

A photograph of a person in traditional clothing walking through a forest with autumn foliage. The person is wearing a yellow jacket and a dark hat, and is carrying a rifle. The forest has many trees with yellow and orange leaves, and the ground is covered in fallen leaves. The person is walking towards the right of the frame.

Oil Companies' Relations with Reindeer Herders and Hunters in Nogliki District, Northeastern Sakhalin Island

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By a twist of fate, Nogliksky District, in the northeast of Sakhalin Island, the Russian Far East, has ended up at the epicentre of significant multinational oil and gas developments. These are the offshore projects Sakhalin I and Sakhalin II, whose operators are Exxon Neftegas Ltd. and Sakhalin Energy (Shell) respectively.

Other Sakhalin offshore projects are still in the exploration phase. Another major oil company – BP – is planning to take part in Sakhalin V, together with Russian oil companies. This project is focused more on Nogliksky District's northern neighbour, Okhinsky District.

It is understandable that northern Sakhalin is experiencing quite a considerable impact from these projects. This impact is ecological, social - and ethnological, as northern Sakhalin is an area where indigenous peoples still carry out their traditional livelihood activities.



One of the greatest problems is the impact of the offshore projects on reindeer pastures and hunting grounds.

The main issues include the following:

1. Anxiety of wildlife due to increased human activity and technical equipment
2. Pipeline construction on reindeer pastures and calving grounds
3. Decline of commercial hunting
4. Increased accessibility of wild places

The most obvious negative impact is anxiety of wild reindeer and other animals due to the sharp increase in people and technical equipment brought into the area for construction work. The greatest impact has been on the Red Book species, wolverine and Black-billed Capercaillie. (N.B. Some other species actually thrive on their proximity to human activities).

According to observations, the wild reindeer population has decreased by 70-80% in Nogliksky District in the past year, due to pipeline construction between Piltun (northeastern Sakhalin) and the western coast. The reindeer have simply migrated away from the noise into other districts.



Another considerable impact is from the pipeline construction that is taking place on calving grounds and summer pastures of domestic reindeer, used for centuries by the indigenous Uilta, Orochi and Evenki.

This leads to increased contact between reindeer herders and oil company workers, and a reduction in the area that reindeer can use as pastures.

The reindeer herders do not want to change their traditional migration routes. This is not because they want to cause trouble for the projects, but because their reindeer have developed an 'instinct' over many years of using the same routes, which they do not want to disturb.

The projects have an impact on commercial hunting which is in decline – in fact it is close to disappearing altogether as a professional occupation. Invaluable experience, gathered over centuries, is being lost.

Professional hunters help with regular counts of animal populations. Today fewer population counts are carried out which has a negative impact on local ability to manage these populations. Control of brown bear populations helps to avoid tragic encounters between bears and humans.

Hunting was once an important part of indigenous people's livelihoods and culture, but today is unfortunately nearly lost.



Accessibility to 'wild places' has increased as the result of road construction for the projects. This leads to increased poaching of deer and fish, using cars. There is better access to spawning rivers, where large quantities of red caviare and salmon are poached; sometimes caviare is taken and the fish thrown away. In summer, better access means increased risk of forest fires. As a rule, Sakhalin forest fires tend to be the result of human activity during gathering, fishing and leisure activities.



The one positive aspect of the offshore oil and gas developments is the opportunities provided by the operating companies for promoting sustainable development of local communities. This is particularly true for indigenous herders, hunters and fishing enterprises, as the indigenous communities tend to get more attention from the oil companies.

Not everyone is able to make the most of sustainable development opportunities. Partly this is because local communities are not prepared for the major changes that are taking place, partly because of people's mentality (this is particularly true of the indigenous population), and partly due to lack of experience and skills in developing sustainable businesses.

Partly the fault lies with the operating companies. Some spend too much time on self-promotion and try to contact local communities via local administrative organs, who cannot or will not engage in sustainable development initiatives, and are often preoccupied with their own wellbeing.

Possible ways of reducing unavoidable negative impacts, during such global oil projects at this stage are more obvious. E.g., Ongoing contact and consultation with experienced and skilled representatives of the local population; multi-sided assessment of road and pipeline construction and construction schedules.

The following types of issue should be thought through and should be open to public comment:

- Regeneration work after construction (e.g., removal of temporary access roads in areas used as reindeer pastures and for cultivation)
- Management and monitoring of the work of contractors outside settlements in forests and on reindeer pastures, including foreign as well as Russian companies

Particular control is necessary particularly where Russian contractors and subcontractors are concerned. Close interaction is needed with district-, not oblast (regional)-, level nature protection agencies (e.g., hunting department, fisheries inspectorate). Other less conventional methods can be also suggested.



Interaction between project operators and local communities living in the districts where the offshore projects are located take place:

1. Through public consultations, as direct contact between representatives of a company and the local population.
2. Through the mass media
3. Through compensation for damages, sponsorship, small grants programmes
4. Through the interactions of contractors and subcontractors with the local population

Public consultations provide for direct contact between the company and the local population. Unfortunately these meetings are not always productive or well-attended. The main reason for this is companies' lack of preparation for the consultations.

Another reason is the lack of trust towards the project operators, which reflects an inadequacy of company public relations policy in communities located close to project sites.

Nonetheless, in my opinion, public awareness has considerable grown in recent years.

Local community relations are not helped when companies engage directly with local characters who are internationally well known, but not necessarily well-respected in their own local communities; or with NGOs and administrations that also do not command authority with the majority of the local population.

Sakhalin Energy carried out successful public meetings with reindeer herders close to Piltun Bay, on the summer pastures. In general this was a very productive meeting, despite the fact that the company deferred to the local administration on several matters. The reindeer herders and the company now understand each other better.



It is no secret that the volume of compensation already paid by oil companies for damage to, for example, reindeer pastures, is considerable, but paradoxically the results are not felt by the reindeer herders and their families. A similar picture emerges in other areas.

Partly this is because the companies are bound to carry out payment of compensation through local administrations which in turn may not use these funds in the way they were meant to be used. There are other cases of misuse of compensation money by organisations and individuals.

Sponsorship and grant programmes generally focus on promotional projects. The obvious aim is to build positive public opinion. And frequently decisions on what to finance are made together with the administration. (Perhaps sometime there will be an honest administration.) Very little attention is paid to sustainable development which is very important now, as long term sponsorship and financial compensation is not going to happen.

BP has taken the risk of working directly with their sponsorship-recipient organisations, without working through the administration and has monitored the sponsorship money closely. They have provided valuable support to the Native Cultural Autonomous Organisation 'Chamgun'. At this stage this organisation has had good results with the help of BP and has carried out several successful projects. This is a mutually beneficial collaboration.





A very important aspect of company-community relations is the interaction between project contractors and subcontractors and the local population.

Public opinion about the operating companies is formed through these relations. Local people often get the Sakhalin I and Sakhalin II projects and the companies Exxon and Sakhalin Energy mixed up, and do not distinguish between the activities of Exxon and Sakhalin Energy.

On the one hand, the local population has more job opportunities (even if it might not be the jobs they would wish to do) and an increase in their material wellbeing (this may be temporary).

On the other hand, the gap between those working with the projects (and therefore better off) and those who are not is widening. Local people are concerned about beaten up roads, increased crime, increased traffic accidents, increased poaching (due to greater demand for salmon and caviare) and so on.

It is therefore worth paying more attention to the activities of the contractors and subcontractors, and their interactions with local populations. Everything positive or negative is a reflection first and foremost on the operating company.

