



# AlaskaNor: Opportunities for Blue Growth in Alaska & North Norway

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## Introduction

With the rapid changes taking place across the Arctic, questions are being asked about the profitability of northern economic ventures, in tandem with conditions for local and regional development. The boom and bust cycles of Arctic activity are both a blessing and a curse for Arctic regions. Amongst these, Arctic United States (Alaska) and North Norway (Nordland, Troms and Finnmark) share similar characteristics. Dependence on and potential for maritime industries and the blue economy stand out. Furthermore, the two regions are the most populous in an Arctic context.

This project intends to explore commonalities and differences between Alaska and North Norway, with the purpose of pinpointing room for further collaboration, as well as lessons and opportunities relevant for both parts of the Arctic. It builds on a small project from Arctic-2030 - ‘*Norway-Alaska Economic Development Cooperation in the Maritime Arctic*’ – which in 2017 helped establish a ‘task force’ of Norwegian and Alaskan actors concerned with the blue economy.

The key problem we will tackle is:

- **Uncoordinated actions and non-systematic information concerning blue economy potential and activities across the Arctic, in particular in North Norway and Alaska.**

We ask:

1. **What is the status regarding the blue economy and key economic and societal sectors in Alaska and North Norway?**
  - a. **How similar are these two Arctic regions, in terms of local and regional business development?**
2. **What opportunities exist for collaboration between regional actors?**
  - a. **Are there best practices and/or lessons learned that hold relevance across the regions?**
  - b. **How can we foster better cooperation and interaction between Alaska and North Norway?**

This project is divided into three parts:

- **First**, we will provide an analysis and assessment of the current state of affairs in both Alaska and North Norway, including economic and business indicators.
- **Second**, we aim to look ahead to the possibilities of tomorrow. Emphasis will be on both drivers and barriers to growth, as well as local and regional societal development. A key component here will be potential areas for expanded collaboration *between* the two regions in question.
- **Finally**, we will actively engage and communicate with national politicians and decision-makers in the two countries’ capitals. By synthesizing the results in the previous parts and focusing on outreach events, we can enhance the quality of the Arctic discussions taking place in both the United States and Norway.

## Alaska



Population: 741 894  
Area: 1,717,856 km<sup>2</sup>  
GDP per capita: \$ 67,705<sup>1</sup>  
Organization: 16 boroughs + unorganized  
Capital: Juneau  
Largest cities: Anchorage, Fairbanks, Juneau

### Key maritime industries:

- Oil and gas production
- Fisheries (incl. aquaculture)
- Shipping

### Key barriers to growth:

- Regional and/or national regulations
- Limited infrastructure (ranging from hard to soft)
- Limited local competence and innovation

### Key areas of future potential:

- Marine industries
- Renewable energy
- Technological innovation

<sup>1</sup> In 2015. In chained 2009 dollars. <https://www.bea.gov/index.htm>

<sup>2</sup> In 2015. 388 726 NOK, conversion rate 1 USD = 8 NOK (2017) <https://www.ssb.no/nasjonalregnskap-og-konjunkturer/statistikker/fnr> .

## North Norway



Population: 480 740  
Area: 112 975 km<sup>2</sup>  
GDP per capita: \$ 48 590<sup>2</sup>  
Organization: 3 counties, 87 municipalities  
Capitals: Bodø, Tromsø, Vadsø  
Largest cities: Tromsø, Bodø, Mo i Rana

## Initial project outline

- **Work packages:**
  - WP1 – Synthesis and coordination
  - WP2 – Offshore energy
  - WP3 – Blue economy and smart communities
  - WP4 – Arctic shipping and transport
  - WP5 – International governance and the blue economy
  
- **Time-frame:**
  - June 2018 - June 2021
  
- **Budget:**
  - 11 000 000 NOK
    - MFA: 5 500 000 NOK (50%)
  
- **All work packages will follow the same structure, answering:**
  - (1) what is the state of affairs within the focus of the WP?
  - (2) what opportunities exist, and what are barriers that hinder the realization of these opportunities?
  - (3) where is the potential for increased collaboration between Alaska and North Norway?  
= This will lead to an in-depth and extensive report from each WP.
  
- **Comprehensive overview + book.**
  - In turn each report will be combined into a **final project report and thereafter a book** on Alaskan/North Norwegian challenges and opportunities.
  
