AT HOME IN THE BARENTS
The Barents Region is Europe’s largest zone of cross-border cooperation. Collaboration among the four countries was officially launched in 1993 in Kirkenes, Norway. The region is named after Willem Barentsz, a Dutch captain who explored the area in the 1500s.

The following chapters present five relatively remote and small places around the Barents. This virtual exhibition features some of the findings of the research project ‘Neoliberal Governance, Local Communities and Sustainable Development in the Barents Euro-Arctic Region’.
Five places, five stories in the Barents Region.
BARENTS BASICS

- Home to 5.2 million people
  - Most live in Russia
  - Indigenous peoples: Sámi, Nenets and Vepsians

- 1.75 million km²
  - Harsh climate and long distances
  - Rich in natural resources: forests, berries, fish, minerals, oil and gas

- Largest cities
  - Arkhangelsk, Russia: pop. 350 000
  - Murmansk, Russia: pop. 300 000

- Largest Nordic city
  - Oulu, Finland: pop. 200 000

- Most towns and villages are relatively small
Kirkenes is the administrative centre of Sør-Varanger Kommune and the capital of official Barents cooperation. It is also an area where Norwegians, Russians, Finns and Sámi meet and mingle.
KIRKENES BASICS

- Population (town): 3 500
- Population (municipality): 10 000
- Situated on the shore of the Arctic Ocean
- ‘The capital of the Barents’

- History of boom-and-bust economies, much like other towns dependent on a single resource
- Most livelihoods have relied on fishing and iron ore mining

- Ambition to become a global transportation hub
- Northern Sea Route from Europe to Asia
- Pushing for rail link from the Arctic Ocean to the Baltic Sea

- Considerable immigration from Russia
KIRKENES – THE CHANGING FACE OF MINING

- Sydvaranger AS
  - Dominated economic and social life in Kirkenes for the most of the 1900s
  - Opened first iron mine in 1906, closed it in 1996
  - Built houses and infrastructure
  - Sponsored local sports, culture and arts

- Transforming to a more diversified economy
  - From mining town to a town with a mine
  - Rise of tourism and cultural entrepreneurship

- New era in mining?
  - Australian-owned Northern Iron Ltd. reopened the mine in 2009, welcomed enthusiastically
  - Criticized for dumping waste in the fjord and not giving enough back to the community
“Grengesprengende”
= pioneering, groundbreaking and border breaking

Sør-Varanger Kommune
“The Arctic Sea... is melting and it is possible to sail through the Northeast Passage and the Northwest Passage. Kirkenes is connected to both passages in the North, which can create activity related to logistics and transport along the sea routes.”

NRK, June 2015
“The mining operations are temporary. We want the mine to last as long as possible. ...What shall we do when the iron ore runs out?”

Cecilie Hansen, Mayor of Kirkenes October 2014
Pajala is located close to the Finnish border in the county of Norrbotten. The municipal vision – nearly doubling the population to 10 000 by 2020 – has been challenged by the economic recession.
PAJALA BASICS

- Population: 6 300
  - 60% decline since 1950
  - Highest proportion of older people in all of Sweden in the 1990s

- Main economic activities
  - Public services, agriculture, forestry, manufacturing and natural resource extraction
  - History of mining on both sides of the Swedish-Finnish border

- Pajala Utvecling AB
  - Local business development organization
  - Owned by local private sector and the municipality
PAJALA - A TALE OF BOOM AND BUST

- From forestry to mining
  - Declining employment in forestry in the 1950s and 1960s triggered emigration
  - High hopes for mining in the 2000s

- Kaunisvaara iron ore mine
  - Built by Northland Resources
  - Started production in late 2012

- Largest private employer in Pajala in 2013
- Declared bankruptcy in autumn 2014

- Mining and local economies: a risky mix?
  - Kaunisvaara iron ore mine improved employment and attracted new residents
  - Local economies increasingly exposed to volatile global commodities markets
“A mine makes a big difference but it also makes the community very vulnerable. People take out loans, buy houses and things, but if iron ore prices fall, they may be out of a job. That’s the market economy, and politicians have no control over it.”

Representative of the local business development organization, Pajala
“It [the mine] may last 100 years — you never know.”

Pajala resident
“There is still a different mind-set here than there was in the past. People are thinking more entrepreneurially and the skill level has improved a bit.”

Pajala resident
Inari is the largest municipality in Finland. It is a mix of villages, each with its own distinctive characteristics. The region features four official languages: Finnish, North Sámi, Skolt Sámi and Inari Sámi.
INARI BASICS

- Population: 6 800
  - Finland’s largest municipality at 17 000 km²
- A group of villages
  - Ivalo: administrative and economic centre where most of the people live
  - Inari: centre of Sámi culture with the Sámi Museum and the Parliament House
  - Saariselkä: popular tourist and skiing resort
- Historical livelihoods: agriculture, forestry, reindeer herding, and fishing
- Main economic activity today: tourism
  - A major provider of employment and tax revenues
INARI – LEFT TO SURVIVE ON ITS OWN?

