THE RELATIONSHIP BETWEEN ECONOMIC INTEGRATION AND CULTURAL TRANSITION:

, FINLAND AND THE FINNISH SAMI

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ABSTRACT

In this thesis, the relationship between economic integration and cultural transition among the Finnish Sami is examined from historical, theoretical, and empirical perspectives. By paralleling Finnish and Sami societal development, the emergence of Finnish dominance and its changing manifestations among the Sami is explored. The importance of post-war developments is established, and factors generating transition during this period are discussed in detail. Finland's position in the world economy is shown to have restricted state management of internal development, and policies to improve national economic stability are examined as agents in the transformation of northern income structures. This process of transformation is substantiated empirically through a discussion of the Lokka reservoir project and its impact on local populations. The transition from a natural to a wage economy is shown to have entailed the loss of a distinctively Sami mode of production. The implications of this loss are used to evaluate the relationship between economic integration and cultural transition.

Cette thèse examine la relation entre l'intégration économique et la transitión culturelle des Sami finlandais, dans des perspectives historiques, théoriques et empiriques. Une mise en parallèle du développement des sociétés finlandaise et Sami permet d'explorer le début de la domination finlandaise et ses diverses manifestations chez les Sami. L'importance des développements depuis la Deuxième Guerre mondiale est établie et les causes de la transition pendant cette période sont traitées en détail. La position de la Finlande dans l'économie mondiale est reliée, à l'attitude de l'Etat envers le développement intérieur. Les politiques visant à améliorer la stabilité économique nationale influencent dorénavant la transformation des structures économiques de la Laponie. Ce processus de transformation est analysé de façon empirique dans une discussion du projet hydro-électrique de Lokka et de ses conséquences pour la population locale. Il devient clair que la transition d'une économie naturelle à une économie de salariat a déterminé la disparition d'un mode de production distinct propre au Sami. L'étude des différents aspects de cette disparition sert ainsi à évaluer la relation entre l'intégration économique et la transition culturelle.

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# TIIVISTELMÄ

Tässä tutkimuksessa tarkastellaan historialliselta, teoreettiselta ja empiiriseltä pohjalta taloudellisen yhdentymisen ja kulttuurin muutoksen suhdetta Suomen saamelaisväestön keskuudessa. Suomalaisten hallitsevaa asemaa ja sen ilmenemismuotojen lisääntymistä saamelaisessa yhteiskunnassa tutkitaan vertailemalla suomalaista ja saamelaista yhteiskunnallista kehitystä sekä tutkimalla suomalaisessa yhteiskunnassa tapahtuneiden muutosten vaikutusta saamelaiseen yhteiskuntaan. Sodanjälkeisen ajan kehityksen tärkeys osoitetaan ja tarkastellaan yksityiskohtaisesti tekijöitä, jotka aiheuttivat muutoksia tänä aikana.

Suomen asema maailman taloudessa on rajoittanut valtiovallah vaikutusmahdollisuuksia maan sisäiseen kehitykseen ja menettelytapoja edistää kansallista taloudellista tasapainoa tutkitaan tekijöinä Pohjois-Suomen tulorakenteen muuttumisessa. Tämä muutosprosessi on todistettu empiirisesti tutkimalla Lokan tekoallasprojektia ja sen vaikutuksia paikallisväestöön. Tutkimuksessa käy ilmi, että siirtyminen luontaistaloudesta palkkatalouteen on aiheuttanut tunnusomaisen saamelaisen tuotantomallin häviämisen. Taloudellisen yhdentymisen ja kulttuurin muutoksen välistä suhdetta tarkastellaan tämän tuotantomallin häviämisen aiheuttamien vaikutuksien avulla.

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#### CHAPTER ONE

INTRODUCTION TO THE RELATIONSHIP BETWEEN ECONOMIC INTEGRATION AND CULTURAL TRANSITION

Introduction and Research Question

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Recent interest in the Sami of northern Finland has followed attempts to incorporate Lapland's resources into the national economic structure. Though this process of incorporation is not new, the extent of such penetration has recently changed, and so has the unquestioning belief in its propriety.

In the past, territorial expansion was seen as a key to the social and economic advancement of Finnish society. Early penetration of the north led to the absorption of some Sami, but this was not essential to the achievement of Finnish objectives. Initially, the indigenous population could adapt to changes by retreating or making other alterations within their existing lifestyle. As Finnish expansion continued, however, the pressures placed on the Sami accumulated and the scope for their adjustment to assertions of Finnish dominance diminished.

In the post World War II era, the process of expansion has been perpetuated, but its focus has shifted from territorial extension to intensive development. Through the former, northern areas were claimed by nation states and the indigenous population was tenuously included in the national sphere of interest. Under these circumstances, Sami inhabitation secured claims to sovereignty over the north, but the social

and economic structures of this group remained different from those of the dominant Finnish culture. With the onset of intensive development this situation began to change rapidly. Expansion of this type focused on the use of northern resources in accordance with the needs of national development strategies. To achieve this, the distinctive social and economic practices of the Sami could no longer be tolerated and thus, the prevailing natural economy was supplanted by the wage economy of Finnish society at large. It is the disruption associated with this transition which has aroused widespread concern for the future of the indigenous population.

By the late 1960s, the Finnish Sami had begun to employ growing support from academic and public circles, in attempts to defend their distinctive culture. Indigenous organizations began to lobby for reforms which would assure cultural preservation, but their progress in this regard did little to alter the process of economic integration. Thus, despite their increasing solidarity, the Sami remained vulnerable to a powerful integrative force and cultural transition continued.

With the prospect of total integration into the Finnish socioeconomic system a very real one, the focus of the Sami movement on cultural solidarity and preservation must be re-evaluated. To do so, however, the relationship between economic integration and cultural transition must first be understood. It is this relationship, which this thesis seeks to examine.

### Literature Review

Until relatively recently, the study of culture and cultural transition was essentially the domain of anthropologists. Within this field, definitions of culture have been both plentiful and varied, but according to Keesing (1974) a basic division can be made between those theories which are ideational (e.g. Geertz 1964, Goodenough 1971, Schneider 1968 etc.) and those which view cultures as adaptive systems (e.g. Meggers, 1971, Rappaport 1971, Service 1968 etc.). It is aspects of this latter perspective that cultural geographers have adopted and developed, by relating man and culture to the natural environment ( $\underline{cf}$ . Spencer and Thomas 1969).

Initially, work in this discipline focused on examining culture and culture change according to ecological concepts. By the 1930s however, means for studying these phenomena had diversified and the concept of acculturation was gaining in popularity. The central idea of this approach to cultural transition was that changes in cultures arise from contact with other cultures (<u>cf</u>. Hiebert 1976:417). Growing interest in this concept coincided with an upsurge of interest in minority cultures, and it occurred at a time when interdisciplinary studies were becoming more common. Under these circumstances, geographical examinations of minority cultures and their transition developed closer links with work in anthropology and political economics, but seldom with both.

With cultural geography rooted in anthropology, strong ties between the two fields were easily and rapidly established. Studies of cultural transition focused on human adaptation to changes in the natural environment and to those ensuing from contact with other cultures.<sup>1</sup> The ability of some groups to encroach successfully on the territory of others was explained through the concept of "cultural dominance", which postulated that the cultural system which can most effectively exploit the energy resources of a given environment will tend to expand at the expense of less effective systems (<u>cf</u>. Sahlins and Service 1960:75).

This concept has been used extensively  $t \not o$  explain the history of northern indigenous populations, but the concept itself has rarely been explored. Instead, the examination of transition has focused on the ways in which cultural dominance has been manifested, and on the resultant changes in minority cultures In general literature (e.g. Graburn and Strong 1973, Wonders 1976 etc.), predilection for this approach is often illustrated through a discussion of the impact of expanding taxation, trade and religion on indigenous populations. Similarly, more specific works, such as "Consequences of Economic Change in Circumpolar Regions" (Müller-Wille et al. 1978), concentrate on eliciting change-inducing factors and the adaptations which they demand of minority cultures. Transition among these northern peoples is also studied according to single parameters. Such indices of culture change include transformation of social organization (Ingold 1979); declining transhumance (Whitaker 1956); acculturation (Anderson 1958, Asp 1966); and technology (Linkola 1973, Pelto 1973).

Although many of these authors are anthropologists and sociologists according to international divisions of academic disciplines, their work coincides closely with the field of cultural geography in Canada. As such, these studies provide an accurate reflection of the main perspectives which cultural geographers use in dealing with the subject of minority cultures and their transition.<sup>3</sup> Through work of this kind, a wide body of literature has been produced to provide historical and empirical documentation of changes in traditional cultures of the north. The value of this information is indisputable, but there are still gaps in the literature. Most important is the sparsity of theoretical work to explain the emergence of dominance and the origin of change motivating factors. Failure to place minority cultural transition in the context of national and international development has meant that knowledge of the consequences of change has not been paralleled by an understanding of their causes.

Where geographic studies have developed links with political economy, the investigation of factors generating dominance has been more common. Much of this work has sought to explain the relationship between developed and under-developed areas. In doing so, economic, cultural and locational factors have been examined as central to the establishment of the dominantsubservient relations associated with unequal development. The relevance of these studies to minority cultural transition stems from the tendency for indigenous populations to inhabit areas of 'low development'.

One of the most common conceptual tools for explaining inequality has been the center-periphery or metropolis-hinterland relationship. The political and economic dominance of central areas has been used by Seers (1979), to explain underdevelopment in Europe, and by Chorney (1977), and Gonik (1972), to explain inequalities in a Canadian context. In a large segment of geographical literature, dominance has been attributed to location, but in most studies of comparative development, primacy has been given to economic relations which are commonly discussed within a colonial framework. Accordingly, underdevelopment is seen as a product of

servitude associated with colonial status. This theme has been expounded upon by Emmanuel (1972), who locates the mechanism of unequal development in unequal exchange. Another variation of this idea is found in Hechter's work on internal colonialism (1975), in which dominance in economic relations is casually linked to cultural dominance to explain regional inequalities within nations.

Although the intricacies of these authors' arguments have led to controversy between them, and among others, the central analytical theme of all their works is the same. In each case, the relative economic backwardness and special problems of the periphery are due to its exploited relationship with the center (<u>cf</u>. Lovering 1978:55). The similarity in themes permits a basic criticism of all of these studies: it is the failure to acknowledge the existence of inequalities within both central and peripheral regions. By locating the mechanism of exploitation in interregional relations, the disparity within regions is obfuscated; along with the basic exploitative relation which exists between social classes at all geographic levels.

If this weakness is recognized, however, a discussion of relations between central and peripheral areas can provide valuable insights into the evolution of regional underdevelopment. Where these areas are largely inhabited by indigenous cultures, such a discussion can also help to clarify the manner in which the current situation of indigenous populations has developed. Unfortunately, this type of examination has rarely been applied to studies of northern cultural minorities. In North American literature, the gap has been narrowed by Usher's work (1972, 1976), which relates the class system and metropolitan dominance to northern develop-

ment in Canada, and by Brody's study (1977) of industrial impact in the Canadian north. In the Fenno-Scandian context, discussions which relate development theories to examinations of transition among minority cultures are also uncommon. Notable exceptions include the Proceedings of the 8th Conference of Nordic Ethnographers/Anthropologists (Sandbacka 1977), which examines cultural imperialism and cultural identity; and the work of Snell and Snell (1975), where assimilation and ethnic activism are seen in relation to large-scale processes in the encompassing nation.<sup>4</sup>

The body of English literature which deals with the province of Lapland and with the Finnish Sami focuses on topical and regional studies. It is comprised largely of regional overviews in the form of descriptive accounts, and very specific studies based on empirical research. In the former category, Nickul (1952) and Itkonen (1951) provide good reviews of Sami contact history in Finland and of indigenous economic activities and social relations. Examples of more specific investigations include population development in northern Finland (Naukkarinen 1969); tourism in Lapland (Helle 1970); sources of income in the "Sami Area" of Finnish Lapland<sup>5</sup> (Siuruainen 1976); reindeer husbandry (Aikio 1978, Lenstra 1978); and agriculture (Varjo 1971, 1974). Such work provides a well-rounded picture of the social and economic situation of the Finnish Sami, but makes little theoretical evaluation.<sup>6</sup> This thesis will attempt to add an element of explanation to existing descriptions of cultural transition among the Finnish Sami.

The current status of literature related to the Finnish Sami makes a study of the relationship between their cultural transition and economic integration not only feasible, but also warranted. In providing such a study, this thesis will examine the process of acculturation by placing the situation of the Sami in the broader context of development in Finland. The underlying logic of this approach is that an understanding of what has motivated Finnish encroachment on the Sami, is a prerequisite to locating the generators of transition related to cultural interaction. As this suggests, the focus of this work is not the intricacies of the Sami culture. Instead, emphasis is placed on the way in which external factors have affected changes in the indigenous society.

lethodology

The concentration on economic integration is derived from the theoretical premise that the characteristics of culture are conditioned by material circumstances; particularly by economic organization. In other words, the manner in which people secure their subsistence will influence their form of social organization. Accordingly, culture may be defined as being comprised of a formative economic base and a supportive social structure.

This definition gives rise to several other theoretical issues which will be examined in this thesis. First, it must be expected that changes in the economic base will influence the direction in which cultural transition proceeds. Second, in dealing with acculturation, changes in a minority culture must be related to the presence of a more dominant group. Third, given the importance of economic organization, it is likely that

cultural dominance is the product of affiliation with the contemporary "hegemonic system". This term will be used throughout the thesis to indicate the mode of production which has characterized the world economy in various historical periods. Finally, cultural transition must be seen as an ongoing process, for as the hegemonic system changes, the manifestations of dominance and their impact on minority cultures will also change.

To evaluate these theoretical expectations, this thesis has the following objectives:

- 1) to illustrate the manner in which cultural transition has been an ongoing process;
- 2) to examine the emergence of cultural dominance and to illustrate its relationship to affiliation with successive hegemonic systems;
- 3) to illustrate and examine the relationship between changes in the hegemonic system and changes in the nature of cultural transition among the Finnish Sami;
- 4) to illustrate the relevance of these factors and processes of cultural transition to the situation of the Finnish Sami at both national and local levels.

To achieve these objectives, the body of literature which deals specifically with the Finnish Sami has been complemented by works which help to place Sami development in context with that which occurred at the national and international levels. These works include general histories of Finland (e.g. Wuorinen 1965), as well as more specific historical accounts such as Puntila's study (1975) of Finland's political development. The importance of the post-war era as a turning point in the history of both Sami transition and Finnish development in the north makes this time

period the focus of this thesis. In exploring the hierarchy of factors which have influenced Finland's management of northern development and Sami affairs during this era, literature which discusses the internationalization of capitalism (e.g. Palloix 1975) and the fole of the state (e.g. Gough 1979, Harvey 1978) will be drawn upon.

Primary sources for this thesis are mainly employed in the case study. which examines economic integration and cultural transition within the Lokka reservoir area of central Finnish Lapland. Much of this material consists of raw data proffered by Hannu Makinen and Matti Luostarinen. They collected this data during the summer of 1978, by conducting in-depth interviews with the former inhabitants of both Lokka and Porttipahta reservoir areas. Although their research interests focused on the social impact of man-made lakes (cf. Asp et al. 1981, Luostarinen and Makinen 1979, 1980), their data also had potential as a means of illustrating the process of economic integra-To examine this process and its relationship to cultural transition, tion. the former inhabitants of the Lokka area have been organized on the basis of ethnicity, and the information which they provided has been analysed accordingly. Ethnic categories have been devised with the assistance of Pekka Aikio, and information used to determine the ethnicity of former inhabitants has been obtained from him, as well as from commune records. Additional primary information has been collected through interviews conducted in and around the case study area during the summer of 1980.

### Thesis Organization

Through the combination of all of this material, the relationship between economic integration and cultural transition will be examined from historical, theoretical and empirical perspectives. The second chapter provides a historical review of this relationship and is designed to establish the manner in which cultural transition has been an ongoing process. This chapter shows that the Sami and Finns originally constituted two separate cultural entities, and that the dominance of the latter only emerged when their society became affiliated with the prevailing hegemonic system. The evolution of this dominance and its impact on the Sami are traced according to the succession of such systems, and the importance of developments in the post-war era is established.

To understand the significance of this period and to appraise the future prospects of the Sami culture, the nature of the currently dominant economic system must be introduced. This is done in the third chapter, through a brief discussion of the characteristics and contradictions of state-monopoly capitalism. In this way, the hierarchy of factors which ultimately influence the process of cultural transition among the Sami will be presented and discussed.

The fourth chapter builds on the understanding of these factors. It demonstrates how Finland's role in the international division of labour has affected, and continues to affect, the evolution of the Sami socioeconomic situation by placing restrictions on the state's management of regional disparities. Development policies which have promoted Lapland's integration into the national economy are examined as agents of cultural

transition, and the indigenous response to this incorporation is discussed. An appreciation of the impact of both this integrative process and the Sami movement to ensure cultural preservation, will permit a response to the question of whether or not economic integration does in fact preclude further cultural transition.

In the fifth chapter, the process of advanced cultural transition is examined on a small scale. The basic themes of this thesis are reasserted through a historical review of the Sami situation in the Sompio region of Finnish Lapland: This is followed by a discussion of the Lokka reservoir project, which is presented as an example of the expansion and integration which has occurred under state-monopoly capitalism. Through an examination of its impact, this project is shown to be an agent which has accelerated economic integration and the cultural transition which it entails.

As a whole, this thesis will explore the relationship between economic integration and cultural transition through the combination of historical, theoretical and empirical approaches. This composite perspective should contribute to a more accurate understanding of culture change, particularly that which has occurred among the Finnish Sami.

NOTES: Chapter I

- 1. These studies often concentrated on changes resulting from the penetration of one closed cultural system by another culture.
- •2. In this study the term "minority culture" refers to the autochthonous population of a given area: specifically, the Sami of Finland.
  - 3. In Finland the subject matter of cultural geography is usually dealt with in anthropology departments. For this reason, a Canadian-authored study of the Finnish Sami must recognize, and use, sources which might officially be termed anthropological.
- 4. Järvikoski (1979), and Massa (1980), examine the situation of Lapland as a region, by applying theories of political economy.
- 5. The "Sami Area" of Finnish Lapland comprises the communes of Utsjoki, Inari, Enontekiö, and the northern part (Sompio) of Sodankylä. This area is illustrated in Fig. 8.
- 6. It is possible that my failure to discover studies of this type is the product of limited proficiency in the Finnish language. Discussions with Finnish geographers suggest, however, that there is a genuine lack of theoretical applications to studies in cultural geography.
- 7. The interplay between social and economic organization, as well as the importance of environmental factors must be acknowledged, but for the purpose of this thesis, attention will focus on the influence of economic structures. This concentration is the product of attempts to deal with the most basid generators of transition, and to overcome existing emphasis on the social attributes of culture.

- CHAPTER TWO

# THE HISTORICAL EVOLUTION OF THE RELATIONSHIP BETWEEN ECONOMIC INTEGRATION AND CULTURAL TRANSITION

To understand the current position of the Sami in Finland, some knowledge of the historical processes which have generated this situation is essential. This chapter will provide such information through an examination of the relationship between economic integration and cultural transition. By reviewing the history of Sami culture change according to changes in the hegemonic system, the importance of economic organization as a conditioning element of culture will be established.

The division of history according to periods in which particular economic systems have experienced world hegemony further clarifies the importance of economic organization in cultural transition. This approach – makes it possible to establish that Finnish dominance over the Sami has not always existed in Finland, but that it emerged with Finnish integration into the world economy.<sup>1</sup> By briefly examining successive hegemonic systems and their influence on Finnish society, changing manifestations of Finnish dominance over the Sami can be understood. This permits an accurate portrayal of the breakdown of the Sami culture, and of indigenous integration into Finnish social and economic structures. In doing so, the manner in which cultural transition has been an ongoing process will be illustrated. An understanding of this process will clarify the critical importance of post-World War II developments to the future of the Sami culture, and will make a more detailed discussion of the contemporary Sami situation possible.

### Prehistory: Localized Socio-Economic Systems

Before the importance of economic integration to the emergence of Finnish dominance and Sami cultural transition can be substantiated, the existance of a period of socio-economic isolation in Finland must first be established. The following examination of Finland's prehistory will do so, by showing that the Finns and the Sami originally constituted two distinct and essentially self-contained cultures. Where inter-cultural contact did occur, it was not characterized by dominant-subservient relations: cultural equality prevailed. By comparing this situation with that which developed after Finnish society became affiliated with the world economic system, the importance of economic integration will become clear.

As in many discussions of prehistory, attempts to establish the origins of the population of present-day Finland have aroused considerable controversy. Efforts to determine the origin of the Sami have met with difficulties in the correlation of archaeological and linguistic groups; and the scarcity of prehistoric skeletal remains has added to prevailing uncertainties.<sup>2</sup> Work in these fields may ultimately clarify the question of human origin, but the generally accepted contention that the Sami were among the early inhabitants of Fenno-Scandia provides an adequate point of departure for this study. Although the identity and distribution of Sami predecessors remains somewhat obscure, the presence of the Sami in what is today Finland can be historically identified from about 2000 B.C. (Fig. 1; Carpelan 1975:12, <u>cf</u>. Kert 1973:83).<sup>3</sup>

Insufficient information makes it difficult to draw precise conclusions about the early movements of the Sami. It has been ascertained,



however, that they had developed a socio-economic system based on close affinity with the northern environment as early as two thousand years ago. Subsistence was maintained through a seasonal rotation of livelihoods which focused on fishing in the spring and summer, and on hunting and berry picking in the autumn.<sup>4</sup> During the winter people tended to congregate in villages or 'siid', which constituted the fundamental element of the authentic Sami social order. Under this 'siid' system, each village controlled specific hunting and fishing areas which were exploited collectively; allocations being made on the basis of family size and on the productiveness of each area's natural resources. These questions of territorial and economic organization, and other matters of common interest, were dealt with by a 'siid council' comprised of representatives from every family in the community (Vorren 1969:116, Siuruainen 1976:17). Thus, while each family was an independent productive unit, the maintenance of individual subsistence was assured through the collective organization of the communal production system.

As the structure of the 'siid' suggests, early Sami social organization served to ensure that exploitation of the natural environment would

be controlled. Human survival depended on maintaining the subsistence economy: social structures were established to preserve this formative economic base of the culture. This intimacy of the Sami lifestyle with nature was strongly reflected in shaministic religious practices of the pre-Christian era. The reality of Sami dependence upon nature was reinforced through animalistic religious practices which ascribed ominous powers to the forces of nature; and so fostered respect for the determinant elements of subsistence.<sup>5</sup>

Under this socio-economic system the Sami'established independent administrative and juridical units which, combined with associated ideologies, made the society essentially self-contained. Although the system incorporated small-scale trading and inter-siid marriages, they remained localized in terms of energy utilization and exploitation of other natural resources.<sup>6</sup> By maintaining a productive system based on nomadic subsistence, the fundamental characteristics of the Sami culture were preserved through several centuries of internal societal evolution.

When the Finns began to occupy present-day Finland about two thousand years ago, they practiced a mobile and rather disorganized pattern of land use and occupancy. This lifestyle was based on the subsistence activities of hunting, fishing and gathering (Siuruainen 1978:67-68). Gradually, 'slash and burn' cultivation and cattle rearing were developed; land was cleared and permanent dwellings were established. As subsistence farming came to dominate the economic system of the Finns, a form of social organization which recognized the concept of property was introduced, to facilitate and perpetuate this type of production. Although distinctive communities and tribes emerged and became involved in limited

trade, these developments did not alter the mode of production or the social structures which supported it. The localized character of the society was maintained.<sup>7</sup>

Early Finland was characterized by localized subsistence, but the orientations and organization of related economic activities differed significantly between the Finns and the Sami. While both societies concentrated on internal self-sufficiency a certain degree of intercultural contact was inevitable. When the Finns first arrived north of the Gulf of Finland, the entire country was probably dominated by sparse, though widely dispersed, Sami 'siid settlements'. As the Finns became increas ngly sedentary however, population growth necessitated territorial expansion and the Sami were forced to retreat or be absorbed (Itkonen 1951:34).

