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Benefits from Oil? Impact of Institutional Framework

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Oil Production Networks in the Arctic



LAPIN YLIOPISTO
UNIVERSITY OF LAPLAND
Pohjoisen puolesta – maailmaa varten

Russian CSR – “Benefit Sharing Agreements”

Officially voluntary (but you can be forced to participate)

With regional differences

1. Regional Level

- Confidential agreements with governors

2. Municipal level

- Confidential agreements with municipal leaders

3. Sometimes with reindeer herding companies or NGOs

Additionally companies participate in federal programs

The type of CSR practices depends on

- Regional specifics, e.g. legislation,
 - Dependency on international investors,
 - Corporate policies, and
 - The level of local community organization
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- Commitment to general corporate social responsibility schemes such as Global Reporting Initiative or Global Compact does not ensure stakeholder engagement

Benefits of more participation in CSR?

- Avoiding conflicts, SLO (Social Licence to Operate= local acceptance of oil drilling)
- Democracy, transparency
- Decision-making power of local communities: local context, empowerment instead of paternalism

Drawbacks and benefits of weak formal institutions?

Compared to North American practices and legislation
(countries with strong formal institutions = law)?

Alaska: Alaska Native Claims Settlement Act 1971

Native Corporations

Land rights (16 % of land in Alaska) Legislation and courts
(Still a disputed solution)

Nordic countries: welfare states – light CSR, municipalities
build roads and schools etc.

Sámi Parliaments –in principle have right to be consulted
land rights not solved

Benefit sharing agreements in Sweden (LKAB and Sami
villages)

Adaptive governance needed?

Can solutions be transplanted?

Alaska: Native corporations v. tribal councils – disputes transferred to local indigenous communities
Land rights; “strong” subsistence economy

Nordic countries: reindeer herding as a livelihood
No mines in Finnish Sápmi
Benefit sharing agreements needed?

Russian “benefit sharing” agreements substitute weak welfare system and buy SLO at the expense of the environment

THANK YOU!



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