

Nansen News

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Editorial

THE INTERNATIONAL NORTHERN SEA ROUTE PROGRAMME: A NEW PHASE IN THE COLLABORATION BETWEEN RUSSIA, JAPAN AND NORWAY

The international Northern Sea Route Programme (INSROP) was initiated in 1993 and intended to last for five years, subdivided into two phases: the first phase lasting three years, the second two. The overall purpose of the programme was to produce a scientifically founded knowledge-base on the conditions for sailing the Northern Sea Route (NSR) north of Russia between Novaya Zeml'a and the Bering Strait. This knowledge-base was to serve operative aims and provide a factual foundation for rational decisions in the public and private sectors in the countries concerned.

Phase II of the programme is now underway. The aim is twofold: In the first place the programme will attempt to fill the gaps that still remain in our specialised knowledge-base after the completion of phase I. This supplementary work takes place through further specialised studies. The cooperating partners - Central Marine Research and Design Institute in St. Petersburg, Ship and Ocean Foundation in Tokyo and the Fridtjof Nansen Institute - then aim to integrate the results derived from the specialised studies in Phase I and Phase II in collective studies that will provide a multidisciplinary understanding of the challenges confronting us along the NSR. The integratory work will follow two paths: an all-embracing integration of the principal findings produced in the specialised studies throughout the INSROP years, and a more thematic integration of all relevant data in a simulation of ship traffic along this sea route.

The overall aim of Phase II is thus to raise our common insight to a higher level than we could aspire to in Phase I: Phase II seeks to increase the comprehension of complex contexts, while Phase I provided sector insight. The users of the INSROP findings - i.e. the decisionmakers in the public, non-governmental and private sectors - are compelled to make their decisions and act in a composite and complex world. Thus, the INSROP's knowledge base would be less useful if it had to confine itself to presenting odd, disconnected bits of a complex whole. In this way true integration starts with and depend on the work of specialists.

IN SHORT...

RELEASE CEREMONY OF THE GREEN GLOBE YEARBOOK 1997, CHINESE VERSION

The Chinese translation of the Green Globe Yearbook 1997 was presented at a release ceremony in Beijing, 24 October. The ceremony was held in the National Environment Protection Agency (NEPA) building, and present in the panel were His Majesty King Harald V of Norway, Her Majesty Queen Sonja, the Norwegian Foreign Minister, Mr. Knut Vollebæk, and the NEPA administrator, Mr. Xie Zhenhua.

- The Yearbook has proved a most useful vehicle of learning and policy implementation to China, said Mr. Xie. The translation of the Yearbook is part of the bilateral environmental agreement between China and Norway. - Norway attaches great importance to its co-operation with China in the field of environmental protection, said His Majesty King Harald in his speech.

Mr. Cheng Weixue, Deputy Director General of the Department of International Co-operation, NEPA, said in his speech: - It provides indispensable information for China's decision-making departments at all levels, non-

governmental organizations and industrial and commercial sectors, as well as great help to officials, research staff, students and the public.

The Director of the FNI, Mr. Willy Østreng, and the editorship of the Yearbook, also had the opportunity to meet with the leadership of the Division of Bilateral Affairs at NEPA during their visit. The two parties expressed satisfaction with the co-operation, and emphasized their desire to continue publishing a Chinese version of the Green Globe Yearbook.

The Green Globe Yearbook is compiled by the Fridtjof Nansen Institute. It is translated into Chinese by NEPA and published by China Environmental Science Publishing House.

ANNUAL POLOS WORKSHOP

The FNI hosted the third annual workshop of the Polar Oceans and the Law of the Sea Project (POLOS), held at Polhcgda on November 2-4, 1997, with the participants coming from the Georgetown University and the universities of Cardiff, Edinburgh, Sydney, Tasmania, Tromsø and Zagreb. The team from the FNI, which is the initiating and coordinating institution for the POLOS project, included Douglas Brubaker, Geir Hønneland, Olav Schram Stokke and Davor Vidas (project director). The discussions at the workshop focused on draft chapters for two books, to be finalized in the last project year: one on the protection of the polar marine environment, and the other on the governance of high seas fisheries, exploring regime linkages in the management of straddling stocks. Also, papers addressing various issues of delimitation in polar oceans were discussed at the workshop. Based on the conclusion of the workshop, a series of selected papers presented will be published by the FNI in its Polar Oceans Reports series.