Most of the indi ...ous population chose the first alternative and the inherent mobility of their lifestyle facilitated the move to uninhabited regions where traditional socio-economic practices could be continued (Fig. 2). Although Finnish folklore recounts that the Sami were forced from their fishing places and homes with occasional violence (Tegengren 1960:82), it is likely that the early retreat of the Sami was based on natural resource requirements rather than physical conflict (<u>cf</u>. Siuruainen 1976:19, Itkonen 1951:34).

While early contact was most clearly manifested territorially, it also took place within the realm of trading. According to Tegengren (1960:80), it may have been the prospect of expanded fur trade which prompted the initial settlement of the Finns. Regardless of these possible intentions, early trade was limited by the retreat of the Sami and overshadowed by the



expansion of subsistence farming. Thus, although contact did occur in a number of forms, it was characterized by cultural equality and not by dominant-subservient relations. Inter-cultural contact did not signifi-

### De-Localization of Socio-Economic Systems

Having established that Finland was once comprised of two distinct - but equal - cultures, it becomes possible to appreciate the importance of changes which occurred as a result of Finnish integration into the world economy.

This section discusses the breakdown of Finnish society's self-sufficiency and examines the internal transition which accompanied incorporation into the Swedish Empire. By understanding how the Finnish economic system changed, the new needs of the society and their impact on inter-cultural relations can be understood. It was the requirements of this new economic situation that prompted Finnish penetration further north and created the basis for Finnish dominance over the Sami.

By the end of the 10th century, Finnish society based on subsistence production had become stable and the provinces of Finland Proper (Varsinais Suomi), New Land (Uusimaa), Häme and Karelia (Karjala), had become well established. Social organization had evolved accordingly to include provincial cooperation in matters of defense and religion.<sup>8</sup> While this marked the extent of social development in Finland, the concentration of settlement close to shipping routes promoted contact with traders from neighbouring territories. These lines of communication had begun to influence economic life and social attitudes in Finland (cf. Juva 1968:20). This external influence represented the first penetration of the localized Finnish socio-economic system, and it prepared the way for further undermining of self-sufficiency. As contact with Finland increased, the area became important to neighbouring federal kingdoms which were struggling for supremacy in trading operations around the Gulf of Finland. This, placed Finland's population in an extremely vulnerable position, and to avoid conflict from all sides, alliances were established. The Finns of southwestern Finland and Häme sought the protection of Sweden, while the Karelians turned to Russia for similar support (Juva 1968:20).

To the Finns this new alliance meant inclusion in the Swedish political system, but more importantly, it stimulated the emergence of economic and social distinctions within Finnish society. While farmers retained control of the land they cultivated, provincial leaders were distinguished through their admittance to a rising nobility; other leading members of society were rewarded with appointments to the Finnish see in Turku (Juva 1968:21). As Finland's economy diversified, social stratification increased and bartering and trade began to supplement subsistence activities. The establishment of small trading centers in the south fortified Finland's affiliation with Sweden, permitted involvement in the Baltic trade, and offered a growing market for farm produce.

This gradual de-localization of Finnish society left further impetus to the expansion of a northern fur trade and legitimized taxation of the Sami. Even though taxation had been practiced sporadically prior to Finland's incorporation with Sweden, it was only under this new form of socio-economic organization that such activities received official sanction.<sup>10</sup> By the 12th century the Bircarls (Pirkkalaiset) - from the borders of Satakunta and Häme - had established themselves as traders and tax collectors in the north, and in 1277 they were granted the exclusive e right to deal with the Sami (Nickul 1952:6). These privileges were further entrenched in documentation from 1328 which stipulated that "no one was allowed to hinder the <Sami> in their hunting, or molest the Bircarls who visited the <Sami>" (Collinder 1949:16).

While such assertions of power marked the formal incorporation of the Sami into the Swedish-Finnish socio-economic system and indicated the growing dominance of the latter, their impact remained essentially latent.

As the Finnish society developed and expanded, the Sami continued their retreat toward the north where conditions allowed them to maintain their traditional subsistence activities and the associated form of social organization. Where taxation was unavoidable the Sami practiced appeasement, usually through payment in kind. This perpetuated an atmosphere of peace which was conducive to the continuation of their distinctive lifestyle. At times the remoteness of the Sami area allowed taxation to burgeon from the form of a bribe to plundering, but experience soon taught the Finns that such extortion had negative repercussions on the profitability of trading (Nickul 1952:7, Tegengren 1960:82).

Affiliation with Swedish hegemony created new linkages in Finnish economic organization: de-localization transformed the economy and the social structures which it generated. Inherent in this transformation was the ascription of power to the external monarchy of Sweden and the emergence of internal social and economic differentiation. For the Sami the transition in Finnish society was manifested most strongly in the growing presence of the Bircarls who acted, in Mesponse to changing needs, as emissaries of a distant but powerful socio-economic order. This form of encroachment made it necessary for the Sami to gradually supplement their initial response of retreat with appeasement. While this reaction resulted in the intensification of inter-cultural contact and introduced an unprecedented element of complexity into the indigenous socio-economic system, it also allowed them to continue their subsistence activities. These changes provide the first indication of emerging Finnish dominance, and the Sami response illustrates the manner in which their cultural transition proceeded.

### Cultural Transition During the Age of Mercantilism

Through the development of ties with Sweden, Finnish society exchanged self-sufficiency for a place in the world economy. As these ties were being established, declining feudalism was slowly giving birth to mercantilism. Thus, even though Finnish society had adopted elements of feudal economic and social organization, it was during the mercantilist era that Finnish integration into the world economy was first complete. This section will examine developments in Finnish society which were directly related to involvement in the mercantilist system. By establishing the centrality of trade, the need for territorial expansion and intensified contact with the Sami will become clear. It is this dependency of mercantilism on trading networks and partners that explains the changing manifestations of Finnish dominance over the Sami.

By the end of the 16th century, Finland's political ties with Sweden had solidified and elements of Finnish society had become well integrated with the prevailing mercantilist system.<sup>11</sup> Ties with the commercial centers of Tallinn, and especially Stockholm, had stimulated the growth of towns along the southwestern coast of Finland (Kaukiainen 1971:118). The rising importance of trade was further reflected in the diversification of commercial activities and in increased social stratification. Of the mercantile body which comprised the dominant element of urban society, the merchants of the Swedish commercial community were ascribed the greatest power, followed then by the lower-ranking burghers of the Finnish commercial community, and finally by the artisans (Nikula 1966:189). Regulations governing membership in these groups were complex and spheres of interest' were clearly delineated: the Swedish merchants concentrated on foreign trade, while the Finnish burghers were primarily engaged in trade conducted at fairs in the interior. In a similar way, the prestige and functions of the artisans were organized according to the apprentice, journeyman and master hierarchies of their respective guilds (Wuorinen 1965:46).

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These new divisions in Finnish society reflected the need for a form of social organization which would support and perpetuate mercantilism. This type of internal reinforcement was also provided through the close relationship between economic prominence, social recognition and political influence. Those who benefited most from an economic system based on trade were frequently ascribed power which would enable them to maintain that system. As such it was common for representatives of the merchant body to be active participants in local government and in the execution of the law.<sup>12</sup> The important position of this small segment of Finland's population was further evidenced by their status as one of the four estates which made up the Finnish Diet.<sup>13</sup>

As this form of social organization within Finland's growing urban sector secured the position of mercantilism, the spread of related economic practices promoted similar social transitions among the rural population. The expansion of burgher networks prompted farmers to diversify their productive activities in a way which allowed limited participation in trading.<sup>14</sup> In accordance with the mercantilist legislation of the early 17th century, all trading was confined to legal markets of towns and in time, excursions to these centers were incorporated into the lifestyle of rural inhabitants (Aunola 1965:163). In many instances trading became intimately tied with the payment of taxes and - as the church became better

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established in rural areas - these dealings were often organized to coincide with important religious occasions.<sup>15</sup> Thus, although subsistence farming remained the mainstay of much of Finland's population, the changes in social and economic needs, resulting from integration into the mercantilist system, were felt through the growing importance of trade and the expanding role of the church.

For the Sami, the impact of these transitions in Finnish society was closely linked to the territorial expansion which occurred simultaneously. Following the Peace Treaty of Täyssinä (1595) between Russia and Sweden (Fig. 3), a border survey was conducted which left Kemi Lapland as a common territory between these two countries (Havukkala 1964:8). In recognition of this non-aligned area's political significance, the Swedish King, KarI IX, began to institute a large-scale settlement program throughout the region. These plans were first manifested in 1673 with the issuing of a statute referred to as the 'Kalmar Poster'. The creation and distribution of this poster opened up much Sami-occupied land to settlement by promising broad liberties to people who moved to Lapland from western and lower-northern regions of the Swedish Realm. Under the incentives of tax exemption for at least fifteen years, and lifelong exclusion from conscription, Finnish settlement experienced a rapid period of territorial expansion (Havukkala 1964:9, Siuruainen 1976:19).

Throughout this initial settlement period, recognition of Sami rights to the use of natural resources was reflected in the establishment of a 'Lapland Border' (Fig. 2). In addition, 'slash and burn' cultivation was prohibited and settlers' hunting rights were restricted to an area within five kilometers of their homes (cf. Nickul 1952:10). Formal complaints



regarding violations of these ordinances were forwarded to the king and to the courts where territorial and land utilization rights were consistently verified. This political and legal support for the Sami may indicate recognition of property rights, but it is likely that economic considerations also lay behind these actions. Sami tax payments in furs and fish were of considerable value to a system based on trading.

To Finnish authorities the payment of taxes was indicative of a simple reciprocal agreement: the right to land utilization in return for a part of the proceeds. For the Sami, however, the price of rights retention reached exorbitant proportions as settlement expanded. The indeterminate nature of national boundaries in the north meant that many Sami were subjected to taxation by several states simultaneously (Fig. 4). Subsequent efforts to



meet growing demands resulted in a decline of natural resources. This trend was compounded by settler dependency on hunting, fishing and the expansion of the fur trade; all of which severely diminished the resource base of traditional Sami subsistence.

These pressures on the Sami were the product of Finnish society's attempts to satisfy the needs of mercantilism: taxation provided commodities for trade and settlement expansion provided new links in trading networks. In meeting these needs however, the formative economic base of the Sami culture was directly affected. The decline of natural resources associated with Finnish expansion, demanded that the Sami intensify the level of their natural economy without increasing ecological damage. This adaptation came about through the gradual incorporation of reindeer herding into the seasonal pattern of the prevailing subsistence economy.<sup>16</sup> By practising a form of herding which did not necessitate fodder production, the Sami maintained a reliable food source without relinquishing their lifestyle based on nomadic subsistence. Although this marked the retention

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of a distinctive Sami culture, the change in economic organization had been required because of changes in the economic system of Finnish society.

The success of reindeer herding did not eliminate inter-cultural contact; as conflict continued other adaptations to Finnish penetration were prevalent. The majority of the Sami retreated further into the wilderness, while others succumbed to mounting pressures by adopting agriculture and a sedentary existence. For a time many of this latter group maintained a semi-nomadic lifestyle by continuing traditional summer migrations (Siuruainen and Aikio 1977:34).

When taxation was converted to monetary payments in 1695, the threat of acculturation grew because the Sami were obliged to deal with burghers who would take responsibility for payment of their taxes. This threat was further magnified by the fact that such dealings commonly occurred in parish centers where indigenous contact with missionaries - who were intent on converting them to Christianity - was intensified (Nesheim 1969:100). Such attempts only became truly effective in the late 1600s, but even then the outward acceptance of Christian beliefs was counteracted by Sami reliance on traditional religious practices in their everyday activities (Siuruainen and Aikio 1977:23).

In spite of vulnerability to missionary zeal and to the exigencies of taxation, the Sami did not have to make two critical adjustments. It was not compulsory for them to become wage earners, and they were not obliged to yield up ownership of the land. This allowed the Sami to retain control over the means of production and to thereby preserve a distinctive socioeconomic system. Thus, although the incorporation of Finnish society into the mercantilist system led to the emergence of new forms of territorial

and socio-economic dominance, the Sami culture did not disappear. Instead, it continued the process of transition through the acceptance of reduced autonomy and the diversification of subsistence activities.

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## Cultural Transition With the Emergence of Capitalism

During the 18th century, the world economy experienced a vacillatory transition toward a new mode of production. The emergence of capitalism was marked by the growing concentration of production in factories, and by changes in the social relations which governed production. Society became divided according to those who owned and controlled the means of production, and those whose only possession was their labour power. Under capitalism, labour itself became a commodity.

For the Sami, this transition within Finnish society was of latent, but crucial importance. The system of wage labour was in direct conflict with the communal organization of indigenous subsistence production: the spread of a wage economy was a direct threat to the economic base which gave form to the Sami culture. Due to the time lag between developments in Finnish society and their impact on the Sami however, the repercussions of the transition toward capitalism only began to affect the Sami when the first phase of capitalist development was coming to an end. This time lag will be illustrated through the following discussion of emerging Finnish capitalism and parallel developments among the Sami). In the process, the centrality of changing economic needs to changes in the manifestations of Finnish dominance over the Sami, will be reasserted. Where new

demands induced the alteration of indigenous economic organization, Sami cultural transition will be shown to have occurred.

By the end of the 18th century, Finland had become well established as a province of Sweden, and an order of nobility and the Diet of Finland had been operative for almost a century. The population in the south was sedentary and the society had evolved to incorporate organized education, religion, and law into its culture. In addition, the concept of land ownership - including distinctions between Crown and private land - had gradually become clarified and adopted. These advances in 'civilization' were the product of transitions within the economic system which gave form to Finnish society.

By the mid-1700s, the investment of surplus capital in landed property was joined by small investments in nascent industrial enterprises. In compliance with new government expectations, some merchants began to assist in the drive to establish domestic industry: they provided capital, procured raw materials, and sold finished products (Nikula 1966:190). To establish enterprises requiring large amounts of capital and involving greater risk, investors tended to combine their resources. This and interclass marriages led to the concentration of capital assets. Although investments of this sort were often prompted by the potential for improved trading, the establishment of early industry marked the emergence of a new class which instigated the transition of economic organization in Finland. Bartering was replaced by monetary exchange and labour for wages was provided by rural migrants who had been uprooted by insufficient inheritance divisions and pressures of taxation. When the remnants of the guild system were abolished in the 1860s, artisans who had been displaced in the

competitive struggle between handicrafts and new industry also joined the ranks of the growing wage labour force (Wuorinen 1965:46, <u>cf</u>. Mandel 1970:

These developments were characteristic of contemporary transitions in much of the world.<sup>17</sup> In Finland, however, the disruption resulting from changes in economic organization was exacerbated by major political changes. In 1809, almost a century of military unrest between Sweden and Russia was terminated with the cession of Finland and the Swedish-settled Åland Islands to the eastern power. At this time, international instability and a respect for Finnish resistance to annexation led Russian authorities to solicit Finnish cooperation through assurances of political autonomy and privileged status within the Empire.<sup>18</sup>

Despite these appeasements, however, the transition to Russian rule significantly undermined the already faltering mercantilism. When St. Petersburg (Leningrad) replaced Stockholm as the principal market for Finnish products, the ship-owning burghers of the coastal towns were unable to maintain their dominance as middlemen to the same extent as during the period of alliance with Sweden (Jutikkala 1958:102). Mercantile organization was further disrupted when export trade in eastern Finland became the domain of farmers travelling with their produce, Russian back pedlars, and illicit traders who bribed authorities for freedom of action (Jutikkala 1958:102). The abrogation of restrictions on rural trade in 1879 marked the official acceptance of changes already effected, and led to an upsurge in commercial activity throughout the countryside. As the mercantilist system collapsed, the nascent capitalist economy continued to gain strength. The spread of stores ascribed money with a new importance

and the increased value of timber provided valuable opportunities for wage employment in forestry. To those who were already established on farms this wage labour represented an additional income source; for others it acted as an incentive to further settlement.

Conversion to Russian rule stimulated economic liberalization in Finland, but it took time for these new practices to achieve the prominence which could directly challenge the subsistence economy of the Sami. Developments of the 1800s did, however, make way for this challenge by reducing Sami control over their traditional lands, and by asserting the power of Finnish society's political and legal institutions. In the confusion surrounding the transfer of Finland to Russia, responsibility for Sami affairs was reassigned; the Sami could no longer defend their territorial rights through legal appeals (<u>cf</u>. Siuruainen and Aikio 1977:20). Consequently, what had once been exclusive Sami rights gradually became ascribed to the Finns as well.

As the implications of this development were realized, Finnish settlement expanded well beyond the Lapland Border which had previously safeguarded Sami land use and occupancy in the north. This penetration undermined the subsistence economy of the Sami by intensifying competition for natural resources, and by introducing the concepts of private property and individual economic initiative. Declining fish and game reserves had the most immediate effect on the Sami. In response to growing ecological imbalance they altered their pattern of nomadic subsistence: making fishing excursions to the coast of the Arctic Ocean in summer and herding reindeer on the "tunturi" during the winter (Siuruainen 1976:48). This cultural transition reflected externally induced changes in economic organization.

Although this adaptation successfully relieved environmental pressures, its implementation was short-lived. Through a series of political and legal actions, the Sami lost claim to their northern homeland and were forced to make further changes in the economic system which gave shape to their culture. These changes marked the beginning of Sami integration into the economic structures of Finnish society.

The fate of nomedic subsistence was foretold in 1852, when the northern frontier between Russia-Finland and Norway was closed and the Sami right to international land utilization was retracted.<sup>19</sup> This border closure implied the subvention of Sami land rights, but this loss was not made explicit until 1886. At this time, past guarantees to the Sami were rescinded through the Forest Act which declared that all land with undocumented ownership was officially the property of the Crown. The transition which was predestined by these two developments began to take shape in 1889, when the border between Russia-Finland and Sweden was also closed. With their means of production - the land - under external control, the Sami lost the power of self-determination.

Through the closure of northern frontiers, seasonal migrations were first curtailed and then prohibited. With the option of retreat eliminated, Sami transhumance was replaced by a more sedentary existence (Fig. 5). Indigenous attempts to preserve some elements of their traditional lifestyle while adjusting to new concepts of ownership, led to the adoption of semi-nomadic reindeer herding and the establishment of permanent, but not continuously occupied, dwellings. The anticipated viability of this compromised lifestyle was soon confuted by constant appropriation of reindeer summer pastures for cattle grazing. The conflicts which ensued



led to increased interaction between the Sami and the Finns while reasserting the dominance of the latter. In time, animosity gave way to cooperation and as the Sami adjusted to their change in circumstance, many began to abandon all but the vestiges of transhumance; establishing themselves near the Finns or on Crown lands as tenant farmers (Siuruainen 1976:66). Whether this transition was stimulated by desires for material goods or by a diminishing resistance, it effectively drew the economic activities of the Sami into closer alignment with those of the Finnish settlers.

The trend toward permanent settlement among the Sami became even more dominant after 1898, when the system of reindeer herding was changed from one based on family units to one organized on a district basis (Nickul 1952:36, <u>cf</u>. Itkonen 1951:40-41). This was instigated by Finnish settlers who believed that the problems of simultaneous involvement in reindeer herding and farming could be alleviated through the reorganization of herding and the incorporation of paid herders (Helle 1966:10, Siuruainen 1976:20 and 59, Siuruainen and Aikio 1977:31).

The involvement of Finnish settlers in what had become a distinctly Sami livelihood, further increased the degree of mergence in northern

economic activities. This was not, however, the product of inter-cultural compromise: it was a new manifestation of Finnish dominance over the Sami. The introduction of wage labour reflected the spread of capitalist relations of production, but it was the more general imposition of 'Finnish organizational structures that forced the alteration of the Sami economy. With no possibility for retreat and with Finnish authority so strongly asserted, the only course for such change was toward the adoption of Finnish economic practices. This move toward economic integration conditioned the direction of future cultural transition among the Finnish Sami.

During the 19th century, government authorities did not implement a concerted settlement program, but other developments within economic and political spheres had a gradual, and ultimately profound, impact on the Sami population. By the end of the 1800s the area of concentrated Sami settlement had diminished to proportions comparable to those of the present (Siuruainen 1976:19). Related social and economic changes were equally acute in their impact. Permanent settlements were adopted by most indigenous people and their traditional livelihood of reindeer herding had been converted to a system that was devised by, and for, the dominant Finnish culture. This transition from the sharing of natural resources to a social order based on land ownership allowed the acquisition of Sami territory by outsiders and led to a cyclical decline in the authentic Sami economic system. The usurpation of land forced some Sami to participate in the wage economy, and as their involvement increased, traditional land use tended to diminish. For most, however, acculturation took the form of economic diversification which continued to focus primarily on subsistence activities. While this permitted the retention of some control over the means of

production and facilitated the maintenance of a modified cultural solidarity, any legal rights to these ends had been irrevocably transformed into concessions bestowed by the government of the dominant society.

## Cultural Transition Under Monopoly Capitalism

As preceding sections have illustrated, changes in Finnish society were the product of changes in the form of economic organization. Where these changes came to affect the economic base of the Sami, indigenous cultural transition ensued. By the late 1800s, the scope for Sami adjustment to such externally induced changes had become severely limited and developments in Finnish society became increasingly influential in determining the course of Sami cultural transition. At about the same time, Finnish capitalism was entering a new phase. Under monopoly capitalism the creation of new industries and growing international interaction led to increased concentration of capital; solidifying the dominance of the capitalist mode of production in Finland. The entrenchment of this form of economic organization affected the Sami both directly and indirectly. The first, through the simple diffusion of Finnish economic practices, and the second, through ironic political developments which facilitated capitalist expansion in the north. The impact of both sources of influence will be clarified by first examining the development of Finnish society during this period. Again, it is these developments which conditioned the nature of cultural transition among the Finnish Sami.

Throughout the latter half of the 19th century, Finland remained a predominantly agrarian country, but developments within the urban sector reflected a growing commitment to the evolving capitalist system. By the 1870s, legislation had begun to reduce institutional and structural barriers to the expansion of industry. Under a new program of economic liberalization Finland experienced a period of rapidly accelerating industrialization.

Much of the early impetus for the growth of industry came from foreign entrepreneurs and financiers who sought to capitalize on the high <u>potential for market expansion in Finland and for export penetration into</u> Russia (Astrom 1958:110). Under these incentives, foreign capital entered the textile and engineering industries and contributed to the establishment of a transportation and communication infrastructure. By the end of the century, however, Russian protectionism, combined with Finnish acquisition of faltering enterprises, led to reduced foreign interests and allowed the Finns to gain greater control over their economy (Raumolin 1979:165). Despite these changes, Finland's economic development was perpetuated by Russian and British demands for Finnish products and, subsequently, through continuous capital imports (<u>cf</u>. Kiljunen 1979:280-283).

Throughout this period of industrialization, the forestry sector of the Finnish economy remained in a position of dominance without forming an externally controlled enclave. It achieved this distinction largely because the forests were owned by the peasantry (Fig. 6), but also because the urban, Swedish-speaking élites, retained their traditional control over investment and development within this sector. The success of forestry reinforced the high social and economic status of this segment



of the population, while creating a multiplier effect which expanded rural demand for the products of domestic industries.

As the process of industrialization progressed, the inequality inherent in a system based on owners and workers began to mold Finnish society. Distribution of benefits derived from economic expansion became increasingly distorted in favour of the former and distinctions in social standing and regional prosperity continued to widen. The concentration of industry in southern urban centers stimulated disproportional increases of wealth within this area. At the same time, profits from industrial production accrued to factory owners, while the wages of workers remained constant: even within wealthy regions, social divisions between the propertied and working classes became the central characteristic of social organization. This social and geographical concentration of capital was epitomized by the workings of the forestry industry. Although timber and its ownership were widely distributed, control of the industry lay in the hands of the few who owned wood processing plants and organized exports. The large profits derived from these activities reverted to the owners,

who commonly resided in southern urban centers. The claim to these profits was not based on labour, but rather, on the possession of the means of production.

