the obstacles to the flow of capital have the purported effect, increasing instead impoverishment in those countries experiencing massive relocations (where the social net has been overly extended, making assistance to the unemployed more precarious), as well as the injustices in newly invested countries. Moreover, these examples support the criticism of neo-liberalism and the validity of its theoretical argument, which then appears as an ideology rather than as established knowledge.

The determinist approach alone is insufficient to explain change. Inherited from the sociological tradition, it is today complemented, even invalidated, by other approaches that maintain that change is less due to the deliberate intention of meta-actors acting rationally than to the combination of individual choices, partially determined and partially freely consented to. In this perspective, which we consider complementary, that of methodological individualism developed in particular by French sociologist Raymond Boudon, the examination of change presupposes investigating the field of expression of the free arbiter, once the multiple sources of social determination have been established.

Consequently, while development reveals consistencies, similarities and co-occurrences, the latter are perhaps less the expression of a predetermined history than the result of the transformation of history by the reflexivity of actors, by the variations of their perceptions in relation to the basic purposes that cause them to act, by the plurality of the actions which

they take and whose coherence with the ends sought is not necessarily automatic, notably because they are mediatized by a multitude of interactions. From that point on, to understand the sources and the dynamics of development, it becomes necessary to survey the actors and the normative sources of their actions, to examine the relations between them, to show the empirical processes at work and to report on the results, including those, which cannot be explained

2.3. Development meaning

While observable development reveals similarities and variations, in short models, a research that adopts this premise must address two prior questions, as I have mentioned. The second is the moral question, namely that of the *meaning* of development. The neo-liberal vision of development is an ideology dressed up in scientific garb, which claims that the increase in the Gross Domestic Product is empirical proof of its validity. This is an instrumental vision of development, the final purpose of which is the generalization of the market economy across the entire globe, which does not, however, mean that this approach does not work: The peculiarity of an ideology is not only to define a situation and to identify solutions but also to inspire action. In that way, the study of development models should examine the growth indicators and show their various aspects. They would make it possible to check the practical scope of the neo-liberal ideology and to show the mechanisms that make this ideology operative; I hypothesize that they would provide an initial differentiation of the regions. But these indicators alone do not account for the basic aspects of development, discredited by the predominant developmentalist discourse as “externalities”. If the individual is the fundamental source of all economic activity, as Marx maintained, should not the individual be put at the very heart of the notion of development and its analysis. *Moral* development increases the capacity of the individual to make his own choices, increases freedom and is based on foundations such as literacy and education, preserving physical well-being and health, the fair distribution of wealth and the eradication of poverty, access to information, participation in decision-making, in short respect for living communities.

This postulate is not stated with a view to reaching unanimous consent. The advocates of globalization would see in this a fairy-tale and useless normativity, given that these objectives must at any rate ensue from the intercession of the invisible hand of the market, once the conditions of its perfect expression have been achieved through the abolition of the constraints on the accumulation of capital. The most radical forms of *autochtonism* will also inspire differing positions, protesting that a long life in good health and a school education are part of immemorial values. Instead, this postulate is meant to serve as a foundation for the operationalization of this project, to broaden and guide the choice of indicators that should be examined in order to account for development models. Inspired by Amartya Sen and its book *Development as Freedom*, I state that the study of development, whether in the Arctic or elsewhere, should take into account a multiplicity of factors of the social system, examine their influences on the relations between civil society, the corporation, and public administrations as well as these very relations, to arrive at an assessment that underscores the models at work according to whether or not they favor moral development, namely a development promoting the growth of individual and collective freedom (Figure 1). The analytical categories must serve as inspiration for the choice of indicators: the method should be able to make it possible to evaluate the capacities of living communities with respect to the resources in play (financial, social and natural), the living conditions and the relations of power.

