

Gender Challenges & Human Capital in the Arctic

Kathleen Lahey, Eva-Maria Svensson, & Åsa Gunnarsson

This paper brings critical gender perspectives to the interrogation of northern human capital discourses, most of which tend to deploy gender-neutral concepts in analyzing productive capacities to perform labour and produce measurable economic value. From gendered and Indigenous perspectives, this concept of human capital excludes unpaid work relating to social reproduction, human welfare, and subsistence or in kind production, as well as the value of traditional and indigenous knowledges and processes. In Arctic/northern contexts, burgeoning interest in industrialized resource extraction, transportation, and fisheries affects labour market sectors mainly occupying men, and, not surprisingly, risks intensifying the social, economic, and political marginalization of women and Indigenous peoples.

As members of the TUAQ Arctic Gender Equality Network, the authors approach these issues from governance perspectives, noting that despite state obligations to mainstream gender issues in policy development and to respect Indigenous rights under domestic and international agreements, women's and indigenous peoples' voices are largely absent from discussions of the economic, environmental, and human development policies that shape human engagement in relation to the north. This paper outlines governance gaps, gender and indigenous women's inequalities, and economic imbalances that flow from this situation. The paper concludes with an analysis of how the costs and losses of the 'paradox of plenty' borne by women, indigenous, and northern communities can be reversed, and calls on multilateral governance bodies to take firm steps to implement these measures.

Gender Equality, Indigenous Peoples, and Circumpolar Governance Issues

The Arctic has become increasingly important because of the many climate, economic, social, and legal changes affecting the peoples living in this region, and because of the increased focus on the energy, mineral, transportation, environmental, and security implications of circumpolar economic

Kathleen Lahey is Professor, Faculty of Law, at Queen's University. Eva-Maria Svensson is Professor, Faculty of Law, at UiT The Arctic University of Norway and Department of Law, University of Gothenburg. Åsa Gunnarsson is Professor, Umeå Forum for Studies on Law and Society, at Umeå University.

development. While several international organizations have been founded to support research, policy analysis, and development in this region, few gender and indigenous issues have been integrated into consideration of substantive economic, social, governance, or fiscal policies that have been implemented to date.

The marginalization of gender and indigenous issues in (post-)neoliberal policy discourses is accomplished by subsuming gender equality and indigenous rights within the language of economic rationality and ongoing fiscal austerity (Oksala 2013: 37), and by enveloping gender-related claims in economic projects such as social investment in human capital, seemingly universalist concepts that quickly erase the specificities of indigenous and gender identities (Kuokkanen 2012: 226; Jenson 2009: 467). The comparative research carried on by networks based in Tromsø, Norway, Umeå, Sweden, Arkhangelsk, Russia, and Kingston, Canada universities (TUAQ) counters those approaches by identifying barriers to equality faced by women living in Arctic and northern regions, all of which are affected by the lack of domestic and international governance structures capable of addressing issues of sex/gender equality and indigenous rights effectively.

Circumpolar Human Development and Sex Equality

Given that the eight Arctic circumpolar countries are all among the richest and most prosperous in the world, it might be expected that women and Indigenous peoples are thriving in this region. Indeed, all but one of these countries are classified as very high human development countries, and even Russia, which is ranked lower, is classified as a high human development country.

As shown in the table below, however, high levels of human development do not necessarily guarantee high levels of sex/gender equality, indigenous development, or indigenous women's equality. For example, Norway has the very highest level of human development, but women and men in Norway, while enjoying low levels of inequality, are not the most equal in the world. In contrast, women and men in Sweden are the most equal, even though the overall level of human development in Sweden has fallen in recent years. The US and Russia, which have dramatically different levels of human development, both have much higher levels of gender inequality than other circumpolar countries. Studies on indigenous development have not yet been carried out comprehensively, although it is clear from those rankings that are available that indigenous peoples' levels of human development are far lower than their country averages.

