Greenland Case study design:

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Map source: [https://www.nationsonline.org/oneworld/map/greenland_map2.htm](https://www.nationsonline.org/oneworld/map/greenland_map2.htm)
1. Introduction
   
a. Geographically, Greenland is part of the North American continent; politically by way of Denmark, it is part of Europe. Greenlandic history and identity is shaped by its struggle for sovereignty. Greenland is the world’s largest island inhabited a millennia before the arrival of the first Europeans.\(^1\) Occupied by Vikings in the tenth century and made a Norwegian territory, it became officially Danish after the Treaty of Kiel following the Napoleonic wars.\(^2\) The native Greenlandic Inuit independence movement took shape in the 1970s with Home Rule achieved in 1979.\(^3\) Political aspirations for full independence from Denmark continue to gain momentum.

b. Greenland is home to 56,672 people according to 2019 estimates and with its expansive land mass, it has the smallest population density in the world.\(^4\)

c. Physically, Greenland is an important research location to monitor climate change and its impacts. Glacier runoff has resulted in an annual ice mass loss since 1998, with the rate increasing six times since the1980s.\(^5\) The unprecedented transformations will have a global effect, including long-term sea level rise.

d. Climate change increased access and interest of non-Arctic states to the region creating new opportunities for Greenland’s statehood aspirations. Greenland’s ambition for full independence from Denmark relies on strengthening its economic and political position.

e. Greenland’s political position depends on economic development to replace grants from Denmark. Greenland is therefore motivated to attract investment to extract and sell natural resources to attain economic independence allowing for political independence.

f. Realistically, for Greenland to achieve the self-sufficiency necessary to cover social expenses and state services, it would require agreements with foreign actors such as China and the EU, to materialize into tangible projects or for a real ‘Arctic scramble’\(^6\) to bring new foreign investment. In any case, it will take years to build the infrastructure and for enterprises to become operational.


\(^2\) Kristensen and Rahbek-Clemmensen, 4.


\(^6\) ‘Arctic scramble’ refers to the ‘scramble for Africa’ in the sense of an emerging region of the world attracting global powers to exploit natural resources.
g. Inuit identity is a key component of Greenlandic identity. Sometimes mobilized for nationalistic purposes and other times downplayed by those promoting the emergence of a modern nation-state. There is an internal social debate concerning the decline of traditional livelihoods amidst ever-present modern alternatives. The narrative of suppressed Inuit culture clashes with expectations for modern conveniences and social support.\(^7\)

h. This case study will consider not only economic and political opportunities and outcomes in Greenland, but also the environmental impact, security and the social impact.

2. Environmental impact
   a. Predictions are that by the 2030s the Arctic will be ice free in summer, which is expected to increase the rate of global warming. Further effects are melting permafrost destabilizing infrastructure while releasing possible toxins and trapped carbon gases which will further accelerate warming.\(^8\)
   b. Greenland became a political focus for climate change observation in 2007. The German Chancellor, the Italian Prime Minister, and the EU Commissioner were some of the visitors to Greenland to observe the effects of climate change in person following the G8 Summit in June 2007.\(^9\)
   c. Greenland’s icecap is a key location for climate researchers to measure the rate and effects of climate change. Because of this, Greenland is an important element of Denmark’s climate diplomacy visible prior to and at the Copenhagen Climate Change Summit held in 2009.\(^10\)
   d. Greenland is experiencing glacial melt at an exponential rate which has an effect globally. The ice is melting from the ground below and the exposed ice above. A recent study found that the Greenland Ice Sheet added a quarter inch of water to global sea levels in the past eight years.\(^11\)
   e. The 2018 study can now compare ice levels in Greenland since 1972. The comprehensive study evaluates ice thickness, surface elevation, velocity and the


surface mass balance of 260 glaciers. It found that the largest ice mass loss comes from tidewater glaciers, and the northern glaciers will likely have the greatest impact on sea level rise.

f. Mining and drilling in the Arctic region bring other environmental risks. Uranium mining requires technical expertise to comply with international standards and could have negative consequences on hunting and fishing in Greenland.

i. Due to fishing agreements with the EU, Greenland must comply with EU sustainability standards while it opens its waters to EU vessels in exchange for generous development funding.

g. Off-shore oil and natural gas drilling brings the risks of spills and leaks that would have an even greater impact in the Arctic. An oil spill in the Arctic is more difficult to clean and takes longer to dissipate when oil becomes trapped in ice.