Within rural areas, similar social distinctions began to emerge as new market forces dissolved the old order of rank and estate; replacing it with one in which the latent conflict of interests between landowners and the landless became increasingly apparent (Kirby 1978:18). As productivity increased in response to growing demands for agricultural produce and timber, freehold farmers sought to expand their profits through greater exploitation of their tenants. These changes in agriculture were compounded by the modernization of cultivation methods, which reduced labour demands. This further undermined the security of the landless population while increasing the economic gap between them and the peasant farmers (Skrubbeltrang 1963:178-179). At the turn of the century some of the pressures of rural over-population were relieved through emigration to northern 'uninhabited' areas, southern cities, and overseas. Still, the inequalities remained as part of the revolutionary ferment which eventually fostered Finland's Civil War of 1918.

When the First World War broke out, markets in the west were rendered virtually inaccessible to Finland. The resultant declines in industrial output led to large-scale layoffs which contributed to growing unrest among the country's lower classes. When the Russian Empire collapsed in 1917, Finland took advantage of the ensuing confusion - and a growing nationalist movement - to establish political independence. Although much of the country shared a desire for political reorganization, opinions about the appropriate direction for change varied widely. This meant that

the attempts of Finland's bourgeois Senate to gain power over the newly independent country soon erupted in internal conflict. The working class contested bourgeois authority because they saw it as a means of ensuring their subordination. This, combined with the instability of the preceding years, made the working class desperate to use the revolutionary situation in a way which would alter their circumstances and provide greater security for the future (Kirby 1978:35, <u>cf</u>. Rasila 1969:134-135, <u>cf</u>. Puntila 1975). Finland's bitter class war of 1918 was short, but it left deep scars in the country's social fabric.<sup>20</sup>

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By thwarting the working class uprising, Finnish national unity and independence were solidified, but more importantly, Finland's commitment to the capitalist system was reaffirmed. A government which shared this commitment was established to lead an independent Finland; its first task being the alleviation of the problems which the achievement of independence had helped to create. In addition to the instability arising from Finland's adjustment to a new political situation, the repercussions of economic isolation during World War I continued in the form of food shortages and severe unemployment. Under these circumstances, government policy sought to increase self-sufficiency through Finnish control and utilization of natural resources. To improve the employment situation and to reduce rural discontent, a large-scale agricultural reform was also introduced (Raumolin 1979:165).

The implementation of such policies began with the creation of a Government Settlement Board, which was equipped with state funds to finance land aquisition by the landless. In 1918, the Law for the Redemption of Leasehold Properties was brought into force granting farmers,

crofters and leaseholders the right to purchase their land or dwelling sites, where these were located on private lands (Siuruainen 1978:74-75, Skrubbeltrang 1963:180). Further legislative modifications, combined with increased agricultural research and the propagation of new farming techniques, reinforced the agricultural sector. This created a firm basis for the expansion of rural settlement. Through increased self-sufficiency and the establishment of customs protection for domestic production, Finland survived the Depression years comparatively unscathed.<sup>21</sup>

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Finnish society successfully accommodated growing populations through a period of political and economic instability, but in doing so, the Sami culture was further undermined. The Civil War had established the dominance of the capitalist class within Finland; thus, it was this representative group of Finnish society with which the Sami had to deal most closely. The interests of this group were in direct contradiction with those of the Sami, and this, combined with power, made them a threat to the indigenous culture.

This threat began to materialize through a series of political developments which were rooted in the inequality bred by monopoly capitalism. Before the First World War, the widening of divisions between the propertied and working classes had aroused discontent, and fostered sympathy for socialist revolution. At this time, Finland granted asylum to Lenin, who later reciprocated the support through the Treaty of Tartu in 1920. This treaty granted Finland the northern region of Petsamo. Ironically, the development of this area firmly established the dominance of the capitalist mode of production among the Sami.

The acquisition of Petsamo opened a new era of northern development and this area became the focal point of Finnish capitalism's expanding needs and aspirations. By 1929, an Arctic highway between Rovaniemi and Liinahamari (Petsamo) had been completed. The northern terminus of this route had been transformed from a fishing village into a deep harbour, providing Finland with a continuously ice-free port on the Arctic Ocean. (Hustich 1951:2). Other new roads were constructed in forests whose timber yields were transported to sawmills at the mouth of the Kemijoki, and the Canadian Nickel Company opened mines in the Petsamo mountains. The creation of numerous jobs in forestry, mining and fishing added incentive to northern settlement, while the expansion of transportation and communication networks stimulated tourism and the subsequent growth in tourist facilities.

The development of commercial and industrial activity in the north, combined with a rapid influx of people from the south, securely established a wage economy in Lapland. This transition perpetuated the cyclical decline in the socio-economic system of the Sami which had begun earlier through the usurpation of indigenous land rights. With the penetration of capitalism both land and labour became commodities; this further intensified the mergence of production modes in the north. As Sami and Finnish lifestyles became increasingly similar, perceptions of Lapland as an enclave occupied by a distinct cultural group were gradually replaced by the conception of Lapland as a region characterized by a distinctive combination of economic activities.

At the same time as this new concept of regionalism began to take root, would-be benefactors in southern Finland founded a 'Society for the

Promotion of Lappish Culture'. This group expressed its intentions as: "furthering the intellectual and material enrichment of the <Sami> along authentic lines and promoting knowledge of past and present conditions in Lapland" (Nickul 1970:247-248, as quoted in Siuruainen 1976:23).<sup>22</sup> While this development indicated an awareness of the Sami status as a threatened minority, it was not within the interests of its promoters to preserve the economic base which was fundamental to the maintenance of true cultural differences. Thus, while the expansion of capitalism brought with it the recognition of Sami social attributes, it also subtly ensured continued acculturation and economic integration by further undermining the remnants of the indigenous population's traditional mode of production. Once again, changes in the social and economic manifestations of dominance were matched by Sami adaptations, but the scope for a transition that would allow for the retention of cultural distinctions had been significantly reduced.

### Cultural Transition Under State-Monopoly Capitalism

After the Second World War, the evolution of Finnish society toward a new phase of capitalism became increasingly apparent. The basic relations of production remained unchanged, but the role of the state in this production grew considerably. This expansion of state functions was the product of attempts to deal with the inherent contradictions of capitalism (see Chapter three), but in Finland, the process was accelerated and directed

by the repercussions of war. By examining these repercussions, the development of regional economic polarization and the need for state intervention in Lapland's economy will be explained. As the following pages will show, government strategies for northern development completed Lapland's integration into national economic structures. In the process any remaining basis for the cultural distinctiveness of the Sami was eliminated.

Finland's preoccupation with settlement and economic expansion ended abruptly when the Winter War began in 1939. Before Finland had truly adjusted to the repercussions of a subsequent treaty, the Continuation War (1941-44) had already begun. Although Finland retained independence throughout the Second World War, its essence was considerably transformed by the conditions of the 1944 armistice proffered by the U.S.S.R.

To appease initial Soviet demands, Finland was obliged to disarm.or expel the German troops occupying much of Lapland. Limited time for negotiations to this end rendered discussion useless and so, Finland arbitrarily negated all agreements with Germany, and full-fledged war followed. By April of 1945 most of the German troops had retreated but their withdrawal was accompanied by almost complete devastation.

With the war finally over and the first condition of the armistice with the Soviet Union satisfied, Finland was left to cope with the remaining requirements of the peace treaty. The Petsamo district in the north, some districts in the northeast, and the Karelian Isthmus in the southeast were-ceded to the U.S.S.R. and a Soviet military base was established in Porkkala (Porkkalan vuokra-alue), west of Helsinki.<sup>23</sup> In addition, Finland was compelled to pay war reparations totalling \$300 million, in the form of

products specified by the Soviet Union.<sup>24</sup> These demands focused on engineering products which the poorly industrialized Finnish economy had no capacity to produce, and a strict schedule for their delivery was established whereby all indemnities would be paid within six years.<sup>25</sup>

While these peace conditions dictated a transformation of the Finnish economy, they also influenced the political forum responsible for strategies to satisfy awesome post-war demands. In addition to the basic stipulations of the peace agreement, Finland was obliged to suppress all organizations of the extreme right, to legalize the activity of the Communist Party, and to convict war-time political leaders as war criminals.<sup>26</sup> These developments signified a considerable break from Finnish politics of the inter-war period (Raumolin 1979:168).

The havoc and destruction of war combined with the harsh conditions of peace created a state of exigency within Finland. Immediate action was needed on several domestic fronts. The war indemnity industry required massive expansion and innovation in pre-war production facilities, while the need for expediency meant that post-war industrialization was concentrated in southern Finland. In this region, an urbanized labour force and a relatively well established industrial infrastructure already existed. The fact that Finland's industry was protected by the framework of a closed conomy offered potential for the development of greater diversification and self-reliance. To establish the new industries required for war reparation, however, financial credits were obtained from the west. This, combined with the western orientation of the dominant forestry industry, marked the beginning of a kind of dependent integration into the international economy.

While the state incurred debts to transform the nation's industrial structure and so satisfy external demands, Finland's forestry industry experienced a period of unprecedented expansion by providing wood-based products essential to reconstruction efforts throughout post-war Europe (Fig. 7; Raumolin 1979:169). By the time war reparation payments yere completed, the forestry industry had achieved such prominence that it was able to lobby successfully for the establishment of an open economy. While this development-improved the competitive position of forestry exports on the international market, limited diversification of Finland's



economy meant that domestic industries were unable to compete with the influx of imports. Eventually Finland became characterized by an economy in which the mass-production and standardized forestry industry was exporting capital, while the most technically advanced sectors were reliant on foreign technical inputs and investments (Kiljunen 1979:294-296). As this dependent and specialized economy evolved, the state was forced to intervene directly to diversify industrial production and to lessen external trade and industrial dependence. In doing so, however, short-term deficits were filled by importing foreign capital and, as a result, a disadvantageous position in trade was compounded by additional financial obligations. Even more restrictive was the fact that these foreign loans imposed conditions directly on Finland's economic policy (Kiljunen 1979: 293). All of these developments tied Finland inextricably to the international economy: the maintenance of dependent integration being assured through reliance on the performance of a single export which was vulnerable to fluctuations in international demand.

Throughout the post-war period, the growing importance of external factors in economic considerations inevitably placed restrictions on Finland's internal development. The loss of Petsamo and the widespread destruction in Lapland eradicated all northern advancements of the interwar years, and the decision to concentrate post-war industrialization in southern Finland effectively eliminated any potential for restoring the economic situation of the north. These circumstances predestined the polarization of regional roles in the national economy; a development which was accelerated by bringing Lapland into the thralldom of southern society. To meet the growing needs of forestry and industrial production, the water-

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ways and forests of the north were exploited to provide the necessary power and raw materials (Asp and Järvikoski 1974:4-6). Thus, while the south did its utmost to contend with the difficulties of war reparations and national exports, the north was incorporated into national post-war policies by providing land, employment, and food to refugees, and through the supply of hydro-electricity and timber to the rapidly industrializing south.

Lapland's economy became increasingly dependent on state sponsored programs for infrastructural reconstruction and for agricultural subsidies. The rationalization of forestry and the modernization of farming led to the disruption of Lapland's delicately balanced commitment to diversified economic activities. The result was massive emigration to communal and national centers unable to accommodate increased populations. To counter net population losses - both national and regional - the state implemented a growth center policy which tended to ascribe small areas with a vastly disproportional share of an entire region's social, economic, and cultural amenities (Varjo 1978:83). In the name of rationality and efficiency this process systematically deprived Lapland's peripheral areas of their limited but essential services; thereby further undermining the northern economic structure.

Finland's attempts to avoid peripheralization in the international capitalist system led to Lapland's integration as a periphery of the national economy. To Lapland as a whole, this integration meant the replacement of a distinctive economic structure by one which was dependently tied to that of southern Finland. To the Sami, this change marked the elimination of any economic basis for cultural distinctiveness.

This climactic period of Sami cultural transition began with their evacuation from Lapland during the Second World War. Such a move reasserted Sami vulnerablity to the actions of Finnish society, while at the same time forcing their exposure to different lifestyles (<u>cf</u>. Nickul 1950: 59). This, combined with state sponsored settlement and reconstruction programs of the post-war era, resulted in further acculturation. Although the Sami did retain intangible elements of their traditional culture, the compromises required by the expansion of the dominant society placed them in a position of economic ambivalence.<sup>27</sup> This became particularly obvious when growth center policies were implemented. To continue their involvement in a natural economy, the Sami were required to reduce their dependence on commodities, services, and benefits to which many had become accustomed. On the other hand, attempts to secure even minimal access to such amenities frequently led to the loss of any remaining economic independence.

As Sami productive activities became indistinguishable from those of many Finns in the north (Fig. 8), even the vestiges of an economic basis for cultural distinctiveness were lost. Under the pressures of advanced capitalism which characterized the post-war era, cultural transition among the Sami involved full integration into Finnish economic structures. This loss of the Sami culture's formative economic base necessarily adds a new dimension to the concept of Sami cultural identity and to questions related to its preservation.

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NOTES: Chapter II

- 1. In the discussion of prehistory, the term "Finland" refers to the area of present-day Finland. In the historical perspective, this term is used in reference to the area labeled "Finland" during the time periods being discussed.
- 2. A useful summary of inter-disciplinary studies of Sami origin is provided in Nickul (1977, xi-xiv) while Kert (1973); Lundman (1946); and Allison (1953) provide linguistic, anthropometric and general analyses respectively.
- 3. Kivikoski (1967) provides a detailed study of prehistoric archaeological discoveries in Finland. This work sheds light on questions related to the identity of Sami predecessors, but its complexity lies beyond the scope of this work.
- 4. While this was the general pattern of subsistence, particular groups of Sami established variations which were more closely attuned to their respective environments. In Nickul (1977:1-44), six different seasonal rotations are discussed in detail.
- 5. Siuruainen and Aikio (1977:22-23) and Karsten (1955) provide more details on the nature of traditional religious practices. The application of rituals to hunting and other elements of daily life is described in Severin (1973).
- 6. Pelto (1978:30) defines localization as "dependence on energy and other resources which are not transported across the boundaries of the delimited ecosystem."
- 7. Early Finnish society was characterized by numerous important tribal distinctions; the discussion of which lies beyond the scope of this work. The important point here is that the Sami represented a group which was socially and economically distinct from all components of Finnish society.
- 8. The expansion and development of Finnish tribes and tribal centers throughout the Middle Ages, is described in Jutikkala (1952:301-302).
- 9. The nature of trading conflicts during this period is briefly examined by Juva (1968:20).
- 10. The earliest record of taxation is found in the history written by Alfred the Great, King of Wessex, 850-899 A.D., where the "Kvaener" (Kainulaiset) are reputed to have collected taxes for personal profit around the 870s (Itkonen 1951:34).

- 11. It is important to note that the gradual nature of transition led consistently to time lags between partial and universal adoption of changes. Thus, while some members of Finnish society were integrated in the prevailing hegemonic system, the vast majority of the population maintained an agricultural lifestyle dominated by tribal or parish organization.
- 12. The role of Finnish merchants and their involvement with foreign traders in the early 17th century is discussed in some detail in Luukko (1956).
- 13. The other three estates were comprised of representatives from the nobility, the clergy, and the peasantry.
- 14. In some instances, particularly along Finland's west coast, peasants became active participants in the sea trade with Stockholm. The importance and organization of these activities is discussed in Kaukiainen (1971).
- 15. These relationships between farmers and burghers are discussed in a North-Ostrobothnian context by Aunola (1965). Despite its regional specificity, this article provides interesting background to such dealings in Finland during and after the period of mercantilism.
- Adaptations ensuing from the incorporation of reindeer herding into seasonal cycles are presented in some detail in Siuruainen (1976:54-55). See also, Nickul (1977); Helle (1966) and Itkonen (1948).
- 17. Although Finland was never characterized by feudalism in its classic sense, discussions found in Hilton (1978) and Brenner (1977) are useful in understanding elements which are fundamental in the transition to capitalism.
- 18. The continued threat posed by Napoleon meant that a defeated country as close to Russia's capital as Finland, warranted some pacification.
- 19. More detailed information on the consequences of this border closure is provided in Itkonen (1951:41).
- 20. It is important to note that this internal conflict was significantly complicated by the somewhat clandestine involvement of the U.S.S.R.
- 21. Raumolin (1979:166-168), describes the reasons for Finland's comparatively successful dealings with difficulties resulting from international rescession, and discusses the unique circumstances affecting Finland throughout the inter-war period.
- 22. Although Nickul's 1970 work has been translated into English (see Nickul 1977 in the bibliography), the translation used in this thesis
  comes from Siuruainen (1976) and has therefore been quoted as such.

- 23. This area was leased to the Soviet Union, as a naval base, for fifty years (<u>cf</u>. Wuorinen 1965:379).
- 24. Wuorinen (1965:388-392), provides more detailed information on war reparations and estimates the final cost of such payments at "well over \$700,000,000." Puntila (1975:208) suggests/that by 1952 war reparations had swollen to \$550,000,000.
- 25. In 1945, the term for payment was extended an additional two years (Wuorinen 1965:388).
- 26. This latter obligation arose as a result of the introduction of a bill to Parliament on August 23, 1945 which stated that those persons "who had decisively influenced, in the government, Finland's involvement in the war of 1941 ... or had acted during the war to prevent the re-establishment of peace shall be sentenced to a jail term of not more than eight years or, if the circumstances are especially aggravating, to hard labour for a specified term of years or for life." The day before a vote was taken the Allied Control Commission had issued a statement contending that the category of "war criminals" mentioned in the armistice and the preliminary peace treaty of 1944 included persons belonging to the group outlined in the above citation (Wuorinen 1965:451-452, <u>cf</u>. Puntila 1975:206).
- 27. Intangible elements of culture include extra-economic attributes such as language, folklore or ceremonial traditions and costume.

#### CHAPTER THREE

CULTURAL TRANSITION AND THE CONTRADICTIONS OF STATE-MONOPOLY CAPITALISM

In the preceding chapter the ongoing nature of Sami cultural transition and its subjection to the dominance of successive hegemonic systems has been established. Under the most advanced stage of capitalism, the process of cultural transition approaches something of a climax because the very concept of cultural identity must be questioned. With the Sami on the brink of total integration into the dominant system, the relevance of cultural solidarity and the importance of cultural preservation must be re-evaluated.

To appraise the future prospects of the Sami culture effectively it is essential to understand the prevailing hegemonic system which prescribes the course of current and, to some extent, future transition. One of the primary purposes of this chapter therefore, is to describe the basic characteristics and contradictions of state-monopoly capitalism in an effort to illustrate the hierarchy of factors which ultimately influence the process of cultural transition among the Finnish Sami. By examining the internationalization of capitalism in the post-war era, it will become. possible to show how Finland's position in the global economic system has restricted state management of internal development. An understanding of state functions will, in turn, permit the evaluation of development policies which have been influential in determining Lapland's role in the national economic structure.

Only by working through this complex hierarchy of economic forces and political motivations does it become possible to perceive accurately the nature and degree of Sami social and economic integration on both regional and national levels. An appreciation of the form and extent of integrative processes will allow for the discussion of current cultural status and of the potential for future transition.

# Finland and the Post-War Expansion of Capitalism

Throughout history, the world has been characterized by both a rising hegemonic system of production and the vestiges of its predecessors. For the Sami, each of a succession of such systems has forced changes in the traditional mode of production and, subsequently, in the social organization which evolves around it. In this respect, advanced capitalism has been no different, but because of its inherent need for self-reproduction through expansion, it has left little room for the maintenance of a distinctive Sami economic system. Since the retention of social attributes without their formative material conditions seriously undermines the claim of cultural difference, the analysis of Sami cultural transition must include an examination of advanced capitalist expansion. The fact that this expansion within Finland was largely prescribed by the country's peripheral integration into the world capitalist system means that the examination of influential factors in the transition of the Sami culture must begin at the international level.

# The Internationalization of Capitalism

At a most basic level of analysis, capitalism fight be described as an economic system created and perpetuated by a process of capital accumulation which is founded on the exploitation of one segment of society by another. The competitive and incessant drive to accumulate capital ascribes this system with a highly dynamic and inevitably expansionary nature which has made it an influential sculpting force of the modern world (<u>cf</u>. Mandel 1970:37-41). Under capitalism, the penetration of capital into new spheres of activity, the creation of new social needs and aspirations, and the expansion of labour supply and markets, are means of improving the scope for accumulation via intensification (Harvey 1975:11). This form of expansion co-exists with the spatial extension of capitalism, which operates through the increase of foreign trade, the export of capital and the internationalization of productive processes (Harvey 1975:11), <u>cf</u>. Palloix 1975, 1977).<sup>1</sup>

Throughout the evolution of the capitalist system these basic means of ensuring continuous capital accumulation have been refined or their foci shifted according to prevailing circumstances. Following the Second World War, such refinements occurred as advanced capitalist countries attempted to adapt to significant changes in the international situation. The emergence of the United States as the sole hegemonic capitalist power, the temporary demise of Europe and Japan, and the establishment of Soviet dominance had altered the global balance of power and necessitated the restructuring of international relations. To secure the stabilization of western Europe and Japan, and to reconstruct capitalist relations within these countries, the United States implemented massive financial aid programs (Gough 1979:69). In addition, the U.S.A. acted as the prime mover

in the establishment of an institutional framework within which international trade and specialization could develop (Gough 1979:71).<sup>2</sup>

While the first of these developments contributed to the increased internationalization of financial flows, the second sought to avoid a repetition of the inter-war slide to protectionism and stagnation by ensuring sound trade relations and encouraging specialized roles in production. These developments assisted in placing international accumulation processes in a new position of prominence; this tended to link most nations more closely to the international division of labour (Palloix 1977:1). For less developed countries there was a marked increase of foreign investments in productive facilities. For some comparatively developed nations such changes were accompanied by more extensive penetration of foreign capital. For all countries, particularly those in subordinate positions, the internationalization of the forces and relations of capitalist production made it increasingly difficult to follow independent economic strategies. As this global economy evolved, specialized production replaced diversification and strong export orientation came to characterize numerous economies. The entrenchment of financial and trade dependencies stimulated growing balance of payments difficulties and increased external determination of development within politically independent countries.

During the post-war era, the basic inequalities associated with capitalist expansion achieved a global dimension; this contributed to increased disparities on national and regional levels (<u>cf</u>. Hymer 1975: 48-56, <u>cf</u>. Walker 1978). In a similar way, competition increased the concentration and centralization of capital on an international level while simultaneously intensifying these trends within nations.<sup>3</sup> As the primary economic

motive for capital accumulation, competition has also undermined economic stability through the stimulation of mechanization and the subsequent restructuring of labour forces (<u>cf</u>. Braverman 1974). For many nations, these developments meant that the international movements of commodity, financial and productive capital were accompanied by the large-scale migration of population.

The manifestations of all this expansion had a significant impact on the post-war world. The growing internationalization of the forces and relations of capitalist production tied nations to a global economy; forcing the subordination of national policies and national development to international demands.

# Peripheralization of the Finnish Economy in the World Capitalist System

As the inequalities of capitalist relations became globally manifest in the international division of labour, Finland was gradually entrenched in the role of a single-export producer; acquiring the associated characteristics of trade and financial dependencies. An examination of the global linkages which Finland developed during the post-war expansion of capitalism will clarify this process.

Integration in the immediate post-war era: The pattern of Finland's postwar integration into the international economy was established through two major developments of the immediate post-war years. First, Finland had to obtain financial credits to construct the new industries required for war reparation production. To do so, barriers to economic penetration were lowered, and the potential for industrial diversification and selfreliance which Finland's closed economy had offered, was reduced (<u>cf</u>. Puntila 1975:206). Second, the expansion of forestry exports increased Finland's involvement in the international market. The value of timber reserves was magnified tremendously in Europe where reconstruction heeds created a vast demand for wood based products, and pushed export prices to comparatively high levels (Raumolin 1979:169). Despite this success the forestry industry was vulnerable to fluctuations in international demand. This vulnerability, combined with financial obligations to both the east and the west, initiated Finland's dependent integration into the global economy.

For a time, however, Finland's scope for more extensive involvement in international developments remained limited by the exigencies of the post-war situation. Soviet influence was particularly restrictive: in addition to war reparation demands, military proximity and the 1948 Agreement of Friendship, Cooperation and Mutual Assistance reduced Finland's ability to act independently. Until the ties to her eastern neighbour were loosened, Finland remained preoccupied with the revival of the national economy and the restoration of internal stability.