WORKSHOP OF THE ANTARCTIC PROJECT

In early November 1997, the FNI organized the workshop of the Future of the Antarctic Treaty System project. Discussions in scholarly sessions followed up on the topics singled out in the first phase of the project, including: the entry into force of the Environmental Protocol to the Antarctic Treaty - an overview and analysis of pending issues; interpretation of the Environmental Protocol - reflections on ATS practice; the UN General Assembly and Antarctica; and the relationship of the ATS to other international organizations and agreements. The papers presented at the workshop, and revised in accordance with discussions, will be published as FNI reports.

WORKSHOP WITHIN THE EC FUNDED "STRATEGIES FOR EU LEADERSHIP OF INTERNATIONAL CLIMATE AND SUSTAINABILITY REGIMES" PROJECT

A workshop within this European collaborative project, headed by Michael Grubb of the British Royal Institute of International Affairs, was held in Wuppertal and Bonn October 24-25. The Norwegian team participants were Anne Kristin Sydnes, Stig Schjølset and Jørgen Wettestad from the Fridtjof Nansen Institute and Asbjørn Aaheim from CICERO. The following papers and tentative findings were presented by the Norwegian team and discussed at the workshop:

"Sectoral integration" as a key to European climate policy progress (Wettestad)

Since the greenhouse problem is inherently linked with the operation of key societal sectors like industry and transport, an interesting and important related process has been centred around the issue of "sectoral integration". How has this governmental integration challenge been handled in practice? Has it moved beyond the stage of rhetorical "hot air"? Focusing on processes within the institutions of the European Union, the Netherlands, and Norway, preliminary conclusions indicate that real organizational progress has been made in all the contexts studied. However, the integration problem has not been "solved"; there are more modest institutional and practical changes. This is probably reflected in the fact that several worrisome trends with regard to policy development and emission trends can be identified.

Climate Policy Cooperation between the EU and Norway: Perceptions, Interests and Practical Options (Sydnes)

This paper examines to what extent a potential exists for climate policy coordination and cooperation between the EU and Norway, which again could support the internal efforts of the Union in this field and thereby contribute to

an EU leadership role. The preliminary conclusion is that enough common ground exists for continued efforts to develop EU-Norwegian climate cooperation, but asymmetries in material interests support a two-track strategy: Practical cooperative measures should be developed in parallel with the diplomatic efforts to build a European climate regime. Joint practical efforts with no formal crediting system in place will add little value to EU or Norwegian climate policies in the short run, but will strengthen the credibility of the parties and support the efforts of establishing a common climate regime in the longer run. At the same time it is important to stress that if Norway was to expand significantly its exports of hydro power or electricity from gasfired powerstations, the policy measures that would have to be implemented are in many cases politically controversial. Unless Norway would benefit from a crediting system, implementation of these kinds of measures are less realistic. In many regards we have here a chicken-and-egg situation: A lack of practical efforts may undermine the credibility of the parties and lead to no or slow diplomatic efforts and vice versa.

Energy demand and options for reducing emissions of greenhouse gases in Europe (Aaheim)

This study aims at explaining country interests in cutting CO₂ emissions. It is based on the idea that interests occur as a result of individual agents' perceptions of the cost of cutting emissions. A comparison of France, Germany, Italy, the Netherlands, Spain and the United Kingdom shows that the industry sector in Germany and the UK will be the most affected by emission cuts. Germany and the UK may, however, reap considerable advantage from a less emission-intensive generation of electricity. Due to France's dependency on nuclear power, such flexibility hardly exists in the French case. In Spain, a high share of the emissions is related to the service sector, which has limited opportunities for shifting towards less carbon intensive fuels. From an economic point of view, France and Spain are therefore likely to have the least interest in emission cuts.

Outline for thesis on the role of the European Union in the international climate negotiations (Schjølset)

A key issue in the thesis will be an analysis of the extent to which the EU member countries have been able to coordinate their national positions and to appear as a unified actor during the negotiations. The other main question will be how we can explain EU's ambition to play a leading role in the negotiations. Different hypotheses will be suggested to highlight to what extent and why the EU has had a persistent ambition to play a leading role in the international climate change policy cooperation.

