Oil and Gas Development in the North: Resource Frontier or Extractive Periphery?

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1. Introduction

The trope of the Arctic as a resource frontier persists in influencing contemporary debates and analysis of energy exploration and development in the world’s high latitude regions. The Arctic is being imagined as a new – although, excepting Antarctica and some deep ocean areas, some media and industry commentators are saying last – frontier for oil, gas and mineral extraction. It is being described as a place of possibility, a region in which there are supposed to be enormous opportunities and prospects for developing extractive industries to supply global energy needs and meet increasing global consumption demands. At the same time, promises about the significant benefits energy development will bring to Arctic regions and to indigenous and local communities are stressed in ways that make it seem as if plans for sustainable development and local employment hinge on the successful approval of extractive industrial projects by regulators. In Canada, the Mackenzie Gas Project is one notable example of hopes for energy development bringing prosperity to northern communities and facilitating economic growth – but, beyond the North, the project is regarded by many to be of importance to Canada as a nation and to the energy future of North America.¹ In a statement to the Legislative Assembly of Canada’s Northwest Territories on 20th February 2009, the Hon. Bob McLeod declared,

Mr. Speaker, the proposed Mackenzie Gas Project promises to be one of the single most important projects for the future of the Northwest Territories and

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one of the biggest economic development initiatives in Canada in the foreseeable future. This project – alone – has the potential to build a thriving economy in our region and provide us with many of the choices and opportunities we require in order to create a vibrant, healthy and sustainable future for the Northwest Territories. It also has the potential to provide jobs, benefits to our country as a whole – and to serve as a much needed stimulus to the national economy. The current economic downturn has given us the opportunity to highlight to our country’s leaders that ours is a region whose economic potential and success promises to have direct and significant impacts on other provinces.2

Estimates from bodies such as the United States Geological Survey (USGS) that 25% or more of the world’s remaining untapped reserves could be found in the Arctic only heighten the sense of anticipation about a bright energy future. Oil and gas company executives talk of searching for new resources in frontier areas that are harsh and challenging, places at the edges of current technical and engineering possibilities such as the High Arctic and the world’s deep water areas. At the Inuvik Petroleum Show in summer 2009 (an annual event which takes place in the Mackenzie Delta town), a senior official with Imperial Oil spoke of the Beaufort Sea and other deep Arctic waters as “new frontier ground.” Lining up at the show to talk about their plans for the next four to five years, executives of Exxon Mobil and BP, as well as Imperial, seemed to suggest that a deep water drilling boom is about to take place in the Arctic. This is one part of the world where it has not been easy to look for hydrocarbon deposits, yet energy companies now see deep water oil not just in the Arctic but in other areas of the globe as the real frontier of the future and the deep water areas off Arctic Canada, Greenland, Norway and Siberia, as well as the Gulf of Mexico and the coasts of Africa and Brazil are the places where most oil companies expect to find the bulk of the world’s undiscovered oil. In these areas, seismic surveys have revealed subterranean structures which closely resemble those beneath the oil-rich North Sea. And with global climate change impacting the Circumpolar North in an unprecedented way, it has almost become a commonplace assumption that as sea ice melts and permafrost thaws, access to the Arctic and its resources will be far easier in the coming decades than has been previously possible in the region’s recent history.3 If, from the perspective of industry, the Circumpolar North as a resource frontier is one of its most distinctive attributes, it is also the case that many Arctic and Subarctic regions can be more accurately described as extractive peripheries in which resource dependency and a flow of benefits to the core have persisted.

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