

Briefing Note

## Plans, Problems and Perspectives for Greenland's Project Independence

Michael Paul

*The 2021 anniversary marked three hundred years since Hans Egede set sail, with the blessing of the Danish monarch, to missionize the population of Greenland. For some people of Kalaallit Nunaat that date symbolizes not an occasion to celebrate but rather to declare independence from Denmark. But in the absence of necessary governmental and economic preconditions, leaving the Realm of the Danish Crown seems to be a long-term goal. The new government in Nuuk wants to boost the independence process but many problems remain. A more central role in the Arctic Council is a step forward.*

Only one political current in Greenland, the Partii Naleraq of former Prime Minister Hans Enoksen, wanted to declare independence on National Day (21 June) 2021, the anniversary of the granting of self-government within Denmark in 2009. Most of the population would prefer 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 explained that Denmark only wanted to retain control over foreign and security policy, and that Greenlanders have long had the opportunity to take control of all internal affairs, from policing and justice to finances. Kleist fears that Greenland will remain trapped in a mindset of dependency. The new government of Prime Minister Múte Bourup Egede – a coalition of Inuit Ataqatigiit and Naleraq – wants to boost the independence process but many problems remain the same as before and make cooperation between Copenhagen and Nuuk indispensable.

Copenhagen faces a balancing act between supporting the independence process and simultaneously protecting its own foreign and security interests. Greenland is striving to become

---

Michael Paul is Senior Fellow, German Institute for International and Security Affairs (SWP), Berlin. This essay is an updated version of *Greenland's Project Independence. Ambitions and Prospects after 300 Years with the Kingdom of Denmark*, Berlin: SWP, January 2021 (SWP Comments 10/2021).

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 conflicting goals on both sides can be resolved. A first example is the combination of infrastructure and foreign policy, another mining and Sino-American rivalry, and the final problem is how to defend Greenland's sovereignty without losing control of the island.

### **Infrastructure and foreign policy**

Danish Prime Minister Lars Løkke Rasmussen visited Greenland's capital in person in September 2018 to present a financial package for expanding the airports at Nuuk and Ilulissat. 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 land, namely Kangerlussuaq. Rather than repairing the runway in Kangerlussuaq, Greenland's government instead planned 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. But the unspectacular airport project became 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 a foreign “near-Arctic state” (China); and hence as a security problem for 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. Yet, the issues are broader than simply promoting and developing elements of Greenlandic statehood. Denmark needs to find ways of dealing with an intractable security dilemma: on the long term it cannot preserve the island's sovereignty by its own – but ceding effective control to the United States would be the end of Denmark as an 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 for financing and building the airports. CCCC is involved in Belt and Road projects through which Beijing seeks to expand its global influence. Denmark feared that Chinese engagement could endanger its defence cooperation with the United States.

The Greenland government saw 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 fishing – which represents about 95% 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. The island also possesses metal ores and hydrocarbon deposits.

When tourists and investors land at the new airports in a few years, the revenues and capital they bring could help to realize 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 stabilize 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.

### **Mining, the Sino-American rivalry, and the new government in Nuuk**

Nuuk has proactively encouraged a Chinese presence in Greenland; like his predecessor Aleqa Hammond, Prime Minister Kielsen 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.

Beijing is interested in Greenland for both geostrategic and economic 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 realization of the Polar Silk Road”. Greenland also hosts large reserves of rare earths. The global market is dominated by China, which possesses a market share of more than 80% 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 for electric vehicles, magnets and net-worked 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. Three successive environmental impact assessments rejected rare earth and uranium mining, although a majority of Greenland's parliament supported mining.

In the parliamentary elections of April 6, 2021, Kielsen's party Siumut continued to back the Kvanefjeld project, while the environmental party Inuit Ataqatigiit advocated for a moratorium and thus practically an end of the project.

The majority in Inatsisartut - Greenland's parliament - was won by Inuit Ataqatigiit: it achieved 37.4% and thus 12 of the 31 seats, while Siumut came second with 30% and ten seats. The leadership of the new ruling party reiterated its rejection of the project after the election, and its leader, Múte Bourup Egede, began to form a coalition government under this auspices. For his party, the most important issue was to put an end to the social crisis and to pursue a development “that does not come at the expense of our environment”. The prime minister-designate stressed that economy and development must first be brought under control before independence can be discussed. Freedom from Denmark, which Siumut promoted as an electoral argument, was less of an electoral issue than the environmental impact of the projects necessary for independence. According to the coalition agreement of April 16, 2021, the ruling party Inuit Ataqatigiit received eight ministerial posts (including prime minister) and Naleraq two ministerial posts - in addition to Kirsten L. Fencker as health minister, Pele Broberg became minister of foreign affairs, business, trade and climate.

