

# Independence on the Horizon

## A Study of the Interplay Between Sovereignty and Natural Resources in Greenland

Lisa Linnea Erdal





# Independence on the Horizon

A Study of the Interplay Between Sovereignty and  
Natural Resources in Greenland

Lisa Linnea Erdal

Institut de Haute Études Internationales et du Développement  
Geneva, Switzerland

[lisa.erdal@graduateinstitute.ch](mailto:lisa.erdal@graduateinstitute.ch)

December 2013



FRIDTJOF NANSENS INSTITUTT  
FRIDTJOF NANSEN INSTITUTE

**Copyright © Fridtjof Nansen Institute 2013**

**Title**

Independence on the Horizon. A Study of the Interplay Between Sovereignty and Natural Resources in Greenland

**Publication Type and Number**      **Pages**

FNI Report 6      39

**Authors**      **ISBN**

Lisa Linnea Erdal      978-82-7613-673-9 (online version)

**ISSN**  
1893-5486

**Abstract**

This report explores the Greenlandic government's recent strategies to establish large-scale extractive industries in its territory, focusing especially on Greenland's developing ties to the EU, China and South Korea. The report links the Greenlandic government's international outreach to the territory's aspirations for full independence from Denmark, showing how mounting international interest in Arctic resources serves to strengthen the idea of Greenland as an independent actor. The aim of this report is to highlight how the creation of a sovereign image is at the centre of statebuilding efforts in Greenland, and how, by taking advantage of the mounting global interest in the Arctic, Greenland is able to effectively increase its international agency. This report takes a constructivist approach to sovereignty, and the work of Cynthia Weber and Thomas Biersteker forms its theoretical core.

**Key Words**

Greenlandic politics, sovereignty, constructivism, rare earths, minerals, hydrocarbons, state-building, geopolitics, resource diplomacy, shared jurisdiction, EU, China, South Korea.

## **Contents**

Acknowledgements	vi
1 Introduction	1
2 Setting the Stage: Greenland in a Changing Milieu of Arctic Geopolitics	3
2.1 From Colonial Rule to Self Rule, and Beyond	3
2.2 Inviting the World In: Greenland's International Resource Strategy	6
3 Literature Review and Theoretical Argument	10
4 Methodology	15
5 Emerging Relations Between Greenland and North East Asia	16
5.1 Chinese Interests in the Arctic: A Stepping Stone for Greenlandic Independence	16
5.2 Greenland's Projection of Sovereignty in the Arctic Security Sphere	24
5.3 Greenland as a Future Exporter of Rare Earths: A Meeting Place for China and the EU	28
5.4 Greenland and South Korea: An Unforeseen Partnership	30
6 Conclusions	32
Bibliography	35

## Acknowledgements

This report is based on the author's Thesis for the Master of International Affairs program at Institut de Hautes Études Internationales et du Développement in Geneva, Switzerland. Some structural changes have been made to fit the format of a report, but none of these changes affect the main arguments or analysis of the thesis.

The report has benefitted from numerous interviews conducted in Nuuk in the period March-May 2013, and I wish to thank all those who shared with me their thoughts and insights. Many thanks are also extended to my professors and fellow students at Greenland's University Ilisimatusarfik, who were always ready to discuss Greenlandic politics, and who gave me many opportunities to test my arguments. My work in Greenland also received great support from the Fridjof Nansen Institute in Oslo, where thanks are especially owed to Iselin Stendal for her valuable feedback.

Finally, this report has benefited greatly from the support of professor Emily Meierding at Institut de Hautes Études Internationales et du Développement in Geneva. From the very start of this project, and throughout my research semester in Greenland, professor Meierding has provided valuable advice, thorough feedback, and always shown a genuine interest in my research project.

\*

The report was concluded on September 23, 2013, and is based on information available before this date.

The author remains responsible for any mistakes or inaccuracies.

## 1 Introduction

This report explores the recent approach of the Greenlandic government toward the development of natural resources in its territory, and argues that Nuuk's emphasis on attracting foreign capital to Greenland's extractive industries is intimately linked with the aspiration of independence from Denmark. By increasingly conducting its own foreign affairs, Greenland's government is circumventing Copenhagen and building up independent ties to the world outside the Danish Realm. These new relationships hold the potential to spark a resource adventure which may bring about a new Arctic state – a state the size of Great Britain, Spain, France, Italy, Belgium, Germany, Austria and Switzerland combined, and with the world's lowest population density.<sup>1</sup>

This report claims that the very potential for large-scale resource extraction is fundamental to state-building in Greenland, a self-governed territory with only 56,000 inhabitants. By enabling the island's development of independent foreign relations, the anticipation of Greenland as a treasure chest of hydrocarbons and minerals is reshaping the status of this vast territory, creating a larger space for Nuuk's manoeuvring in the sphere of international politics. This report argues that the Greenlandic government's effective projection of sovereignty, together with the rising international interest in Arctic resources, has allowed Greenland to emerge as an important economic and political ally in the High North, despite the lack of formal statehood.

As widely recognized in the spheres of Danish and Greenlandic politics, the key to Greenland's future sovereignty lies in its ability to secure a sustainable revenue to replace the crucial Danish subsidies, which today make up 60 per cent of the national budget. Thus, there is a strong pragmatic basis to Greenland's resource strategy and foreign policy: if the country does not succeed in raising foreign capital to launch its extractive industries, independence from Denmark will remain an impossibility.

Digging deeper, one also discovers a more complex political reality at play in Greenland, one which calls for an analysis that goes beyond simplified rationalist perspectives. Nuuk's statebuilding strategy not only seeks to secure new sources of revenue, but to project and practice sovereignty through the government's resource diplomacy. Here, constructivist theorists like Cynthia Weber and Thomas Biersteker offer valuable insights to the nature of sovereignty as a socially constructed notion. Building on the constructivist observation that sovereignty is not a definitive either-or concept, but a construct subject to evolving practices and discourses, this report illustrates how sovereignty is being strategically constituted and developed by Greenland's government in

---

<sup>1</sup> From the press room of Greenland's official tourist site:  
<<http://www.greenland.com/en/corporate/press-room/press-info-on-greenland/facts-about-greenland.aspx>>

order to increase its agency in international affairs, and to pave the way for final formal statehood.

By investigating Greenland's policies of rapid modernisation and industrialisation against the backdrop of current Arctic geopolitics, I aim to demonstrate that Greenland is taking advantage of the growing international interest in the Arctic in order to strengthen its position in the international system, and to reiterate its aspirations of full sovereignty.

Greenland's ambition of future independence is projected both toward Copenhagen, in order to impact the governance structures of the Danish Realm, as well as internationally, for the purpose of strengthening the perception of Greenland as an autonomous player. This report emphasizes how Greenland effectively projects sovereignty through its dealings with states and state-based organizations outside the Danish Realm. The report looks specifically at the resource diplomacy playing out between Greenland and the EU, China and South Korea, with the latter two representing the main cases of Greenland's emerging independent foreign policy. In particular, Nuuk's new relations to North East Asian states serve a double purpose in Greenland's quest for independence. Chinese and South Korean capital is seen as an important opportunity to secure large investments from a resource-hungry part of the world, and thereby make possible a self-sustaining economy in Greenland. At the same time, building independent ties to new states is furthering Greenland's personality as a sovereign actor in the international political sphere.

This report proceeds with a brief outline of Greenland's Self Rule arrangement and of the government's approach to resource extraction and foreign investment. It then moves on to describe the international political milieu in which Greenland's development is taking place, sketching the territory's current position within the framework of Arctic geopolitics. The report then situates its core arguments on sovereignty and statebuilding within the sphere of constructivist literature, exploring legal and political notions of sovereignty as they relate to Greenland's statebuilding strategy. Then follows an outline of the report's methodology, before moving on to the empirical evidence connecting Greenland's political strategies and important events with my theoretical argument. Here, Nuuk's emerging relationship to China and South Korea make up the main cases of Greenland's emerging foreign relations. The report also draws on Greenland's resource diplomacy with the EU to illustrate the strengthening geopolitical position of Greenland. Finally, some conclusions and projections for Greenland's future role as an independent Arctic player are provided.



## 2 Setting the Stage: Greenland in a Changing Milieu of Arctic Geopolitics

### 2.1 From Colonial Rule to Self Rule, and Beyond

Greenland has been part of the Danish Realm since the arrival of missionary Hans Egede in 1721. During the colonial relationship that followed, the interaction between Greenlanders and Danes was characterized by a hierarchical structure, where Greenlanders were expected to adopt the higher-standing Danish religion and way of life. Illustratively, Danes were named “naalagat,” which means “those who make the decisions.” Greenlanders were not granted the same rights as Danish citizens until 1953, when Greenland was declared an equal part of the Danish Realm after a constitutional revision. Importantly, this revision secured the reservation of two chairs in the Danish Parliament for representatives elected in Greenland.<sup>2</sup>

In 1979, Greenland obtained its first Home Rule government. After public demands of local participation and legitimate governance, Denmark agreed to transfer several administrative functions to Greenland’s own elected government. Notably, the jurisdiction over subsoil resources remained in Copenhagen in order for Denmark to maintain control over possible future oil discoveries.<sup>3</sup> The Home Rule Act introduced what is seen as the most important practical implication for Greenland’s continued inclusion in the Danish Realm, namely the annual cash transfer from Copenhagen to Nuuk, usually referred to as the block grant.

Today, the continuation of this grant is seen by many as the principal symbol of the dependency relation between Greenland and its former colonizer. The fact that 60 per cent of Greenland’s budget is financed through the block grant stands as a constant reminder to many Greenlanders that their country remains dependent on Denmark for the financing of basic public services.<sup>4</sup>

With the Self Rule Act of 2009, all areas of jurisdiction over Greenlandic territory were transferred to Nuuk, except those of foreign affairs, security and the judiciary. The competence over these areas remain with Copenhagen. The Self Rule Act granted Greenland the right to enter into legally binding treaties with foreign governments on certain policy areas, such as climate, fisheries, and economic matters. The Act also secured Greenland the absolute jurisdiction over all underground resources, including in the country’s territorial waters.<sup>5</sup> As this report will

---

<sup>2</sup> Denmark’s History Records: *Danmarkshistorien. Grundlovsændringen 1953*. Accessed at <<http://danmarkshistorien.dk/perioder/kold-krig-og-velfaerdsstat-1945-1973/grundlovsændringen-1953/>>

<sup>3</sup> Ibid.

<sup>4</sup> Klaus Georg Hansen: *Uafhængigheden og oljen*, lecture at the conference Geopolitics in the High North at Greenland’s University Illisimatusarfik, Nuuk, May 5, 2013.

<sup>5</sup> Bureau for Inatsisartut: *Inatsisartutlov nr. 26 af 18. november 2010: Lov om Inatsisartut og Naalakkersuisut*. November 18, 2010.

emphasize, the jurisdictional changes following from the Self Rule Act have been essential in allowing Greenland to pursue a strategy of forging independent ties to outside states and foreign companies.

Another crucial part of the Self Rule Act was the freezing of the block grant at approximately 3.5 billion Danish kroner annually. This feature of the Act indicates the urgency of finding alternative income sources over the next few decades, as the grant is not expected to be sufficient to cover Greenland's increasing public spending, especially given an aging population and a low-skilled labour force.<sup>6</sup> Due to the dire situation of Greenland's economy, including the decreasing profits from fisheries, Greenlandic politicians view large-scale extractive industries as the only possible way to a self-sustained economy.<sup>7</sup>

In the advent of large extractive industries in Greenland, the Self Rule Act dictates a gradual decrease in the block grant from Copenhagen. The Act states that when Greenland's income from resource extraction exceeds 75 million kroner annually, the grant will be reduced each year with half the amount exceeding 75 million. If in the future Greenland's income becomes so substantial that the block grant is reduced to zero, the Self Rule Act will be renegotiated.<sup>8</sup> It is at this point that Greenland may hypothetically become independent. The moment Greenland is no longer financially tied to Denmark, the renegotiation of the Self Rule Act will allow the Greenlandic population to vote over independence.

