

**BARENTS  
STUDIES**

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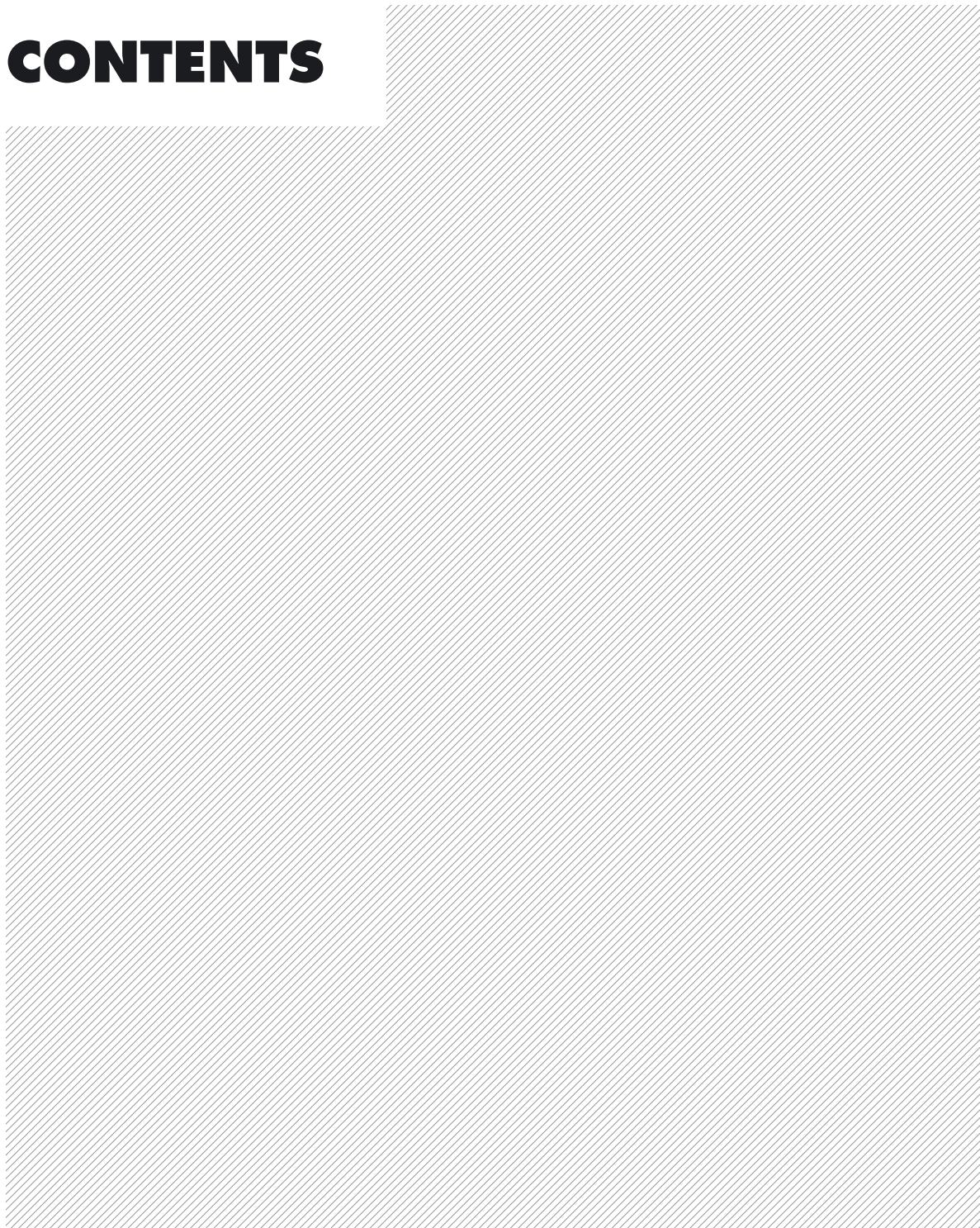
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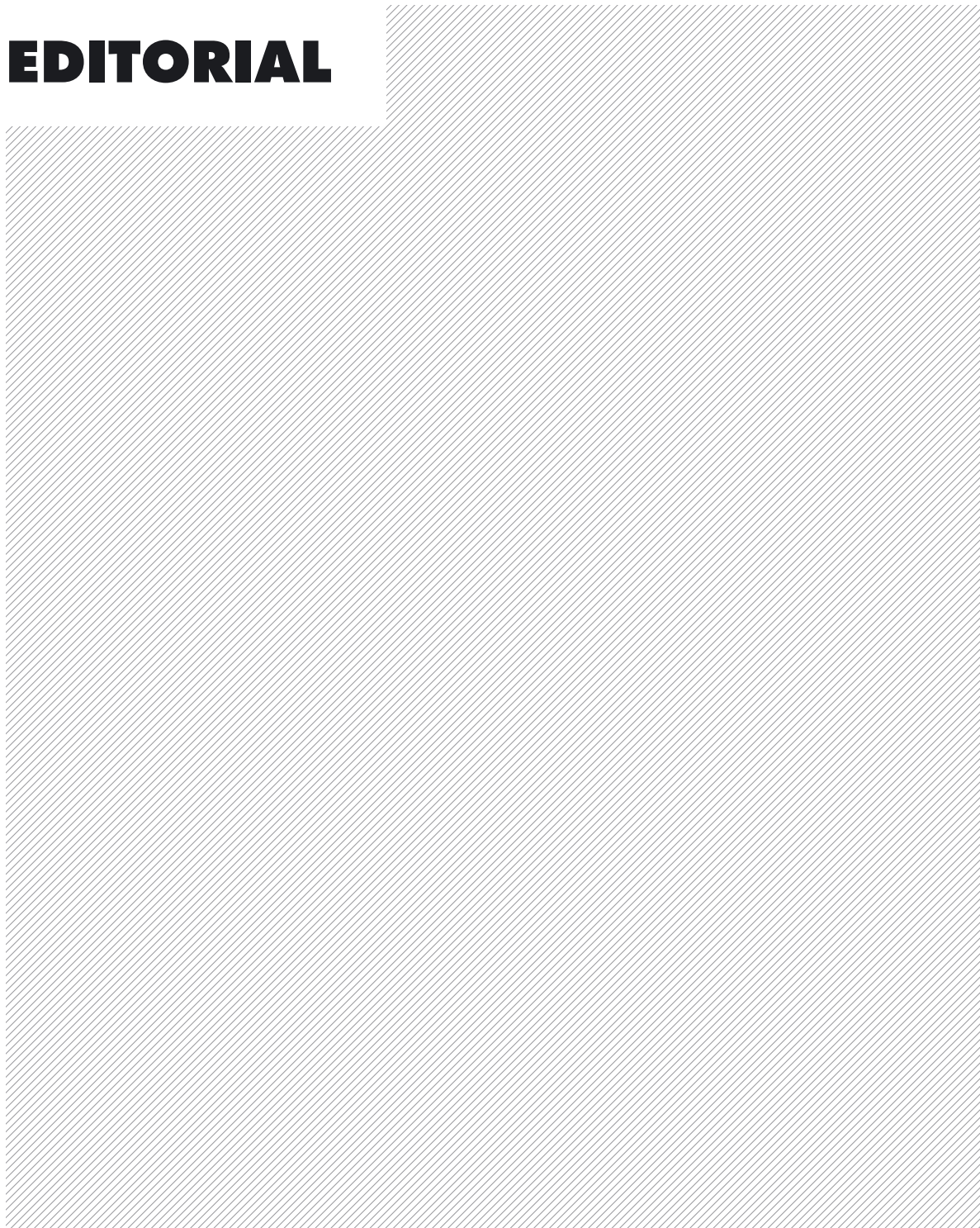
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# EDITORIAL



# On the way

**LARISSA RIABOVA** *Chief Editor of the second issue*  
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The second issue of Barents Studies has been published. The new journal is on its way to becoming a viable international collaborative forum for research-based knowledge about the Barents Region. This issue brings together authors from all the member-countries of the Region: Finland, Norway, Russia and Sweden. Through cooperation with the authors and reviewers, we come closer to reaching the goal of creating value out of the diversity of thought stemming from our various cultural, socio-economic and academic backgrounds.

The general aim of the journal is to discuss the Barents Region from the point of view of sustainable development. In this issue the articles and other materials cover the social dimension of sustainability, either directly or indirectly. The rise of interest in social sustainability, in contrast to the times when more attention was paid to environmental or economic aspects of sustainable development, is a significant trend of the last decade. The need for a paradigm shift that brings more attention to people and their role in development is increasingly being recognized. An emphasis on social sustainability is the only way to realize sustainable development, since it takes into account both social development and social processes that transform behaviour and make changes in the economic and environmental spheres (United Nations Commission for Social Development, 2013).

By now many definitions of social sustainability have been produced. They include such aspects as peace, social justice, reducing poverty, and many others. The definitions differ; however, they all share certain key elements that are decisive for an understanding of the concept. These elements are people and their need for a good life – both for those who are living now and those to be born even in the remote future – and ways to achieve their desires. The cover of this issue is the first-prize photograph in the journal's photo contest "My Barents Region"; it is by Irina Nazarova from Petrozavodsk. A child is sitting in peace on the northern seashore, unafraid of a huge ocean-going vessel cautiously approaching the coast in front of her. We believe that this picture creates associations which bring us to the core of social sustainability.

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The contributions to this issue revolve around the theme of social sustainability in the Barents Region. The first article, by Associate Professor Sonni Olsen, Dean of the Faculty of Humanities, Social Sciences and Education at the University of Tromsø, deals with the role of language in border relations. The author investigates how border contacts between Norway and Russia in the high North affect the development of the two neighbouring languages and the identities of the people in the region. In the following paper, researchers from several institutions in Finnish Lapland – Rainer Peltola, Ville Hallikainen, Seija Tuulentie, Arto Naskali, Outi Manninen and Jukka Similä – address the phenomenon of social license as a prerequisite for social sustainability. From this perspective they discuss organized berry picking by foreign seasonal workers in the context of local traditional rights in Northern Finland. Irina Atkova and Hanna Alila, doctoral students at the University of Oulu, explore, in their article, the concept of a trade development strategy and its impact on cross-border trading between Murmansk Region and Finland. Vladimir Dyadik, PhD (Econ.), the Acting Head of the Kirovsk City Administration in Murmansk Region, communicates his practice-driven research on strategic planning at the municipal level. He analyses the challenges to its development in Russia through the prism of local self-government practices in the Nordic countries.

This issue contains a book review of “Science, Geopolitics and Culture in the Polar Regions: Norden Beyond Borders”, edited by Professor Sverker Sörlin at the KTH Royal Institute of Technology in Stockholm; the review is by Hanna Lempinen, a researcher at the University of Lapland. And we continue with our series of “academic selfies” of young researchers from the Barents Region. There are four brief, inspiring essays about the subjects’ research and more.

In the moment of turbulence that our world is facing today, it is important to remember that the Barents Region is a region that has managed “to transfer a barrier into a bridge” (T. Stoltenberg, 2011). We believe our common work helps make this Barents bridge stronger.

We thank the authors for their efforts, and the peer-reviewers for the high-quality voluntary work they have done in providing thorough feedback to the authors.

Warmest welcome to the second issue of *Barents Studies*!



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Visit our website: [www.barentsinfo.org/barentsstudies](http://www.barentsinfo.org/barentsstudies) for more information.

If you have suggestions that would improve the journal, please contact us. The email address for the editor of this issue is: [larissar@iep.kolasc.net.ru](mailto:larissar@iep.kolasc.net.ru).

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# ARTICLES

# How Neighbours Communicate: The Role of Language in Border Relations

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## ABSTRACT

This paper reports on a study of the linguistic situation in the border region where Norway meets Russia in the north. The aim of the study was to investigate language use when contact is revitalised after a long period with closed borders. The Norwegian and Russian languages are very different in vocabulary and structure, which makes communication difficult. How are the two languages affected by extended contact and migration across the border? The study was carried out by the author and Marit Bjerkeneg through interviews, a questionnaire and observation of the linguistic situations in two Norwegian communities. The results show an ongoing development where the neighbouring language is increasingly noticeable, and there is a clear link between attitudes, identity and language use. The role of public policy seems to play an important role for the developing linguistic situation, as the Barents region as a political concept introduced in the 1990s has led to cross-border contact within various fields and also inspired local language policy, contributing to cultural pride and changing attitudes.

**Keywords:** neighbouring language, border regions, attitude, identity

## INTRODUCTION

The border between Russia and Norway was closed for nearly all of the 20th century, causing limited contact between people on opposite sides of the border. Different cultures and very different languages in two countries with unequal political and economic systems developed throughout this time. The former links between the peoples seemed to be forgotten, but since the reopening of the border in recent years there has been tremendous development. New cultural contacts have been established through

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festivals, concerts, and arts projects, the participants of which are various amateur and professional groups. Local and regional authorities have met to work for cooperation and increased understanding. Scientific research is now carried out in cooperation between Russian and Norwegian partners. Business development and entrepreneurship across the border can also be seen, in spite of numerous challenges.

Our study focuses on one part of the Barents region, the border between Norway and Russia, and the towns of Kirkenes and Alta in particular. Border studies are often cross-cultural studies representing a multidisciplinary field; they involve sociology, anthropology, economy, history and linguistics (Hofstede 2001). Even though language can be said to be the most recognisable part of culture, it is not often the focus of research on border regions. However, no activity across borders can succeed without language proficiency. In the Russian-Norwegian border region, contact between people in private, business and official contexts involves the use of a language that is foreign to one or both parties. Knowledge of foreign languages is a crucial factor when it comes to successful communication and cooperation (Byram et al. 2001, 2003; Hofstede 2001). However, language is often a major cause of cultural clashes.

The main research question of the present study aims at finding out how languages are used in communication in various areas of social life between Russians and Norwegians in the border region. We have studied how border contact affects the development of the two languages, Norwegian and Russian, and how language use is linked to perception of identity among people in this region.

Although Russian is studied in Finnmark County in Norway, and Norwegian in North-West Russia, there is little knowledge about the effect of language studies and language teaching on both sides of the border. No studies have been carried out to gain knowledge on how the cultural component integrated in language teaching may have an effect on attitudes towards neighbours and cross-cultural communication. This is also a general concern in many border regions. The Council of Europe's Committee of Ministers (Rec. 2005-3) recommends that governments encourage people involved in local and regional affairs to promote greater awareness of the importance and value of familiarity with the language, culture and society of neighbouring regions.

## THEORETICAL BACKGROUND

The theoretical framework for this study comes from sociolinguistics (Romaine 2000; Holmes 2008). In sociolinguistics language is described in terms of how social contexts affect the use of language. One central concept in sociolinguistics is code switching, which refers to the practice of putting together elements from different languages so that two language systems work together. This can be done as a signal of belonging or solidarity, or to show knowledge of some of the other person's language. Code switching can also be the result of not knowing either language well enough, but in this study all informants speak either Norwegian or Russian as their first language.

The study is also inspired by linguistic anthropology, which can be briefly defined as the study of language as a cultural resource and speaking as a cultural practice (Duranti 1997, 2). Linguistic anthropologists often work in small communities and study how people participate in social activities that involve linguistic expressions, but the research is not limited to that. The linguistic anthropology approach is familiar to the researchers taking part in the present study, as we have examined how people from both countries relate to each other in various situations. Studying language use in a border region involves concepts like bilingualism, biculturalism and transfrontier identity (Comm. of Ministers Recommendation 2005, app B1i). Especially among families where both cultures are represented, it is interesting to find out how the languages are used in everyday situations. Mixed marriages are very common on the Norwegian side of the border, and some of these families have been included as informants. However, other inhabitants near the border can also be expected to make use of both languages and thus build a specific identity as citizens on the border between two cultures. The notion of a Barents identity has been used by politicians and other advocates of international cooperation on this border, but it is not clear what exactly is implied. Language is closely connected to culture and is the supreme expressive component of identity (Paasi 1996, 47), and language provides a context for national socialisation (Paasi 1996, 54). Learning new languages can be expected to contribute to the formation of new identities. The participants interviewed in this study include both people who have learned the language of the neighbouring country and people who have not. This makes it possible to compare people's experiences with language and identity and relate these experiences to language learning.

Cross-border communication is dependent on communicative competence (Chomsky 1965), i.e., the ability to share in conversations and to understand what is going on and which behavioural norms are appropriate. There is not necessarily a need to know each

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other's grammar, but social knowledge is essential for membership in a community. The opening of the border has given Norwegians and Russians opportunities to learn more about each other's culture and to develop their communicative competence. There are a number of examples of cultural events where participants from both countries work together, and there are also people who live permanently on "the other side".

## **METHODS**

The present paper describes a qualitative study in which the main method of collecting data was through semi-structured interviews. The selection of participants was made firstly from quite a narrow and specific group, namely individuals known to have cross-border experience. This could be either because they have moved permanently across the border or because they travel across it regularly for various reasons. Secondly, a wider selection of people was interviewed, consisting of groups representing different professions, age, and gender. Some of these had cross-border experience, whereas others did not. The total number of interviewees was 40. The participants live in two small towns: Kirkenes is a real border town, and Alta has a large Russian population and many people who travel across the border for cooperation in business, public management and cultural exchange. The rationale behind the selection of participants in a combination of wide and narrow random selection (Sørnes 2004, 77) is that the collected data will enable the researchers to compare and contrast language use. The narrow sampling is expected to produce participants who are reflective on interaction across the border, whereas the wider sample of informants may include people of different fields who are not members of the "Barents elite" (Viken et al. 2008). This term is used for people in the Kirkenes area who participate in various official activities in the Barents region. However, people not belonging to this elite may still have more daily communication with their neighbours. By using a combination of wide and narrow sampling, data will be collected from similar, but different people in the border region. This method of selecting participants is thus in accordance with Glaser and Strauss (2008), who recommend selecting participants both for their similarities and their differences.

Considering the increasing number of Russian citizens living in Kirkenes and Alta, one would expect different institutions and employers to have a strategy to meet this situation. It may be problematic to have to deal with two languages if the organisation is not prepared, but advantageous if users of the second language are considered to be an asset. Language use and language policy in public management and semi-public



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business have been investigated through the use of a questionnaire that was distributed to leaders of about 20 organisations in the same two towns. However, only a few chose to reply; thus it is not possible to draw any reliable conclusion on the basis of these data. Data were also collected through observation of linguistic interaction, especially by taking part in the cultural festival Barents Spektakel in Kirkenes. This is a bi-annual cross-border festival where artists and audience from different countries meet, and the border is often a central theme.

Grounded theory has been used in the analysis of the main data, observation notes and transcribed interviews. Our study does not start with a presupposition, but is rather aimed at creating a theory through empirical study (Corbin and Strauss 1990). The main idea of grounded theory is to work towards a theoretical understanding of phenomena through collection and analysis of empirical data. The theme of investigation is quite complex, in that it involves human opinions, attitudes and interaction. Grounded theory is well suited to capture complexity (Locke 2001, quoted in Sørnes 2004). Corbin and Strauss (1990) claim that grounded theory is suitable for the study of phenomena that are continually changing in response to evolving conditions. Grounded theory seeks not only to uncover relevant conditions, but also to determine how the actors respond to changing conditions. This is relevant for the present study.

As researchers we have not approached the field with no expectations, as was originally demanded by advocates of grounded theory. Observations across the years had already made us curious about questions of language use and change. Labelling and coding our data has enabled us to arrive at a theory. In short, the process of interviewing and analysis was carried out as follows: the first six interviews were carried out using an interview guide with quite open questions to let the participants tell their own stories. In the first analysis of these interviews, open coding was used in comparing the information in the interviews. This information was sorted into approximately ten concepts including integration vs. segregation, generational differences, communication, code switching, language use at home and at work, language change, and language as a door opener. We grouped these concepts into categories which were compared with the information from the following interviews. The analysis thus developed from dealing with a wide range of categories in the first phase to selective coding into three core categories: language use, attitudes to language, and language and identity.

## RESULTS

### *Language use*

The Russian language has become more and more prominent in the border town of Kirkenes, and there is obviously a political willingness to facilitate the maintenance and development of the language for the Russian part of the population. There are Russian-speaking day care workers and shop assistants, and one bank uses the presence of a Russian-speaking employee for PR purposes. Proficiency in Russian is a qualification that is sought after, for example, when the local newspaper hires new journalists. The library in Kirkenes has three Russian librarians and is the national resource for Russian literature. All the street signs in the city centre are in both languages. There are numerous other examples of how the Russian language is used in the community; in fact, Kirkenes can be said to have two languages functioning side by side. Some of the informants even expressed the concern that this may lead to the isolation of Russians, as they do not need to learn Norwegian and will thus not be properly integrated into the Norwegian society. This is quite a new development, as Russian immigrants are generally known to put a great deal of effort into learning Norwegian. If it is true that Russians are less integrated now than during the first period after the opening of the border, it is a result that definitely was not intended. The local language policy in Kirkenes has been to promote the Russian language and mark the town as a border town and a home for Norwegians, Russians and people of other nationalities.

In spite of this politically accepted language policy, the questionnaire sent to various organisations did not return answers that showed a clear policy on language in these organisations. However, Russian-speaking employees are seen as an asset in that their language competence is an advantage in dealing with clients or customers who are not proficient in Norwegian. The situation seems to be identical in Kirkenes and Alta in this respect.

When it comes to the presence of the Russian language in Alta, the situation is quite different. The Russian language is not as prominent as it is in Kirkenes, although one can find Russian-speaking employees and business managers all over town. They may speak Russian to each other, but Norwegian is preferred. Most Russians have found it important to learn Norwegian in order to live and work in Norway, as the following two stories illustrate:

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*You understood that when you started to master the language, you made friends and acquaintances, everything became simpler; you could apply for a job and earn some money. Everything was more fun. You understood that language is very, very important.*

*“Alexandra”*

*I had such ambitions when I came to Norway. [...] I thought that everybody spoke English. I could work as a teacher immediately, I could teach mathematics anywhere. I spoke English for two years, didn't get any job – no Norwegian. I don't call it discrimination any more.*

*“Victoria”*

Very few Norwegians on the Norwegian side of the border have learned Russian properly, although in Kirkenes and Alta it has been possible to study the language for many years. It is obvious that Russians living in Norway need to speak Norwegian in all social areas of life in order to be understood. In bilingual families where one of the parents is Russian, both languages are used. In practice, this generally happens as follows: the mother speaks Russian to the children, and the father speaks Norwegian. The two parents speak Norwegian to each other, but their everyday language also contains Russian vocabulary denoting typical cultural content like food or traditions.

