

Arctic beats Barents?

*Global Arctic hype speeds up in politics and economics.
How does all this affect the Barents Region,
and what concrete effects does it have?*

“I’LL SHOW YOU HOW IT SHOWS.” Timo Rautajoki smiles, takes a pile of international business cards and throws them onto the table. Rautajoki is president of the Lapland Chamber of Commerce in Rovaniemi, Finland. The pile of business cards is from his last visit to Helsinki, where he met a lot of influential people from countries like Japan and United States – once again.

“During the last two years there has been a growing interest in the Arctic. The number of international visitors, ambassadors and delegations visiting the region is huge. Lately the situation has become even more intense.”

A bit too much so, if you agree with Rautajoki. He believes that we should stay calm and analyse things carefully.

“Emotions and passions are a good thing, but we should leave them to relationships and put them aside here. We are not in hurry and we are not late for anything. What is well planned is already half done. Finland has a good Arctic strategy and now we should start to implement it on a realistic timetable.”

According to Rautajoki, cooperation in the Barents Region takes a back seat to global cooperation. However, the Barents is

one of the key regions in the Arctic, so the global hype on the Arctic benefits Barents cooperation as well.

From tires to rails

In Finland there has been a lot of discussion about building a train connection between the Baltic Sea and the Arctic Ocean. It’s based on the hope that the North East Passage will become a busy sailing route between Europe and Asia.

“Building a train connection from Rovaniemi to Kirkenes is a bigger issue than we realise. Even Japan and China are interested in it. But even if the planning started right now, the rails wouldn’t likely be ready before the 2030s.”

Rautajoki says that we should first invest in the road network, because it’s cheaper and we already have the infrastructure. For him the most important thing in Barents cooperation so far has been the Joint Barents Transport Plan, because it recognises the importance of the Finnish road network for Norway.

“Let’s start on tires and when heavy traffic starts increasing, plans for a train connection will speed up.”



Two ongoing crises

Even though the hype is strong, it seems that so far there have been more expectations of economic growth and investments than actual actions.

“On the contrary; a lot has happened already! Take Sweden, for example, where the investment boom in mining has continued for about eight years so far. In Lapland, we have had investments of over one billion euros in tourism since the start of the millennium.”

There are two big issues that are slowing economic growth at least for now: the global

financial crisis, which naturally has an impact on the Barents Region, and the crisis in Ukraine, which is affecting the exchange rate of the ruble.

“Relations have already been cooling down between Norway and Russia, between the European Union and Russia and between the United States and Russia.”

This is felt in the cooperation in the Barents Region. One concrete example is the Kolarctic ENPI programme, which has helped make this magazine possible. It is a financial instrument of the European Union designed to facilitate cooperation between Norway, Sweden, Finland and Russia. The

programme period is ending, and a new one was supposed to start in couple of years. What happens now is unsure.

“We should keep in mind that Russia has been there a thousand years and will be there another thousand. Finland should stay neutral and maintain good personal relations with Russia. We have a good chance to succeed in this because we don’t have a coastline on the Arctic Ocean and we don’t have oil or gas. We just need to keep our cool.” ●

Marjo Laukkanen

Marko Junttila



Timo Rautajoki is a humanist who has a clear vision about business in the Arctic: “Finland could be a neutral leader.”