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**Research Report**

## Greenland's project independence: Ambitions and prospects after 300 Years with the Kingdom of Denmark

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# SWP Comment

NO. 10 JANUARY 2021

## Greenland's Project Independence

**Ambitions and Prospects after 300 Years with the Kingdom of Denmark**

*Michael Paul*

**An important anniversary is coming up in the Kingdom of Denmark: 12 May 2021 marks exactly three hundred years since the Protestant preacher Hans Egede set sail, with the blessing of the Danish monarch, to missionise the island of Greenland. For some Greenlanders that date symbolises the end of their autonomy: not a date to celebrate but an occasion to declare independence from Denmark, after becoming an autonomous territory in 2009. Just as controversial as Egede's statue in the capital Nuuk was US President Donald Trump's offer to purchase the island from Denmark. His arrogance angered Greenlanders, but also unsettled them by exposing the shaky foundations of their independence ambitions. In the absence of governmental and economic preconditions, leaving the Realm of the Danish Crown would appear to be a decidedly long-term option. But an ambitious new prime minister in Nuuk could boost the independence process in 2021.**

Only one political current in Greenland, the populist Partii Naleraq of former Prime Minister Hans Enoksen, would like to declare independence imminently – on National Day (21 June) 2021, the anniversary of the granting of self-government within Denmark in 2009. Most of the population would prefer to see a more gradual process of separation. Greenland does not yet appear ready for independence. That opinion is shared by Kuupik Kleist, the first prime minister from the Inuit Ataqatigiit party, who led the territory into self-government in 2009. Kleist notes that Denmark only wanted to retain control over foreign and security policy, and Greenlanders have long had the opportunity to take control of all internal affairs, from policing and jus-

tice to finances. "In the Law on Self-Government the Danes granted us the right to take over thirty-two sovereign responsibilities. And in ten years we have taken on just one of them, oversight over resources." Many people just like to talk about independence, he says, but not to work for it. Kleist fears that the next generation will remain trapped in a mindset of dependency.

Kim Kielsen, prime minister since 2014, underlines the long-term goal of independence. Significant electoral losses in 2018 notwithstanding, the governing Siumut party's victory and his re-election were regarded as affirmation of the political leadership's cautious course in the independence process. The main reason cited for restraint is the island's financial dependency. Kielsen



sees strengthening the economy and further reducing its reliance on Denmark as the central concern. But on 29 November 2020 he lost the Siumut (“Forwards”) leadership to Erik Jensen. Jensen intends to campaign more energetically for independence and is also likely to replace Kielsen as prime minister when parliament reconvenes for its first session of 2021.

Achieving Greenlandic statehood is a tricky process. But national borders in the Arctic also transect the transnational settlement areas of indigenous populations. The Inuit Circumpolar Council (ICC) for example represents groups in Alaska, Canada, Greenland and Chukotka. Greenland’s population is 56,081 (as of 1 January 2020), almost 90 percent of whom are Inuit. Greenland’s self-government is thus part of the transnational Inuit community, while at the same time Greenland is striving to become a state in the traditional sense with full formal – and thus also foreign policy – sovereignty. The latter is an important factor for Nuuk, because enhanced international status is associated with the ability to attract external investment. Copenhagen has to tolerate this ambivalent stance, while at the same time attempting to influence the separation process. Much will therefore depend on whether and how the conflicts of goals on both sides can be resolved.

## Infrastructure and Foreign Policy

Danish Prime Minister Lars Løkke Rasmussen visited Greenland’s capital in person in September 2018, to present a financial package to expand the airports at Nuuk and Ilulissat and otherwise promote the domestic economy. Rasmussen hoped to resolve two problems simultaneously, i.e. providing Nuuk with the funding required for these projects and allaying Washington’s fears that excessive Chinese investment could leave Greenland overly dependent on Beijing.

Greenland has no railways, few roads, and currently only one international airport at which wide-body jets from Asia,

Europe and North America can dependably land, namely Kangerlussuaq. Rather than repairing damage to the runway there caused by thawing permafrost, Greenland’s government plans instead to extend the runways at the two regional airports – near Nuuk and at the attractive coastal tourist destination of Ilulissat – to allow international flights to land there from 2023. Qaqortoq in southern Greenland, which like most of the territory’s airstrips currently handles only helicopters, is also to be turned into a regional airport.