In business where Norwegians and Russians work together, Norwegian is reported to be used most of the time. However, English seems to be preferred when dealing with international partners. The choice of language used in this border region has changed over the years, and in the following section this phenomenon will be discussed in an attempt to analyse what has happened.

### ***Attitudes to language***

In the first few years after the opening of the border, there were a number of problems related to Russians in Norway. The key words were theft, prostitution and dubious financial transactions, most of which were related to the enormous economic challenges in Russia. The attitudes among Norwegians in the North towards their Russian neighbours were accordingly negative, and these attitudes were reflected in attitudes towards the language. Over the years the conditions have changed, and the terms have become more equal. One of our participants explains this change in the following story:

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*During the first period when I was here as a student, we used to be afraid of speaking Russian openly, because we might be approached as “prostitutes”, especially by drunk men. Or we might be followed closely in shops, suspected of being thieves. When I came back after a few years to visit, some of my friends shouted hello to other Russian friends in the street. I said, “Hush, don’t shout!”, and they didn’t understand why I was nervous. Then I realized that things had changed, Russian was okay.*

The participants in the present study underline this positive story and seem to have a positive attitude towards Russians and Russian language and culture. In Kirkenes especially, people said they were proud to live “in Kirkenes, close to Russia”. The fact that it is easier now to travel between the countries seems to have changed attitudes:

*With my visits to Russia, my view of Russia has changed a lot – it is a rather “cool” country; there is development there.*

*(Concerning the language:) Fun to understand, a pity we didn’t start to learn it earlier.*

People go to Russia for the weekend and think highly of this possibility, but there are also informants who think the country is a bit scary, because it is so different.

In general, Russians are looked upon as very clever, hard-working and apt to learn well, and they know a lot about art and culture. In small communities successful individuals are noted. When some of these are Russian, this can have an impact on attitudes towards Russians in general. Our material contains several examples of such role models in business and performing arts in particular.

Russian attitudes towards Norwegian language and culture have not been very evident in this study, although there are some comments on differences between the two languages. Russian is perceived by Russians as a much richer language than Norwegian, a language that reflects the culture and literature of the country. However, there is a great interest in learning Norwegian. Some of the informants report that they were advised by their mothers to start learning Norwegian while still living in Russia, as the language was seen as a door opener to the West.

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Changing attitudes seem to be reflected in the use of the languages in the border region. Even if one does not know much of one's neighbour's language, one tends to use a few words. As some of our informants put it: "To say hello is the minimum" and "I use the language a bit."

It is quite common to greet others in the other language, to say for example "Happy New Year" or "Good morning". This is a token of participation, and is especially appreciated by the Russians, who are not in their home country. The Norwegians who do this naturally appear to have some contact with Russians, and most of them have also been in Russia.

Russians mix in some Norwegian words when they speak Russian. These are typically Norwegian words that have no counterpart in Russian, such as work permit, social benefit, and the names of various institutions. The result is code switching. In the examples below, which were taken from interviews, the Norwegian words are in bold type:

сёкать – сёкнуть  
(**å søke**)  
(to apply for )

Дай мне машину **der oppe**  
(Dai mne mashinu **der oppe**)  
(Give me the car up there [i.e., on the shelf])

Я написала **søknad**  
(Ja napisala **søknad**)  
(I wrote an application)

Она уже дала мне **beskjed**  
(Ona uzhe dala mne **beskjed**)  
(She has already given me a message)

### ***Language and identity***

In analysing our data, we found that identity seems to be a core category. This is in line with the theory of Paasi, who claims that "language is closely connected to culture and is the supreme expressive component of identity" (Paasi 1996, 47). A key question

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in our study is whether there is a Barents identity. Does the fact that people live in the high north in different countries give them something in common that creates a common identity? Our interviewees express some doubt about that, yet many of them say that we do have something in common related to identity across the border. We are Northerners living in a harsh climate, far from the capital, and we have a common history. Many of the participants in the study described themselves as citizens of the North who find it easy to identify with values that are common to people from the other neighbouring countries. Still, the main perception of identity is that of belonging to a country and speaking one's native language. One of our Russian informants claims, *"It is easier to maintain your Russian identity if you keep up the language"*.

Another explains the connection between language and identity as follows:

*I am a Russian. I can change my national identity, I can change my passport. I can change my religious identity, from Christian to Jew, for instance. But I can never change my mother tongue. For that reason I am a Russian, never anything else. It has a lot to do with language.*

This remark is interesting as it comes from a woman who moved to Norway about 15 years ago. Hers is an example of a typical life story of a Russian immigrant who married a Norwegian man. In the first years she worked hard to learn Norwegian, and her first child was taught only this language. However, with the birth of her second child, she had been inspired by other Russian women who had arrived later and who were eager to keep up their language. Therefore, her second child has learned both Norwegian and Russian and is completely bilingual. Contact with family in Russia is now maintained, and the Russian identity has not been forgotten.

Many people in the border region express the belief that the multilingual and multicultural situation is important as an identity marker. This is connected with the presence of the Russian language and the proximity to the border: *"I come from Kirkenes, right next to Russia!"*

Some of our informants are young Norwegian school students who are used to having Russians as their school mates. In replying to the question of whether the Russians are accepted, this remark came: *"Yes. When you meet them in the corridor, you do not reflect on the fact that they are Russian."*



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This could be interpreted in several ways, one of which is linked to language: they do not speak Russian, so we forget their Russian identity.

## CONCLUSIONS

The use of data analysis in accordance with grounded theory appeared to be useful in organising the diversified information in the interviews. There seem to be clear links between language use, attitudes to language, and the perception of identity. An open border encouraging more mobility has, over time, changed attitudes towards the neighbouring language and culture. There is increasing interest in learning Norwegian in North-West Russia, as we have seen that many of the participants in this study started learning the language while living at home. One major reason for the increasing interest in learning the neighbouring language is that people see that mastering the language will open doors to employment on both sides of the border. The movement across the border is mostly from Russia to Norway, but there are also examples of Norwegians who have moved to cities in the North West of Russia for work or studies. We talked to some of these Norwegians in Murmansk, but further interviews are necessary to give a good picture of how neighbours communicate on the Russian side of the border.

Cultural contact has caused some changes in the everyday language on the Norwegian side of the border. Russians who speak Norwegian tend to mix in Russian terms, and Norwegian words for typically Norwegian concepts and institutions find their way into Russian sentences. This code switching is often a token of *participation* (Duranti 1997) in a local community consisting of speakers of the two languages.

The role of language policy in the region may have an effect on the linguistic situation. The border town of Kirkenes allows for the use of the Russian language in most areas of social life. This could be the reason why Russian inhabitants and guests use their language more freely, but also why their interest in learning Norwegian may be lower. The result may be less integration into the community. Such a development has been seen in multicultural communities in many countries, but usually in large cities where different ethnic groups sometimes live side by side. However, in a small border town this is not a desirable situation, and the development needs to be followed closely. Many inhabitants addressed this challenge in our interviews, worrying that there will be less contact. In Alta, 500 kilometres from the border, the Russian language is more prominent and accepted in public than it used to be, but there is no local policy of using the language in public institutions, business or street signs.

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Political decisions play an important role in that they may lead to increasing mobility. This happened when the border was opened, and when the Barents region was established. The most recent development is the introduction of special passports for border citizens that will facilitate border crossing for inhabitants of the region. It will be interesting to see what effect this new policy will have on the development of language use.

This paper has not focused on the use of English as a lingua franca, but it can be mentioned that English is used increasingly in business across the border now that proficiency in the language is increasing in both countries. There are obvious advantages to using a common language, as one of the Russians working in Norway explained. She said that when all formal contact is in English, it saves resources, there is no need for translation, and both parties are dealing with the same text. However, there are some negative sides to using English. Communication through a third language which is foreign to both parties is far from unproblematic. The language is restricted and has a limited vocabulary, and it is not as useful in conveying culture.

The term *russenorsk* referred to a common language used in everyday communication before the border between Norway and Russia was closed in 1917. The present trends in language development show no such pidgin language appearing, although the languages are mixed and influence each other somewhat. This can probably be explained by the fact that not only tradesmen and fishermen travel across the border now, and that the two languages are used in various linguistic situations and areas of social life. However, the following little exchange from a local market illustrates that the tradition of mixing the two languages is still alive. A Norwegian customer examines a pair of beautiful hand-knitted mittens offered by a Russian woman and wonders how they can be laundered:

*Можно (Mozhno) vaskemaskina? (R: Is it possible N: in washing machine?)*

*Да, можно (Da, mozhno) (R: Yes, it is possible)*

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# Social licence for the utilization of wild berries in the context of local traditional rights and the interests of the berry industry

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## ABSTRACT

Everyman's right, as applied in Finland and other Nordic countries, allows the picking of natural products (wild berries, mushrooms, etc.) regardless of land ownership. Harvesting and selling natural products has been an important source of income in rural areas of northern Finland. As household berry picking has more or less replaced small-scale commercial berry picking, foreign seasonal pickers are now supplying raw material for the berry industry. This has aroused vivid discussions about the limits of everyman's right and inhabitants' rights to local natural resources. Critics claim that commercially organized berry picking makes it difficult for inhabitants to fully use natural resources. In this article, we present the results of a survey aimed at nature-oriented, mainly northern residents of Finland and a telephone and e-mail service to which residents of northern Finland sent feedback regarding foreign berry pickers. The results of the survey and the feedback show that, in general, organized berry picking by foreign labourers is accepted if some basic guidelines or rules are respected. These

guidelines may stem from local customary laws or traditions which have regulated berry picking. Another factor which would improve local acceptance and promote social licence for organized berry picking by foreign and non-local labourers is the distribution of benefits. At present, the advantages of organized berry picking are seen as benefiting stakeholders outside the local community, whereas local communities have to bear the costs: for example, increased berry picking activity in areas which they have utilized for a prolonged time, sometimes through generations.

**Keywords:** wild berries, berry industry, social licence, everyman's right

## INTRODUCTION

Non-timber forest products (NTFPs), also known as natural or wild products, are products of biological origin other than wood that are derived from forests, other wooded land and trees outside forests (Laird et al. 2010). The most important natural products in Finland and other parts of the Barents region are wild (or forest) berries. Berry picking is a popular form of forest multiple-use in Finland (Turtiainen and Nuutinen 2012). Everyman's right, which is applied in Finland and other Nordic countries, allows the picking of natural products such as wild berries and mushrooms no matter who owns the land on which they are found. It is estimated that approximately 60–70% of Finns pick wild berries (Mikkonen et al. 2007, Sievänen and Neuvonen 2010). Berry and mushroom picking is the most popular wilderness activity among Finns (Hallikainen 1998).

The value of wild berries purchased for wholesale trade markets ("commercial picking") varied between 5.4 and 13.3 million euros per year during 2000–2010 in Finland (Finnish Ministry of Agriculture and Forestry 2011). Household picking is not included in these numbers, but it has been estimated that the combined value of household and commercial picking may be approximately 77 million euros in years when berries are plentiful (Finnish Forest Research Institute 2010). The most important wild berries in Finland are bilberries (*Vaccinium myrtillus*), lingonberries (*Vaccinium vitis-idaea*) and cloudberries (*Rubus chaemomorus*). These three berry species represent more than 90% of commercial berry picking (Finnish Ministry of Agriculture and Forestry 2011). The Barents region is the main production area for wild berries. In Finland, the Barents region areas (Lapland and Oulu provinces) produced on average 70% of commercially picked berries during 2002–2011 (Finnish Ministry of Agriculture and Forestry 2012).

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In 2004 it was estimated that there were approximately 2000 person-years in the wild berry industry in Finland (Moisio 2004). The companies involved in the wild berry industry are small and medium-sized enterprises. The smallest companies (1–5 staff members) often act as berry-buying agents for larger companies, which typically process the berries into jellies, juices, jams, powders and nutraceuticals. Most of the wild berries picked commercially in the Barents region are purchased by a few companies, which gather large volumes of fresh berries and sell the frozen and cleaned berries to national and international industrial customers (Paassilta et al. 2009).

In the past, wild berries were an important source of income especially in remote areas of northern Finland. However, due to urbanization and the rising standard of living, nowadays less than 10% of Finnish citizens pick wild berries commercially (Mikkonen 2007). Since commercial picking by permanent inhabitants has decreased and everyman's right generally applies to foreign citizens as well as national residents, the Finnish and Swedish berry industries – especially the companies selling large volumes of frozen berries to international companies – have utilized foreign labourers in order to provide sufficient supplies of wild berries. The annual number of foreign berry pickers in Finland is nowadays approximately 4000, roughly 50–70% of them working in the Barents region provinces of Finland. In Sweden the number of foreign pickers was as high as 7000 in 2009, but by 2012 the official number of pickers had decreased to 2000 (Rantanen and Valkonen 2011). These foreign berry pickers, who are invited by Finnish and Swedish berry companies, come mainly from Southeast Asia and Eastern Europe.

Although these berry pickers come to Finland with seasonal workers' visas, they do not have a formal employment relationship. Instead, they sell the berries they have picked, usually to the company that invited them, covering their expenses (travel, accommodation and daily expenses) through part of the income they receive from the berries (Finnish Ministry of the Interior 2007; Rantanen and Valkonen 2011). In 2011, roughly 80% of commercially picked berries in Finland were picked by foreign labourers (Finnish Ministry of Agriculture and Forestry 2012). In Sweden most of the commercial picking of wild berries is also done by foreign pickers, but the pickers are employed by the company that invites them or by an employment agency which charges the berry company for the berries they pick (Rantanen and Valkonen 2011).

The use of foreign berry pickers has aroused a debate in Finland in which accusations of human trafficking, labour deprivation and the misuse of everyman's right have been presented. Furthermore, the sudden appearance of numerous foreign berry pickers in



isolated, sparsely-populated villages in remote areas has awoken controversy among local inhabitants.

The discussion appears typically in letters to the editor of local and regional newspapers and electronic message boards. In order to get a more detailed picture of opinions about foreign labourers involved in berry picking, we conducted a survey among Finns who are nature-oriented and mainly residents of northern Finland. There were two dimensions to the survey: one measuring attitudes towards the place of origin of the berry pickers (local – non-local – foreigner), and one measuring attitudes towards the purpose of the picking (household – commercial – organized commercial).

A parallel channel for acquiring data concerning the attitudes was an officially established telephone and e-mail service to which residents of northern Finland could send messages by sms or e-mail in order to give their opinions regarding foreign berry pickers. We have analyzed the central experiences and concerns which the locals expressed through this service. Qualitative content analysis of the feedback given through calls and messages to the telephone service focused on the following dimensions: the various parties involved in berry picking and the various topics that were raised in callers' statements.

The aim of the research was to find out what kind of nuances there are in opinions regarding foreign berry pickers and the utilization of everyman's right for business purposes, and whether there are factors in the respondents' background which correlate with their opinions. Another aim was to determine the preconditions which should be fulfilled in order to get social licence for the organized, industrial utilization of wild berries. Such a licence is one of the prerequisites for the social sustainability of wild berry utilization.

## **SOCIAL LICENCE AS A PREREQUISITE FOR SOCIAL SUSTAINABILITY**

Social licence to operate refers to the local community's acceptance of a company or industry which operates in the area. The idea of social licence has been developed within the mining industry, but it can also be applied to other land-users or industries utilizing natural resources (Black 2013; Eerola and Ziessler 2013). In this article we apply the concept to berry picking.

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As social licence is an informal phenomenon, its development usually occurs outside regulatory processes and formal permits (Yates and Hovarth 2013). The term *social licence* emphasizes the differences between legal permits and social acceptability or legitimacy. The basis of social licence is the benefits that the community acquires from the company or industry. As the licence is “granted” through a social process by a local or regional community, it is based on the beliefs, observations and opinions of local people concerning the activities of the industry. Social licence can appear in many forms. Sometimes it is a lack of resistance to a business, or sometimes broad support or even advocacy for the business (Yates and Hovarth 2013). Obtaining social licence requires a great deal of time and effort, and yet it is dynamic and temporary. It is not tangible if beliefs and opinions are not measured, which means it may be difficult to determine when social licence is granted and when it is not.

Social expectations partly exist independently of the prevailing regulations. Communities do not necessarily accept legal practices as such. A community’s distrust of a business may lead to political pressure and possibly new regulations and legislation. For a business, social licence is not only a tool for risk management, but a way to avoid new and possibly costly regulations. Social licence is emerging as a critical success factor in many business areas. Operating beyond the minimum-level actions required by formal legislation is an important factor for the long-term reputation of a company in the eyes of the stakeholders and local communities.

Earlier, companies were generally welcomed as employers (Black 2013). Nowadays, the potential of a company to provide employment for local people is not always enough to establish a community’s trust in a business. It should be ensured that the benefits for the local community exceed the costs, which are often immediate and local, whereas the benefits of business typically are spread widely and are often realized only in the long term.

Both *community* and *social licence* are theoretical terms which aim to capture essential features of reality. However, they are not easily observable, may change over time, and are inherently vague to a certain extent. This affects how the development of social licence is to be seen (Wilburn and Wilburn 2011). Usually full consensus does not exist because there are varying interests. Due to the dynamic nature of social licence, the question arises whether it is possible to measure its actualization. Understanding local conditions, equal distribution of benefits, land ownership regimes, and the environmental impacts of a project are essential factors when evaluating the preconditions for social licence.

From the point of view of social sustainability, it is essential to understand that social licence is company- or industry-based and its contribution to sustainability is indirect. However, it is still a step towards sustainability. Eventually the question is who will get some benefits and who will lose something, which leads to questions of justice. Justice and fairness are preconditions for social stability and sustainability. At the same time, new instruments for co-operation are being developed. This will improve the social-ecological system's adaptive capacity: its ability to cope with unexpected external or internal changes. Licence developing is a process of social learning. During this process some common interests between local people, berry pickers and berry companies can be seen.

## **MATERIALS AND METHODS**

This study consists, firstly, of a quantitative survey and, secondly, the qualitative analysis of messages to the telephone and e-mail service mentioned earlier. The survey thus gives a more general view of the issue, while the qualitative data go into more localized and specific issues.

The **survey** was based on a questionnaire which was distributed in fairs, seminars and exhibitions connected with agriculture and the use of nature mainly in northern parts of Finland. A four-point scale, plus the alternative "I cannot say" (Table 1), was used to ask about attitudes towards restrictions on berry picking. The set of variables described two dimensions: 1) the origin of the pickers: local pickers, non-local Finnish pickers and foreign pickers, and 2) the purpose of the activity: picking for one's own use, for sale (later called "commercial"), and organized picking for sale (later called "organized commercial").

<p><b>MAIN QUESTION:</b> SHOULD EVERYMAN'S RIGHT BE LIMITED IN THE FOLLOWING CASES?</p>	<p><b>ANSWER ALTERNATIVES</b> (CORRESPONDING ANSWER SCORES ARE GIVEN IN PARENTHESES)</p>
<ul style="list-style-type: none"> <li>• Berry picking for household use by local people</li> <li>• Commercial berry picking by local people</li> <li>• Organized commercial berry picking by local people</li>   <li>• Berry picking for household use by non-local Finns</li> <li>• Commercial berry picking by non-local Finns</li> <li>• Organized commercial berry picking by non-local Finns</li>   <li>• Berry picking for household use by foreign people</li> <li>• Commercial berry picking by foreign people</li> <li>• Organized commercial berry picking by foreign people</li> </ul>	<ul style="list-style-type: none"> <li>• No limitations (1)</li> <li>• Slight limitations (2)</li> <li>• Rather strong limitations (3)</li> <li>• Very strong limitations (4)</li> <li>• I cannot say (5)</li> </ul>

*Table 1. Questionnaire used in the survey*

The survey also gathered information about the respondents' gender, age, place of residence, educational level, income and modes of nature use (berry picking, fishing and hunting).

Missing values in the data were imputed using the SPSS multiple imputation (MI) procedure (see Rubin 1987) to get complete data. The imputation of continuous variables was done using a regression model and categorical variables using a logistic imputation model. All the variables were imputed simultaneously. Five imputations were used, the mean value representing the final value for the continuous and median values for the categorical variables. If the median was not an integer, it was rounded to the nearest integer.

Due to the scales and distribution of the original variables, Spearman's rank order correlation coefficient was computed to define the relationships between the nine attitude

variables (the distributions in Fig. 2) concerning the degree of restrictions that the respondents thought ought to be imposed on berry picking. The alternative “I cannot say” was omitted in the correlation analysis. Thus, the number of respondents who had an opinion concerning the need for restrictions was 454 instead of 495. Spearman’s correlation matrix was later used in explanatory factor analysis (principal axis factoring, varimax rotation). The eigenvalues ( $> 1$ ) and chi-square test for the fit of the factor model were used to define the number of factors. Three factors gave the best fit and allowed for an interpretable factor solution. The rather large quantity of data reduced the fit of the factor model. However, the main goal of the factor analysis was to guide the formation of sum variables (the mean of the values of the variables belonging to a certain factor), compacting the information involved in the attitudes. Cronbach’s alphas were calculated to study the consistency of the factors. The distributions of the sum variables approached normal distribution. Two of the nine attitude variables did not have enough variation, and their contribution in the factor solution was very low. Thus, the variables “Picking by local pickers for their own use” and “Commercial picking by local pickers” were omitted in the factor analysis.