3. Political aspirations

a. In 1972 the Kingdom of Denmark voted to join the EU, yet the decision was opposed by 70% of Greenlandic voters and led to the creation of the Home Rule commission in 1975. The vote represented a political awakening for Greenland towards future secession.

b. Greenland demanded Home Rule using the Faroes Islands as a precedent. The Greenland Home Rule Act (1979) gave legislative and executive power to Greenland for fishing and trade.

c. In a 1982 referendum, 53% of Greenlanders voted to leave the EC resulting in withdrawal in 1985 and the signing of the Greenland Treaty with a special status for Greenland as an Overseas Territory (OCT) within the EU.

d. The Subcommittee on Foreign and Security Policy of the unilateral Greenlandic commission led to the revised 2009 Self-Government Act. The Self-Government

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12 Mouginot et al., 9239.
13 Mouginot et al., 9243.
18 Jacobsen and Gad, 17.
21 Jacobsen and Gad, 13.
Act gave Greenland jurisdiction over mineral resources and the ability to manage economic resources independently.

i. However, the 2009 Mineral Resources Law included a stipulation to pay Denmark 50% of all resource revenues beyond the first 11.46 million USD (75 million DKK) to offset the Danish block grant.

e. In 2014, the Greenlandic Government put forward a political agenda for independence, but it lacks a time frame and economic and security plan.

f. Greenland’s ambitions are held back by its economic dependence on Denmark. Denmark provides 470 million euro in economic aid per year amounting to 40% of Greenland’s GDP (as of 2017).

g. Denmark continues to manage diplomacy and international relations for Greenland, excepting issues that concern solely Greenland. Greenland does put pressure on Denmark when it feels misrepresented and Denmark is sensitive to such pressure.

i. For example, Denmark made a territorial claim acquiescing to Greenland’s demands, to extend the EEZ of Greenland’s continental shelf all the way to the North Pole and the Russian EEZ.

4. Economic situation

a. Colonialization in the eighteenth century introduced a formal economy to Greenland based on seal hunting and whaling. By the 1920s fishing became the dominant industry. After WWII, Denmark invested in a modernization project with the first public power station in Nuuk in 1949. The Danish modernization process featured oil for energy development. Greenland started exploring hydropower in 1981 and gradually expanded its use so that by 2012, 70 percent of Greenland’s energy came from hydropower.

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28 Bertelsen and Hansen, 123.
b. Greenland’s natural resources include fish, ore, rare earth elements (REEs), uranium, rubies, diamonds, offshore and onshore hydrocarbons.\textsuperscript{29}

c. The map below shows Greenland’s natural resources and licenses.\textsuperscript{30}

d. Economic estimates show that by 2040 economic aid from Denmark will not be enough to cover public expenses.\textsuperscript{31} Since obtaining Home Rule and control over resources, Greenland has looked for foreign investment to achieve economic independence.

i. Greenland’s economic development strategy still depends on the development of a mining industry.\textsuperscript{32}

ii. Greenland uses general legislation to be flexible in licensing and invite foreign investment.\textsuperscript{33}

\textsuperscript{29} Pelaudeix, “EU-Greenland relations and sustainable development in the Arctic,” 309.

\textsuperscript{30} Map source: \url{https://www.theguardian.com/environment/2012/jul/31/europe-greenland-natural-resources}

\textsuperscript{31} Pelaudeix, 2017, 118.


\textsuperscript{33} Pelaudeix, 2017, 118.
e. Greenland sought Chinese financing and engineering for mining. After the global recession, they were the only major investor in major mining projects overseas.  

i. The mining project that was proposed would require foreign labor during the construction phase, a politically sensitive topic for Greenland.

ii. In 2012, the Government of Greenland passed legislation for foreign companies to contract foreign workers on collective agreements for mineral and hydropower projects exceeding DKK 5 billion (760 million USD in 2016) arousing controversy in Greenland and Denmark.

iii. In response to the controversy, London Mining published a plan in 2013 that they would train Greenlandic workers so that they could represent 55% of the workforce however, a deal was not reached.

f. The 2009 Mineral Resources Law included an agreement to pay Denmark 50% of all resource revenues beyond the first 11.46 million US (75 million DKK) to offset the Danish block grant.

g. 90% of Greenland’s exports are fish. The economy lacks diversification and is vulnerable to price fluctuations. Japan is Greenland’s most important seafood export market outside the EU.

h. Economic relations between Greenland and the EU:

i. EU is Greenland’s main trade partner representing 92.7% of exports. The EU buys fishing quotas with development funding primarily allotted to education.

ii. The Greenland-EU fisheries agreement between 1985 and 2006 provided 42.8 million euros per year for opening Greenlandic waters to the EU fleet.

iii. The EU became increasingly interested in Greenland’s mineral resources during the period when prices spiked on the world market, reflected in the EP Resolution 2011 that has an increased focus on Greenland and its resources.

