

7. Concluding remarks

The purpose of the ECONOR project has been to give a comprehensive overview of the economy in the Arctic, including the subsistence economy of the indigenous people and other local people of the region. In order to achieve this goal we have utilized data from the statistical agencies of the Arctic nations and from other sources when relevant. *The Economy of the North 2008* has updated the earlier version and demonstrated that there is potential for both regularly update and expanded coverage. The overview of the Arctic economy provided by this report in terms of scale, composition and structure may help policy makers to better see the position of various stakeholders; the large scale commercial interests, the local and central governments, the indigenous peoples and the citizens of the Arctic as a whole.

There are large differences in the GDP per capita levels among the Arctic regions and nations. However, in natural resource based economies, using GDP figures to evaluate the wealth or well-being of the population can be especially misleading. Since a large part of GDP in such economies comprises return to fixed capital and resource rents that theoretically can be taken out of the region as income to owners situated elsewhere, it is hard to know without a more in-depth analysis what share of GDP is actually available in the region for consumption and investments. In this updated ECONOR report, data for household disposable income have been obtained, in addition to GDP data, in order to give a better picture of consumption possibilities and well-being.

In the Arctic, with its population of indigenous people, subsistence activities are very important for providing local food, as well as maintaining social relationships and cultural values. Subsistence activities contribute to consumption possibilities over and above what is measured as recorded consumption in the national accounts. As more attention is brought to the intertwined nature of the market economy and subsistence economy and its importance for the well-being of the Arctic people, an important challenge for analysts and policy-makers is to establish systematic monitoring of the subsistence activities of indigenous people, for example in the form of sustainable development indicators, or as supplementary or so-called "satellite accounts" to the national accounts.

A crucial question that we have not been able to answer in this report is to what extent climate change impacts and other environmental impacts, such as long range transported pollution, will limit the possibilities for traditional subsistence activities in Arctic. Since environmental impacts of economic activity are not included in GDP, it is a challenge to develop environmental statistics and environmental indicators that can be ap-

plied complementarily with economic indicators. The environmental and social sustainability of production needs to be addressed with the need for precautionary approaches in mind, given the substantial environmental uncertainty.

To conclude, we recommend a continued effort by Arctic statistical agencies and researchers to extract and compile economic, environmental and social statistics for the Arctic regions. There is a clear potential for establishing a wider set of useful data and indicators for the circumpolar Arctic. We recommend that the ECONOR project is followed up by more focused studies with a more direct sustainable management application. In particular, we suggest:

- Establish a permanent institutional and administrative basis for a statistical network for providing statistical information on economy, environment and livelihood in the circumpolar Arctic.
- Include and continue dialogue with statistical agencies of Arctic nations in order to enhance statistical cooperation.
- Improve statistical indicators to give a better indication of social well-being, and provide time series to give a better indication of development within Arctic regions, in order to assess the sustainability of Arctic communities.
- Facilitate research on how climate change will affect the Arctic economy by formatting the statistics, such as providing gridded data on population, capital assets and nature based activities to make knowledge compatible with output from regionally downscaled output from climate models.
- Establish statistical indicators for the subsistence economy of indigenous and other local people of the Arctic. These indicators should be comparable with national account concepts in the format of satellite accounts (supplementary accounts). Indicators for subsistence production should provide assessment of welfare implications of climate change impacts and trans-boundary pollution.

The list above does not at all aim to be complete, and there are certainly more areas that need further study. Taking into account that economic statistics and economic analysis of the circumpolar Arctic hardly have been produced earlier, there are many tasks that deserve further efforts. However, a stronger focus on the income and welfare issues, resource dependence and sustainable management is to be regarded as a synthesis of the main recommendations from the ECONOR project.