The respondents were divided into three attitude categories using k-means cluster analysis based on the three sum variables describing attitudes towards the need for restrictions on berry picking. The number of groups was based on the F-values of the sum variables in the clustering and the stability of the cluster solution. The latter means that the analysis was re-run several times, using different starting values and checking the results. In addition, the cluster solution had to include as many different groups as possible and the groups had to be interpretable. The groups in the cluster solution were interpreted (named), and the relationships between the demographics and the cluster groups (attitude groups) were defined using cross-tabulations with chi-square tests and log-linear models. Sparse frequencies in the cells of the multi-way contingency tables allowed for only three variables in the log-linear models (Steltzl 2000). The significant dependencies were reported in the results. Furthermore, the means of the scores of the sum variables were studied by the purpose and importance of berry picking to the respondents, and the differences were tested using ANOVA and TukeyHSD (pairwise comparisons). All the other analysis, except for imputation, was run using the R-Statistical environment (R Development Core Team 2009).

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The **qualitative data** consist of 62 messages received in 2012 and 102 messages from 2013. Thus, the number of messages is 164 altogether. Despite the larger number of messages in 2013, the transcribed data from that year cover nine pages, whereas the transcriptions from 2012 cover ten pages, which means that the messages in 2013 were shorter.

The telephone service was established in 2009 by the Regional Council of Lapland, the companies that invite pickers from abroad, and the Association of Villages of Lapland (Lapin Kylätoiminnan Tuki Ry) in order to exchange information between the residents of Lapland and the companies involved. In 2010, the possibility to send e-mails was added to the telephone service. Agrifood research Finland have maintained the telephone and e-mail service since 2012.

The reason for collecting this information was to figure out how well the pickers and companies follow the berry-picking guidelines established by the different parties and to further develop guidelines and collect information concerning problems related to commercial berry picking. Senders were asked in the feedback to give their name, the time and place, and suggestions for development. Furthermore, if the feedback was related to a specific group of pickers, the registration plate of the car or some similar identifying feature was requested. The messages were transcribed at least once per day during weekdays and delivered to the company in question or to all the companies, depending on the nature of the feedback. Generally, the most important issues in the feedback concerned berry picking too close to houses or in village areas (Peltola 2013).

Our analytical method is best described as deductive qualitative content analysis. Qualitative content analysis means structuring the transcribed data, clarifying the essential parts of the data from the point of view of the research question and condensing and categorizing the data for interpretation (Kvale 1996). Deductive content analysis is used when the structure of analysis is operationalized on the basis of previous knowledge (Elo and Kyngäs 2008), which is the case in this research as the ideas of social licence and social sustainability serve as a theoretical framework in reading and interpreting the transcribed data. Thus, the textual material is organized according to the themes that arose in regard to our research questions concerning what kind of nuances there are in opinions regarding foreign berry pickers and the utilization of everyman's right for business purposes, and what preconditions should be fulfilled in order to get social licence for the organized, industrial picking of wild berries.



## SURVEY RESULTS

The survey respondents (n = 495) represented middle-aged, nature-oriented northern residents (Fig. 1). All modes of nature use (berry picking, fishing and hunting) and forest ownership were overrepresented as compared to the average Finnish population (Statistics Finland 2012, 2013; Finnish Forest Research Institute 2012; Finnish Game and Fisheries Research Institute 2011, 2013; Mikkonen et al. 2007).

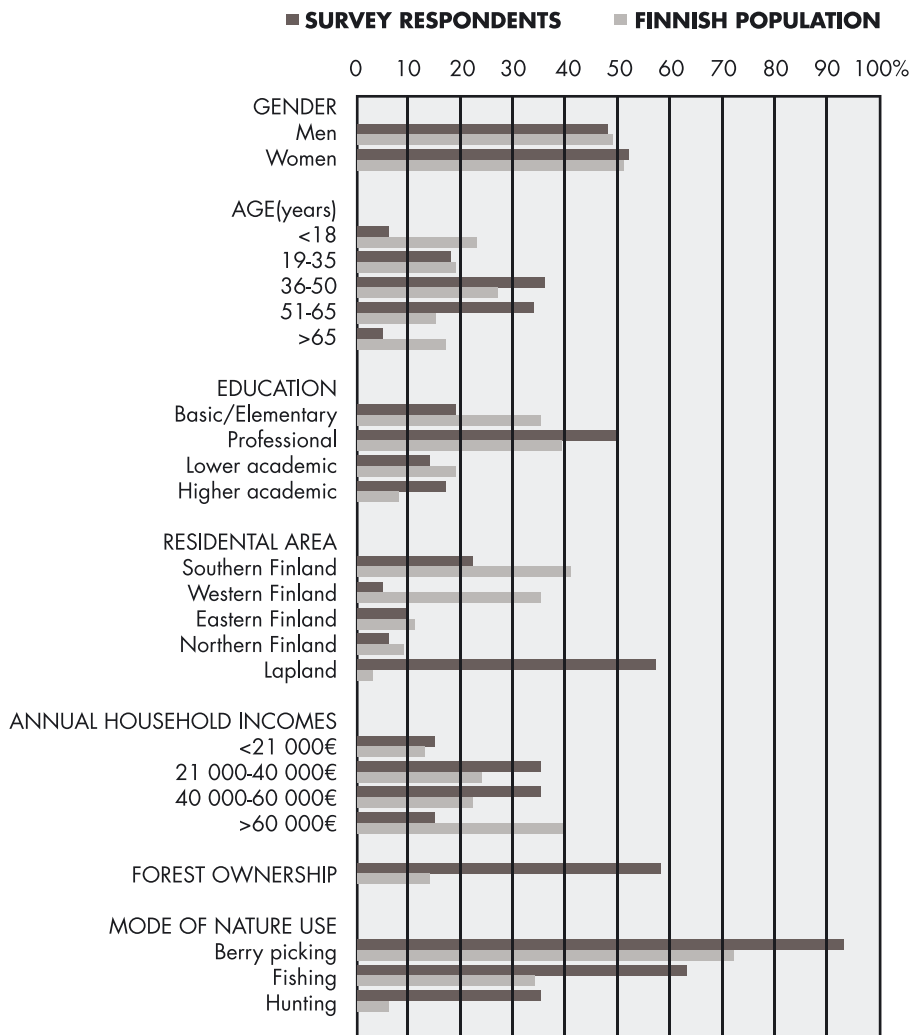


Figure 1. Comparison of survey respondents' background information to the Finnish population in general.

Differences between attitudes towards the pickers' origin and the purpose of berry picking were detected. Local berry pickers enjoy the broadest acceptance; the most condemnatory attitude is faced by foreign berry pickers. A similar trend was found with respect to the purpose of picking. The most widely accepted purpose is berry picking for household use, whereas organized commercial picking faces the most restrictive attitude (Fig. 2).

**DESIRE FOR RESTRICTIONS**

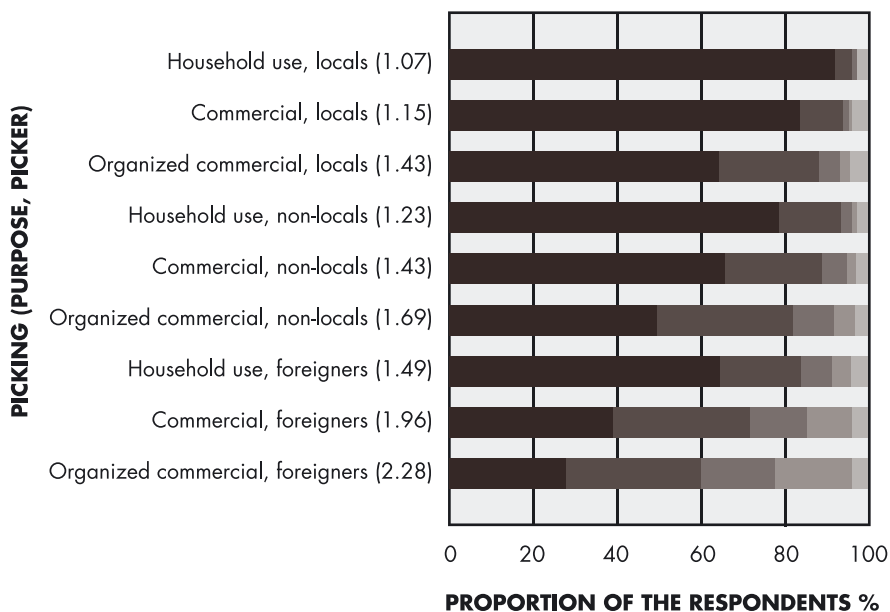
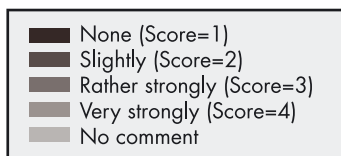


Figure 2. Respondents' attitudes towards restrictions on berry picking by different picker groups. The grouping is based on the purpose of the berry picking and the origin of the pickers, n=495. Average score for the desire for restrictions is given in parentheses after the variable.

The results of factor analysis suggested three rather consistent factors (Cronbach's alphas 0.79 or higher, Table 2). Based on these factors, three sum variables were distinguished according to the combinations of the origin of the picker and the purpose of the picking, namely (1) foreign pickers, all picking purposes (2) organized picking by Finnish pickers, and (3) non-local Finnish pickers (Table 2). Since the variables "Picking by local pickers for their own use" and "Commercial picking by local pickers" did not have enough variation and their contribution in the factor solution was very low, they were omitted in the factor analysis.

Three different groups of respondents were distinguished based on the sum variables using K-means cluster analysis. The groups were categorized as follows:

1) Permissive (means of scores, see Table 1, by the sum variables: Non-organized picking by non-local Finns = 1.07, organized picking by Finns = 1.19, picking by foreigners = 1.35, n = 212),

2) Medium (means of scores, see Table 1, by the sum variables: Non-organized picking by non-local Finns = 1.55, organized picking by Finns = 1.87, picking by foreigners = 2.66, n = 139), and

3) Restrictive (means of scores, see Table 1, by the sum variables: Non-organized picking by non-local Finns = 2.56, organized picking by Finns = 3.27, picking by foreigners = 3.18, n = 33).

Thus, the respondents belonging to the permissive group did not want to impose any restrictions on any kind of picking. Those in the medium group wanted only slight restrictions on picking by locals and non-local Finns but stronger restrictions on foreign pickers. The members of the restrictive group wanted to restrict rather strongly all picking described by the sum variables (Fig. 3). The sum variable "Picking by foreigners" had the highest contribution ( $F=795.5$ ) in the clustering of the respondents.

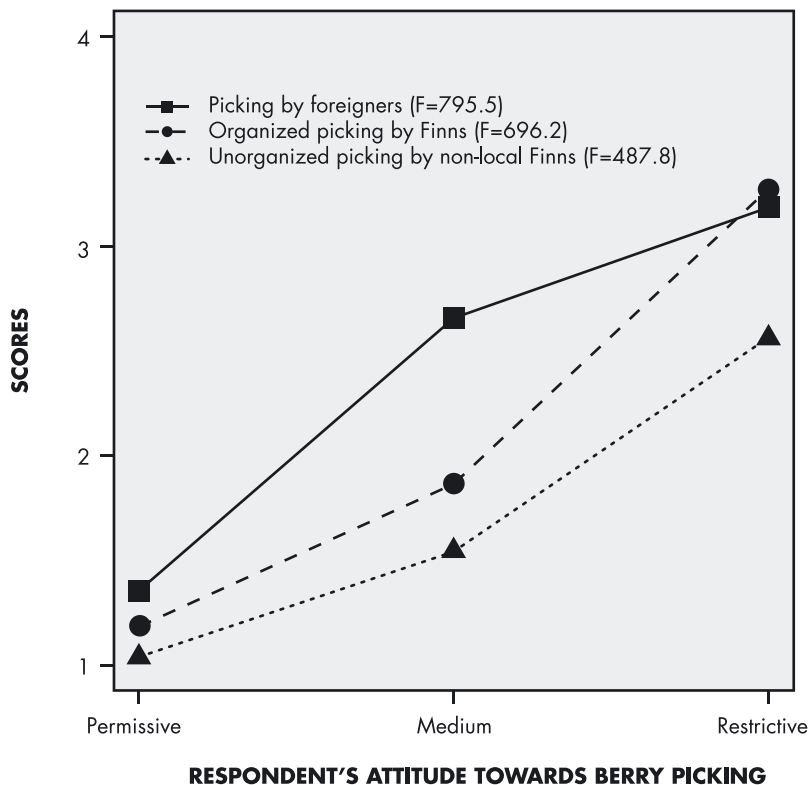


Figure 3. Respondents' attitude groups towards berry picking (K-means cluster groups) based on the three sum variables describing picking (the pickers, their origin, and the purpose of the berry picking). Mean scores with 95% confidence intervals are presented. The interpretation of the scores (desire to restrict picking): 1 = none, 2 = slight, 3 = rather strong, 4 = very strong.

Cross-tabulations and log-linear models revealed one significant relationship between the attitude groups and the demographics of the respondents: the relationship between a respondent's educational level and his or her attitudes. In general, more highly educated respondents had more permissive attitudes concerning berry picking (Fig. 4).

**ATTITUDE GROUP**

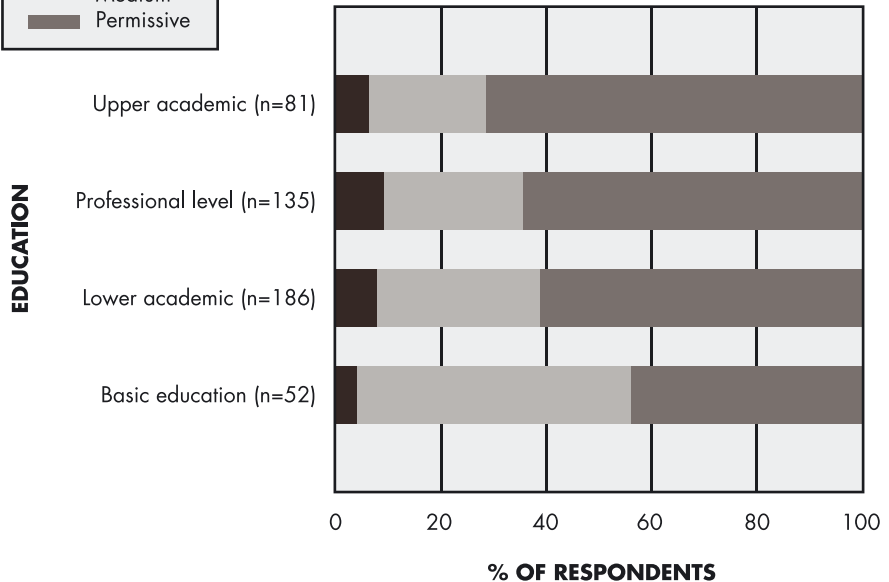
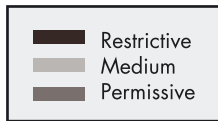


Figure 4. Relationship between respondent's educational level and his or her attitude towards restrictions on berry picking. The test for the relationship between educational level and attitude group controlled by respondent's income in the log-linear model was: deviance = 14.063,  $df = 6$ ,  $p = 0.029$ .

A respondent's own purpose for berry picking and the importance of berry picking to him or her affected his or her attitudes towards other people's picking only slightly. The only significant difference in attitudes towards picking by foreigners was found when commercial pickers and those who do not pick at all were compared (Tables 2 and 3).

Table 2. Varimax-rotated factor analysis of respondents' attitudes towards the restrictions of berry picking by various picker groups. The number of observations in the analysis was 454 with chi-square = 10.83,  $p = 0.013$ . Tucker Lewis Index of factoring reliability = 0.97.

Variable	<b>FACTOR 1:</b> Foreign pickers	<b>FACTOR 2:</b> Organized picking by Finnish pickers	<b>FACTOR 3:</b> Non-local Finnish pickers	Community
Foreigners, commercial	<b>0.91</b>	0.21	0.23	0.93
Foreigners, organized commercial	<b>0.75</b>	0.44	0.08	0.76
Foreigners, for own use	<b>0.60</b>	0.11	0.33	0.49
Non-local Finns, organized commercial	0.26	<b>0.91</b>	0.30	0.98
Local inhabitants, organized commercial	0.18	<b>0.63</b>	0.18	0.46
Non-local Finns, for own use	0.21	0.23	<b>0.76</b>	0.67
Non-local Finns, commercial	0.32	0.50	<b>0.73</b>	0.73
SS loadings	2.00	1.78	1.24	
Proportion explained	0.29	0.25	0.18	
Cumulative proportion explained	0.29	0.54	0.72	
Cronbah's alpha	0.86	0.82	0.79	

Table 3. ANOVA tests with TukeyHSD pairwise comparisons for the sum variables by the purpose of respondent's berry picking, and comparisons between the sum variable groups within the berry picking purpose categories. F-value for ANOVA with degrees of freedom (df) and differences of TukeyHSD's pairwise comparisons are expressed with adjacent significances (p). TukeyHSD test results are omitted if the F-test results are not significant at 5% risk level. The table corresponds to Fig. 5a.

Variable, differences between categories	F/ difference	df	p
<b>Sum variables by picking purpose categories</b>			
Picking by foreigners / respondent's own picking	3.70	0.451	<b>0.026</b>
- commercial - household use	-0.23		0.152
- commercial - no picking	-0.51		<b>0.020</b>
- household use - no picking	-0.29		0.163
Organized picking by Finns / respondent's own berry picking	1.06	2.451	0.347
Non-organized picking by non-local Finns / respondent's own berry picking	0.29	2.451	0.751
<b>Differences within picking categories by sum variables</b>			
Commercial / sum variables	13.73	2.159	<b>0.000</b>
Picking by foreigners - organized picking by Finns	-0.65		<b>0.000</b>
Picking by foreigners - non-organized picking by non-local Finns	-0.73		<b>0.000</b>
Organized picking by Finns - non-organized picking by non-local Finns	-0.10		<b>0.791</b>
Household use / sum variables	58.54	2.1104	<b>0.000</b>
Picking by foreigners - organized picking by Finns	-0.31		<b>0.000</b>
Picking by foreigners - non-organized picking by non-local Finns	-0.56		<b>0.000</b>
Organized picking by Finns - non-organized picking by non-local Finns	-0.25		<b>0.000</b>
No picking / sum variables	1.78	2.90	0.174

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Those who pick berries for income wanted to restrict slightly “Picking by foreign pickers” (mean score 2.1, Fig. 5). However, the difference in the attitudes between the commercial pickers and those who do not pick berries at all was practically very small (Fig. 5a). “Organized picking by Finns” and “Non-organized picking by non-local Finns” aroused less desire to impose restrictions. A similar trend could be observed for those who pick berries for household use, but the variable “Picking by foreigners” was not distinguished as clearly as in the case of respondents who pick berries for income. Those respondents who do not pick berries at all were the least segregated by the sum variables (Fig. 5a).

Slightly restrictive attitudes towards “Picking by foreigners” could also be distinguished when the sum variables were observed in the light of the importance of berry picking for the respondents (Fig. 5b). When berry picking was very important for the respondents, the variable “Picking by foreigners” was distinguished from the other sum variables. When the importance of berry picking for respondents decreased, the differences between restrictive attitudes towards the picker groups described by the sum variables also decreased.



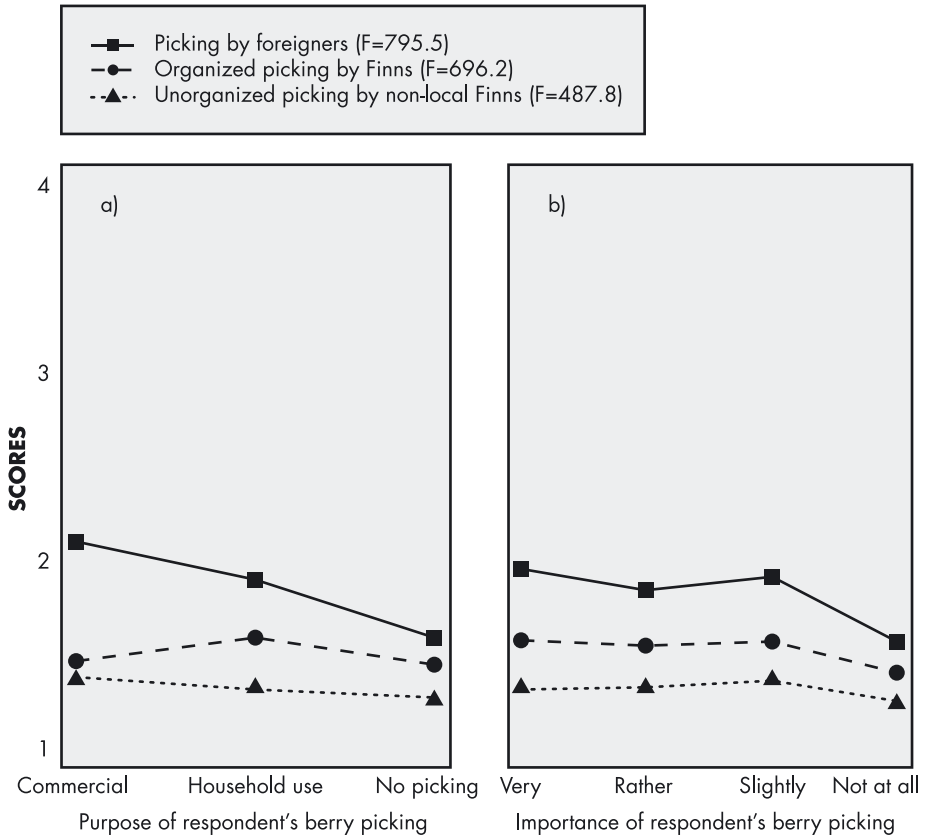


Figure 5. Mean scores with 95% confidence intervals of the sum variables describing berry picking and picker's origin by respondent's purpose of berry picking (a) and the importance of picking to the respondent (b). The scores correspond to Fig 3.

There were no significant differences between the attitudes towards the various berry-picking groups or the purposes of the berry picking based on the place of residence of the respondents, although variations in the scores were smaller in the northern part of Finland. Neither did a respondent's income, forest ownership, gender, education or age have a significant effect on his or her attitudes towards the berry pickers or the purposes of the picking.