If the Arctic and northern regions of these countries were evaluated and ranked separately from the rest of the regions in each country, there is no doubt that those human development and gender equality rankings would be quite different. The sole exception is Iceland, which exhibits urban/countryside divides but not the same north/south divides typified by the other Arctic regions. In Canada, for example, which has large Indigenous populations in the north, the effects of colonial governance remain plain for all to see. As the United Nations special rapporteur on the rights of indigenous people in Canada reported in 2014, despite previous warnings from the UN and Canada's own Auditor General, he found 'the distressing socio-economic conditions of indigenous peoples in a highly developed country' to be 'most jarring.' He found that all but four of the 100 Canadian communities ranked at the bottom of the Community Wellbeing Index were First Nations

communities, while only one First Nations community was in the top 100 (Anaya 2014: 7). He also found a long list of severe violations of Aboriginal women's rights (7-20). These First Nations communities are not all located in the Canadian Arctic, but they tend to be more northern and isolated compared with southern and more urbanized regions.

Table 1: Human development, gender inequality, and indigenous development rankings

	Human Development Index	Gender Inequality Index	Indigenous Development Index	Maternal death rate	National seats held by women	Women in paid work	Men in paid work
Norway	1	6	n.a.	7	39.5%	63.0%	71.0%
USA	4	47	44	24	16.8%	58.4%	71.9%
Canada	6	20	44	12	24.9%	62.7%	73.0%
Sweden	10	1	n.a.	5	45.0%	60.8%	69.2%
Iceland	14	9	n.a.	5	42.9%	71.7%	83.1%
Denmark	16	3	n.a.	5	38.0%	60.3%	70.6%
Finland	22	5	n.a.	8	42.5%	57.0%	64.9%
Russia	66	59	n.a.	39	11.5%	57.5%	68.2%

Sources: Human Development Index (HDI) and Gender Inequality Index (GII) ratings are reported in 2011 and are based on data from 2009 (UN, 2011: table 4, 139-140); Aboriginal Human Development Index figures are derived from the UN 2001 HDI and are based on 1999 data, but were only calculated for four countries (Cooke *et al.*, 2007: table 6, 9).

To date, no reports have been published regarding northern women's rights generally, although the gender chapter in the *Arctic Human Development Report* (Williamson et al. 2004) did identify problems of migration, mobility, gendered violences, and political representation, and provides valuable contextual information.¹ New research on these and other problems, such as the effects of cross-border marriages, intergenerational demographic changes, trafficking, diverse patterns of indigenous recognition and self-determination, and economic issues, is being conducted by the TUAQ network.²

Governance and Legal Structures

Given the wealth and high levels of human development of the eight circumpolar countries, and particularly given the extremely high levels of gender equality attained by the Nordic countries, it is not surprising that almost all these countries have implemented domestic governance structures that have promoted equality between women and men. Nordic laws and policies do not all explicitly require sex equality or equality between women and men in those terms, but the more general concept of gender equality falls under general equality objectives, and many Nordic policies are expressly aimed at promoting equality between women and men (Gunnarsson and Svensson 2012; Bergquist, 1999). Even constitutional equality provisions have not succeeded in eradicating all forms of sex and/or indigenous discrimination in the circumpolar countries, however. The Russian

Federation has built gendered stereotypes based on paternalistic concern for women into labour laws, and Canada continues to discriminate against First Nations women directly on the basis of sex and ancestry by placing more constraints on inheriting First Nations legal status through female ancestral lines than through male lines (Anaya 2014; CEDAW 2008).

In many Arctic regions, colonial regimes imposed European presumptions of male privilege on indigenous peoples at an early stage. Where these have not been displaced, these presumptions have made their way into constitutional and legal provisions affecting indigenous governance, rights, and status. In turn, these provisions embed women's disadvantaged economic and political status in indigenous governance documents, and can then effectively deny them full representation and participation in formal politics beyond municipal and community levels.

International treaties are also significant in this context. With the exception of the US, all the circumpolar states have ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW 1981), as well as the extensive implementation obligations spelled out in the Beijing Platform for Action (1995). When the eight circumpolar countries joined together to establish the most important inter-state governing body, the Arctic Council, more than 15 years after CEDAW was ratified and a year after the Beijing Platform was adopted, seven were already under detailed CEDAW treaty obligations 'to pursue by all appropriate means and without delay a policy of eliminating discrimination against women' (CEDAW 1981: art. 2), and all were parties to the International Covenant on Civil and Political Rights since 1976, which includes provisions on gender equality (ICCPR 1976: art. 2, 3).