Objectives for 1998

The four papers summarized, and an additional paper written by Agnethe Dahl of the FNI, EU Climate Change Policy: Legalities vs. realities, will be finalized during the next working period, and they will all be included in the common final report and the book which is foreseen as a major output from the project. Under consideration is an expansion of work done on the issue of "border relationship", including an analysis of the role of a closer cooperation between the EU and Central European countries. Some of the work on European regulatory instruments and institutional issues will also be expanded.

COMPREHENSIVE SEMINAR ON CHINA TODAY

The Forum for Norwegian China Competence and the Norwegian Ministry of Foreign Affairs jointly organised a comprehensive seminar prior to the official Norwegian visit to China in October 1997. The agenda covered a number of topics, among them economics, environment and human rights.

Andrew Walder, professor of sociology at Stanford University, gave a presentation entitled "The Deepening of China's Economic Reforms", in which he explained how privatization has gained momentum in China in the past few years, more as a result of fiscal change and increased competition than of central planning. The process has begun at the bottom of the hierarchy: to an increasing extent, local government officials play managerial and entrepreneurial roles in private business; they actively seek to get rid of troublesome loss-making enterprises and concentrate on successful ventures.

Gørild Heggelund, researcher at the Fridtjof Nansen Institute, gave a thought-provoking lecture on China's environment and development dilemmas. As an example she used the giant hydroelectric power project Three Gorges, Chinese authorities' unprecedented effort to combat rapidly growing energy shortages and the heavily polluting energy production from coal, which is creating major environmental, human rights and resettlement problems on its own. Heggelund also emphasized the lack of democratic decision-making processes prior to the

launching of the project, the largest of its kind in the world. She acknowledged that the World Bank and UNDP have not wished to take part in the project, but raised the question whether bi- and multilateral aid actors and Western companies should engage only in "nice and easy" projects, as it is probable that Western expertise and experience would give better environmental and developmental results.

Jan Borgen, Amnesty International, insisted that Norwegian companies in China cannot disclaim responsibility for influencing the still very serious situation for civil and political rights in China. Norwegian companies must protect the rights of their own employees. In addition, they do have opportunities for exercising social responsibility in a wider sense, and it should even be in their own interest to use them.

Per Chr. Nordtømme gave a speech on trends in China's investment policy, drawing on his eighteen years of experience as a lawyer for Norsk Hydro in China.

Halvor Eifring, Institute of East-European and Oriental Studies, University of Oslo, pointed out that China has the world's oldest bureaucracy, and that through thousands of years it had an extensive culture for something close to what we today call lobbying. Understanding how these "lobbyist" sought to influence kings and emperors may give us a foundation for understanding political decision-making in today's China, he claimed.

Harald Bøckman, Center for Development and the Environment, University of Oslo, pointed out that the political leadership in China today have more and more been taken over by technocrats. Thought should be given to what long-term consequences this will have for China.

The seminar gathered 150 participants from Norwegian business, government research communities and non-governmental organizations. The proceedings from the seminar will be available in January.

New Publications ...

ENERGY PROGRAMME

Estrada, Javier, Kristian Tangen and Helge Ole Bergesen: *Environmental challenges confronting the oil industry*. Chichester, Wiley & Sons 1997. 194 pp.

Since the late 1980s, when the current tide of environmental concern began to rise, every improvement made by the oil industry has been followed by new demands for further progress. New problems have been placed on top of the old ones: first smog in inner cities and oil spills on beaches, then acid rain and forest die-back - to be followed by major tanker disasters and renewed attention on urban air quality - and finally, climate change: What do we do with all the carbon coming out of the combustion engine? How much of an oil industry can we tolerate in an environmentally conscious society?

This book investigates whether the oil industry is able to extend and renew its social legitimacy as it faces its toughest agenda in a century - the challenges stemming from its impact on the environment and consequent public questioning of its role in society.

To find out whether and how the oil industry has responded to environmental issues in general and climate change in particular, five indicators of change - vision & image, organization, R&D, investments, and government relations - have been selected. These have been assumed to be expressions of an environmental strategy, which can be identified as reactive, cautious or creative.

