Overview
This module introduces students to the political systems of the circumpolar North. Part one will compare majoritarian and consensual democracies, using examples from Canada and the Nordic countries to illustrate the specific characteristics of these two different democratic models. Part two will explore liberal and social democracies. The third part of the module looks at the broad spectrum of federal and unitary systems, as well as the concepts of decentralization and devolution. The Arctic states offer a wide range of federal, quasi-federal and unitary models, and some innovative examples of devolved and decentralized government. Case studies from the Russian Federation, Greenland and Canada will be used to illustrate the differences among these models of government. Finally, part four examines circumpolar cooperation through multilateral organizations, such as the European Union and the Arctic Council.

Learning Objectives
Upon completion of this module, you will be able to:

1. Explain the features of majoritarian and consensual democracies.
2. Differentiate between a liberal and social democracy.
3. Explain the features of federal and unitary systems of government.
4. Discuss attempts to encourage greater circumpolar cooperation through multilateral organizations such as the European Union and the Arctic Council.

Required Readings
Learning Material

In order to comprehend the policy processes and issues that shape politics in the Circumpolar North, it is important to develop an understanding of the political systems of this region. The various regions of the Circumpolar North share many geographic, demographic and political features. They are vast in terms of territorial size and sparsely populated. At the same time, these populations are incredibly diverse – culturally, ethnically and linguistically. Politically, the eight circumpolar states all have democratic systems of government. Each country, however, is distinct in terms of how its political system is organized. The purpose of this module is to provide an overview of the different systemic features of democratic government in the various countries of the Circumpolar North.

6.1 Majoritarian and Consensual Democracies

Democracy, a system of governance in which political power ultimately resides with the people, either directly or indirectly through elected representatives, forms the basis of many different political systems throughout the world. The countries of the Circumpolar North exhibit a wide range of democratic political institutions and governance styles. While these institutions and styles are consistent with the general principles of democracy, they have also been developed in response to the particular circumstances and challenges that confront northern regions.

Majoritarian Democracies

Typically, democratic systems of government are based on a majoritarian model, where the political forces that are able to garner a majority of the support are in a position to govern. Elections to and votes in the legislature, for instance, are usually determined by the majority principle. In order to get elected to the Canadian House of Commons,
candidates representing political parties must compete with each other in specific constituencies or electoral districts. The person who gains the highest number of votes wins the constituency and is elected to political office. The same is true once the elections are over and a government is formed. The party with the most seats in the legislature usually forms a government and stays in power until it no longer commands the support of the majority of the legislature. In some cases, both in elections and in the legislature, candidates or political parties do not have a majority (i.e. 50% plus one), but do have a plurality (more votes or seats than any other candidate or party). In many democracies, including democracies in the Circumpolar North, it is also important to note that this majoritarian principle is counterbalanced by specific laws or constitutional principles designed to protect the rights of minorities.

Consensus and Consensual Democracies

One of the most fascinating aspects of governance in the Circumpolar North is the use of consensus democracy in decision-making (White, 2001). Consensus democracy requires that participants in the political process resolve an issue in a way that is acceptable to all those involved. It is a way to avoid the acrimony that can stem from majoritarian democracy (where there is always a winner and a loser). Although the consensus approach has been criticized for being slow and cumbersome (the need to achieve consensus requires time and deliberation), it contributes to political stability and harmony by recognizing the needs of all players in the legislative process. An example of the consensus model of democracy is the territorial legislature in Nunavut, in northern Canada. Political parties are not represented in the legislature and decisions are made by a consensus of those present. This consensus-based decision making style is consistent with the values and cultural norms of the Inuit peoples that live in the eastern Arctic.

Consensual democracy has traditionally been associated with the governance models of the Nordic countries of northern Europe (Norway, Sweden, Denmark, Finland and Iceland) (Elder et al. 1988: 11). It is argued that consensual democracy works best when there is a high level of regime legitimacy (i.e. the people are supportive of the political system), a corporatist political culture in which the major actors in the political system (namely government, business and organized labour) seek to work together to ensure stability, and relatively few social or ideological cleavages (Elder et al. 1998: 10-11).

