UNDERSTANDING COOPERATION IN THE ARCTIC:
A NEO-GRAMSCIAN PERSPECTIVE

by

Gregory Sharp

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ARTS
in
THE FACULTY OF GRADUATE AND POSTDOCTORAL STUDIES
(Political Science)

THE UNIVERSITY OF BRITISH COLUMBIA
(Vancouver)

September 2016

© Gregory Sharp, 2016
Abstract

Reading the popular media, it would be easy to think that the Arctic is on the verge of conflict. The narrative reflected in the news is a decidedly conflictual one that stands at odds with the cooperation that has come to characterise the region over the last two decades and has been repeatedly debunked by scholars. Surprisingly, this cooperation has largely continued even following the annexation of Crimea and the imposition of sanctions. This raises an important question: why? By way of response, and in an effort to expand the discussion on the Arctic beyond traditional positivist approaches, neo-Gramscian theory is employed using process tracing. By drawing on a diversity of examples and testing them against concepts drawn from the literature, support is found for the neo-Gramscian explanation: that cooperation in the Arctic is the by-product of a neoliberal hegemonic bloc pursuing their interests in the region.
Preface

This thesis is an original, unpublished, independent work by the author, Gregory Sharp.
# Table of Contents

Abstract ........................................................................................................................................... ii
Preface ................................................................................................................................................ iii
Table of Contents ............................................................................................................................... iv
Acknowledgements .............................................................................................................................. v
Chapter I: Introduction ....................................................................................................................... 1
Chapter II: Conflict or Cooperation in the Arctic? ............................................................................. 2
  Conflict........................................................................................................................................... 2
  ...or cooperation? ............................................................................................................................ 2
  Competing theoretical perspectives ............................................................................................... 4
Chapter III: Theoretical Framework ............................................................................................... 7
  Understanding hegemony .............................................................................................................. 7
  The era of disciplinary neo-liberalism ........................................................................................... 8
  Counter hegemonic forces and trasformismo ............................................................................. 9
  Words of caution ........................................................................................................................... 10
Chapter IV: Methodology ................................................................................................................. 11
  Process tracing ............................................................................................................................. 11
  Assumptions ................................................................................................................................ 12
Chapter V: Testing the Neo-Gramscian Approach .......................................................................... 13
  The spread of market civilisation ............................................................................................... 13
    Development strategies across the Arctic ................................................................................ 13
    The Arctic Economic Council .................................................................................................. 18
    Arctic Council Working Groups ............................................................................................... 20
  New Constitutionalism ................................................................................................................... 21
    The Arctic Economic Council .................................................................................................. 21
    The Arctic Five .......................................................................................................................... 22
    Alice Rogoff, the Alaska Dispatch, and the Arctic Circle ....................................................... 23
  Increasing inequality ..................................................................................................................... 25
    Dismantling of welfare systems ............................................................................................... 25
    Women in the Arctic .................................................................................................................. 26
  Counter-hegemonic forces and trasformismo ........................................................................... 28
    The Arctic Council .................................................................................................................... 29
    Royal Dutch Shell in the Arctic ............................................................................................... 31
    Clash of globalizations: Russia and sanctions ...................................................................... 32
Chapter VI: Conclusion ..................................................................................................................... 36
Bibliography ...................................................................................................................................... 38
Acknowledgements

I would like to thank my supervisor, Dr. Michael Byers, for his guidance throughout this process. His comments were immensely useful in shaping this paper and keeping it on track. I also wish to thank my examiner, Dr. Mark Warren, for his engaged and productive commentary on the finished draft.

I would also like to thank wine for getting me through the darkest of times, my local coffee shop for fueling my now crippling addiction to caffeine, and the family and friends who were polite enough to feign interest in my project.
Chapter I: Introduction

Reading the popular media, it would be easy to think that the Arctic is on the verge of conflict. The narrative reflected in the news is a decidedly conflictual one that stands at odds with the cooperation that has come to characterise the region over the last two decades and has been repeatedly debunked by scholars (see Byers 2013, 2016; Exner-Pirot 2015; Baev and Boersma 2016). Surprisingly, this cooperation has largely continued even following the annexation of Crimea and the imposition of sanctions. This raises an important question: why is there cooperation in the Arctic?

By way of response, and in an effort to expand the discussion on the Arctic beyond traditional positivist approaches, neo-Gramscian theory is employed using a process tracing method. Four major concepts are identified in the literature: the spread of market civilisation, in this case through neoliberal policies; new constitutionalism, or the shielding of elite interests from popular scrutiny; the rise of inequality that accompanies neoliberalism; and the emergence of counter-hegemonic forces in opposition to the dominant historic bloc. By examining these concepts against a diversity of examples drawn from across the Arctic support is found for the neo-Gramscian explanation: that cooperation in the Arctic is the by-product of a neoliberal hegemonic bloc pursuing their interests in the region.

To elaborate on this explanation, and the evidence supporting it, this dissertation begins with a brief summary of the state of Arctic affairs. This is followed by an explanation of neo-Gramscian theory, and the methodology used, which lays the foundation for the analysis. Divided into four sections, each corresponding to a particular concept, the analysis examines whether the evidence matches the observations one would expect based on neo-Gramscian theory. Ultimately the findings, weaknesses, and potential areas of future research are reviewed in the conclusion.
Chapter II: Conflict or Cooperation in the Arctic?

Conflict...

In 2007 the Russian explorer Artur Chilingarov planted a flag on the seabed at the North Pole and unleashed a media frenzy. Pundits and politicians alike warned of a coming conflict in the Arctic reminiscent of the 19th century scramble for Africa. A 2008 report by the United States Geological Survey further upped the stakes when it predicted that the region held approximately 22 percent of the world’s technically recoverable undiscovered hydrocarbon resources. With the receding sea ice, technological advances, and the then high price of oil, the promise of untold Arctic riches beckoned. Matters were further complicated when it was revealed that Russia, Denmark, and Canada all planned on submitting overlapping extended continental shelf claims to the United Nations.

Then, in 2014, tension peaked when Russia annexed Crimea. Cooperation with NATO broke down, sanctions were implemented, and both sides tested the other’s airspace—including in the Arctic. The picture painted by the media was a grim one: It was only a matter of time before Russian nuclear-powered submarines and paratroopers would come storming across the North Pole to invade, laying claim to the vast resource potential of the region in the process. Headlines warned of “Putin’s Arctic invasion: Russia lays claim to the North Pole - and all its gas, oil, and diamonds.” The stage appeared set for conflict in the Arctic.

...or cooperation?

Despite all these grandiose predictions, the Arctic was not submerged in conflict. To the contrary, these last few years have seen impressive levels of cooperation between the Arctic powers above and beyond the already substantial regional cooperation that has characterised the last two decades. Since the Arctic is centred on an ocean, it is perhaps unsurprising that this cooperation began with maritime management. Early examples include the 1994 agreement between the US, Russia, China, Japan, South Korea, and Poland on
straddling stocks in the Bering Sea; the 1999 agreement between Russia, Norway, and Iceland on managing fishery stocks in the Barents Sea; and the 2002 Guidelines for Ships Operating in Polar Waters at the International Maritime Organisation (IMO) (Byers 2016). More recently in 2015, the five Arctic coastal states—Canada, Denmark, Russia, the US, and Norway—signed a declaration in which they agreed to abstain from commercial fishing in the high seas area in the middle of the Arctic Ocean until a regulatory framework is developed, and the IMO brought into place the mandatory Polar Code for ships operating in the polar regions.

Beyond maritime questions, cooperation also exists on economic, political, and security issues. The recently inaugurated headquarters of the Arctic Economic Council in Tromsø, Norway, is a physical testament to the desire to foster cross border business-to-business cooperation in the region. A Canadian initiative, it has enjoyed support from the other Arctic countries and business leaders across the board. Politically speaking, in 2010 one of the few remaining maritime border disputes in the Arctic was resolved between Norway and Russia putting an end to a nearly 40-year disagreement (Byers 2013). More generally, the Arctic Council has become the pre-eminent intergovernmental forum in the region. In addition to the multinational working groups hosted by the Council, the consensus based organisation is a platform through which several important agreements were negotiated. The recently inaugurated Arctic Coast Guard Forum, which seeks to further operationalise cooperation between the Arctic countries on search and rescue, is the outcome of a Council decision.