CEDAW obligations include all the work states do in international cooperation with other states, including the establishment and operation of the Arctic Council. The Arctic Council was formally established through the Ottawa Declaration, by which it became 'a high level intergovernmental forum to provide a means for promoting cooperation, coordination and interaction among the Arctic States, with the involvement of the Arctic Indigenous communities and other Arctic inhabitants on common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic' (Arctic Council, 1996: art. 1(a)) made up of the circumpolar states as Permanent Participants (art. 2). However, neither in 1996 nor subsequently have any of the signatories to the Declaration taken any steps to ensure that women 'represent their governments at' and 'participate in the work' of the Council 'on equal terms with men' as required by CEDAW (art. 8). While international human rights treaties have traditionally been open for ratification or accession to states only, this tradition was overcome when the UN Treaty on the Rights of People with Disabilities was open to membership by regional organizations (2006).

Lack of compliance with existing international obligations in the establishment of the Arctic Council makes it clear that the founding members of the Arctic Council did not prioritize gender equality at the outset. While the first Finnish chairmanship of the Council held the 2002 Taking Wing conference, which focused on indigenous people and women in particular, and produced several social development projects, and the Russian chairmanship emphasized the integration of gender equality in the Council's Sustainable Development Action Plan, the Norwegian chairmanship removed both women and indigenous people from its priorities. The Council does still include the

domains of gender equality and indigenous people in its Human Dimension (or Human Development) portfolio, but it was not until 2011 that Carl Bildt, the foreign minister of Sweden during the beginning of the Swedish chairmanship of the Council, recognized the importance of the equality issue. At that time, he stated that the Arctic is ‘first and foremost a home to the people who live there,’ that the Swedish chairmanship intended to ‘make it a high priority to involve indigenous peoples in the work of the Arctic Council and promote their interests in matters of intergovernmental relevance,’ and that ‘attention will also be given to gender equality’ (Bildt, 2011). Despite the finding that ‘these issues had been prominently mentioned in [the Swedish Chairmanship’s] originally proposed agenda for action,’ there is no evidence of any such attention during the Swedish chairmanship, with the exception of a day of open seminars at the May 2013 Minister Meeting in Kiruna, during which the Chairmanship was forwarded to Canada. The day of seminars ended with a panel on gender equality in the late afternoon (Nord 2013) in which the authors of this paper participated.

Much has been said about the importance of the involvement of women and indigenous peoples at all levels of governance (Sloan 2004). There is growing consensus that when women are largely absent or merely hold high positions more as ‘window dressing’ than as autonomous elected officials, governments tend to downplay or ignore the gender impact of legal and fiscal issues. Similar effects are seen in relation to indigenous issues. Indigenous women’s interests in community membership, land use, habitat and environmental protection, economic development, and new forms of geographic and economic displacement tend to be subsumed within the views articulated by official entities like government ministers and representative indigenous individuals who themselves may gain position more through their relationships with governments than because they are community leaders. Although women often play stronger roles in community-level politics, ethnic identities are often given precedence over gender representation. At the same time, however, gender is often contested at the community level in varied ways, and traditional values may be at odds with state priorities. Thus when powerful actors such as government agencies or resource companies take negotiations to the community level, local or indigenous groups may be too weak, isolated from industry expertise, or governmental lines of communication to engage in effective negotiations, let alone represent women’s interests as well (Lewis 2011).

Although diversity in high elected office can be transformative of governance focus, some critical mass of those typically under-represented is necessary. Even women working at ministerial levels are not free to engage on personal and societal levels. Governance in the Arctic poses particular challenges because the burgeoning interest in resource extraction, transportation, and fisheries in this area affects industry sectors mainly owned, managed, and employing men. Thus both governance issues and notions of human capital or development risk reflecting masculine norms and gender roles that implicitly place value on images of masculinity, and make it all the more difficult to identify and address gender issues.