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34 Foley, 102.
35 Foley, 102.
36 Foley, 102.
37 Foley, 101.
40 Jacobsen and Gad, 19.
41 Pelaudeix, 2017, 308-309.
42 Pelaudeix, 2017, 311.
iv. Article 1 of the 2014-2020 Partnership Agreement between Greenland, the EU and Denmark acknowledges the geo-strategic position of Greenland, and interest in the exploration and the exploitation of natural resources.\textsuperscript{43}

v. Former Liberal Party Finance Minister Claus Frederiksen issued a proposal in 2013 for a Danish fund that would promote Nordic and European investment in Greenland’s mining sector and prevent non-European investment in Greenland for mining.\textsuperscript{44}

i. In Greenland, oil exploration started in 1975. There are currently 15 wells drilled, and the Greenlandic government continues exploration.\textsuperscript{45} Despite promising leads in foreign investment for offshore oil, low oil and gas prices cancelled several plans for further exploratory drilling.

j. REEs are 17 elements with lanthanides, scandium and yttrium essential for new technologies (solar panels, wind turbines, smartphones, hybrid cars and smart weapons).\textsuperscript{46} Greenland has an estimated 9\% of global REE reserves.\textsuperscript{47} REEs in the Kvanefjeld deposit south of Greenland are bound to uranium which would have to also be extracted to exploit.\textsuperscript{48}

k. Since 2014 uranium mining is a legal possibility, however it demands technical expertise, equipment and environmental protections that are not currently in place. China no longer has a monopoly on REEs and the price on the world market is down, so actual mining operations remain possibilities only on paper agreements. The tide would turn if any of the following occur:

   i. The demand for Greenland’s mineral resources increases to the point of covering the cost of infrastructure and extraction.

   ii. If the price of petroleum rises, and Greenland taps into a major off-shore oil or gas reserve.

   iii. Arctic shipping increases and Greenland profits from transit fees.

l. Chinese interests in Greenland are manifold:

   i. Science and research are the enduring stated purpose for Chinese interest throughout the Arctic, to include Greenland.\textsuperscript{49} In 2016, China signed a Memorandum of Understanding (MoU) with Greenland on scientific cooperation, this included closer collaboration on Arctic research.

\textsuperscript{43} Pelaudeix, 2017, 311.
\textsuperscript{44} Foley, 107-108.
\textsuperscript{45} Pelaudeix, 2018, 110.
\textsuperscript{46} P. Whitney Lackenbauer, Adam Lajeunesse, James Manicom, and Frédéric Lasserre, China’s Arctic Ambitions and What They Mean for Canada, University of Calgary Press: Calgary, 2018, 111-112.
\textsuperscript{47} Pelaudeix, 2017, 311.
\textsuperscript{48} Pelaudeix, 2017, 316.
mentioning establishing a Chinese research station in Greenland and exchanging students and researchers.

ii. China also started tourism promotion to visit Greenland.50

iii. The Chinese are interested in potentially investing in mining. In 2016, Shenghe Resources established a strategic partnership with Greenland Minerals and Energy with a mining project (potentially REEs, uranium and zinc).51 In 2016, Shenghe Mining purchased 12.5% of Greenland Minerals and Energy Limited with the option to acquire up to 60% in the future.52

iv. Additionally, Ironbark (an Australian mining company) signed a non-binding MoU with a Chinese company (China Non-Ferrous Mining Group (NFC)) to construct and finance the in Citronen Zinc Project Greenland.53

v. Chinese General Nice Group business conglomerate took over London Mining Greenland in December 2014 with exploration rights at Isua iron mine, north of Nuuk.54

vi. Greenland signed two Memoranda of Agreement (MoAs) with a Chinese company for a REE project in southern Greenland. The downstream separation of REEs would occur at a separation facility under construction in China.55

vii. In 2016, a Chinese government-owned company tried to buy an abandoned naval base in Greenland after which Denmark stationed four sailors to discourage Chinese interest.56 There is no recent reporting of renewed Chinese interests, or economic developments in Greenland.

m. South Korea is another Asian actor with increasing interest and presence in the Arctic for resources and shipping opportunities. In 2012 South Korean President Lee Myung-Bak visited Greenland and signed two Memoranda of Understanding (MoU) related to resource development.57

n. Greenland’s internal economic development challenges:


51 Sørensen, 84.

52 Lackenbauer et al., 112.

53 Sørensen, 87.

54 Sørensen, 88.

55 Foley, 104.


57 Foley, 104.
i. Greenland’s harsh climate and long distances between settlements creates infrastructural and logistical challenges for developers.