The empirical analysis begins with case studies of the environmental response of five major oil companies - Shell, Exxon, BP, Amoco and Statoil. The next step is a case study of the refinery sector, which is the most environmentally sensitive part of the industry in many ways. In addition, a brief description of how three industry associations have tackled the same environmental issues is included.

Andersen, Regine: *Challenges for Sustainable Electricity Sectors in Developing Countries - with Case Studies from Zambia, Zimbabwe, India and Thailand*. EED-rapport 1/1997. Lysaker, FNI, 1997. 79 p.

In this report, political, institutional, and economic barriers to sustainable electricity strategies in developing countries are analyzed and conclusions drawn regarding the activities of development agencies and banks.

The power sectors in the majority of developing countries are stuck in deep problems which represent severe constraints on economic development. In this report, the technical and financial situation of the sectors is analyzed from a sustainable electricity strategies perspective. An analysis of political and institutional barriers to reforms towards sustainable electricity strategies is conducted and conclusions regarding development co-operation are drawn. The analysis is based on a categorization of developing countries into four categories, and a selection of one case country from each category. For the purpose of generalization, information from other developing countries has been utilized for cross-checking with the results from the case studies. The core problem of electricity sectors in developing countries has been found to be the severe lack of energy efficiency at all levels, from end use to generation. The current emphasis on private participation in new electricity generation projects not only fails to solve the core problem, but diverts attention from the real challenge. As long as weak power sector structures remain, this policy is most likely in the long term to prove to be a costly exercise for the already highly indebted state economies. An arm's-length relationship between governments and utilities is focal to a sound power sector performance. However, more autonomous power sector decisions, such as reformed tariff structures, might contribute to inflation and political unrest. This is one of the main barriers to steps towards power sector autonomy. Lack of institutional capacity - despite overstuffed utilities - is another barrier with several components. Most important is the fact that the organizational structures are designed for supply-side management, and that the incentive structures for good performance are often weak. The case of Thailand shows that it is possible to develop end-use efficiency to a considerable extent through incentives and regulations, and that transparency was an important precondition for achieving this success. The real challenge for development co-operation is to support the improvement of energy efficiency at all levels and the institutional and financial preconditions. In addition, it is a central challenge to support developing countries in preparing for future utilization of viable new renewable energy carriers. Apart from this, it is important to continue the work for environmental impact assessments of planned power projects, and to support measures for minimising the environmental impacts of old power plants.

Grenier, Samuel: *France and Norway: The Unfulfilled Troll-agreement*. FNI-Report R:006-1997. Lysaker, FNI, 1997. 59 p.

This report first presents Norway as an oil and gas producer and an exporting country and France as an importing country, and then progresses to describe the relations between France and Norway during the Troll gas negotiations. Special emphasis is put on the compensation policy adopted by the French authorities during these negotiations. This leads on to the main aim of the report: to discover whether France's requests of 1986 have actually been realised. In order to do this, the author first analyses the position occupied by French petroleum companies in Norwegian offshore sectors, and secondly he seeks to account for the evolution of trade exchanges between France and Norway. The analysis reveals that new investments in the production fields and in transportation systems since 1986 have been realised most of the time by Norwegian companies, and that France's trade deficit vis à vis Norway has not levelled off since the time of the Troll deal.

Kristian Tangen: "Playing in the wings. The climate lobbying of the oil industry". ("Spillet i kulissene. Om oljeindustriens klima-lobbying"). Pp. 28-37 in *ProSus*, No. 3, 1997.

The oil industry plays a central role in the global energy system and as such represent a major political force. The hesitant entering into the renewable energy field has to be understood in a historical context. However, recent development patterns could indicate a more progressive attitude. At the same time, the most regressive lobby organisations may lose legitimacy and thus become marginalised.

Kristian Tangen: *Nye strukturer i det europeiske gassmarkedet (New Structures in the European gas Market)* FNI Note N:001-1997, Lysaker, FNI, 1997. 34 p.