And Greenlanders will likely vote yes: In a poll from 2003, 80 per cent of the respondents say they want full independence from Denmark. But if this independence implies a lower standard of living, a meagre four per cent maintain their answer in the affirmative.<sup>9</sup> Thus, the desire for statehood is intimately connected with the realization that new sources of income must first become reality. Once financial independence is secured, Greenlanders' status as a legally recognized people<sup>10</sup> means they are free to break with the Realm if they so wish. Notably, Copenhagen has been consistent in signaling that it will not attempt to hinder future Greenlandic statehood.<sup>11</sup>

---

<sup>6</sup> Naalakkersuisut Tax and Welfare Committee: *Den offentlige sektor*. Publication released March 2011.

<sup>7</sup> Klaus Georg Hansen: *Uafhængigheden og oljen*, lecture at the conference Geopolitics in the High North at Greenland's University Illisimatusarfik, Nuuk, May 5, 2013. See also interview with Kuupik Kleist by Politiken.dk: *Kleist: Undergrund kan frigøre Grønland fra bloktilskud*. January 15, 2013. <<http://politiken.dk/politik/ECE1867973/kleist-undergrund-kan-frigoere-groenland-fra-bloktilskud/>>

<sup>8</sup> Bureau for Inatsisartut: *Inatsisartutlov nr. 26 af 18. november 2010: Lov om Inatsisartut og Naalakkersuisut*. November 18, 2010.

<sup>9</sup> Krogh Andersen, Marianne: *Grønland, Mektig og Avmechtig*. Gyldendal Forlag, 2008. Page 32.

<sup>10</sup> The Self Rule Act formally recognized Greenland's population as a people by law. See Bureau for Inatsisartut: *Inatsisartutlov nr. 26 af 18. november 2010: Lov om Inatsisartut og Naalakkersuisut*. November 18, 2010. The formal recognition of Greenlanders as a people gives them the right to self-determination and to freely determine their political status as stated in Art 1.1 of the UN Covenant on Civil and Political Rights, 1994 <<http://www.hrweb.org/legal/cpr.html>>

<sup>11</sup> In 2011, the newly elected Danish government reaffirmed Denmark's position as fully supportive of the Self Rule Act, including of Greenland's right to determine if and when it

But the question of independence remains controversial, and opinions differ among Greenlanders on how to manage the disintegration process between Greenland and its former colonizer. Being part of the Danish Realm provides important opportunities for Greenlanders to freely study, work and live in Denmark, and it is unclear how these rights would change in the event of Greenlandic statehood. It is also uncertain how Greenland would manage without the continuous flow of Danish professionals to the territory. At present, Danish nationals occupy the majority of positions requiring higher education, including in Greenland's educational sector, health care system, defense, bureaucracy, and in the private sector.

Thus, the potential withdrawal of Greenland from the Danish Realm comes not without uncertainties about how the territory will handle standing on its own.

For this reason, not everybody believes in statehood as the ultimate goal. "What do they want from statehood that we do not already have?" asks Kaj Kleist, former director of the Home Rule government, now working for London Mining in Nuuk. After his long experience in Greenland's political life, Kleist is certain that his country is better off staying within the Danish Realm. "Statehood should not be a goal in itself," Kleist argues, adding that Greenland has too many economic and administrative challenges to realistically pursue full independence.<sup>12</sup>

Kleist is not alone in holding that the idea of Greenlandic independence should be discarded. His arguments correspond to those of the political party Atassut, which is in favour of Greenland remaining within the Danish Realm. Atassut, which means Unity, got eight per cent of the votes in Greenland's election in March 2013.<sup>13</sup>

Despite a certain part of the population viewing Greenland as better off remaining within the Danish Realm, the political desire for increased autonomy and eventual independence remains a defining feature of Greenlandic politics. Aspirations of independence were reflected in the public sentiment dominating debates and public meetings ahead of the 2013 elections, as well as in voting patterns: 78 per cent of voters expressed their support for one of the two largest parties, Siumut and Inuit Atakatigiit, which are both working toward Greenlandic independence.<sup>14</sup>

---

wants to withdraw from the Danish Realm. The government also declared their support for the ongoing work with drafting a Greenlandic constitution. See Fisker, Mads: *Ny regering respekterer Grønlandsk grundlov*. KNR News, October 3, 2011.

<sup>12</sup> The interview with Kaj Kleist took place in London Mining's offices in Nuuk, Greenland, on March 24, 2013.

<sup>13</sup> This of course depends on the extent to which Greenlanders voted for Atassut based on the party's image as more "Danish-friendly" and as against independence. In a society like Greenland, where the largest city counts 16,000 people, party affiliation may not be based only on party platforms, but also on personal affiliations, geographical location, and other aspects. Still, the support for Atassut is the best and most recent measure available for the proportion of Greenlanders actively opposing independence.

<sup>14</sup> The two largest parties, Siumut and Inuit Atakatigiit, got 43 and 35 per cent of the votes, respectively. The leaders of both these parties have expressed that they work for an

Yet statehood does not have to be a reality for the effects of Greenland's significant territorial autonomy to be evident. In a time when increasing international attention is directed toward the Arctic and its debated resource potential, the very possibility of Greenland becoming a state is already affecting how the world's largest island can position itself among foreign states – and draw investments to its high-cost resource industries.

Public election meetings in Nuuk in the winter of 2013 reflected that Greenland is indeed facing new political choices which could alter its ties to Copenhagen and bring about substantial economic growth. For instance, the potential import of thousands of Chinese migrant workers to facilitate the construction of large-scale industrial projects was at the core of the election debates, illustrating the arrival of global economic forces to the world's largest island. Descriptively, political commentator Jørgen Chemnitz characterized the 2013 elections as “Greenland's year zero,” thus marking the beginning of a whole new era.<sup>15</sup>

In the past 300 years of colonial rule, efforts toward self-government have been directed solely toward Copenhagen, and Greenland's place in the world has been defined in relation to Denmark. Today, Greenland is moving away from the Danish Realm as its absolute point of reference, and is making its international resource diplomacy a priority in order to reposition itself in relation to a larger community of states.

## 2.2 Inviting the World In: Greenland's International Resource Strategy

As a result of obtaining jurisdiction over its natural resources, Greenland has been free to pursue a strategy of inviting foreign investors to explore and extract fossil fuels, minerals and rare earths. Nine international oil companies currently hold licenses in Greenland's territorial waters, including Shell, Statoil and Husky Energy.<sup>16</sup> The largest license-holder, Scottish Cairn Energy, has so far spent more than one billion dollars on seismic exploration and test drilling off the Greenlandic coast.<sup>17</sup> The company has yet to make any commercial findings in the Greenlandic subsoil. But according to the head of Cairn Energy's operational office in Nuuk, Tor B. Lund, the optimism has not declined, and the company has no plans to withdraw from Greenland.<sup>18</sup> On the minerals side, the Ministry of Minerals and Petroleum has so far awarded a total of more

---

independent Greenland. Unequivocally, Premier Aleqa Hammond recently stated: “We want full independence.” Quoted in Skov, Oliver Routhé and Rasmussen, Rasmus: *Valgkamp i Grønland: Siumut vil ud av riksfællesskabet*. Danish National Broadcast, February 20, 2013.

<sup>15</sup> Gudmundson, Sine: *Kommentator: Grønlands vigtigste valg noensinne*. Danish Broadcasting Service, March 12, 2013.

<sup>16</sup> Shell, Statoil, Husky Energy, Dong Energy, GDF Suez, Maersk Oil, Tullow Oil and Conoco Phillips are all members of the Greenland Oil Industry Association, a forum for companies holding licenses in Greenland. See <<http://www.goia.gl/about-goia/member-companies.aspx>>

<sup>17</sup> Cairn Energy official web portal on exploration and drilling in Greenland: <<http://www.cairnenergy.com/index.asp?pageid=78>>

<sup>18</sup> Interview with Tor B. Lund was conducted in the offices of Cairn Energy in Nuuk, on March 13, 2013.

than 150 exploration licenses to foreign companies, compared to only a handful a decade ago. The annual number of licenses issued have risen from 17 in 2002 to 94 in 2011. Especially the mining of rare earths, which are essential for the production of modern technology such as LED screens, smartphones and computer chips, have been staked out as the possible prescription to end Greenland's economic dependency. Today, China has a virtual monopoly on the production of rare earths, providing 95 per cent of global supply.<sup>19</sup>

In December 2012, the Greenlandic parliament passed a controversial law that makes it possible for large-scale industrial projects to employ foreign workers at a wage far lower than the Greenlandic minimum wage. This was done in the context of the planned Isua mining project, worth 2.3 billion dollars, which is to be undertaken by London Mining. Although this company is registered in Britain, the capital behind its investments in Greenland comes from the Chinese Development Bank. The project is estimated to employ about 3,000 Chinese workers on the various construction sites, which are located from the bottom of the Nuuk fjord system and up to the edge of the inland ice sheet.<sup>20</sup>

The externally financed development of Greenland's resource potential is taking place within a changing framework of Arctic geopolitics, where the discovery of natural resources and increasingly ice-free shipping routes have shaped a new political reality. This reality is characterized by tense rhetorical exchanges between governments of the five Arctic littoral states,<sup>21</sup> and by these states' competing jurisdictional claims over different areas of Arctic waters. The most famous ongoing dispute is between Denmark, Canada and Russia concerning the sovereignty over the North Pole, a legal question which will be determined by the United Nations Commission on the Limits of the Continental Shelf, based on geological evidence of underwater ridges.

The search for such evidence was the motivation behind the Russian expedition which in 2007 planted a Russian flag on the seabed directly under the North Pole. This event represented a turning point for Arctic international affairs. Other Arctic states immediately reacted to the Russian stunt, with responses ranging from smiles and laughter from Danish officials to rage from the Canadians.<sup>22</sup> Journalists were quick to write about "a new cold war" and the beginning of a "scramble for the Arctic."<sup>23</sup> Academic authors have also contributed to the framing of the Arctic as a zone of future conflict. Among the most dramatic, Scott

---

<sup>19</sup> Plumer, Brad: *How to free the World from China's rare Earth Stranglehold*. Washington Post, September 16, 2011.

<sup>20</sup> Interview with Kaj Kleist, London Mining's Information Director in Greenland, took place in London Mining's offices in Nuuk, on April 23, 2013. On the topic of London Mining in Greenland, see also Parello-Plesner, Jonas: *China and Greenland: Digging for Trouble*. European Council on Foreign Relations. February 7, 2013. <[http://ecfr.eu/blog/entry/china\\_and\\_greenland\\_digging\\_for\\_trouble](http://ecfr.eu/blog/entry/china_and_greenland_digging_for_trouble)>

<sup>21</sup> These are Norway, Denmark, Canada, Russia, and the United States.

<sup>22</sup> Roed, Fredrik: *Danmark griner av Ruslands flag på Nordpolen*. Avisen, August 3, 2007.

<sup>23</sup> See for example *NATO Prepares for cold wars*. Izvestia, February 1, 2009, or Parfitt, Tom: *Russia plants flag on North Pole seabed*. The Guardian, August 7, 2007.