## RESULTS OF THE FEEDBACK DATA

The opinions regarding foreign berry pickers are discussed here by examining the different actor groups distinguished in the feedback obtained through the telephone and email service and the way in which the different groups are described and their relations are represented. The main actor groups in the feedback are, firstly, the locals, secondly, the foreign berry pickers and, thirdly, the berry companies.

The most frequent comments in connection with locals are that they are old, they have difficulty walking, they do not own a car or have a driving licence, and, in some cases, they are working people who need to get berries for their children and do not have much time because of work. In addition to permanent residents, second home owners receive a great deal of attention; they are regarded as having the same rights as the permanent locals. There are also references to locals who are seen as some kind of 'betrayers' because it is claimed that they guided the foreigners to the best berry places. Some references to land ownership are also made, but there is more discussion about locals' traditional, unofficial territories.

Foreign berry pickers are mainly described in a positive way as being hard-working and smiling. However, they are not regarded as being entitled to the same land-use rights and everyman's right as the locals or other Finnish people. They are referred to as "poor fellows", but in some cases they are described as greedy and unfriendly and are given racist-type nicknames. In some of the comments it is said that pickers "who looked like foreigners" or "looked like Asians" had been encountered in the forest. Phrases like "army of pickers" and "foreigners are terrorizing the area" appear as well. In addition, one common claim is that the foreign pickers leave rubbish in the forests.

Although many feedback messages claim that the berry pickers themselves come to culturally and economically important berry places and act in a culturally inappropriate manner, there are many more that say the berry companies are the ones to blame. The companies are described as not being committed to the agreements and agreed-upon rules and acting against their compatriots. The companies are seen as having an obligation to deliver information and guide the pickers. The companies are mentioned by name and are compared with each other; some are regarded as worse than others.

The issue of everyman's right is raised in many comments, especially those from 2012. There are statements that berry picking by foreigners is a misuse of everyman's right. One commentator distinguished between picking and harvesting, stating that harvest-

ing is large-scale, whereas picking is a small-scale activity, and the latter is in congruence with the idea of everyman's right. It was stated in a provocative way that everyman's right cannot be "everycompany's right". The difference between private activity and commercial activity is emphasized. In addition, there are many references to the traditional rights of the locals or to respect for private property, although everyman's right does not differentiate between public and private land.

## DISCUSSION

There is a very limited amount of available data on general attitudes towards foreign berry pickers. In 2012 Finnish TV channel MTV3 commissioned Think If Laboratories Inc to conduct a survey which asked, "Should free berry-picking based on everyman's right apply only to Finnish residents?" In this survey 45% of the respondents answered "Yes" (Think If Laboratories 2012). Such a survey may give the impression that 45% of respondents support very strong limitations on the use of foreign labourers for berry picking.

In our study, the overall mean score of the four-point answer scale (1-4) to the question "Should everyman's right be limited with respect to organized commercial berry picking by foreign people?" was the highest, revealing the most condemnatory attitude. However, the mean score of answers to this alternative was 2.28, which closely matches the mean score for the alternative chosen by those who were slightly in favour of imposing restrictions, and the portion of respondents who chose the most restrictive alternative ("very strong limitations") was less than 20% of all respondents. This clearly indicates that the attitudes are nuanced, a fact that is not revealed by surveys giving only yes / no answer alternatives.

Everyman's right does not distinguish between local and non-local berry pickers (Tuunanen and Tarasti 2012). However, the variables "Picking by local pickers for their own use" and "Commercial picking by local pickers" were the most widely accepted, in comparison with variables involving non-local pickers. This may indicate local or regional customary law systems regulating berry picking among local inhabitants. Most of the respondents (almost 60%) were residents of Lapland or Northern Finland. As customary law systems regulating the use of natural resources are known to exist in the Sámi regions of Lapland and northern Scandinavia (Helander 2004), it may be proposed that condemnatory attitudes towards non-local or foreign berry pickers stem from similar customary law systems in other parts of Lapland as well. This is especially

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clear in the feedback data: everyman's right is emphasized, but much more attention is paid to the traditional spatial division of picking places everywhere in Lapland.

In the attitude group classified as "medium", picking by foreigners was clearly opposed more than organized and non-organized picking by Finns, although organized picking by Finns was opposed slightly more than non-organized picking by non-local Finns. Possibly the difference stems from the customary law system mentioned previously, in which non-local Finns are still considered to be nearer in status to local berry pickers than foreigners are. Interestingly, the respondents belonging to the "restrictive" group opposed organized picking by Finnish pickers as much as picking by foreigners. Since picking by foreigners is practically always organized picking, it can be assumed that this group sees the "commercialization" of everyman's right as a misuse of the right. This can be compared to the situation in the Sámi region, where local practices of nature-use and nature-based tourism meet. On one hand, it is admitted that the tourism industry has the right to utilize natural resources, but at the same time the locals are considered to have a stronger right to natural resources due to tradition (Länsman 2004). Now and then the possibility of limiting public access to natural resources has been discussed. For instance, in certain parts of Norway, cloudberry picking is a privilege accorded only to locals (Kaltenborn et al. 2009).

Increasing objection when berry picking turns from household picking to organized commercial picking is a rather controversial phenomenon. Although highly organized berry picking by foreign pickers did not exist earlier, several thousand tons of forest berries have annually been exported from Finland since the beginning of the 20th century (La Mela 2014), indicating a long tradition of commercial berry picking. This raises the question whether condemnatory attitudes towards organized berry picking existed in the days when berry picking was a more important source of secondary income in rural areas of Finland.

The results of our study suggest that higher educational levels led to higher degrees of permissiveness in respondents' attitudes towards various forms of berry picking. Although educational level was the strongest explanatory variable in the log-linear models over respondents' age, one should remember that educational level is closely related to age. The distribution of education among people is rather similar in the countryside of southern and northern Finland (Statistics Finland 2012). Thus, the home regions of the respondents are not related to the differences between their educational levels. However, although the study found that higher education increases permissive

attitudes, the portion of the “restrictive” group was lowest among respondents with only a basic education.

Respondents who picked berries as part of their income or who considered berry picking to be important for them had the most negative attitude towards foreign berry pickers. This can be interpreted as a desire to reduce competition. Although forest berries are abundant in Finland, there may well be a great deal of competitive pressure in high-yield, easily accessible areas close to villages. Even so, attitudes cannot be stated to be very condemnatory: average attitude scores did not exceed 2.1 (a desire for the imposition of slight limitations), even for respondents who pick berries as part of their income.

The feedback suggests that, in general, organized berry picking by foreign labourers is an accepted phenomenon if certain guidelines or rules, which probably stem from local traditions, are followed. An example of such a rule could be, for example, setting aside berry areas that are in close proximity to villages for older inhabitants. This practice is part of customary law in Sámi regions (Länsman 2004). In regard to the Swedish situation, Sandell and Fredman (2010) suggest that the various parties should be cautious due to the risk of erosion of common understanding. They refer to Ostrom (2000), who states that the transmission of common understandings, the monitoring of behaviour, and the imposition of sanctions for bad behaviour are important. When considering the idea of social licence, it can be assumed that most of the problems would be solved if guidelines were agreed between the different parties: the berry companies, the local residents and, to some extent, the foreign pickers as well. The question of who should represent the local residents is difficult, but hearings could be arranged by, for example, the Regional Council and targeted specifically at those areas and problematic issues revealed by the feedback data. In addition, personal relationships between foreign pickers and local residents could be enhanced by creating positive activities, such as village parties, in order to develop social interaction. Thus, local acceptance could be achieved. Of course, this does not mean there would be total consensus, as the debate about organized commercial berry picking by foreigners is part of a wider discussion about everyman’s right. What makes everyman’s right problematic is that it does not cover activities which damage the environment or disturb others, but the understanding of damage and especially disturbance is situational and depends on subjective evaluation (Tuulentie and Rantala 2013).

Social licence to operate is an important step towards social sustainability and corporate social responsibility, which further benefit companies in the long term. Although local communities' acceptance of organized berry picking is not currently required by legal practices and formal regulatory processes, it is quite obvious that statements accusing berry companies of disregarding traditions concerning local nature use and misusing everyman's right could be detrimental to the wild berry companies. The detrimental consequences could include damage to business reputation or even a demand for new legislation or regulatory processes restricting the commercial utilization of everyman's right, which could endanger the availability of wild berries for berry companies. Thus, a strong social licence to operate would clearly be beneficial for the wild berry industry. Social licence would be more easily achieved if the local community benefitted from the berry picking. The berry industry is beneficial to the Finnish economy and may therefore benefit local communities indirectly. Direct benefits to local communities are, however, difficult to concretize. Often the accommodation buildings (typically, old school buildings that are no longer in use) owned by the berry companies are available outside the picking season for meetings and recreational purposes. However, the most concrete benefit for the local community would be direct economic profit. As campgrounds and rental cottage companies have also been used to accommodate pickers, accommodation services, for example, would provide direct economic benefits to local communities. In any case, if the local communities, which have to bear the costs of organized, commercial berry picking, feel that the beneficiaries of the activity are outside the community, strong social licence is more difficult to achieve.

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# Trade development strategy, regional economic development and cooperation: The case of the Murmansk region, Russia

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## ABSTRACT

The purpose of the article is to explore the concept of a trade development strategy and to identify its impact on cross-border trade and cooperation. The case focuses on the Murmansk region and cross-border trade with Finland. This study is designed as a qualitative, single-case, embedded study. Primary data collection was executed by means of a survey and semi-structured interviews. The acquired data were analyzed by developing a case description. In this study *trade development strategy* is understood from the practice theory perspective and is defined as a set of strategic activities initiated by formal and informal institutions. The concept of a trade development strategy includes activities related to (1) intelligent growth, (2) trade promotion, (3) infrastructure development, and (4) support for market access and international trade cooperation. This study reveals that the absence of a thoroughly devised international trade development strategy in the Murmansk region does not allow for the streamlining of strategizing activities related to trade development; therefore the activities tend to be uncoordinated and unbalanced.

**Keywords:** the Murmansk region, trade development strategy, practice theory, strategic activities, periphery, case study

## INTRODUCTION

The notion of *trade development strategy* has received scant attention despite its key role in fostering international cooperation (Franke 1991; Ghemawat 2003; Obizhaeva and Wang 2013). However, analysis of a trade development strategy can provide valuable insight regarding future trading perspectives and opportunities in a given area. Additionally, the importance of a trade development strategy is further amplified in the context of the periphery. By cooperating, periphery regions can jointly identify and address specific challenges and opportunities presented by the border between them, further promote regional development in the border areas, improve relations between the participating countries, thus contributing to stability and prosperity, and foster people-to-people contacts, as well as develop networks between local communities and facilitate the generation of social capital, trade possibilities, trust and mutual understanding among the communities on both sides of the border (Ministry for Foreign Affairs of Finland 2011).

The present research attempts to deepen our understanding of trade development strategy and its influence on cross-border cooperation. Focusing on the Murmansk region and Finland as constituent parts of the Barents Region, the study aims to answer the question: *How does the trade development strategy of the Murmansk region influence cross-border trade with Finland?* The choice of this specific context can be explained by several rationales. Trade between Finland and Russia has always played an important role in the economies of both countries. However, lack or insufficiency of relevant information concerning trading procedures in Russia, and in the Murmansk region in particular, frequently hinders the deployment of existing business opportunities and makes the process of entering the regional market rather complicated, demotivating prospective Finnish investors.

In this study the authors capitalize on two streams of research – focused on trading strategy and development strategy – and develop the concept of a trade development strategy (TDS). Approached from the practice perspective, a TDS is defined as a set of strategic activities initiated by formal and informal institutions. The concept of trade development strategy includes activities related to (1) intelligent growth (i.e., improvement of trade procedures), (2) trade promotion (i.e., encouraging trade), (3) infrastructure development, and (4) support for market access and international trade cooperation (the reduction of tariffs and non-tariff barriers).

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The data for the research were collected by means of semi-structured interviews. A survey among Finnish firms was conducted before the actual research began. Based on the results of the survey, the authors identified those aspects of the trade development strategy in the Murmansk region that are of utmost interest for Finnish business actors and that needed to be addressed specifically in the study. The study is distinguished by a parallel flow of empirical and theoretical investigation since the empirical input from the survey, which was carried out in April–July 2012 and aimed at identifying the key informational needs of Finnish business actors, supported the theoretical conceptualization of the research.

From the theoretical point of view, the use of the practice theory approach in this study contributes to an understanding of the concept of *strategy* as applied to trade development. From the practical point of view, it increases knowledge about trading procedures in the Murmansk region.

The rest of the article is structured as follows: first, the theoretical approach towards the study is illuminated: the concept of a trade development strategy is developed and defined, and its importance in the context of the periphery is discussed, followed by a delineation of the constituent elements of the trade development strategy. Then the methodological part, the analysis of the results, discussion and conclusions, with suggestions for further avenues of research, are presented.

## THEORETICAL APPROACH

### *Trade development strategy: The practice approach*

Over the last few decades, many scholars have attempted to define the concept of *strategy*; however, it remains elusive, as there is still no unanimity in the extant literature concerning the essence of this phenomenon (Learned et al. 1969; Shrivastava 1986; Chandler 1962; Harrison 1999; Venkatraman 1989; Pearce and Robinson 1994; Hambrick and Fredrickson 2001; Grant 2008; Katz 1970; Mintzberg 1979; Porter 1996; Hitt et al. 2009; Thomas 1984; Whittington 2001; Knights and Morgan 1991; Fry and Killing 1995; Ginsberg 1988; Johnson et al. 2008; Nag et al. 2007). To overcome this problem Ronda-Pupo and Guerras-Martin (2012) have analyzed multiple definitions coined over the last few decades and, based on this analysis, formulated a generic definition: “Strategy is the dynamics of the firm’s relation with its environment for which the necessary actions are taken to achieve its goals and/or to increase performance

by means of the rational use of resources” (Ronda-Pupo and Guerras-Martin 2012, 182). Emphasizing the importance of actions, Ronda-Pupo and Guerras-Martin (2012) understand the concept of *strategy* in terms of the practice theory perspective.

Accordingly, the present study builds upon the concept of *strategy* as understood from the practice theory perspective. Reckwitz (2002, 249) differentiates between *practice* (praxis) and *a practice*, defining the former as:

...a term to describe the whole of human action (in contrast to ‘theory’ and mere thinking). ‘Practices’ in the sense of the theory of social practices, however, is something else. A ‘practice’ is a routinized type of behavior which consists of several elements, interconnected to one another: forms of bodily activities, forms of mental activities, ‘things’ and their use, background knowledge in the form of understanding, know-how, states of emotion and motivational knowledge. (Reckwitz 2002)

Generally, *practice* or *praxis* describes the whole of human activity, the feasible actualization of habitual practices; *a practice* refers to shared routinized behaviour; and agents or practitioners perform an activity by carrying out practices associated with it. Accordingly, from the practice theory perspective, *strategy* can be conceptualized as all the various strategic activities or instances of strategizing involved in strategy realization. *Strategy* is the walk and talk, the doing and saying of strategy practitioners themselves (Schatzki 1996; Whittington 1996), who are the strategy’s prime movers. These include not just senior executives but also strategy consultants, financial institutions, state agencies, the business media and business schools (Whittington 2006, 619; Whittington et al. 2003; Vaara and Whittington 2012).

In the present study, the concept of *strategy* is viewed from the practice theory perspective and is understood as a set of strategizing practices that form the basis of performance success and allow the building of a competitive advantage. The practice approach makes it possible to consider the roles of both formal and informal institutions in the implementation of strategizing practices and to discern their influence and outcomes. Therefore, *trade development strategy is viewed as a set of strategic activities and/or measures initiated by formal and informal institutions with the aim of positively influencing trade with Finland.*

### *Regional development and cooperation*

In order for regional development to occur, certain preconditions are needed for the success and growth of local business life, the public sector and other actors. Regional public actors and authorities can support businesses in their internationalization process and networking. Additionally, regional activities can foster foreign investment and the establishment of new businesses in the region. One of the aims of regional development is to ensure competitiveness and economic growth and create an attractive business climate. This is implemented through regional policies, strategies, implementation plans, programmes and projects predicting future steps and necessary resources (Pelkonen 2009, 3-7; Regional Council of Central Finland 2013). Public policies and measures encourage especially new and established firms to internationalize and seek opportunities outside the domestic markets.

Internationalization support services are also essential for regional development. Previous research in this field has focused on export support services, excluding other modes of internationalization, and there have been discussions about the relevance of such services (Crick 2009, 465; Bell, McNaughton, Young and Crick 2003, 348; Wright, Westhead and Ucbasaran 2007, 1023-1024). Studies have acknowledged the existence of regional variation in business opportunities and firm performance (Svanström and Boter 2012, 340; Audretsch and Lehmann 2005, 1193). However, there has been criticism of regional and spatial strategies regarding concrete actions, influences and the implementation of imposed strategic objectives (Luukkonen 2011, 253; Rouge-Oikarinen 2009, 230-237; Healey 2009, 439-441).

The special attention that has been paid to trade development strategies in cross-border areas can be explained by the potential vested in cross-border cooperation, by its ability to transform borders into possibilities to foster regional development. This is particularly important in the case of regions on the external borders of the European Union (EU). Through cooperation, these regions can jointly identify and address the specific challenges and opportunities presented by the border between them. Other activities comprise the further promotion of regional development and the improvement of relations between the participating countries. These activities contribute to stability and prosperity. Networking between local communities and fostering people-to-people contacts are important ways to express and focus on regional issues. These kinds of tools and actions facilitate the generation of social capital, trade possibilities, trust and mutual understanding among communities on both sides of the borders (Ministry for Foreign Affairs of Finland 2011). In turn, cooperation requires trust and the willingness

to share knowledge. Transparency of actions, structures and processes is also needed, as well as familiarity with history. Cooperation requires learning and the commitment of management and decision-makers (Spekman, Isabella and MacAvoy 2000, 211-214).

Trade and cooperation within the countries of the Barents Region vary. Bilateral trade activities and investments have varying levels of importance in the region. For instance, Norway has invested significantly in business cooperation with the Russian part of the Barents Region; concurrently there is a lack of support structures and funding mechanisms for small and medium enterprises (SMEs) on the Russian side to utilize foreign investments (Rautio, Bambulyak and Hahl 2013, 9).

### ***Structure of a trade development strategy***

The situational elements of a strategy vary, depending on the nature of the strategic problem and the external context. The Strategy of Trade Development in the Russian Federation for 2010–2015 sets the major guidelines for the Murmansk region in the area of trade development. The goal of this strategy is to create an efficient infrastructure in line with the innovative development of the Russian Federation which satisfies the needs of the population in so far as trade is concerned (Global Trade Alert 2010). The European Commission launched a new trade policy in 2010 as a core component of the EU's 2020 strategy that aims to increase the EU's competitiveness. It offers a framework to deepen strategic economic relations and defend European interests worldwide. Its objectives are to be adapted to new global challenges and to the new strategy for the sustainable growth of the EU by 2020 (Ciccaglione 2010). Russia's accession to the World Trade Organization effects global trade relations and in particular trade relations with the EU countries.

According to the United Nations (2002, 1), the main purpose of a trade development strategy is “to develop and expand sustainable trade flows to support the country's economic development”. Therefore, the key areas of focus in a trade development strategy are: (1) trade facilitation, (2) infrastructure development, (3) trade promotion, and (4) trade relations management. These areas of focus are also reflected in the World Bank trade strategy aimed at responding more effectively to the increased demand of clients for follow-on analysis, project identification and delivery (The World Bank Group 2011).

The WTO (1998) introduces the term *intelligent growth* instead of *trade facilitation*, describing it as modernization, standardization, simplification and harmonization of

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trade procedures. It includes the following issues: revenue collection fees (the collection of customs duties, taxes, payment of duties and fees), safety and security (export licenses), environment and health (phytosanitary, veterinary and hygiene controls), and trade policy (bilateral cooperation). In sum, intelligent growth is slightly larger in scope than the mere facilitation of trade.

Trade promotion refers to the encouragement of the progress, growth and acceptance of trade (McCracken 2005). According to Jaramillo (1992), export promotion and development activities can be grouped into four broad categories: product and market identification and development, trade information services, specialized support services, and promotional activities. Product and market activities are directed towards the accumulation of knowledge concerning products that should be promoted and the features of the main foreign markets for these products. Centralized trade information services aim to increase familiarity with foreign markets at the producer and exporter level and ensure full use of the data available. Support services help firms increase their expertise in foreign trade techniques covering a wide range of subjects. They help new exporters in particular understand the procedures required to deal with export operations, product quality, export packaging, publicity, free zones and similar issues. Promotional activities include, among others, trade fairs, sellers' missions, inviting foreign buyers to visit local producers, and promoting subcontracting for export (Jaramillo 1992).

From an economic perspective, infrastructure can be loosely defined as public goods and services that act as a lever for economic activity and/or provide spillover economic activities (Segal Advisors 2012). Therefore, infrastructure development comprises programmes and initiatives aimed at improving the constituent elements of the infrastructure.

International trade relations management involves developing cordial trade relations with other countries in order to safeguard a country's trade interests and to ensure market access for its products and services. It also includes strategies for responding to restrictions placed on products by importing countries (The United Nations 2002).

The trade development strategies discussed above serve as vivid evidence of the uniqueness of each strategy and prove its dependence on the external context and the nature of the strategic problems. These strategies present examples of the existing practices, allowing for benchmarking and the utilization of accumulated experience. A thoroughly



devised trade development strategy is an essential prerequisite for succeeding in the international market, facilitating regional economic growth, and boosting small and medium-sized firms and businesses.

The framework for the analysis of the trade development strategy for the Murmansk region has been developed by the authors of the present study, taking three key factors into consideration: (1) the objectives reported in the Strategy of Trade Development in the Russian Federation for 2010–2015, (2) the principal areas of interest for Finnish business actors that are relevant for the present discussion, and (3) the above described existing practices aimed at trade development (see Figure 1).