While this is by no means a comprehensive list of the ways in which cooperation has occurred in the Arctic, it demonstrates that far from being on the verge of conflict, the Arctic is characterised by cooperation. While the annexation of Crimea and the imposition of sanctions increased tension and froze some initiatives (in particular in the military domain), it is notable that cooperation in the Arctic has continued. The Declaration Concerning the Prevention of Unregulated High Seas Fishing in the Central Arctic Ocean is a good example; there is no prospect of commercial fisheries appearing in the short- to medium-term so its negotiation was a proactive measure agreed upon by states that are at loggerheads
elsewhere in the world. Even Artur Chilingarov, the man at the heart of the 2007 controversy, reiterated at the 2015 Arctic Circle conference that “there were no problems in the Arctic that could not be solved with words” (quoted in Exner-Pirot 2015).

**Competing theoretical perspectives**

This highlights an important question: why is it that cooperation in the Arctic continues? Most popular media sources, adopting a neorealist point of view, fail to address this angle. The focus in most articles, reports, and sound bites is inevitably on the presence of resources and how this will bring about conflict as states seek to maximize power in a zero sum world. Iterations on the headline “New Cold War’s Arctic Front,” for example, are now so plentiful and overused that Heather Exner-Pirot is absolutely justified in calling for a ban on any derivation of it (2015).

When you begin to dig into the theory underpinning this approach, it becomes clear why the focus is on conflict: neorealism leaves little room for cooperation. States are power maximizing and the fear of relative gains serves to limit cooperation. Offensive realists note that the likelihood of conflict is reduced by raising the costs of war to the other side. It could be argued that Russia, by investing massively in their military infrastructure in the Arctic, has raised the costs of war so high for other states in the region that it has induced cooperation. At odds with this narrative, the reality is that much of this trumpeted investment is maintaining antiquated Soviet era infrastructure or has yet to materialize (Padrtova 2014). Defensive realists, on the other hand, are slightly more optimistic about the possibility of cooperation. According to Robert Jervis, when faced with a security dilemma both sides can work together provided mutual cooperation is much more beneficial than defection (1999, 51-2). If faced with an aggressor, however, cooperation is out of reach (ibid.). In the neorealist depiction of the Arctic, Russia is portrayed as a resurgent power intent on changing the status quo—eliminating the possibility of cooperation in this narrative.

Although neoliberalism, as Robert Keohane and Lisa Martin have pointed out, is the “half-
sibling of neorealism,” it remains more positive as to the potential for cooperation (1984: 3).

Generally speaking, neoliberals forward the view that cooperation can occur in anarchy through the moderating influence of norms and institutions. Complex interdependence, a concept within neoliberalism developed by Keohane and Joseph Nye, posits that the declining importance of military policy, coupled with increasing economic and other forms of integration, should increase the probability of cooperation between states. Furthermore, different spheres can be isolated so that a breakdown in cooperation in the military sphere, for example, would not necessarily affect economic cooperation (Keohane and Nye 2012). The importance of cross-border flows of capital, technology, and trade in the Arctic, as well as the continued cooperation in the Arctic despite tension elsewhere, lend credibility to this approach. It is further reinforced by the importance of intergovernmental forums such as the Arctic Council in facilitating dialogue and shaping norms in the region.

Neo-Gramscianism, a critical theory derived from Marxist thought, is based on a rejection of the above positivist approaches and is built upon a fundamentally different epistemology and ontology. Unlike the above positivist approaches, it does not take the structure of the international system as given and instead seeks to analyse how a particular world order and set of institutions, norms, and practices came to be (Bieler and Morton 2003). Despite these differences, a neo-Gramscian explanation for cooperation would be quite similar on the surface to that proffered by complex interdependence: cooperation is the result of close economic integration and the ancillary socio-political ties.

Neo-Gramscianism differs from Keohane and Nye’s approach in that it comes to this conclusion by interrogating the power relations behind this process; essentially that this is the result of a dominant transnational class pursuing their interests. This project is the construction and maintenance of hegemony—through political, economic, and ideological means—and is currently embedded within the logic of neoliberalism. That a majority of Arctic interests form part of this same class allows for cooperation to continue as the goal is the same. Friction occurs where this transnational class encounters elites embedded in a
different system, or when a movement challenges the authority of these transnational elites from below.

The burgeoning interest in the post-Cold War Arctic—running the gamut from the World Economic Forum’s Arctic Investment Protocol to activists protesting offshore drilling in Alaska—provides a fertile ground for this type of analysis.
Chapter III: Theoretical Framework

Before being imprisoned in 1926 by Mussolini's fascist government, Antonio Gramsci was the head of the Italian Communist Party. While in prison, Gramsci wrote some 3000 pages analyzing Italian history, nationalism, critical theory and Marxism, that came to be known as the *Prison Notebooks*. Considered one of the most prominent Marxist scholars of the twentieth century, Gramsci's work is important as it frees Marxism from more dogmatic interpretations of Leninism and rejects economism. In doing so, Gramsci sought to address some of the political lacunae of classical Marxism. Instead he argued that this was too mechanically deterministic—as civil society (the persuasive element of the state) did not have an inherent class character—and that hegemony was instead the dominance exercised “by persuading the subordinate classes to accept the values and ideas which the dominant class has itself adopted” (Simon 2015, 13). This, in turn, paved the way forward for Marxist political thought.

**Understanding hegemony**

Gramsci's musings found their way into international relations in the 1980s through the work of Robert Cox and his rejection of realist and liberal strains of thought. Although the Italian thinker's work centred more or less exclusively on the state, Cox found that many of the concepts outlined in the *Prison Notebooks* were helpful in understanding the international realm. In particular, Cox highlighted the importance of Gramsci’s idea of hegemony and the ways in which it diverged from mainstream international relations theories. This conception of hegemony is now central to the neo-Gramscian approach and has been expanded on by scholars such as Stephen Gill and his work on the Trilateral Commission (1990, 1993), William Robinson's study on the emerging transnational capitalist class (2005) and, more recently, by Adam D. Morton who has historicized Gramsci's ideas (2007).

Much broader than realist or liberal definitions, hegemony in the neo-Gramscian sense is understood as “as an expression of broadly-based consent, manifested in the acceptance of
ideas and supported by material resources and institutions” (Bieler and Morton 2003). In this way hegemony is not the dominance of a powerful state, but instead the dominance of a consensual order that may or may not be underpinned by a powerful state. It is first constructed at the national level in the state-civil society complex, understood as both the public and private spheres, by organic intellectuals who sustain the common ideas, organisations, and identities of the class in question (Bieler and Morton 2003).

This dominant union of social forces is what Gramsci terms a historic bloc and is projected internationally after coming to power at the national level. This historic bloc is more than just a Leninist class alliance, instead it is an integration of varied class interests that ultimately reproduces its hegemony through a network of institutions, norms, and ideas—again, sustained by organic intellectuals. In this way the subordinate classes are made to believe that the interests of the dominant class are, in fact, the general interest.

Elaborating on the construction of a hegemonic order, neo-Gramscian theory posits that hegemony in any given historical structure is constituted of three mutually reinforcing pillars: the social relations of production, forms of state, and world order. Each of these pillars is, in turn, composed of ideas, material capabilities, and institutions (for a more in-depth explanation see Morton 2015, 114-16). Immediately following WWII, the social relations of production were characterized by a Fordist regime of mass production and consumption (Cox 1987), the form of state was a Keynesian welfare system espousing interventionism (Gill and Law 1988), and the world order was that of US hegemony, labelled by Cox as the pax Americana.