The end of post-war isolation: Finland's post-war isolation gradually ended through the completion of war reparation payments in 1952, and the withdrawal of Soviet military presence in 1955. While the former granted Finland more freedom in national economic planning, the latter gave the country licence to greater independence of expression in international

affairs (<u>cf</u>. Hyvärinen 1968:61). Together, these developments provided Finland with considerable potential for self-reliance, but this possibility was gradually undermined by subsequent events which predestined full integration into the world economy.

Membership in international institutions, such as the United Nations and the Nordic Ministerial Council, increased Finland's exposure to development ideology which favoured economic specialization and extensive trade. The prominence of these ideas was reasserted through the lending policies of the World Bank. While this organization refused to fund Finland's metal industry on the grounds that it was unprofitable, extensive support was granted to forestry operations which were trying to secure a competitive position in the world market (Kiljunen 1979:292). The reinforcement of Finland's traditional economic structure - based on the specialized production of wood based products for export to the west - was preferable to the development of industrial diversification.

As Finland overcame the political and economic restraints of the immediate post-war era, it faced new challenges of growing international involvement. The maintenance of some import tariffs lent some support to economic diversification, but external pressure for specialization and internal lobbying for market liberalization created preconditions for Finland's full integration into the world economy.

<u>Market liberalization</u>: The decision to implement a policy of economic liberalization<sup>°</sup> dealt a severe blow to Finland's newly established metal and engineering industries which had been producing for a protected
domestic market. For the internationally oriented forestry industry, however, the decision was advantageous. The fact that liberalization was introduced with a drastic devaluation of the Finnmark, combined with the earlier initiation of a massive investment program, granted this industry the capacity to exploit Finland's forest resource potential to the full. At the same time, these developments enabled the industry to maintain its favourable position in the expanding international market for pulp and paper products.

In 1960, Finland's growing commitment to mono-cultural export production was further entrenched by a decision to open the country to transnational corporations (<u>cf</u>. Kiljunen 1979:295-296). The subsequent expansion of foreign shares in the national market further weakened the position of comestic enterprises, but it lent credence to the propriety of forestry's investment in wood-processing plants throughout the world.<sup>4</sup> In 1961, this trend toward commercial integration with the west was intensified by the conclusion of a trade agreement with the European Free Trade Association (EFTA).

For a time, Finland's international economic commitments appeared to be well - founded. Exports from the forest industry had a strong multiplier effect on the national economy; inducing continuous and rapid industrialization in the early 1960s. Although these trade relations retained a high potential for economic imbalance, this was temporarily obscured by the expansion of markets in Scandinavia and the Soviet Union. This allowed Finland's newer industries to overcome the disadvantages previously mentioned and to contribute to the country's increase and diversification of exports (Kiljunen 1979:292, Raumolin 1979:172). As

Finland's growth rate became one of the highest in the world, it appeared as though industrial utopia was at hand.

The entrenchment of Finland's peripheral position in the world economy: The air of economic euphoria which characterized Finland in the early 1960s was soon challenged by the reality of vulnerability to fluctuations in the global economy. When the development of the international economy slackened in the mid-1960s, Finland's high inflation rate undercut the competitive position of the forestry industry and its exports confronted serious difficulties on the world market. At the same time, imports continued to climb: the level of diversification within the Finnish economy was insufficient to meet the new challenges of the open market. As Finland's balance of trade worsened, a restrictive monetary policy is reluctantly implemented to reduce demand. Investment activity declined and unemployment rose (Husu 1972:259, Raumolin 1979:173).

Efforts to alleviate these domestic economic problems focused on the stimulation of the forestry industry. To this end, production processes were rationalized and in 1967, the Finnish currency was devalued (Husu 1972:259). These policies successfully revived export-induced growth within Finland, but they did so at the expense of internal economic diversification, stability and self-reliance. At the same time as rationalization eliminated hundreds of jobs in forestry, devaluation pushed wavering industries into bankruptcy; rising unemployment was accompanied by the increased concentration of capital.<sup>5</sup> Finnish industries which withstood devaluation had generally done so by virtue of their capital intensive

organization. This meant that urban industrial centers became less and less capable of absorbing the influx of rural migrants triggered by changes within forestry. Finland's inability to deal effectively with restructuring led to the disproportional expansion of the tertiary sector (Table 1), and net population losses through international emigration. In effect, the temporary revival of forestry represented both an expression of Finland's commitment to the world capitalist system and the reinforcement of its dependence upon it.

Sector	1870	1910	1940	1950	1960	1970	1975
Primary	85:0	70.0	60.0	45.8	35.5	20.2	14.0
Secondary	6.0	12.0	22.0	29.3	31.8	35.8	36.0
Tertiary	9.0	18.0	18.0	24.9	32.7	44.0	50.0
TOTAL	100	100	100	100	100	100	-100

Source: Kiljunen 1979:297

In the 1970s the reality of Finland's growing dependency was witnessed by the entrenchment of an economic policy which subordinated domestic needs to considerations of the country's status in the international economic system. This became manifest in the expansion of trading relationships, and in the procurance of international loans and expanded credit. In 1972, Finland ratified a Free Trade Agreement with the European Economic Community (EEC), and soon after, it established a program of trade and technical cooperation with the CMEA (Kiljunen 1979: 289)<sup>6</sup> By 1974, Finland had established numerous trading relationships; with almost half of its exports going to EEC countries, a total of 75 percent going to members of the Organization for Economic Cooperation and Development (OECD), and about 17 percent going to COMECON countries (Koskiaho 1979:339). It is important to note, however, that this diversity of export destinations was not paralleled by a diversity of export products: the wood-processing industry provided almost half of Finland's exports.

This narrow export base, combined with growing dependence on imported goods, forewarned of imbalance in the domestic economy. When the Soviet Union linked the price of its oil exports to the international market in the mid-1970s, Finland began to suffer serious domestic inflation.<sup>7</sup> Slackening international demand weakened the country's export base and, as a result, foreign indebtedness grew almost exponentially (Raumolin 1979: 178). By 1976 Finland's balance of payments difficulties required the restraint of domestic demand and this contributed to the continuous rise of unemployment.

As Finland sank into economic crisis it became difficult to deny that international integration based on specialization had intensified the national economy's susceptibility to crisis in the global system. Nevertheless, international involvement had become essential to continuous capital accumulation, and political commitments to this end were entrenched by restrictive financial obligations and trade agreements. Finland had become inextricably tied to the world economy as an "interface periphery" between east and west (<u>cf</u>. Alapuro 1980), and its options for future development were limited by external circumstances and requirements.

# Advanced Capitalism and the Role of the State in Finland

Like most nations which were incorporated into the post-war expansion of capitalism, Finland experienced a growth in international involvement which engendered the extension of the role of the state. Theoretical explanations of this tendency are the source of considerable controversy. Nevertheless, a brief outline of the role of the capitalist state makes it possible to understand the logic of state efforts to deal with Finland's position in the world capitalist system, and with the internal manifestations of this position.

Once again, this section will not deal explicitly with the Sami. The state, however, represents another in the hierarchy of factors which have influenced the nature and degree of indigenous socio-economic integration. As an integral part of the capitalist system, the Finnish state is a powerful representative of the dominant society which has forced Sami cultural transition; but it is simultaneously responsible for ensuring minority rights. This obvious contradiction in state functions has been central to the evolution of the Sami situation. For this reason a brief examination of the advanced capitalist state, and of its role within Finland, is essential to an accurate analysis of the current position of the Finnish Sami.

#### The Role of the State Under Advanced Capitalism

In general, the post-war expansion of the state was simultaneously a cause and an effect of the internationalization of the capitalist system (Gough 1979:71-72). As capitalism matured, its inherent tendency to generate inequality grew and nations were forced to adapt their state apparatuses in an attempt to deal with the repercussions of growing contradictions. The inevitability of such an adaptation is dictated by elements of the relationship between the state apparatus and the system within which it functions. In the capitalist system the state's role might simply be expressed in terms of two basic responsibilities. First, the state must maintain conditions conducive to the perpetuation of the capitalist mode of production. Second, it must simultaneously give the impression that in fulfilling its first responsibility it is working in the interest of all members of society.

Within advanced capitalism, state attempts to satisfy these basic responsibilities have heightened the barriers to their subsequent fulfillment. This is because capitalist expansion has become increasingly dependent on the growth of both the state sector and state expenditures, for the stimulation of further expansion in the economy (<u>cf</u>. O'Connor 1973, <u>cf</u>. Holmes 1978). As the state's role in ensuring continuous capital accumulation and profitability grew, it became more intimately involved in production processes. With the capitalist mode of production founded on, and perpetuated by, the exploitation of one segment of society by another, it became more and more difficult for the state to uphold the concept of universal benefit.

To reconcile these contradicting functions of the capitalist state, two basic strategies may be employed. First, both the persons intent on expressing the will of the dominant segment of society, and the institutions through which that will is expressed, must appear independent and autonomous in their functioning (Harvey 1978:82). Second, by establishing a connection between ideology and the state, the interests of a specific class can potentially be transformed into an illusion of general societal interest (Harvey 1978:82). The success of this second strategy is dependent on the ability of the dominant class to universalize its ideas and establish them as the directives for the betterment of society.

In practice, neither the determination of the role of the state, nor the implementation of such "strategies", are the product of collusion. Rather, they are simply other manifestations of attempts to secure the continuation of capital accumulation, which is the driving force of capitalism. While the historical manifestations - in terms of policy - may differ, governments must act within the limits of the capitalist system and its state's corresponding obligations.

# State Efforts to Deal with Finland's Position in the World Capitalist System

With forestry representing Finland's most dominant link to the international economy, it is not suprising that the state's role in accumulation should concentrate on this industry. The most obvious example of state actions in this regard was the adoption of a liberal economic policy in accordance with the wishes and purported needs of forestry. This predilec-

tion for the forestry industry satisfied international pressures for economic specialization, while providing Finland with a generator of internal expansion. Unfortunately, forestry's vulnerability to fluctuations in global demand meant that periods of rapid export-induced growth were countered by serious recession. The centrality of the forestry industry to Finland's economic structure meant that it had to be consistently revitalized if national economic stability was to be restored. Responsibility for this revitalization was frequently ascribed to the state and devaluations of the Finnish currency were implemented to improve forestry's competitive position; allowing for renewed capital accumulation (Kiljunen 1979:293).

In fulfilling its accumulation function, however, the state inadvertently exacerbated the difficulties of legitimation. The combination of 5 market Fiberalization and devaluation had made it increasingly difficult for Finnish firms to compete with foreign imports.<sup>6</sup> As the number of domestic enterprises declined, foreign shares in the national market increased and Finland's balance of payments deficit grew. The state's options for rectifying this situation were circumscribed by existing obligations arising from forestry's position in the international economy. Since the prominence of forestry could not be altered without instigating national economic collapse, the instability which dependence on monocultural production had generated, could not be eradicated. Consequently, state efforts to improve stability focused on the mitigation of external industrial and trade dependence through the sectoral diversification of domestic industrial production. In doing so, however, short-term deficits were filled by importing foreign capital: any reduction in industrial or

trade dependence was countered by an increase of foreign financial control (Husu 1972:261, Kiljunen 1979:293). In this way, the Finnish state became entrapped within the contradictions of its role in the capitalist system.

In effect, Finland's position in the world capitalist system dictated the course of state attempts to fulfill its accumulation and legitimation functions. The post-war potential for greater self-reliance was virtually eliminated by market liberalization, and subsequent developments solidified international dependency. As a result, the state became more active on the international level, but its functional scope was limited by Finland's position in the global economy. With the state unable to effectively alter that position, it attempted to work within it; molding internal policy decisions around the restrictive pressures of trade and financial obligations.

## State Efforts to Deal with Internal Manifestations of Growing Contradictions /

Throughout the post-war era, the inherent inequalities of the capitalist system became increasingly apparent within nations in the form of regional disparities.<sup>9</sup> Growing concern about this uneven development heightened the contradictions in the role of the state. This was because the state was simultaneously responsible for eliminating inequality and for facilitating the accumulation process which generated it. The restrictions arising from this inconsistency meant that state efforts to deal with regional disparities could only seek to mitigate inequality: they

could not eradicate it within the confines of the capitalist system. By briefly reviewing post-war economic policies in Finland, it will become clear that these innate restrictions effectively dictated the course of national development. In doing so, they also influenced the course of Sami cultural transition (see chapter four).

Post-War development policies: When Finland's first post-war government took office in 1945, immediate action was required on several domestic fronts. The first major policy decision to be made, focused on alleviating the problems of a massive displaced population, mounting unemployment, and serious food shortages, through the expansion of rural settlement.<sup>10</sup> This decision allowed many displaced persons to retain their pre-war lifestyle and it satisfied the desire of ex-servicemen to acquire land. Furthermore, an agricultural population relieved pressures of a limited food supply while providing manpower for reconstruction (<u>cf</u>. Jaatinen <u>et al</u>. 1972:7). The second major decision of the immediate post-war years, was to concentrate war reparation production in southern Finland. Advocates of industrial de-centralization were overruled by the peed for expediency.

Although both of these decisions improved national stability, serious problems prevailed. By the mid-1950s, northern cultivation remained stymied by poor climatic conditions, while for the nation as a whole, the agricultural sector had become characterized by over-production.<sup>11</sup> More seriously, the reliance on export-induced growth was beginning to have negative repercussions. As the forestry industry sought to improve its competitive position, timbering operations were rationalized and pulp and paper production became highly capital-intensive. This meant that the

traditional labour force of peasant-horse teams was replaced by modern machinery and professional forestry workers (Raumolin 1979:173). Where the viability of small farms was dependent on the combination of smallscale agriculture and wage employment in forestry, rationalization in timbering effectively destroyed the regional economic base. As these diseconomies materialized, the state was forced to revise its internal development policies.

<u>Subsidies and financial incentives - the artificial support of small-</u> <u>scale agriculture</u>: Between 1955 and 1966 attempts to revise Finland's development policies were complicated by political instability.<sup>12</sup> The more basic reason for revisionary problems, however, was the difficulty of balancing state commitments to incongruous interests. To maintain forestry's international status (and thereby ensure internal accumulation), rationalization was essential; but this threatened the break-up of a valuable political support base in the countryside (Raumolin 1979:173, <u>cf</u>. Matheson and Sänkiaho 1975:219). Furthermore, Finland's industrial structure was incapable of absorbing the migrants who would be released by declining rural viability.

To reconcile these contradictory needs, two basic strategies were implemented. The first sought to restore rural economic stability - and so stem emigration - by encouraging farm expansion and providing large agricultural subsidies.<sup>13</sup> Additional land grants were seen as a means of improving agricultural productivity and rural self-sufficiency; while subsidies were designed to help overcome high production costs and improve

the competitive status of agricultural produce on the international market. Although these policies successfully rejuvenated the rural economy and prevented emigration, they did so by expanding the state budget; not by creating conditions conducive to independent and stable regional growth.

The second major strategy of this period involved the expansion of the state's role as an industrial investor. In this capacity, the Finnish state participated actively in the national economy and by 1960, some 45,000 persons were employed in industrial enterprises under state control (Kiiskinen 1965:98-99). This provision of industrial employment was important but most state enterprises remained oriented toward capitalintensive production. In addition, profit considerations overshadowed the need for regional development and thus, most of these state controlled concerns were located in areas of advanced industrialization (<u>cf</u>. Kiljunen 1979:293-294).

As the state actively contributed to growing regional disparities through the centralization of production, it also sought to give the impression of reducing inequality. In 1960, Finland was divided into "development zones" (Fig. 9), and in 1963, a state committee was established to draft a program for a more deliberate and coordinated policy of regional economic growth (Kiiskinen 1965:91). Token attempts at improving the nation's industrial balance focused on providing incentives which would encourage private enterprise to locate in less industrialized regions: the same regions in which it was unprofitable for the state to invest.<sup>14</sup> This act of legitimation was complemented by the progressive expansion of bureaucratic involvement in the realm of social services. In effect,

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efforts to ensure continuous capital accumulation were consistently legitimized through the extension of state functions and the expansion of state expenditures. At the same time, regional disparities continued to widen.

Transformation of agriculture and expansion of the welfare state: In 1966 a Center-Left coalition came into power, promising to radically alter Finland's development policies (<u>cf</u>. Lemberg 1968:230-231). To combat the problems of agricultural over-production, programs for the reduction of both cultivated area and the number of cattle were introduced (Jaatinen 1978:14, Varjo 1974:22). These measures were accompanied by an active manpower policy which sought to accelerate structural transformation of the economy through rural emigration. Urban areas were equally affected by revisions in business legislation which favoured capital-intensive production over that which was labour-intensive.

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By implementing these reforms, the state attempted to improve conditions for internal capital accumulation while maintaining support for export-oriented forestry operations. Although devaluations were made to perpetuate export-induced growth, restructuring and state subsidies helped domestic industries to compete more effectively with rising imports. These attempts to satisfy both accumulation and legitimation were further advanced through strengthening of the welfare state. Wide-ranging reforms led to expansion of the public health system, the establishment of a pension insurance program, increased labour protection, and numerous legislative revisions (Lemberg 1968:232, Raumolin 1979:174, Stoddard <u>et al</u>. 1974:57-66). By implementing these changes the concept of universal benefit was revitalized while private capital was freed for further investment.

In accordance with government intentions, radical changes in agricultural policy and active promotion of structural transformation ended the artificial retention of a rural population (<u>cf</u>. Sänkiaho 1971:33-35). Unfortunately, Finland's capital-intensive industries could not absorb the thousands of labourers who emigrated from the countryside. Similarly, the country's industrial centers were unable to house all of these rural migrants. These pressures were gradually eased by international emigration, but relief turned to concern when the country experienced net population decline in 1969-70 (OECD 1972:22). As has been shown earlier, efforts to rectify this situation were hindered by Finland's limited capacity for industrial employment: attempts to create jobs led to disproportionate expansion of the service sector.

With the symptomatic problems of escalating urbanization demanding immediate attention, the root of Finland's internal crisis remained largely

unattended. In rural areas, reform policies had undermined traditional economies based on small-scale farming; without providing a viable alternative. As a result, regional disparities increased and the state was faced with rising welfare payments in addition to its growing expenditures for unemployment and for economic subsidies.

The move toward centralization and increased efficiency: Following the 1970 elections, Finland's New Left rapidly disappeared from the political scene, but the change in government did not significantly alter the direction of national development programs.<sup>15</sup> Finland's economic policies continued to cater to the needs of the country's dominant export sector, while attempting to satisfy the largely incompatible requirements of the domestic situation. The obligations and restrictions arising from / forestry's international involvement meant that domestic industries had to be highly efficient if they were to compete with imports. This need for capital-intensive enterprises was somewhat countered by the growing demand for employment in urban centers: basic economic considerations demanded that the pressures of urban concentration be relieved.

To achieve this, the government sought to curb mounting emigration from the countryside through the revival of support for agriculture. In doing so, however, concern for profitability remained a priority. Accordingly, the rejuvenation of rural self-sufficiency focused on replacing *l* traditional small-scale farming with more efficient - capitalist agricultural production. This was undertaken through "early retirement" and "pension" schemes which were designed to acceptrate, and thereby facil-

itate, the process of expansion through consolidation (<u>cf</u>. Jaatinen 1978: 26). The land of retired farmers was used to restructure other farms, or was transferred to younger farmers who would conceivably be more willing to adopt modern agricultural technology and methods.

As these policies evolved, they were paralleled by the creation of a coordinated national program for dealing with regional disparities. Basically, this program led to the refinement of development zones and the establishment of designated growth centers (Fig. 10). Financial incentives were gradually indexed according to regional development requirements, but measures for economic improvement continued to focus almost exclusively on industrialization. With the exception of a few state companies, however,



Finnish firms showed little interest in investing in development zones; consequently, structural imbalance remained (Kiljunen 1979:298). Furthermore, attempts at national de-centralization simply transposed the problems of centralization to regional and local levels where existing infrastructures could not deal with resultant increases in concentration.

Although government policies created conditions conducive to equalization, they could not overcome the competitive concerns which govern the accumulation process. The effectiveness of national development programs was consistently undermined by obligations arising from Finland's international integration and by the capitalist system's inherent tendency to generate social, economic and geographical inequality. For these reasons, Finland's development policies could not alleviate regional disparities and the country was forced to content itself with artificial equalization based on growing state/expenditures.

- 1. Palloix (1975, 1979), sees internationalization as a three stage process in relation to the three circuits of capital analysed by Marx in <u>Capital</u> Vol. II.
- 2. These institutions included the International Monetary Fund (IMF), the General Agreement of Tariffs and Trade (GATT), the Organization for Economic Cooperation and Development (OECD), the Northern Atlantic Treaty Organization (NATO), and the United Nations (UN).
- 3. At the present time, the most prominent indication of increasing concentration and centralization is the global dominance of transnational corporations which thrive on foreign investments.
- 4. By the beginning of the 1970s, exhaustion of Finnish forest reserves placed serious restrictions on further expansion. In addition to importing raw timber, particularly from the U.S.S.R., Finnish forestry firms expanded by purchasing and setting up production sites all over Europe, in North and South America, in Africa and in the Middle East (Kiljunen 1979:294).
- 5. By the early 1970s, Finland's 30 largest corporations employed 46% of the industrial labour force while accounting for 60% of total industrial investment and 72% of manufactured exports. The 100 largest corporations accounted for 82% of investments and 93% of manufactured exports (Komiteanmietinto 1972:191-192 and 210-211 as quoted in Kiljunen 1979:301).
- 6. The source which uses the abbreviation "CMEA" does not explain what these letters stand for, and subsequent checks have proven fruitless. It is likely, however, that this organization is related to metal and engineering industries. Similar problems arise with the other eastern organization, COMECON. In Scandinavia this is referred to as "SEV", an abbreviated form of "Sovjet Ekonomitšeskoi Vzaimopomoštši", while in North America it is used to depict "Communist Economies". The important point is that Finland established extensive trading relationships with both the east and the west.
- 7. Finland had previously been protected from the so-called oil crisis (<u>cf</u>. McCullum <u>et al</u>. 1977), by virtue of its controlled oil imports from the U.S.S.R. (Raumolin 1979:178). This, combined with the high price of forestry products, had delayed Finland's incorporation into the prevailing international recession.

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- 8. Some authors (e.g. Husu 1972:261), have suggested that devaluations improved the position of domestic industries vis-A-vis their foreign competitors because of subsequent increases in import prices. However, when it is recognized that Finnish industries were dependent on foreign inputs, it becomes apparent that domestic production costs would increase. Furthermore, any competitive advantage derived from devaluation would be limited to the national market, and on the international level competitive capacity would be reduced.
- 9. Holland (1976:chapter two), places regional theory within the context of the system within which regional problems occur, and in doing so provides a useful survey of theories of regional imbalance and an extensive discussion of factors basic to the generation of regional disparities.
- 10. These resettlement policies were enacted through the Land Acquisition Law which encouraged settlement in previously unoccupied areas.
- 11. Agricultural settlement programs had been based on the success of northern cultivation during the inter-war period, which was characterized by an extremely warm climatic phase. By the late 1940s, however, the situation had changed, such that new farmers were plagued by destructive night frost even before land clearing had been completed or cultivation properly established (Varjo 1978).
- 12. This period of political instability is discussed in some detail by Lemberg (1966) and Törnudd (1969).
- 13. These policies first found expression in the 1958 Land Utilization Act which led to the creation of designated "settlement areas" (Palomäki 1976:121, Siuruainen 1978). It was believed that by building farms closer together, the costs of road construction and service provision would be reduced, while at the same time these activities would provide wage employment for the inhabitants (cf. Jaatinen et al. 1972:9-10).
- 14. These incentives came to include the following: extra payments to officials in remote areas; subsidies to municipalities in serious economic troubles; price subsidies by regions to agriculture; subsidies for extending electricity to distant rural areas; loans for small industries; establishment of state-owned enterprises in developing areas; loans for maintaining employment; state-backed loans; subsidies for crops produced in northern Finland; subsidies for transportation; public investments for infrastructure in order to maintain employment (Komiteanmietintö 1969: B 46 as quoted in Kultalahti 1979:443).
- These 1970 elections are discussed by Sänkiaho and Laasko (1971). Analyses of subsequent elections may be found in Matheson and Sänkiaho (1975); Pesonen (1972); Suhonen (1976); and Pesonen and Oksanen (1979).