- **Outreach and discussion seminars:**
  - 1 seminar in Alaska (input and discussion)
  - 1 seminar in North Norway (input and discussion)
  - 1 seminar in Alaska/California to coordinate results and next steps.
  - 1 seminar in DC + closed meeting with politicians (present results and lobby)
  - 1 seminar in Oslo + closed meeting with politicians (present results and lobby)
  - Final project conference and launch of final report
  
- In addition, several teleconferences will be held between the project partners and the reference group and the High North Dialogue conference in 2019, 2020, and 2021 will be utilized for meetings and a final project conference.

## Work Packages:

### WP1 – Synthesis, coordination and communication

- Goals:
  - Define the overarching framework of the “blue economy” and what connect this across the different work packages.
  - Identifying the key factors in each work package, synthesizing findings and coordinate the other WPs.
  - Ensure (1) that all WPs are streamlined and tackle the same questions, while also (2) communicating the results and progress externally through media such as High North News
  
- Partners (leader in bold):
  - **High North Center**
  - Institute of the North
  - High North News
  - The Arctic Institute
  - Fridtjof Nansen Institute

## WP2 – Offshore energy

Oil and gas production constitutes an important industry in both Alaska and North Norway. Falling market prices and environmental concerns, however, have replaced an initial regional optimism concerning further expansion of the industry. At the same time, companies continue to acquire leases for exploratory drilling, and waters off both Alaska and North Norway still stand as the future in regional and national energy policies. An additional aspect is the potential for new forms of energy, like offshore wind farms in the Arctic, although the feasibility of such projects remains unclear.

Key questions to be addressed:

- What are current levels of production and the economic value of the petroleum industry in Alaska and North Norway?
- What is the untapped potential of discovered and undiscovered resources?
- What are key barriers to unleashing this potential?
- What levers exist on regional and national levels to enable expansion of the industry?
- How is enterprise development within the support sector configured, or could it be expanded?
- How do can companies and governments ensure public support and community engagement?

- Partners (leader in bold):

- **Institute of the North**
- High North Center
- PetroArctic
- Arctic Slope Regional Corporation (ASRC) (*confirmed without letter*)

### WP3 – The blue economy and smart communities

Marine resources play an important role in the economies of Arctic regions – in particular Alaska and Norway – and some have also taken leading positions in marine fish farming. Moreover, new possibilities have opened in the realm of marine bioprospecting. Thus, the “blue economy” may play a significant role in to Arctic economic growth. At the same time there is a growing awareness of the environmental impact of these activities. The list of potential adversary effects is long and ranges from contribution to climate change to destruction of local marine habitats. What exactly the blue economy entails is at times unclear. The link to local communities and the increasingly relevant concept of “smart cities” is similarly poorly understood.

Key questions to be addressed:

- How does the “blue economy” enable Arctic development?
- What areas of economic activity within the “blue” hold particular potential in Alaska and North Norway?
- What are the main challenges as part of realization of this potential?
- How do larger Arctic cities – like Bodø and Anchorage – relate to the idea of the “blue economy”?
- What are the value-added opportunities?
- How is the blue economy part of an energy or economic transition, as regions work to meet their climate goals?
- How can the smart cities initiative be utilized in tandem with the blue economy?

- Partners (leader in bold):

- **High North Center**
- Bodø Municipality
- The Arctic Institute
- Center for Blue Economy, Monterey
- Juneau Economic Development Council
- Alaska Ocean Cluster

## WP4 – Arctic shipping and transport

The core challenge for any Arctic business development is the distance to relevant markets further south. Alaska and North Norway are both maritime regions where the total amount of maritime activity has increased over the last decade. Both regions are also set to profit as the Northern Sea Route continues to expand in both number of vessels and tonnage. There are, however, questions concerned with the profitability of Arctic shipping. Similarly, investments in local port infrastructure and emergency response systems are in demand, but are materializing slowly.

Key questions to be addressed:

- What are current levels of maritime transport activity in Alaska and North Norway?
- What are the central demands from local businesses in transport to markets further south?
- Where is there a demand for increased capacity and where is there a surplus?
- What are the main impediments to increased shipping to and from, and within, the Arctic regions in question?
- What can be done on a regional and national level to spur further investments in relevant capacities needed to sustain and increase Arctic shipping?