Borgerson has described a scenario of a “security meltdown” and an ongoing “race to carve up the region.”<sup>24</sup>

In 2009, international attention to Arctic sovereignty issues picked up as a result of some remarkable findings published by the United States Geological Survey. The projections were astonishing: 83 billion barrels of oil and 44 trillion cubic metres of natural gas were estimated to lie beneath the oceans above the Arctic circle.<sup>25</sup> The difficulties in extracting these reserves remain significant, as winter darkness and harsh weather conditions make operations in the High North challenging and costly. But with high energy prices, increasingly sophisticated technology and the disappearance of sea ice, large-scale hydrocarbon extraction in the world’s roughest environment will likely be a reality of the twenty-first century.<sup>26</sup>

In Greenland’s territorial waters, exploration and drilling has been made possible by the changing physical environment in the Arctic, where warmer temperatures have significantly reduced the extent of sea-ice in the summer. The increasing rate of glacial melt is also allowing the exploration of mineral deposits on the edge of the inland ice sheet, in areas which used to be covered by the world’s largest body of ice. No longer portraying itself as a victim of climate change, Greenland’s politicians view the warming climate as an opportunity for launching extractive industries at an unprecedented scale.<sup>27</sup>

Climate change is also impacting the prospects for maritime transport through Arctic waters. The warming climate is leaving the Northern Sea Route and the North West Passage increasingly viable for commercial transport, tempting the shipping industry with significantly shorter distances between important markets. The North West Passage, which includes the passage between Greenland’s west coast and Canada’s Baffin Island, can shave 7,000 kilometers off a journey from China to the Atlantic coast of the United States.<sup>28</sup> In Canada, the desire to define this waterway as Canadian internal waters rather than as an international strait has led to a majority of the parliament in Ottawa supporting to officially re-name it the Canadian North West Passage.<sup>29</sup>

---

<sup>24</sup> Borgerson, Scott: *Arctic Meltdown*. Foreign Affairs 87, No 2, March/April, 2008, pp 63-77.

<sup>25</sup> U.S. Geological Survey: *Circum-Arctic Resource Appraisal Assessment, 2008, Estimates of undiscovered oil and gas north of the Arctic Circle*. U.S. Geological Survey Fact Sheet 2008-3049.

<sup>26</sup> Indeed, Gazprom is already developing its Shtokman field in the Barents Sea, as well as the Prirazlomnoe field in the Pechora Sea. In Norway, the Snøhvit field in the Barents Sea is already producing. See Byers, Michael: *Who Owns the Arctic? Understanding Sovereignty Disputes in the North*. Douglas and MacIntyre, Toronto, 2009. Page 10.

<sup>27</sup> See for example the interview with Kuupik Kleist, former Premier of Greenland, in Politiken.dk: *Kleist: Undergrund kan frigøre Grønland fra bloktilskud*. January 15, 2013. <<http://politiken.dk/politik/ECE1867973/kleist-undergrund-kan-frigoere-groenland-fra-bloktilskud/>>

<sup>28</sup> Byers, Michael: *The Dragon Looks North*. Aljazeera, December 28, 2011. <<http://www.aljazeera.com/indepth/opinion/2011/12/20111226145144638282.html>>

<sup>29</sup> Byers, Michael: *The North West Passage is already Canadian*. Globe and Mail, October 26, 2009. <<http://www.theglobeandmail.com/commentary/the-northwest-passage-is-already-canadian/article4356756/>>

This example, like the planting of the Russian flag under the North Pole, is indicative of a geopolitical theatre playing out in the Arctic. In this show, patriotism is mixed with technicalities of international law, and made pertinent by the prospects of Arctic underground riches. The heightened attention around sovereignty issues in the region serves to strengthen the perception of the Arctic as a political hot-spot, and as “the world’s last energy frontier,”<sup>30</sup> which greatly facilitates Nuuk’s creation of new global connections, and of a position as a recognized sovereign partner in business and politics. The report now turns to an investigation of the constructivist theory on sovereignty and recognition, situating the case of Greenland within the sphere of theoretical literature.

---

<sup>30</sup> Nuttall, Mark: *Self-Rule in Greenland: Towards the world’s first Inuit State?* Indigenous Affairs No 3/4, 2008. Pp 66.

### 3 Literature Review and Theoretical Argument

*The state is the highest manifestation of reason.*

Georg Wilhelm Friedrich Hegel, 1820<sup>31</sup>

*We want full independence. We want to move away from Danish subsidies. Greenland aims to assume responsibility for all political areas and work for a future sovereign state.*

Aleqa Hammond, Premier of Greenland, 2013<sup>32</sup>

As a core concept within disciplines of international law and political science, sovereignty is at the centre of much academic discussion in the area of international affairs. Literature from both fields have informed this report, as Greenland's reorientation in the Arctic region, and indeed, in the world, is shaped by the set of legal and political ideas that govern the way sovereignty is perceived and practiced in international affairs. This report aims to illustrate that by playing up its sovereignty over natural resources, the Greenlandic government is able to strengthen its position in a manner which makes this Arctic territory look more and more like a sovereign state.

The fundamental question of what constitutes the nature of sovereignty is at the heart of this report. It shares the perspective of authors such as Rebecca Adler Nissen and Ulrik Pram Gad, who hold that "sovereignty is not a 'thing' either present or absent. On the contrary, sovereignty unfolds in the legal and political games that must be studied as both discourses and practices."<sup>33</sup> This report sets out to do just that; to study in detail the unfolding of sovereignty in a territory with a unique self-government arrangement, in the context of a strong political ambition of independence. It does so with a constructivist conception of sovereignty as intrinsically mouldable, responsive to the interplay between actors' political agenda and the structure in which they operate.

The report is grounded in a constructivist approach in line with the theory of scholars such as Emanuel Adler,<sup>34</sup> thus allowing for social relationships and cognitive structures to shape meaning in the observable world. As noted by John Gerard Ruggie, constructivists hold that "the building blocks of international reality are ideational as well as material."<sup>35</sup> Hence, the report is based on the idea that sovereignty, with its associated bundle

---

<sup>31</sup> Hegel, Georg Wilhelm Friedrich: *The Philosophy of Right*, in *Great Books of the Western World*. Mortimer J. Adler ed., T. M. Knox trans., 2d ed, 1990.

<sup>32</sup> Quoted in Skov, Oliver Routhé and Rasmussen, Rasmus: *Valgkamp i Grønland: Siumut vil ud av riksfelesskabet*. Danish National Broadcast, February 20, 2013. <<http://www.dr.dk/Nyheder/Politik/2013/02/20/214025.htm>>

<sup>33</sup> Adler Nissen, Rebecca and Pram Gad, Ulrik, ed: *European Integration and Post-Colonial Sovereignty Games. The EU Overseas Countries and Territories*. Routledge, 2013.

<sup>34</sup> Adler, Emanuel: *Seizing the Middle Ground. Constructivism in World Politics*. European Journal of World Relations. September, 1997, Vol 3, No 3, pp 319-363.

<sup>35</sup> Ruggie, John Gerard: *What makes the World Hang Together? Neo-utilitarianism and the Social Constructivist Challenge*. International Organization, Vol 52, Issue 4, September 1998, pp 855-885.



of rights and obligations, is a mouldable concept that is responsive to a wide range of trends in international society. A constructivist view on sovereignty implies that actors in the international system are able to unbundle and reinterpret this concept, persistently subjecting it to the normative foundations on which the international system rests.

According to JDB Miller, sovereignty is defined by the principle of recognition: “Just as we know a camel or a chair when we see one, so we know a sovereign state. It is a political entity that is treated as a sovereign state by other sovereign states.”<sup>36</sup> The same principle is emphasized by Stephen Krasner when he reiterates that a crucial aspect of sovereignty is the ability to enter into agreements with other states and international organizations.<sup>37</sup> These authors thus focus on the practice of recognition as central to sovereignty, and as the key to understanding how the concept plays out in international politics.

The emphasis on recognition is shared by Cynthia Weber and Thomas Biersteker, who define sovereignty as “a political entity’s externally recognized right to exercise final authority over its affairs.”<sup>38</sup> The focus on external recognition reflects the authors’ core argument that sovereignty is an inherently social construct. The global community of states, they write, constitutes a social world where sovereignty is being created in the process of state interaction. In the social environment of states, sovereignty is being constantly re-interpreted to correspond to changing normative conceptions about how to conduct international politics. Therefore, Weber and Biersteker emphasize the provisional nature of their definition of sovereignty, as they believe a definition can never capture the essence of a concept which constantly undergoes change.<sup>39</sup>

Cynthia Weber’s volume “Simulating Sovereignty” further contributes to an understanding of the subject by investigating how the meaning of sovereignty is expressed through discourse and diplomatic practices, and how these elements are in effect “writing the state.”<sup>40</sup> Rather than looking at how sovereignty is represented in international relations, Weber urges an investigation of how sovereignty is *simulated* in the social community of states.<sup>41</sup> Using the theoretical framework of Jean Baudrillard, Weber develops the idea that in order to be sovereign, a state must exercise control over the source of its sovereign authority, and simulate the boundaries which mark the limits of these powers. These boundaries may be between the domestic and the international, or between citizen and foreigner.<sup>42</sup>

---

<sup>36</sup> Miller, JDB: *The World of States: Connected Essays*. St. Martin’s Press, 1981. Page 16.

<sup>37</sup> Krasner Stephen D: *Compromising Westphalia*. International Security 20(3), 1995, pp 115–151.

<sup>38</sup> Biersteker, Thomas J. And Weber, Cynthia, ed: *State Sovereignty as a Social Construct*. Cambridge University Press, 1996. Page 2.

<sup>39</sup> Ibid.

<sup>40</sup> Weber, Cynthia: *Simulating Sovereignty. Intervention, the State, and Symbolic Exchange*. Cambridge University Press, 1995. “Writing the State” is the title of the book’s first chapter.

<sup>41</sup> Ibid, page 10.

<sup>42</sup> Ibid, page 125-129.

In Greenlandic politics, the primary boundary indicating the limits of sovereignty is between Nuuk and Copenhagen; between the colonizer and the colonized. Thus, Nuuk's projection of autonomy always implies creating an identity on the international stage as intrinsically non-Danish. By manipulating and controlling the jurisdictional limitations of power imposed by Denmark, the government in Nuuk is able to shape an image of Greenland as a political entity with all the characteristics of a state. This projection of sovereignty has been successful to the extent that foreign governments are indeed starting to treat Greenland like a state, and Nuuk as the supreme authority over Greenlandic affairs – all this despite Copenhagen's continued jurisdiction over Greenland's foreign affairs and security policy. By using the Arctic geopolitical sphere as an arena where sovereignty can be displayed and practiced, Nuuk is effectively constituting its own sovereignty by playing up its jurisdiction over economic matters and natural resources. As this report will highlight, the potentiality of large-scale resource extraction as a defining feature of Arctic geopolitics has allowed Greenland to situate itself as a prospective treasure chest of hydrocarbons and minerals. The strengthening independent relationships between Greenland and foreign governments, and Nuuk's conscious formation of these relationships, testify to a territory which is evolving into a state-like entity.

The Self Rule Act has made it possible for Greenland to seek international recognition in a manner which was previously inconceivable. In accordance with the Act, the Greenlandic government can enter into legally binding agreements with other states and state-based organizations on policy areas where it has full competence, such as fisheries, climate or economic policy, including foreign investment.<sup>43</sup> According to Natalia Loukacheva, this legal arrangement is unique in a global context: no other state grants such extensive powers to a territorial government. As a consequence of the Self Rule Act, Greenland enjoys a state-like status as an equal part in negotiations that solely concern its territory, and in certain cases has international legal personality in a manner usually reserved for states.<sup>44</sup>

The continuously developing division of legislative and administrative powers between Denmark and Greenland translates into a blurry scenario of overlapping and interacting sovereignties. As pointed out by Loukacheva, Greenland has succeeded in expanding its jurisdiction into areas that are traditionally non-transferable to a sub-state entity, such as foreign affairs, and is continuously testing the limits for where the Self Rule government can move independently. Reflecting the multiple layers of sovereignty at work in the Self Rule Act, Loukacheva calls this

---

<sup>43</sup> Greenland can enter into legally binding agreements with foreign governments, but it can not sign such an agreement with its own name. Instead, the formula *The Kingdom of Denmark, on behalf of Greenland*, must be used. See the legal text in Bureau for Inatsisartut: *Inatsisartutlov nr. 26 af 18. november 2010: Lov om Inatsisartut og Naalakkersuisut*. November 18, 2010.

<sup>44</sup> Loukacheva, Natalia: *Arctic Promise: Legal and Political Autonomy of Greenland and Nunavut*. University of Toronto Press, 2007.

arrangement a “constitutional hybrid.”<sup>45</sup> The very idea of constitutional sovereignty as a hybrid compromises the traditional legal view of sovereignty as an either-or concept, and allows for the legal competences of states and self-governed territories to overlap in ways that spur the necessity to rethink the definition of territorial sovereignty.