The final factor that makes it challenging to reflect accurately the experiences of indigenous women in gender impact analysis is that while considerable domestic-level and some comparative data on the status and needs of indigenous women do exist, much of it is ungendered, subsuming indigenous

women's experiences in seemingly gender-neutral concepts undifferentiated by women's realities. The largest project being carried out in the Arctic region, the *Social Indicators* project following on after publication of the 2004 *AHDR*, has produced a small set of final indicators that do not appear to call for gender-disaggregated data. Nor do enough of these proposed indicators link into existing UN-level gender data that would be of assistance in establishing more comprehensive baselines and sharper issues for further inquiry (Nymand Larsen 2010: 153-54).

Key Gender Issues in Northern/Arctic Regions

The concentration of attention on Arctic/northern economic potential has meant that human development and gender equality issues have received relatively little consideration from domestic governments or transnational organizations. Even indigenous communities that may have experienced some degree of self-definition are now experiencing the pervasive effects of 'economic growth first' thinking.

Population Balances, Migration Patterns, and Education

Interest in industrial development and northern shipping routes have grown rapidly as Arctic climates have changed. While some circumpolar states such as Sweden have relatively small non-renewable resource industries, many have described the economic changes taking place in the Arctic as a 'boom.' Sectoral changes have resulted in rapid changes to population balances with the influx of virtually all-male work forces in some regions, accompanied by population displacement from extraction zones, changes in location of indigenous communities, and the effects of women's out-migration have resulted in changes that had become observable nearly two decades ago (Hamilton et al. 1997).

While the relative proportion of indigenous populations in circumpolar regions vary widely, from very small in Russia to virtually all in Greenland, indigenous migration may be markedly different from non-indigenous migrations. Some groups have used broad ranges of territory for traditional seasonal activities, while others have moved or been moved to protect sovereignty, make way for defence installations, provide industrial labour, or promote resource development. Both indigenous and non-indigenous relocations have been carried out in Russia, while many circumpolar states have used Inuit as 'human flagpoles' (Krupnik & Chlenov 2007; Stern 2013: 164-66). Depending on the specific location, migration itself can affect the viability of entire communities, or can have disparate impact on some community members when personal security, levels of violence, or subsistence are affected.

Education has been implicated in these demographic changes. Increasingly, both women and men migrate into and out of established communities for educational purposes, but for different reasons. In some areas, indigenous women out-migrate for educational and income-earning purposes that are integral to sustaining home communities (O'Donnell & Wallace 2011: 30-33) or because they remain in southern communities while children are in school, while men tend to pursue more mobile traditional economic activities. In other areas, men out-migrate to earn incomes to supplement or replace traditional sources of home support. Some researchers have concluded that indigenous

women are 'dominating the realm of education in most of the Arctic' (Johansson & Stenersen Hovdenak 2004: 179-80). Integrating educational gains with community objectives is an important developmental linkage, but treating women's educational attainment as a problem without examining whether education is undertaken to support traditional communities or replace lost sources of support appears to be uncritical. The fact that preferences for male labour in resource industries have broken some links between women's paid and men's traditional employments, and thus have placed pressure on women to adapt through education, is not similarly problematized (Williamson et al. 2004).

Labour Market Conditions

Women's involvement in paid work has been found to promote gender equality in monetized productive relations for two basic reasons: being involved in paid work actually changes how women think about major life decisions like education, marriage, the number/timing of children, and social and political engagement. And being and seeing women living out those decisions has an impact on how both women and men think about gender roles (Jutting & Morrison 2005: 7).

In northern/Arctic regions, paid work may not provide these benefits for women in these ways. Labour market structures, working conditions, hiring practices, transportation issues, and attitudes toward women workers intersect with education, identities, and geographic locations to produce diverse outcomes for women in paid work. In particular, the degree of diversity of regional economic structures will affect women's access to paid work. The ECONOR I project found that in all but Arctic Russia, the service sector is the largest, often with relatively large public components and small trade and transportation components. The service sector provides greater opportunities for women's employment generally, but with industry-specific differences. When the primary sector is dominated by nonrenewable resource extraction, ownership and employment tends to be offsite, while renewable resource activities tend to be locally owned, involve local processing, and employ relatively more women (Duhaime & Caron 2006: 18-20).