The aim of this study is to provide a background for assessing elements of change in the European gas market that in the long run may produce new framework conditions for Norwegian gas exports. It will also serve as an empirical basis for further studies. The main question is: What can the extension of the pipeline network and the growing number of actors tell us about future competition? In spite of the fact that both Russia, Algeria and Norway have non-contracted capacity in the pipelines they are building, a number of uncertainties make it hard to draw any clear conclusions about the future balance in the European gas market. However, a scenario where

dumping of gas leads to rapidly falling prices seems unlikely. As a result of new pipeline projects, gas-to-gas competition is spreading to new areas on the European continent. In Germany Wingas' strategy has brought about a competitive situation that is totally different from only a few years ago. In the Netherlands, groups of former distribution companies are threatening Gasunie's monopoly, while Ruhrgas' attempt to expand into Austria may lead to gas-to-gas competition there. Signs of a similar development are seen in Italy and Spain as well. Increasing competition can be explained partly by the growing number of actors downstream in the gas market - in trade, transmission and among the large consumers, the electricity producers. The consequence of direct sales from gas producer to electricity producer is a greater number of contracts for smaller volumes and of shorter duration, which in itself promotes competition. Several large pipeline projects have been carried through in cooperation between several actors, which indicates that new types of projects are being developed, to reduce risks for each actor. These will be easier to realise in the absence of long-term "take-or-pay" contracts. At company level, what we may call "institutional sloughing" could be increasingly common, i.e. there will be radical changes in companies' rhetoric and argumentation as a result of comprehensive market positioning. Further, it seems likely that a kind of spot market will develop. Even if we can expect that only small volumes will be traded through this channel at first, such a development may have considerable influence on prices in the long run.

GLOBAL ENVIRONMENT AND RESOURCE MANAGEMENT PROGRAMME

Ravlum, Inger Anne: *Burden-bearers and freeriders. States' support for the multilateral aid organizations (Byrdebærere og gratispassasjerer. Staters oppslutning om de multilaterale bistandsorganisasjonene)*. Multi-rapport 3, 1997. Lysaker, FNI, 1997. 132 p.

Major states offer a smaller proportion of their support multilaterally than do minor states. Nevertheless, the share of multilateral aid provided by major states increased from 1981/85 to 1991/95, whilst that of the minor states declined.

Development aid provided by small states is often higher as a proportion of their GDP than is the case with large states, whilst small states tend to yield a larger part of their support multilaterally.

From 1981/85 to 1991/95, however, the disparity between the states' multilateral aid has decreased. The major states, as a group, have stepped up their multilateral aid, whilst the minor states have reduced theirs. The states having reduced their aid proportion have in general shown the strongest tendency to increase the multilateral share. Though many of the major states have proved more reluctant to provide aid, they have nevertheless shown an increased willingness to support the multilateral organizations.

The larger states tend to yield more of their multilateral aid to the World Bank than to the United Nations. If we look at a state's contribution from the standpoint of the organizations' perception of a burdensharing key, all the G7 countries, with the sole exception of Canada, are characterized as freeriders in the UN. The picture is the reverse concerning the World Bank: Amongst the G7, USA and Italy are the only countries that cannot be described as burden bearers. The smallest states on the other hand tend on the whole to contribute less to the World Bank aid purposes than their economic resources and share size would indicate.

Rønnfeldt, Carsten F.: "Three Generations of Environment and Security Research". Pp. 473-482 in *Journal of Peace Research*, Volume 34 No. 4 1997.

The claim that environmental factors should be integrated into the concept of security was first made in the early 1980s (e.g. by Richard Ullman). By the 1990s, a "second generation" approach appeared, aiming to identify the causal pathways from environmental scarcity to conflict by means of empirical case studies (e.g. by Thomas Homer-Dixon and the Toronto Group). This essay, part of a joint project between FNI and the Peace Research Institute of Oslo (PRIO) reviews the issues raised in the literature of these two approaches - the initial debate and the empirical studies - and goes on to examine a number of conceptual critiques. The emerging "third generation" draws attention to improved methodology, including the comparative study of cooperation as well as conflict as a response to environmental scarcity, which in turn focuses attention on the nature of regimes and the role of the "state-in-society".