This challenge is taken up by Alexander Cooley and Hendrik Spruyt, who illustrate how states are becoming increasingly willing to reshape the meaning of sovereignty to fit political goals, including by sharing authority in new and innovative ways. The relationship between Nuuk and Copenhagen resonates with what Cooley and Spruyt describe as a “hybrid sovereignty relation,” where the long-term consequences are uncertain and the actors have “no clear view of the durability of the arrangement.”<sup>46</sup> The history of Greenlandic Self Rule also fits their description of a decolonization process where the colony has been content to achieve partial sovereignty where this has “accelerated the process of imperial withdrawal.”<sup>47</sup> As this report will highlight, foreign affairs and security represent the policy areas currently being transferred from Copenhagen to Nuuk, through the Greenlandic government’s conscious projection of sovereignty toward the outside world.

Within the Self Rule framework, Nuuk is actively inventing and re-inventing legal and political mechanisms in order to strengthen the government’s particular view of its own sovereignty. This process is indicative of what Rebecca Adler Nissen and Ulrik Pram Gad call “sovereignty games.” Increasingly evident in the political milieu of the Danish Realm and in Greenland’s external relations, sovereignty games are the processes in which actors play on various meanings of sovereignty in order to expand their scope of influence.<sup>48</sup>

Taking the analysis of Adler Nissen and Pram Gad one step further, this report claims that the Greenlandic government not only takes advantage of changing international norms when playing sovereignty games, but engages directly in the formation of these norms. Due to the rising international interest in the Arctic, Greenland’s manoeuvring within the framework of the Self Rule Act is being increasingly noted by other actors. Foreign governments have no choice but to relate to Nuuk rather than to Copenhagen when negotiating about investments in infrastructure for resource extraction, or about exploration licenses.

As this report will highlight, Nuuk’s jurisdiction over subsoil resources has opened up a larger space for its political manoeuvring. Within the sphere of Arctic geopolitics, this space has allowed the Greenlandic government to project a sovereignty which goes beyond the formal

---

<sup>45</sup> Loukacheva, Natalia: *Arctic Promise: Legal and Political Autonomy of Greenland and Nunavut*. University of Toronto Press, 2007.

<sup>46</sup> Cooley, Alexander and Spruyt, Hendrik: *Contracting States*. Princeton University Press, 2009. Page 3.

<sup>47</sup> Ibid, page 5.

<sup>48</sup> Adler Nissen, Rebecca and Pram Gad, Ulrik, ed: *European Integration and Post-Colonial Sovereignty Games. The EU Overseas Countries and Territories*. Routledge, 2013, p 4.

limitations of the Self Rule Act, and which lays the foundation for future independence and statehood.

## 4 Methodology

This report uses qualitative methods of analysis, employing both theoretical and empirical literature to develop and support its arguments. It also makes use of qualitative interviews to inform the analysis of Greenlandic foreign policy strategies. These interviews were conducted in the period March-May 2013, and have contributed valuable perspectives from informed persons within Greenlandic society. Former and current politicians, bureaucrats and professors have offered their personal insights and provided their interpretations of current events in Greenland. The sensitive political nature of the topic of Greenlandic independence and resource strategies, including undisclosed information on foreign investment, has meant that not all interviewees were willing to speak on record. Many interviews are therefore not quoted nor in any way referred to in this report.

By spending several months in Greenland's capital city before and during the general elections of 2013, the author has gained access to a wide range of local sources and media, from public hearings and election debates, to newspapers and radio. By giving a detailed account of the political dilemmas surrounding resource extraction, economic development and sovereignty issues, local media sources and public meetings have been central in informing this report. On-going political discussions expressed in Danish media have also been of importance in understanding the dynamics playing out within the Danish Realm. Paying attention to both sides of the changing relationship between Denmark and its former Arctic colony has been decisive for the analysis of Greenland's political processes, which are being shaped in accordance with the possibilities and constraints that follow from the structure of the Danish Realm.

## 5 Emerging Relations Between Greenland and North East Asia

### 5.1 Chinese Interests in the Arctic: A Stepping Stone for Greenlandic Independence

*Very small Arctic investments for China can warrant very big rewards in the future. It is a low risk and obvious choice.*

Malte Humpert, Executive Director of the Arctic Institute in Washington DC <sup>49</sup>

*Nobody should blame Greenland for moving on to Asian investors and the Chinese workforce when its closer neighbours have nothing to offer.*

Jonas Parello-Plesner, European Council on Foreign Relations <sup>50</sup>

In a time when the world is directing increasing attention toward the Arctic, one state is standing out as the most controversial player in the High North. China has emphasized its interest in the Arctic on several arenas, from science and rare earths to maritime transportation. In 2012, the *Xuelong*, or *Snow Dragon*, made the headlines as the first Chinese icebreaker to complete an Arctic expedition. The successful journey was followed by a declaration that China will build another state of the art icebreaker.<sup>51</sup>

In 2013, China stepped up its investments in Arctic oil and gas, with president Xi Jinping's visit to Moscow finalizing deals on large Chinese investments in Russia's northern oil and gas sectors.<sup>52</sup> China has also invested heavily in Iceland's economy after the country's financial collapse in 2008, and has expanded the Chinese embassy to become Reykjavik's largest foreign office, with the ability to accommodate up to 500 personnel.<sup>53</sup>

China has also been knocking on the door of the Arctic Council, and its application for permanent observer status in this organization was approved by the member states in May 2013. Notably, in the application for permanent observer status, China presented itself as a "near-Arctic state."<sup>54</sup> As pointed out by scholars on Chinese foreign policy, China

---

<sup>49</sup> Kaiman, Jonathan: *China pours cash into melting Arctic in bid to win influence*. The Guardian, March 18, 2013.

<sup>50</sup> Parello-Plesner, Jonas: *China and Greenland: Digging for Trouble*. European Council on Foreign Relations. February 7, 2013.

<[http://ecfr.eu/blog/entry/china\\_and\\_greenland\\_digging\\_for\\_trouble](http://ecfr.eu/blog/entry/china_and_greenland_digging_for_trouble)>

<sup>51</sup> Jacobson, Linda: *Northeast Asia turns its attention toward the Arctic*. Lowy Institute for International Policy/Australian National Bureau of Asian Research Analysis Brief, December 18, 2012.

<sup>52</sup> Katakei, Rakteem: *Russia lets China into Arctic rush as energy giants embrace*. Bloomberg, March 25, 2013. <<http://www.bloomberg.com/news/2013-03-25/russia-cuts-china-into-arctic-oil-rush-as-energy-giants-embrace.html>>

<sup>53</sup> Pickering, Thomas R. and Benediktsson, Einar: *China knocks on Iceland's door*. International Herald Tribune, March 12, 2013.

<sup>54</sup> As emphasized by Kluth, Michael and Lynggaard, Kennet: *Why is Denmark China's biggest fan in the Arctic Council?* Public lecture at Greenland's University, Nuuk, on May 27, 2013.

views its participation in Arctic governance issues as a natural prerogative based on its status as a global power.<sup>55</sup> In the words of Pankaj Ghemawat, “the world talks about the emergence of China as if it were a new phenomenon, while in Beijing it is simply seen as a return to the natural state of things: a state in which China comes first in everything.”<sup>56</sup>

In the context of Chinese superpower ambitions and its rising interest in the Arctic, the 56,000 inhabitants of the world’s largest island find themselves in the centre of a geopolitical development with far-reaching ramifications. Increasing Chinese attention toward the Arctic is indeed manifesting itself in Greenland, where Beijing’s gaze toward the North is providing a unique opportunity for the government in Nuuk to strengthen its position vis-à-vis Copenhagen, and to test the legal and political limits of the current Self Rule arrangement. The prospected Chinese investments in Greenland’s mineral sector are providing a dual service to the government in Nuuk by securing capital to its high-cost projects and allowing for the development of independent relations between Greenland and the world’s new economic superpower. The latter is notable in itself: Greenland has been used to existing on the fringe of international affairs, with the exception of certain American strategic interests in the territory.<sup>57</sup> Now, China’s urgent need for new resources is putting Greenland’s mineral wealth on the map in Beijing and causing unprecedented interest from journalists, scholars, strategists and politicians in the island’s on-going developments.

As pointed out by Linda Jacobson and Lee Syong-Hong, the overriding motive of China’s interests in the High North is connected to economic growth. Sustaining China’s formidable growth rates is necessary to obtain the principal rationale of the Communist Party, which is to maintain political stability and keep the Party in power.<sup>58</sup> In this context, China’s involvement in Greenland can be seen as an economic exploration of a new resource frontier, as well as an extension of the desire to politically influence a region which may become crucial for shipping and resource extraction. Securing good-will among Nuuk’s politicians and bureaucrats is likely a sound investment for China, especially given the anticipation of future Greenlandic independence.

As pointed out by Mininnguaq Kleist at Greenland’s Bureau of Foreign Affairs, the combination of an Arctic location and a prediction of future independence is exactly what draws states’ attention to Greenland, and

---

<sup>55</sup> See Jacobson, Linda: *Northeast Asia turns its attention toward the Arctic*. Lowy Institute for International Policy/Australian National Bureau of Asian Research Analysis Brief, December 18, 2012.

<sup>56</sup> Cardenal, Juan Pablo and Araujo, Heriberto: *China’s Silent Army: The Pioneers, Traders, Fixers and Workers Who are Remaking the World in Beijing’s Image*. Penguin Books, 2013. Page 254.

<sup>57</sup> The Thule Air Base, which is the US Defense’s northernmost satellite station and an important part of its missile defense program, is located in Thule on the north-west coast of Greenland. The US has previously operated several other air bases in Greenland, all of which have now been made civil and turned over to the Greenlandic government.

<sup>58</sup> Jacobson, Linda and Lee Syong-Hong: *Interests in the Arctic and Possible Cooperation with the Kingdom of Denmark. Report prepared for the Ministry of Foreign Affairs of Denmark*. Stockholm International Peace Research Institute, April 16, 2013.

what makes the island an interesting partner for foreign governments. Greenland's foreign relations are in the making, and the government is eager to establish new ties to other states and investors which can further Nuuk's economic and political ambitions.<sup>59</sup> In this context, Greenland represents a potentially important ally for states such as China, which does not have a say in Arctic governance nor is granted access to its resources. Building a strong relationship to Nuuk is an opportunity for Beijing to secure its standing with a territory which will likely occupy an important space in the future Arctic political sphere.

And a close Greenlandic-Chinese relationship is warmly welcomed by the government in Nuuk. According to Klaus Georg Hansen, Greenland is looking for partners who do not view the country as helpless and in constant need of assistance. A new self-image for Greenland, and the projection of this self-image abroad, implies that Nuuk will forge relationships to states that affirm the idea of Greenland as an independent decision-maker and a worthwhile business partner.<sup>60</sup> Recalling Biersteker and Weber's emphasis on sovereignty as a concept shaped through processes of social interaction, Greenland depends on external recognition of its government for the meaningful exercise of sovereignty in the international sphere. The recognition it gets from foreign actors in turn allows the Self Rule government to project this authority toward Copenhagen, and insist on being viewed as the legitimate governor over all matters pertaining to Greenland.

The widening and deepening of diplomatic ties is at the heart of Nuuk's strategy of establishing international recognition of its government. Nuuk is utilizing Beijing's attentiveness toward the Arctic in an intelligent way to challenge the extent of the Self Rule Act, and is making important strides toward taking control over its own foreign policy. This was evident in the two visits of Greenland's previous minister of Industry and Natural Resources, Ove Karl Berthelsen, to China in 2011, where he was welcomed by Chinese Vice-Premier Li Keqiang. The way Berthelsen was received has been characterized by Damien Degeorges as "more than exceptional" given the non-state status of Greenland. According to Degeorges, the high-level reception was indicative of the importance of Greenland as a future economic partner to China.<sup>61</sup> Berthelsen's visits were followed up by an official Chinese state visit to Nuuk in April 2012, where minister of Land and Resources Xu Shaoshi arrived together with a delegation of nine people and met with former Premier Kuupik Kleist to discuss issues of Chinese investments in Greenland's mineral sector, especially with regard to rare earths.<sup>62</sup>

---

<sup>59</sup> Interview with Minninguaq Kleist took place at the Greenlandic Government offices in Nuuk, on March 24th 2013.