**The era of disciplinary neo-liberalism**

The dominance of this US-based hegemonic order began to ebb in the wake of the Nixon Shock in 1971, the collapse of the Bretton Woods institutions, and the social crises they provoked. Since then, it is argued that a new transnational historic bloc has emerged. Fundamentally different from the pax Americana, this era of globalization is characterized by
the rise of transnational production and finance driven by large multinational corporations, international organisations, and Western governments. This was accompanied by the rise of a transnational capital class centred in the US, but also encompassing parts of Europe and Japan (see Gill 1990; Carroll and Carson 2003; Robinson 2005); the erosion of democracy in favour of “oligopolistic neoliberalism” (Gill 1995, 405); and the fractionalisation of labour nationally and transnationally (see Bieler 2006, 32-4). While this manifested differently depending on the state in question, in each case it resulted in a neoliberal shift (Murphy 1998).

This new era, disciplinary neoliberalism, is based on two key processes. The first is the production and propagation of what Gill terms *market civilisation* (1995). This extension of the market encourages self-actualisation through consumption, prioritizes the privatisation of public goods, and ensures the freedom of the market through deregulation and by removing trade barriers—all of which fuel inequality and its pernicious consequences. The second, *new constitutionalism*, is the narrowing of the base of participation in the neoliberal world order in order to “remove or insulate substantially the new economic institutions from popular scrutiny or democratic accountability” (Gill 1992: 165).

**Counter hegemonic forces and trasformismo**

The inequality and democratic deficits generated by the rise of disciplinary neoliberalism has; unsurprisingly, given rise to diverse resistance—counter hegemonic forces—ranging from the global justice movement to environmental activism. Neo-Gramscian theory, with a large intellectual debt to Gramsci, offers two key concepts for understanding this resistance: a war of movement and a war of position. A *war of movement* involves using strong coercive elements to install a new state apparatus while building consensus among other subaltern classes. This is effective when civil society is in it its primordial stages, for example Tsarist Russia. A *war of position*; on the other hand, is more suited to slowly building resistance in states with strong civil societies. In this case, organic intellectuals cultivate the social foundations for the emergence of a new historic bloc within civil society in attempt to erode the ground out from underneath the current hegemonic class (Cox 1983: 164-65).
Beyond resorting to coercive force, the dominant historic bloc would respond to these threats through a process known as *trasformismo*. In Gramsci’s writing, he refers to trasformismo as the creation of a centrist coalition that cast about to cover the widest possible span of interests while marginalising both the extreme left and right of the political spectrum. Cox later elaborated on this definition, saying that trasformismo worked to co-opt leaders of potential subaltern social groups and that it served “as a strategy of assimilating and domesticating potentially dangerous ideas by adjusting them to the policies of the dominant coalition” (1983: 166-7). In this way the dominant coalition could disrupt the formation of organised opposition.

**Words of caution**

Before launching into a discussion of methodology, a few words are merited explaining how neo-Gramscian theory is deployed in this analysis. Firstly, this is not a philological or exegetical reading of Gramsci’s ideas. This leaves this analysis open to the critique that Gramsci’s ideas are being taken out of context. Alastair Davidson, for example, notes that “Gramsci’s own views about international relations in his time and space cannot be applied *holus bolus* to a reality that he did not even envisage” (2008: 89). Instead of remaining stuck within a strict interpretation of Gramsci’s thoughts, however, the goal is, similar to how Cox originally explained his approach, to maximise the descriptive potential of the theory. A second fault that could be found with this application of neo-Gramscian thought is that, in a departure from Marxist theory, the objective here is purely descriptive: no attempt is made to trace the steps required for an emancipatory project. These limitations are due in large part to the length requirements of an MA thesis. I hope to redress them later, perhaps in my PhD thesis.
Chapter IV: Methodology

Applying a strict methodological approach to neo-Gramscian theory is a lot like building a bridge into no-man’s-land with only a vague idea of what a bridge actually is: you have no idea where you will end up and barely any direction to get there. Despite the article by Cox that initiated this whole field of neo-Gramscian study being entitled “Gramsci, Hegemony and International Relations: An Essay in Method,” no explicit method is elaborated beyond suggesting ways in which the concepts laid out are connected. This is equally true of other prominent neo-Gramscian scholars. Moreover, most studies that have applied neo-Gramscian principles to a specific case have failed to explicitly state how they are using these principles. One important exception is the very short publication by Bieler and Morton, entitled “Theoretical and Methodological Challenges of neo-Gramscian Perspectives in International Political Economy,” in which they briefly explore questions that could guide neo-Gramscian research but fall short of explicitly outlining a method.

Process tracing

Given this lack of a clear method provided by the theory, this analysis will employ process tracing in order to test the validity of the claims made by neo-Gramscian theory in explaining cooperation in the Arctic. Drawing on the concepts and principles described above, this analysis sets out a series of observable implications. In doing so, it asks: what would we expect to observe, or not, as the case may be, if there was a disciplinary neoliberal historic bloc propagating their hegemonic agenda in the Arctic? Various causal process observations will then be presented against these implications to evaluate the effectiveness of the neo-Gramscian approach. These examples were selected following the suggestions of Macartan Humphreys and Alan Jacobs to focus on the probative value of a case, or how much can be learnt from it (2015).
Assumptions

There are several assumptions that undergird this analysis. First and foremost is the assumption that there is a transnational historic bloc based on the ideologies of disciplinary neoliberalism in existence, and that they are in a position of either hegemony or supremacy (near hegemony). This assumption is a core tenant of current neo-Gramscian scholarship and at the heart of the explanation proffered by the theory as to why there would be cooperation in the Arctic—without it there would be no reason to conduct this analysis. To reiterate what was said above, the goal of this study is not to test the validity of this theory universally, but instead to see whether or not it is applicable in the Arctic.

The second major assumption, also drawn from recent scholarship, is what a neoliberal agenda would look like, i.e. what would neoliberal policies look like. In this case, as was touched upon above in the discussion on Gill’s concept of market civilisation, a neoliberal agenda is defined generally as the extension of the market. Broken down further, this includes self-actualisation through consumption, the privatisation of public goods, lobbying for deregulation, the removal of trade barriers, the quantification of natural resources, the commodification of culture, and a focus on profits at the expense of other interests *inter alia*. 
Chapter V: Testing the Neo-Gramscian Approach

In order to determine whether or not neo-Gramscian theory provides a convincing explanation for the cooperation witnessed in the Arctic, the evidence available will be contrasted against expected observations. Several concepts taken from the literature—the spread of market civilisation, new constitutionalism, inequality and labour fractionalisation, transformismo, and the existence of counter-hegemonic forces—are treated as the observable implications of the theory. Specific examples are then used to determine whether or not there is evidence to support the existence of a disciplinary neoliberal historic bloc in the Arctic as claimed by neo-Gramscian theory.

The spread of market civilisation

The first expected observation is the spread of market civilisation which, in the case of the current historic bloc, would be the promulgation of the neoliberal agenda. It is expected that this would be visible both at the national and regional levels. Moreover, while this would serve the interests of the current historic bloc, this process would be presented as the common good. One way this agenda could be presented is through institutions for, although institutions cannot be conflated with hegemony, they are an expression of it—that is to say that they tend to reflect and stabilize prevailing power relations (Cox 1983: 136). Other possible examples include government policies, conferences, or corporate strategies that emphasize a neoliberal approach. Given that this process is a required component of the neo-Gramscian approach, and there is a high likelihood of being able to witness clues to this effect, if it were not present it would be a strong blow against this explanation.

Development strategies across the Arctic

In July of 2009, the Minister of Indian Affairs and Northern Development released a report entitled Canada’s Northern Strategy: Our North, Our Future. The report outlines four key pillars at the heart of this strategy: Arctic sovereignty, social and economic development,
environmental protection, and devolving northern governance. The recommendations contained within the report suggest investing in infrastructure as a platform for future development; developing expertise across a series of areas identified as critical to the region, such as better geological mapping (important for extractive industries); and the establishment of tripartite private-public-partnerships between the various levels of government, industry, and Indigenous development corporations.

Echoing these priorities, a new development agency was announced in 2009 by then Prime Minister Stephen Harper to help operationalise these goals. The aptly named Northern Economic Development Agency (CanNor) released *Building a Strong North Together*, their strategic framework for 2013-2018. It explains that that this framework is designed “so that Northerners and all Canadians can benefit from the unprecedented economic opportunities that are unfolding in Canada’s three northern territories” (2). Alongside quotes from industry leaders thanking the agency for its support, this report outlines how CanNor will overcome the challenges facing resource development in the Northern Territories by developing a skilled workforce, enabling infrastructure, and community capacity (12).