Consensual democracy is an important part of the Nordic model, a governance system that is particular to the Nordic countries. In addition to consensual democracy, the other elements of this model include: a well-organized social welfare system; high levels of taxation to support social spending by governments; and an open economy based on trade. Generally speaking, Nordic governments offer a full range of robust social programs in areas such as education, healthcare and social welfare (including pensions, child benefits and unemployment insurance) (Arter, 2001: 173). The governments of these countries, however, also need to maintain high levels of taxation to support such

---

1 Candidates can also run for elected office as independents, which means that they are not affiliated with a particular political party.
2 David Arter, a leading expert on Scandinavian politics, distinguishes between the Nordic model of government, which is based largely on the principles of consensual democracy, and the Nordic Welfare Model, which focuses more on social and economic issues. See Arter (2001), Chapters 7 and 8.
programs. The trade-off between having a strong social safety net and high taxation to pay for it is an important part of the social contract between citizens and the state in the Nordic countries. The Nordic countries also have dynamic, outward-looking economies that excel in areas such as technology and technological innovation, manufacturing and resource development.

Historically, Nordic societies have displayed a high degree of support for the political regime and a general consensus about major political issues, as well as a willingness to collaborate across party and ideological lines to achieve political goals and overcome challenges. They have also supported the Nordic Welfare Model and the taxation regimes that are needed to maintain it. In recent years, however, these systems have come under pressure from a variety of different forces and developments. Globalization and Europeanization have weakened the ability of governments to act in a variety of policy areas and undercut traditional economic sectors like manufacturing. Immigration has started to transform these historically homogenous societies, introducing norms and values that sometimes are inconsistent with traditional Nordic values. As in many western democracies, demographic change is placing pressure on existing social welfare programs. According to one expert:

“The costs of funding the Nordic model are likely to rise faster than the nominal GDP. This is due to expected demographic changes, leading to a higher proportion of retirees relative to the number of workers, as the baby boom generation retires, and life expectancy continues to lengthen.” (Gurria, 2008)

Despite these issues, the citizens of the Nordic countries remain generally loyal to the ideals and values inherent in the Nordic model of governance. Given the consistently excellent ratings that the Nordic countries receive in international rankings relating to standard of living and quality of life, it is not surprising that other countries look to the Nordic region as a model for how to achieve a fair and just society.

10.2 Liberal and Social Democracies

While the terms majoritarian and consensual democracy tend to refer to the manner in which decisions are made in a particular political setting, the terms liberal democracy and social democracy are more reflective of the style of governance, especially with regards to the role that the state, or the institutions of government, should play in the economy and in the lives of the citizens. In the liberal tradition, liberal democracy emphasizes the importance of individuals as political actors. Classical liberal democratic states such as the United States emphasize the rights and freedoms of the individual within the polity, to do as he or she desires, largely free from coercion by the state or by any other individual. They are also based on the notion of pluralism or the pluralist model of government, “in which highly autonomous groups compete freely and openly in the political process.” (Dickerson and Flanagan, 2006: 254).
Whereas classical liberal democratic states tend to favour competition in both the political and economic spheres, social democracies, by comparison, support a collectivist philosophy and a more robust and interventionist state apparatus (Einhorn and Logue, 1989). As mentioned previously, the Nordic countries are seen by many as the epitome of this approach to governance. Whereas Americans generally view the state as a negative or obtrusive force in their lives, citizens in the Nordic countries welcome and support state intervention in economic and social matters.

The level of state intervention in the economy and society is of particular relevance to northern regions. Although many of these regions are fabulously wealthy in terms of natural resources, historically these regions have not fully benefited from the exploitation of these resources. Furthermore, many northern regions have suffered the negative environmental and social consequences of resource exploitation. A lack of economic diversification in many northern regions has also made them more dependent on assistance from the state. In Canada, for example, all three northern territories (Yukon, Northwest Territories and Nunavut) have varying levels of dependency on the federal government in Ottawa. Some argue that these dependencies could be mitigated by greater access to resource royalties, but these regions are likely to remain dependent on federal funding to provide services to their populations for some time to come (Cameron and White, 1995).