<sup>60</sup> Hansen, Klaus Georg: *Uavhengigheten og oljen*. Lecture at the conference Geopolitics in the High North at Greenland's University, Nuuk, May 5, 2013.

<sup>61</sup> Degeorges, Damien: *The Role of Greenland in the Arctic*. In *Laboratoire de INSEM 2012*. Institut de Recherche Stratégique de l'École Militaire, Ministère de la Défense de la France, 2012. Accessed at <<http://www.defense.gouv.fr>>

<sup>62</sup> Marfelt, Birgitte: *Kinesisk minister i Nuuk opsnuser vide nom Grønlands mineraljagt*. Ingeniøren, April 26, 2012.



This series of meetings were likely a boost to Greenland's self-perception as an independent actor in world politics. The opportunity to send high-level politicians abroad to meet with similarly prominent officials from other states is not a given for a self-governed territory of 56,000 people, whose foreign policy is officially controlled by the former colonial power. Still, acting in a state-like manner, Greenland has managed to launch independent diplomatic relations with a rising world power.

According to Ove Karl Berthelsen, opening doors to other states in order to attract investment and know-how has been a fundamental strategy of Greenland's government. Not many years ago, Berthelsen recalls, there was minimal interest from abroad in investing in Greenland.<sup>63</sup> Today, the situation has changed dramatically. Greenland has attracted investment from nine transnational oil companies<sup>64</sup> and witnessed an exponential increase in the number of mineral licenses issued.<sup>65</sup> Berthelsen also describes how China's interest in Greenland has strengthened the country's position within the Danish Realm and provided much-needed experience in conducting high-level diplomacy. He emphasizes that building competence in the conduction of foreign relations is crucial in the light of future independence for his country, and that creating ties to other states and foreign actors thereby has a long-term purpose.<sup>66</sup>

This strategy is also reflected in the program of Inuit Ataqatigiit, Berthelsen's political party, which outlines a plan to create a Department of Foreign Affairs to replace the current Directorate.<sup>67</sup> The establishment of a proper department for the conduction of international relations would represent an important stride toward an independent Greenland, and would leave no doubt as to where foreign representatives would direct their attention when dealing with the Arctic part of the Danish Realm. Changing the label from Directorate to Department would indicate a Greenlandic foreign policy competence amounting to that of any sovereign state, thus compromising Copenhagen's control over the foreign affairs of the Realm as whole. This would have important ramifications for Denmark, putting into question the nature of the Realm as one single actor in international relations, and introducing, for the first time, a non-state entity with a fully recognized Department of Foreign Affairs.

The emerging Greenlandic-Chinese relationship is indicative of a competence-building which may well translate into Greenland designing its fully independent international relations in the future. This is a crucial

---

<sup>63</sup> Ove Karl Berthelsen was minister of Industry and Natural Resources from 2009-2013. The interview with Berthelsen took place in Nuuk on May 29, 2013.

<sup>64</sup> Members of the Greenland Oil Industry Association include Husky Energy, Shell, Statoil, Chevron, GDF Suez, ConocoPhillips, and Cairn Energy, in addition to Danish companies Maersk Oil and Dong Energy. See <<http://www.goia.gl/about-goia/member-companies.aspx>>

<sup>65</sup> Greenland Bureau of Minerals and Petroleum: *Greenland Mineral Exploration in Brief Figures*. Published in September 2002.

<sup>66</sup> The interview with Ove Karl Berthelsen took place in Nuuk on May 29, 2013.

<sup>67</sup> Inuit Ataqatigiit (Socialist People's Party): *Vores fremtid – vores ansvar*. Booklet outlining the governing party's position ahead of Greenland's election in March 2013.

aspect of Greenland's statebuilding process, as it forces outside actors to treat Nuuk as the legitimate Arctic power within the Danish Realm. As such, Nuuk is promoting a recognition of its sovereignty in Arctic affairs onto other states in a powerful manner. As foreign officials are getting used to dealing with the Greenlandic government in the same way they deal with the government of any sovereign state, Nuuk is making pivotal progress toward international recognition.

The fact that foreign governments are starting to treat Nuuk as the legitimate location for all decision-making concerning Greenland's external affairs is absolutely crucial to the island's statebuilding process. Recalling Biersteker and Weber's analysis, recognition is pivotal in defining sovereignty. In the world of states, and in the Arctic geopolitical context, Greenland is part of a social environment where state interaction is shaping the meaning of sovereignty, a meaning which is never spatially or temporally fixed. Bearing in mind the socially constructed nature of sovereignty, Greenland's diplomatic practice should be understood in terms of Weber's idea of "writing the state."<sup>68</sup> Here, Greenland is being remarkably successful at constituting its own sovereignty. At the base of this sovereignty is the control over Greenland's huge resource potential, which forms the core of foreign actors' interest in the Arctic territory.

In the summer of 2013, Greenland's national mining company Nuna Minerals will host a large Chinese business delegation consisting of representatives from seven Chinese mining and investment companies, as well as the Chinese Development Bank.<sup>69</sup> This will be the largest delegation from China to visit Greenland so far. The Chinese firms and investment institutions have declared that they are interested in exploring possibilities for engaging in mining activities in Greenland, and they will meet with a range of politicians and businesses in Nuuk. These meetings will be regarded by the Greenlandic government as creating a most valuable connection to investors that have the capital needed to spark a resource adventure on the island. The meetings will also be seen as a strong signal of where negotiations concerning Greenlandic mining should take place; the delegation is not bound for Copenhagen, but for Nuuk, and no Danish official will take part in the meetings. Despite the inseparability of conducting foreign policy and building relations to the Chinese Development Bank, Copenhagen is choosing not to interfere in the negotiations between Greenlandic politicians and representatives from the bank.

This does not mean that Copenhagen is inattentive to the emerging relationship between Nuuk and Beijing. On the contrary, the intersection of Chinese and Greenlandic interests has produced a fear in Copenhagen that Denmark will be pushed further to the background of Arctic affairs. Accusations that Danish politicians did not understand the implications of

---

<sup>68</sup> Weber, Cynthia: *Simulating Sovereignty. Intervention, the State, and Symbolic Exchange*. Cambridge University Press, 1995. *Writing the State* is the name of the book's first chapter.

<sup>69</sup> The delegation includes representatives from Hunan Nonferrous Metals Holding Group, Shandong Far East Mining Group, Polaris Mining Investment Fund, and four other companies. Sermitsiaq: *Kineserne Kommer*. July 4, 2013.

the Self Rule Act in 2009 have proliferated together with the rising attention on the Arctic and Greenland's efforts to promote its business opportunities internationally. After Nuuk's passing of the so-called large-scale law, which allows for the import of thousands of foreign workers to Greenland's planned industrial projects, Lars Løkke Rasmussen, the leader of Denmark's largest political party, Venstre, demanded a "time-out" to re-investigate the Self Rule Act. He wanted to look into how Denmark could cooperate with Greenland to extract resources, and thus create an alternative to Chinese investments, the introduction of which made him "deeply concerned."<sup>70</sup> Sara Olsvig, who holds one of the two seats at the Danish Parliament that are reserved for Greenlanders, responded by pointing out that within the current legal arrangement "Denmark does not have a time-out card to play." She emphasized that political choices concerning labour, resources and economic development are within the legal competence of the Greenlandic government, and thus can not be interfered with by Copenhagen.<sup>71</sup>

Through the formation of independent economic relationships to China and other foreign actors, Greenland's government is showing Copenhagen that it intends to forge alliances based on a common interests in developing Greenland's resource potential, not on former colonial ties.

As Denmark has transferred the jurisdiction over more and more policy areas to Nuuk, sovereignty has shifted in a manner which supports Cooley and Spruyt's analysis of sovereignty as something which is "dynamically exchanged and transferred."<sup>72</sup> This shift in the location of decision making power has made it possible for Greenland to emerge as the Danish Realm's principal driver of Arctic affairs. As crucial strategies on resource extraction are now being designed by the Greenlandic government, it is Nuuk which is gradually becoming the centre for the shaping of the Realm's Arctic policies. Although part of the policy making takes place under some form of cooperation or dialogue with the Danish Parliament, it is an enormous strength for Greenland to have the formal jurisdiction over its economic and resource policy.

As emphasized by Mark Nuttall, Copenhagen's interest in the Arctic increased remarkably after the establishment of Self Rule in 2009,<sup>73</sup> reflecting how Denmark noted the necessity of being more active in its northern affairs in order to retain its identity as an Arctic state. One step further removed from Arctic policy making, Copenhagen recognized the importance of holding on to its international image as an Arctic power, and not to compromise this status with the advent of an increasingly independent Arctic actor within its own Realm.

---

<sup>70</sup> Politiken, January 10, 2013: *Løkke vil have time-out: er dybt bekymret over kinesiske lønninger i Grønland*. <<http://politiken.dk/politik/ECE1863542/loekke-vil-have-timeout-er-dybt-bekymret-over-kinesiske-loenninger-i-groenland/>>

<sup>71</sup> Olsvig, Sara: *Halvdelen av Rigsfællesskabet har sovet i timen*. Politiken, January 13, 2013.

<sup>72</sup> Cooley, Alexander and Spruyt, Hendrik: *Contracting States*. Princeton University Press, 2009. Page 4.

<sup>73</sup> Interview with Mark Nuttall, professor at University of Alberta, took place at Greenland's University, Nuuk, on May 16, 2013.

This was likely the motivation for the Danish Ministry of Foreign Affairs' commissioning of the recently released report from Stockholm International Peace Research Institute, which outlines new avenues for cooperation between Denmark and China, South Korea and Japan on Arctic affairs. In this report, the emphasis is on developing conventional state-to-state relations between Denmark and China, South Korea and Japan in order to strengthen Denmark's position as an Arctic state.<sup>74</sup> By treating Copenhagen as the legitimate possessor of Arctic sovereignty, the report neglects Nuuk's recent line of policy, which emphasizes that Greenland is seeking out a future as an independent actor, and that it will not be reduced to an exotic venue which Denmark can use to brand itself as an Arctic state. As emphasized by Mininnguaq Kleist, when foreign officials visit Greenland, Denmark no longer serves as the official host. Instead, events involving foreign delegates are wholly organized by Greenland's government, and hosted by the Greenlandic Premier. In the past, Denmark was the official host when inviting foreign statesmen to admire the stunning fjords and ice bergs, and there was minimal participation from local authorities. "But that time is over," states Kleist.<sup>75</sup>

The jurisdictional power over natural resources allows for Nuuk to conduct its own foreign affairs and security policy masqued as purely economic matters, and puts the Greenlandic government in charge of developing its own economic relations to China and others. The pushing and pulling for dominance over the Danish Realm's Arctic affairs illustrates that sovereignty has multiple layers, and can be negotiated, shared, and transferred. As a result, it is not always clear where the absolute authority is located. This vagueness creates a certain space for manoeuvring, which allows Greenland's government to carve out a more and more prominent role for itself within the Danish Realm, and within the sphere of Arctic geopolitics. By repeatedly emphasizing its full jurisdiction over natural resources, both in rhetoric and action, the Greenlandic government is using the interest from foreign actors in its underground riches as a source of recognition, and ultimately, of sovereignty.

Interestingly, the sovereignty games at play between Greenland and Denmark are most clearly expressed through the states' external relations, where they seem to compete on the international arena for the status as the highest authority over Greenland's enormous land mass and huge span of territorial waters. This behaviour again lends weight to the theories of Miller, Krasner, Biersteker and Weber, who all identify external recognition as the very core of sovereignty. While Denmark is working through an already established network of international relations to strengthen its status as an Arctic state, including by increasing northern cooperation with China and South Korea, the government in Nuuk rely

---

<sup>74</sup> Jacobson, Linda and Lee Syong-Hong: *Interests in the Arctic and Possible Cooperation with the Kingdom of Denmark. Report prepared for the Ministry of Foreign Affairs of Denmark*. Stockholm International Peace Research Institute, April 16, 2013.

