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Economist

Arctic resources

Now it's their turn

The Inuit prepare to defend their rights

Mar 3rd 2011 | OTTAWA | from the print edition

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WHEN in the Arctic, you should at least treat your host well. Royal Dutch Shell, an oil giant, had to learn this the hard way when planning to drill exploration wells in the Beaufort Sea off Alaska a couple of years ago. The firm had spent \$84m on offshore leases and had satisfied regulators. But it failed to win over the Inupiat, an Inuit group. They worried that icebreakers and drill ships would hurt the bowhead whales on which they depend. Their leaders and environmental groups sued American regulators for not following a 1970 law on environmental impacts. This allowed them to wrest a number of concessions from Shell, including a commitment to stop all offshore operations during the bowhead migration and hunt, should drilling ever proceed.

Much has been made about conflicts between Arctic states because of a retreating polar ice cap, which will make many natural resources accessible for the first time. But so far, the disputes have been of a different kind. Shell's experience in Alaska is being repeated around the North Pole. And such clashes are bound to become even more common. Native groups claim much of the Arctic coast as their traditional territory (see map)—and are prepared to fight for their rights. In late February representatives of the Inuit met in Ottawa to discuss a common position on resource development in the High North.

In fact, countries surrounding the Arctic do not have much to argue over. The resources on land lie within clearly delineated borders and those under the sea—which include an estimated 83 billion barrels of oil, more than Russia's proven reserves today—are largely in shallow waters within the uncontested jurisdiction of coastal states. "There is no race for Arctic resources, and no appetite for conflict," says Michael Byers, author of the book "Who Owns the Arctic?" Instead of getting into a fight, he points out, Norway and Russia last year ended a decades-long dispute.

In contrast, potential for conflict with native groups is in rich supply. In particular the Inuit live in areas where natural resources are plentiful. And although they are only a small minority—an estimated 160,000 of them are spread across the Arctic—they have achieved a degree of power. Greenland, a territory of Denmark with a predominantly Inuit population, assumed self-rule in 2009, giving it control of its resources. Nunavut, a vast northern territory in Canada, was created a decade earlier by a settlement with the Inuit.

What is more, the Inuit are determined not to be bowled over. They have amplified their power by banding together in the Inuit Circumpolar Council, (ICC), a body created in 1977. They have used their membership of various United Nations bodies to compare notes with indigenous groups from around the world. They have teamed up with other Arctic dwellers such as the Sami of Scandinavia and the Dene of north-western Canada. And they have sought expert legal advice for their common position, which is due in May.

The Inuit are not against development, but want to ensure that it happens on their terms. This



partly means sparing the environment—but it also means receiving their share. “For centuries the Arctic lands and waters have been exploited by everybody—except the Inuit. Now it’s our turn,” Kuupik Kleist, Greenland’s prime minister, said at a meeting in Ottawa. The territory is counting on offshore oil and gas to speed its way to independence. It allowed exploration to proceed last year when others were hanging back after the disastrous oil spill in the Gulf of Mexico.

Other delegates spoke dismissively of companies that, a while back, had talked Inuit into bad deals. In one case a firm supplied poor communities in Russia with a crate of vodka and some food. In another a company in Canada tried to buy access to a nickel deposit in Quebec by offering cash and two ice resurfacers for the local rink.

Yet it was the Inuit success stories that most grabbed delegates. One example is the Red Dog Mine in northern Alaska. Created as a joint venture between the operator, Teck Alaska, and the local Inupiat, it has fed much cash—\$146m in 2010 alone—into the Inupiat’s coffers. Such deals may be too steep for the appetite of many resource companies with Arctic dreams. But the increasingly interconnected Inuit are unlikely to settle for less in one country when they know what their counterparts have received in another.

The Inuit know that they will not always get what they want—in Russia, say, where the rights of the Yupik, another Inuit group, are enshrined in the constitution but are being eroded by the government. On the other hand, events in the Middle East will only make their oil and gas more desirable. “Development is going to happen”, says Edward Itta, the Inupiat leader who wrested the concessions from Shell, “whether we like it or not.”

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