The same situation is true in many parts of the Russian north. In Soviet times, when the state owned and controlled all aspects of economic production, northern regions received significant funds from the central government. With the collapse of the Soviet Union, however, much of this support dried up, leaving many northern regions in a very difficult financial situation. The problems these regions face were exacerbated by economic collapse and subsequent reforms. A lack of economic diversification meant that these regions were even less capable of dealing with the consequences of severe economic change. The situation has improved in recent years, largely as a result of political stabilization and rising global resource prices. Northern regions, though, still remain vulnerable and many are still dependent on other governments (Hill and Gaddy, 2003).

**10.3 Federal and Unitary Systems**

Democracies can be conceptualized according to their decision-making styles and level of state intervention. However, we can also categorize them according to the level of political autonomy exercised by regional governments. Regional autonomy can be expressed in a variety of different forms. The circumpolar region is home to a variety of regional autonomy models, ranging from federalism to unitary systems. Canada, the United States and the Russian Federation, for example, have federal forms of government. The Nordic countries, including Iceland and Greenland, on the other hand, tend to have unitary systems of government. These unitary systems, however, contain a

---

**Learning Highlight 1**

To find out more about consensus decision-making (Aajiiqatigiingniq) and the other principles of Inuit traditional knowledge (Inuit Qaujimajatuqangit - IQ) that are being incorporated into Nunavut’s political system go to: [http://www.gov.nu.ca/hr/site/beliefsystem.htm](http://www.gov.nu.ca/hr/site/beliefsystem.htm)
number of important and unique features, which attempt to ensure a certain degree of regional autonomy.

**Federal Systems of Government**

Federalism is a system of government in which "powers and responsibilities are divided between a federal (or national) government and various regional governments." (Dickerson and Flanagan, 2006: 332). This division of powers is entrenched in a formal constitutional document and cannot be changed without the consent of the governments involved. In many (but not all) federal systems, national governments are responsible for areas such as defense and monetary policy, whereas regional governments usually control policy areas such as education and healthcare. This does not mean that the two levels of government do not interact or overlap. The complexity of modern government often requires a multi-level response to policy issues. At the same time, in many federal systems, the national or federal government often has greater revenue generating capacity than the regional governments. Given that the regional governments usually are responsible for costly programs such as healthcare and education, there is a need for governments to interact and collaborate in the provision of services.

The balance of power between the national and regional governments influences the level of decentralization. Federations where the federal government holds the major responsibilities and revenue generating powers are centralized. Federations where these responsibilities and powers are held by the regional governments are decentralized. Over time, the balance between centralization and decentralization may shift. Sometimes the constitution is changed to reflect new realities, thereby giving one level of government enhanced powers or jurisdiction. Sometimes economic and social changes place more responsibilities on the governments that have jurisdiction over those areas. For example the Canadian federation was quite centralized when it was first conceived in the 1860s. However, over the course of the last century, the rise of the Welfare State and an increase in the importance of natural resource and energy production and use (both areas of provincial jurisdiction) have enhanced the responsibilities and, in some cases, the power of the provincial governments in relation to the federal government.

In addition to the formal division of powers and responsibilities between different levels of government, federal systems of government also contain a number of innovative representative features that are designed to ensure interaction between the different levels or orders of government. All federal systems must include some form of representation for the regions at the federal level of government (intrastate federalism). Normally, this is usually achieved through regional representation in the federal
parliament. In the Russian Federation, the regions are represented in the Federation Council. Each region has 2 representatives, regardless of its territorial size or population. While this may seem unfair to the larger, more populous regions, it is important to remember that the purpose of the Federation Council is to represent the interests of the regions, not the people directly.

The latter form of representation occurs in the State Duma, the lower house of Russia’s bicameral parliament, where the more populous regions have more representatives. This type of government structure benefits northern regions because they are often smaller in terms of population. In the State Duma, their representatives are far outweighed by those from the demographically larger regions and urban areas in the western part of Russia. In the Federation Council, however, they have equal representation with these regions. Such representation allows them to influence the legislative process at the federal level because all federal legislation has to be debated and approved by both the State Duma and the Federation Council.