In both documents there is a clear political will to help facilitate corporate interests in Canada’s North. Despite mentioning other priorities such as environmental stewardship, community engagement, and cultural preservation, the focus is overwhelmingly on the extractive potential of the North measured in terms of knock-on benefits for other industries, jobs created, and royalties generated. As Heather Nicol succinctly lays out, “it is clear that the development model that informs CanNor is inherently neoliberal, relying upon a suite of private and public partnerships, strategic investment, niche education and 'project'-oriented development” (2015; see also Everett and Nicol 2014).

Furthermore, by framing the dialogue as one based around the immense resource potential of the North and the shipping required to develop it, Canada’s approach to northern development excludes models that do not conform to these neoliberal ideals. Traditional
forms of Indigenous subsistence hunting; for example, are not prioritised as they do not fit neatly into the market economy. In her doctoral dissertation on the subject, Elizabeth Russel explains how Canada’s Northern Strategy has marginalised Inuit communities, explaining that “Inuit perspectives on value, expertise, and freedom and/or choice are not a part of a neoliberal political rationale in Canada’s Northern Strategy” (2015: 71). This, in turn, leads to a dismissal of Indigenous forms of knowledge and understanding, instead only allowing Indigenous participation in the development of their own communities if they are willing to engage on the terms provided by neoliberal rationale (ibid.).

Some hoped that the election of a new Liberal government in late 2015 would initiate a change in policy. Despite criticizing Harper’s Arctic approach as “big sled, no dogs,” little has emerged from Trudeau as to which direction his Arctic policy will take (quoted in Higginbotham 2016). Thus far, what little has been released seems to indicate more of the same in the future. For example, the Liberals have announced the expansion of the Nutrition North Program, a controversial market driven food subsidy program brought into place in 2012 by the former Conservative government that has been widely accused of subsidizing retailers and not consumers, despite several attempts at reform (Zeiniker 2016; Rennie 2014). The only other major funding announcements, $133 million slated for improving surveillance capabilities, was framed by the commercial benefits it would bring. The coordinating agency, Defence Research and Development Canada, sent a note to industry highlighting the increased commercial opportunities provided by climate change (Pugliese 2016). Significantly, since his election, Trudeau has yet to visit the Arctic.

Just across the the 141st meridian west in Alaska, the National Strategy for the Arctic Region released by the White House in 2013 outlines similar goals. Built on three pillars—advancing American security interests, promoting responsible stewardship, and strengthening international cooperation—the report seeks “to position the United States to respond effectively to challenges and emerging opportunities arising from significant increases in Arctic activity due to the diminishment of sea ice and the emergence of a new Arctic
environment” (2013: 2). The report is built on the fundamental assumption that commercial activity in the Arctic will increase and frames its recommendations as positioning the US to best capitalise on these emerging opportunities.

Of note, engagement with the Indigenous peoples of Alaska is highlighted in both the national strategy and the policy priorities released to coincide with the United States’ Chairmanship of the Arctic Council. Part of the development strategy is to include the Alaska Native local and regional corporations, the result of the Alaska Native Claims Settlement Act (ANCSA), in developing the state’s economic potential. As with the Canadian example, however, this is predicated on neoliberal ideals that marginalise traditional knowledge and lifestyles. Eve Tuck, an Indigenous scholar from Alaska, has noted how ANSCA reframed tribal members as shareholders and traditional land as subsurface land claims. She argues that ANSCA has been a “settler reconceptualization, one that displaces and re-stories land as capital and Indigeneity as a capitalist endeavor. It makes us all Alaska Native capitalists” (Tuck 2014: 258). This process is enabled by state level policies that promote neoliberal development schemes aimed at helping Indigenous communities and economies but that often instead come at their expense (Ganapathy 2011: 123).

At the state level, Alaska has always been heavily reliant on hydrocarbon extraction as an economic generator and to fund approximately 85 percent of the state budget. Output from Alaska’s North Slope peaked in 1989 at 2 million barrels per day, but has since declined to less than 300,000 barrels per day. In an effort to entice more producers back to Alaska, the Republican majority in both state houses passed the More Alaska Production Act in 2013 which cut taxes on oil revenue despite intense scepticism regarding the effectiveness of this approach (Thomas et al. 20??: 596). This followed intense lobbying in favour of the bill by Governor Parnell and the powerful Alaska Oil and Gas Association, the latter which spent over $1 million on lobbying state legislators the year before the tax cut was introduced.

Indicative of the close ties between the political elite in Alaska and the oil industry, the Alaska
legislature de facto shuts down the March of almost every year as a vast majority are attending the Energy Council Conference—now known as “Energy Break” (McClatchy 2012). When the price of oil plummeted in 2013 and the state’s budget deficit ballooned, the legislature cut funding to education, the marine ferry service, and the budget for Juneau instead of raising taxes on oil revenues (Semuels 2015). This has led to concerns that the state is providing the oil industry with $135 million more in credits than it will receive in royalties and production tax for the unrestricted general fund, and that the tax regime is likely to allow companies to carry over their credits into future years (Herz 2016).

Despite Alaska’s intimate relationship with the oil industry, the White House’s position on the Arctic took an apparent turn beginning in 2015 and began to focus on climate change. In that same year, Obama became the first sitting president to visit Alaska on a trip designed to showcase the effects of climate change and build support for his environmental agenda. Following on the heels of this announcement, in early 2016 President Obama and Prime Minister Trudeau held a joint press conference in Washington, D.C., in which they agreed to implement the recently negotiated Paris Agreement, cooperate on promoting clean energy, and set aside 17 percent of land areas and 10 percent of marine areas in the Arctic for protection by 2020 (Office of the Prime Minister of Canada 2016).

 Critics were quick to point out inconsistencies, however. In the case of the trip to Alaska, many argued that Obama’s environmental agenda was undermined by the fact that the White House gave Shell the green light to go ahead with a controversial drilling project in the Chukchi Sea around the same time (Milman 2015). Of note, the permitting process for the Shell project began prior to Obama’s time in office yet remained unchanged. Investigative journalist Steve Horn (2015) suggests that pro-business policies have been institutionalised, regardless of what party is in power, through the close ties between the White House and industry lobbyists. In the case of economic development in the US Arctic, Energy Secretary Ernest Moniz commissioned a report from the National Petroleum Council—an advisory committee within the US government that has representatives from all major energy
companies—on the viability of developing Arctic energy. The report, *Arctic Potential: Realizing the Promise of U.S. Arctic Oil and Gas Resources*, argues heavily in favour of developing these reserves as a successor to waning shale energy.

With regard to the outcomes of the joint press conference with Trudeau, there appears to be inherent contradictions within their promises. They agree to fully implement the provisions of the Paris Agreement which include a goal to limit global temperature increases to below 2°C above pre-industrial levels. They also agreed to develop low-impact shipping routes, promote sustainable development, and adopt a "science-based" approached to oil and gas development in the Arctic. A report released in *Nature* has noted that, in order to meet the goals of the Paris Agreement, there can be no further development of energy resources in the Arctic as well as other high-emission sources such as the (near Arctic) Alberta oil sands (McGlade and Ekins 2015, 187). It would seem that a science-based approach would involve freezing further exploration; instead the U.S. Bureau of Ocean Energy Management opened new leases in the Beaufort and Chukchi Seas early this year (Windeyer 2016) and Trudeau is supportive of building a new pipeline to take bitumen from the oil sands to an ocean port. Critics have since accused President Obama of “green washing” Arctic development to make it more palatable. In response, the President defended his position by arguing in favour of domestic production; an unnamed senior White House official, on the other hand, conceded that there was “obvious tension” between the two positions (Milman 2015).