### **Greenland and U.S.-Russia relations**

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. Hence, President Trump's idea of buying Greenland from Denmark in “a large real estate deal” was not new. Alongside its major reserves of rare earths, Greenland's strategic significance for the United States has been underlined by the reactivation and modernization of Russia's military bases in the Arctic.

Greenland and specifically the Thule Air Base are exceptionally important for the United States. From a geostrategic perspective, Greenland forms one of North America's extremities. 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. Russia's development of new military bases, especially on Franz Josef Land, radically alters the security interests of the United States. The military base in Nagurskoye has major implications with regard to the Thule Air Base. 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 Russia's 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 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 maintained by local firms from 2024), the agreement is of great value to Nuuk because it treats Greenland as a foreign policy actor. But the Greenlandic people “want more growth than just that military base”, Egede said in an interview in May 2021. “The U.S. wants to use the air base. We also need to have something for it.”

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 ear-marked for American consultants). The US

offer was met with little support and instead tended to be regarded as an attempt to undermine Danish-Greenland relations even rather than as a genuine offer of support. The United States will have to invest more – why not in new, “green” technologies?

Other than mining projects, a “green growth” strategy could develop environmentally sustainable economic sectors. Greenland’s former Industry and Energy Minister Jess Svane announced plans in February 2020 to turn meltwater from the ice sheet into drinking water for export. The power of the melt-water could also be harnessed to generate clean electricity for energy-intensive computing centers. The Arctic climate makes the Circumpolar North as a whole an ideal location for innovative technologies and services, as the European Commission has stated in 2016. Harsh climatic conditions and the fragile environment require specialized 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, according to Brussels. 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. As in Iceland, energy can be a growth sector; the availability of geothermal and hydro power back up that expectation. Greenland and Iceland have great mutual interests, on trade, health, fisheries, infrastructure, minerals, energy, air traffic, and tourism; the report “Greenland and Iceland in the New Arctic” contains 100 specific recommendations.

Former Finance Minister Vittus Qujaukitsoq wished to see investment and tourism promoting Greenland’s development regardless of where the funds come from: China, the United States or Canada. The important thing, he said, is better training and more jobs. Ultimately, he added, an independent Greenland will not – like Djibouti in Africa – host military bases for rival powers like China. It seems that in Trump’s presidency, the U.S. has been overly focused on reining in China’s influence in Greenland, while neglecting to invest economically.

### **Greenland and international security**

Greenland and the Faroe Islands already enjoy extensive self-administration. 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 official Danish 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, Copenhagen 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. Cases of illegal fishing, piracy 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 kilometers 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, as well as conduct search and rescue (SAR) missions. The SAR deficits in the Arctic are considerable. Recently there was even the idea, in a blog of the U.S. Naval Institute, to resume the “Greenland Patrol” which was established by the U.S. Coast Guard in 1941. Future US aid, the author recommends, should be ear-marked for port infrastructure to enable them to receive U.S. Coast Guard (USCG) vessels if the need arises.

Growing Russian military activity has led a number of states to demonstratively expand their presence in support of 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 maneuvers in the Barents Sea with the United States, the United Kingdom and Norway. In the first such operation for 20 years, naval forces demonstrated freedom of navigation above the Arctic Circle.

Copenhagen has to pursue a delicate balance between its own scarce military resources and the comprehensive support offered by its allies. An independent Greenland will – like Iceland – not be able to defend itself on its own. Copenhagen relies on support from the United States 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 was an “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.

## Perspectives

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 in the Realm. 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 necessarily supplanting Denmark as protector.

Under a new agreement with Copenhagen, Nuuk gets also a greater and more central role in the Arctic Council: Greenland will be first to speak at future council meetings, followed by the Faroe Islands and ending with Denmark, while Greenland would also be the main signatory to any

declarations. Although this is essentially a symbolic step forward, Kalaallit Nunaat will get a more central role to shape its own Arctic future.

Nuuk is in the comfortable situation of being courted from multiple quarters. Copenhagen 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.