Another way in which federal systems allow for the representation of regional interests is through a system of intergovernmental diplomacy known as interstate federalism. This involves regular meetings between federal officials and their counterparts at the regional level. In Canada, for example, the system of interstate federalism provides a forum for representatives from the various provincial and territorial governments to discuss important policy matters with federal officials. At the very highest level, this system of intergovernmental relations is known as executive federalism and involves direct meetings between the Prime Minister (the head of the federal government) and the Premiers (the respective heads of the provincial and territorial governments).

Given the incredible ethnic and cultural diversity in the Circumpolar North and the need to protect such diversity through political autonomy, it stands to reason that federalism might be a way to achieve this goal without threatening the territorial integrity of the nation-state. In some cases, traditional forms of federalism have accomplished this task. For example, the recently-created Territory of Nunavut has been incorporated into the Canadian federal system and now enjoys the same status within the federation as the other two territories, and similar access to the systems of intrastate and interstate federalism as the other provinces and territories (White, 2001). The same is true for the State of Alaska in the United States, or for the recognized northern regions of the Russian Federation, such as the Republic of Sakha (Yakutia), Magadanskaya Oblast (region) or Krasnoyarsk Krai (territory).

In addition to these traditional territorial models, northern federations have also witnessed some innovative solutions to the question of territorial autonomy and representation. Russia, for instance, has a number of autonomous okrugs or districts; regions that are homelands for some of its northern indigenous peoples. These regions have autonomy but are also nested within larger territorial units. An example would be the Khanty-Mansiysk Autonomous Okrug in western Siberia. Khanty Mansiysk has autonomy and representation within the broader federal system, but it is also a part of a larger region known as Tiumenskaya Oblast (Wilson, 2001).
This system of *nested or matryoshka* federalism has been defined as a type of:

“...federal governance in which an autonomous territorial unit (or units) exists within a recognized constituent unit of the federation. Such territorial units have limited territorial autonomy within their “host” region, but this autonomy is usually greater than that of a municipal or local government.” (Wilson, 2005: 97)

Figure 2  Autonomous Okrugs of Russia as of March 1, 2008. 1. Chukotka, 2. Khanty-Mansi, 3. Nenets, 4. Yamalo-Nenets


While a system of nested federalism has existed in Russia and its predecessor, the Soviet Union, since the 1930s, recently such nested regions have begun to emerge in other circumpolar countries. In Canada, Nunavik in northern Quebec, Nunatsiavut in northern Labrador and Inuvialuit in the Northwest Territories are all examples of nested regions within existing constituent units of the federation. Representatives from Nunavik recently signed an Agreement in Principle on a new form of government for their region with the Quebec (provincial) and Canadian (federal) governments. A Final Agreement and subsequent agreements on power sharing will formalize the autonomy of this nested region within the province of Quebec (Wilson, 2008).
In a unitary system of government, power and authority are usually centralized in the hands of a national government. Regional or local governments may exist but exercise power at the discretion of the national government. Most democratic countries that have unitary forms of government try to disperse authority in some ways. But, unlike federal states, that dispersion of authority is not entrenched in a constitution, and can be taken back or curtailed by the central government without the consent of the regions. This dispersion of power from the central to regional level of government in unitary states is often referred to as *devolution*. Power is usually devolved to make governments more efficient and more effective. In the territorial large and sparsely populated countries of the Circumpolar North, it is often very difficult for a single central government (often located in the south) to administer remote northern regions. Northern-based governments have a better understanding of the concerns their citizens face and can deliver programs and services that meet the specific needs of those citizens in a more effective and often more efficient manner.

In terms of representation, regions in a unitary system are usually represented in the central legislature, but these legislatures tend to be unicameral in nature. In other words, they have only one chamber and not two like federal systems of government. Representation is also based on population, with more populous regions having more representatives in the legislature. Given their small populations, northern regions are usually underrepresented. In a unicameral parliament, there is no chamber that represents the regions. Depending on the country in question, regional leaders may have access to central government officials, but the system of intergovernmental relations is not as well developed as in federal systems. This is partly because the regional governments often do not exercise the same degree of autonomy as regional governments in federal states.