**The Arctic Economic Council**

At the international level, the Arctic Economic Council (AEC) is the newly minted economic forum. Founded by a decision of the Arctic Council in 2014, the AEC officially opened their doors in Tromsø, Norway, in 2015. The marquee accomplishment of the 2013-15 Canadian Chairmanship of the Arctic Council, the AEC strives to facilitate business-to-business activities and responsible economic development in the Arctic. It defines its goals as establishing strong market connections between states, encouraging P3s for infrastructure development, creating stable regulatory frameworks, facilitating data exchange, and engaging with
traditional Indigenous knowledge (AEC 2014: 2). Interestingly, the AEC was designed by the same people within the Canadian Chairmanship—Leona Aglukkaq, the then Minister for the Arctic Council—who set the agenda for CanNor, the abovementioned Canadian development agency (whereas previously the mandate for all Arctic diplomacy was handled by the ministry of foreign affairs).

Promoted as a means of generating economic growth in the North through small- and medium-sized businesses, the AEC has set itself the goal of being the primary intermediary between business in the region and the Arctic Council. Of the 35 members currently sitting in the AEC, only 3 appear to be from small- to medium-sized businesses whereas a substantial number appear to either lobby on behalf of extractive industries or are themselves a mining or oil and gas company. To list but a couple, members include Rosneft, Russia’s largest oil company, and Baffinland Iron Mines, a Canadian company with one of the largest mining projects in the Arctic.

This initiative has also received support from elites across the Arctic Council countries. In the words of the Norwegian Foreign Minister, Børge Brende, the AEC “will be an indispensable partner for the Arctic Council in the work of facilitating business activity in the North” (quoted in McGwin 2015). Erling Kvadsheim, Director of the Norwegian Oil and Gas Association, was involved in organizing the AEC and, at the behest of the Norwegian Foreign Ministry, has been leading Norway’s engagement. A presentation he gave at the High North Dialogue conference in Norway maintained that the “AEC will be uniquely positioned to influence the policies in the High North and the regulatory framework for business development” (Kvadsheim 2015: 3). Elsewhere Finnish businesses have been extremely supportive of the initiative and the Finnish government has promised to take up the initiative in their 2017 chairmanship.

Furthermore, the work of the AEC is continuing under the US chairmanship (2015-2017). Despite being initially reluctant, the US has since vowed to continue the work of the regional business forum. Secretary of State Kerry endorsed Canada’s efforts at a Ministerial meeting,
saying that “the United States very much supports the effort led by Canada to stand up the Arctic Economic Council which will help businesses to invest and help Arctic communities to prosper” (quoted in Haines 2015).

At the Arctic Frontiers conference in Tromsø, Norway, earlier this year, the AEC was yet again endorsed by its elite participants. This included the Swedish Minister of Strategic Development and Nordic Cooperation, Kristina Persson, who called it one of the key achievements of the Arctic Council. Halldór Johansson, the executive director of the Arctic Portal in Akureyri, Iceland, pointed out that it has facilitated the signing of more memorandums of understanding between different northern regions, and that “it’s become a place for people in the Arctic that haven’t had a regular venue to meet over business issues” (quoted in Quinn 2016). This privileging of the AEC has led some, such as the Inuit leader (and former Canadian Arctic ambassador) Mary Simon, to raise concerns over the undue influence that this is giving large corporations over policy setting in the Arctic (Axworthy and Simon 2015).

**Arctic Council Working Groups**

Along with the meetings bringing together the representatives from all the Arctic countries and the permanent participants, the six working groups are the main way in which the activities of the Arctic Council (as opposed to the AEC) are conducted. These working groups cover a broad range of subjects from emergency preparedness to climate change. They are composed of representatives from sectorial ministries, researchers, the permanent participants at the Arctic Council, and national governments. While scientifically oriented and not directly associated with commercial interests, the reports, maps, impact assessments, graphs, tables, predictions, trend analyses, and charts produced by these working groups help describe the present and, also chart a course for the future of resource exploitation in the Arctic. When combined with cost-benefit analysis and risk assessments, these outputs “have a visceral impact and contribute to particular neo-liberal and rationalist strategies of rendering spaces such as the Arctic governable” (Dodds 2012: 15). An example of this, the
Arctic Marine Shipping Assessment was undertaken by the Protection of the Arctic Marine Environment working group. After considering a multitude of variables, the report focuses on two—governance as well as resources and trade—to design four possible future outcomes. These outcomes provide the categorization and order that serve as a “roadmap forward” for future development (Brigham et al. 2009).

New Constitutionalism

Accompanying the spread of market civilisation, it is likely that we would be able to witness the narrowing of popular participation in organisations and forums propagating the neoliberal agenda. The purpose of this new institutionalism is to insulate democratic accountability or popular scrutiny in order to protect the interests of the historic bloc, and is often seen surrounding economically oriented institutions (Gill 1992: 165). Not seeing evidence of new constitutionalism would not totally disprove the theory, however, as it is could be that this process is still in its nascent stages.

The Arctic Economic Council

The AEC set itself up as the premier venue for coordinating business in the Arctic. Headquartered in Tromsø, Norway, alongside the Arctic Council, the former has branded itself as the primary forum for interaction between the latter and the wider business community. Entirely separate from the Council, it is not yet known how the two organisations will work together. This separation does mean that the AEC is not bound by the accountability mechanisms or transparency of the Council.

In an interview with Arctic Deeply, the chair of the AEC and vice president of external affairs of Alaska’s Arctic Slope Regional Corporation, Tara Sweeney, bills the organisation as even more inclusive than the Council. She argues that the differentiating factor “between the AEC and the Arctic Council is that the permanent participants have voting privileges within the AEC” (quoted in Windeyer 2016). What this actually entails is unclear as the Arctic Council
does not actually vote on anything, so not having voting privileges is irrelevant. Moreover, nowhere in the AEC’s terms of reference—or any other document for that matter—is it specified what is to be voted on, or even that votes take place. Even if these votes are taking place, the AEC is an echo chamber: all those chosen to participate have already bought into the neoliberal rationale being propagated. Instead of providing a legitimately different perspective grounded in a different mode of production, those who have been chosen to represent Indigenous peoples are already well entrenched in the neoliberal system. From an uncritical perspective, this legitimizes the institution by making it “Indigenous approved.”

When asked how the AEC proposes to engage with environmental groups critical of its message, Sweeney’s response was that the AEC will prioritize the local and accuses “those who want to lock up large swathes of land throughout the Arctic without talking to the local people” of doing a “huge disservice” to the region (quoted in Windeyer 2016). While she highlights that the AEC will serve as a forum for dialogue between these groups, there is little evidence to suggest that this is happening. Instead, it appears that environmental concerns are only legitimate if they originate from within the echo chamber. Taken altogether, the AEC is shielded from scrutiny from the Arctic Council and non-consenting Indigenous perspectives, and delegitimizes counter-hegemonic environmentalism by adopting a “northerners know best” approach.

*The Arctic Five*

The Arctic Five is an informal group composed of the Arctic littoral states: Denmark, Russia, the United States, Canada, and Norway. It has draw much criticism from the other Arctic states and Indigenous groups for meeting in Illulisat, Greenland, in 2008 and Chelsea, Canada, in 2010 without them. More recently, in 2015, the same countries met in Oslo and signed a *Declaration Concerning the Prevention of Unregulated High Seas Fishing in the Central Arctic Ocean*—again without formally consulting other Arctic countries, such as Iceland that draws a substantial portion of its GDP from fisheries, or Indigenous groups.
Whether or not this is a conscious decision to limit the pool of those involved in decision making in the Arctic is hard to tell. The *Inuit Circumpolar Declaration on Sovereignty in the Arctic*, drafted and signed in the wake of the first meeting of the Arctic Five, is revealing of the frustration of the Inuit at being excluded. The declaration reaffirms the need to be consulted on developments in the region and asserts a right of veto over development projects—it is not the product of a community that feels adequately involved in the decisions affecting their future. Duane Smith, the President of the Inuit Circumpolar Council, summed up his thoughts on being excluded from the 2010 meeting by comparing it to when the Stephen Harper government controversially prorogued the Canadian Parliament in 2008 to avoid a federal election: “He prorogued the Arctic Council and essentially shut down meaningful dialogue on the whole Arctic” (quoted in Windeyer 2010).