When resource extraction activities become significant components of regional economies, women's overall labour market participation rates tend to fall relative to men's because of the gender profiles in the extraction and production industries. Unlike in other male-dominated sectors of the labour market, such as construction and heavy manufacturing, very few women, and even fewer indigenous women, are employed in resource industries (Catalyst 2012). The reasons given for this range from lack of educational, training, and employment programs that effectively support women's employment in this sector, to lack of accommodation for indigenous workers' traditional economic activities and concentration of women in lower-paid service positions (Women in Mining Canada 2010: 13-23). Fly-in/fly-out work schedules tend to polarize gender roles within households, and women willing to adapt to such work conditions still face lack of sufficiently flexible work schedules, care resources, and workplace attitudes. Women who remain at home alone while their partners are on extended work schedules face heightened time binds, with the result that they may shift to part-time paid work or unpaid work (ibid.; O'Shaughnessy & Krogman 2011).

In major resource extraction regions, these effects can be systemic, producing overall reductions in women's paid work and educational engagement. At the same time, women's unemployment can become long term when governments dependent on resource royalties or profits cut spending on job training and care services during production downturns. As early as 2000, women in Canada's West, once the leaders in education and labour force participation rates, faced record high levels of unemployment in what was admittedly a 'red hot' employment market for skilled resource personnel. Consequently, Western women set new post-WWII records for low levels of post-secondary education and rising rates of early marriage, numbers of children, and economic dependency (Roy 2006). Immigrant women had even lower paid work rates than other women in the region. Statistics Canada related these changes directly to the prominence of resource development in Western Canada.

Incomes, Social Risks, and Government Services

Knowing the increased challenges of northern and Arctic conditions, some circumpolar governments engage in long-term planning for balanced stable economic development, with attendant investments in educational, social security, child and elder care, health, fitness, community, and environmental resources. As is evident from the table in the first section of this paper, the Nordic countries rank particularly high on these measures as reflected in the United Nation's composite measure of gender inequality (the GII), even though these countries do differ widely in terms of national economic structures and fiscal approaches. The US, Russia, and Canada rank notably lower on all these measures.

Even when Arctic regional incomes are high, the adequacy of health, transportation, and community services is crucial to those whose cash incomes cannot provide them with minimum acceptable standards of living. Food security, housing, anti-violence programs, care resources, and environmental standards are also essential. Failure to provide adequate resources for women faced with violence cause pervasive problems (Nakray 2012). Local accounts of women's lack of community resources link women's low incomes with high housing costs, homelessness, and prostitution in northern areas (Rolbin-Ghanie 2007), and the *Arctic Human Development Report* links male suicide risks to inadequate health and social supports (Williamson et al. 2004: 190-91).

Although there are wide differences across the circumpolar north, indigenous women generally face much lower levels of formal paid work than non-indigenous women in Arctic regions, and indigenous men do not always do much better. Indigenous peoples caught between the deterioration of traditional practices and poor access to non-indigenous employment, services, and communities face growing levels of homelessness, vulnerability to trafficking of various kinds, HIV/AIDS, and lack of alternatives (Abele et al. 2012). Indigenous women also face the effects of isolation when dealing with violence, and, in Canada, are murdered more frequently, and receive less protection than non-indigenous women (O'Donnell & Wallace 2011: 40).

When indigenous peoples are located in isolated or inaccessible sites, often subject to challenging weather conditions, access to medical care and community services can be quite limited (Morgan 2008: 1, 4). The higher costs of transportation, health care, food, and other services impose greater

burdens on women than on men. Depending on specific circumstances, women with lower incomes may have heavier responsibilities for home support, child care, and elder care during male absences for paid or unpaid work, and thus less time for paid work themselves. Or, in areas where school attendance requires children to remain behind during seasonal migrations, women may have sole responsibility for supporting through paid work the family home as well as being physically present with children during nonschool hours.

Traditional foods can augment family resources, but indigenous peoples who can maintain access to wildlife for consumption are exposed to unacceptable levels of contaminants in many of their traditional foods. This poses longer term and intergenerational health risks (Huhnlein 1997), and there is some indication that pollution from resource development creates higher risks of serious health effects. Those health effects place women at higher risk both for themselves and for their children, and protective policies have not kept pace with these realities (Tenenbaum 2009: 117).