ii. Establishing the safeguards necessary to protect the environment while also trying to foster an attractive investment climate.

iii. The government of Greenland faces serious administrative bottlenecks when dealing with large, complex projects. 58

iv. Neutral NGOs have expressed concerns about the lack of transparency in Greenland’s political decision-making process. 59

v. The complex and changing constitutional set-up between Denmark and Greenland can be confusing to third party investors. China is hesitant to pursue more involvement with Greenland because of the difficulty dealing with the complex relationship between Denmark and Greenland. 60

vi. Greenlandic politicians questioned the legitimacy of the repeal of the uranium ban in 2013 because: 61
   1. The expert report appeared late
   2. The law passed by a narrow majority without passing through parliamentary committees
   3. It may have violated indigenous inclusion rights under international conventions
   4. Uranium experts doubted that Greenlandic administration was ready to manage uranium mining according to international safety standards

5. Greenlandic Foreign Relations
   a. The relationship with Denmark:
      i. Since 2008, Denmark is more invested in the Arctic termed in the literature as the ‘Arctic turn’. Denmark’s Arctic focus was apparent by its initiation of the Ilulissat Declaration in 2009 which boldly asserted the rights of the Arctic 5 (Arctic states bordering the Arctic Ocean) over the previously recognized Arctic 8 (hence excluding Iceland, Sweden and Finland). 62
      ii. Denmark is respectful of Greenlandic demands, yet it also does not want to lose its position in Arctic affairs.

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58 Boersma and Foley, vi.

59 Boersma and Foley, vii.

60 Sørensen, 94.


iii. Greenland is critical of Danish involvement in Arctic affairs, and blames Denmark for scandals related to the US base.63

iv. Denmark rejects Greenland’s decision to repeal the uranium ban for possible future mining.64

v. Greenland pushes for equal representation with Denmark at Arctic fora and events. Greenland’s Premier boycotted Arctic Council meetings in 2013 because Greenland was not considered a separate delegation.65

vi. Greenland is dependent on Denmark for all security and defense, including search and rescue (SAR) and external military protection.
   1. Denmark’s 1st naval squadron provides for search and rescue, maritime law enforcement, security, sovereignty enforcement, fisheries inspections and environmental protection.66
   2. The Danish Navy has four inspection ships built to operate along the coast of Greenland for SAR and crisis response, with light ice-breaking capabilities and two offshore patrol vessels strengthened with an ice breaker stem.67

b. Relations with the EU:
   i. The EU is Greenland’s primary trade partner. The EU pays Greenland for access to its fisheries with generous financial packages used for social development.68

   ii. Greenland remains part of EU Overseas Countries and Territories (OCT), and Greenlandic citizens are likewise considered EU citizens. The actions of Greenland’s government indicate that if presented with an alternative enabling independence it would give up its OCT benefits and forge new external partnerships.

   iii. Greenland does diverge from the EU politically and will put its economic interests (for future secession) above EU interests. It asserted its neutrality when rejecting the EU requests to stop Chinese REE investment.69

   iv. Greenland opposes certain sustainable development constraints, particularly the former seal hunting ban.70

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64 Kristensen and Rahbek-Clemmensen, 43.

65 Gerhardt, 120.


67 Østhanagen, 15.

68 Jacobsen and Gad, 19.

69 Lackenbauer et al., 111-112.

70 Jacobsen and Gad, 19.
v. Another point of contention is the repeal of the uranium ban which is counter to EU agreements, although the EURATOM Treaty does not apply to Greenland.  

Relations with the US:

i. Greenlandic politicians have mixed opinions on the future of US relations. There is discontent with the lack of US investment and frustration with the presence of Thule Air base without remuneration.

ii. The past incidents with the US that are causes for distrust:
   1. the forced relocation of inhabitants at the establishment of Thule Air Base in 1953
   2. the crash of a plane with nuclear bombs in 1968
   3. a suspected rendition flight over Greenland in the 2000s

iii. Greenland, Denmark and the US formed a Joint Committee because Greenland preferred direct communication with the US due to their presence on the subcontinent. It was supposed to coordinate deeper economic cooperation however, the lack of materializing investments from the US disappointed Greenland.

iv. Denmark is highly compliant with US requests likely due to the NATO partnership. An independent Greenland would likely be less accommodating to US interests.

v. Greenlandic politicians are critical of Denmark’s relationship with the US, expecting NATO concessions.

vi. Greenlandic politicians shift blame to Denmark for having allowed the US to set up Thule, and even hold Denmark responsible for accidents and the outrage over the suspected rendition flight.

d. Greenlandic relations with China:

i. Relations with China are mostly centered on economic prospects.