**Alice Rogoff, the Alaska Dispatch, and the Arctic Circle**

In an article published in The Washington Post, Julia Duin chronicles how Alice Rogoff, the wife of billionaire David Rubenstein and a formidable investor in her own right, came to buy The Alaska Dispatch. Beginning as a news blog in 2008 run by three journalists, Rogoff agreed to buy 90 percent of the business and massively expand operations. In 2014 it was announced that the Alaska Dispatch would buy out its competitor, the Anchorage Daily News, becoming by far the most widely read newspaper in the state (Duin 2015). This was met with much fanfare and was painted as the victory of David, the feisty web start-up, over Goliath, the well-established traditional newspaper (Sirota 2014).

In addition to disrupting and redefining media coverage in Alaska, the rise of the Dispatch is mired in controversy. A journalist for the paper, Michael Carey, is critical of the Dispatch’s decision to stop running unsigned editorials or endorsements, questioning why any major newspaper would give up this influence and effectively narrow their basis for critical journalism. He concedes that, “I guess some people are happy with what Alice has done: legislators and big business. Maybe that was the goal all along” (quoted in Duin 2015). In a similar vein, others question how extensively the paper covers the proceedings of the Carlyle
Group, an equity firm co-founded by Rogoff’s husband with extensive dealings in Alaska, including with the Alaska Permanent Fund (Sirota 2014), and her close ties to the political elite in both Washington, D.C. and Alaska. Recently one of the founders of the Dispatch, Tony Hopfinger, left after a dispute with Rogoff about bringing in corporate interests to fund the paper (Andersen 2016).

Beyond Alaska, Rogoff and the Dispatch rose to prominence across the larger Arctic community through the now annual Arctic Circle conference hosted in Reykjavík. Co-founded with then President of Iceland Ólafur Ragnar Grímsson, the goal of this conference was to expand the conversation on Arctic issues. Now in its third year, the Arctic Circle is attended by political and business leaders from around the world. While environmental activists, academics, Indigenous representatives, and other stakeholders are invited and do participate, the interests of large corporations and business delegations organised by national governments take precedence. From personal experience, although billed as a means to expand dialogue on Arctic issues, the Arctic Circle (and other large conferences on the region), provide little to no time for questions, preventing a critical engagement with the subjects being discussed. These large regional conferences have become, for all intents and purposes, another form of marketing for corporate interests supported by national governments.

Both the Alaska Dispatch and the rise of corporate conferences are examples of wealthy interests controlling the space for information-sharing and debate on Arctic issues. If the most widely read newspaper in Alaska willingly hamstring its own ability to be influential and has close ties to both the political and business elites of the state, it suggests a limiting of the debate to terms set by the dominant historic bloc. Similarly, despite their stated goals, the Arctic Circle limits debate by devoting the major plenaries to corporations and heads of state, while academics and activists are relegated to small breakout sessions. In both cases, the interests of the historic bloc are shielded from critique in forums that are normally thought of as being specifically designed for the purpose of holding those in power accountable.
Increasing inequality

Some of the by-products of disciplinary neoliberalism include increasing inequality, the fractionalisation of labour, and the prioritisation of elite interests (Gill 2003; Bieler 2003). This should be visible not only in terms of increasing income inequality, but also in the socio-economic problems associated with inequality ranging from substance abuse to homelessness. According to Gill, this should also disproportionately affect women (2003). As information on these points should be readily available, if there were no indications of these trends being present it would be a significant blow against the theory.

Dismantling of welfare systems

Synonymous around the world with their universalist welfare systems, the Nordic model is built upon free market capitalism moderated by collective bargaining and comprehensive welfare policies. Given these strong social-corporatist leanings, and the significant public support for this approach, neoliberal policies would seem a strange fit for the region. Nonetheless, several scholars have traced a neoliberal shift in these countries (see Abrahamson 2010; Dahl 2012). Explaining this apparent contradiction, Kuhnle describes the emergence of a “post-welfare state” where subsidies are less generous and provide for a different range of provisions (2000, 118). In light of the region’s traditional dependence on public services and transfer payments, this selective dismantling of the welfare system is leaving northern communities increasingly vulnerable (Duhaime 2004, 81).

As much was confirmed by a study entitled “Neoliberal governance, sustainable development and local communities in the Barents Region.” In their findings the nine researchers demonstrate how five communities in Norway, Sweden, Finland, and Russia have been affected by the shift to a neoliberal form of governance that focuses on the industries highlighted in their respective national Arctic strategies. They conclude that neoliberal policies have taken hold and that they are in part to blame for the rising poverty and inequality of the Barents region (both vis-à-vis other parts of the country and within the
Barents region itself), as they “make natural resources accessible to international actors, add local responsibilities and extend competition to all social relations” (Tennberg et al. 2014, 69).

Outside of the Nordic countries and Russia, Canada’s Arctic faces substantial socio-economic problems that are not being effectively mitigated by the welfare system. Originally set up as a means of sedentarizing and controlling the Indigenous peoples in the region, the welfare system imposed by the Canadian government led to feelings of disconnect from the land, dependency on government services, and a rise in social problems ranging from alcoholism to unemployment (Légaré 2008, 101). While it is fair to say that this colonial legacy is at the heart of many of today’s issues, recent attempts to reform the system along neoliberal governance principles have exacerbated problems. One study, for example, found that the roll back of federally sponsored social and affordable housing programs, the privatisation of the housing market, and the centralisation of northern communities completely failed to address the problems of homelessness in the North and that the status quo they have created is “ineffective, costly, and damaging to individuals and communities” (Young and Moses 2013: 18).

It appears that welfare systems across the Arctic countries are all facing similar pressures to reform along the lines dictated by models of neoliberal governance. This is not to say the systems themselves are necessarily comparable: someone in Hammerfest is much better off than someone in Inuvik. Though each system is unique in terms of its composition, social salience, and comprehensiveness, the erosion of services in the face of neoliberal reforms remains constant.

**Women in the Arctic**

The economic shifts in the Arctic have had important impacts on the social fabric of northern communities, in particular on women. The projects being developed are largely in the resource sector and often require labour in excess of what local communities are able to provide. Large numbers of predominantly male transient workers are brought into rural areas
to fill this gap. These “man camps” generate an informal economy of prostitution, drugs, and alcohol, leading to increased levels of gender-related violence, human trafficking, and rape (Sweet 2014). This was true of Alaska during the oil boom in the 1970s which generated a massive increase in prostitution and incidents of rape which, at the time, were already the highest in the entire United States (The New York Times 1974). Given their already precarious situation, these camps have in the past, and continue to, disproportionately affect Indigenous women (Sweet 2014, 1178).

More recently, a 2010 poll found that 37 percent of women in Alaska had experienced sexual violence, indicating that problems persist in this resource driven state. This was corroborated by another study conducted by the Federation of Natives that found that incidents of rape in Alaska was at 4 times the national level and sexual violence 12 times higher than the national average. In Canada, Pauktuutit, an Inuit’s women’s group, reported that 27 percent of women in Nunavut have been forced into sexual activity and 57 percent have suffered physical violence (McGrath 2014). The Government of Canada further estimates that only 29 percent of crimes are actually reported, with a report by the Department of Justice noting “It is truly indeed a war zone in some households, with no protection for the most vulnerable” (ibid.; see Ministers for the Status of Women for a more in-depth breakdown). The limited welfare services mean that only 7 out of 53 communities in Nunavut have a women’s shelter. And, of note, these problems are also true in the extremely progressive Nordic countries—albeit to a lesser extent—and was the subject of a major conference entitled “Arctic women against men's violence” organised by the Nordic Council of Ministers in 2009.

Across the shrinking icecap, several scholars have noted the shifting attitudes towards prostitution, and women more generally, as the former Soviet Union transitioned towards a capitalist market based system. Although they note that prostitution did exist in the Soviet Union, it was nowhere near as prolific as the post-Soviet years when Moscow emerged as a sex tourism destination for wealthy businessmen and “foreign currency” prostitution became increasingly common (Avgerinos 2006). Furthermore, Maria Lvova argues that, as this
evolved, liberalism engendered the idea in Russian society that any “real man” had the right “to have sex and to be entertained by women whether she is his wife or a prostitute” (2013, 264). These attitudes are reflected on Sakhalin Island—made famous by Anton Chekhov over a century ago—which experienced an energy boom in the late 1990s. In addition to increased numbers of foreign business leaders and mafia, a BBC report from the era noted the presence of a “small army of prostitutes” that had sprung up (1997).