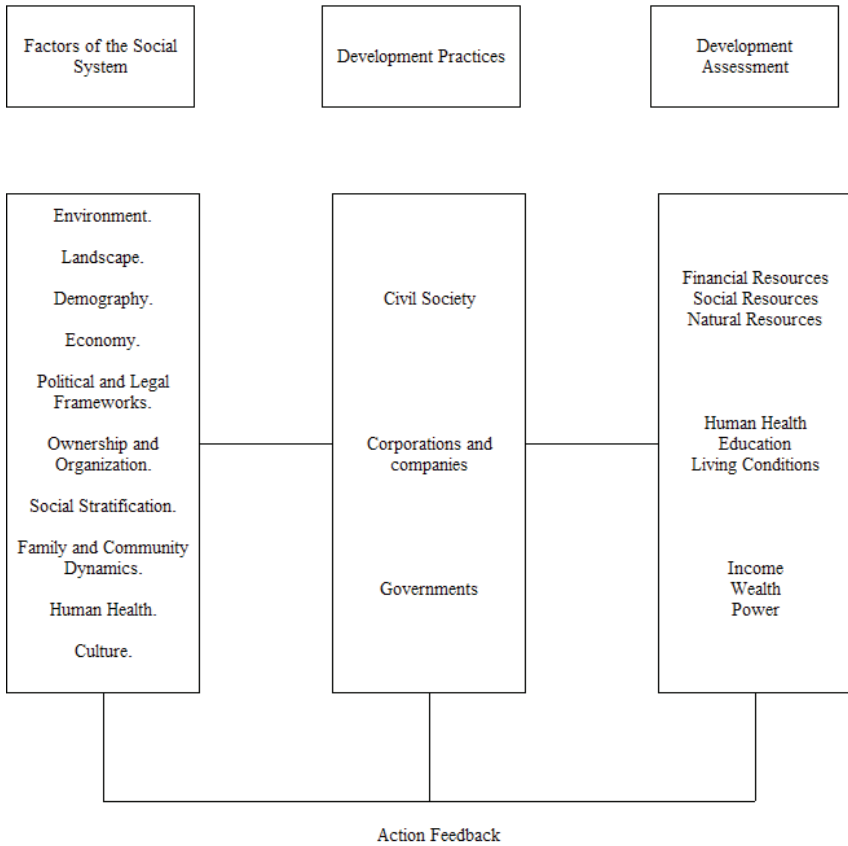


Figure 1. Humanist Development System

2.4. Resources and development

From my point of view, the conciliation of resource exploitation and humanist development is a major stake in the Circumpolar Arctic. Renewable and non-renewable resource exploitation is an essential key for providing an economic basis for Arctic communities; it takes advantage of the extensive wealth of Arctic territories while offering alternatives to dependence.

However, it faces the great vulnerability of natural and human environments. On the one hand, the equilibrium of Arctic ecosystems is fragile and its capacity for restoration is limited by the severe climate conditions. Moreover, rapid climate changes are bringing several transformations that

are affecting both the area and its inhabitants. Renewable resources, especially wildlife, are contaminated by pollutants such as chlorinated organic compounds and heavy metals, transported into the Arctic primarily by air currents and bioaccumulated through the food chain to the human body; environmental impacts of non-renewable resource exploitation generate geographically limited but severe and long-lasting pollution. Finally, resources of both types are threatened by depletion as it happened with cod stocks, or by exhaustion as is happening with mining activities. On the other hand, contemporary Arctic societies are affected by resource exploitation. Economic behaviors of individuals, families and communities are transformed by the extension of monetary incomes. Human health is affected by long-distance and locally generated pollution, and by changes in food intakes resulting from food chain contamination and from the availability of imported industrial food. Customary hunting, fishing and herding are transformed by economic activities such as industrial harvesting for commercial purposes, by political and legal conditions such as land claim settlements or international bans on animal hunting. As a result of these rapid changes, social and cultural settings are fast changing, generating new ways of making a living and making sense of it, but also resulting in major social disruptions. Arctic communities are thus facing the challenge of re-creating their cohesion, if they want not only to survive but to sustain as a socially integrated milieu.

To explore whether Arctic resource exploitation is or is not leading to a humanist development, such a program will have to link the economic practices with conditions that make these practices possible and conditions that ensue from them. This project adopts such an approach, by examining economic practices related to the exploitation of natural resources and their potential for increasing freedom of Arctic residents and communities. Through regional comparisons, it addresses the context in which the economic practices take place and the impacts they generate among Arctic communities.

Different types of resource utilization characterize the development of the Arctic regions. Customary food production still remains of significant economic and social importance in those regions. Subject to local decisions, using local resources for today's local needs with a view to not exhausting them, supported by existing resources throughout various community networks of production, distribution and consumption, customary

food production still carries its symbolic value in the modern-day context. Even some commercial initiatives are inspired by the customary model, such as the so-called local “informal market” in Greenland and programs that support hunting and fishing activities in the Canadian Arctic. In some cases, however, they are no longer operating without external influences. Seals, polar bears and hunting, for instance, are highly impacted by national and international policies and regulations that limit local capacities. Nevertheless, customary activities continue to be a key component for Arctic communities’ health and living conditions.

At the other end of the spectrum, large-scale industries, such as gas and oil exploitation, nickel and copper mines, hydroelectricity and the like, are of primary importance. In several Arctic regions of the circumpolar world where they are the main source of wealth creation, most of these activities are promoted and supported by external sources of capital; they are subject to decisions made without having been influenced by local communities or authorities, and are first related to world markets as opposed to local communities where they are established. Following this same logic, the benefits rarely stay in the region, flowing instead toward shareholders in the rest of the world. Some of these benefits are indeed retained, such as wages and contracts for local enterprises. But they often come with adverse effects. The construction phases of a given project might be completed within a few years, leading to a decreased local work force within the corporations, and making professional training and individual qualifications and skills rapidly outdated and no longer suitable in the fluidity of Arctic economies. Large-scale projects involving the local work force in the Arctic often increase social stratification and inequity in wealth distribution and perceived deprivation; they may change consumption patterns by decreasing the social value of customary practices that may tend to be replaced by market goods and services. While local benefits stop, when the resources are exhausted, long-lasting consequences often persist – industrial waste, tailings and environmental contamination. Since this scale of an industry is central in the Arctic economy, its convergence with concerns for humanist development is an enormous challenge for local and the regional authorities.