- 16. The implementation of such programs began in 1974 with the Retirement Pension Scheme and a Generation Change Pension Plan. In 1976, all previous rural settlement laws were replaced by the Farm Act. Unlike its predecessors, this act did not create new farms, but rather it concentrated on improving the structure of farming by: 1) enlarging existing farms; 2) improving the siting of farms; 3) promoting cooperation between farmers; and 4) preventing excessive inheritance divisions (Siuruainen 1978:76).
- 17. The decision to introduce these programs was likely related to prevailing enthusiasm for Myrdal's development concepts and Perroux's work on growth poles. Both of these theories are discussed in Holland (1976:47-50).

#### CHAPTER FOUR

### DEVELOPMENT POLICIES AS AN AGENT OF ECONOMIC INTEGRATION

AND CULTURAL TRANSITION

In the preceding chapter, the importance of Finland's international integration as a determinant of national development strategies has been established. Also, by exploring some of the contradictions of capitalism, the inevitability of inequality has become evident. For Finland, dependent integration into the world economy exacerbated regional disparities, by subordinating national development to the exigencies of the international situation. For Lapland, efforts to balance internal needs with external demands resulted in the undermining of regional economic structures and peripheral integration into the national economy.

As inhabitants of Lapland, the Sami have been caught up in this integrative process. For them, however, the transformation of the northern economy has brought more than economic marginality: it has also involved the loss of a distinctive production system. As this chapter will show, such a loss marked the culmination of Sami cultural transition.

Based on preceding discussions, the first section of this chapter will examine the way in which development policies induced Lapland's dependent integration into the national economy. The second section will discuss the impact of these same policies on the Sami. In addition, the emergence of cultural solidarity will be examined as an indigenous response to pressures of integration. After presenting both the factors working toward acculturation and the attempts to avoid it, an evaluation of the

relationship between economic integration and cultural transition will become possible. In evaluating this relationship, the current status of the Finnish Sami will be clarified, and their prospects for the future will be opened to appraisal.

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## The Evolution and Impact of Development Policies in Lapland

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Throughout the post-war era, Lapland has figured prominently in national development policies. Nevertheless, the centrality of international concerns and the state's commitment to this sphere have caused this region to become characterized by dependency. Having recognized that this inequality is generated by the competitive process of accumulation (which is partially mediated by the state), it is useful to examine development policies as ancillary determinants of regional economic status. As will become evident, such policies have been the purveyors of Lapland's economic marginalization: the establishment of pre-conditions for capitalist expansion has not automatically resulted in this kind of growth.' Consequently, regional infrastructure has become alienated from local conditions and poverty based on subsistence has simply been replaced by that which is based on state assistance payments.

## Lapland's Integration into the National Economy

Lapland's prominent role in many of Finland's post-war development policies stemmed largely from consequences of regional involvement in the latter stages of the Second World War. Through the evacuation of Lapland's entire civilian population (ca. 150,000), and the devastation inflicted by retreating German troops, the boundary of settlement shifted about 300 kilometers to the south by the end of the war (Nickul 1950:58, Palomāki 1976:120). This established Lapland as something of an unoccupied frontier' and made it ideally suited to state-sponsored programs for resettlement and reconstruction. As such, Lapland's initial function in post-war development policies was to provide food and shelter to refugees, while the state subsidized their incomes by providing employment in reconstruction.

These policies stimulated continuous immigration to Lapland and provided the manpower to expand transportation and communication networks. This in turn permitted growth in activitie's such as timber transport and the establishment of services in regions of both old and new settlement. In this way reconstruction and resettlement programs instituted the development of a northern economic infrastructure while simultaneously fostering growth in social services. Under existing circumstances this marked a significant achievement. It is important to recognize, however, that most of these manifestations of development were the product of state investments which could not generate further economic growth in themselves. Not only was wage employment in reconstruction temporary, it was also intrinsically tied to resettlement based on small-scale agriculture. Even when the potential for part-time work in forestry is considered, Lapland's

economic structure did not extend beyond the realm of primary production or token involvement in services.

As this suggests, the fact that Lapland was central to many plans for settlement, forest improvement and the like, does not indicate that these plans were introduced to promote balanced development in the north. While this was advanced as part of the reasoning behind Finland's postwar development policies, the need for national economic improvement consistently overruled: Lapland was confined to supplying raw materials for industrial growth elsewhere. This new alignment of northern Finland with the rest of the country became particularly apparent in 1949 when complex hydro-electric projects along the Kemijoki (River) were initiated (Fig. 11). As southern Finland intensified production to supply war indemnities, the industrial demand for energy escalated. It was purportedly in response to these growing needs that the harnessing of the Kemijoki was expanded to incorporate the construction of numerous power plants and two enormous reservoirs (cf. Asp and Järvikoski 1974: 4). Little mention was made of the fact that many of these projects would only be completed after the war reparation obligations had been met.

Prior to this post-war era, economic development within Lapland had evinced a trend toward a mixed economy which combined subsistence and wage oriented livelihoods focusing on primary production. Resettlement and reconstruction policies did not change this situation, but they did replace regional independence with a subordinate role in the national economic structure. As the northern wage economy expanded to include limited industrial activity, growing needs for elaborate capital facilities and skilled labour were supplied primarily by southern Finland. While this



form of expansion also provided employment for some northern inhabitants, these jobs usually expired with the completion of any given project's construction phase (<u>cf</u>. Freeman 1973:6). Most of the products (and consequently the wealth), of resource extraction and hydro-electric development were transported to southern Finland: the north was left to cope with growing problems of economic marginality (<u>cf</u>. Järvikoski 1979:172).

\* Where Lapland had previously been primarily peripheral to Finland's national economy it became incorporated as a peripheral region within the national economic hierarchy. To supply the needs of national capitalist expansion, Lapland became subservient to southern Finland. From this time on, both renewable and non-renewable production in the north was conducted within a framework of technology and institutions which were created and controlled by external interests.

#### The Transformation of Agricultural Production

Historically, Finland's internal expansion focused on rural settlement, which supported small-scale agriculture and lent prominence to a subsistence economy. During the late 1950s and early 1960s, efforts to stabilize the northern economy retained this focus, but as other elements of Finland's internal situation changed, the feasibility of traditional policy lines was reduced.

In the post-war era the wage economy had expanded continuously and by the 1960s, the people born immediately after the war had begun to compete for the limited job opportunities available in the north. Lapland became characterized by growing occupational specialization and increasing unemployment, the latter being exacerbated by mechanization of forestry and agriculture as well as declining labour demands in reconstruction and hydro-electric projects (Jaatinen <u>et al</u>. 1972:32). On the provincial level, these developments led to emigration (Fig. 12). As working age people possessing some education migrated toward more industrialized



regions, those with lesser qualification drifted toward communal centers where employment opportunities for unskilled labour were sometimes available (<u>cf</u>. Bylund 1972:25). Gradually the population structure of Lapland's remote areas became biased toward older age groups, and small centers were beginning to burgeon with working age people for whom jobs were scarce (Siuruainen and Aikio 1977:17).

In the late 1960s the position of Lapland's rural and farming population was further undermined by government attempts to combat rising agricultural production costs and the expense of subsidizing surplus export. The perceived need to reduce agricultural production on a national scale led to a drastic shift in the emphasis of related legislation. Under these circumstances the historical concentration of economic expansion in agriculture was phased out, and withdrawal from the periphery was no longer

counteracted by laws favouring growth in this sector (Palomäki 1976:122-130, Sänkiaho 1971:36).

This reversal of agricultural policy was first manifested in the Field Reservation Act of 1969, which allowed farmers with arable holdings of two to fourteen hectares to withdraw their entire plowed field area from production in return for state compensation (Varjo 1978:80). The initial ineffectiveness of this legislation prompted amendments in 1970: eligibility for subsidies was extended to include farms comprised of more than fourteen hectares of arable land, as well as those which were company owned. In addition, restrictions on the use of contracted lands were relaxed, and more importantly, measures for providing state compensation for the slaughter of dairy cattle were introduced (Jaatinen 1978:14, Varjo 1971:60 and 1974:22). These latter measures were particularly successful, but this was somewhat overshadowed by the unforeseen impact of the combined subsidy programs.

Contrary to government expectations field reservation activity was very high in the same regions where post-war pioneering had been the most intensive. In these northern areas the prevalence of subsistence production and the general unreliability of agriculture made it advisable for small land holders to accept government subsidies. In the south, however, where the surplus of agricultural products was centered, comparatively few farmers took advantage of the government's offer (Jaatinen 1978:14, Varjo 1978:80). Thus, the continued expansion of agriculture in the south rendered the field reservation legislation largely ineffective; while at the same time the north experienced growing problems of inactivity, and subsequently unemployment.

The negative impact of this legislation was magnified by corresponding efforts to restructure farming. Mechanization and improved cultivation techniques increased productivity which - together with the restrictive measures - brought a drop in prices and a decline in the profitability of agriculture dominated by small farms (Varjo 1978:80). This reduction in viability was compounded by the rationalization of forestry: as labour demands decreased, emigration from rural areas grew. The unified impact was the destruction of Lapland's traditional economic structure.

This development marked the successful supplantation of subsistence of agriculture by capitalist oriented production, and the achievement of muchdesired structural reforms. Unfortunately, these accomplishments were seriously undermined by a lack of coherent planning. The distinct elements of Finland's national reform policy were not effectively coordinated and their compounded effects distracted from localized successes. Thus, as the nation struggled to accommodate expanding urban populations in the south, Lapland suffered serious neglect.

## The Impact of Centralization and Increased Efficiency in Lapland

Throughout the 1970s, the Finnish state was compelled to deal with the negative repercussions of reformative development policies. In doing so, however, the structural changes aiding capitalist expansion were perpetuated. Attempts to mitigate rural emigration led to revised support for agriculture, but the focus of this assistance continued to be farm expansion and increased productivity. Although these efforts were hampered by the long-term nature of many field reservation agreements, agricultural

restructuring was advanced through the pension and retirement schemes previously mentioned. In Lapland, however, the combination of these programs continued to precipitate the abandonment of sparsely populated districts because there was no other source of livelihood for persons released from farming (cf. Varjo 1974:24).

In the early 1970s, this trend toward rural depopulation was intensified by attempts to improve Lapland's service and administrative structure through the designation of growth centers (Fig. 13). To sincrease efficiency, social and economic functions became heavily concentrated in small commune centers; while more rural areas were deprived of their limited but essential services. As rural access to institutions and facilities declined, the balance of involvement in both the natural and the wage economy was upset. This reduced the feasibility of rural habitation and so stimulated emigration from Lapland's peripheries, 'toward centers which could not accommodate their expanding populations (cf. Brox 1973:43 and 1974:245-246}. This population exodus inadvertently lent further support to centralization by decreasing the viability of remaining rural services. In part this was because of a simple decline in numbers but it was also due to emigration's selective nature: those left behind often had low monetary incomes and correspondingly limited demands for services (Jaatinen et al. 1972:32, Varjo 1978:81-83).

While the move toward centralization undoubtedly reduced the costs of providing services, these savings were counteracted by drastic increases in social assistance payments. Without an economic base capable of supporting a concentrated population, centralization only served to exacerbate the social and economic instability of Lapland by increasing its dependency



on the state. In effect, this expansion of state expenditures and the corollary of growing dependency have been the most basic results of postwar development policies in Lapland. As prevailing economic structures were undermined to satisfy the needs of capitalist expansion, state investments became the backbone of Lapland's economy. Over time, such investments directed the creation of communication and transportation networks, the course of agricultural development and the establishment of a regional socio-economic infrastructure. In its support for the north, the state attempted to create conditions conducive to the regional expansion of capitalism so that Lapland could eventually develop economic self reliance.

Despite these intentions, however, support for the national economy as a whole remained Finland's primary concern. Under these circumstances

it was deemed economically unfeasible to locate industry in the north. Without industry, Lapland could not generate stable economic growth, and thus it was left with a moribund economy which was alienated from its highly efficient but essentially ineffective infrastructure. This lack of internal coherence further exacerbated Lapland's inability to engender economic expansion; so reinforcing the region's reliance on financial assistance from the state. Although Finland's development policies attempted to overcome the inherent contradictions of capitalism, the entrenchment of economic marginality and external dependence in Lapland bore witness to their inability to do so effectively.

#### Development Policies as an Agent of Cultural Transition

As mediators of transformation in Lapland's economic structure, development, jolicies also generated cultural transition among the Sami. In achieving the integration of Lapland into the national economic system, such policies undermined remaining elements of pre-capitalist próduction. In doing so they virtually eliminated the formative base of the Sami culture. As the process of integration proceeded, its implications for the Sami became clearer, and a movement promoting cultural solidarity and preservation began to emerge. By examining these two phenomena of integration and resistance it will become evident that the former has focused on economic factors, while the latter has been confined to predominantly social concerns. With culture being comprised of both economic and social elements

this development obviously weakened the position of the Sami. When it is recognized, however, that the economy conditions social organization, the potential for cultural preservation becomes even less auspicious.

#### The Impact of Development Policies on the Sami

For the Sami, post-war transition began when resettlement and reconstruction policies induced the continuous immigration of Finns; placing the indigenous population in a minority position. At the time, most of Lapland's Sami population continued to engage in natural resource based occupations, often in conjunction with agriculture. Taxation statistics from 1948 confirm this trend (Table 2), and illustrate that wage employment opportunities were acquired almost exclusively by the Finns (Nickul 1952: 41-43). Only when the expansion of road networks and the associated influence of an "external" culture made it something of a requirement, did the Sami begin to appreciate the use of money in daily interactions (<u>cf</u>. Eidheim 1971:25-37, Siuruainen 1976:46). As such, post-war expansion established the need for a source of monetary income and provided job opportunities through which it could be obtained.

The need for this form of income was compounded by a growing desire among the Sami to acquire some of the commodities and material goods to which they were increasingly exposed. For some, these desires were so great that they were prepared to sell food reserves in order to satisfy material aspirations (Siuruainen 1976:46). Sami incorporation into the wage economy was further reinforced by their gradual adoption of the

8	ANI	TINKS		TOTAL	
Mill. Pmks.	Persons	Mill - Fmks -	Persons	Mill. Pmks.	Persons
7.81	1020	24,08	1389	31.89	2409
8.82	1013	· 1.55	384	10.37	1397
3.54	814	2.36	397	5.90	1211
0.62	202	0.71	129	1.33	331
1.31	58	16.18	160	17.49	218
0.48	93	0.54	17	1.02	110
2.51	36	29.43	287	31.94	323
35.62	1287	154.85	2887	190.47	4174
60.70	4523	229.70	5650	290.40	10173
	2260		4852		7112
	Mill. Pmki. 7.81 8.82 3.54 0.62 1.31 0.48 2.51 35.62	Parsona   7.81 1020   8.82 1013   3.54 814   0.62 202   1.31 58   0.48 93   2.51 36   35.62 1287   60.70 4523	Mill. Persona Mill.   Pmks. Pmss. Pmks.   7.81 1020 24.08   8.82 1013 1.55   3.54 814 2.36   0.62 202 0.71   1.31 58 16.18   0.48 93 0.54   2.51 36 29.43   35.62 1287 154.85   60.70 4523 229.70	Will. Pmkis. Persons Mill. Pmks. Persons   7.81 1020 24.08 1389   8.82 1013 1.55 384   3.54 814 2.36 397   0.62 202 0.71 129   1.31 58 16.18 160   0.48 93 0.54 17   2.51 36 29.43 287   35.62 1287 154.85 2887   60.70 4523 229.70 5650	Mill. Pmks. Persons Mill. Pmks. Persons Mill. Pmks.   7.81 1020 24.08 1389 31.89   8.82 1013 1.55 384 10.37   3.54 814 2.36 397 5.90   0.62 202 0.71 129 1.33   1.31 58 16.18 160 17.49   0.48 93 0.54 17 1.02   2.51 36 29.43 287 31.94   35.62 1287 154.85 2887 190.47   60.70 4523 229.70 5650 290.40

Table 2 - Gross incomes as shown by taxation documents (1948)

district reindeer herding system, and by the fact that mounting pressures had seriously reduced fish and game reserves.

In these ways, the post-war policies advocating settlement and reconstruction in Lapland led to the disruption of the natural balance upon which the Sami were traditionally dependent. This reduction in the viability of natural income sources combined with growing "quality of life" expectations, encouraged Sami conformity to the market economy and income structure of the dominant Finnish culture (<u>cf</u>. Epstein 1969:33). The latent impact of this integration was the replacement of relative selfsufficiency with increased dependence on socio-economic linkages which extended well beyond local systems.

Settlement legislation of 1958 marked the end of organized colonization among the Sami, but by this time their traditional pattern of land use and occupancy had been irrevocably transformed through the transfer of over six million hectares to new owners (Varjo 1978:72). As the potential for maintaining a diversified subsistence economy declined, competition for jobs made it increasingly difficult to secure stable wage employment. In general, the Sami represented the segment of the population least likely to succeed in the intensifying competition. In addition to being the most rurally situated inhabitants of Lapland, the employment qualifications of many Sami were limited by minimal proficiency in the Finnish language and a lack of experience within the wage economy. For a time, seasonal employment in forestry, farming and reindeer herding provided a monetary supplement to subsistence activities. Gradually, however, the feasibility of such income structures was reduced by the need for capitalist expansion and the implementation of concomitant structural reforms.

As has already been illustrated, Finland's national reform policies of the late 1960s led to the destruction of Lapland's historically dominant economic structure. The artificial restriction of agricultural production combined with the rapid mechanization of forestry eliminated the two most fundamental components of the existing economy; while failing to equilibrate the loss in any way. For the Sami, these developments were particularly debilitating because the decline in demand for farm and forestry labour occurred at a time when they were just becoming adjusted to the wage economy. Furthermore, their comparatively limited education and minimal employment skills made it difficult to pursue the option of migration toward the south. For many, the maintenance of traditionally strong ties to families and to the land made this latter alternative totally undesirable.

Pressure on the Sami was further intensified when mechanization was introduced into reindeer herding practices (Snell and Snell 1975:169-173). Although the use of snowmobiles and motorcycles accelerated and simplified

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the work, the increase in costs forced many small-scale herders to discontinue this activity (Lenstra 1978:48, Pelto 1973, Siuruainen 1976:60-62). In 1969, a Reindeer Farm Act was introduced in an effort to improve the living and working conditions of herders, but this was of little help to those who had been forced to give up herding.

By the beginning of the 1970s the indigenous people found themselves stranded between declining traditional livelihoods and a stagnating wage economy. While many Finnish inhabitants of Lapland's rural areas entrated to avoid growing impoverishment, much of the Sami population was neither able nor willing to pursue this option. Instead, their attempts to reduce poverty came to involve increasing dependence on social assistance payments. Although this arrangement did little to inspire indigenous selfesteem, it did allow for the maintenance of token participation in renewable resource based livelihoods.

Once again, Sami compromises were only temporary: when the repercussions of growth center policies became apparent, further transition became inevitable. The centralization of essential services contributed to the unbalancing of Sami income structures. To retain even minimal access to social and administrative services, the Sami were obliged to abandon their rural lifestyle and the vestiges of independence which it had included. As the Sami joined in the rural exodus toward commune centers, the position of those who remained behind continued to weaken (<u>cf</u>. Thiberg 1974, <u>cf</u>. Karlsson 1974). In areas surrounding communal centers the struggles of transition became blatantly apparent in the high intensity of welfare, unemployment and related social problems which arose with the loss of customary lifestyles (Siuruainen and Aikio 1977:42).

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Through economic expansion of the post-war era, Lapland became dependently integrated into the national economy. The consequences of this development were especially serious for the Sami, because they undermined any possibility for self-reliance based on their own production system. This meant that the entrenchment of economic dependency was accompanied by the loss of the Sami culture's formative economic base. With this loss, the potential for continued cultural vitality was eliminated.

# The Movement Toward Sami Solidarity and Cultural Preservation

Although the origins of the Sami movement in Finland can be traced back to the early 1900s, it was not until the post-war period that the Sami became actively involved in efforts to strengthen cultural solidarity and promote cultural preservation. As the potential for cultural disintegration increased, earlier reliance on a few eminent Sami personalities and concerned Finnish benefactors gave way to indigenous involvement in the advancement of their own cause. The stimulus for this development arose largely from experiences of war-time evacuation which brought Sami from different areas together for the first time and instilled a new awareness of their common interests (Nickul 1950:59). In April of 1945, this discovery of shared concerns became manifest in the creation of the all-Sami "Lappish League", which sought to unify support and assert indigenous needs and aspirations.

As Finnish migration into Lapland increased, Sami anxieties about the future were intensified. To express these fears they worked in conjunction with the Society for the Promotion of Lappish Culture to prepare and submit a brief to the Finnish government in 1947 (Nickul 1950:60). In response to this petition a State Committee (1949-51) was formed to examine the Sami situation and to provide recommendations for policies concerning their future. The resultant report condemned the state's benign neglect of the Sami and defended their right to social and economic development as a distinct cultural group (Nickul 1952:44, Müller-Wille 1977:239). In addition the commission proposed that an Office for Sami Affairs and a State Sami Fund be established; through financial assistance from the state (Nickul 1952:60).<sup>1</sup> These suggestions were difficult to implement because of the complex changes they required, and because of the potential for such changes to infringe on the rights of other Finnish citizens. As a result, few policy changes were made, and the committee's work remained largely an academic exercise.

Despite its practical ineffectiveness, this report perpetuated discussion of the Sami situation; so influencing the eventual formation of additional supportive bodies on both local and international levels (<u>cf</u>. Eidheim 1971, Müller-Wille 1977:239). In 1956, the second internordic meeting of Sami organizations resulted in the formation of the "Nordic <Sami> Council", which gradually attained official recognition as a public forum and political voice of the Sami (<u>cf</u>. Nickul 1972:108-109). The activities of this council were complemented by the creation of smaller Sami organizations, and the movement was further reinforced by growing support from non-Sami groups. While these developments did not

establish any Sami authority in Finland, they worked toward this end by pressuring for the revival of state dealings with the indigenous population.

In an attempt to refute claims that it was reluctant to act on behalf of the Sami, the Finnish government convened a Second State Committee on Sami Affairs in the early 1970s. The proposals of this committee, along with the growing political stature of the Sami on the international scene, led to the establishment of a structure of political representation. In October of 1972, the Sami Parliament was elected, and in late 1973 this organization was officially recognized as the representative body of all Finnish Sami (Müller-Wille 1977:241). The establishment of this parliament represented a major achievement: it assured Sami consultation in matters related to socio-economic and political developments within the Sami area. While this provided the Sami with a valuable forum for self-expression, the actual influence of the Parliament was limited by its confinement to an advisory position and by its dependence on the Finnish government.

With national support for Sami Affairs somewhat revived, internationalcooperation and recognition continued to expand. In 1973, after two decades of deliberation, the Nordic Ministerial Council approved the establishment of a Nordic Sami Institute.<sup>2</sup> This institute works in close consultation with the Nordic Sami Council and other Sami institutions to guide the development of language, education, culture, law and economy; within the Sami area (Aikio 1973, Sara 1973:1-2). The strengthening of international contact and cooperation led to the organization of the "Arctic Peoples' Conference" in late 1973, and this in turn fostered the establishment of the "World Council of Indigenous People" in 4975. All of these institutions contributed to growing international awareness of indigenous people and they provided a stronghold of support for developments within individual nations.

As these highlights in the emergence of the Sami movement suggest. the indigenous activism of the post-war era did much to improve Sami visibility and to reactivate pride in Sami identity. The success of this movement granted the Sami a more active role in their own affairs, but this cannot be equated with the achievement of self-determination. In the first place, the survival of all Sami organizations is dependent upon the continuous provision of state funds, and attempts to advance the indigenous cause must work within the bureaucratic structures of the majority population. Thus, efforts to assert the existence of cultural distinctiveness and demands for greater independence are immediately counteracted by the need for political integration and financial assistance. Secondly, the expansion of Sami involvement in their own affairs has been confined almost exclusively to advisory positions, which leaves final decisions in the hands of the Finnish state (cf. Snell and Snell 1975:169). Preceding discussions of the role of the state have made it clear that capital expansion must be perpetuated and thus, indigenous proposals related to the maintenance of natural income sources have been subordinated to national needs and aspirations (cf. Brox 1974:253-254). Under these circumstances, the prospects for maintaining pre-capitalist production modes become essentially non-existant.