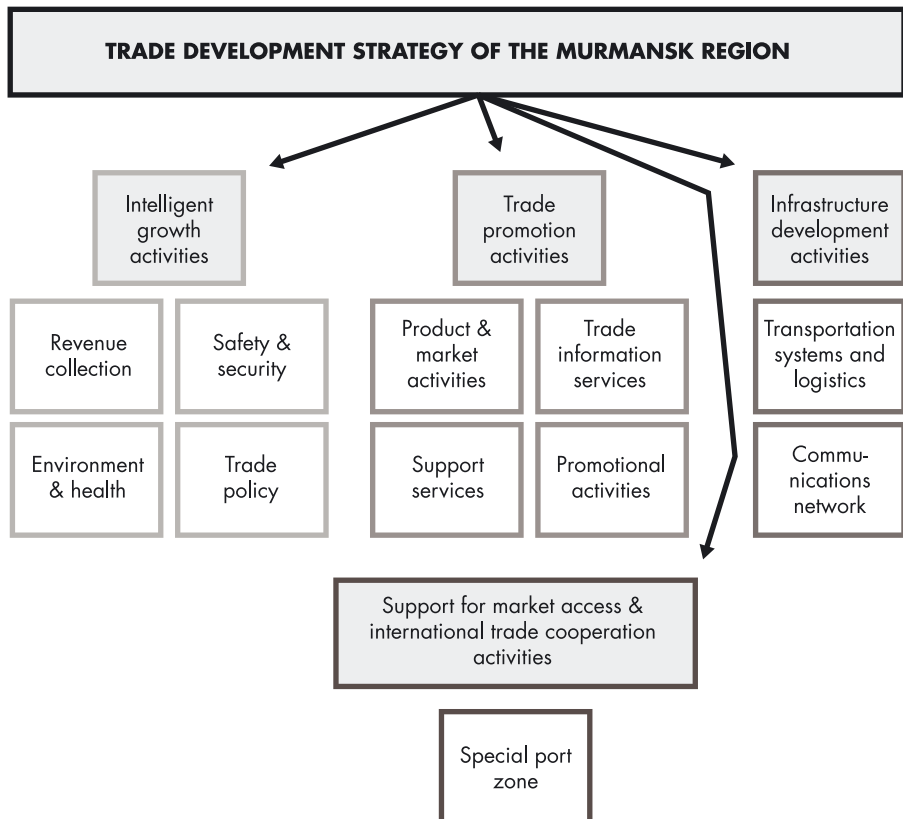


Figure 1. Extended analytical framework of the trade development strategy for the Murmansk region.

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The framework might seem, to some extent, to be general and broad, which can be attributed to the nature of the project and its objectives: it is necessary to provide a helicopter view of the trading process in the Murmansk region, thereby raising awareness of potential business opportunities, laying the ground for joint cooperation and simultaneously outlining the prospects for future research. The framework serves two purposes: it makes it possible to logically structure the research and to exclude measures and initiatives that are irrelevant for the purposes of this research.

The initiatives to be analyzed are mostly being suggested and developed on the level of regional authorities. However, it must be emphasized that a traditional authoritative approach towards policy- and strategy-making is still prevalent in Russia, echoing the traditions of the Soviet Union. In contrast to the considerable self-sufficiency of the Finnish regions, the Russian subjects – even though some of them are autonomous republics – are nevertheless dependent on the national government and lacking not in formal autonomy but in initiative and independent thinking, resulting in the fact that most development programmes are still being formulated at the national level and imposed on the regions.

## **METHODOLOGY**

This study is designed as a single-case embedded study that provides “an understanding of a complex issue or object by extending experience or adding strength to what is already known through previous research” (Soy 1997, 1). A number of rationales speak in favour of a single-case design. First, Creswell (1998) and Yin (1994) contend that in settings where contextual conditions are pertinent to the phenomenon under inquiry, the case study method is an appropriate design choice. Second, the subject of the study – i.e., suggestions for a trade development strategy for the Murmansk region – represents a unique case which is worth documenting and analyzing due to the current informational need of Finnish businesses. The long border with the EU, rich mineral and natural resources, the special geographical position and an ice-free port are among the features that make the region unique as well as attractive to businesses. Third, the chosen method of study gives the researcher an opportunity to observe and analyze a phenomenon that was previously inaccessible to research, mainly due to communication difficulties. Finally, a single-case design lays the foundation for future possible longitudinal research, making it possible to follow the changes in the trade development strategy of the Murmansk region and track positive changes aimed at the further facilitation of trade between Finland and Russia.

Owing to the fact that the single-case study involves more than one unit of analysis, an embedded single-case research design has been chosen. Even though the case study focuses only on the Murmansk region, the analysis includes multiple elements of the regional trade development strategy.

The present study is distinguished by the parallel flow of empirical and theoretical investigation since the empirical input from a survey carried out in April–July 2012 and aimed at identifying the key informational needs of Finnish business actors supports the theoretical conceptualization of the research. This “systematic combining” (Dubois and Gadde 2002) facilitates the evolution of the theoretical framework when confronted with an empirical study. A questionnaire was sent to Finnish companies that are involved in the European Union’s neighbourhood programmes (Kolarctic ENPI CBC). The questionnaire was sent to twenty companies, and ten responses were received. The questions were categorized in four groups: questions related to the facilitation of trade between Finland and the Murmansk region, infrastructure development in the Murmansk region, trade promotion in the region, and other areas of interest. The acquired data were analyzed using the SurveyMonkey service and made it possible to identify issues that are of interest for Finnish business actors concerning trade with Russia and the Murmansk region in particular.

The empirical research continued further with semi-structured interviews. The choice of semi-structured interviews was preconditioned by several considerations. First, this particular interview type allows the participants not only to answer in a matter-of-fact manner but also to share their own opinions about the events in question and propose insights into the occurrences, forming the basis for further inquiry and consequently potential future research (Yin 1994). Therefore, though it provides the opportunity to open up a topic, a semi-structured interview does not allow much deviation from the predefined theme. Secondly, a semi-structured interview provides better understanding of individual behaviours and attitudes (Sunnari and Ylitapio 2007).

In total, four interviews were carried out in Murmansk in October–November 2012 with experts in the field of international trade, internationalization and investment development organization, ministry, trade union and regional authority. Secondary data collection entailed the analysis of relevant literature, including journal articles, statistical reports and official documents, among others. The acquired data were analyzed by developing a case description. The data were analyzed in a two-stage process. First, the collected primary and secondary data were classified according to the categories identi-

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fied in the analysis framework. Secondly, the case description was developed according to the theoretical framework shown in Figure 1.

## **ANALYSIS AND RESULTS**

This study reveals that the problem of international trade development has not been specifically addressed by the local government and there is no specific strategic document in the Murmansk region to guide the actions of formal and informal institutions in pursuing consistent international trade development. There are only sporadic strategizing episodes addressing separate aspects of international trade development; these episodes are frequently uncoordinated and unaligned, which does not allow for the utilization of their full potential (see Appendix 1).

### ***Intelligent growth***

According to a representative of a trade organization in the Murmansk region, all aspects of intelligent growth – revenue collection, safety and security, trade policy, environment and health – are under the authority of the federal government, and local institutions have no choice but to follow directions imposed from above. Even though Finland and Russia are important trading partners, the Russian government has not agreed on any preferential treatment for Finnish businesses: Finnish firms have to follow the general guidelines developed for EU countries exporting to Russia with regard to the required licenses, customs fees and tax payments:

There are no tax holidays, breaks or anything that would make the tax burden for Finnish businesses easier, but there are no tariff controls or restrictions imposed on Finnish products, either. Finland follows the same guidelines as most of the EU countries. There are no special licenses or documents that Finnish businessmen need to obtain prior to beginning exporting to the Murmansk region. Of course, there is a standard set of documents, but it is mandatory for all exporting companies. (Representative of a trade promotion organization in the Murmansk region)

Insufficient attention of the Russian government to Finland as a trading partner has resulted in multiple problems associated with phytosanitary and veterinary control on the Finnish-Russian border in the northern areas:

Products delivered to the Murmansk region and requiring phytosanitary and veterinary control have to be transported via the Norwegian-Russian border crossing point where there is a veterinarian, unless we are talking about container transportation. All containers from Finland are shipped to Russia via St. Petersburg, which is also not the best possible logistical solution. There was an initiative to appoint a veterinarian to the Salla border-crossing point, but it is just not working. (Representative of a trade organization in the Murmansk region)

### ***Trade promotion***

All of the interviewees agree that the absence of a common promotional programme leads to a tendency for trade promotion activities, though rather intensive due to the strong export orientation of the region, to be unbalanced: there is a wide range of promotional activities, whereas trade information services and specialized support services remain underdeveloped. Thus, a paradox arises: regional institutions direct a great deal of effort towards international trade promotion, yet the instruments and mechanisms aimed at supporting international firms in entering, getting established and operating in the regional market remain considerably underdeveloped:

There are quite a lot of seminars, business events and fairs organized on a yearly basis in the region to promote international trade and export activities. (Representative of a trade organization in the Murmansk region)

There are several important exhibitions and conferences that are held on a yearly basis and aimed at developing international business networks: for instance, “Arctic Shelf Development: Step by Step”, SevTEK, “Sea. Resources. Technologies.” (Representative of a trade promotion organization in the Murmansk region)

The interviewees also agree that trade promotional activities in the region are distinguished by their versatility. They are organized jointly by formal and informal institutions. However, there is no general strategic direction for the promotion of international trade; additionally, the variety and availability of international trade development services are very limited. Information and support services are still in their infancy, and those scarcely available services are provided largely by informal institutions. It is evident that insufficient and underdeveloped trade promotional services cannot have a substantial impact on the cross-border trade between Finland and Russia.

### *Infrastructure*

Infrastructure – or, more precisely, the quality and level of development of the infrastructure – plays a key role in a country's local and international trade performance. It includes multiple elements such as transportation and telecommunication networks. In the present study, a special emphasis on logistics and telecommunications as part of the physical infrastructure was preconditioned by several factors. Logistics and telecommunications play a crucial role in moving goods and services between Finland and the Murmansk region since poor transport infrastructure or inefficient transport services lead to higher direct transport costs and longer delivery times; insufficient telecommunication networks impede the smooth flow of information that is crucial to all economic activities. It was admitted in the interviews conducted for the present study that there are some obvious problems, but these problems were not accentuated; attention was directed towards describing the prerequisites that exist in the Murmansk region and that favour further development of the regional transportation and logistics systems in compliance with international standards.

According to a representative of the local authorities of the Murmansk region, transport infrastructure is distinguished by a reasonably high level of development:

The Murmansk region is distinguished by the most highly developed transport infrastructure in the northern macro-region and in the Arctic area. (Representative of the local authorities of the Murmansk region)

However, according to other interviewees, the condition of the transport infrastructure is rather poor:

Poor road conditions and a small railway capacity constrain traffic and touristic flows. (Representative of a trade promotion organization in the Murmansk region)

All the interviewees mention the implementation of the Murmansk Transportation Hub project as a major strategic activity that will make it possible to attend to a range of problems in regional transportation and logistics as well as to improve local international trade performance.

According to the representative of the trade organization in the Murmansk region, a slightly different situation can be observed in the telecommunication infrastructure: it

is developing rapidly, but its level still remains low, with just a fraction of the population having Internet access, participating in e-commerce or using e-services. To improve access to the regional market, the local government has initiated the project of establishing a Special Economic Zone (SEZ) in the Murmansk region the future of which still remains rather doubtful. SEZs are usually distinguished by liberal policies in investment, taxation, trading, quotas, customs, labour regulations and other areas.

Curiously enough, from the point of view of Finnish firms, underdevelopment of regional infrastructure and insufficient trade promotion open up the regional market for foreign investors. However, according to the survey of Finnish firms done during the preparatory stage of this study, insufficient information and support services, as well as underdeveloped business networks cause difficulties in finding reliable partners, which is absolutely necessary, as only a firm registered in Russia can obtain the necessary licenses and organize cross-border transportation of goods. Therefore, it seems to be a viable solution for Finnish firms to get registered in Russia. Furthermore, the underdevelopment of regional transportation, communications and housing opens up opportunities for Finnish businesses, especially in such industries as logistics, telecommunications and construction. The telecommunications industry is growing remarkably fast and constitutes a promising market. The strong development of the regional mining industry suggests further possibilities for cooperation, including the introduction of Finnish state-of-the-art mining technologies.

### *Trade relations management*

Support for market access and international trade cooperation is primarily focused on the reduction of tariffs and non-tariff barriers in order to improve access to markets for goods and services. A country's ability to use trade to advance its development objectives depends in part on the market access conditions confronted by trade partners and on the extent to which trade is affected by agreements that limit a country's ability to implement specific policies (The World Bank Group 2011). Over the last several years a wide network of horizontal connections and contacts in the Barents region facilitating interaction between separate organizations, regional business structures, representatives of public authorities and non-governmental organizations has been developed (Buch 2012). However, there are still a number of factors limiting operations between the Murmansk region and other Barents Region countries:

Sadly, there are still some customs, infrastructure, logistics and legislative barriers. However, there are no special tariffs for goods imported from Finland.

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(Representative of a trade promotion organization in the Murmansk region)

All the interviewees agreed that even though there are no tariff-related barriers in Finnish-Russian trade, multiple non-tariff obstacles make the process of opening up the Murmansk region market rather complicated. The establishment of an SEZ in the Port of Murmansk could substantially improve the accessibility of the regional market, addressing most of the existing problems and eliminating the barriers. However, the future of this project remains unclear.

Analysis of the interview data pinpoints the existing problems in the trade development strategy of the Murmansk region, thereby revealing strategizing activities that need to be planned and implemented in order to improve the present situation. Table 1 presents various strategizing activities in four areas – intelligent growth activities, trade promotion activities, infrastructure development activities, and support for market access – that are necessary for the elaboration of a full trade development strategy of the Murmansk region. Intellectual growth activities should include measures aimed at equipping the border-crossing points with veterinary and phytocontrol services, resolving the dispute on export and import duties on trade with Russia following its accession to the WTO, and introducing intermediary services at the customs stations to assist in customs clearance. In order to promote trade effectively, the intensive development of market research, support and trade information services are necessary, as well as increasing the accessibility and visibility of business networks. Infrastructure development should focus on the development of logistics and warehousing services, the organization of container transportation directly to Murmansk, the upgrading of airport facilities, the development of IT services, and the introduction of the latest technologies to the regional market. In sum, the development of unified trade promotion and infrastructure development strategies is essential. Support for market access activities should be concentrated on lobbying for the establishment of an SEZ in Murmansk Port and developing an algorithm of actions for firms involved in Finnish-Russian trade.



TRADE DEVELOPMENT STRATEGY OF THE MURMANSK REGION						
INTELLIGENT GROWTH ACTIVITIES	TRADE PROMOTION ACTIVITIES			INFRASTRUCTURE DEVELOPMENT ACTIVITIES	SUPPORT FOR MARKET ACCESS	
Revenue collection Safety and security Environment and health Trade policy	Product and market services	Trade information services	Support services	Transportation systems and logistics	Communication networks	
<ol style="list-style-type: none"> <li>Equip the border-crossing points with veterinary and phytocontrol services,</li> <li>Resolve the dispute on the export and import duties on trade with Russia following its accession to the WTO,</li> <li>Introduction of intermediary services at the customs stations to assist in customs clearance.</li> </ol>	<ol style="list-style-type: none"> <li>Intensive development of market research, support and trade information services,</li> <li>Development of business networks and increasing their accessibility and visibility</li> </ol>			<ol style="list-style-type: none"> <li>Development of logistics and warehousing service providers,</li> <li>Organization of container transportation directly to Murmansk,</li> <li>Upgrading airport facilities.</li> </ol>	<ol style="list-style-type: none"> <li>Development of IT services, introduction of the latest technologies to the regional market.</li> </ol>	<ol style="list-style-type: none"> <li>Lobbying for the establishment of the Murmansk port SEZ,</li> <li>Development of an algorithm of actions for firms involved in Finnish-Russian trade.</li> </ol>
Development of a unified trade promotion strategy Development of a unified infrastructure development strategy						

Table 1. Summary of empirical results: Necessary strategizing activities

## DISCUSSION AND CONCLUSION

The authors argue that the strategizing episodes that are currently being implemented in the Murmansk region cannot substantially influence or facilitate the international trade between Finland and the Murmansk region. This article focuses on strategy work, emphasizing a trade development strategy and its influence on cross-border cooperation. The study demonstrates that the region possesses profound potential in various areas, and if a properly devised strategy is implemented, the local market could open up for Finnish businesses. One potential reason for optimism is that the situation may be slightly improved by Russia's accession to the World Trade Organization, which provides, at least, a legal framework for trade partners and may improve the situation with respect to regional intelligent growth.

From the theoretical point of view, this study's utilization of the practice theory approach contributes to the understanding of the concept of *strategy* as applied to trade development, sheds light on the structural peculiarities of a trade development strategy, pinpoints the absence of a commonly devised framework for trade strategy development in the Murmansk region, and develops a framework for single-case trade strategy analysis. The evolution of the concept of *strategy* is well documented in the scientific literature; however, there is no definition of strategy within the sphere of trade development (Ronda-Pupo and Guerras-Martin 2012; Schatzki 1996; Whittington 1996).

The theoretical approach has proven useful in attending to the research objectives and answering the research question, helping us to understand the phenomenon of a trade development strategy. By utilizing the practice theory perspective, the authors have developed the concept of a trade development strategy, defining it as a set of strategic activities and/or measures initiated by formal and informal institutions with the aim of having a positive influence on trading. The practice approach makes it possible to consider formal and informal institutions in the implementation of strategizing practices as well as to discern their influence and outcomes. The authors argue that this theoretical approach supports the findings of the empirical data and accentuates the need for a trade development strategy in bilateral relationships. The survey and the interviews support this finding, emphasizing the need for a programme to promote trade between the Murmansk region and Finland, the reduction of trade barriers, and a search for new business opportunities in various areas. A trade development strategy would provide an overall view of these needs and challenges.

The review of the existing literature also clearly demonstrates that there is no commonly accepted structure for a trade development strategy (The United Nations 2002; Global Trade Alert 2010; Ciccaglione 2010; The World Bank Group 2011). The current situation and the lack of theoretical knowledge regarding the constituent parts of a trade development strategy can be partly attributed to the unique nature of such a strategy: it seems to be impossible and impractical to develop a general framework for a trade development strategy since every strategy is contextual and is devised according to specific needs. By benchmarking the best practices in the field, the authors have developed a model for a trade development strategy that includes intelligent growth, trade promotion, infrastructure development, support for market access, and international trade cooperation.

The activities in the trade development strategy (see Figure 1) related to intelligent growth, trade promotion and infrastructure development have been viewed as an extended analytical framework in order to understand the context and the phenomenon more deeply. The concept of a trade development strategy provides a strategic tool to develop the business environment, taking special contextual features into account. According to the people interviewed for the present study, there is a need for activities to make the Murmansk region attractive for new businesses and investments. To highlight the findings of the study, the development of infrastructure, knowledge and competences, as well as actions to promote trade, are essential.

If a trade development strategy is to be developed, it must comply with the guidelines set by the national government in relation to international trade development and it must facilitate regional growth. However, in developing such a strategy, the administrative decision-making process generally follows the administrative-territorial division of the Russian Federation: the federal government develops the directions and imposes them on the subordinates, echoing to a great extent the Soviet tradition and not allowing for much decision-making freedom on the part of the country's subjects. In some cases, this can be a barrier for cross-border cooperation in the Barents Region. In other words, there is a need for a trade development strategy in the Murmansk region which would also benefit the Finnish actors by grouping the necessary services and information together and taking further steps to implement trade bilaterally.

The data and analysis in the present study give rise to a variety of empirical and theoretical conclusions and contributions. From an empirical perspective, the study reveals that the absence of a thoroughly devised international trade development strategy does not

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allow for the streamlining of all the strategizing activities related to trade development in the region. Accordingly, the activities tend to be uncoordinated and unbalanced: there are a variety of activities aimed at promoting trade, whereas activities related to, for instance, the development of the infrastructure remain scarce. Furthermore, those activities that are implemented are insufficient to change the situation radically – either due to a lack of authority or the initially low developmental level.

The study is strongly connected with the context, namely the Murmansk region, which possesses great potential as part of the Barents Region, and is characterized by the opportunities and challenges of a peripheral region. The research results should be considered as initial findings, and further research on the trade development strategy of the Murmansk Region is needed to ensure a deeper understanding of its influence on cross-border trading.

### **FURTHER RESEARCH**

In this study a conceptual framework for the analysis of the trade development strategy in the Murmansk region has been developed. This framework can, however, also be applied to other geographical areas where a trade development strategy is concretized not in an official document but as the sum of strategizing instances. One of the applications of the research would be to extend the framework to the whole Barents Region. Multiple-case analysis would, therefore, allow for greater generalizability and making assumptions about the trade development strategy of Russia in the international arena. In addition, it would allow for the improvement of the analytical framework by incorporating new relevant building blocks. The primary limitation of this study is that it is context-based and was developed only for one specific region. Another limitation is that no trade development strategy has yet been established in the Murmansk region and there are no data showing how the framework functions as such.

Another stream of research could be directed towards closer investigation of each constituent part of the conceptual framework, which would ensure a deeper understanding of the framework's influence on cross-border trading. Research embedded in another context could address new issues and areas within the field of intelligent growth, trade promotion, infrastructure development or support for market access.

Lastly, in this study the strategizing instances analyzed were initiated and implemented by either formal or informal regional institutions; however, the types, availability,

role, importance and influence of these institutions on strategy development were not discussed. Paying closer attention to the local institutional landscape would provide an opportunity to acquire valuable knowledge concerning its effect on the business environment and determine potentially necessary institutional changes. In addition, a deeper understanding of local institutions would allow foreign business actors to devise adequate strategies and foresee and respond proactively to possible complications arising from the specifics of the institutional landscape.