Over the last few decades, many economic development projects have promoted sustainability-oriented principles in their implementation e.g. *Impact Benefits Agreements* created for Red Dog Mine in Alaska and

Katinik Mine in Nunavik, local open markets in Greenland, fishery industry in Nunavut and sheep farming in Greenland, proposals for co-management regimes in resource utilization (specifically forestry) in Northernmost Europe to alleviate conflicts between Sami, local, and state authorities. They resulted from negotiation processes between giant corporations and organizations representing Aboriginal People at the local or regional levels. The latest initiatives were supported by the political will of organizations representing Aboriginal People throughout the Arctic world to promote sustainable development as the way to improve the economic, social and cultural conditions of people living in the Arctic. For instance, the Inuit Circumpolar Conference (ICC, 1996) and the Russian Association of Indigenous Peoples of the Russian North (RAIPON, 2001), and the Sami Parliament are all clearly working toward that aim. The entire process is tangibly encouraged by public governments that share such a priority, for instance by the Arctic Council (Arctic Council, 2001, 1996), and by the Canadian Government which has adopted its own action plan for sustainable development. Such initiatives are likely to promote the economic conditions for sustainable development as they contribute to increasing individual and collective wealth, as well as local and regional involvement in the economic development process. They especially shed light on optimal means available to stakeholder organizations to create wealth among their communities.

All these different economic practices for resource exploitation – customary land uses, large-scale extraction activities – are usually seen as separate worlds, a vision that traditional scientific disciplinary barriers have accustomed us to. On the contrary, I am of the opinion that these practices, the conditions that create them and the impacts they generate, are all part of the same Arctic economic reality in a global context. Customary activities at the family level are closely intertwined with world influences and monetary incomes, as mega-scale projects are facing the growing political power of Aboriginal Peoples of the Arctic, their claims for local benefits and their concerns for improving living conditions, and for sustaining their communities. But the Arctic economy as a whole and especially resource exploitation have rarely, if ever, been approached from such a global perspective. Challenges of Arctic development require the drawing of a global picture of the Arctic economy, which has only recently been done to some extent, and the comparing, within this global portrait, of

economic practices, their various prerequisites and their various impacts. By adopting such an approach, it could be possible to arrive at a comprehensive analysis of Arctic development models and to shed light on their specific effects on local residents' control over resources, human health and education, social integration, living conditions, economic equity and the like.

Through this examination, I will check if the development models in play are the result of specific relations between civil society, the corporation and governments, influenced by multiples factors of the social system such as the ownership of resources (land and capital in particular), the characteristics of the political and economic system in which these relations unfold, and so on; if differentiated ties exist according to the models between economic practices and the living conditions of regional populations (health, education etc.) and, consequently, between economic practices and the conditions of individual and collective freedom. Many examples make these hypotheses plausible. The very marked disparities between the northern regions of the Russian Federation (notably between those where oil and gas resources are exploited on a massive scale and the other regions) have only grown following the post-soviet privatizations: the reduction of government services has also been felt much harder in the already disadvantaged regions, increasing impoverishment, food insecurity and emigration. I will check if the large-scale exploitation of non-renewable resources can increase the redistribution of wealth, notably through the creation or improvement of services, provided that the spin-offs are retained locally; but that does not necessarily presuppose an equalization of living conditions, which may remain highly differentiated, which may even grow between population strata (the stratum benefiting from development and the stratum left on the margin of development); nor does it presuppose an increase in the emancipatory capacities, for example, an improvement in schooling or health, since they are subject to other influences that are occasionally more decisive than the growth of wealth alone.

I propose examining, for each of the regions of the Circumpolar Arctic, all of the indicators listed in the ArcticStat bank, working with these indicators to produce summary graphic representations (since coherent statistical analyses are unlikely, given the great diversity of the indicators), and differentiating the models by comparing these graphical representations. I will then take a more in-depth look at certain cases that seem to be typical, by drawing on the databank resulting from the Survey of Living Condi-

tions in the Arctic (SLiCA) when this is possible. Next, I will endeavor to elucidate these models, namely explain their foundations, mechanisms and consequences, by drawing on a vast review of the scientific literature, including theoretical tools that are available in the sociological tradition.

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