Most unitary states have central ministries that deal with northern and regional affairs. In Norway, for example, the Ministry of Local Government and Regional Development is responsible for ensuring that all parts of the country benefit from regional development. The Department of Regional Development within this ministry uses a variety of means to achieve this goal. It works closely with county and municipal governments to tailor social and economic policies and initiatives to fit regional circumstances. It also coordinates several business development instruments including: Innovation Norway, SIVA – The Industrial Development Corporation of Norway, and The Research Council of Norway (Department of Regional Development).

---

3 This is at least the case in theory. In practice, such a curtailment is difficult.
4 In Norway, county and regional governments are the next level of government below the national government.
5 Innovation Norway “promotes profitable business development throughout the country by contributing to innovation, internationalization and image-building.” The purpose of SIVA is to “foster innovation and take measures to increase wealth creation in all parts of the country.” The Research Council of Norway advises the government on research and “plays a vital role in promoting innovation at the regional level, for example through research and development programmes targeted at the business sector and research communities.” See: [http://www.regjeringen.no/en/dep/krd/min/Organisation/Departments/The-Department-of-Regional-Development.html?id=1501](http://www.regjeringen.no/en/dep/krd/min/Organisation/Departments/The-Department-of-Regional-Development.html?id=1501) (Date accessed: March 5, 2009).
10.4 Circumpolar Cooperation

In recent years, efforts to encourage greater multilateral cooperation in the circumpolar region have been realized in a number of different ways. This section will highlight two important forms of cooperation. First, the accession of three of the Nordic countries to the European Union (EU) has encouraged this supranational federation to develop a northern dimension to its foreign policy agenda. Second, the creation of the Arctic Council has provided circumpolar states and indigenous organizations with a forum in which to discuss important circumpolar policy issues.

Supranational Federalism

In addition to thinking about the domestic political arrangements that structure politics in the Circumpolar North, it is important to consider the broader regional organizations to which the northern countries belong. For example, three of the four Nordic countries in Europe—Sweden, Denmark and Finland—belong to the European Union, a supranational federation composed of 27 member states from across Europe. In many respects, the European Union functions in a similar manner as a typical federal state. It is composed of a central (in this case European) government, which represents the interests of the union as a whole, as well as member states. There is a treaty-based division of power between the Union and the member states. There are also representative institutions at the European level that allow the member states to have input into the legislative process. Since the accession of Sweden and Finland to the Union in 1995, the European Union has developed the northern dimension of its foreign and security policy (Northern Dimension). This policy focuses on a range of issues relating to politics and governance in northern Europe, including environmental protection, nuclear security and the European Union’s relationship with the Russian Federation.

Interestingly, the only region that has joined and then left the European Union is Greenland. Greenland became part of the then European Community in 1973, when Denmark joined. At the time, Greenland was a colony of Denmark. After Greenland gained Home Rule status (a form of autonomy) within Denmark in 1979 (Nuttall, 1994), its inhabitants decided in a referendum that they should leave the European Union. Greenland exited the Union in 1985.

Learning Highlight 2

To find out more about the European Union’s Northern Dimension Policy go to: http://ec.europa.eu/external_relations/north_dim/index_en.htm
During the Cold War, the ideological and political differences between the western democracies and the communist bloc prevented any type of meaningful collaboration on issues relating to the Arctic region. The collapse of communism in the Soviet Union in 1991 signaled an end to the Cold War and opened up the possibility that the circumpolar states could cooperate on matters of mutual concern in the Circumpolar North. One of the most important outgrowths of this collaboration was the creation of the Arctic Council, an international organization composed of representatives from each of the eight circumpolar states (Russian Federation, United States, Canada, Denmark, Iceland, Sweden, Norway and Finland) as well as six permanent participants representing northern indigenous organizations (Aleut International Association, Arctic Athabaskan Council, Gwich’in Council International, Inuit Circumpolar Council, Saami Council, and the Russian Association of Indigenous Peoples of the North).

The Arctic Council was created in 1996 and has served as a forum for multilateral discussions on environmental pollution, sustainable development, and emergency preparedness, prevention and response. Although the Council’s founding Declaration explicitly prevents it from discussing matters relating to military security, it has been successful in bringing the states and peoples of the circumpolar region together to share
10.5 Conclusion

The Circumpolar North exhibits a variety of different political systems and structures. Although all of them are consistent with the general principles of democracy, each system and its related structures have evolved in specific national contexts and often reflect particular national or regional circumstances and characteristics. Over the last several decades, a greater emphasis has been placed on securing greater autonomy for northern regions. This is important because it will provide these regions with the political tools they need to protect their distinct cultures and ways of life, and help them to survive in an increasingly globalized world.