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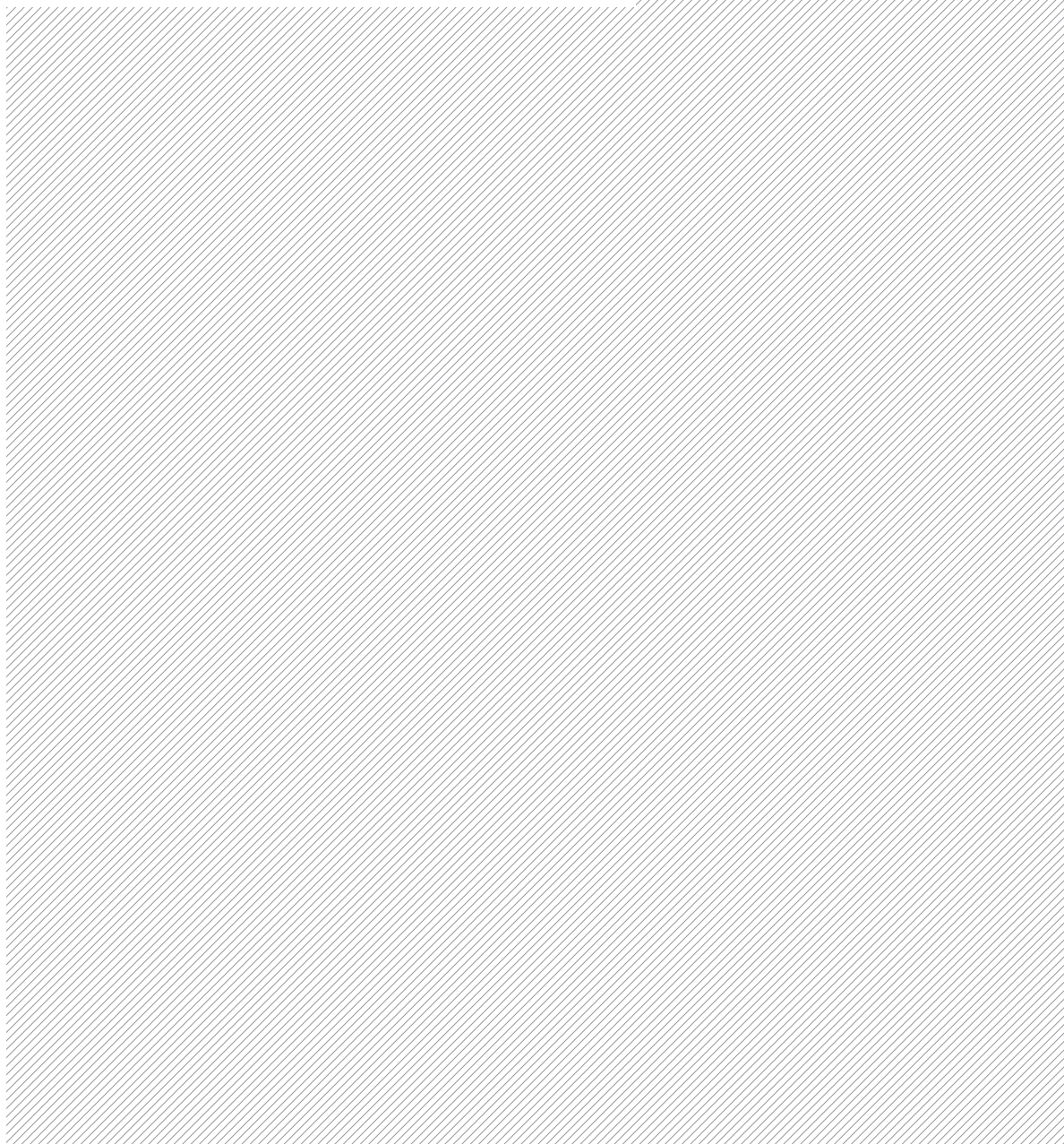
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TRADE DEVELOPMENT STRATEGY OF THE MURMANSK REGION							
INTELLIGENT GROWTH ACTIVITIES		TRADE PROMOTION ACTIVITIES			INFRASTRUCTURE DEVELOPMENT ACTIVITIES		SUPPORT FOR MARKET ACCESS
Revenue collection and Security, Environment and health	Trade policy	Product and market activities	Trade information services	Support services	Promotional activities	Transportation systems and logistics	Communication networks
1. Absence of activities aimed at fostering cross-border trade with Finland; Finland must comply with the general rules designed for EU countries exporting to Russia.	1. A series of bilateral agreements; 2. Absence of preferential treatment for Finland.	1. Limited availability and variety; 2. Provided by Murmansk Chamber of Commerce, Finpro in Murmansk, Murmansk Region Union of Industrialists and Entrepreneurs, Norwegian Business Association; 3. Absence of activities aimed at the development of trade information services.	1. Limited availability and variety; 2. Largely provided by Murmansk Chamber of Commerce, Finpro in Murmansk, Murmansk; 3. Absence of activities aimed at the development of support services.		Versatile seminars, exhibitions, trade fairs.	1. Implementation of Murmansk Transportation Hub project; 2. Negotiations with a Dutch air charter firm to establish the feasibility and possibility of launching direct flight connections between Murmansk and Rovaniemi; 3. Support of start-ups providing transportation and logistics services; 4. Negotiations concerning the establishment of a direct transport corridor between the Port of Murmansk and the Port of Lübeck.	1. Incremental, sporadic activities: to ensure Internet access for educational establishments, increase the number of e-services provided by regional government and public organizations.
		Insufficient number of firms involved in marketing research and related activities.	1. Insufficient and underdeveloped; 2. Still in their infancy.			Insufficient number of firms providing transport and logistics services.	1. Achieving consensus among project stakeholders; 2. Attracting residents.
		ABSENCE OF A UNIFIED TRADE PROMOTION STRATEGY				LACK OF A UNIFIED INFRASTRUCTURE DEVELOPMENT STRATEGY	
		ABSENCE OF A UNIFIED TRADE PROMOTION STRATEGY					

Appendix 1. Summary of empirical results: Strategizing activities implemented in the Murmansk region

# **RESEARCH COMMUNICATION**



# Strategic planning at the municipal level: Russian challenges and Nordic practices

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## ABSTRACT

The aim of the article is to identify challenges for strategic planning at the municipal level in Russia in the light of local self-government practices in the Nordic countries. Data for the study were collected from literature sources, as well as through analysis of legal documents and statistics, participatory observations of Russian municipal practices, and participation in the Presidential Program for the training of young managerial staff for the national economy of Russia in Norway in 2012. Municipal practices in Russia and the Nordic countries are examined and compared, and the problems which hinder the Russian municipalities in the elaboration and successful implementation of strategic plans for their development are indicated.

The study reveals that there are two major groups of problems: those that have an institutional origin and those that are related to the economic situation within which the local authorities in Russia must work. It is shown that formal institutions at the national level to stimulate strategic planning at the municipal level – especially, necessary laws and regulations – are lacking. The same applies to informal institutions such as traditions and the culture of strategic planning at the local level. A typical economic situation within which the local authorities have to work is extremely low budget security at the municipal level, which gives rise to the competition for funds from the regional consolidated budget between the regional and municipal administrations, prevents them from being partners in the process of municipal strategic planning. Taking Nordic experiences into account, policy suggestions for the improvement of strategic planning at the municipal level in Russia are made.

**Keywords:** local self-government, strategic planning, municipalities, state institutions

## INTRODUCTION

The United Nations annually publishes the ratings of the Human Development Index (HDI), which is considered to be one of the widely recognized life quality indices in the world. In the 2012 rating (Human Development Index 2012), Norway is in the first position, Sweden in the seventh, and Finland in the twenty-first. All three states are classified as countries with a very high level of human development. The Russian Federation is in the 55th position in the rating and is included in the group of countries with a high level of human development. It is evident that, fundamentally, it is Norway's, Sweden's and Finland's welfare state ideology – the security of social benefits and of tax and budget legislation – which is behind the basic principles of territorial management and which is shared by the majority of the citizens (the most important factor of all) that has placed these countries among the top states in the world in terms of the life quality of the population for many years.

All the elements of the state governance mechanism participate in the formation of the life quality of the population. It should be emphasized, however, that one of the most significant institutions taking part in this process is local self-government, as it is the institution that provides the greatest share of social benefits to the population. According to O. Offerdal, the Norwegian political scientist, the Nordic welfare states can be referred to as municipal welfare states (Offerdal 1999). This idea is not exclusively a product of the value system generated under the conditions of the unitary state structure of Norway, Sweden and Finland, but it emphasizes the significance of local self-government among other state institutions in the Nordic countries.

Russian specialists, both researchers and practitioners, are greatly interested in the experiences of the Nordic countries in the field of municipal self-government. The need to noticeably improve the quality of life in our country has caused Russian researchers and practitioners to focus their attention on the local self-government practices in the welfare countries in order to reveal the most efficient elements and assess the possibilities for their application in Russia.

One of the prominent platforms for such an exchange of experiences is cooperation within the Barents Euro-Arctic Region (BEAR). In 2013 the Barents Region celebrated the 20th anniversary of its establishment. Two decades of cooperation have resulted in the creation of a unique platform for the countries and regional participants to engage in dialogues and exchange experiences in the development of public and state institutions. The active international cultural and scientific cooperation, as well as the some-

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what less active business cooperation, form the basis for the cross-boundary exchange of the best administrative and business practices, as well as institutional methods and approaches that have proved their efficiency.

It is inconceivable to simply duplicate in Russia institutional models that have proved their efficiency in other countries. The mindless transplantation of institutions leads nowhere, and the negative consequences of such transplantation in practice have been widely recognized (Persky and Dubrovskaya 2012; Polterovich 2001). To comprehend good and efficient ideas and find appropriate ways to integrate them into the system of institutions in Russia are important scientific and practical problems.

Of particular interest are practices of strategic planning for the socio-economic development of the territories, which have become an essential attribute in the life of local communities in the Nordic countries<sup>1</sup>, as well as the best experiences in the creation of the economic and institutional preconditions that are necessary for the implementation of strategic planning, which is also very prevalent in the Nordic countries. Though strategic planning in Russia is being increasingly integrated into the priorities of local administrations and municipal councils, less than half of the municipalities in the country are engaged in this process (Didyk 2012). On the other hand, the strategies of development that have been worked out and implemented by both the municipalities and the regions of the Federation have justifiably been the object of criticism by scientists and experts (Bochko 2005).

The aim of this article is to identify challenges for strategic planning at the municipal level in Russia in the light of local self-government practices in the Nordic countries. It presents the results of practice-led research concerned with the practice of municipal strategic planning in Russia and in the Nordic countries and findings that might have operational significance for municipal practices in Russia. The article focuses on institutional and economic problems which hinder the Russian municipalities in the elaboration and successful implementation of the strategic plans for their development.

The sources of the data are scientific publications, legislative and government documents, statistics, and media articles. Empirical data have also been collected through participatory observations during the practical work of the author in the Apatity and Kirovsk City Administrations in Murmansk Region, Russia. Information on local self-government practices in the Nordic countries was collected from written sources and in the course of the author's participation in the Presidential Program for the training

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of young managerial staff for the national economy of Russia in Norway in April-May 2012 in Melhus Municipality organized by the Norwegian Association of Local and Regional Authorities and the North-West Institute of the Presidential Academy of National Economy and Public Administration in Russia.

The article is structured as follows: first, institutional challenges affecting the implementation of strategic planning in Russian municipalities are analyzed. Secondly, challenges related to the economic situation within which local authorities in Russia must work are discussed. Finally, some policy suggestions for improving strategic planning at the municipal level in Russia, taking the Nordic experiences into account, are presented.

### **INSTITUTIONAL CHALLENGES AFFECTING THE IMPLEMENTATION OF STRATEGIC PLANNING IN RUSSIAN MUNICIPALITIES**

Following the collapse of the Soviet Union, in just two decades post-Soviet Russia went through profound systemic changes in all spheres of political, economic and societal life, and the country is still going through an intensive transformation that, among other things, is fundamentally changing the ways of managing territorial development. In recent years a greater number of Russian experts have understood that a significant instrument for managing the socio-economic development of territorial entities is strategic planning: the process of defining a strategy and making decisions on allocating resources to follow this strategy, including, in some cases, control mechanisms for managing its implementation. Strategic planning includes, as has been widely acknowledged, the establishment of purposes and goals, the identification of problems, the generation of objectives to address these problems, the appraisal of the objectives and the establishment of priorities among them, the generation of actions that support each objective, the preparation of an action plan that includes financial plans, and progress in monitoring and evaluating in order to provide feedback for correction and improvement. Though the principal output of strategic planning is a strategy, strategic planning is increasing in importance as a process, and at the municipal level, ideally, this process should be an important platform for the consolidation of local actors. The implementation of strategic planning practices in the everyday activities of administrations at all levels of public authority in Russia is gradually broadening.

The landmarks for such development at the national level are determined by the Strategy of National Security of the Russian Federation until 2020, approved by the

Decree of the President of the Russian Federation of May 12, 2009 №. 537, and by the Concept of Long-Term Socio-Economic Development of the Russian Federation until 2020, approved by the Decree of Government of the Russian Federation of November 17, 2008 №. 1662-p, as well as by a number of other national strategic documents.

All of the strategic plans for the development of territorial entities in Russia are presented as three sets of documents: federal acts on strategies of development for the macroregions (the federal districts, the Arctic zone), strategies for the socio-economic development of the regions of the Russian Federation, and strategic planning documents of municipalities. According to data from the rating agency “Expert RA” of 01/04/2013 (Issledovanie, 2013), 61 of the 83 subjects of the Russian Federation had elaborated documents for long-term strategies of social and economic development, accounting for 73.5% of the total number. The number of municipalities that had elaborated strategic planning documents in the early 2000s was low; during the last decade, however, there has been a significant increase. In 2004, about 300 municipalities in Russia (not more than 4% of the total number) were engaged in the strategic planning of their development (Bochko 2005). By 2010, the share of municipalities that had elaborated strategic planning documents was about 30% of the total number (Didyk 2012).

At the same time, the increase in the number of strategic documents does not mean that strategic planning is becoming a real instrument for the management of municipal development. One of the major reasons for this is that in many cases the quality of strategies developed is low. According to V.E. Seliverstov (Seliverstov 2009), the main shortcomings of strategic documents at the sub-federal level (republics, *krais*, regions, autonomous districts) are:

- formalism in the development of strategic documents, as well as in the development of long-term and medium-term plans (namely, strict conformity with standard models); the use of schemes and methods that are not fully suited to the complex nature of the strategic approach and to the current economic and political realities;
- unjustified ambitions that are not in line with the possibilities of the territories; attempts to include all possible programs and projects in the main strategic document;
- the lack of precisely formulated objectives and tasks; the lack of development scenarios and strategic alternatives.

These weaknesses may be found in many of the existing municipal documents on strategic planning as well. Having analyzed strategic documents for the regional and local levels in Russia, A.N. Shvetsov states that many of these are formal in nature; they contain many abstract statements that do not properly take territorial specificities into consideration. The documents lack reliably justified guidelines even for a medium-term period (3–5 years), not to mention longer periods of 10–20 years and more (Shvetsov 2009a).

The lack of attention paid by Russian local authorities to strategic instruments, as well as the weakness of many municipal strategic documents that have been elaborated, is obvious. This situation is caused by many problems, and the majority of them can be classified as being institutional in character and related to both formal and informal institutions. In the present discussion, institutions are understood as the formal and informal rules which regulate the behaviour of the members of society as they interact politically and economically. The formal institutions include laws and regulations as interpreted and enforced by political authorities; they are brought into use by state institutions and are incorporated in state activities based on laws. The informal institutions are shared beliefs about acceptable and unacceptable behaviour that are put into effect by the conscience based upon the actual and expected reactions of the members of the society.

Among the institutional problems that hinder the introduction of strategic planning into the practical activities of the Russian municipalities, the first one that should be mentioned is *a lack of formal institutions at the national level to promote strategic planning at the municipal level*. Discussion of this problem should begin with the issue which is usually left out of discussions on “municipal problems” in Russia and could be formulated as *a lack of conjunction between the national and local self-government strategic goals*. This problem concerns the strategically-oriented function played by local self-government within the system of state institutions<sup>2</sup>. It is not simply a problem of the composition of the authorities and the sphere of responsibility of the local self-government bodies; it is a more fundamental problem concerning the realization of the key strategic goal which is expected of these bodies by the state from the point of view of the national strategic perspective. According to Article 1 of the Federal law of 06/10/2003 №. 131-FZ, “On the general principles of the organization of local self-government in the Russian Federation”, local self-government is a form of implementation by the people of their power which ensures independent solutions, for which they take responsibility, of problems that are of local significance. That is, in Russia, local self-



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government is an instrument whose area of application is independently determined by the local community to solve local problems; a community should live and develop according to its own decisions – for example, as a science-oriented town, or an industrial centre or as an agrarian area – and even shut itself down in case it is not viable.

At the same time, considering that Russian democracy is in the early stages of development and that Russian civil institutions are not well-developed, it is possible to assume that making the choice to implement the strategic planning of local community development is, in many cases, a random process that does not always take place as a conscious act of the public will. This is true for the following reasons. As the author's own observations as a practitioner working in municipal administration have shown, on the one hand, the prevailing apathetic attitude of the population towards the search for locally-based solutions to local problems in many cases has been transformed into a firm belief that nothing can be changed and therefore one should not even try to do anything. On the other hand, even people with an active civic position, who are ready to participate in determining the strategic goals for the development of their town, settlement or area, do not always have sufficient legislative and economic knowledge to formulate competent and useful proposals. Finally, the local authorities – which are, in fact, authorized to organize and coordinate the process of development, public discussions, adoption and implementation of strategies – are not sufficiently motivated by existing national-level legislation. The reason for this is that solving the problem of securing comprehensive social and economic development for the territory (let alone strategic development) is not considered in the legislation to be a local task at present. The power to adopt and organize the implementation of plans and programmes for the comprehensive social and economic development of municipalities is provided by Federal law №. 131-FZ, but the law does not require the imperative implementation of this power.

These circumstances demand attention from the federal level to the issue of strategic planning at the municipal level and, first of all, conjunction between national strategic purposes and goals and those of municipalities. However, in present-day Russia, strategic goals for the development of municipalities are not incorporated into the nationwide system of strategic development goals through existing laws and regulations at the federal level, and are not synchronized with them.

In contrast, in Norway the goal of the local authorities' work is formulated by the central government. This goal is to maintain the traditional model of settlement in such

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a way that the vital conditions are secured equally for everyone (Local Government in Norway 2008), and it is clearly strategically-oriented. Under conditions of economic stability and the availability of equitable instruments of budget equalization, this general goal organizes and synchronizes the activity of local mayors, councils and administrations, creating the organizational premises for scheduling strategic development. At the national level, this kind of municipal policy allows successful resistance to several interrelated social challenges. These challenges include, firstly, problems related to the different standards of living in different regions of the country and, secondly, the problem of migratory activity by the population along the “rural – urban” and “north – south” axes. Both problems are highly topical in Russia, so it is worth thinking seriously about the application of the Norwegian experience.

Of great significance is the idea that local self-government, as an institution of the public authority, can carry out certain state tasks that are integrated into the system of the purposes and goals of the national social and economic policy. It is expedient to discuss the following two basic points. Firstly, it is crucial to make the right choice concerning the level at which strategies should be elaborated in order to achieve the aims of the state. Unlike the territorially compact Nordic countries, which have implemented egalitarian principles of social development, Russia is characterized by a much higher degree of inhomogeneity of social and economic development in the territories. This circumstance hampers the formation at the national level of the over-arching strategic purposes of the development of municipalities, making it more appropriate to do this at the level of the federal districts and regions of the Federation. At the same time, local self-government, as an independent institution of public authority, can also participate in the implementation of some important purposes and goals at the national level, especially in cases where the national development goals are already clearly attached to a certain territory: for instance, Siberia, the Far East or the Arctic zone of the Russian Federation could be developed in accordance with such an approach. Secondly, irrespective of at what level (federal or regional) the goals of the local government activities are to be developed, the direct agent representing the state in the mutual relations with municipalities, by virtue of the specificity of the Russian administrative and territorial system and the accepted administrative practices, is the subject of the Federation (republic, region, *krai*, autonomous district). The coordination of activities between the regional and local authorities determines, in many respects, the correctness of interpretation and the subsequent implementation by the local governments of the goals established by the state.

An important problem related to the formal institutional setting which hinders the Russian municipalities in the elaboration and successful implementation of strategic plans for their development is *the absence of regulations and methodical recommendations developed at the federal level for the organization of strategic planning at the municipal level*. Neither basic principles of municipal strategic planning nor guidelines for the development and implementation of municipal strategies have been established legislatively. The documents adopted at the national level contain only general requirements for strategic planning, and methods for developing these strategies are not discussed. These basic documents include “Requirements for the strategy of social and economic development of the regions of the Russian Federation” approved by the order of the Ministry of Regional Development (*Minregionrazvitiya*) of 27/02/2007 No. 14, “Principles of strategic planning in the Russian Federation” approved by the decree of the President of the Russian Federation of 12/05/2009 No. 536, and the draft Federal law “On the state strategic planning” adopted following the first reading by the State Duma of 21/11/2012.

From the viewpoint of strategic planning methodology, these documents provide only a general framework. They state what the various strategic documents should contain and how these documents should be connected with each other, but there is no answer to the important question of what methods should (or could) be used in making forecasts and plans. Aside from regulating issues concerning the organization of state strategic planning, these acts do not take the municipal level into account. As a result, at present the municipalities (unlike the regions) have neither developed methodical recommendations for organizing strategic planning nor even the legislatively approved imperative to implement it.

Another problem related to the formal institutional setting can be formulated as *the contradictoriness of relations between the regions of the Federation and the municipalities*. It would not be an exaggeration to state that the problems arising within these relations are separate and extremely significant barriers preventing the formation of the kind of institutional environment that is necessary for local self-government to function in present-day Russia. This is also true of strategic planning practices to be implemented by municipalities. Any plan-making process is based on the subject having certain expectations regarding the dynamics of the environment; thus, consistency and the predictability of relations between the municipalities and the regional government are the corner-stones for the creation of a system of strategic plans at the local level. In fact, however, these relations are far from being non-contradictory and predictable.