This unspectacular airport project is a highly sensitive matter in several respects: domestically as an important step towards the economic development required for independence; externally as a warning sign of impending dependency on China; and in terms of security as a symbol of defence cooperation with the United States. While Copenhagen naturally wants to retain Greenland in the Danish realm, it must also fund the territory’s steps towards independence. Denying assistance would cost Denmark the support of Greenland’s population, and ultimately its geopolitical status as an Arctic state. The issues are broader than simply promoting and developing elements of Greenlandic statehood. Denmark needs to find ways of dealing with its intractable security dilemma: it cannot preserve the island’s sovereignty on its own – but ceding effective control to the United States would be the end of Denmark as Arctic state. The latter appears particularly unpalatable at a juncture where great power rivalry in the region is growing and the security situation deteriorating.

As a major infrastructure project, the airport projects fall under the auspices of the regional government, which controls most aspects of political and economic life under the Act on Greenland Self-Government of 2009. Copenhagen retains control only over foreign and security policy – and regarded the project as security-relevant. The issue of concern was the China Communications Construction Company (CCCC), which appeared on the Greenland International Airports shortlist of possible partners

## Map



for financing and building the airports. CCCC is involved in Belt and Road projects through which Beijing seeks to expand its global influence. Denmark fears that Chinese engagement could endanger its Greenland-related defence cooperation with the United States. Earlier, in 2016, Copenhagen blocked an attempt by the Chinese General Nice Group to acquire the former US naval base in Grønneidal, following an intervention by Washington.

The Greenland government sees the airports as a question of infrastructure rather than security. Economic diversification and investments are vital if they are to achieve independence. While Nuuk possesses the right to independence under the autonomy agreement, it cannot yet afford to exercise it. Denmark funds almost half of Greenland's public budget, through an annual block grant of almost €500 million; that would cease in the event of independence. There is no prospect of revenues from fish-

ing — which represents about 95 percent of Greenland's exports — and tourism making up the shortfall. But resource extraction could do so. Greenland's reserves of rare earths, which are vital for a range of high-tech applications, are sufficient to meet current global demand for 150 years. The island also possesses metal ores and hydrocarbon deposits.

Although external investment is vital for independence, Nuuk wishes to avoid excessive dependency on foreign firms. A government strategy document seeks to improve conditions for mining companies while maximising socio-economic benefits for the population.

When tourists and investors land at the new airports in a few years time, the revenues and capital they bring could help to realise independence. But numerous obstacles remain to be overcome. For example resource extraction is a responsibility of the Greenland government, but where uranium

is involved there are implications for the Kingdom as a whole. Uranium mining and Chinese investment raise fundamental questions over what “security” means in and for Denmark, and thus touch on Copenhagen’s residual rights. Copenhagen finds itself in the tricky position of having to balance and stabilise the relationship with its former colony — which is already historically burdened and complicated by the independence issue — in the context of interest-driven rivalry between great powers.

### Greenland and the Sino-American Rivalry

Nuuk has proactively encouraged a Chinese presence in Greenland; like his predecessor Aleqa Hammond, Prime Minister Kielsen has tried to attract foreign involvement in Greenland’s mining industry, while other political forces expressed reservations over — and in the case of uranium mining rejected — such investments. In October 2017 he led a delegation to Beijing, presumably lobbying for investments.

But Beijing is interested in Greenland for both economic and strategic reasons. It regards the island as a potential hub in its Belt and Road project. A paper by Chinese Arctic researchers discussed the prospect that the “small and weak Greenland nation” could become “the most important link for successful realisation of the Polar Silk Road”. In this context US Secretary of State Mike Pompeo — like Danish Prime Minister Rasmussen — pointed to China’s actions in the Indo-Pacific region, where governments became “ensnared by debt and corruption”. But such a strategy is not yet discernible in the Arctic.

Greenland possesses large reserves of rare earths. The global market is dominated by China, which possesses a market share of more than 80 percent and controls practically the entire supply chain in an “extreme example of Western reliance on Chinese production”. The United States currently imports most of its rare earths from China. Global demand for these metals is rising;

they are required for cutting-edge technologies such as motors for electric vehicles, for high-performance magnets and for networked Industry 4.0 applications. All these technologies also have military applications, making them crucial for the functioning of modern networked armed forces.