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71 Pelaudeix, 2017, 316.
73 Kristensen and Rahbek-Clemmensen, 5.
74 Olesen, 70.
75 Olesen, 72.
76 Olesen, 72-77.
77 Olesen, 74.
78 Olesen, 70-75.
ii. China is interested in investing in Greenland’s REE deposits and minerals, if the expense of mining in the austere environment should become profitable.\textsuperscript{79}

iii. China has exploration rights for iron mining north of the capital and a non-binding agreement to for the Citronen Zinc Project in Greenland.\textsuperscript{80}

iv. China has a partnership with Greenland for scientific cooperation and has also started tourism promotion to visit Greenland.\textsuperscript{81}

v. Establishing strong bilateral relations with Arctic states is part of China’s Arctic strategy to gradually increase its presence and influence. However, China is hesitant to put itself between Denmark and Greenland.\textsuperscript{82} It can be expected that China would strengthen its partnership with a newly independent state of Greenland.

6. Security
a. Greenland relies on Denmark for security needs such as search and rescue, Coast Guard and maritime protection.\textsuperscript{83}

b. The necessity of security functions and lack of current capacity may cause the longest delay for Greenland to achieve independence.

c. An additional security aspect would come into play if Greenland does mine and sell uranium.
   i. Greenland is politically neutral and already overturned the uranium ban.\textsuperscript{84}
   ii. They are not signatories to EURATOM and have the possibility and political will to sell uranium, which may become a future concern if not explicitly for energy development.

7. Inuit identity and social concerns
a. According to some accounts, the motivation to pursue independence started with the resurrection of Inuit Greenlandic nationalism.\textsuperscript{85}

b. Greenland finds itself in a contradicting position, actively seeking to exploit natural resources which threaten the traditional livelihoods of native communities that it claims to represent.\textsuperscript{86}

\textsuperscript{79} Boersma and Foley, viii.

\textsuperscript{80} Sørensen, 87.

\textsuperscript{81} Sørensen, 84.

\textsuperscript{82} Sørensen, 94.


\textsuperscript{84} Kristensen and Rahbek-Clemmensen, 42.

\textsuperscript{85} Jacobsen and Gad, 13.

\textsuperscript{86} Gerhardt, 121.
c. Greenland advances its political position using the Inuit Circumpolar Council and The UN Permanent Forum on Indigenous Issues (UNPFII) and UN Expert Mechanism on the Rights of Indigenous People (EMRIP) for an international voice.\textsuperscript{87}

i. There are some complaints that Greenlandic politicians use the ICC to their own political benefit, recognizing a contradiction between ICC values of shared territory and Greenlandic attempts at national sovereignty.

ii. In response, moderate Greenlandic parties Atassut and Demokraatit are reluctant to define their political projects in ethnic terms.\textsuperscript{88}

iii. Greenland only appeals to Inuit rights in situations where it is not represented as a separate entity.

1. This strategy is strained when Greenland’s political interests diverge from Inuit interests.

2. For example, the ICC was excluded from the Ilulissat deliberations hosted in Greenland.\textsuperscript{89}

iv. It is likely that if Greenland becomes sovereign it will strengthen its geostrategic position ahead of protecting Inuit lands because that is the approach it is taking currently.

8. Conclusion

a. Greenland’s future political status relies on its economic situation. If Greenland can develop a sustainable financial plan using its resources or foreign investments, then perhaps independence could occur but not in the near future.

b. Greenland’s independence also relies on its security competencies. If Greenland cannot abide by international standards for SAR and crisis response, then it cannot claim full independence.

c. Greenlanders have grown accustomed to a socialized system with generous citizen benefits, it is unlikely that Greenlandic politicians would cut those programs in order to economize to support independence. Although all political parties support eventual independence, they do not agree on a plan nor timeline.

d. Greenland has its doors open to any willing international economic partner. Although it does have to respect international and EU sustainability and environmental agreements, Greenland is open to allowing Chinese and other potential Asian partners to mine. A potential struggle between environmentalists, Inuit leaders and politicians may occur in the future if mining mineral resources or if off-shore oil become feasible.

\textsuperscript{87} Jacobsen and Gad, 13.

\textsuperscript{88} Jacobsen and Gad, 14.

\textsuperscript{89} Gerhardt, 115.
e. An independent Greenland would likely remain politically neutral, and may not
become party to NATO which could become a cause for concern for the US and
Denmark.

f. If independent, Greenland may extend its support to other national Inuit
communities in an appeal for leadership of Arctic indigenous peoples that would
also strengthen its position politically at international fora.