Arctic Economic Development and Fiscal Management

The potential effects of climate change and accelerated development of Arctic regions and resources have global as well as domestic significance. For domestic populations, the contradictions between the vast profits to be made from Arctic economic development and the relative under-funding of human development and wellbeing in some of these regions are already becoming all too clear. For the global community, the prospects of private corporate economic exploitation of Arctic resources for profit without responsibility for the human, ecological, and climate effects of such development pose serious questions about how effectively the principles of state sovereignty and neoliberal economic governance can be in meeting those challenges. While each country has a unique resource development footprint and attendant regulatory regimes, the impact of inadequate regulation of Arctic development is relevant to all populations.

Women and indigenous peoples are already experiencing the uneven effects of Arctic change in several circumpolar countries. The ‘paradox of plenty’ increasingly concentrates the financial benefits of Arctic change in the hands of owners of corporate capital, while the human costs are borne more heavily by those at the bottom economically and politically, and environmental damage is left to be borne by ‘nature.’ Partial solutions are already available, and more comprehensive solutions can be identified at this stage.

The ‘Paradox of Plenty’ and Fiscal Governance

The ‘paradox of plenty’ arises when productive economic activities become centred heavily around resource extraction and thus ‘crowd out’ other forms of economic activity. The larger the resource extraction sector, the more pronounced the ‘crowding out’ effect as large-scale resource extraction activities shift the focus of government and industry planning and development away from other sectors like agriculture, manufacturing, and trade. Consequent changes in employment and skill demands of extraction industries can affect the composition of regional and even national workforces, and can also influence education and development priorities. At the same time, governments can obtain large economic revenues by simply selling the rights to assets ‘in the

ground' to developers, and can win short-term popularity with voters by claiming that they can 'cut taxes' due to increased government efficiencies (Karl 1997).

The classic paradox as documented by Karl was originally noted in relation to Middle Eastern oil countries like Saudi Arabia, where resource development is often accompanied by abandonment of government responsibilities for regulating industrial labour market standards, risks to lands, waters, habitats, and soils, and reclamation measures. Worst case scenarios see these 'externalities' left on the ground for governments with shrinking tax revenues to clean up at some later date, while transnational corporations transfer resource profits to low- or no-tax jurisdictions, and governments may have begun dismantling educational, social service, and other government programs in the name of fiscal efficiencies. Since the paradox was identified, it has become visible in increasing numbers of contexts, not all related to oil and gas production.

In the circumpolar context, it has become clear that income inequalities are likely to intensify as the result of these processes. As documented by Statistics Canada in 2006, women in Alberta were the first identifiable group in Canada to experience the most severe forms of inequality produced by the rapid development of Alberta oil resources. The effect of rising demand for male labour saw women's rates of labour force participation and advanced education falling as rates of early marriage, childbearing, poverty, and economic dependency rose (Roy 2006). Other researchers have found that as resource expansion reduces women's involvement in paid work, women lose social, political, and household influence. They lose social and political influence simply due to absence from those spheres. They lose household influence because women's intra-family bargaining power increases or falls with the levels of their outside earnings. Thus de-monetization of women's work leads to economic dependency on either the state or family members, and less social and political engagement outside the home. As women's power contracts, government policies tend to give more weight to male preferences. Forming policies to suit men's preferences leads to government subsidies supporting larger families, greater support for men's interests, and further increases in male power and wealth (Ross 2006; Burns et al. 2001).

The end-point of the processes referred to as the 'paradox of plenty' is sometimes referred to as the 'Dutch disease.' This is considered to be an end-point of the paradox in which resource-rich countries exhibit slower or stagnated growth rates, diminishing economic diversification, decreased social spending, and growing levels of unemployment, poverty, and overall economic inequality.

The blame for what is sometimes referred to as the 'resource curse' arises from the specific political institutional effects of resource extraction activities in each particular country. Governments seeking resource rents do not have to do much beyond negotiating contracts or selling resource rights to obtain those rents or royalties. When governments employ this revenue strategy, and resource rents reach a level at which they provide significant revenues, governments do not have to rely as heavily on tax revenues. From an institutional perspective, this in turn creates the risk that governments can begin to conduct themselves as if they were answerable not to voters, but to the businesses that provide resource revenues. The next step in this shift in political alliance is to focus tax and regulatory holidays, fiscal subsidies, and other benefits on the resource sector, further depriving people of the attention and benefits usually associated with progressive democratic governance.