Major rare earth reserves are believed to exist in Kringlerne and Kvanefjeld in southern Greenland. The Australian Greenland Minerals and Energy (GME), in which the Chinese Shenghe Resources holds a stake, also intends to mine uranium there. But the signing of a cooperation agreement between Shenghe and the China National Nuclear Corporation (CNNC) in 2019 led the opposition Inuit Ataqatigiit party to raise critical questions concerning the content of the agreement, the environmental impact and Chinese interests. Currently three successive environmental impact assessments have rejected rare earth and uranium mining although a majority of Greenland’s parliament supports mining. The aforementioned General Nice Group also holds the rights to a mine at Isua in the west, and a zinc mine is planned at Citronen Fjord in the extreme north, for which the Australian firm Ironbark has signed an agreement with China Nonferrous Metal.

The island’s rich resources and strategic location have led the United States to make formal purchase offers several times, in 1867, 1946/47 and 1960. So President Trump’s idea of buying Greenland and its population from Denmark in “a large real estate deal” was not entirely new. Alongside its major reserves of rare earths, Greenland’s strategic significance for the United States has been underlined by Russian missile developments, specifically hypersonic weapons.

Danish Prime Minister Mette Frederiksen, who took over from Rasmussen in June 2019, rejected Trump’s proposal as “absurd”. Greenland’s Prime Minister Kielsen declared that Greenland was not for sale, a sentiment echoed on the Twitter account of the territory’s foreign ministry: “We’re open for business, not for sale.” Quite apart from the intricacies of international law, under the Act on Greenland

Self-Government it would be for Nuuk (rather than Copenhagen) to decide whether Greenland should become part of the United States. Despite her firm rejection, Frederiksen assured Washington that Denmark would welcome “increased strategic cooperation in the Arctic”, which can be read as an open admission of security dependencies on Washington.

Greenland and specifically the Thule Air Base are indeed exceptionally important for the United States. From the geostrategic perspective Greenland forms one of North America’s extremities; the importance of the island’s dominant dimension in the Arctic Ocean for Washington has only grown as Greenland seeks independence and China’s presence expands. Additionally almost all Russian reconnaissance flights over the North Atlantic pass across or close to Greenland, which lies on the shortest flight path from Russia’s Western Military District to the American East Coast (the same applies to missiles). The facilities located at Thule include the largest and most northerly of America’s ballistic missile early warning installations, part of its global satellite control network and its northernmost deep-sea port. Greenland also forms the western end of the “GIUK Gap”, the choke point between Greenland, Iceland and the northern extremity of the United Kingdom through which ships and submarines of the Russian Northern Fleet have to pass to enter the Atlantic. Crucial civilian and military maritime infrastructure (undersea cables) lies south of the GIUK Gap and the Labrador Sea.

In 2017 Greenland’s Foreign and Industry Minister Vittus Qujaukitsoq demanded renegotiation of the agreement that grants Washington sovereignty over Thule Air Base (Pituffik); it was time, he said, for Greenland to regain its “security autonomy” (which it never actually had). In a trilateral agreement in October 2020 the United States, Denmark and Greenland declared that the security and prosperity of all three parties will continue to depend on strong transatlantic cooperation, for which the Thule base is of central importance. As well as economic benefits (the base is to be main-

tained by local firms from 2024), the agreement is of great value to Nuuk because it treats Greenland as a foreign policy actor.

In 2020 Washington opened a diplomatic representation in Nuuk after a hiatus of almost seven decades, and offered a financial package worth US\$12.1 million to develop Greenland’s resources, tourism and education (although most of the money is earmarked for American consultancy services).

The US offers met with little support and tended to be regarded as an attempt to undermine Danish-Greenland relations rather than a genuine offer of support. Trump’s offer to buy Greenland ultimately spurred the Danish parliament to think about creating a better future for Greenland within the Danish realm.

### **Lost Homeland or Treasure Island? Ambivalent Consequences of Climate Change**

The loss of the polar sea ice has multiple global impacts of its own. Even more dramatic will be the consequences of the melting of the ice sheet that covers about 80 percent of Greenland’s land surface; more than three kilometres thick in places, it represents one of the world’s largest reservoirs of fresh water. Between 2002 and 2016 Greenland lost ice at an average rate of about 280 billion tonnes/year, and the speed of loss has quadrupled since then. Greenland’s ice sheet is currently the largest single contributor to the global rise in sea level. A further acceleration was reported in 2020.