- Partners (leader in bold):

- **The Arctic Institute**
- Centre for High North Logistics
- Institute of the North
- Norwegian Shipowners' Association
- University of Anchorage (*confirmed without letter*)



## WP5 – International governance and the blue economy

International and regional organizations like the Arctic Council, IMO, the UN, and the Arctic Economic Council are increasingly concerned with how to ensure so-called sustainable economic development in the Arctic. The concept of the blue economy and blue growth has been emphasized in this work. It is, however, sometimes difficult to pinpoint the linkage between the international level and effects in local communities in the Arctic. A key question is therefore how the international level sets the parameters for the blue economy in Alaska and North Norway.

Key questions to be addressed:

- What work is being done in various international organizations with relevance for blue growth in the Arctic?
  - How do these organizations and the regional and national governments ensure utilization of the results produced in international working groups and task forces?
  - To what extent are such results communicated and disseminated in Alaska and North Norway?
  - What is the link between regional governments and these various international bodies?
  - Where is there potential for further work on the link between governance and the blue economy?
  - Do the Sustainable Development Goals provide a good framework, or how does blue economy relate back?
  - What opportunities exist for direct cooperation in international forums between Alaska and North Norway?
  - How can such work help foster increased cooperation between the United States and Norway at large, within an Arctic context?
- Potential partners (leader in bold):
- **Fridtjof Nansen Institute**
  - Nordland County
  - Wilson Center
  - Arctic Economic Council (AEC) Secretariat

## Reference Group

- Focus:
  - o Consisting of members from WPs.
  - o Give input and support to the work at crucial stages in the process.
  
- Potential members:
  - o PetroArctic
  - o Norwegian Shipowners
  - o Nordland County
  - o Bodø Municipality
  - o Alaska Ocean Cluster

## Implementation/activity plan:

<b>Year / Phase:</b>	<b>When:</b>	<b>What:</b>
<b>2018</b>  <b>Phase I – Identify and report</b>	August 2018	Start of project
	August/September 2018	Start of WP-work: Identify key actors and progress in each WP
	September 2018	WP-meetings and local input seminar Bodø, North Norway
	October 2018	Use Arctic Circle as venue for relevant WP-meetings and coordination
	October 2018	WP-meetings and local input seminar Anchorage, Alaska
<b>2019</b>	January 2019	Use Arctic Frontiers as venue for WP-meetings
	January 2019	Teleconference: report on findings/progress in each WP
	February - April 2019	WP-work on combining findings / assembling reports
	April 2019	High North Dialogue Conference in Bodø, North Norway /WP-meetings
	June 2019	Teleconference: report on finalisations

	September 2019	WP-meetings and local input seminar, Juneau, Alaska  “Blue business group” established
	October 2019	Use Arctic Circle as venue for relevant WP-meetings and coordination
	October-November 2019	Complete first drafts of reports from WP 2-5  Teleconference: presentation of reports  WP-reports published
<b>Phase II – Synthesise and analyse</b>	November-December 2019	Work on synthesising reports and combining to a larger report
<b>2020</b>	January 2020	Use Arctic Frontiers as venue for WP-meetings
	January-February 2020	Retrieve local input + input from reference group on results
	March 2020	Draft of “key recommendations” and policy guidelines
	April 2020	High North Dialogue Conference in Bodø, North Norway /WP-meetings and presentation “key recommendations”  Established UArctic “thematic network”

	May 2020	<p>End of WP-work: Final report completed and published + short key-findings report</p> <p>At a minimum, 4 peer reviewed journal articles published</p>
<b>Phase III – Dissemination and outreach</b>	May-June 2020	<p>Seminar in D.C. at think tank</p> <p>Meetings with national politicians/Congress, Washington, D.C., to present report and key-findings</p> <p>Retrieve input from US decision-makers on report/key-findings</p>
	September-October 2020	<p>Seminar in Oslo at Fridtjof Nansen Institute</p> <p>Meetings with national politicians/Stortinget, Oslo, to present report and key-findings</p> <p>Retrieve input from Norwegian decision-makers on report/key-findings</p>
	November – December 2020	Completion of report of findings in Oslo/D.C.
	2021	January 2021
	February 2021	Survey on the change in the local and national

	perception of the blue economy and future opportunities in the regions
April 2021	Final Conference / network group-meetings in Bodø, during High North Dialogue Conference, 2021
May-June 2021	“How to enable blue growth in the Arctic” – report/book completed and sent to publisher
July 2021	End of project