<sup>75</sup> Interview with Mininnguaq Kleist took place at the Greenlandic Government offices in Nuuk, on March 24th 2013.

on foreign interest in its resources as the fundament for creating any diplomatic relations.

Although representing important steps for the Greenlandic conduction of independent diplomatic relations, the official visits between Greenland and China should not be taken as evidence that Copenhagen is now superfluous in the shaping of Arctic international affairs. Neither are they a sign of a general Chinese acceptance of self-governing territories as legitimate state-like entities. Beijing chose to deal with Copenhagen, not Nuuk, when discussing bilateral relations, including Arctic issues, at the presidential visit in 2012. Notably, this was the first ever Chinese presidential visit to Denmark, and Hu Jintao made Copenhagen his only European stop on the way to the G20 summit in Mexico. The meeting, which officially concerned bilateral affairs between Denmark and China, also had Chinese interests in the Arctic on the agenda, which made many commentators point out that China's visit to Denmark was closely connected with the planned investments in the Realm's Arctic territory. "When Beijing is looking toward Denmark, the attention is really on Greenland," wrote the editor-in-chief of Denmark's largest newspaper.<sup>76</sup>

Notably, Greenland was not invited to the bilateral meeting in Copenhagen. When demanding a seat at the table together with Danish Prime Minister Helle Thorning-Schmidt and Hu Jintao, Greenlandic Premier Kuupik Kleist got a firm rejection from the Danish Department of Foreign Affairs. This caused Greenlandic politicians to demand an explanation from Thorning-Schmidt as to why the territory was excluded from a meeting with an Arctic agenda. The Prime Minister responded by saying that the meeting would not touch on any issue specifically related to Greenland, and that it was therefore not necessary for Kleist to be present. In her follow-up visit to China later that year, the Greenlandic Premier was not invited to join.<sup>77</sup>

From this evidence, one might be tempted to conclude that the exclusion of Greenland during Hu Jintao's visit testifies to a colonial relationship where Greenland remains at the mercy of Copenhagen in the shaping of international relations in the Arctic, with no secure seat at important higher level meetings. But interpreting this scenario as a sign of Greenlandic weakness vis-à-vis Denmark would be a premature conclusion. Copenhagen's behaviour around Hu Jintao's visit should be seen as an attempt to regain the primacy over Arctic foreign policy and relations with Beijing, and thereby move the centre of power over Greenland back to the capital of the Danish Realm. The fact that Kleist was excluded from the bilateral meetings is not evidence of Nuuk's insignificant position, but rather of Denmark's weariness toward the developments in Greenland, in particular with regard to the territory's emerging independent relations with Beijing. Recalling the analysis of the sovereignty games playing out between Nuuk and Copenhagen,

---

<sup>76</sup> Duus, Søren: *Helle T skal forklare Grønlands fravær*. Sermitsiaq, June 12, 2012. <<http://sermitsiaq.ag/node/128400>> See also interview with Nils Wang in Politiken: *Kina vil tjene milliarder på råstoffer I Grønlands underground*. June 12, 2012.

<sup>77</sup> Ibid.

Thorning-Schmidt's strategy is an expression of Copenhagen's desire for recognition as the state which retains absolute sovereignty over Greenland.

Maintaining this sovereignty is especially important in the light of a Greenlandic government which is moving increasingly independently not only in the sphere of foreign affairs, but also in another area most exclusive to the state, namely security policy. As the following section will highlight, taking control over Arctic security policy is an important opportunity for Greenland to project its sovereignty through dominating the most sensitive issues on Chinese investments.

## 5.2 Greenland's Projection of Sovereignty in the Arctic Security Sphere

*The risk of having a weak Greenlandic state in the Arctic has to be considered much more seriously, before it eventually becomes a threat.*

Damien Degeorges<sup>78</sup>

With the advent of foreign investments in Greenland, Denmark's legal competence on foreign affairs and security policy has proven difficult to keep separate from Nuuk's jurisdiction over resources and economic issues. In the area of security policy, Greenland is benefitting from the nature of security as closely connected to sovereignty and statehood. By emerging as the principal decision-maker on Arctic security issues, the Greenlandic government is moving into yet another of Copenhagen's legal competences. Issues surrounding Chinese investments and Nuuk's revoking of the Danish prohibition on uranium mining stand as forceful examples of how Greenland is using the Arctic security sphere as an arena to gain recognition and to project sovereignty.

Chinese investment in the prospected Isua iron mine, situated northeast of Nuuk and on the edge of the inland ice sheet, has occupied much space in the political debate in both Denmark and Greenland. According to the CEO of London Mining, Graeme Hossie, Chinese construction companies can be expected to play a major role in building the substantial infrastructure needed for the project.<sup>79</sup> The Isua project in Greenland shares important characteristics with Beijing's on-going investments in resource extraction in other parts of the world: the mine requires high initial investments in a largely unexplored territory, where there is no infrastructure in place. Through its state-owned banks, China has been able to offer unmatched investments in high-risk projects in underdeveloped parts of the world, and gain valuable access to resources. China's seemingly unsatisfiable demand for resources, combined with an unparalleled financial muscle, provides a golden opportunity for Greenland to secure investments in the costly extraction of its underground resources. This was a crucial part of the rationale behind the

---

<sup>78</sup> Degeorges, Damien: *Denmark, Greenland and the Arctic: Challenges and opportunities of becoming the meeting place of global powers*. Danish Defence Academy Brief, January 2013. Page 15.

<sup>79</sup> Krarup, Poul: *London Mining fortsetter Isua-prosjektet*. Sermitsiaq, April 20. 2013.

Greenlandic government's passing of the so-called large-scale law, which allows for the import of thousands of Chinese workers to facilitate the construction of large industrial projects.

The potential arrival of thousands of Chinese workers, who would outnumber the population of most Greenlandic towns, has contributed to the scare of a "Chinese invasion" in Greenland.<sup>80</sup> To bring down the scepticism expressed both by locals and by Copenhagen, Greenlandic politicians have consistently emphasized that Chinese workers would be confined within designated camps, and not be allowed to mingle with locals. According to previous minister of Industry and Mineral Resources, Ove Karl Berthelsen, this separation is necessary to "protect local communities." After demands from Copenhagen, Chinese workers will not be allowed to use Greenland as a stepping stone to enter Denmark, nor to apply for asylum.<sup>81</sup> Thus, foreign workers entering Greenland would do so on a permit to work on a specific project, and be obliged to leave as soon as the permit expires, a policy which has led some to speak of Greenlanders as the new "polar mineral Sheiks."<sup>82</sup>

To a remarkable extent, Copenhagen has been willing to cooperate with Greenland on issuing work visas to foreign labourers in a way which would not be legal in Denmark. Notably, this illustrates that the Danish government is ready to make exceptions in its legislation in order to accommodate Greenland's demands. As Thorkild Kjærgaard points out, Copenhagen could easily refuse Chinese work visas in Greenland if it chose to define these as a threat to national security and wished to put an end to Greenlandic dreams of large-scale industry fuelled by cheap labour.<sup>83</sup>

The planned investment in the Isua mine has provoked stern reactions from Denmark, Iceland, the EU, and the US. Some have speculated that China's interest in Greenland marks the beginning of a large offensive to secure Chinese access to Arctic resources, constituting a regional security threat.<sup>84</sup> Yet others have warned that Greenland is likely to fall prey to clever Chinese strategies designed to build a new economic empire of the sort described by Juan Pablo Cardenal and Heriberto Araujo in their analysis of Chinese global investment strategies:

---

<sup>80</sup> The term "Kinesisk invasion" has been repeatedly used in Greenlandic media. See for example editorial in Sermitsiaq: *Kinesisk invasion florerer igen*, from March 22, 2011.

<sup>81</sup> Ove Karl Berthelsen was minister of Industry and Natural Resources from 2009-2013. The interview with Berthelsen took place in Nuuk on May 29, 2013.

<sup>82</sup> Parelló-Plesner, Jonas: *China and Greenland: Digging for Trouble*. European Council on Foreign Relations. February 7, 2013.  
<[http://ecfr.eu/blog/entry/china\\_and\\_greenland\\_digging\\_for\\_trouble](http://ecfr.eu/blog/entry/china_and_greenland_digging_for_trouble)>

<sup>83</sup> Interview with Thorkild Kjærgaard took place on April 11, 2013, at Greenland's University in Nuuk.

<sup>84</sup> Former US Secretary of State, Thomas R. Pickering, is urging the US to step up its involvement in the Arctic to provide a counterweight to Chinese activities. See Pickering, Thomas R. and Benediktsson, Einar: *China knocks on Iceland's door*. International Herald Tribune, March 12, 2013.

*Beijing's powers of seduction combine the use of subliminally anti-colonialist discourse with a chameleon-like diplomatic strategy, while simultaneously using multi-million-dollar investments to unfold the tentacles of its influence throughout the planet.*<sup>85</sup>

Chinese involvement in the Greenlandic economy has provoked both direct and indirect warnings that the Arctic island is too fragile to handle the financial and political weight of this Asian power. According to Nils Wang, the geopolitical developments in the Arctic is making it “more important than ever” for Greenland to be anchored within a strong Danish state, with the necessary institutional capacities to tackle possible future security challenges.<sup>86</sup> Damien Degeorges promotes a similar perspective, claiming that “a country with population of 56,000 and a political elite of 44 people is vulnerable. One only needs to convince 25 people to get something through, which is nothing for experienced lobbyists.”<sup>87</sup> Degeorges extends an explicit warning to Denmark and other Arctic states in claiming that the emergence of a weak Greenlandic state combined with powerful foreign investors should be worrying Denmark and other states with interests in the Arctic.<sup>88</sup>

At Greenland's Foreign Affairs Directorate, such warnings are received with smiles and head-shakes. “Greenland is not a lawless country, but an established democracy,” Mininnguaq Kleist points out, “We have strong institutions and practices to handle foreign investments and state interests.” Kleist emphasizes that Greenland will never fall prey to any foreign government, nor to powerful multinational companies. “No one single state or company will be allowed to grab too much power in Greenland. Rather, we will witness sound competition between businesses from many countries.”<sup>89</sup>

Kleist's reassurance of Greenland's resilience is indicative of a government with a high degree of confidence in its ability to be an independent actor in the Arctic security sphere. In the reorientation toward Asian states as future major investors, Greenland's sovereignty game entails pushing for greater autonomy through actively using its jurisdiction over natural resources, and making this jurisdiction prevail over Danish security concerns. Gradually, this strategy has moved the decision-

---

<sup>85</sup> Cardenal, Juan Pablo and Araujo, Heriberto: *China's Silent Army: The Pioneers, Traders, Fixers and Workers Who are Remaking the World in Beijing's Image*. Penguin Books, 2013. Page 254.

<sup>86</sup> Notably, Greenland does not have any military capabilities of its own, but relies on the Danish Arctic Command for military presence on the territory. See Wang, Nils: *Sikkerhetspolitik i Arktis – en ligning med mange ubekjente*. (Security policy in the Arctic – an equation with many unknowns). Retrieved from Danish defence Academy/Atlantsammenslutningen's publication Sikkerhetspolitisk Info, January 12, 2012.

<sup>87</sup> Marfelt, Birgitte: *Forsker: Grønland skal ruste seg mot kinesisk dominans*. Ingeniøren, March 30, 2012.

<sup>88</sup> Degeorges, Damien: *Denmark, Greenland and the Arctic: Challenges and opportunities of becoming the meeting place of global powers*. Danish Defence Academy Brief, January 2013. Page 15.

<sup>89</sup> The interview with Mininnguaq Kleist took place in the offices of the Foreign Affairs Directorate, on April 24, 2013.



making location on Arctic security issues from Copenhagen to Nuuk, representing a powerful projection of sovereignty.