A survey in August 2019 found that about 92 percent of Greenlanders believe that climate change is real, and 76 percent said they noticed the effects in their everyday life. Three out of four families said they lived from hunting, and more than half feared that climate change would harm their livelihood; almost half thought fishing would also be affected. Some Inuit feel fear and sadness when confronted — sometimes daily — with the habitat losses. In that sense, the environmental harm has triggered a cultural catastrophe: The preservation and



long-term protection of the living resources on which life in the Arctic has always depended lies at the heart of Inuit culture.

It is paradoxical that some fear and others even welcome the effects of global warming: “The faster the glaciers melt, the more attention our country gets”, said former industry minister Jens-Erik Kirkegaard, declaring the island a beneficiary of environmental change. Climate change, he says, is like free advertising because it is getting easier to attract capital. Halibut and cod mature more quickly in the warming waters, and the grass-growing season in the south of the island is longer, reducing the need to import sheep feed. Global warming is causing change already, even if it is likely to be decades before Greenland becomes the “green land” the Vikings dreamt of.

Alternatively, a “green growth” strategy could develop environmentally sustainable economic sectors. Greenland’s Industry and Energy Minister Jess Svane (since May 2020 Minister for the Labour Market, Research and Environment) announced plans to turn meltwater from the ice sheet into drinking water for export. The power of the meltwater could also be harnessed to generate clean electricity for energy-intensive computing centres. The Arctic climate makes the High North as a whole an ideal location for innovative technologies and services, as the European Commission recognised in 2016: “Harsh climatic conditions and the fragile environment require specialised technology and know-how to meet high environmental standards. Opportunities in the ‘Green Economy’, such as sustainable multi-source energy systems, eco-tourism and low-emission food production, could be developed further.” The Commission wants to support the search for sustainable economic alternatives, naming explicitly “‘Blue Economy’ sectors such as aquaculture, fisheries, offshore renewable energy, maritime tourism and marine biotechnology”. Energy can be a growth sector in Greenland (as in Iceland); the availability of geothermal and hydro power back up that expectation.

Cruise ship visits are also expected to contribute to growth, but must exhibit “the utmost consideration for the fragile, natural environment, local cultures and cultural remains”, as the Association of Arctic Expedition Cruise Operators (AECO) puts it. On the other hand Greenland can probably thank its small visitor numbers for its currently relatively low incidence of Covid-19.

Finance Minister Qujaukitsoq wishes to see investment and tourism promoting Greenland’s development regardless where the funds come from: China, the United States or Canada. The important thing, he says, is better training and more jobs. Ultimately, he adds, an independent Greenland will remain a member of NATO and not — like Djibouti in Africa — host military bases for rival powers like China.

## **Rights for Greenland and Security for the Whole Kingdom**

Greenland and the Faroe Islands still belong to Denmark. But both already enjoy extensive self-administration and remain by their own choice outside the EU. While they are not entitled to pursue absolutely autonomous foreign and security policies, they can maintain their own international contacts providing these do not contradict the official Danish line. Erik Jensen, new leader of Siumut and probably the next prime minister from 2021, intends to plough more energy into independence than his predecessor Kielsen. He also plans to take more responsibilities from Copenhagen; concretely that means veterinary controls, immigration, shipping and greater responsibility for foreign policy.

As a sovereign state Greenland could still continue cooperation with Denmark in questions of defence and foreign policy, as well as financial policy. Copenhagen would have an interest in that, because Greenland is the key to Denmark’s access to the Arctic with all its resources and attributes: minerals, fishing grounds, oil and gas, power and international recognition. In order to maintain the status associated with this, Copen-

hagen will have to invest more in protecting and defending its rights.

As the Arctic polar sea ice melts shipping traffic has been increasing. Since 2006 there has also been a growing number of vessels entering Danish-controlled waters without observing the usual protocols. In August 2017 the Chinese ice-breaker *Xue Long* (*Snow Dragon*) appeared unannounced off the capital Nuuk. Cases of piracy, illegal fishing or terrorism have not yet come to light. But how should maritime security be ensured as shipping traffic increases?