POLAR PROGRAMME

Hønneland, Geir og Frode Nilssen, *The political framework of northwest Russian fishing industry (Politiske rammebetingelser for nordvestrussisk fiskerinæring)*. FNI-rapport R:007-1997. Lysaker, FNI, 1997. 21 p.

The report points at various political processes and "tensions" - both at the federal and regional level - which influence the activities of northwest Russian fishing industry.

Future Russian management of the Barents Sea fisheries will depend on the outcome of a whole range of political processes at both federal and regional levels. First, it will be influenced by the overarching political tensions in the Russian Federation, found in the relations between federal and regional authorities and between duma and administration (governor/president) at both levels. Second, it will be the result of particular tensions related to the fisheries management process itself, such as the controversies between "Sevryba" and Murmansk regional administration, "Sevryba" and the federal Fisheries Department within the Ministry of Agriculture, as well as between fishery authorities at regional and federal levels.

Nilssen, Frode & Geir Hønneland, *Nordvestrussisk fiskerinæring mot nye markeder - konsekvenser for norsk fiskerinæring*. Tromsø, Fiskeriforskning, rapport 17/1997 1997. 20 pp.

The report provides an overview of the present state of Northwest Russian fisheries with an emphasis on fleet structure and market conditions. A reduction in the number of catch vessels is expected along with a gradual shift from fresh fish deliveries to Northern Norway to production on board and deliveries to other Western ports.

Hønneland, Geir B., "Integration vs. autonomy - an approach to civil-military relations in Russia" ("Integrasjon vs. autonomi - en tilnærming til sivil-militære forhold i Russland"). *Nordisk Østforum*, Vol. 11, No. 3, 1997. Pp. 37-49

During the Cold War, the relationship between civil and military sectors of communist-ruled states was given some degree of attention in western political science research. While parts of the research was at the same time directed towards the formulation of general hypotheses, it was largely centred around civil-military relations in the Warsaw Pact countries, and the Soviet Union in particular. The chief aim of the article is to provide a presentation of central aspects of this literature, and to assess its value for the study of civil-military relations in the Russian Federation. A revised model - emphasising the more general axis between integration and autonomy - is introduced here.

INTERNATIONAL NORTHERN SEA ROUTE PROGRAMME (INSROP)

(For summaries of the publications listed below, see the *INSROP Newsletter*.)

Gold, Edgar, John A. Cantello and Peter L. Wright. *Marine Insurance for the Northern Sea Route: The feasibility of a new risk regime. Some initial conclusions*. INSROP Working paper 85. Lysaker, FNI, 1997. 34 p.

Isakov, N., E. Logvinovich, F. Moreynis, A. Nikulin, N. Popovich, A. Silin, N. Stenin, I. Sverdlov and V. Erashov. *Seaborne Exports of Gas from Yamal*. INSROP Working paper 86. Lysaker, FNI, 1997. 112 p.

Isakov, N., G. Serebryansky, A. Parfenov, T. Patrakova and N. Sadofieva. *Regional Port Development along the NSR*. INSROP Working paper 87. Lysaker, FNI, 1997. 82 p.

Kolodkin, A.L., O.V. Kulistikova and E.M. Mokhova. *Matters of Responsibility for Marine Pollution under the Legislation of the Russian Federation (review of the Main Legislative Acts)*. INSROP Working paper 88. Lysaker, FNI, 1997. 36 p.

Isakov, N., A. Nikulin, N. Popovich and I. Sverdlov. *Marine Oil Transportation from Timan Pechora and Inland Russian Fields*. INSROP Working paper 89. Lysaker, FNI, 1997. 114 p.

Dallmann, Winfried K. *Indigenous peoples of the northern part of the Russian Federation and their environment. Atlas and historical/ethnographical background information*. INSROP Working paper 90. Lysaker, FNI, 1997. 146 p.

Baskin, Alexander, Busuyev, Arkady and Yakshevich, Evgeny et al. *Operational Aspects Volume 2 - 1994 project work*. INSROP Working paper 91. Lysaker, FNI, 1997. 134 p.

Simonsen, Henning. *Russia and its NSR Neighbours in Northeast Asia and the Barents Region: A comparative view of relations and perceptions*. INSROP Working paper 92. Lysaker, FNI, 1997. 60 p.