The jurisdiction over natural resources has also allowed for the Greenlandic government to trump Danish security concerns on another controversial matter, namely the extraction of uranium. In 2012, the Greenlandic government unanimously passed a resolution to lift the Danish Realm's universal ban on uranium mining, again illustrating how the government's jurisdiction over resources can override Copenhagen's security policy. The signals from Danish Prime Minister Helle Thorning-Schmidt indicate that the Greenlandic government will not face obstacles from Copenhagen on its uranium decision: "I am not principally against revoking the zero-tolerance on uranium. And even if I was, it would not matter, because it is Greenland which has the legal competence on this issue."<sup>90</sup> Thus, Greenland will likely be able to force Denmark to accept its decision to extract the nuclear matter, despite the deep-rooted Danish prohibition on nuclear substances on its territory. In Copenhagen, a commission is already looking into the effects of Greenland's potential uranium extraction on Denmark's membership in the International Atomic Energy Agency (IAEA). According to the legal framework of IAEA, costly infrastructure, effective control mechanisms, and strict inspection schemes must be in place in order to comply with the organization's laws.

But not all Danish politicians have followed the Prime Minister's line on the uranium issue in Greenland. The topic has produced much public controversy, and Denmark's largest opposition party has declared that it is not in favour of lifting the ban on nuclear substances.<sup>91</sup> The lack of adequate international mechanisms for the trading of uranium, and the fear that the substance might end up in the wrong hands, has made many in Copenhagen sceptical of the development in Greenland. With no technical experience in the mining of nuclear substances, Denmark will not be able to perform the necessary control functions in a potential Greenlandic uranium project. Thus, Greenland will rely on foreign expertise on all aspects of the activity, from exploration to inspection and control mechanisms. This likely adds a layer of wariness to Danish politicians, on top of the strongly felt distinction of Denmark as a country holding an uncompromising attitude against nuclear power since 1988.<sup>92</sup>

Given these uncertainties, and the deeply embedded anti-nuclear sentiment in Denmark, it is remarkable that Greenland's government has been able to dominate the interpretation of the Self Rule Act in such a way that uranium has been desecuritized and declared by the Prime Minister as wholly within Nuuk's jurisdiction. The Danish government seems to have accepted the unambiguous message of Jens-Erik Kirkegaard, Greenland's minister of natural resources, who stated: "We

---

<sup>90</sup> Quoted in Børsen: *Thorning accepterer at Grønland vil utvinde uran*. April 16, 2013.

<sup>91</sup> Hansen, Jesper Løvenbalk: *Venstre afviser Grønlands uraneventyr*. Information, March 23-24, 2013.

<sup>92</sup> A majority of the Danish Parliament said no to nuclear power in 1988.

have taken over the sovereignty on matters of natural resources, so this is not a topic for Denmark to decide upon.”<sup>93</sup>

### 5.3 Greenland as a Future Exporter of Rare Earths: A Meeting Place for China and the EU

*There is no difference between exporting shrimp or rare earths.*

Ove Karl Berthelsen, former minister of Industry and Mineral Resources, 2013<sup>94</sup>

On the 13th of June 2012, one day before the official visit of then Chinese President Hu Jintao in Copenhagen, a notable meeting took place in the offices of the Greenlandic government in Nuuk. Antonio Tajani, Vice President of the European Commission and the EU’s Commissioner for Industry, signed a memorandum of understanding with then Premier of Greenland, Kuupik Kleist, on the future cooperation between the two parties in the field of rare earths exploration.<sup>95</sup> The timing of the meeting was hardly a coincidence, as Chinese investments in Greenland were expected to be high on Hu Jintao’s agenda when visiting Denmark the next day. Under these circumstances, the EU-Greenland rare earths memorandum should be interpreted as a signal from Europe that Beijing is not alone in showing interest for Greenland’s underground riches, nor to back this interest up with concrete investments. Given the monopolistic Chinese strategy on the production and exportation on rare earths, the agreement with Greenland represents a forceful political statement from the EU.

The EU has expressed strong discontent with China’s absolute control of global rare earths supply and has accused China of restricting exports in order to increase prices, a dispute which was brought to the WTO in 2012.<sup>96</sup> The memorandum of understanding signed with Greenland is a signal from the EU that it will seek to bring an end to China’s monopoly on rare earths and secure its involvement in new areas of extraction, distinguishing Greenland as an attractive future partner in this sector. According to a memo from the European Commission, Greenland is estimated to hold about 9 per cent of the global rare earth deposits.<sup>97</sup>

For Greenland, the rare earths agreement with the EU has reaffirmed the island’s image as a future resource base, and situated it as a future point

---

<sup>93</sup> Quoted in Linqvist, Andreas: *Uranudvinding kan have lange udsikter*. Grønlandsposten, March 27, 2013

<sup>94</sup> Quoted in Nyvold, Mads: *Ingen forskel på rejer og råstoffer*. Sermitsiaq AG, November 6, 2012. <<http://sermitsiaq.ag/node/139796>>

<sup>95</sup> Degeorges, Damien: *Denmark, Greenland and the Arctic: Challenges and opportunities of becoming the meeting place of global powers*. Danish Defence Academy Brief, January 2013. Page 13. Accessed at <<http://forsvaret.dk/FAK/Publikationer/Briefs/Documents/Denmark-Greenland-and-the-Arctic.pdf>>

<sup>96</sup> World Trade Organization: *Dispute DS 431: China – Measures Related to the Exportation of Rare Earths, Tungsten and Molybdeum*. Panel composed on September 24, 2012.

<sup>97</sup> European Commission: *Memo 12/428: Greenland’s Raw Minerals Potential and the EU’s strategic needs*. Brussels, June 13, 2012. <[http://europa.eu/rapid/press-release\\_MEMO-12-428\\_en.htm](http://europa.eu/rapid/press-release_MEMO-12-428_en.htm)>

of convergence between the EU and China's strategic interests. The commitment on the part of the EU to contribute 218 million euro over six years to geological mapping, competence building and the development of infrastructure around rare earths sites stands as an important indication of Greenland's resource policy, which aims at diversifying investments in oil, gas and minerals, and attracting as much foreign capital as possible. On this point, the very idea of Greenland as the last resource frontier is tremendously important. As investment costs are high in a territory where no infrastructure exists outside the towns, and where the natural environment poses substantial challenges, the flow of investment to Greenland hinges on expectations of large returns. These returns can be in the form of sales profits, in the form of control over a crucial resource, or, preferable to both the EU and China on the rare earths market, a mix between economic profitability and the fulfilment of political motives.

By showing interest in Greenland's resource potential, and by sending a high-level Commissioner to meet with Kuupik Kleist in Nuuk, the EU is serving a similar purpose to Greenland's statebuilding efforts as China. The EU has contributed to highlighting Greenland as an important future base for the extraction of rare earths, and put the Greenlandic government in a powerful position by representing one of the few alternatives to Chinese rare earths. The fact that both China and the EU are expressing an interest in Greenland's rare earths, and are willing to back this interest up with high-level diplomatic visits and the signing of concrete agreements, is extremely valuable for Nuuk's projection of itself as the authority over sought-after resources, and as the political centre for important negotiations.

The rare earths memorandum of 2012 marks an important shift in Greenland's relationship to the EU, and signals a new trajectory for Greenland's strategic cooperation with Europe. The Greenland-EU relationship has long been dominated by a single controversial issue, namely the union's ban on the import of seal skin, which has caused much resentment among Greenlanders.<sup>98</sup> Moving beyond this long-standing conflict, the Greenlandic government has now adopted a more pragmatic view of the EU, and has forged a relationship to the union which is characterized by Natalia Loukachava as a "political love affair."<sup>99</sup> If this relationship is backed up with concrete investments from the EU or its individual member states, Greenland may choose to focus more attention toward its European neighbourhood. If not, Nuuk will likely concentrate on more fruitful relations in the east, where, in addition to China, South Korea is emerging as a promising partner.

---

<sup>98</sup> See Gad, Ulrik Pram: *Greenland Projecting Sovereignty, Denmark Protecting Sovereignty Away*. European Integration and Post-Colonial Sovereignty Games: The EU Overseas Countries and Territories. Routledge, 2012. Pp 217-234.

<sup>99</sup> Loukacheva, Natalia: *Arctic Promise: Legal and Political Autonomy of Greenland and Nunavut*. University of Toronto Press, 2007.

#### 5.4 Greenland and South Korea: An Unforeseen Partnership

As part of a strategy to expand Seoul's international influence and create, in the words of former President Lee Myung-bak, a "Global Korea," South Korea is directing more attention toward the Arctic, which has been expressed as a priority by the country's new government.<sup>100</sup> South Korea's interests in the region are, as in China, linked to resources and the future possibilities for cost-saving shipping routes. South Korea has been eager to obtain a seat as a permanent observer at the Arctic Council, and its bid was approved together with China's at the organization's meeting in Kiruna in May 2013. Prior to the meeting, Greenlandic Premier Kuupik Kleist had expressed strong support for the bid, an encouragement which was well received in Seoul.<sup>101</sup>

The emerging relationship with South Korea adds to Greenland's independent crafting of economic and political ties to other states. When describing his recent trip to Seoul, Mininnguaq Kleist talks of Greenland as a country that is increasingly self-confident on the international arena. In Seoul, he describes, Danish officials were merely facilitators of the meeting, and did not otherwise speak or act on behalf of Greenland. Notably, Mininnguaq Kleist, Kaj Kleist and Ove Karl Berthelsen draw a similar picture of Greenland as taking advantage of Danish embassies abroad when it comes to making contacts and organizing visits, occasions where Nuuk's politicians exclusively promote Greenlandic national interests. Through diplomatic visits, including those arranged by Danish embassies, Nuuk clearly sets out with an agenda to advance the international image of Greenland as an actor distinct from Denmark. The Self Rule Act has made possible the unique situation where a self-governed territory is given the political space to market itself as fundamentally distinct from the parent state, while at the same time using the state in areas where it has the superior capacity.<sup>102</sup>

South Korea has emerged as an important partner for Greenland, and several official visits between the two governments have taken place. Most notably, South Korea's President Lee Myung-bak visited Illulisat in 2012. Here, Kuupik Kleist served as the official host of the meeting. Although the Danish Minister of Environment was present as the representative for the Danish government, Kleist left not doubt as to which were the two main parties at the meeting: "As South Korea has come to Greenland, this marks the start of a new relationship between our two countries." Kleist further emphasized that the visit showed "the

---

<sup>100</sup> Jacobson, Linda and Lee Syong-Hong: *Interests in the Arctic and Possible Cooperation with the Kingdom of Denmark. Report prepared for the Ministry of Foreign Affairs of Denmark*. Stockholm International Peace Research Institute, April 16, 2013. Page 32-35.

<sup>101</sup> Ibid, page 33.

<sup>102</sup> For example, as pointed out by Ove Karl Berthelsen, Denmark's Arctic continental shelf claim to the UNCLOS committee is handled exclusively by Copenhagen. The author's interview with Berthelsen took place in Nuuk on May 29, 2013.

importance of continuing our foreign policy to create alliances with states that can contribute to Greenland's development."<sup>103</sup>

And as a capital-rich and resource-hungry state, South Korea may indeed prove to be a partner which will significantly contribute to Greenland's economic self-sufficiency. When Kuupik Kleist visited Seoul in 2012, he was joined by the Australian-owned company Greenland Minerals and Energy Ltd. The capital behind this company's planned rare earths and uranium mine in southern Greenland comes from a group of public and private South Korean investors, including the industrial giant Hyundai. This investor group is currently involved in developing the mining project in Kvanefjeld, which is estimated to hold one of the world's largest quantities of several rare earths.<sup>104</sup> Greenland Minerals and Energy has called Greenland "the world's last resource frontier" and stated that with time Greenland could surpass China as the largest global exporter of uranium.<sup>105</sup> If the project at Kvanefjeld is carried out, investment from South Korea will play a major role as a facilitator of Greenland's economic, and eventually political, independence.