The state's reluctance to implement indigenous economic recommendations in their original form indicates the primacy of its commitment to ensuring continuous capital accumulation. This commitment restricted the state's ability to fulfill its responsibility for Sami well-being: social demands could be considered, but economic demands could not. This meant that the preservation of Sami social attributes was not paralleled by the preservation of their formative economic base. Without the latter, the attainment of indigenous self-determination, and the maintenance of a distinctive culture, becomes impossible.

The final factor limiting the effectiveness of the Sami movement has been government procrastination. While questions related to the minority culture underwent prolonged deliberation, policies stimulating the economic and demographic transformation of the north were implemented with little hesitation. This exacerbated the impact of other factors restricting selfdetermination, by intensifying cultural attrition. As Lapland's economy was transformed and integrated into national structures, the basis for Sami claims to cultural distinctiveness was destroyed.

# The Relationship Between Economic Integration and Cultural Transition

During the post-war era, the course of Sami cultural transition was directed by the process of economic integration. The Sami movement emerged to challenge this course of change, but it was unable to alter it fundamentally. Although advances were made to guarantee language rights, educational opportunities, and the retention of social traditions, efforts to ensure cultural preservation never penetrated the sphere of economics. As a result, economic integration continued, and the basis for maintaining cultural distinctiveness was lost.

When this period of integration began, the Sami continued to derive a large proportion of their income from the natural resources which had. traditionally formed the economic base of their culture. This meant that Sami social organization retained some ties to the economic base which had initially shaped it. Thus, even though the actual components of the Sami income structure were identical to those of many Finns in Lapland, the indigenous culture remained coherent and distinct.

This situation began to change when Lapland's integration into the national economy was intensified through resettlement and reconstruction programs. Although the emphasis on small-scale agriculture maintained the subsistence orientation of Lapland's economy, the repercussions of Finnish immigration increased the urgency of Sami efforts to assert and protect their cultural identity. The expansion of Lapland's Finnish population placed the Sami in a recessive minority position. At the same time, the stability of diversified Sami income structures was threatened by growing pressure on the natural resource base.' As these developments increased the potential for Sami absorption into the dominant society, the movement promoting their cultural preservation continued to gather momentum.

Gradually, the Sami created an institutional framework through which their movement could advance: but this took time. Thus, even though awareness of the Sami situation consistently grew, actual support did not materialize until the early 1970s. By this time, Lapland's dependent

integration into the national economy was essentially complete. The region's economic structure had been irrevocably transformed through the rationalization of forestry and agriculture, and by the move toward.centralization and increased efficiency.

Through procrastination, any potential for indigenous slowing of capitalist expansion in the north was eliminated. Even when the demise of the subsistence economy became inevitable, however, the Sami continued to be ostracized from economic decisions by their confinement to advisory positions. This restriction of indigenous power was partially counteracted through state support for Sami claims to language and education rights. These concessions were of incontestable value for the Sami, but they were not an adequate guarantee of cultural survival. This was because they only protected Sami social attributes, and did nothing to stop the erosion of the culture's formative economic base.

Although the Sami movement did much to erase the social stigma which had long been associated with the indigenous culture, it did not alter the course of cultural transition dictated by economic integration. In part, this limited success was due to the slow generation of support: more fundamentally, it was the product of the dominant society's commitment to capitalist expansion. As Finland's obligations to the global system intensified, the scope for internal development programs was reduced. With the state committed to maintaining conditions conducive to capitalist expansion, it became impossible to retain pre-capitalist production modes in the north. The dependency of the Sami movement on governmental support made it impossible for the indigenous population to keep the state from fulfilling its accumulation function in any way. This financial control assured the

state of power over northern economic development. It also enabled the state to manoeuver its concessions to the Sami away from demands related to the economy. The subsequent destruction of Lapland's subsistence economy eliminated the potential for complete cultural preservation.

Where culture is seen as a combination of social and economic elements, the loss of distinctiveness in either regard must be seen as a threat to cultural survival. While the importance of both elements must be recognized, the means of securing a livelihood is primary because it conditions social organization. For this reason, the destruction of the Sami economic system marked the culmination of their cultural transition. Although the Sami movement succeeded in retaining some indigenous social attributes, this was done artificially: social organization was no longer vitalized by its formative economic base.<sup>3</sup>

With their remaining social attributes tenuously tied to Finnish society's material base, the Sami can no longer be considered a distinct culture. Instead, they must be seen as an ethnic minority existing within, dependent upon, and subservient to, the political and economic structures of Finland.

NOTES: Chapter IV

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- 1. The English translation of this report on Sami Affairs (Nickul 1952: 44-60), provides more detailed discussion of the Commission's recommendations for future policies.
- 2. This institute is funded by all full members of the Nordic Ministerial Council: Denmark, Finland, Iceland, Norway, and Sweden (Müller-Wille 1977:243).
- 3. Interesting variations of this idea are provided by Snell and Snell (1975:167-168).

CHAPTER FIVE

THE PROCESS OF CULTURAL TRANSITION ON A MICRO-SCALE: A CASE STUDY OF THE LOKKA RESERVOIR AREA

In the preceding chapters, cultural transition among the Finnish Sami has been examined on a macro-level through a historical review of integration induced by successive hegemonic systems, and through a general theoretical. discussion of integrative processes of the post-war era. By examining the evolution of the current Sami situation from both of these perspectives, the close relationship between economic integration and cultural transition has been elucidated, noting the tendency for the former to ultimately preclude the latter. In doing so, discussion has remained focused on the 4 international - national - regional hierarchy of influence, in an effort to indicate the complexity of factors and processes which affect the nature of indigenous cultural transition. It is now possible to substantiate these generalities at a national level, by examining the impact of identical factors and processes locally.

Using the case study of the Lokka reservoir area, this chapter will provide a detailed examination of the manner in which cultural transition has proceeded within one small region of central Lapland. Through a brief historical review, the dominance of successive hegemonic systems will be reasserted, and the subsequent development of intercultural relations within the study region will be explored. Once again this discussion is designed to illustrate the nature of cultural evolution and to set the stage for a

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closer examination of this process during the post-war era. By presenting one example of advanced capitalist expansion and its impact on a small community, the historical and theoretical evidence of economic integration's centrality to this evolution will be substantiated by detailed empirical information. In doing so, it will become possible to illustrate how the Lokka reservoir project has contributed to the achievement of broader regional development objectives: those which were formulated in compliance with the needs of the dominant economic system. This case study is, therefore, an example of capitalism's supplantation of pre-capitalist modes of production, and for this reason, the reservoir project can be viewed as a local generator of the demise of indigenous culture.

# The Lokka Reservoir Area

Before discussing cultural transition in a small-scale context it is useful to explain why this case study was selected, and to present some basic geographical information about the region. To provide the background for a brief historical review of cultural transition within this area, and to allow for comparison with the present situation, this section will discuss the Lokka region as it was, prior to reservoir construction.

# Factors in Site Selection

In selecting an appropriate area for the examination of cultural transition on a micro-scale, primary considerations were the pattern and degree of intercultural contact and the level of incorporation into the processes of economic integration during the post-war period. The Lokka reservoir area fulfilled both of these requirements. In addition to having experienced a long and representative history of cultural interaction, the site lies close to the southern border of the "Sami Area" of Finnish Lapland, and is thus significantly affected by the northward advance of current integrative processes. The attractiveness of this site was increased by the development of the Lokka reservoir itself, which represents an example of the way in which economic integration can accelerate acculturation. By examining the local impact of this project, it is possible to illustrate the effectiveness of economic integration as an agent of Sami cultural transition.

The initial appeal of the Lokka site was reinforced by the satisfaction of several practical concerns related to the potential for obtaining information. The availability of both general and regionally specific literature, easy access to primary sources, and the development of valuable personal contacts within both local and academic circles, contributed to the feasibility of conducting research within this area. These factors, combined with the relevance of the site to questions surrounding the relationship between economic integration and cultural transition, were decisive elements in the selection of the Lokka reservoir area as an appropriate case study.

# Location and Description of the Case Study Area

The area which constitutes the object of discussion in this chapter, is located within the commune of Sodankylä, which is in turn situated within Finland's northernmost province of Lapland. The actual region of study is limited to the Lokka reservoir basin proper, but discussion will include those areas in the immediate vicinity which have been affected by various aspects of this development (Fig: 14).



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Characterized by gently sloping lands, this area is one of low relief; averaging between 150 and 300 meters above sea level (Granö 1952: 87, Varjo 1974:11). Although the reservoir basin is not characterized by outcrops of bedrock, that which exists within the outlying region is composed of schists, and to a lesser extent, granite, granite gneiss and diorite (Varjo 1974:7). The surficial deposits consist of tills which contain essentially the same mineral material as is found in the underlying bedrock (<u>cf</u>. Ohlson 1969:18-19, Varjo 1974:7).

Although much of the Lokka area is covered with ground moraine and associated deposits of sand and gravel, the most prominent feature of this site is bog, which comprises an area of almost 400 km<sup>2</sup> (Havukkala 1964:7).<sup>1</sup> The uniformity of open sedge-bog is broken only by stands of forest which are most frequently situated along sandy river banks (<u>cf</u>. Auer 1952;213). In general, these are coniferous forests, comprised primarily of pine and spruce (Aario 1960: Map 10/18, Kujala 1952:213).

Within the study area, water bodies cover less than one percent of the total surface area. The Luirojoki (river) and its numerous tributaries represent the main hydrological element of the region, but Sompiojärvi (lake), located on the northern boundary of the study area, retained greater economic importance as a superb fishing site. With much of the marshland not easily traversable, waterways and lakes achieved additional significance as a local transportation and communication network.

Like that of northeastern Fenno-Scandia as a whole, the climate of the Lokka reservoir area is tempered by the proximity of the Atlantic Ocean and the Gulf Stream. The mean annual temperature ranges around  $-2^{\circ}$  C while seasonal means are approximately  $-12^{\circ}$  Č in the winter and  $+14^{\circ}$  C in

the summer (Keränen and Korhonen 1952:111, Siuruainen 1976:24, <u>cf</u>. Kolkki 1960: Maps 5/2 and 5/9).<sup>2</sup> Precipitation within the study area varies between 450-500 mm per annum (Keränen and Korhonen 1952:119), and a permanent snow cover usually forms in late October and melts by mid-May (Simojoki 1960: Map 5/6). Increased radiation during the long summer days improves agricultural productivity, but the short growing season (ca. 125 days) heightens the threat of early night frosts. This, combined with the general unreliability of climatic conditions, leads to wide fluctuations in annual harvest yields.

Although the physical and ecological features of this area are not central to a discussion of economic integration and cultural transition, it is important to recognize that they do influence local developments to a certain degree. As will become evident in the following pages, the natural environment of the Lokka reservoir area has affected the historical pattern of settlement and conditioned the limits of an economy based on renewable resources. This influence was obviously more important before the advancement of a technological society and wage economy, but even during the post-war era the physical characteristics of the case study site played a role in the decision to construct the Lokka reservoir. While this potential for environmental influence must not be considered determinative, its acknowledgement, combined with the provision of basic geographical information enhances the perspective with which the process of cultural transition is viewed.

Historical Review of Cultural Transition in the Lokka Area

In the second chapter, above, the historical evolution of the relationship

between economic integration and cultural transition has been examined by tracing the impact of Finnish development on the Sami people. Through this discussion, the varying influence of successive hegemonic systems has been established. It now becomes possible to employ this knowledge of national trends as background to a more detailed investigation of the manner in which indigenous cultural transition has proceeded on a micro-scale. As such, this section will explore the breakdown of one Sami ecosystem and illustrate how subsequent inter-cultural contact stimulated the mergence of economic systems and the development of a bi-cultural community. By examining the degree and form of maintained cultural distinctiveness in the mid-1900s, a comparative discussion of the impact of the Lokka reservoir project will become possible.

# De-Localization of the Sami Ecosystem

The original Sami population of the Lokka area belonged to the group commonly referred to as Forest Sami (Nickul 1977), whose subsistence livelihood was derived from the seasonal exploitation of various renewable resources. During the spring and summer, fishing and gathering constituted their economic mainstay, and in the autumn and winter subsistence activities focused on hunting and trapping; often employing collective techniques.<sup>3</sup> Like that of other Sami, the local pattern of annual migration culminated with a reunion at a winter village site where the solidarity of the "community" was reinforced through communal discussion and decisionmaking. With the natural environment constituting an adequate basis for subsistence, and the "sild" council working to ensure societal preservation through controlled exploitation, the local Sami culture remained self-reliant - or localized - through several centuries of internal evolution.

The first externally induced transition within this society was generated by the demand for taxes, in the 1200s (Nickul 1952:6). This development weakened the indigenous socio-economic system by intensifying pressure on renewable resources and by adding obligations incongruous to the existing social order. Where time had previously been spent exclusively on communal subsistence, it came to be partially used for satisfying the needs of an external society: one which did not reciprocate the contribution in any way. The disruption inherent in this expenditure of time for no returns was compounded by the decline in fish and game reserves, and by the subsequent need for alteration in nomadic patterns.

The commencement of taxation marked a decisive turning point in the history of the Sami culture, for in addition to delivering the first (and lasting) blow to the indigenous economic structure it opened the door to further incursions which would perpetuate the process of de-localization. In the 1500s, Sodankylä, Sompio and Kemikylä were noted as sites of Sami habitation (Fig. 15; Havukkala 1964:8), but the Swedish quest for territorial sovereignty soon terminated indigenous domination of this area. Following the Peace Treaty of Täyssinä in 1595, the Lokka area remained part of the common territory between Sweden and Russia. This made the region a



focus of the Swedish drive to establish control by virtue of occupation. During the early 1600s a Finnish settlement was established near Kemijärvi, and by mid-century the Sami regions previously mentioned had been infiltrated. The indigenous populations of Sodankylä, Somipo, Kemikylä and Kuolajärvi banded together against this "foreign" penetration by charging Finns with illegal entry into an area granted to the Sami by past Swedish kings (Havukkala 1964:9). The courts upheld Sami rights, and violators were evicted from the territory, but the value of this success was greatly outweighed by the fact that the Swedish-Finnish juridical system had been used to achieve it.

Where submission to the pressures of taxation had lent support to emerging Finnish dominance, reliance on external legal mechanisms reinforced it the Sami became locked in a dependency over which they had no control. This new subservience became blatantly apparent in the late // 1600s, when legal obligations to the Sami were compromised by efforts to satisfy the needs of the Swedish Empire. In 1673, decisions concerning land rights were complicated by the promulgation of the Kalmar Poster which not only permitted Finnish settlement within the Sami area, but actually encouraged it by providing incentives related to taxation and conscription (Siuruainen 1976:19). Despite expressed government intentions that the new residents practice land cultivation and cattle raising, many\_settlers were reliant on hunting and fishing as the mainstays of their subsistence. This obvious violation of Sami rights prompted numerous disputes and legal appeals, but success in court could do little to improve renewable resource supplies or to control wilderness poaching.

As Finnish settlement weakened the indigenous economic base, it simultaneously invalidated the "siid" systèm of justice and undermined communal control over resource allocation (<u>cf</u>. Nickul 1977:12). In addition, colonization brought with it an expansion of missionary activity which reasserted Finnish dominance by outlawing indigenous religious practices.<sup>4</sup> For the Lokka area, the church established its strong influence in 1688 when the prominent villages of the region were combined to form the administrative unit of a parish (Havukkala 1964:8). With new social and economic forces dominating, taxation enduring, and trade networks expanding, the breakdown of the Sami "siid" system became imminent: the indigenous population was forced to adapt to the de-localization of its cultural ecosystem.

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#### Reorganization of the Sami Socio-Economic System

The repercussions of Finnish settlement in the Lokka area demanded changes in the Sami lifestyle, but this did not include the abandonment of a renewable resource based economy or the traditional values which had arisen from intimate ties with the natural environment. Instead, the predominant response to growing pressures involved the reorganization of the natural economy: reindeer herding was gradually incorporated into the prevailing pattern of subsistence. When wild reindeer (<u>peura</u>) were abundant, semi-domestic reindeer (<u>poro</u>) had been used solely as harness and pack animals for family migrations and as hunting decoys. As traditional components of the natural economy decreased, however, it became necessary to raise these animals for food (Nickul 1977:5). In some instances, the adoption of reindeer herding led to exclusive concentration on this source of livelihood, and to satisfy the needs of their animals, the Sami retreated toward the north where conditions were more conducive to transhumance.

The gradual conversion to full-scale reindeer herding inadvertently weakened the Sami stronghold in the Lokka area because it left traditional hunting grounds vulnerable to settler occupation. As continuous immigration intensified environmental pressures, the position of those who had developed herding to harmonize with their semi-nomadic lifestyle, was seriously undermined. Although evidence is scanty, the gradual establishment of Finnish dominance may be illustrated through demographic statistics from Sompio village, which encompasses most of the case study area. Tax records from 1696 indicate that Sami comprised 23 out of a total of 31 families; by extrapolation, the total population may be estimated at around 186 persons (Anderson 1914).<sup>5</sup> During the 1700s, colonization in this area expanded considerably, and by 1804 it is likely that Finnish settlement had penetrated as far north as Korvanen and Mutenia. At this time, the Finnish population of Sompio had grown to just under 300 persons (Wahlenberg 1804), but there is no record of corresponding developments within the Sami population.<sup>6</sup>

This lack of information is indicative of another indigenous re-.sponse to growing pressures; particularly that which attached a social stigma to Sami ancestry. Of those who did not retreat with the adoption of reindeer herding, many tended to obscure their original descent by establishing farms and passing themselves off as Finnish settlers (Havukkala 1964:11).<sup>7</sup> The subsequent inaccuracy of information makes it difficult to trace transitions within Sami society, but according to Branch (1973:103), the Sompio Sami dialect became extinct soon after Sjögren's visit to the area in 1826.<sup>8</sup> On the basis of this linguistic evidence it might be assumed that between the indigenous responses of retreat and absorption, the original Sami population of the case study area had virtually dissipated by the mid-1800s.

### State Subvention of Sami Rights and Renewed Cultural Interaction

As has been discussed earlier, the transition to Russian rule in 1809 precipitated the final usurpation of Sami land ownership by denying the indigenous population the legal means to defend their rights. In actuality,

this process had begun several decades earlier with the development of inconsistencies in the juridical code. With the transfer of control over legal matters, however, it became possible for subsequent legislation to correct contradictions in favour of the state and to firmly establish the concept of Crown property.<sup>9</sup> The position of the state continued to strengthen throughout the 1800s, and in 1886 this entrenchment of power was embodied in the Forest Act which rescinded past guarantees to the Sami by officially placing their territories under state control (Siuruainen and Aikio 1977:21).

For the Finnish Sami as a whole, the solidification of the state's role during the 19th century was most strongly manifested in the subversion of their land rights, but for the inhabitants of the Lokka area other political developments of this period had a more immediate impact. When the Russian-Norwegian border was closed in 1852, the Mountain or Reindeer Sami of Enontekiö were denied access to traditional grazing lands. To accommodate for this loss, many of them moved to the northern part (Sompio) of Sodankylä where only a few of the original inhabitants - the Sompio Sami were still living (Nickul 1977:54).

This influx of Nomadic Reindeer Sami re-established the bi-cultural character of the Lokka area, but it simultaneously intensified competition for resources and thereby generated numerous inter-cultural disputes. Gradually however, cultural interaction based on conflict gave way to cooperation, and internal divisions were relaxed through mixed marriages and the mutual adoption of what had once been culturally distinct economic practices. As the Finns began to supplement agriculture with reindeer herding, the Sami established permanent dwellings and began to diversify

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their income structure through cultivation and livestock raising.

For a time, the Sami lifestyle retained its semi-nomadic nature, but when the district herding system was introduced in 1898 the widespread practice of seasonal migration was forced into obsolescence (<u>cf</u>. Lenstra 1978). This development undermined a major economic basis for cultural distinctiveness and stimulated the further mergence of productive activities within a framework of Finnish dominance. As their economic base was altered, the Sami social structure evolved accordingly: as individual herds and farms were established, concepts of communality lost relevance and family units became the principal element of the social order.

#### Northern Expansion and the Development of a Wage Economy

During the 19th century, the components of Finnish and Sami natural economies were drawn into closer alignment, but toward the end of the 1800s this tendency was somewhat counteracted by the expansion of a wage economy. With much of the Sami population maintaining a semi-nomadic, subsistence lifestyle, it was the Finnish settlers who were the first to exchange labour for money. When the family herding system was replaced, however, some Sami acquired positions as paid herders; a situation which induced participation in the wage economy but allowed the retention of elements inherent to the traditional way of life.

This desire to maintain involvement with the natural environment was probably intrinsic to local inhabitants of both Sami and Finnish origin, but for the former, close interaction with nature represented one of the few remaining links to their cultural heritage. Over time, the interest in preserving these ties combined with minimal education and few marketable skills to control the degree of indigenous participation in the wage economy. This tendency generated a new economic basis for cultural distinctiveness, but it remained one based on degree rather than form. Thus, even though the Sami lifestyle focused on the natural economy to a greater extent than that of the Finns, the actual components of both income structures were essentially identical.

This situation continued to characterize the Lokka area until the postwar era, but as the wage economy expanded, the need for money increased, and greater variations in local incomes emerged. These developments began to materialize with the completion of a cart trail and footpath between the villages of Vuotso and Lokka in 1927 (<u>cf</u>. Havukkala 1964:42). In addition to undermining the rationale for settlement along rivers, the creation of new communication and transportation networks disadvantaged outlying villages while providing nearby areas with easier access to larger centers where opportunities for shopping and employment were more abundant.

The importance of this new route was magnified in 1937, when it was upgraded to highway standards (Havukkala 1964:42). As a midway point along """ this road, Korvanen gradually achieved a leading position within the Lokka area; in a few instances families moved nearer the highway to improve their access to the facilities of both this village and more distant centers. For a time, the residents of the neighbouring village of Riesto were content to remain entirely isolated, but as the significance of the road became apparent they began to lobby for the construction of a highway to their village (Havukkala 1964:42). The initial application for such a project was rejected

by the Ministry of Transport and General Labour in 1939, and with the onset of the Winter War a few months later, the matter fell into abeyance (Havukkala 1964:42).

Throughout the period of military unrest between 1939 and 1940, the Lokka area was comparatively untouched, but repercussions of the war were felt in the interruption of infrastructural development. During the Continuation War (1941-1944) direct local involvement in military activities increased: Lokka village was destroyed and a number of residents were killed by Soviet commando parties (Hayukkala 1964:43). Following the 1944 armistice with the U.S.S.R., the Lapland War against Germany began and the Lokka area was evacuated. As the Germans withdrew, previous advantages of proximity to the Vuotso-Lokka road were reversed, for it was only isolated areas which escaped destruction. When the war was finally over, the population returned to reconstruct their homes and the lifestyle that went with them.

#### Post-War Reconstruction

Within the Lokka area, the main thrust of post-war activity was toward reconstruction rather than resettlement. Almost 75 percent of the homes in this region were built after 1945: a remarkable figure considering the insignificant level of immigration (<u>cf</u>. Havukkala 1964:43). This reconstruction of private holdings was paralleled by the reparation of public facilities and service buildings. During this period, the local centrality of Korvanen was re-established through the renovation of a primary school, two shops, and quarters for border control personnel (cf. Havukkala 1964:22). The recreation of the local infrastructure coincided with a general effort to reorganize and stabilize economic situations. Involvement in the reconstruction of public facilities provided some inhabitants with a source of monetary income, but most were primarily concerned with reassembling reindeer herds and repairing their farms. By 1950, the Lokka area had attained a character similar to that which had prevailed prior to the war. Although reconstruction efforts continued, reindeer herding and farming provided the economic mainstay of most of the population. Over half of the inhabitants maintained significant involvement in the natural economy but, as before, both this income source and reindeer herding enjoyed particular prominence among the Sami.<sup>\*</sup>

Despite these similarities to the pre-war situation, subtle transitions continued to alter both the Lokka area and the position of its Sami in habitants. The introduction of motor boats improved local transportation while providing new incentive for participation in the wage economy (<u>cf</u>. Havukkala 1964:15). As the need for money increased, the desirability of paid labour grew, but on average, the Sami obtained only 20 percent of their income from this source. Although this did represent an increase, the fact that the corresponding average for Finns was 40 percent, suggests that the proportion of various components in the income structure still constituted a reasonable measure of cultural distinctiveness.