In their recent study of resource development and governance, Humphries, Sachs, and Stiglitz conclude that easy access to significant resource revenues enables governments of resource-rich countries to ignore the fact that ‘human capital investment is an essential part of wealth creation.’ As they explain: ‘When states start relying on natural resources wealth, they seem to forget the need for a diversified and skilled workforce that can support other economic sectors once resource wealth has dried up’ (2007: 10). As a result, education, gender equality, labour productivity, and other key economic factors become less important to those formulating development policies, even when qualified administrative and regulatory personnel are essential to democratically representing long term local interests and economic diversity.

Detailed studies have identified the negative effects of this ‘crowding out’ process. Karl relates government budgetary reliance on resource rents to lessening concern with issues of tax fairness, accountability, transparency, and sustainable economic development – even more so in the wake of the 2008-9 economic crisis – and has found strong relationships between the size of domestic oil reserves to poor ratings on international governance and human development indicators. Some of the factors she has flagged include falling per capita incomes; increasing reliance on temporary foreign workers; reduced spending on health, education, and social development; authoritarian and repressive methods of dealing with heightening social tensions; and political ‘splitting’ tactics that exploit geographic and political differences.

Least developed countries are at greatest risk in this developmental dynamic. But no country can afford to ignore the risks of resource revenue dependence: oil and other natural resources in the ground are part of their common wealth, part of the physical capital of the country. When resources or rights are sold, those revenues become like the proceeds of sale of a capital asset, such as a home or a business. These are revenues that cannot come again.

For a country to direct its development heavily in the direction of resource revenues means that when those resources run out, the country will have to begin anew to then develop the social, political, cultural, and developmental practices that will not only enable it to fill the resulting revenue gap, but will also maintain stability as people, communities, and regions redevelop themselves.

Solutions to the ‘Paradox’ and Promotion of Sustainable Equalities

The Arctic and northern regions of circumpolar states contains the world’s largest pools of valuable fossil and mineral deposits (Duhaime & Caron 2008: 17). With sparse populations to lay claim to this wealth, international investment companies rushing to exploit it, and a burgeoning world population demanding ever more energy and raw materials, the governance issue posed by this situation is which model of economic development and use of resource revenues might be best, if resource revenues there will be?

The first point to be made is that given the volatility of natural resource markets generally and of fossil fuel prices particularly, countries that can maintain a balanced array of types of economic activities and avoid imbalanced dependence on extractive industries have a better chance of maintaining stable and steady growth rates than extractive countries. For example, Sweden’s high UN HDI and GII ratings over a long period of time suggest that by placing the emphasis on

improving the quality of life, human development, and gender equality, it may fare better than more resource rich countries. Sweden has a thriving renewable resource industry in its forestry sector, and significant mining deposits, suggesting that resource exploitation is not the big problem – it is the way in which exploitation of volatile and nonrenewable resources is managed that is the biggest risk. Sweden and Norway also increasingly integrate indigenous land use needs and rights with balanced long term economic planning. For example, when expansion of the massive state-owned LKAB iron mine in Kiruna Sweden threatened traditional reindeer migration routes, reindeer bridges were built as part of the overall municipal relocation plan to offset further fragmentation of contiguous forest lands.

Many of the other circumpolar states, however, have significant nonrenewable energy resources, and the models for managing those resources range from corporate neoliberalism to state ownership. In the neoliberal model, resource royalties are paid to local or regional governments and federal states make do with increased corporate and personal income tax revenues (if any), while developers are allowed to displace indigenous and other communities, and environmental, human development, and inequality effects are left to be absorbed by the rest of the population. The corporate social responsibility model is not much different from the neoliberal model, the main difference being that while developers do seek ‘partnerships’ with local communities, indigenous groups, and other interest groups, this model still prioritizes private profit, and is not associated with equal ownership or division of profits.

