

The Dual Reality

The notion of dualism is one of the key ones in socio-economic science. Everybody familiar with the classic economic theory 'according to Marx' is well aware of the dual nature of a product. Any product, on the one hand, satisfies a human need and, on the other, it contains a certain value, which may bring about asset growth for an 'economic agent' (the manufacturer or the actual owner).

Resolving the eternal conflict between the two features, according to the Marxist theory, is an extremely complex theoretical and practical problem. Its satisfactory solution will ultimately determine whether there will be harmony and universal justice for all on earth.

Alas, as demonstrated in our experience, such a setting of the key problem of socio-economic development is utopic and rather simplistic. Still, it gives food for analyzing many problems and situations in various spheres of human endeavors, such as contemplating the future development of the North and the Arctic.

This unique region also has a dual nature. On the one hand, the Arctic is the province of all mankind (especially, from the point of view of its impact on the climate processes), on the other hand, its unique natural resources may be used for resolving their problems only by the countries that are adjacent to the Arctic, i.e. those that shore up the Arctic ocean and its inclusive seas.

The dual nature of all economic processes in the Arctic follows from such circumstances as a) exploration and consumption through the economic activity of its unique natural resources (more often than not, this involves their export to external markets far removed from the territory in question); b) dealing with economic and socio-economic problems entails approaches and practices that have been successfully applied in other regions.

In the practical sense, the above-mentioned duality turns up as the unconditional dominance of the global over the local, i.e. 'external' relative to the Arctic practices of the modern civilization prevail over those that have taken shape on its territory over a long time.

The author believes that only now we can observe the two sides of the above-described economic activity in the Arctic starting to move towards each other (in search of converging points). This is precisely the focus of the current collection of ECO papers. Its authors try analyzing the assets of the Arctic economy, looking at them from the

point of view of the global economy (seeking to achieve the economy of scale) and from the local/traditional (having such quality as ‘transformity’) (the paper by V.A. Kryukov and D.D. Medzhidova).

There is an illuminative and telling example of a ‘frontier’ town in the Igarka case (the paper by N. Yu. Zamyatina). The principle reasons of its decline lie in the narrow industrial approach to development of urban economic activity in the absence and even the impossibility of a complex approach that considers both global and local features within the framework of the selected ‘global style’ development. The ‘golden age’ of mass production and narrow specialization (introduced before the war after purges in the system of the North sea route and amplified in the course of the race for gross indicators in the last decades of the Soviet system) turned into the inadequacy of the urban system that faced the economic hardships of the 1990-s.

There is an interesting look at the processes that took place on behalf of the ‘witnesses’ of the tumultuous colonization of the Arctic at the start of the previous century. Thus, the Norwegian and Russian entrepreneur Jonas Lid (the same one who founded the “Siberian society of steam navigation, industry, and trade”, was among those who built a sawmill plant on the Angara river, as well as several ports along the Kara sea route) made the following remarks (in the book originally published in London in 1960)¹:

“...Igarka was built exclusively for servicing export trade. It served a double purpose – the export of timber to the West and meeting the presumed need for wood in Siberia. In my opinion, it would have been much better to build a sawmill in the vicinity of Krasnoyarsk, e.g. in Maklakovo. Igarka appeared so that in the first five-year plan, the volume of timber export along the Kara sea route would go up and improve the productivity statistics. This was quite common in those days. And, of course, all the timber floated down the river. The open waterway allowed ocean ships to enter the mouth of the river. Meanwhile, there was no sense to send the felled timber upstream from Igarka to Central Siberia over 1000 miles away. In 1933 there were significant changes in the trade conditions which put Igarka before the dilemma: either die or go on exporting timber to the West”.

¹ Lid Jonas. The Siberian Arctic. Research and development of the Kara sea route. The history of “Siberian company”. Krasnoyarsk: “Rastr” Publishers, 2019. 320 p. [P. ۲۳۸]. URL: [https://gnkk.ru/books/yonas-lid-sibirskaya-arktika-is"sledov/](https://gnkk.ru/books/yonas-lid-sibirskaya-arktika-is)

From the start, nobody considered the prospects of future development of the north town (in the proper meaning of the word, not just a dwelling place for timber handling hub workers) as well as points connecting it to the development of the regions in the southern part of Siberia. Effectively, it was an isolated industrial project of a ‘global’ character.

Quite convincing are the impressions of the American journalist Ruth Gruber² published in the distant 1939³: “the house of the Soviets, the municipal council – a meeting with Valentina Ostroumova, a secretary of the city committee of the CPSU as well as a party secretary of the administration of the North sea route in Igarka:

Valentina Ostroumova: “*Our most important task is to build warmer and more comfortable homes. We must expand our greenhouses so that our workers have fresh vegetables. We have to give all of our collective farmers cattle – cows and pigs, and thus create a food production base. We need to erect a water tower that would supply the population with drinking water. We must raise the power of our electric station from 1300 kW to 3600 kW*”.

Ruth Gruber: “*I saw ships in the harbor. How does the Kara Sea route work?*”

Valentina Ostroumova: “*It is very simple*”. She said, having thought a little. “*Every summer foreign and soviet ships come from European ports to the Kara Sea in the soviet Arctic. They are met by a soviet ice-breaker that helps the caravan of ships pass through the Kara sea, which travelers call ‘the icebox of the Arctic’. Also, as part of the caravan, the ships go along the Yenisey to Igarka. They bring machines, various foodstuffs, and everything we order. They in turn take our timber.*”

Ruth Gruber: “In order to sum up the above and point out the importance of the town I tried recapitulating: “*One then may insist that the real role of Igarka is to be an Arctic seaport, the gates, through which the Siberian riches may be delivered to the world markets?*”.

She (V. Ostroumova) nodded affirmatively”.

² I. Parasyuk Three lives of American journalist Ruth Gruber. URL: <https://www.partner-inform.de/partner/detail/2019/3/235/9476/tri-zhizni-amerikanskoj-zhurnalistki-rut-gruber?lang=ru>

³ Ruth I Gruber. Went to the Soviet Arctic. New York: Simon and Shuster, 1939. 333 p. [Pp. 85–88].

The success of the search and implementation of various combinations of global and local features of economic processes in the Arctic depends on many participants – the states, communities of native peoples, and, most of all, global in essence and operation, resource corporations that are based here. Those have some basic distinctive features as well as new characteristics that arose from the modern technologies and information processes (the paper by A. N. Pilyasov and A. O. Bogodukhov) that put them into a separate class of Arctic TNCs. However, inadequate consideration of local specifics on their part leads to a highly effective level of intellectual production processes on the one hand, and to multiple social costs for the territories of extraction from new technological solutions on the other.

We are at the very start of resolving the difficult problem of overcoming the duality of the Arctic economy and the reality it creates. It is quite likely that its solution cannot be universal to fit all cases everywhere. Nonetheless, it obviously cannot be found without all parties trying to keep up an open dialogue and be ready for a reasonable compromise. We hope that the papers selected now will shed light on the directions such discussions may and must lead us in.

Editor in chief of ECO



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