Another slight alteration in local Sami practices after the war involved seasonal divisions in the family. It remained common for men and women to be

 \* - This information has been tabulated from raw data obtained through interviews conducted by Hannu Mäkinen and Matti Luostarinen in 1978. In the following pages, statistical evidence which is not otherwise documented, has been calculated on the basis of this raw material.

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separated during winter reindeer herding excursions, but rather than staying on the family farm during this time, women often moved to one of the villages (Havukkala 1964:19). Although this did not transform their Sami lifestyle, the move from predominantly Sami to predominantly Finnish communities did represent an increase in social integration.

Both the expansion of a wage economy and increased social interaction introduced momentate transition within the Lokka area; particularly among the Sami. While these developments were indicative of the ongoing process of integration (both culturally and regionally), their impact was subtle and gradual. Transition associated with integration continued in this way until the mid-1950s, when the Finnish government intensified Lapland's role in strategies for national development. For most of the north this came to involve the rationalization of agriculture and a move toward centralization. For inhabitants of the Lokka area, however, such changes came about through a single development project rather than successive pieces of legislation. The decision to create a regulated lake in this area accelerated local integration into national economic structures and instigated the demise of Sami cultural distinctiveness.

# The Development of the Lokka Reservoir

For Finland as a whole, the creation of man-made lakes in Lapland was seen as both an indication of technological progress and a key to social and economic advancement. For the inhabitants of these project sites, however, the price of such projects was often exorbitant and the dividends were of

questionable value. In both of these respects, the Lokka reservoir project is representative: it was created to contribute to the achievement of national goals for economic expansion and it demanded major concessions and adjustments from the local population. To clarify succeeding discussion of the impact of this project, this section will place the development in perspective by providing background information on the circumstances of its conception and on the details of construction.

#### Development Ideology and the Role of the State

As has been discussed earlier, the impetus for post-war hydro-electric development in Finland was provided by the expanding needs of industries producing to meet war reparation demands. Through subtle changes in rhetoric this initial motivation was exploited long after its relevance had expired: even when the satisfaction of indemnities was assured, people were asked to sacrifice for the good of the country and the people. This concept was integrated with emerging development ideology, based on industrial expansion, to provide reasoning and support for the exploitation of hydroelectric resources in the early 1950s.

By this time the harnessing of Finland's longest river - the Kemijoki was well under way, but the use of rapids remained limited by high variations in the availability of water. During the worst floods following swift snowmelt in the spring, it was impossible to use all of the water for energy production, but in the winter water shortages made it difficult to fulfill the highest seasonal requirements for energy (Asp and Järvikoski 1974:5).<sup>10</sup>

To overcome these quantitative disparities, planning for the regulation of the Kemijoki was initiated. The first of these plans focused on Kemijärvi (lake), but with natural lakes unable to satisfy storage volume needs totally, it was decided that reservoirs should be constructed.<sup>11</sup> It was at this point that the Lokka area became an intrinsic part of national policies geared toward resource development and economic expansion.

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For local inhabitants, this incorporation into national policies opened a new era of involvement with external institutions; particularly with the state apparatus which constituted the sculpting force behind virtually all post-war development in Lapland. In the Lokka reservoir project, the state's role was pervasive. Its first achievement was the entrenchment of prevailing ideologies as <u>the</u> directives for the betterment of society. With much of Finland convinced that technology and industrial expansion were the key to future prosperity, the local population could hardly refuse to make the sacrifices demanded of it.

The state's second contribution to the successful completion of the Lokka reservoir project came in the form of legislation which led to the formation of a state-owned power company and sanctioned the regulation of the Kemijoki. In July 1954, a law was passed which transferred state water rights over the Kemijoki and its tributaries to a newly formed stock company - Kemijoki Oy - in which the government owned a majority of shares. Six years later, this law was complemented by a second piece of legislation which granted the state the right to regulate the flow of water in the Kemi river system (Kemijoki 1971). While the main function of these laws was obviously to legalize the reservoir projects, the grounds for their enactment provide an interesting illustration of the importance of underlying ideology.

This is particularly true of the prologue to the 1954 law which reads as follows:

Taking into consideration the <u>vital importance</u> of the water power resources of the Kemi River <u>to the country</u> and the magnitude of the task, which includes in addition to power stations the regulation of the system of water courses, as well as the substantial capital investments involved, an effort should be made in the general interest to carry out this construction work on a unified basis with the state participating effectively. (Kemijoki Oy 1971; emphasis added)

In a similar way, the state's legal role in the reservoir project complemented its financial involvement as an investor. The transfer of water rights to Kemijoki Oy was, in effect, the transfer of wealth in the form of property. Furthermore, the creation of a state-owned power company was a legal means of overcoming financial barriers to hydro-electric development. With private enterprise unable, or unwilling, to put up the large initial investments required for the construction of man-made lakes, the state intervened by providing "social investment expenditures".<sup>12</sup> By establishing itself as the main investor in water regulation projects the state sought to provide power to private and public enterprises alike; so stimulating further expansion in the national economy. Once again, these objectives include a hint of legitimation, for to the northern inhabitants hydro-electric undertakings were presented as a means of improving the régional economy through the provision of employment opportunities.

In addition to the major investments which financed the regulation of the Kemijoki, the state provided funds for preconstruction research concerning the potential impact of the development. These studies covered a wide range of physical phenomena, but the social consequences of reservoir construction remained largely unexplored (Asp <u>et al</u>. 1981:6). While the predictions resulting from the research which was conducted proved to be fairly accurate, the failure to consider human impacts ultimately demanded additional, and unanticipated, expenditures from the state coffers (<u>cf</u>. Järvikoski 1979:172).

The state's role in the Lokka reservoir project began with the entrenchment of capitalist development ideology, long before plans for regulating the Kemijoki were initiated. Through legislative and financial arrangements the project was carried through to completion, and today the state continues its involvement in the form of technical maintenance, and assistance payments to some former inhabitants of the reservoir area. The local jobs in construction soon expired, but the benefits of hydro-electricity continue to be enjoyed by industries which remain concentrated in southern Finland. As this regional discrepancy became more apparent, particularly in light of the sacrifices made, Lapland became characterized by discontent and mistrust, and the state is now faced with renewed challenges of legitimation.

## Construction Details of the Lokka Reservoir Project

By the end of 1963, final plans for the construction of the Lokka reservoir - on the upper reaches of the Luiro River - were completed. Work began with the clearance of valuable timber from the basin area proper, in front of the dam site, along inhabited shores and on future wood-floating channels: in total 2,275 hectares of forest clearing was carried out (Lehtonen 1971:68).<sup>13</sup> This was followed by the construction of three dams; the first was the actual regulation dam located at the village of Lokka, and the second

- the Hanhiaapa dam - was situated about seven kilometers west of the first. The third dam was built in part of the basin near Vuotso but is designated for removal when the canal running through this village is completed in September of 1981 (<u>cf</u>. Lehtonen 1971:69, Kemijoki 1979:19).<sup>14</sup>

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With the necessary construction work completed and the basin area readied for inundation, the Lokka reservoir was filled in July of 1967. At its upper regulation level of 245 meters above sea level, the lake has a surface area of 417 km<sup>2</sup> and a mean depth of 5.0 meters; while the lowest level of 240 meters above sea<sup>o</sup> level ředuces its surface area to 216 km<sup>2</sup> and its mean depth to 2.3 meters (Fränssilä and Järvi 1976:6, Nenonen 1974: 610).

As the size of the reservoir indicates, the local ecosystem was subjected to rapid and widespread transition: both environmentally and socially. In general, changes in the natural make-up of the area have not been seriously harmful in themselves. The lake has not had any significant effect upon the mean annual temperature although summer maximums have decreased slightly and winter minimums have experienced corresponding increases (Fränssilä and Järvi 1976:10 and 27). Water in the Lokka basin is polyhumic and acidic (Vogt 1978:16), and the most noteworthy factor effecting its quality is turf (Nenonen 1974:610). As such, the water colour is darker, and its humus content somewhat higher, than in the natural lakes of Lapland in general. During the first years after damming, the water quality of the refervoir consistently improved, but this will likely be followed by entrance into a less desirable stage of prolonged erosion (<u>cf</u>. Vogt 1978:18). Within the reservoir area, wildlife has obviously diminished, and while fish populations have grown dramatically the advantages to fishermen have been counteracted by declines in the most valued species. In the watercourses downstream, negative repercussions of water regulation have been more pronounced. Water quality has declined considerably and complete losses of dissolved oxygen have been recorded in areas 30-50 kilometers away (Vogt 1978:20-21); a development which has caused reductions in both the number of fish and the variety of species.

While the importance of environmental changes must be recognized in themselves, the profundity of transformations associated with reservoir construction is most clearly evidenced by their impact on the ecosystem's human component. In an area where much of the population was involved in a natural economy, the alteration of the environment resulted in the destruction of basic components of local income structures. This process was rooted in the loss of land: in total, approximately 41,800 hectares were flooded to construct the Lokka reservoir (<u>cf</u>. Havukkala 1964:22). Of this area, 23,100 hectares, or 55.3 percent, belonged to the state and 18.700 hectares, or 44.7 percent, was under private ownership (Havukkala 1964:22, <u>cf</u>. Kemijoki 1971). Surface area not comprised of bog or water equalled some 2,936 hectares and of this land, 262 hectares were cultivated, 1,320 hectares were meadowland, and the remainder consisted largely of forest land (<u>cf</u>. Kemijoki 1971).

The economic disruption associated with the loss of land was compounded by the social upheaval resulting from forced evacuation. To create the Lokka reservoir, sixty-six families were forced to leave their homes. The impounded water inundated the settlement areas of Riesto, Kuukkeli, Kurujärvi and Korvanen; and while the domestic centers of holdings in Mutenia and Lokka

remained above water, a considerable part of surrounding fields and meadowland were completely submerged (Havukkala 1964:5). Although the residents of these areas received compensation for the loss of their land and dwellings, little consideration was given to the cost of forced adjustment to new social and economic situations.

Lokka Reservoir as an Instrument of Socio-Economic Transition

In the preceding sections of this chapter, basic information about the Lokka area has been presented as a means for evaluating the impact of reservoir construction. Detailed analyses of this project have formed the basis of numerous other studies, but for the purposes of this work, attention will remain focused on those repercussions which have induced economic integration and cultural transition.<sup>15</sup> Discussion will begin with a brief description of the population which was forced to move as a result of plans for reservoir construction. An examination of the procedure for awarding compensation will then be presented as the first main integrative force which the local population encountered. This will be followed by a discussion of transition in economic and social structures. By examining the direction of these changes it will become possible to illustrate the way in which the Lokka reservoir project has generated the same form of cultural transition among the Sami, as have national policies for northern development.

Initiation of the Reservoir Project and Compensation, Procedures

By the mid-1950s, news of the plans for reservoir construction had reached the Lokka area, and soon after, it became apparent that sixty-six households would have to move. It is these households which form the basis of the following analysis and discussion. Although transitions experienced by these households as an aggregate population illustrate increased economic integration, this work's concern with cultural transition has prompted further divisions based on ethnicity. Accordingly, the sixty-six households involved have been placed into one of four categories: 1) Finnish (F); 2) Forest Sami Descendant (FSD); 3) Nomadic Reindeer Sami (NRS); and 4) Mixed (M).

The first of these categories includes those households of only Finnish ancestry. The second, and largest category, is comprised of households which have descended from the original Sami inhabitants of the Lokka area. In most instances this descent has not been pure and it is likely that this segment of the population has been considered "Finnish" or "Finnicized" in previous studies.<sup>16</sup> For the purposes of this work however, the distinction of Forest Sami Descendants provides-s, valuable indicator of past integration. The third category includes those Sami households which either migrated to the Lokka area in the early 1900s, or descended from families which made this migration. It is this group which comprises the most distinctly Sami members of the local population. This is evidenced by a high level of involvement in reindeer herding and gathering, and by their comparatively remote locations within the Lokka area (Table 3). The final category includes households in which the existing marriages are mixed: four of these are between Finns and Forest Sami Descendants and the remaining two are between Finns and Nomadic Reindeer Sami.

Previous Village	Ethnicity				
	Finnish	Forest Sami Descendant	Nomadic Reindeer Sami	Mixed	TOTAL
Korvanen	÷ ц	15	3 ~	3	25
Riesto	5	7	1	-	13
Mutenia	5	10	-	-	12
Lokka	ન	6	-	2	9
Vuotso	-	-	-	1	1
Pilliranta	-	-	2	-	5
Yli-Luiro	~	-	2	-	2
Puraumukka/Tankapırttı	-	-	• 1	-	1
Kurujārvı ·	-	-	1	-	1
TOTAL	12	38	10	6	66

Table 3 - Ethnic composition of villages in the Lokka reservoir area prior to construction (by household)

Raw Data "Source Mäkinen and Luostarinen 1978

The reaction of these households to the realization that a move was inevitable varied widely, often regardless of ethnicity. For those who wanted to live in more densely populated areas, the decision to construct the Lokka reservoir presented a rare opportunity to sell land at a reasonable price. For others, however, there was nothing positive about the prospect of forced evacuation from their land.

<u>Compensation procedure</u>: These various reactions to the prospect of moving undoubtedly influenced each household's approach to compensation procedures. Even for the most willing, however, the newness of such negotiations introduced an element of complexity finto existing lifestyles. In the first place, news of the reservoir project was not effectively distributed by those responsible for the development. Most people first heard of the project from other villagers or from surveying crews, and many did not learn until later that reservoir construction would affect them personally (Table 4).
	Way The	Constructio		When People Heard They Would Have To Nove						
•Ethnicity	workers/ surveyors	other villagers	media sources	company buyer	cannot say	TOTAL	same time	later	cannot say	TOTAL
Finnish	5	5	3	1	1	12	6	5	1	12
Forest Sami Descendant	12	14	2	3	7	38	16	14	8	38
Nomadic Reindeer Sami	t	4 .	ĩ	-	4	10	-	6	4	10
Mixed	2	3	1	-	-	6	3	5	1	6
TOTAL	17	26	7	4	12	66	25	27	14	66

Table	4~	First	knowledge	of the	reservoir	project	and that	moving was	requires
		(accor	rding to et	hnicit	.y)				

Raw Data Source. Mäkinen and Luostarinen 1978

The lack of official notification created a pervasive atmosphere of uncertainty within the Lokka area and many people experienced increased feelings of fear and insecurity. In some instances, building was prohibited and bank loans were denied; even though no agreement on the sale of land had been reached. On average, this waiting time lasted for a little over two years, but for some the uncertainty continued for as much as eight years.

For those who were most anxious to sell their land and move, the process of agreement was accomplished quickly once the company was prepared to commence negotiations (Table 5). According to one Kemijoki representative, many people were so willing to sell, that they approached the company in an attempt to hurry transactions (Kemijoki Interviews 1980). In over 60 percent of the cases, the compensation procedure was completed without any legal or other knowledgeable assistance. At times, the presence of Kemijoki's lawyer was taken by households as a guarantee that dealings would be conducted fairly: they did not realize that the lawyer was bargaining for Kemijoki alone. Despite these disadvantages, the local population was not unduly abused and initially many were happy simply to have sold their farms.

		E	thnicity		
-	Finnish	Porest Sami Descendant	Nomadic Reindeer Sami	Mixed	TOTAL
What Was Sold		<del> </del>	**************************************		
all of farm & buildings	7	25	5	4	41
part of farm & buildings	4	11	ļ,	1	20
part of farm	- ·	-	1	-	1
buildings	1	5	-	1	· 4
no information	-	-	-	-	-
TOTAL	12	38	10	6	66
Visits By Company Buyen			•		
few	9.	6	3	3	21
many	3	19	3	2	27
no information	-	13	4	1	18
TOTAL .	12	38	10 ੁ	6	66
Process Of Agreement					
hastily done	8	5	<u> </u>	3	20
took many years	4	22	4	2	32
no information	-	11	2	1	14
TOTAL	12	38	10	6	66
Assistance With Sale					
no assistance	8	24	· 8	2	42
personal lawyer	-	-		-	-
personal expert/authority	1	5	-	2	8
friend, relative etc.	-	1	-	-	1
company lawyer or expert	2	1	-	1	4
other#	-	6	-	1	7
no information	1	1	2	-	4
TOTAL	12	38	10	6	66 ,
Overall Estimation Of Sale					
very positive		-	-	-	0
positive	2	6	1	-	9
neutral	3	9	2	-	14
negative	2	10	3	4	19
very negative	5	12	3	2	25
no information	-	1	11		2
TOTAL	12	38	10	6	66

\* This is one man who assisted some people with the sale of their property. Some said that he was helpful, while others accused him of working for Kemijoki Oy.

Raw Data Source. Mäkinen and Luostarinen 1978

Sale process and evaluation

Table 5

For those who did not want to move, the compensation procedure was much more of an ordeal. Negotiations were drawn out, and although the final agreements adequately covered the cost of land and dwelling places, there was no means of compensating for the sense of loss that accompanied forced evacuation. To these people, the selling process was never considered positive. Forms of compensation and level of satisfaction: In general, the overall estimation of land sales and compensation became closely linked with the form of compensation received. The available alternatives included money, replacement land or both, but the former was by far the most common (Table 6). For Kemijoki Oy, monetary compensation was preferred because of its easy distribution. For many households, the prospect of accessibility to large amounts of cash presented an unprecedented and irresistible opportunity.

	~	L	evel Of	Satisfaction		
Ethnicity	very satisfied	satisfied	cannot say	dissatisfied	very dissatisfied	TOTAL
Finnish					•	
money	1	2	1	2	6	12
land	-	-	-	-	-	0
both	-	-	-	-	-	0
no information	-	-	+	-	-	0
Total	1	2	1	2	6	12
Forest Sami Descendant						
money	3	6	5	5	10	29
land	-	1	-	-	-	- 1
both .	-	3	-	-	-	• 3
no information	1	-	1	1	2	5
TOTAL	4	10	6	• 6	12	38
Nomadic Reindeer Sami	-				a a	
money	-	4	-	4	-	8
land	-	-	-	-	-	Ø
both	-	1	-	-	-	1
no information	-	-	1		-	1
TOTAL	0	5	1	4	0	10
Mixed					e e	
money	-'	2	1	, 3	-	6
land	-	-	-	· -	-	0
both	-	-	-	-	-	¢
no information	-	-		~	-	0
TOTAL	0	5	1	3	0	6
TOTAL POPULATION	,		¥			
money	L	14	7	14	16	55
land	-	1	<u>.</u>	-		1
both	-	4	-	-	-	Ŀ.
no information	1	_	2	1	. 2	6
TOTAL	5	19	9	15	18	66

Table 6 - Satisfaction with compensation (according to form of compensation and ethnicity)

Raw Data Source: Mäkinen and Luostarinen 1978

Unfortunately, the lack of experience in handling money became blatantly apparent shortly after the compensation had been awarded. Approximately 20 percent of the households lost or spent all of their compensation (Table 7). Other people found it difficult to purchase new land which could adequately replace that which was lost: in many instances the previous diversity of natural resources did not exist. As the problems of using monetary compensation became apparent, the level of satisfaction decreased. In retrospect, only thirteen households which had originally desired monetary compensation would request the same again if given another chance. Land is now considered a preferable form of compensation by twenty-seven households, and thirteen believe the combination of both land and money to be the most advantageous. Armed with a ten-year perspective, less than half of those who moved feel satisfied with the compensation they received (Table 6).

	Way Of Using Compensation									
Ethnicity	present land/hguse	present + investments	present - debts/spending	lost/ spent	no information	TOTAL				
Finnish -	4	1	, -	6	1	12				
Forest Sami Descendant	23	6	4	3	2	38				
Nomadic Reindeer Samı	2	2	2	5	2	10				
Mixed	2	1 م	5	1	-	6				
TOTAL	31	10	8	12	5	<u></u> 66				

Table 7 - Way of using compensation (according to ethnicity)

Raw Data Source: Mäkinen and Luostarinen 1978

Through the compensation procedure, most of the inhabitants of the Lokka area entered a period of rapid transition from a natural to a wage economy. For those who received replacement land, this transition was somewhat smoother. Similarly, those whose occupations had familiarized them with the monetary economy, were able to adapt to changes without much difficulty. These people were, however, the exceptions. For most households,

the economic transition which began with compensation presented bewildering experiences and demanded painful adaptations. Although physical needs for successful transition were satisfied, most of the population lacked the mental or emotional preparedness to make the required changes easily. The compensation process did little to overcome this handicap.

## Transition of the Local Socio-Economic Structure

The process of socio-economic transition which began with compensation procedures has become most clearly manifested in the transformation of local income structures. As the following discussion will illustrate, changes in local economic organization which ensued from reservoir construction, corresponded with the objectives of national policies for development throughout Lapland. Through increased involvement in the wage economy and the commencement of agricultural reorganization, the inhabitants of the Lokka area became more closely integrated with Finnish society as a whole.

<u>Decline of the natural economy</u>: For local economic integration into national structures to occur, the relative independence which the natural economy provides first had to decline. It is this type of decline which constituted the most important consequence of the Lokka reservoir project. To document declining involvement in the natural economy statistically, the following discussion will compare the situation prior to reservoir construction (ca. 1955) with that which existed ten years afterward (1978).

In the ten years since the Lokka reservoir was completed many of the inhabitants of this area have become eligible for old-age pensions. Inevitably, this fact makes it difficult to perceive changes in economic organization accurately, but it does not obfuscate the three most important indications of declining involvement in the natural economy. The first of these indications is a reduction in the amount of food which is self-produced (Table 8). Where over half of the population once derived over 50 percent of their food from their own farms, less than a quarter of these people do so now. In every household, this percentage has decreased.

Table  $\delta$  - Percentage of food derived from own farm, before (B), and after (A) reservoir construction (according to ethnicity)

					Pei	cen	tage	or	Food	Der1.	ved Fro	n Own	Farm*			
	1	-19	20.	-39	40-	-59	60-	79	80	-100	canno	t say	no info	rmation	TC	TAL
	В	A	В	_A	В	A	В	A	B	_ A	В	A	В	A	В	_ A
Finnish	2	-	-	1	-	1	7	-	-	-	1	10	2	-	12	12
Forest Sami Descendant	-	5	۱	2	11	1	19	1	-	-	3	26	4	3	38	38
Nomadic Reindeer Samı	-	3	-	1	3	-	3	-	۱	-	-	3	3	3	10	10
Mixed	-	-	-	1	2	1	3	-	1	-	-	4	-	-	6	6
TOTAL	2	8	1	5	16	ś	32	1	2	0	4	43	9	6	66	66

includes all food derived from nature

Raw Data Source: Mäkinen and Luostarinen 1978

As has been mentioned earlier, one main feature of the natural economy which previously characterized the Lokka area was the diversity of income sources. Accordingly, it must be expected that a drop in the number of income sources would indicate a weakening in the position of the natural economy. Tables 9 and 10 indicate that a significant reduction of this type did occur after the move which was required for reservoir construction. Once again, the increased number of pensioners must be acknowledged, but even within the twenty-one households which do not receive pensions, all but four experienced a reduction in the number of income sources.