Countries that see their role as something beyond facilitating corporate enterprise may impose taxes on resource rents in order to derive revenues from royalty payments. Unless there is revenue sharing between levels of government claiming royalties, this can increase costs, but depending on the terms and conditions leading to setting royalties and rent taxes, this approach can help internalize many of the externalities involved in resource extraction. However, when this type of tax is used for state revenue production, it does represent revenue that can be quite variable during periods of market volatility, or that will disappear entirely once a resource is exhausted. The advantage of this approach is that it does call for considerable transparency on the part of the government, and treats these payments as subject to standards of equity and fairness. But it does not solve the problem of literally ‘consuming’ national capital to produce short-term revenues.

State ownership models move further along the continuum of treating royalties or rent taxes as belonging to the population as a whole, and may seek ways to use them as budgetary resources, distribute them as direct ‘dividends’ to residents, or commit them to social spending funds like the Norwegian Statoil fund. When used in this fashion, issues of sustainability of revenue flows, intergenerational fairness, and distributional equity still have to be faced, but this approach does ‘invest’ physical capital in human development that captures a larger part of the profits of exploitation for domestic use.

Policy and academic research into these options has expanded as demand for fossil fuels has grown. Little economic attention is being paid to the environmental impact of high levels of GHG emissions from contemporary extraction strategies, beyond suggesting that carbon taxes would help everyone care more about GHG levels. However, there is growing awareness that careful

management of resource industries offer governments a chance to increase the rate of formation of human skills and knowledge, invest physical capital in social infrastructure such as care resources and in conservation, anti-pollution, and renewable energy infrastructure, and accumulate sovereign wealth funds that can be used to reduce national debt, stabilize economic swings, or develop national capital in new forms.

Norway is frequently held up as a ‘paragon of plenty’ because it has largely escaped the paradox of plenty, and has also invested state oil revenues in a sovereign wealth fund that is set aside for pension stability. Norway also uses its jurisdiction over its own oil reserves to require local supply, operating base, and labour content in development contracts, and its development agent, Statoil, is not permitted to securitize new oil finds, but is required to own and develop them. Although the Norwegian government owns its own extraction company (now shared with private investors via public stock exchange listings), countries that exhibit anti-state ownership biases like the US have never had any difficulty welcoming Statoil into their oil fields as a developer.

Each of these resource revenue management models can still leave women in northern regions, indigenous women, and women throughout each circumpolar state increasingly under-developed and even impoverished. Gender-equal taxation and distribution of state resource revenues is as important as indigenous self-governance and gender-equal employment, access to resources, and state supports. Even the countries at the very top of the human development and gender equality rankings have not solved these problems fully. Norway has done the best job of maintaining a significant degree of state ownership of resource capital in all forms, but much less than Sweden in securing gender equality. In contrast, Sweden has combined diversified economic development with the highest levels of gender equality overall, but one of the highest rates of women in part-time work and low levels of wage equality (Pettit & Hook, 2009: 5-8). At the same time, Sami women in Sweden have high levels of educational attainment but constrained control over traditional resources and much less income equality. Thorough examination of the full array of fiscal gender issues is thus called for as an aspect of solving the paradox of plenty now facing all circumpolar states.

Conclusion

As circumpolar states empower the Arctic Council and other regional governance bodies to take on increased leadership roles, it is urgent that they take three crucial steps toward fulfilling their responsibilities:

- Ensure that membership in such bodies secures equal representation and participation for women and Indigenous peoples, to be chosen via non-governmental civil society organizations;
- Make binding commitments to using governance authority via multilateral treaties to require state members to secure gender and Indigenous women’s equality in all laws, practices, and programs as required by the ICCPR, CEDAW, and other human rights treaties, and implemented consistent with the Beijing Platform for Action; and
- Make binding commitments to using governance authority via multilateral treaties to prioritize environmentally sustainable resource and economic development combined with

use of resource revenues to fund investment in durable forms of human development and physical capital.

Notes

1. Some follow-up information on gender in the specifically circumpolar Arctic has been prepared (Nymand Larsen 2010). In the forthcoming second report (AHDR II), gender issues will run through all chapters, but there will be no separate chapter on gender.
2. Original research from the most recent TUAQ-sponsored conference held in 2014 is in preparation for publication. Details of the program are archived at <http://femlaw.queensu.ca/conferencesFLSQ.html>.

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