Taken altogether, it appears that the main driver of many northern economies, resource extraction, appears to be systematically marginalizing women. This, combined with the dismantling of welfare systems across the Arctic, leave women—Indigenous women in particular—disadvantaged despite achieving higher levels of education, and adapting more readily to a changing Arctic (Morgan 2008).

**Counter-hegemonic forces and trasformismo**

Counter-hegemonic forces, as Robinson points out, are likely to arise through popular resistance movements, that is to say social forces coalescing around an anti-neoliberal agenda (for example the Seattle protests of 1999), or through elites from countries that have yet to be co-opted into the transnational capitalist class (2005, 571). As there is a high chance of seeing counter-hegemonic forces, not witnessing this would be a strong blow to the explanatory power of this theory.

Furthermore, if a historic bloc were in a position of supremacy or hegemony in the Arctic, they would seek to secure their position by co-opting potential threats through trasformismo. This process could manifest in multiple ways, such as the integration of these divergent interests into institutions dominated by the hegemonic bloc or by cultivating legitimacy by making small concessions to these groups. As this process would be difficult to observe, let alone demonstrate, if it were not present it would not deal a serious blow to the theory. On the other hand, witnessing it would lend strong support to the neo-Gramscian explanation.
**The Arctic Council**

Often lauded as being unique for including six indigenous groups as permanent participants, the Arctic Council tends to be viewed as extremely inclusive relative to other international organizations. This is made all the more meaningful given that these permanent participants are often on the other side of the debate when it comes to economic development (its relationship with environmental protection, and the benefits to northern residents) in the Arctic.

Their position does indeed appear to be a powerful one that could, in theory, translate into substantial influence over Arctic affairs—in particular with respect to domains where Indigenous peoples have extensive experience and regional issues. This is reinforced by the consensus based decision making process at the heart of the Arctic Council as it could give the permanent participants more leverage. This narrative is often picked up by the media and enjoys some currency among scholars who have pointed to how this model could be a means through which to empower Indigenous groups elsewhere in the world (for example, see Koivurova and Heinämäki 2006). This narrative is also echoed among the permanent participants themselves. In the words of the vice president of the Saami Council, Olav Mathias Eira: “we the Saami have almost the same power as the US [in the Arctic Council]; we just lack the money” (quoted in Plaut 2012, 203).

When put under careful scrutiny, however, this power does not appear to be as strong as it is portrayed. Indigenous groups are hampered by a lack of funding as no central funding mechanism exists. Suggestions to implement such a mechanism have stagnated as it is clear that states prefer the existing setup (Gamle 2015). This ultimately means that if the permanent participants lack their own resources, they are entirely dependent on their regional or national governments for funding. This limits their ability to participate meaningfully in basic Council activities let alone exert influence over Council decisions (Munk-Gordon Arctic Security Program 2012). Beyond this economic impediment, indigenous groups are also politically subordinated. Illustrative of this, the Russian Association of Indigenous
Peoples of the North (RAIPON) was suspended (temporarily, until all the Senior Arctic Officials, including the Russian one, objected) by the Russian Ministry of Justice in a move that many have speculated was in retaliation for RAIPON's opposition to resource extraction in Siberia.

This co-opting of groups that might oppose the neoliberal agenda is not limited to indigenous groups, but instead extends to other potential challenges to the established order in the Arctic: NGOs and non-Arctic states. In this the Arctic Council has also been successful. By including the World Wildlife Fund (WEF) as one of the initial observers, the Arctic Council shielded themselves from critique and boosted their legitimacy among certain environmental groups. This effect may be tampered by reoccurring accusations that the WEF is already one of the most corporate-friendly environmental NGOs (Glüsung and Klawitter 2012) and the reluctance to admit more radical environmental organisations such as Greenpeace.

Mirroring this process, the Arctic Council has admitted a dozen non-Arctic observer states. In a statement following the 2013 addition of six non-Arctic observer states Carl Bildt, the then Swedish Foreign Minister, outlined how this was a de facto recognition of the pre-eminence of the sovereignty of the permanent members in the Arctic (Lee Myers 2013). This is not to say that this precludes the elites from these non-Arctic countries seeking influence through other means, but it does minimize the possibility of an alternative institution being set up in opposition to the Arctic Council. It also funnels the potential financial and political boons brought by these non-Arctic states through the channels delineated by the dominant classes, such as trade and foreign investment. Significantly, new observer states include China and India.

This appears to indicate that the Arctic Council is a sophisticated instrument for the dominant historic bloc to assimilate counter-hegemonic forces. The illusion of power is given to groups who threaten this hegemonic project both in order to pacify them and to legitimize the institution. The fact that the Arctic Council is seen as so inclusive is what makes it such a powerful yet subtle tool. What’s more, many believe it to be true. Even among indigenous
leaders who feel that they are being marginalized in the Council, such as the President of the Inuit Circumpolar Council Canada, Duane Smith, they nevertheless feel the need to “continuously re-demonstrate [their] role and [their] position on the Arctic Council” (quoted in Rynor 2011).

In this way the Arctic Council has been successful in assimilating potentially dangerous forces, as even those who criticize it for marginalizing them feel compelled to continue participating, as opposed to potentially setting up an alternative to challenge the dominance of this institution. Their continued adherence further legitimizes it. Despite this, the Arctic Council being a science based organisation originally founded for environmental protection, does appear to be less dominated by the neoliberal agenda than more recent institutions. Mary Simon, the Inuit leader who championed the creation of the Arctic Council, warned in a commentary carried in the Globe and Mail in 2015 that this could still all change depending on what path future Chairmanships pursue.

**Royal Dutch Shell in the Arctic**

The recent decision by Royal Dutch Shell not to drill oil and gas in the Alaskan Arctic is an excellent example of social forces coalescing behind an anti-neoliberal agenda. After a lengthy campaign by environmental and indigenous activists that involved everything from “kayaktivists” taking over Seattle's port in protest, to Greenpeace tailing Shell's contracted oil rig across the Pacific Ocean, the announcement by Shell was hailed as a major victory for social justice and an unprecedented defeat for “big oil.”

Contrary to the narrative promoted by these ecological activists, business analysts familiar with the situation have noted that, though the reputational damage caused by the anti-drilling campaign may have factored into their decision, the decisive factor was that it ultimately was not profitable due to insufficient finds and the low price of oil. As Shell's top executive Ann Pickard explained, offshore Arctic oil extraction is only competitive when oil is at $70 a barrel and reasonable at $110 a barrel (quoted in Barrett 2015). This is a far cry from
prices that remain below the $50 mark. Shell knew going into this venture that it would in all likelihood not be extracting oil from the Chukchi Sea in the near future given the price of oil and the challenges of operating in the North American Arctic. Instead, as Michael Byers points out, the value was that “the stock prices of publicly traded oil companies, such as Shell, are partly based on their reserve ratios – that is to say, the difference between the amounts of oil they are currently exploiting and the amounts they have found but not yet tapped” (2015). If Shell had been able to prove they had access to massive Arctic reserves it would have proved worthwhile, instead they pulled out in light of insufficient findings.

The official corporate line, while conceding the economic factors, was the “unpredictable federal regulatory environment in offshore Alaska” (Shell 2015). This was seized upon by prominent political and business figures, notably the high-profile Alaska Senator Lisa Murkowski, who called for a “sensible regulatory system” designed to promote the growth of the energy industry in Alaska as “America should lead the way” (quoted in Henry 2015). Couched in rhetoric of the common good, here the transnational capitalist class is not only promulgating their hegemonic project but they are also framing the debate in a way that will further their agenda: government regulation is seen as an impediment to growth which, in turn, harms America.