Study Questions

1. Explain the differences between a majoritarian and consensual democracy. Use examples from the Circumpolar North to illustrate your answer. What are the key features of a consensus-based system of government?

2. How do liberal and social democracies differ in terms of their attitudes towards the role of the state in the polity, economy and society?

3. How are regions represented in federal states?

   a. Define the term nested federalism. Explain the relationship between nested regions and other levels of government in a federal state.

   b. How does devolution in a unitary system differ from the regional autonomy provided in a federal system?

4. How have the states and peoples of the Circumpolar North collaborated in the post-Cold War era?

5. Answer the following questions based on the Required Reading by White:

   a. Do you agree with Graham White’s assertion that governments in the south have “much of interest and value” to learn from the political institutions and practices that have been adopted in northern
jurisdictions? What particular northern institutions and practices do you think are of most value?

b. How have Aboriginal peoples and their perspectives been incorporated into the decision-making structures of northern Canada? What are the benefits and challenges of doing so?

Glossary of Terms

**Arctic Council**: a multilateral organization composed of representatives from the eight circumpolar states and six indigenous organizations.

**Consensual Democracy**: A form of democracy where there is a high degree of regime legitimacy and a corporatist political structure in which the major actors in the political system seek to work together to ensure stability and relatively few social or ideological cleavages. Consensual democracy is typically associated with the Nordic countries of northern Europe.

**Consensus Democracy**: a democratic system of government in which the main political actors attempt to achieve consensus on major decisions. While this governance model has been criticized for being slow and cumbersome, it contributes to political stability and harmony by recognizing the needs of all players in the political process.

**Decentralization**: in a federal system of government, decentralization refers to the powers and authority held by the regional governments. A decentralized federal system is one in which the powers of the regional governments are strong compared to the federal or national government.

**Devolution**: in a unitary system, devolution refers to the powers that have been transferred to regional or local governments by the central government.

**Federalism**: a system of government in which power is divided between two or more levels of government. This division of powers is legally protected, usually through some kind of constitutional document, and cannot be changed without the consent of the governments in question.

**Intergovernmental Relations**: A method of political interaction between governments in federal states.

**Liberal Democracy**: a pluralist system of government based on majority rule, the rights of individuals, the freedom of citizens to participate in the political process and limited state intervention in the economy and society.

**Majoritarian Democracy**: a democratic system of government in which decisions are made according to principle of majority rule. These systems tend to be competitive rather than collaborative in nature.

**Nested Federalism**: a system of federal governance in which autonomous regions are nested or located within larger, recognized constituent units in a federation.
**Nordic Model:** The Nordic model combines consensual democracy with a robust and comprehensive system of social welfare. Other features of the Nordic model include high taxation rates to pay for social spending and a trade-oriented economy.

**Social Democracy:** a democratic system with is more collectivist in orientation and which supports an interventionist and robust state apparatus.

**Supranational Federalism:** a system of federal governance in which the constituent units in the federation are independent countries. These countries are bound together by a common set of supranational institutions.

**Unicameral:** having or consisting of a single legislative chamber.

**References**


Arctic Council. [http://arctic-council.org/section/the_arctic_council](http://arctic-council.org/section/the_arctic_council) (Date accessed: March 6, 2009)


Gurria, Angel. “Seminar on Embracing Globalisation in the 21st Century: a Dialogue on the Nordic Approach.” [http://www.oecd.org/document/12/0,3343,en_2649_201185_40654476_1_1_1_1,00.html](http://www.oecd.org/document/12/0,3343,en_2649_201185_40654476_1_1_1_1,00.html) (Date Accessed: February 17, 2009)


Wilson, Gary N. “Matryoshka Federalism and the Case of the Khanty Mansiysk Autonomous Okrug.” *Post-Soviet Affairs*, 17/2001: 167-194


**Supplementary Resources**