- Dual role of the municipality
  - Ensuring economic sustainability
  - Buffering structural changes, e.g. social and health care reforms

- Strong sponsorship
  - Two promotional organizations owned and co-owned by the municipality, e.g. tourism promotion

- Investment in cold technology testing

- Economy strong at present
  - Reliant on state subsidies but increased revenue from municipality’s own activities
  - Strategy: superior competitive advantage as leading nature tourism area in the Arctic
  - Municipality bears increasing economic risk
“New products for the tourism industry come from the villages.”

Tourism industry representative, Inari
“A tree is now more valuable standing than it is as pulp.”

Municipal leader, Inari
“I believe in active doing and being... I have a strong vision that we will manage here in the future as well.”

Municipal development company, Inari
Teriberka is situated in the Murmansk region on the coast of the Barents Sea. Historically one of the richest fishing villages on the Kola Peninsula, it has seen a dramatic decrease in population in recent decades.
TERIBERKA BASICS

• Population: 1 000
  - 4 800 residents in the 1950s
  - Site of Pomor culture since the 1500s

• Deep socio-economic crisis since the early 1990s
  - Caused by national transformation and international regulations on fishing
  - Lack of jobs and own finances
  - Recent cuts in social infrastructure

• Long history of control by military
  - Status as a closed ‘border zone’ lifted for all visitors in 2009

• Main economic activities: fish processing, fisheries and agriculture
TERIBERKA - LOOKING FOR NEW OPPORTUNITIES

- Village had high hopes for the Shtokman gas field before it was postponed indefinitely
- Hopes to develop tourism based on Barents Sea and Pomor culture
  - Kite school, boat tours, diving and eco hotel
  - Known as site of the movie Leviathan
  - Festival ‘Teriberka. New life’
- International cooperation
  - Kolarctic programme for the development of fisheries, small businesses and waste management
  - Partners and associates from Norway
- Challenges:
  - Keeping benefits from businesses in the village
  - Creating more jobs for locals
“The money flies away to Murmansk, since some companies are registered there.”

Teriberka resident
“The road between the two parts of the village is five kilometers long. The bank, school and kindergarten are in one part, the House of Culture and library are in the other. There is no regular bus and we often have to walk.”

Teriberka resident
“Life in our village is a struggle for survival. What keeps me here?
The view from the window!”

Teriberka resident
Situated in a remote part of the Komi Republic, Ust-Tsilma is known as one of the centres of the Old Believers. The region has distinctive breeds of sheep and horse, both called ‘pecherskaya’.
UST-TSILMA BASICS

- Population: 5 000
  - Ust-Tsilemsky district: 12 000
  - Decline in population: 2% annually

- Centre of the Old Believers, who
  - Escaped persecutions by the Russian Orthodox Church in the 1600s and 1700s
  - Call themselves ‘ust-tsilema’ - a distinctive ethnic group with an identity and culture of its own

- Main economic activities
  - Farming, dairy and leather production, and logging

- The region is currently highly reliant on subsidies
UST-TSILMA - AN EXAMPLE OF MODERN BRANDING

• Locals are increasingly involved in solving the region’s social and economic problems

• Hopes to develop tourism based on its pristine nature and distinctive culture
  - The Ust-Tsilma Culture, Leisure and Cinema Centre organizes 4 000 cultural events annually
  - A.V. Zhuravsky Historical Memorial Museum

- The most popular event is the summer celebration ‘Red Hill Festival’ (‘krsnaya gorka’)

• Challenges:
  - Lack of finances and region’s remoteness
  - Attracting more money and visitors without sacrificing the authenticity of cultural celebrations and practices
“People want to live in the centre of the municipality, and the small villages are dying, suffering from a lack of young people and professionals.”

Head of cultural centre, Ust-Tsilma
“People have become more active. They realize that without their participation nothing can be changed in the region.”

Municipal administrator, Ust-Tsilma
“Our northern people, they can’t be rushed; they need time to get into the swing of things, to think and to start acting.”

Municipal administrator, Ust-Tsilma
The five case studies featured here – Kirkenes, Pajala, Inari, Teriberka and Ust-Tsilma – are part of the international research project NEO-BEAR, Neoliberal Governance, Local Communities and Sustainable Development in the Barents Euro-Arctic Region. The research has shown how neoliberal policies at the local level are a mix of new and old governance practices that sometimes lead to paradoxical situations.
WHAT ON EARTH IS NEOLIBERALISM?

• The extension of market relations and competition throughout society, including the sphere of social interactions

• A governmentality for advanced liberal societies emphasizing local responsibility and social innovations

• The role of the neoliberal state is to secure proper conditions for markets to function
  - To reduce direct governmental intervention in economic affairs
  - To maintain governmental support for the economy through legal, administrative and social measures
THE PARADOX OF NEOLIBERAL POLICIES

- Neoliberal policies release local natural resources for broader exploitation
  - Income leaves local communities
  - Locals are left to tackle an increasing number of new responsibilities to ensure their economic and social well-being

- Locally increasing competition for resources
  - Material: natural resources and livelihoods
  - Immaterial: cultures and traditions

- The “rich” regions seem poor to locals
  - Constant competition is manifested in local conflicts between cultures, groups and various related needs
  - Shown in all five research cases
PARTNERS AND FUNDING