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The results of a survey conducted by the All-Russia Local Self-Government Council and the Higher School of Economics among representatives of local self-government bodies (Vzaimodejstvie vlasti i obshchestva 2010) show that, in the opinion of 8% of the authorities interviewed, the problem of the conflict in relations between local and regional authorities is of particular significance. Related to this problem is the lack of clearly outlined norms determining the size of interbudgetary transfers, which was mentioned by 16.9% of the respondents, and, as a consequence, the shortage of local budgets, which was mentioned by 60.7% of those interviewed. The scale and urgency of these problems are nearly equal for most areas of Russia and obviously point to institutional reasons for such a situation.

In the opinion of the present author, relations between the local self-government bodies and the regional governmental bodies have been spoiled by two factors. The first is that regional officials are quite often motivated to use formal state institutions in a corrupt and opportunistic way. The second factor is that there are systemic defects in the formal state institutions which allow these motivations to work.

As for the first factor, it is generally known that, according to the Constitution, local self-government in Russia should ensure the independent solution of local problems by the local communities themselves. The list of problems and – what is especially significant – the responsibility of local self-government bodies for the decisions that are made are prescribed by Federal law 131-FZ. The local self-government bodies, which are recognized *de jure* as being independent of the regional government bodies, are responsible for the solution of the issues specified by law and are independent in the process of executing the given tasks. According to the Constitution of the Russian Federation and the Federal law of 6/10/1999 №. 184-FZ, “On the general principles of the organization of legislative (representative) and executive bodies of state power of the subjects of the Russian Federation”, regions must delimit in their charters and in agreements with the Russian Federation which spheres of responsibility are to be jointly managed by the central government and the region and which are to fall under the responsibility of the region and the municipalities. Based on these agreements, the state government bodies of the subjects of the Federation (the regional governments) as well as the municipalities have their own authority and bear responsibility for carrying out certain duties. The separation of spheres of responsibility between officials of these two levels of public authority results in divergence of the goals set by the regional and municipal administrations. With the overall budget shortage, the decision of each administrative level to give priority to its “own” problems leads to the competition for

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money from the consolidated regional budget. The conflicts become aggravated when the officials of some region, *krai* or republic seek to subordinate their relations with the local self-government in order to achieve the state and bureaucratic goal of improving the manageability of the territories.

Regions are usually victorious in the competition for consolidated budget money, and this is evidence of the influence of the second factor mentioned above. The fact is that the minimum rates of taxation and charges specified by Chapter 9 of the Budgetary Code of the Russian Federation of 31/07/1998 №. 145-FZ, are absolutely insufficient for most communities to secure proper performance of the municipal governments' responsibilities, and, according to Article 58 of the Budgetary Code, these rates and charges can be raised only by the regional governmental authorities.

Research shows that the governments of the regions of the Russian Federation are extremely reluctant to use the possibility to increase the minimum level of income tax receipts allotted to the municipal budget by law, preferring to keep municipalities dependent on regional subsidies and grants. This means that local authorities are in some kind of institutional trap because the responsibility for solutions to local problems is imposed on municipalities, but the money for these solutions is controlled at the regional level, and mechanisms which could compel the regional administrations to realize the necessity of supplying finances in a fair manner to the local governments are, in fact, non-existent. As a result, according to A.I. Tatarkin and V.S. Bochko, "the economic independence of municipalities regarding income generation is, in reality, wholly limited by the authorities of higher levels, which converts the independence of municipalities into an ornamental dressing" (Tatarkin and Bochko 2008).

In the Nordic countries, as in Russia, the relations between the central authorities and the local governments have been considered for a long time solely in terms of the local bodies' autonomy in managing their own affairs. In recent decades, however, in Sweden, Norway and, to a certain extent, in Denmark, the integration model has gradually replaced the model of autonomy. At present, local government affairs are no longer considered to be exclusively local issues; they are treated as national issues, rather than exclusively local problems, and are under the responsibility of both local and central government. With such an approach, conflicts between the local and central levels of authority are minimized and they are partners in the implementation of state policy (Offerdal 1999).

The next problem is related to the influence of informal institutions, and this is *a lack of culture and traditions of strategic planning at the local level*. Issues of medium-term and long-term planning are singled out among other problems to be solved by the governmental bodies of Russian municipalities and have been actualized relatively recently. It is widely recognized that the basic impetus for including strategic planning in the “toolkits” of municipal officials was the shift from the priorities of the survival of the territories to the priorities of their socio-economic development, which took place in Russia in the late 1990s – early 2000s (Shvetsov 2009b). This period was marked by the strengthening of financial possibilities at all levels of public authority, and strong Soviet traditions in economic and territorial planning helped officials understand the expediency and necessity of planning work in the territorial units. However, the former planning practices were based on the assumption of a high level of probability and the predictability of the dynamics of the socio-economic political and institutional environment and no longer corresponded to the tasks of the authorities in the new market conditions. Today, the problems of forecasting the alternating social and economic, political and institutional environment and the task of formulating of polyvariant strategies for socio-economic development at the local level have been placed in the foreground, with the possibilities, risks, benefits and costs of every possible way of development to be estimated.

The lack of ready-made solutions to problems of local development has encouraged Russian researchers to confine their attention to analyzing the experience of corporate strategic management and estimating the possibilities of transplanting experience gained by companies into the strategic planning practices of territorial units. It should be noted that such development of a methodological apparatus for strategic planning at the local level is subject to certain risks. The problem is that the application of strategic management theory to the development of organizations is, in itself, of recent origin (the works of the founders of this field of research were published only about 40 years ago), and has been intensively developed in a multi-faceted way. According to V.S. Kat'kalo, one of the leading Russian researchers in the field of the theory and practice of strategic management, the current theory of strategic management is extremely eclectic, with up to ten separate schools (Kat'kalo 2002) being distinguished within the theory. Moreover, at present the theory of strategic management is not consolidated by a common paradigm that could combine the approaches and incorporate the theoretical viewpoints of most leading specialists. The basis for the development of the theory is formed by the results of the generalization of the best practical experiences. For these reasons scientists and practitioners who develop approaches to strategic planning in

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the public sector on the basis of the experiences of companies should be very careful when borrowing methodologies.

The problems in adapting strategic management methods used by enterprises to the realities of the public sector determine the format of the corporate experience transfer to the normative documents serving as methodical training manuals for the regional and municipal strategic planning. Since, from a legal point of view, strategic planning is not obligatory among the tasks to be carried out by local self-governments (administrations and councils), and, as has been discussed above, there is no relevant methodology recommended and approved by the “centre” (which is extremely important in the Russian administrative paradigm), strategic plans are often perceived by the municipal governments only as a tribute to a common fashion. Such a situation provides weak motivation for local self-government to introduce strategic planning and develop strategies.

The problem is aggravated by the weak financial basis of most Russian municipalities and a shortage of qualified municipal managers. Strategic planning requires municipalities to concentrate their essential intellectual potential and have qualified managers on the staff of local administrations who are specially trained and highly skilled. Large companies applying strategic approaches in their work normally organize special administrative subdivisions for these purposes. Municipalities do not have such a possibility because they have no chance to compete in the labour market against private businesses, which are able to offer higher salaries. One alternative is to purchase strategy development services on the market. Therefore, at present it is a widely recognized practice to invite an outside party – a research and consulting organization – to develop strategic plans for municipalities (Didyk 2012). At the same time, the outsourcing of strategy development services can give positive results only if both the municipal authorities and the local community – including the representatives of the business community, research institutions, higher schools and public organizations – are actively involved in the process of developing and implementing strategic plans. The conditions listed above are not always fulfilled in practice, discrediting the very idea of strategic planning as a platform for the consolidation of local actors. Furthermore, the purchase of scientific and consulting services is very costly, so only municipalities which are rather well-off, from the point of view of their financial situation, are able to acquire these services.

## ECONOMIC CHALLENGES IMPEDING STRATEGIC PLANNING IN THE RUSSIAN MUNICIPALITIES

The second group of problems is related to the economic situation within which the local authorities in Russia have to work. The major precondition for strategic planning is to understand where the money to be allocated in the implementation of plans is coming from. Empirical data show that over 60% of politicians and economic top managers in the Russian municipalities consider the lack of financial means in the municipalities to be the main source of all municipal problems (Vzaimodejstvie vlasti i obshchestva 2010).

A comparison of the costs of municipal consolidated budgets per inhabitant with the analogous index in other countries could serve as an illustration of the insufficient budget receipts in the municipalities in Russia. Such a comparison, however, either requires the development of a special technology in order to be sufficiently informative. As the different systems of local self-government create different zones of responsibility, any methodical developments in this field would result only in the possibility to compare the budgetary “prices” of some municipality’s services. For this reason, it is more useful to make international comparisons of the consolidated costs of all levels of the budget system per inhabitant of the country. The results of such a comparison between the member states of the Barents Euro-Arctic Region are presented in Table 1.

CONSOLIDATED NATIONAL BUDGET COSTS OF THE MEMBER STATES OF THE BEAR, THOUSANDS OF EUROS PER CAPITA, 2005-2010						
STATE	2005	2006	2007	2008	2009	2010
Finland	15.14	15.52	16.15	17.24	18.16	18.63
Sweden	17.83	18.54	18.89	18.78	17.36	19.61
Norway	22.19	23.38	24.79	26.13	26.29	29.55
Russia	1.39	1.69	2.23	2.39	2.61	3.02

Table 1. References: (Eurostat 2012; The Ministry of Finance of the Russian Federation 2012)



The figures speak for themselves. At present, in Russia there is a six fold gap in the level of budget security compared with Sweden and Finland, and a tenfold gap in comparison with Norway. It is obvious that such a financial basis in the Russian municipalities limits possibilities for strategic planning and development.

Closely related to the problem of insufficient budget security is the problem of the formation of adequate institutions for the allocation of interbudgetary financial resources. On the whole, the tasks and problems which Russian and Nordic municipalities face in this field seem to be similar. The main challenge faced by the budget systems of these countries is a result, on the one hand, of the municipalities' highly heterogeneous economic potentials and, on the other hand, the necessity to unify their revenue sources and spending responsibilities. The only way to overcome this problem is to equalize both horizontally – that is, between the budgets of municipalities belonging to one region of the Federation (in Russia) or the province (in Norway, Sweden and Finland) – and vertically – that is, between the budgets of municipalities and the budget of a territorial unit at a higher level. At the same time, the approaches to the reallocation of budget receipts may be different. It is possible to reallocate receipts on the basis of data showing the objective needs of municipalities for money to provide municipal services of an established standard of quality to their inhabitants. As an alternative, a certain set of criteria could be established: for example, criteria showing the efficiency of the work of local self-government bodies, using interbudgetary transfers to stimulate them to meet these criteria.

For example, the first variant of interbudgetary equalization has been successfully implemented in Norway. In fact, it is based on the idea of social standards. To implement it, two mutually complementary mechanisms have been developed and introduced into the practical activity of state institutions. The first one is financial and is referred to as the General Purpose Grant Scheme. The second one is the system of acquisition, processing, storage and application of the statistics in financial estimates, which is referred to as KOSTRA (Local Government in Norway 2008). The algorithm of their joint operation is as follows. Based on the statistical data from the KOSTRA system, analysis is made of the tax potential, quantitative and qualitative composition of customers of all aspects of municipal services in each community, as well as a calculation of the costs which municipalities must meet in order to render those services, with the local geographical, social and demographic features taken into account. Then the data are aggregated, and a decision is made on the allotment of non-purpose interbudgetary transfers from the national budget through GPGS (General or Block Grants). These

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transfers are allocated by the government bodies between municipalities and provinces for the reimbursement of costs connected with the solution of local problems. The general grants are an analogue of subsidies in the Russian budgetary practice. The principal difference is the nation-wide scale of the transfer allocation. Through GPGS, the municipal budgets receive 17%, and the provincial budgets receive 33% of the total amount of incomes (Local Government in Norway 2008). The equalization procedure is formalized and absolutely transparent, and strictly oriented towards the satisfaction of the demand of the population for municipal services.

In Russia, with the generally weak financial basis of local self-governments, there are two tendencies in the dynamics of the evolution of the institution of interbudgetary relations (relations between the federal centre and the regions and between the regions and municipalities) which weaken the financial potential of both types of territorial units.

The first tendency is the uncertain position of the Federal government (and as a consequence, that of the majority of the regional governments) concerning “equalization or stimulation” (Yakobson 2006). This is expressed in frequent changes in the Federal government’s rhetoric concerning the basic principles of the allocation of interbudgetary transfers. There are two polar viewpoints on this topic: to allocate grants on the basis of the demand for municipal services, considering municipalities’ financial possibilities, or to stimulate them with interbudgetary transfers to fit criteria of efficiency established by the Federal government. The list of such criteria for municipalities was approved by the Decree of the President of the Russian Federation of 28/04/2008 №. 607, “On evaluation of local governments in urban districts and municipal areas”.

The second problematic tendency is the low quality of formal techniques of budget security equalization, which are not oriented towards clearly defined social standards and are quite often non-transparent<sup>3</sup>. These problems become more complicated due to the weak compatibility between the financial system and the state statistics system.

## **CONCLUSIONS AND SOME POLICY SUGGESTIONS**

In spite of the fact that the problems discussed in this article essentially decrease the possibilities for the successful implementation of strategic planning at the municipal level in Russia, practices of use by the municipalities of this promising instrument for the social and economic development of local communities are increasingly extending.

This, in turn, indicates that municipal officials increasingly realize the necessity to work for a perspective they recognize and to try to solve long-term issues consistently. To make this activity efficient, all levels of public authority in Russia should combine their efforts to solve problems which hinder the Russian municipalities in the elaboration and successful implementation of strategic plans for their development.

It has been argued that the lack of attention paid by Russian local authorities to strategic instruments, as well as the shortcomings of elaborated municipal strategies, are caused by two major groups of problems: institutional ones and economic ones. There has been a lack of stimulation by formal institutions at the national level for the implementation of strategic planning at the municipal level, starting with the lack of relevant laws and regulations. In contrast to the experiences of the Nordic countries, there is a lack of conjunction between national strategic goals and those of municipalities. Strategic goals for the development of municipalities are not incorporated into the nation-wide system of strategic goals through existing laws and regulations at the federal level, and thus are not synchronized with the latter. Regulations and methodical recommendations from the federal level for the organization of strategic planning at the municipal level are not being developed. Neither are the basic principles of municipal strategic planning nor guidelines for the development and implementation of municipal strategies stipulated in legislation, and even the need to implement strategic planning at the municipal level has not been legislatively approved.

An extremely important problem is the contradictoriness of relations between the regions of the Federation and municipalities. At present local authorities are in some kind of institutional trap. The existing formal institutions – first of all, those of state budgetary legislation and state law and regulations on local government – overload municipalities with tasks but provide insufficient resources for their implementation. The tasks of municipalities and their revenue sources are secured by federal laws, and the municipalities themselves have no right to change these regulations. The responsibility for the solutions of local problems is imposed on municipalities, but funds for solving these problems are accumulated at the regional level, and mechanisms which could compel the regions to realize the necessity of providing fair financial support for local self-government are lacking. It is one of the most important institutional problems of local self-government in Russia and simultaneously the reason for a wide variety of problems for municipalities which would like to implement strategic planning. One possible way of solving this problem would be to include local issues in the list of regional responsibilities. Such measures might transform the current relations between

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regions and municipalities from competition into partnership, as has happened in the Nordic countries.

Since one of the most important reasons for the lack of attention of municipal managers to strategic planning is a lack of appropriate culture and traditions, there is a need to put efforts into the creation of such a culture. In this context, the federal government definitely could play a positive role working in two directions: (1) legislatively stating the necessity for and establishing a general nation-wide framework for strategic planning at the municipal level, and (2) elaborating methodical recommendations for municipal authorities to work out strategies.

The second group of problems affecting strategic planning in Russian municipalities is related to the economic situation within which the local authorities in Russia must work and, particularly, the challenges of extremely low budget security at the municipal level. Budget security in Russia is 6-10 times lower than in the Nordic countries. This creates a tension in the work of management bodies at all administrative levels and gives rise to the phenomenon of competition for funds from the regional consolidated budget between the regional and municipal administrations, instead of educating them to be partners in the process of municipal strategic planning.

Thus, another point which both central and regional governmental bodies should focus on is increasing the security of municipal budgets. This work should focus on efforts to create a fair and effective system for the distribution of duties and the allocation of funds between the various levels of public authority. In this respect, the Norwegian experience of interbudgetary equalization based on the idea of social standards could be useful: when two mutually complementary mechanisms – a financial system (the General Purpose Grant Scheme) and a system of acquisition, processing, storage and application of statistics in financial estimates (KOSTRA) – make the equalization procedure absolutely transparent and strictly oriented towards the satisfaction of the demands of the population for municipal services.

## **ACKNOWLEDGEMENTS**

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## NOTES

<sup>1</sup> For instance, according to Norwegian legislation, each municipality must develop and implement simultaneously three interrelated plans: a 12-year plan for the development of municipal formation, a 4-year economic plan, and an annual budget, with a 4-year economic plan that is coordinated with the electoral cycle and adopted during the term of the city council (Local Government in Norway 2008).

<sup>2</sup> Despite the fact that Russian local self-government is separated from the system of state government bodies by the Constitution, local self-government bodies are in charge of implementing state policy. This is due to the dual nature of local government. It is the result of the self-determination of local communities, on the one hand, and the fact that local government is an element of the state system, on the other.

<sup>3</sup> The lack of clearly outlined norms to determine the size of interbudgetary transfers is referred to as an independent problem by 16.9% of the respondents interviewed by the All-Russia Council of Local Self-Government and the Higher School of Economics (Vzaimodejstvie vlasti i obshchestva 2010).

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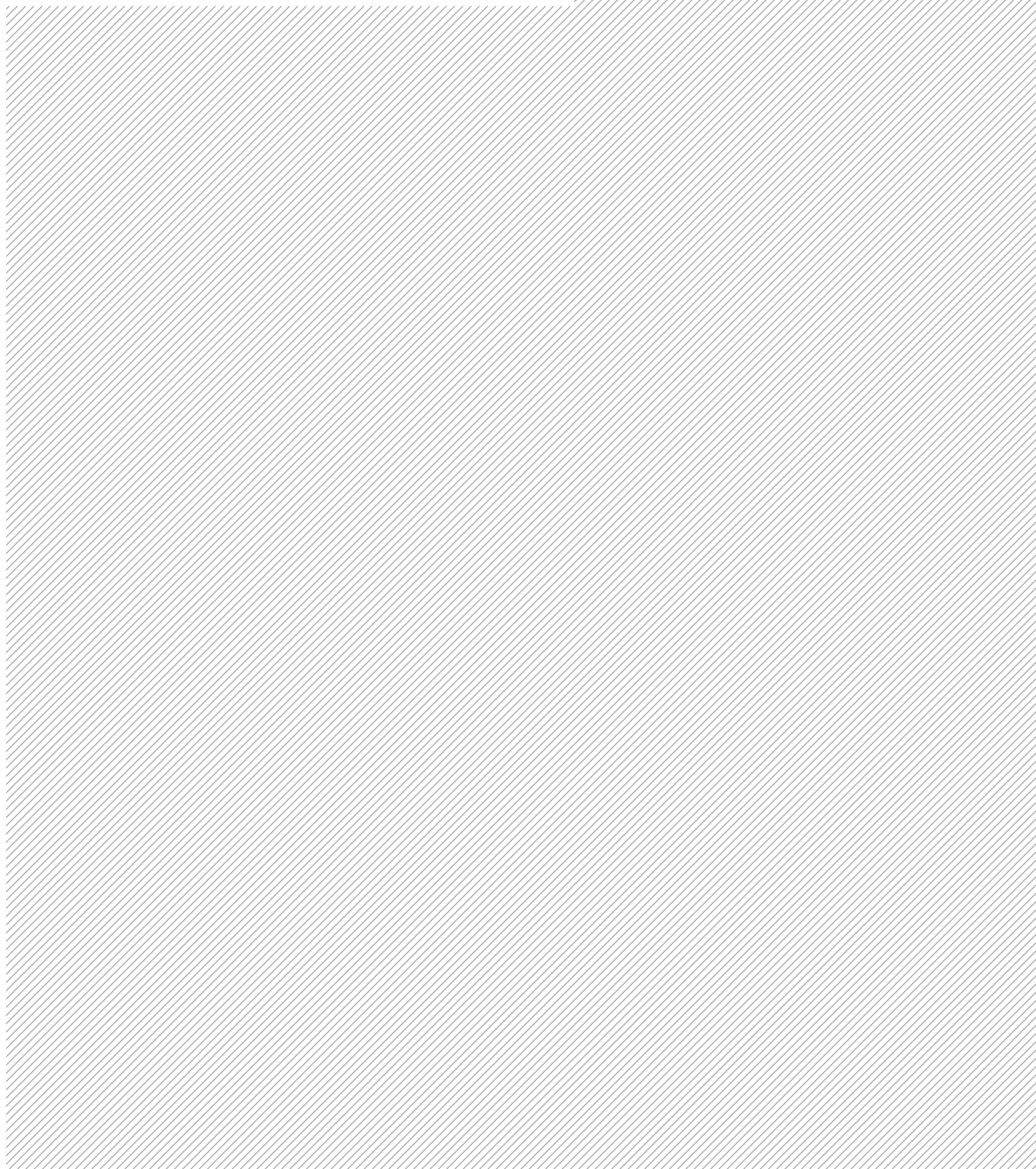
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# **BOOK REVIEW**





# Science and politics intertwined

## – Case studies from the polar regions

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*Sverker Sörlin (ed.)*

*Science, Geopolitics and Culture in the Polar Regions: Norden Beyond Borders.*  
London: Ashgate, 2013. 462 p.

The book *Science, Geopolitics and Culture in the Polar Regions* revolves around the presence and significance, which is “far above their weight in terms of population, geographical size or economic activity” (p. 1), that the Nordic countries have historically had far beyond their territorial boundaries. Through a focus on the polar regions, where the spheres of science, culture and the military are seen as closely intertwined, the book not only argues for the importance that the Nordic countries have in terms of the polar regions, but also highlights the ways in which the Arctic and the Antarctic as “symbolic territories” (p. 4) are crucial in terms of understanding the self-production of the Nordic countries themselves.