# Table 9 - Number of income sources before and after reservoir construction (according to ethnicity)

										Nu	nber	or	Inco	me !	Sour	ces									
		on	e			tı	10			th	ee			fo	ur			fi	ve				TO	CAL	~
		ore		ter 1	Bef	`ore	n 1A 1	ter	Bef		Af n	ter \$	Bef		Aft	-	Bef	-	Aft n	-	NI.		ore	11	ter
Finnish	-	-	9	75	4	33	3	25	7	58	÷	-	1	8		-	-	-	-	-	0		99	_	10
Forest Sami Descendant	5	14	20	55	10	28	11	31	12	33	4	11	8	22	1	3	1	3	-	-	2	38	100	38	10
Nomadic Reindeer Sami	-	-	2	22	2	22	5	56	5	56	2	22	2	22	-	-	-	-	-	-	1	10	100	10	100
Mixed ,	-	-	4	67	-	-	-	-	4	67	2	33	2	33	-	-	-	-	÷	-	0	6	100	6	100
TOTAL	5	8 6	, 35	56	16	25	18	29	28	44	8	13	13	21	1	2	1	2	0	0	3	66	100	66	100

" no information,

Rav Data Source Mäkinen and Luostarinen 1978

	Y	E	thnicity		-
Degree Of Change	Finnish	Forest Sami Descendant	Nomadic Reindeer Sami	Mixed	TOTAL
increase of two		1	-		1
increase of one	-	` 1	-	-	1
no change	-	8	2	<b>`</b> 1	11
decrease of one	6	1,2	5	1	24
decrease of two	6	11	2	3	22
decrease of three	-	3	- \	1	ł,
no information	-	2	1	<u>\-</u>	3
TOTAL	12	38	10	6	66

#### Table 10 - Changes in the number of income sources (according to ethnicity)

Raw Data Source Makines and Luostarinen 1978

The third indication of the decline of the local natural economy is the change in proportional importance of income components (Fig. 16). For all ethnic groups, the economic importance of farming and hunting, fishing and gathering was reduced. Reindeer herding also experienced significant decline (<u>cf</u>. Aikio 1978, Järvikoski 1979, Lenstra 1973).<sup>17</sup> Excepting the "Mixed" segment of the population, marked decreases in this activity were universal: the Nomadic Reindeer Sami being the most harshly affected.

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Declining involvement in renewable resource based activities was paralleled by an increased dependence on mometary income. For all ethnic groups this was manifested in the rise of pensions, but among the Forest Sami Descendants and the Nomadic Reindeer Sami it also occurred through growing involvement in paid labour. Initially, work on the reservoir project provided almost half of the households with a source of mometary income (Table 11). However, over 50 percent of these jobs were in forest clearing and only 9 percent were in actual construction. More importantly, the average duration of employment was approximately ten months, with 50 percent of the jobs lasting for less than half a year.

While reservoir construction did not provide permanent wage employment, it did create a growing need for monetary income. This was particularly true for those who had given up farming and herding, but this tendency was also

			1	Numbe	r gł :	Jobs/	Household	
	0	1	2	3	4	5	no information	TOTAL
Finnish	7.	2	2	-	1	-	-	+ 12
Forest Sami Descendant	21	8	2	2	-	-	5	38
Nomadic Reindeer Sami	3	կ	-	1	-	1	1	10
Mixed	3	2	1	-	-	-	-	6
TOTAL	34	16	5	3	1	1	, 6	66

Raw Data Source Mäkinen and Luostarinen 1978

prevalent among those who had attempted to maintain their previous lifestyle. Where the diversity of income sources at the new dwelling place did not match that of the old, many people became increasingly dependent on shops. This implies a growth in income but in many instances this has not been the case (Järvikoski 1979:173). Thus, even those who have not abandoned renewable resource based activities have often been forced to seek a paying job.

Centralization and increased efficiency: The move away from a natural economy towards a wage economy advanced ongoing attempts of economic restructuring throughout Lapland. Increased involvement in paid labour was paralleled by growing centralization: the greatest opportunities for wage employment existed in rural service centers or larger towns and cities. For inhabitants of the Lokka area, the move toward centralization and increased efficiency was greatly accelerated by reservoir construction. One example of this was the rapid expansion of Vuotso's position as a designated rural service center (Fig. 17). Although this village had already achieved local prominence through inclusion in the national system of functional centers, its rold increased when it was selected as a resettlement area. The subsequent influx of people hastened, and lent credence to, the concentration of



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services and facilities in Vuotso.

In a similar way, reservoir construction facilitated agricultural restructuring. Although the loss of land through inundation made it impossible to enlarge existing farms, forced relocation offered the chance to establish larger and more profitable holdings in new settlement areas.<sup>18</sup> Restructuring efforts were also assisted by the rapid decline in the number of farmers. Of those households which have remained active in farming, average areas of waste and forest land have declined, but meadow area has remained constant while field area has increased (Table 12). Given the scale of environmental transformation these figures do indicate that a move towards greater agricultural efficiency was achieved through the reduction of active farmers and the expansion of farm size.

Table	12	-	Farm	size	befo	re	and	after	moving
			(acco	ording	g to	etl	nnic	ity)	

0		E	thnicity			
з	Finnish	Forest Sami Descendant	Nomadic Reindeer Sami	Mixed	TOTAL	1
Field Area - Before		*****		·· · · · · · · · · · · · · · · · · · ·	· _ · · · · · · · · · · · · · · · · · ·	
no. of farms with fields	10	31	9	4	54	
average size (hectares)	2.6	2.9	2.0	1.9	2.4	
total no. of hectares	25.7	88.9	18.4	7.6	140.6	
Field Area - After			•			<i>r</i>
no. of farms with fields	2	12	5	2	1 21	
average size (hectares)	6.5	3.7	8.0	5.0	5.8	
total no. of hectares	13.0	44.9	40.1	10.0	108.0	
Meadow Area ~ Before					,	
no. of farms with meadows	7	28	8	4	47	
average size (hectares)	9.5	12.9	8.4	6.8	9.4	
total no. of hectares	66.4	361.9	67.3	27.3	522.9	
Meadow Area - After						
no, of farms with meadows "	-	4	1	-	5	
average size (hectares)	-	7.7	11.0	- `	9.4	*
total no. of hectares	-	30.7	11.0	-	41.7	
Forest Area - Before					c .	
no. of farms with forests	-9	29	8	5	51	
average size (hectares)	148.3	152.8	61.1	55.2 A	104.4	
total mo. of hectares	1335.0	4432.0	489.0	276.00	6532.0	
Forest Area - After						
no. of farms with forests	2	12	8	3	25	
average size (hectares)	° 75.5	107.3	90.1	40.7	65.8	
total no. of hectares	151.0	1287.0	721.0	122.0	2281.0	
Waste Land - Before						
no. of farms with waste land	9	28	9	4	50	
average size (hectares)	143.2	198.0	(45.7	74.3	115.3	
Lotal no. of hectares	1289.0	5545.0	Å11.0	297.0	7542.0	
Waste Land - After	,	<i>)</i>				
no. of farms with waste land	2	12	6	1	21	
average size (hectares)	118.0	32.2	55.8	31.0	59.3	
total to. of hectares	236.0	Ø 386.0	335.0	31.0	988.0	

Raw Data State Mäkinen and Euostarinen 1978

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Another indication of increasing efficiency - and centralization - in agriculture is the change in the number of fields and meadows (Table 13). Prior to moving, thirty-one households had two or more of these land areas, but after the move this figure had diminished to three households. Further evidence of transformation in agriculture is provided by declining distances from dwelling places to cultivated land. Before moving 30 percent of the population with farm land travelled an average of one kilometer or less to reach it. Today, 82 percent of land owners live within this distance of their property.

Table	13	 Number	of	fields	and	meadows	before	and	after	moving
		(accord	iing	; to etl	nnic	ity)				

									Number	Of Fiel	ds An	dN	lead	lovs	•					
Sthnicity	Before									After										
	0	1	2	3	lą.	5	6	7+	no info.	TOTAL	0	۱	2	3	4	5	6	7+	no. info.	TOTAL
Finnish	1	3	1	1	1	1	-	-	4	12	9	2	-	-	-	-	-	-	1.	12
Forest Sami Descendant	3	4	5	7	4	3	•	-	12	38	24	9	2	-	1	-	-	-	2	38
Nomadic Reindeer Sami	-	3	-	-	-	1	-	2	4	10	4	4	-	-	-	-	-	-	2	10
Mixed	1	-	1	3	1	-	-	~	-	6	3	2	-	-	-	-	-	-	1	6
TOTAL	5	40	7	11	6	5	-	2	20 ,	66	40	17	2	0	1	0	ò	0	6	66

Raw Data Source Mäkinen and Luostarinen 1978

Through changes brought about by the Lokka reservoir project, the local population experienced rapid and extensive integration into national economic structures. The natural economy was largely supplanted by the wage economy of the capitalist system. In keeping with the needs of this system, centralization increased and agricultural production entered a period of reorganization. Unfortunately, the people of the Lokka area were largely unprepared to function effectively under these new conditions, and as has been shown earlier, Lapland was incapable of assisting or accommodating them. Transition in the local social structure: As the income structures of the Lokka area inhabitants were drawn into close alignment with those which predominated nationally, social structures began to change accordingly. For many households, the need or desire for increased involvement in the wage economy prompted a move to rural service centers or larger urban areas (Fig. 18). In most instances, this kind of move increased accessibility to neighbours and services, but it often did so at the expense of privacy and contact with the natural environment. It is also important to note, that while most of the population experienced an improvement in the quality of services, almost one third of these felt that such services had only become necessary after moving (Table 14). As changes ensuing from reservoir construction led to increased dependence on the wage economy, the need for commercially produced food and other social services also increased. In this way, economic integration effectively induced the social integration of many households into the type of society which characterized Finland at large.



Ethnicíty	Qual i	ty Of Serv	ices Be	fore H	Quality Of Services After Hoving						
	Good	Neutral	Poor	NI*	TOTAL	Good	Neutral	Poor	BI*	TOTAL	
Finnish	1	5	2	ų	12	5	2	1	4	12	
Forest Sami Descendant	1	14	16	7	38	26	5	ຂ່	5	38	
Momadic Reindeer Sami	2	3	3	2	10	י ז	-	1	5	10	
Mixed	1	1,	1	-	6	4	1	1	-	6	
TOTAL	5	26	22	13	66	42	8	5	11	66	

Table 14 - Quality of services before and after moving (according to ethnicity)

Raw Data Source: Mäkinen and Luostarinen 1978

For most of the Lokka inhabitants this transition was not easy. Feelings of alienation arose from difficulties in adjusting to a new dwelling place and/or lifestyle. In some instances problems focused on changes in livelihood, but in others, they were rooted in the sense of loss associated with separation from old friends, relatives and known environments. Several households were divided at the time of the move: a possible indication of differing aspirations but also of changes in the basic social unit. The individuality of wage labour or of highly mechanized farming was not conducive to the maintenance of extended families.

With the decision to construct the Lokka reservoir, inhabitants of the area were forced to undergo a rapid period of social and economic transition. The direction of this change was identical to that which occurred throughout Lapland, but its speed was much greater. This abruptness of transition combined with the general inability of the population to deal with such profound changes greatly magnified the negative repercussions of integration into national socio-economic structures. Today, many former inhabitants of the Lokka area have become well adjusted to their new situations, but this has not altered the feelings of mistrust which are harboured against the state. In other cases, the difficulties of adjustment have prevailed and the costs of unorganized northern development are being paid through government assistance. Although the Lokka reservoir was completed with minimal public resistance, the negative repercussions which it generated have aroused an awareness which promises to challenge future developments.

The questions of propriety surrounding the Lokka reservoir project are not simple. To much of the local population; the demand for sacrifice was unjustly placed entirely on them. They gave up their homes, left their friends and were often forced to adjust quickly to an alien socio-economic system. To the state and its hydro-electric company however, reservoir development was an essential undertaking which would benefit all of Finland. The population affected by the project was adequately compensated, some had obtained employment in construction and all would enjoy the easier provision of electricity.

In effect, these conflicting perceptions of the reservoir project epitomize the different values of two separate economic systems. The outcome of their interaction illustrates the priority of the need for capitalist. expansion. Through the Lokka development, these needs of capitalism were satisfied by expanding the wage economy, increasing centralization and efficiency, and by allowing for reorganization in agriculture. It is these changes which mark the demise of the natural economy and associated social structure which previously characterized both the Lokka area and Lapland.

# Economic Integration and Sami Cultural Transition in the Lokka Area

In discussing the impact of the Lokka reservoir project, dividing the population according to ethnicity has revealed two basic points. The first of these is that mergence in the components of Sami and Finnish income structures was well advanced prior to reservoir construction. If the proportional importance of income sources among the Finns and the Nomadic Reindeer Sami is compared, one finds that the former were more dependent on paid labour, and the latter on reindeer herding and hunting, fishing and gathering. Despite this difference of degree, however, both groups were dependent upon exactly the same combination of income sources. As an indication of earlier integration of this type, it is also interesting to examine the income composition of descendants from the Lokka area's original Sami population. The proportion of Forest Sami Descendants' reliance on various income sources was always between that of the Finns and the Nomadic Reindeer Sami. Again, the actual components of their income structures were identical to those of all other groups.

The second major point revealed by the preceding discussion is that the type of changes which occurred as a result of reservoir construction have made this mergence essentially complete. In other words, the degree of differing dependencies on various income sources has declined significantly. The income structures of all previous inhabitants of the Lokka area have now become almost identical in terms of both proportional importance and components.

For the Sami, the actual impact of the Lokks project differed little from that experienced by the rest of the population. Although they were

among the most remotely situated and the most reluctant to move, the Sami experienced the same compensation procedure as all other inhabitants. Similarly, everyone affected by the project was faced with a change in environment, economic transition and social upheaval.

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Despite these similarities however, the implications of such changes were very different for the Sami than for the remainder of the population. To the indigenous people, declining involvement in the natural economy, an increase in centralization and the reorganization of agriculture meant more than the disruption of a satisfying lifestyle. For the Sami, these changes also meant the loss of any remaining economic basis for cultural distinctiveness. It is this loss which marks the completion of economic integration and the culmination of cultural transition.

# NOTES: Chapter V

- 1. In fact the Lokka reservoir was built on Posoaapa, the largest solid peatbed in Scandinavia. This is considered somewhat ironic given the recent concern for the preservation of peat as an alternative energy source (<u>cf</u>. Asp and Järvikoski 1974:7).
- 2. Seasonal means are given for the coldest winter month of February and the warmest summer month of July.
- 3. According to Anderson (1958), the "communism" which characterized the "siid" system was primarily the result of hunting techniques rather than the product of underlying social principles. This idea is a reassertion of the tendency for the economic base to influence social organization, and thereby lends support to the contention that the mode of production is the formative base of culture.
- 4. This dominance was vividly manifested in 1779, when the use of Sami drums in Sweden-Finland became punishable by death (Siuruainen and Aikio 1977: 55).
- 5. This information comes from Havukkala (1964:10), who quotes from the work of Anderson (1914).
- 6. Once again, this information is provided in English in Havukkala (1964:10) who quotes from Wahlenberg (1904). It is interesting to note that difficulties in estimating the Sami population were likely caused by seasonal fluctuations associated with their migratory cycle.
- 7. This information is corroborated by statistics collected from Sodankylä's parish records. This material indicates that the tendency to hide ethnic identity was perpetuated well into the 1900s. In addition to persons changing their mother tongue between "census periods", there were numerous discrepancies in this regard within nuclear families.
- 8. Anders Johan Sjögren (1774-1855) was a historian who employed language, onomastics and ethnography to illuminate the ancient history of the Finnic Peoples. In June 1824, he began the five year journey which took him to the Sompio region and then through northern Finland to Norway and Russia (cf. Branch 1973).
- 9. In this way, the Swedish courts eliminated some of the ambiguity inherent in their simultaneous support for colonization and for Sami rights.
- 10. According to Asp and Järvikoski (1974:5), discharge during the worst floods was 45 times as great as during the driest periods.

- 11. Lake Kemijärvi was enlarged by damming in 1958. This was followed by the regulation of Olkkajärvi (lake), and then by the construction of the Lokka and Porttipahta man-made lakes in the late 1960s (Asp et al. 1981:2).
- 12. Social investment expenditures involve state financing of projects and services which can raise the rate of profit through increased labour productivity (<u>cf</u>. O'Connor 1973, <u>cf</u>. Holmes 1978:81-82).
- 13. It is worth noting that only the valuable timber was removed from the reservoir basin and that the rest was left standing. This has deprived the water body of any natural appearance and is generally considered a serious aesthetic flaw of the project.
- 14. This canal will be twenty-one kilometers long at its completion, and will connect Lokka reservoir with the Porttipahta man-made lake. Water from Lokka will be channeled through Porttipahta and discharged into the Kitinen River (Kemijoki Interviews 1980).
- 15. Other studies on the impact of the Lokka reservoir project include Asp and Järvikoski (1974); Asp <u>et al.</u> (1981); Järvikoski (1979).
- 16. It is likely that Havukkala (1964) has included these Forest Sami Descendants in the Finnish population, and that Asp (1966) has identified them as "Finnicized Sami".
- 17. As a result of reservoir construction, many reindeer paths and grazing areas were totally destroyed. Reindeer fled to other herding districts and a number of animals had to be slaughtered. According to Pekka Aikio (personal communication), the compensation received for these losses only covered those which were suffered in the first three years after reservoir construction: it did not come close to compensating the disruption of a viable renewable resource based livelihood.
- 18. This proved to be more difficult in practice than in theory because many people were reluctant to give up diversified economic activities for concentration on agriculture. Thus, even if new farms had the capacity to be more productive than the old, the people remained unsatisfied because new locations did not correspond to customary environments' (<u>cf</u>. Asp <u>et al</u>. 1981:24-25').

#### CHAPTER SIX

SUMMARY AND CONCLUSIONS

In the preceding pages, the relationship between economic integration and cultural transition has been examined from historical, theoretical and empirical perspectives. The historical analysis of this relationship established two basic points. First, that Finnish dominance over the Sami only materialized when the former became incorporated into the Swedish Empire at the end of the 10th century. This alliance generated social and economic distinctions within Finnish society and created new needs: needs which were met through penetration into Sami areas. Encroachments in the form of trade and taxation demanded changes in indigenous economic organization, which in turn, altered the culture's social structure. In this way, dominance - based on economics - instigated externally induced transition among the Finnish Sami.

The second basic point of Chapter Two, is that this type of dominance continued to be the central determinant of the course of Sami culture change. As Finnish society evolved, changing economic needs altered the manifestations of dominance over the Sami. Under mercantilism, the focus was on the expansion of trade, and the Sami were forced to extend subsistence production and participate in exchange. Under capitalism, land and labour became essential to Finnish economic growth. Accordingly, Sami land rights were supplanted, and as exploitation of the matural environment declined, participation in wage labour became necessary. Where earlier manifestations of

Finnish dominance had weakened the economic base of the Sami culture, those of the post-war period destroyed it. This development constitutes a climax in the process of cultural transition and therefore warrants more detailed examination.

Chapter Three contributed to this examination by introducing the characteristics and contradictions of the hegemonic system which has prevailed during the post-war era. Theoretical discussions of the internationalization of capitalism and of the state's role in this system, have illustrated the complex hierarchy of factors effecting Sami cultural transition. As Finland became dependently integrated into the world economy, international obligations placed restrictions on the management of internal development. This situation led to the expansion of the role of the state, but it also exacerbated the inherent contradictions of this role. The state became increasingly involved in the capitalist production process, but it was also responsible for alleviating the inequalities which this process generated. Attempts to reconcile these conflicting interests were hampered by the centrality of export performance to national economic stability. With the state unable to alter Finland's position in the international economy, it was forced to work within it. As a result, policies for national development were consistently subordinated to exigencies of the international situation.

The repercussions of this situation on Lapland and the Sami was the focus of Chapter Four. For Lapland, efforts to balance national needs with international obligations became manifest in development policies which undermined regional economic structures and induced peripheral integration into the national economy. This process began immediately after the Second World War, when Lapland was incorporated into policies for national stabili-

zation as an area of agricultural resettlement and as a supplier of materials for industrial production in the south.

Although Lapland retained this focus on primary production throughout the post-war era, the structures which supported it were weakened by subsequent attempts to maintain conditions conducive to capitalist expansion. To improve forestry's competitive position on the international market, timbering operations were rationalized, undermining Lapland's traditional income structure which combined small-scale farming with wage labour in forestry. The declining viability of Lapland's economy was intensified through field reservation schemes which reduced involvement in agriculture. When this led to problems of massive emigration, development policies were revised to reactivate support for agriculture and to create a centralized and efficient infrastructure in the north. Through such policies, conditions which could assist the regional expansion of capitalism were established, but this did not guarantee industrial development. Considerations of profitability discouraged industry from locating in the north and the region was left with a moribund economy which remained alienated from its highly efficient but essentially ineffective infrastructure. The entrenchment of economic marginality was paralleled by growing reliance on state expenditures: Lapland had become dependently integrated into the national economy.

As inhabitants of Lapland, the Sami were caught up in this integrative process. For them, however, changing economic organization implied more than regional impoverishment: it also meant the loss of a culturally distinctive production system. The supplantation of the natural economy by the wage economy severed the ties between Sami social organization and its formative economic base. The result was the demise of a distinct Sami culture: As the

second section of Chapter Four has shown, the efforts of the Sami movement to alter this course of cultural transition were largely futile. The primacy of the need for capitalist expansion, and the state's commitment to fulfilling this need, guaranteed that pre-capitalist production structures would be destroyed.

This reality is clearly illustrated by the Rase study presented in Chapter Five. In this chapter, basic elements of preceding historical and theoretical discussions were substantiated through application to one small region of central Lapland. Like Lapland in general, the Sompio area experienced a long history of inter-cultural contact and it was incorporated into post-war integrative processes. Unlike much of Lapland, however, local integration into national economic structures was achieved through a single development project rather than successive pieces of legislation. Through the creation of the Lokka reservoir, local involvement in the natural economy was reduced by the loss of reindeer grazing areas and farm land through inundation. The subsequent increase in dependence of the wage economy was accentuated by the prevalence of monetary compensation and the designation of Vuotso as a resettlement area. A decline in the number of farmers made it easier to incorporate those who wished to remain active in farming into restructuring programs. Similarly, greater involvement in the wage economy increased the demand for services, while the population growth in Vuotso lent support to the concentration of such amenities in this village.

The decision to construct the Lokka reservoir bore witness to the priority of capitalist expansion. Like the development policies which shaped it this project contributed to fulfilling the need for continuous capital accumulation. It did so, by providing power for industrial growth, but also by accelerating the local replacement of a pre-capitalist mode of production by that of the capitalist system.

For the Sami inhabitants of the Lokka area, the actual impact of reservoir construction was similar to that experienced by the rest of the population. Once again, however, the implications of changes brought about by the reservoir project had a special significance for the Sami. For them, the destruction of the local subsistence economy marked the completion of a long process of accdructuration: their culture was no longer vitalized by its formative economic base. Instead, remaining elements of Sami social organization became tenuously tied to the material base of Finnish society at large. Under these circumstances, the indigenous population can no longer be considered a distinct culture. Rather, they must be viewed as an ethnic minority existing within, dependent upon, and subservient to, the political and economic structures of Finland.

Given this situation, it must be concluded that the relationship between economic integration and cultural transition is an influential one. The process of economic integration directed the process of cultural transition, and the achievement of economic integration marked the demise of a distinctive Sami culture. This conclusion does not mean that the Sami have become Finns, but it does demand that the realities of indigenous integration into Finnish society be recognized. As an ethnic minority, the Finnish Sami possess a unique historical consciousness and identity, but this does not alter their dependence on Finnish economic and institutional structures. Given the complex hierarchy of factors which condition the present and future status of the Sami, it is unlikely that this dependence will change.

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This means that goals of cultural preservation must be replaced by those which focus on the more realistic prospect of maintaining ethnic identity. The distinctive mode of production which gave rise to the Sami culture has been destroyed and its reconstruction cannot, and will not, be allowed within the capitalist system. If this is acknowledged, attempts to improve the situation of the Finnish Sami may become more effective. Rather than pursuing the impossibility of economic self-reliance, efforts can be directed toward developing a strong ethnic identity and enhancing ethnic solidarity. This may be accomplished through ongoing attempts to expand language and education rights, and through the establishment of "all- Sami" economic concerns. Also, instead of expending energy in futile attempts to stop capitalist expansion, the Sami can contribute more constructively to plans for mitigating the negative impact of northern transition.

As this thesis has shown, the repercussions of economic integration on the Finnish Sami cannot be reversed. Efforts to advance the Sami cause must recognize indigenous dependence on national socio-economic structures and formulate objectives within the restrictions which it creates. If this can be done, the Sami will secure a stable position within Finnish society and contribute to improving conditions of human existence in the north.

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