**Clash of globalizations: Russia and sanctions**

Another example of what many have taken to be a defeat for big business in the Arctic, in particular large multinational oil and gas companies, is the sanctions regime placed upon Russia by NATO and EU member states in the wake of the annexation of Crimea (which covers all members of the Arctic Council, obviously excepting Russia). One explanation could be that the Russian elite have yet to be fully incorporated into the dominant historic bloc. As previously mentioned the transnationalist capitalist class “continues for the most part to take the geographically specific form of an Atlantic ruling class” incorporating North America and North-Western Europe (Carrol 2009: 60).
Following the collapse of the Soviet Union, an oligarchic class emerged that quickly moved to seize as much as possible of the industry, resources, and infrastructure possible. Content to simply agglomerate their varied possessions, these businesses were not well run and faced profitability problems before being systematically dismantled by Putin beginning in the early 2000s. Following on the heels of the collapse of the first wave of oligarchs, a new “state oligarch” emerged. As Richard Sakwa puts it: “business was now taken out of politics, [and] politics entered ever more decisively into business” (2008, 188). This convoluted evolution has created a complex intersection of pre-Soviet, Soviet, and post-Soviet economies. Capitalist ideas of private property coexisting alongside alternative economic logics, such as those practised by Indigenous reindeer herders in the Arctic, is emblematic of the Russian experience (Pavlovskaya 2013, 1295).

Nonetheless, the Russian state-civil society complex has embraced neoliberal ideals, but within the context of a crony-capitalist form of state, and integrated the country into the global division of labour. When it comes to the Russian Arctic, this process has been relatively slow and has centred around a two-pronged strategy of developing the vast resource potential of Russia’s North (the USGS report placed a majority of resources in Russia’s exclusive economic zone) and developing the Northern Sea Route into a viable shipping corridor (Klimenko 2014).

Russian state oligarchs thus cooperate with the West when it is convenient, such as in Arctic offshore extraction where they require technology transfers from American and European corporations, but promote their interests in competition with Western ones both domestically and in their near abroad when it is not (Rigi 2005, 203). And although there is close cooperation between Russian and Western elites on some issues, the seriousness of the violation—the conquest and annexation of Crimea—could have been perceived as too threatening to the neoliberal order. In this way, punitive measures were made possible by the fact that Russian elites are not part of the current historic bloc, and required by the severity of the transgression.
Another aspect of this story is the ways in which corporate interests have remained shielded, albeit in a limited fashion, from the effects of sanctions through the various loopholes and exceptions in the sanctions regime that allow business to continue. An example of this is that oil and natural gas remain exportable without constraint. This seems to be overshadowed in the news by several high profile examples of sanctions, for example Exxon putting a $700 million project with Rosneft on hold. The reality is that both European and US companies are still able to bid and work in Russia's Arctic as sanctions do not apply to foreign subsidiaries. For example Schlumberger Ltd., the world's largest oil services company, is based in Houston but maintains a Russian subsidiary that is still actively bidding on projects in Russia's Arctic. Schlumberger has bid on other projects alongside another Texan company, Baker Hughes Inc., in the region using its Panamanian subsidiary (Khrennikova and Lemeshko 2015). More recently, General Electric and Rosneft have announced a long-term cooperation programme for joint manufacturing; Boeing and Volga-Dnepr Group, a leader in cargo transportation, have signed a memorandum of understanding for 20 airplanes; and Shell, Gazprom, E-ON and OMW signed a joint venture to construct a massive Russia-EU gas pipeline (Johnsson 2016; Marson 2016).

Another gaping hole in the sanctions is that a firm can only be blacklisted under EU and US sanctions if a sanctioned individual or group controls a 50 percent stake or more. Illustrative of this, Sogaz, a firm originally set up by Gazprom to provide insurance to other Russian companies that then re-insures its risk in Western markets, should have been sanctioned because of the majority ownership of two blacklisted firms: Rossiya Bank and Kordeks. Instead, Rossiya offloaded 16.2 percent of its shares to a subsidiarity of Gazprom which brought it below the 50 percent threshold two days before the cut-off date, allowing it to escape sanctions. In a similar example, Gunvor, a massive oil-trading firm co-owned by shell companies belonging to the sanctioned Russian billionaire Gennady Timchenko and the Swedish businessman Torbjorn Tornqvist, restructured the company and successfully avoided sanctions—despite US insistence that Putin had an undisclosed interest in the
company (The Economist 2015).

It is also interesting who was excluded from the sanctions regime. The Canadian sanctions regime, for example, was labelled by the Harper government as among the toughest in the world yet failed to sanction Vladimir Yakunin, a Russian railway tycoon with close ties to Putin and on-going agreements with Quebec's SNC-Lavalin, the Railway Association of Canada, and Bombardier. Records show that top Bombardier officials lobbied Ottawa while the sanctions policy was being developed, with six meetings registered with Canada's official registry of lobbyists. Canadian sanctions against Rosneft, who owns 30 percent of the Cardium Formation oil project in Southern Alberta, are similarly weak. Ultimately the sanctions are just smoke and mirrors: they give the illusion of action but protect the interests of big business.
Chapter VI: Conclusion

It appears that there is evidence supporting a neo-Gramscian explanation of cooperation in the Arctic. The strategies and policies deployed in the region espouse a neoliberal understanding of development that suggests a conscious effort to spread market civilisation. This process has been accompanied by the narrowing of democratic participation and accountability, be it through media censorship or by creating separate economic institutions shielded from the public’s gaze. Further evidence of the neoliberal presence in the region are the socio-economic problems that stem from the inequality induced by neoliberal policies (often compounded by the legacy of colonialism). And, while the dominant historic bloc appears to be in a position of supremacy in the region, and is managing to co-opt some elements of resistance, other counter-hegemonic forces have avoided trasformismo. While the main regional force that has yet to be fully co-opted remains the Russian state oligarchs, other groups include more radical environmentalists such as Greenpeace and elites from non-Arctic states, such as China or India, that do not form part of the dominant historic bloc.

This analysis was not without its weaknesses, however. In some cases the evidence suggested a link that was far from a smoking gun. This was true of the neoliberal bias of the Arctic Council, a scientific organisation originally founded for environmental cooperation. While present to a limited extent, the Arctic Council’s role in the spread of market civilisation does not appear to be an important one. Moreover, the space limitations of this project are such that the surface can only really be scratched; perhaps a larger study involving a more comprehensive treatment of more examples would find much stronger support, perhaps not. Legitimate complaints could also be raised concerning the use of theory. While I believe that furthering the conversation on the Arctic merited using this approach purely for descriptive purposes, issues could be raised as to the divorce of neo-Gramscianism from its underlying emancipatory project.

Going forward there are many avenues to explore. The role of Russian state oligarchs in the
Arctic (and more generally) needs to be examined. Currently they are cooperating with the West in the Arctic, but at what point do they decide to challenge the dominant historic bloc or, alternatively, become fully co-opted into it? The same questions also apply to non-Arctic elites from outside the current historic bloc that are increasingly seeking a foothold in the region. Another avenue involves integrating a broader diversity of cases. This analysis focused heavily on extractive industries due to their important influence in the region and the sheer quantity of information available. Convincing arguments could also be made for other Arctic industries such as tourism, to name but one example.

Ultimately, while it may be premature to say that an emerging transnational capitalist class promoting a neoliberal agenda has achieved hegemony in the Arctic, it is clear that they are quite present in the region. This lends credence to a neo-Gramscian explanation of the cooperation occurring between countries that remain at odds elsewhere. Furthermore, in the same way that the Arctic is the canary in the coalmine of climate change, the region also offers a window on the ebb and flow of competing historic blocs. That cooperation reigns is not to say that there are no conflicts between the current disciplinary neoliberal historic bloc and emerging ones, or that relations will not deteriorate in the future. The Arctic still very much has the potential to be an ideological battlefield: the presence of counter-hegemonic forces have made it clear that the neoliberal vision of the Arctic is not the only one.
Bibliography


Byers, Michael. 2016. “Arctic Cooperation, the Ukraine Crisis and Complex Interdependence.” Vancouver, BC.


Loukacheva, Natalia. 2015. “Canada’s Arctic Council Chairmanship a Substantial Success.” Calgary, AB.


“National Strategy for the Arctic Region.” 2013. Washington, DC.