The Royal Danish Navy possesses three ice-breakers and serves as Greenland's coast-guard. The forces in Greenland currently operate one aircraft, four helicopters and four ships (as well as the legendary Sirius Dog Sled Patrol) — to guard the world's largest island with 44,000 kilometres of coastline. With these personnel and resources, they also have to defend the sovereignty of the realm, monitor fisheries, provide maritime services, transport patients and assist with other social services, and conduct search and rescue (SAR) missions. The SAR deficits in the Arctic are considerable. What had been less well known until recently was how weak the land, air and sea reconnaissance capabilities are, despite the US base in Thule. "Things start to get pretty dark once you get up higher than 72 degrees north," said former U.S. Coast Guard Commandant Admiral Paul Zukunft. A patrol had "stumbled upon a joint exercise between Russia and China", of which the intelligence services had remained unaware on account of the lack of satellite surveillance. A proposal to resume the "Greenland Patrol" established by the US Coastguard in 1941, made in a blog of the U.S. Naval Institute, is certainly justifiable. Future US aid, the author recommends, should be earmarked for port infrastructure to enable them to receive US Coast Guard (USCG) vessels if the need arises.

Copenhagen intends to increase its military spending in Greenland, beginning with 1.5 billion Danish crowns for maritime surveillance in 2019. Possessing no satellites of its own, Denmark uses the services of the

European Maritime Safety Agency (EMSA). While EMSA data allows identification of oil spills for example, it cannot locate a surface vessel or submarine determined to conceal its presence.

Growing Russian military activity in the region has led a number of states to demonstratively expand their presence in support of the Nordic NATO members. In August 2020, the *USS Thomas Hudner* became the first Arleigh Burke class destroyer to enter the deep fjord behind Nuuk; in the same month Danish and French warships conducted joint exercises with a USCG vessel off Greenland's west coast. In September Denmark conducted joint manoeuvres in the Barents Sea with the United States, the United Kingdom and Norway. In the first such operation for twenty years, naval forces demonstrated freedom of navigation above the Arctic Circle. On 1 October 2020 an operational coordination arrangement came into effect between NATO's Maritime Command (MARCOM) and the Danish Joint Arctic Command (JACO) in Greenland; its purposes include exchanging situation reports and enhancing cooperation. JACO was founded in October 2012. It functions as the connection point between the Danish armed forces and the Greenland authorities; its headquarters is in Nuuk.

Denmark has to pursue a delicate balance between its own scarce military resources and the comprehensive support offered by its allies. An independent Greenland will not be able to defend itself on its own. Copenhagen relies on support from Washington but has to avoid any appearance that it is allowing its policies to be dictated by Washington. Trump's offer exacerbated that problem because his idea is a "absolutely radical break" with the post-1945 status quo. "When small nations wake up to the world's superpower threatening to unroot that relation, it's not something to take lightly," the Danish expert Martin Breum explained.



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## Outlook

Greenland will remain in some form of union with Denmark for the foreseeable future. One reason for Copenhagen to support granting Asian states observer status in the Arctic Council was to make it easier to find investors for Greenland and the Faroe Islands. That in turn improves its relationship with the two autonomous territories and weakens the centrifugal forces. These intentions are subsidiary to Denmark's central foreign policy objective: avoiding harm to its relationships with the United States and with the European Union, and to its own privileged position in the Arctic. The new trilateral agreement for the US base in Thule is suited to further these interests.

Additionally to the ambitions of the "near-Arctic state" China and established Arctic power Russia, Denmark's problems ultimately include the associated reawakening of US interest in Greenland. Copenhagen has to balance conflicting internal interests and — for all its understanding of the desire for independence of its territories — safeguard its own foreign policy and security interests. Trump's initiative increased the price of continuing security cooperation. But the success of the Thule Agreement indicates the possibility that an independent Greenland could continue defence cooperation with the United States without that country (or Canada) necessarily supplanting Denmark as protector.

Nuuk (and Torshavn) are in the comfortable situation of being courted from multiple quarters. Erik Jensen, the likely next prime minister of Greenland, also wants to promote independence by trading with all nations, including both the United States and China. Denmark will seek to control the centrifugal forces, allowing Nuuk to become more independent while remaining part of the Danish realm. Copenhagen knows it depends on Greenland for its seat on the Arctic Council, and the associated interest of the major powers. Further progress towards independence would therefore have

significant repercussions for Denmark's foreign and security policy. But the decision will ultimately be made in Nuuk.

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