The book, which consists of case study chapters focusing on a wide range of topics, is arranged into four parts, each of which focuses on a different “extension” (p. 5) of the Nordic presence. The first part of the book focuses explicitly on the Nordic countries, the Arctic and the Antarctic. In his own chapter, Sverker Sörlin takes a look at the “life, career and ideas of a Swedish scientist” (p. 23), Hans Ahlmann, with a focus on his efforts to bring the ‘Nordic’ together in polar science. The following chapter by Peder Roberts has a twofold goal, as it aims to demonstrate the “contested and messy nature” (p. 55) of discussions on polar cooperation as well as to highlight the underlying causes preventing further collaboration. In their chapter, Peders, Dodds and van der Watt turn their attention to the Antarctic and the process by which a Norwegian-owned research base was transferred to South Africa, viewing the ownership transfer as a reflection of the shifting priorities of both governments as well as the diplomatic and political

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relationships of both countries in general.

The case studies in the second part of the book revolve around the relations between Russia and the Nordic countries, all relating to the continued connections and research ties amidst changing political relations and realities. In her chapter Julia Lajus describes the emergence of scientific field stations in the Russian Arctic with the aim of contributing to the largely unwritten history of Russian field stations and highlighting the political concerns behind the establishment of the research stations. In the sixth chapter, Stian Bones “seeks to identify and explain not only the driving forces behind the wider cooperation in polar research between Norway and the Soviet Union, but also how and why such contacts were contested” (p. 143). In her second contribution to the book, Julia Lajus looks at the fish resources and the communication between individual scientists in the Nordic countries and Russia in order to contribute to “a broader understanding of the Nordic experience” (p. 188) of communicating with neighbouring countries and establishing a presence in the North. In his chapter, Urban Wråkberg focuses on Nordic views of how science was turned into an efficient geopolitical and economic tool in the context of the Soviet Union.

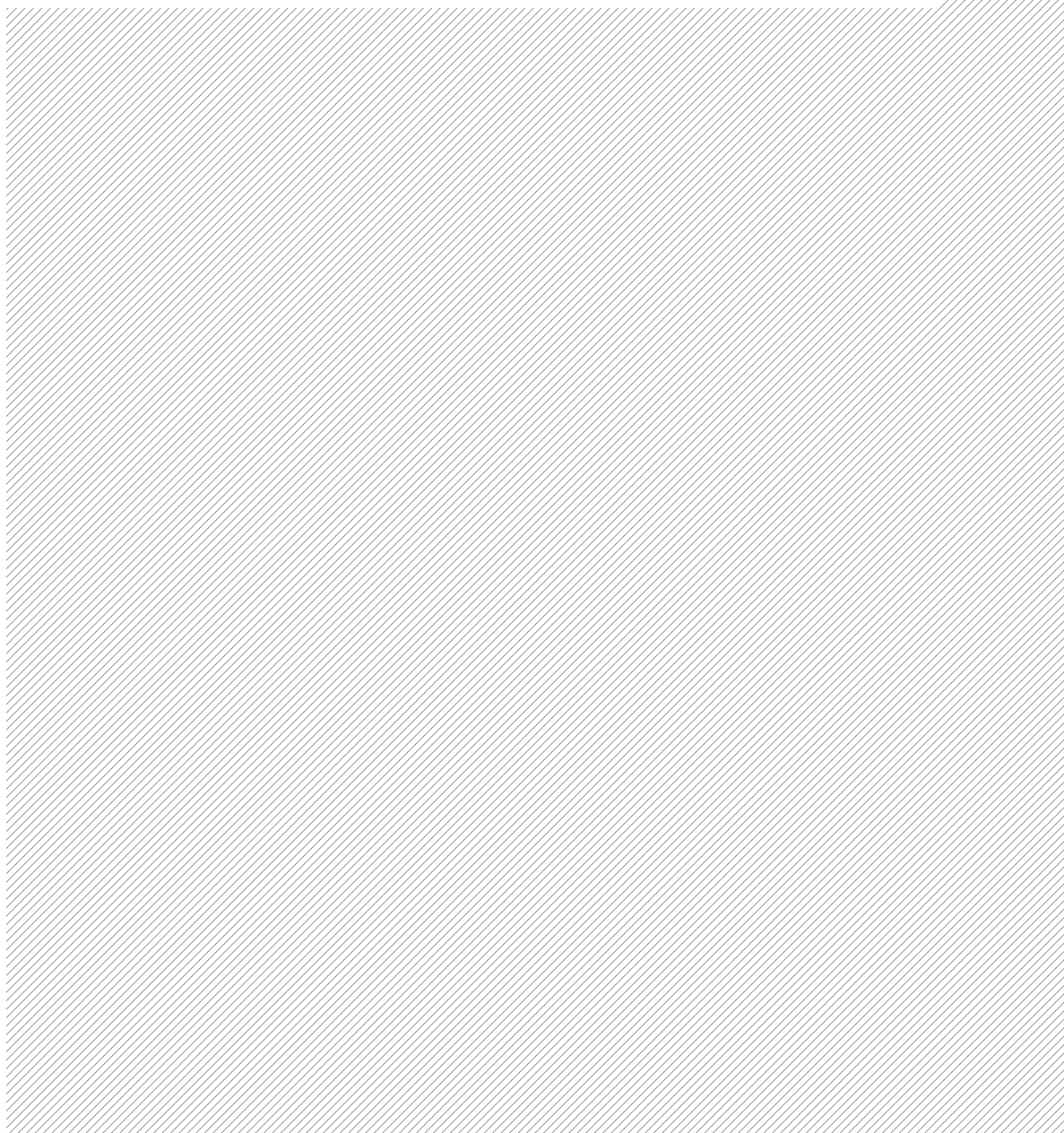
In the third part, the book expands its geographical scope westwards through chapters which deal explicitly with or touch upon Greenland. Kirsten Thisted’s contribution focuses on Greenland’s branding efforts and shifting discourses of indigeneity in the changing societal context of contemporary Greenland. In the following chapter Jessica M. Shadian looks at the narratives of the Nordic region, examining how they have been changing in connection with global political and economic developments and the ways in which Greenland “sits at the crossroads of a changing Nordic region” (p. 279).

The fourth part of the book focuses on what are called “cultural extensions” (p. 291) of Nordic ideas and institutions. Anders Houltz’s chapter looks at museums and their relations to the narratives of the “golden age of polar exploration” (p. 294), as well as the relations of these narratives to national cultures through a comparison of two Nordic museums. The twelfth chapter of the book, by Dag Avango, analyses the role that cultural heritage sites have as rhetorical tools in nationalist rhetoric and in competing for influence and legitimizing sovereignty claims in the polar regions. Meanwhile, Aant Elzinga studies Nordic polar expeditions and International Polar Years from the viewpoint of their geopolitical dimensions and connections to ‘Nordicness’ in the context of science, industry, and national cultures. The last chapter in the book is published in unfinished form and is based mainly on Lisbeth Lewander’s extended abstract and fieldwork notes, as, sadly, the author passed away before finishing the text.

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As a whole, the book is extremely detailed, covering a broad range of historical and contemporary case studies and concerns related to the polar regions. However, at times the connections between the individual contributions and one or more of the key themes of the book explained in the title – especially the theme of *Norden* – remain implicit or in some cases slightly artificial. If the goal of the authors is to “present evidence for the existence of a hitherto rather unarticulated Nordic region” (p. 1), the book would have benefited greatly from a concluding chapter making the ‘Nordic’ in the individual chapters more visible and explicit. However, as such, the value of the book’s contribution lies elsewhere than stated in the title: the detailed descriptions of the diverse case studies highlight the close and changing interplay of science and politics and the ways in which research agendas and priorities reflect political situations and concerns and vice versa.

# **YOUNG RESEARCHERS OF THE BARENTS REGION**



# Tore Andersson Hjulman

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Growing up in Umeå in northern Sweden, I began studies in human geography at Umeå University in 2004. After finishing a BA focusing on Barents region building, I moved to Uppsala and made a total about-face. Under the guidance of the well-known specialist on Nietzsche, Thomas Brobjer at the University of Uppsala, I became seduced by the discipline of intellectual history. Initially it gave me tools to reflect specifically on the tension I felt between my West Bothnian identity and yet striking unfamiliarity with the Sámi community and the colonial history that undoubtedly has shaped the region I had left. My bachelor's and master's theses, on the other hand, investigated various aspects of the national movements of nature conservation. When I was offered a position as a doctoral student in the field of nature conservation and indigenous rights, I was able to combine both interests.

My current work as a doctoral student in Luleå began in 2010 as part of a multi-disciplinary project financed by the Swedish Research Council Formas. Through a number of case studies, I focus on the complicated relationship between the national preservation movement and Sámi reindeer herding during the first half of the 20<sup>th</sup> century. From a deeper theoretical perspective my aim is to contribute to an understanding of how the separation of "nature" from "culture" was used and negotiated in this relationship. I am doing so with a humble appreciation of both the theoretical advancements in the framework of post-constructionism and the increasing number of studies that have made the colonialist traits of Swedish-Sámi history visible.


With the advent of the modern era, the concept of nature gained interpretative content by representing a baseline in the constructions of time as universal schemes of development. Based on the binary concepts of "primitive" and "civilized", the category of "nature people" came to function as a mirroring Other in modern nationalism and social transformation. This is the background to why a conceptual break with nature

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“The Sámi  
became naturized  
in the wake of  
the territorial  
colonization”



*Photo credit: Maria Ollikainen*



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has been a key agenda in many anti-colonial movements during the 20<sup>th</sup> century. Advancing on the modern scale from nature to culture has, for indigenous peoples, meant challenging colonial structures and establishing a voice to which governments and majority populations have to pay heed. This has, for one thing, resulted in what were formerly portrayed as untouched and natural landscapes now, to an increasing extent, being recognized as cultural ones that are shaped by the practices of the long-standing traditions of indigenous groups.

The Sámi became, to use a well-fitting term, naturized in the wake of the territorial colonization that escalated in the 19<sup>th</sup> century. That is, they were identified as a nature people, a conceptual intervention which had a substantial impact on Swedish policy-making. To be naturized means to be conceptually bound up with nature, and nature in this case is imagined as something that lacks agency and is external to society, mainly as a surrounding base of resources. This conceptual platform created a basis not only for domination and resource exploitation but also for counter movements of nature romanticism and preservation. For example, it is noticeable that the distinction between Indians and the more general concept of wilderness was, in large part, obscured in the early American preservation movement.

Naturization also meant that the reindeer herding Sámi could be excluded from most regulations when the first National Parks were established in Sweden in 1909. They were said to be complementary to nature and even to increase the interest of the parks. My interest lies mainly in the process of denaturization. Why was the Sámi identity as a nature people problematized among leading preservationists during the 1930's? What links were there between Swedish Sámi policy and nature preservation? How did the Sámi handle the tension between rights based on an identity as a nature people and rights associated with equal citizenship?





Photo credit: Olga Saveleva





"The purpose of social policy in the Northern and Arctic regions of Russia should be to improve the quality of human capital by investing in the well-being of the population"

## Elena Korchak

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I was born in the town of Kirovsk, which is located in the Russian Far North. I have lived in the town of Apatity (just 22 km from Kirovsk) for more than 35 years. It's a small town with a population of slightly more than 58,000 people. The infrastructure of the town includes a railway station, a local airport, a large cinema, a swimming pool and many shops and offices. Apatity is a nice place for recreation and high mountain tourism despite the severe climatic conditions of the Far North. The Khibiny Mountains are beautiful, attracting alpine skiers and lovers of winter and summer tourism to Apatity. A unique research complex of the Kola Science Centre of the Russian Academy of Sciences with nine institutes is located in Apatity. Altogether more than 1000 people are employed at these institutes. Our town is a science city with great potential for the development of applied scientific research and development, innovations, high-tech industries and education.

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My father is a PhD (Econ.). In 1976 he began working as an intern researcher for the Department of Social Policy in the North at the Luzin Institute for Economic Studies of the Kola Science Centre (IES), where he worked until 2002. Today he works in the field of education as the Head of the Department of Management at the Kola Branch of Petrozavodsk State University in Apatity. My scientific career began in 2001 at the Department of Social Policy in the North at the IES KSC RAS, and I think I “inherited” my father’s interest in social sciences.

The welfare problems of the Northern and Arctic regions form the scope of my research interests. My dissertation (defended in 2007) focused on the developing theoretical and methodological foundations for poverty reduction in the Northern regions of Russia, as well as on working out policy recommendations to improve the institutional mechanisms to solve the problem of poverty in Murmansk Region. This work was appreciated at the Annual Contest of Young Scientists of Murmansk Region in 2007, and was awarded first place and the Governor’s Award. My supervisor was PhD (Econ.) Larissa Riabova, an Honoured Economist of the Russian Federation and Head of the Department of Social Policy in the North at the IES.

Today I am a Senior Researcher in the Department of Social Policy in the North at the IES. My everyday work is connected, first of all, with conducting fundamental scientific research and exploratory scientific studies within the research projects of the Russian Academy of Sciences funded by the federal budget. My research covers various aspects of living standards and welfare in the Russian North and in the Arctic at the regional and municipal levels, and international practices of social policy in the North and in the Barents Euro-Arctic Region.

Since the early 2000s our Department’s research has been devoted to the theme of social sustainability in the North and in the Arctic. Within this main direction several research projects of the Russian Academy of Sciences funded from the federal budget were initiated and completed by our team. I took part in such projects as “Social policy in the Northern regions as a key factor of sustainable regional development under conditions of globalization (the case of the Murmansk Region)” (2007–2009), “The theoretical basis of municipal social policy in the North and in the Arctic in the new model of the national development of the Russian Federation” (2010–2012), and “Scientific foundations of the state policy of socially sustainable development of the Russian North and the Arctic” (2013–2016).

Additionally, I took part in several national and international projects: "Scenarios of socio-economic development of the Northern regions of the Russian Federation" (2009–2010, funded by a grant from the President of the Russian Federation to support research by young Russian scientists), "The heterogeneity of economic space and zoning of the Russian North" (2012–2013, supported by the Russian Foundation of Fundamental Scientific Research), and "Monitoring of the economic situation and social wellbeing of the residents of mono-profile settlements in the Russian Far North", "Formation of the strategic priorities of the Russian Arctic", "The Russian Arctic: a modern development paradigm", and "Indigenous peoples and sustainable development of local communities of the North and the Arctic, Russia" (2011–2014, all funded by the Russian State Research Foundation).

As for international projects, I participated in "Neoliberal governance and sustainable development in the Barents Euro-Arctic Region from local communities' perspectives" (2012, in cooperation with the Arctic Centre of the University of Lapland) and the ENPI Kolarctic project "Sustainable mining, local communities and environmental regulation in the Kolarctic area (SUMILCERE)" (2013–2014). The main focus of these projects was to explore the current situation, identify problems and produce recommendations to improve the institutional environment of social development in the Northern and Arctic areas in Russia and in the Barents Region.

I believe that the purpose of modern social policy in the Russian North and in the Arctic should be to improve the quality of human capital by actively investing in the well-being of the Northern and Arctic populations. Social policy should be concerned with the creation of better and equal opportunities for the people of the Russian Northern and Arctic regions, balancing economic, environmental and social spheres of life in the North. This idea is a kind of compass that guides me in my research.

The results of my research are used extensively in my teaching. Since 2007 I have lectured to students studying social work and state and municipal management at the Kola Branch of Petrozavodsk State University in Apatity. It gives me a good feeling to see that my scientific results are useful for practical life – for people and for the future of my community.

I love my northern hometown of Apatity and my Murmansk Region, and want to see them prosper and thrive.

“My research focus is to understand social aspects of nature-based tourism in relation to local practices”



Photo credit: Gaute Svensson

# Gaute Svensson

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My name is Gaute Svensson. I am a 37-year-old doctoral student at the University of Tromsø. My employer and project owner is Halti National Park Centre – a centre that, in addition to research, is also involved in providing information and education regarding protected areas like national parks.

My disciplinary background is social anthropology, which also constitutes the academic anchoring of my previous and current work. As for the general features of my research focus, my main concern has been to understand social aspects of nature-based tourism in relation to local practices like hunting, angling, harvesting and outdoor recreation in Northern Norway. In the ongoing doctoral project my main concern is two-fold and can be summed up in a question: How do local outdoor practices and traditions influence nature-based tourism today and vice versa? This question is based on an interest in understanding the dynamic aspects of outdoor practices and traditions today – something that is fundamental to humans in the Barents region. In order to understand how people in this region understand nature (and themselves in relation to nature, one might add) one must offer viewpoints on how these practices are adapting to the changes of today. This is the context which creates some of the premises of my research on nature-based tourism, an industry which is said to contribute to sustainable rural development.

Anthropology is known, among other things, for its focus on people's everyday lives, a point of departure seeking what is often referred to as a native's point of view. In my doctoral research everyday life has been approached through internships at several nature-based tourism enterprises as well as through participation in hunting and angling among locals in Northern Norway. Participant observation in this fieldwork has included small game hunting, salmon fishing, ice fishing for char, glacier walks, canoeing, deep sea angling, and dog sled trips, to mention a few.

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Among other work-related tasks I am the project manager for the trilateral project *Norman*. This is a project bringing together Norwegian, Finnish and Canadian nature management institutions focusing on the managed of protected areas. We had our initial seminar in Canada in 2013, and we are planning to host the second and final seminar in Tromsø, Norway this year. Besides Halti National Park Centre in Norway, the other partners in Norman are Metsähallitus and the ELY Centre in Finland, and the Department of Natural Resources in Northwest Territories Canada.

My personal interests have been important in defining my academic work, as my main hobbies are hunting, angling and outdoor recreation. As I was taught old traditions like snare hunting when I was growing up, my curiosity for these old practices has been highly important in my personal and professional life. Beside hunting and angling in more modern ways, I also have a desire to keep the old practices alive – a desire that calls for research. This interest has led me to cross-cultural, non-academic work in Greenland and Canada, where I have sought to learn about other forms of traditional hunting and angling. Beside a year of hunting and angling in Northern Norway and Northern Sweden, I have taken several trips to Northern Canada during which I was living off the land for periods of two to twelve weeks. The Arctic and Barents regions are rich in knowledge, practices and traditions of a life in nature. It is my belief that traditional ecological knowledge can help us understand the challenges of tomorrow.

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# Sandra Wallenius-Korkalo

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I work as a Junior Researcher in Political Studies at the Faculty of Social Sciences, University of Lapland, Finland. I am currently writing my doctoral thesis on the body politics of continuity and change in the Nordic revivalist movement Laestadianism. In addition to research, I get to teach undergraduate courses at the Faculty. I especially enjoy teaching the bachelor's seminar in Political Science and International Relations and supervising BA theses, as well as working as a tutor for new students each autumn. Various administrative tasks also keep me busy.

There is an ongoing debate on whether we live in a secular or post-secular age. My premises are that cultural, social and political ideas and practices are often shaped by religion, and the study of the role of religions and religiosity helps us understand developments in the world today. In Finland, Laestadianism, a conservative Lutheran revivalist movement founded on the spiritual work of the Swedish-Sami botanist and preacher Lars Levi Laestadius (1800–1861), exemplifies an interesting tradition of religiosity which appears in many ways to be unchanging and unmoved by the ways of the world.

Laestadianism can be seen as a product of Northern culture and the Barents region. The movement originated in the northern parts of Finland and Sweden around the mid-1800s and rapidly spread through the North Calotte among the indigenous Sámi population, as well as among the Finns. Laestadianism also managed to interweave Sámi traditions and beliefs into Lutheran teachings. The movement's birth and widespread popularity can be linked to the living conditions and historical situation in the North. Laestadianism has had a profound religious, cultural and social impact in the area.

It is quite apparent that the effects of religious conviction, thought and actions are not limited to religious institutions, but can extend to almost all aspects of society and life. This is especially true of Laestadianism, which is both a very communal and very comprehensive faith and lifestyle. What distinguishes Laestadians from the majority of




“Cultural, social  
and political ideas  
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Photo credit: Pasi Korkalo





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the inhabitants of western (secular) society is that they live in accordance with strict moral codes and practices, and standards of religiosity. They do not, for example, use alcohol, listen to rhythmic music, watch television, use make-up, or allow contraception. Instead, they participate very actively in their congregations and emphasise strong personal religious conviction.

Studying religion from the perspective of social science makes it possible to examine themes such as the links between the individual, the collective and society, the organisation of a collective, power, ordering and legitimisation, and the impact of social change. Religion is a force of both cohesion and conflict. It constructs as well as divides collectives and groups; it has both world-maintaining and world-shaking power.

I approach Laestadianism primarily as a social structure, a system of being and acting in the world, and hence the continuity of Laestadianism appears as the continuity of a social order. This order is expressed in the body and bodies. In the body, society and the individual, nature and culture, institutions and desires intersect. The body, then, provides an excellent context to look at control, the use of power, and possibilities for action and subjectivity.

Especially women's lives and position in the Laestadian community are regulated strongly by normative, conservative and patriarchal doctrines. The opposite is also true: women are pivotal to the fate and vitality of Laestadianism; the continuity of the Laestadian movement is in many ways in the hands – or in the wombs – of the women. I seek to call into question the inevitability and neutrality of continuity as a phenomenon, and claim that the continuity of Laestadianism is a construction that manifests itself in time, place and flesh, and that it is produced and upheld by different strategies of power and order(ing).

Besides religion and politics, and gender and embodiment, my research interests include northern culture and social change, representation, and the politics of memory. I have also worked on several research projects on the interrelations between art and social science. Recently, I became one of the editors-in-chief of *Kosmopolis*, the journal of the Finnish Peace Research Association, which has taken me into intriguing new areas of study.

I live and carry out research in the North and largely about the North. I enjoy the annual change of seasons and the fact that there is a river flowing nearby and squirrels and hares living in my backyard.





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