---

<sup>103</sup> Quoted in Duus, Duran: *Sydkoreansk besøg: første aftaler i hus*. Sermitsiaq, September 10, 2012. <<http://sermitsiaq.ag/node/135446>>

<sup>104</sup> Hyltoft, Vibe: *Sydkoreansk gigainvestering i mine*. October 11, 2012. <<http://www.business.dk/global/sydkoreansk-gigainvestering-i-mine>>

<sup>105</sup> Nuttall, Mark: *Self-Rule in Greenland: Towards the world's first Inuit State?* Indigenous Affairs No 3/4, 2008. Pp 66. Plumer, Brad: *How to free the World from China's rare Earth Stranglehold*. Washington Post, September 16, 2011.

## 6 Conclusions

This report has argued that Nuuk's projection of sovereignty through its resource diplomacy forms a crucial part of the territory's statebuilding efforts. The report has demonstrated how Nuuk's full jurisdiction over Greenland's natural resources has allowed the territory to move further toward independence from Denmark, and to strengthen its autonomy on the international stage. By attracting foreign capital to its resource industries, and at the same time building up independent ties to foreign governments, Greenland is gradually establishing itself as a sovereign actor in the Arctic. By holding absolute authority over Greenland's oil, minerals and rare earths, the government in Nuuk has become the primary negotiating partner for any foreign government or multinational company interested in the territory's underground riches.

This report has illustrated how Nuuk is using the heightened international attention toward the Arctic to build international recognition of its sovereignty through its resource policy and diplomatic practice, signalling with every political move that the Greenlandic government has taken over Copenhagen's role as the highest authority on all issues pertinent to Greenland. When forging independent relations to China, South Korea and the EU, Greenland's government is cleverly creating an image of itself as holding the principle authority over the Danish Realm's Arctic affairs. Drawing on the theoretical work of Weber, Biersteker, Krasner and others, this external recognition is at the heart of establishing Greenland's sovereignty.

The projections for Greenlandic statehood within the next few decades remain uncertain – and highly controversial. But as the Arctic region is becoming a geopolitical hot-spot, Greenland's ambitions of statehood are certainly becoming more realistic, and of much higher importance to regional, and indeed global, international relations. In a region where powerful global players are increasing their presence, Greenland no longer finds itself on the world's political periphery.

If profitable large-scale resource extraction does become reality, a Greenlandic state will likely materialize as the economic dependence on Denmark comes to an end. As a state, Greenland would possess some truly unique characteristics. Kalaallit Nunaat, which is the country's name in Greenlandic and means Land of the People, would be the world's twelfth largest state, inhabited by a mere 56,000 people. It would be the only state in the world with more than 80 per cent of its landmass permanently covered by ice, and the only state where no two towns are connected by road.

Until the point when statehood becomes economically feasible, Greenland will follow the prescription provided by Canadian Prime

Minister Stephen Harper when he stated what he considered as the first principle of Arctic sovereignty: “Use it, or lose it.”<sup>106</sup>

---

<sup>106</sup> From Stephen Harper’s speech in Resolute, Canada, August 10, 2007. Quoted in BBC News: Canada to Strengthen Arctic Claim. August 10, 2007. <<http://news.bbc.co.uk/2/hi/americas/6941426.stm>>





## Bibliography

- Adler Nissen, Rebecca and Pram Gad, Ulrik, ed: *European Integration and Post-Colonial Sovereignty Games. The EU Overseas Countries and Territories*. Routledge, 2013.
- Andresen, Maja Yrsa: *Grønland. Storskalalov hjælper ikke bygderne*. Politiken, February 1, 2013.
- Arsenault, Chris: *Wikileaks: A battle to “carve up” the Arctic*. AlJazeera, May 21, 2011.  
<<http://www.aljazeera.com/indepth/features/2011/05/201151713273937174.html>>
- Berthelsen, Ove Karl. Interviewed by the author. Nuuk, May 29, 2013.
- Biersteker, Thomas J. And Weber, Cynthia, ed: *State Sovereignty as a Social Construct*. Cambridge University Press, 1996.
- Borgerson, Scott: *Arctic Meltdown*. Foreign Affairs 87, No 2, March/April, 2008, pp 63-77.
- Broberg, Hanne: *Aleqa vil ud av riksfællesskabet*. Sermitsiaq, February 20, 2013.
- Bureau for Inatsisartut: *Inatsisartutlov nr. 26 af 18. november 2010: Lov om Inatsisartut og Naalakkarsuisut*. November 18, 2010.
- Byers, Michael: *Who Owns the Arctic? Understanding Sovereignty Disputes in the North*. Douglas and MacIntyre, Toronto, 2009.
- Cairn Energy official web portal on exploration and drilling in Greenland: <<http://www.cairnenergy.com/index.asp?pageid=78>>
- Cardenal, Juan Pablo and Araujo, Heriberto: *China’s Silent Army: The Pioneers, Traders, Fixers and Workers Who are Remaking the World in Beijing’s Image*. Penguin Books, 2013.
- Cooley, Alexander and Spruyt, Hendrik: *Contracting States*. Princeton University Press, 2009.
- Danish Intelligence Bureau: *Efterretningsmæssig Risikovurdering 2012*. Available at <<http://feddis.dk/cfcs/CFCSDocuments/Risikovurdering2012.pdf>>
- Degeorges, Damien: *The Role of Greenland in the Arctic*. In *Laboratoire de INSEM 2012*. Institut de Recherche Stratégique de l’École Militaire, Ministère de la Défense de la France, 2012. Accessed at <<http://www.defense.gouv.fr>>
- Degeorges, Damien: *Denmark, Greenland and the Arctic: Challenges and opportunities of becoming the meeting place of global powers*. Danish Defence Academy Brief, January 2013. Accessed at <<http://forsvaret.dk/FAK/Publikationer/Briefs/Documents/Denmark-Greenland-and-the-Arctic.pdf>>

- Denmark's History Records: *Danmarkshistorien. Grundlovsændringen 1953*. Accessed at <<http://danmarkshistorien.dk/perioder/kold-krig-og-velfaerdsstat-1945-1973/grundlovsændringen-1953/>>
- Erickson, Andrew and Collins, Gabe: *China's New Strategic Target: Arctic Minerals*. Wall Street Journal, China Real Time Report. January 18, 2012.
- European Commission: *Memo 12/428: Greenland's Raw Minerals Potential and the EU's strategic needs*. Brussels, June 13, 2012. <[http://europa.eu/rapid/press-release\\_MEMO-12-428\\_en.htm](http://europa.eu/rapid/press-release_MEMO-12-428_en.htm)>
- Fastrup, Niels: *Storpolitisk Spill er i Gang om Grønlands Råstoffer*. Politiken, November 2, 2012. <<http://politiken.dk/politik/ECE1801152/storpolitisk-spil-er-i-gang-om-groenlands-raastoffer/>>
- Gad, Ulrik Pram: *Greenland Projecting Sovereignty, Denmark Protecting Sovereignty Away*. European Integration and Post-Colonial Sovereignty Games: The EU Overseas Countries and Territories. Routledge, 2012. Pp 217-234.
- Greenland Bureau of Minerals and Petroleum: *Hydrocarbon Strategy 2009*. Accessed at <<http://www.bmp.gl/fokusbokse-og-publikationsbokse/publikation3>>
- Greenland Bureau of Minerals and Petroleum: *Greenland Mineral Exploration in Brief Figures*. Published in September 2002. Accessed at <[http://www.bmp.gl/images/stories/minerals/Greenland\\_mineral\\_exploration\\_brief\\_in\\_figures\\_2002-2011.pdf](http://www.bmp.gl/images/stories/minerals/Greenland_mineral_exploration_brief_in_figures_2002-2011.pdf)>
- Gudmundson, Sine: *Kommentator: Grønlands vigtigste valg noensinne*. Danish Broadcasting Service, March 12, 2013.
- Hansen, Jesper Løvenbalk: *Venstre afviser Grønlands uraneventyr*. Information, March 23-24, 2013.
- Hansen, Klaus Georg: *Uafhængigheten og oljen*. Lecture at the conference Geopolitics in the High North at Greenland's University, Nuuk, May 5, 2013.
- Hegel, Georg Wilhelm Friedrich: *The Philosophy of Right*, in *Great Books of the Western World*. Mortimer J. Adler ed., T. M. Knox trans., 2d ed, 1990.
- Huebert, Rob, ed: *Climate Change and International Security: The Arctic as a Bellwether*. Center for Climate and Energy Solutions Report, May 2012.
- Hyltoft, Vibe: *Sydkoreansk gigainvestering i mine*. October 11, 2012. <<http://www.business.dk/global/sydkoreansk-gigainvestering-i-mine>>
- Inuit Ataqatigiit: *Vores fremtid – vores ansvar*. Booklet outlining the Socialist People's Party's position ahead of Greenland's election in March 2013.

- Jacobsen, Doris: *Grønland er en selvstændig aktør i den arktiske fremtid*. Speech at the final debate of the Danish Parliament. May 29, 2013. Accessed in Grønlandsposten, June 5, 2013.
- Jacobson, Linda: *Northeast Asia turns its attention toward the Arctic*. Lowy Institute for International Policy/Australian National Bureau of Asian Research Analysis Brief, December 18, 2012.
- Jacobson, Linda and Lee Syong-Hong: *Interests in the Arctic and Possible Cooperation with the Kingdom of Denmark. Report prepared for the Ministry of Foreign Affairs of Denmark*. Stockholm International Peace Research Institute, April 16, 2013.
- Katakei, Rakteem: *Russia lets China into Arctic rush as energy giants embrace*. Bloomberg, March 25, 2013.  
<<http://www.bloomberg.com/news/2013-03-25/russia-cuts-china-into-arctic-oil-rush-as-energy-giants-embrace.html>>
- Kjærgaard, Thorkild. Interviewed by the author. Nuuk, April 11, 2013.
- Kleist, Kaj. Interviewed by the author. Nuuk, April 23, 2013.
- Kleist, Kuupik: *Vi har et fælles, men differensiert ansvar*. Speech for the UN Climate Change Conference, Copenhagen 2009.
- Kleist, Mininnguaq. Interviewed by the author. Nuuk, April 24, 2013.
- Krarup, Poul: *London Mining fortsetter Isua-prosjektet*. Sermitsiaq, April 20, 2013.
- Krasner Stephen D: *Compromising Westphalia*. International Security 20(3), 1995, pp 115–151.
- Krogh Andersen, Marianne: *Grønland, Mektig og Avmektig*. Gyldendal Forlag, 2008.
- Levring, Peter and Holter, Mikael: *China Investment Delay Spurs Greenland Independence Calls*. Bloomberg News, February 24, 2013.
- Linqvist, Andreas: *Uranudvinding kan have lange udsikter*. Grønlandsposten, March 27, 2013.
- London Mining: Factsheet on the Isua Iron Mine:  
<[http://www.londonmining.com/media/48900/2013\\_04\\_16\\_-\\_london\\_mining\\_isua\\_factsheet.pdf](http://www.londonmining.com/media/48900/2013_04_16_-_london_mining_isua_factsheet.pdf)>
- Loukacheva, Natalia: *Arctic Promise: Legal and Political Autonomy of Greenland and Nunavut*. University of Toronto Press, 2007.
- Lund, Tor B. Interviewed by the author. Nuuk, March 13, 2013.
- MacAllistar, Terry: *The Arctic Gold Rush*. The Guardian, September 13, 2010.
- Miller, JBD: *The World of States: Connected Essays*. St. Martin's Press, 1981. Page 16.
- Mogensen, Lars Trier: *Grønlenderne afpresses i stor skala*. Politiken, February 2, 2013

- Møller, Per Stig: *Rigsfællesskabets fremtid i spill*. Berlingske Tidende, January 31, 2013.
- Naalakkersuisut: *Orientering: Grønlands reduktionsforpliktelser*. Published on February 9, 2010. Lov om
- Nuttall, Mark: *Self-Rule in Greenland: Towards the world's first Inuit State?* Indigenous Affairs No 3/4, 2008. Pp 64-70.
- Nuttall, Mark. Interviewed by the author. Nuuk, May 16, 2013.
- Olsvig, Sara: *Halvdelen av Rigsfællesskabet har sovet i timen*. Politiken, January 13, 2013.
- Parello-Plesner, Jonas: *China and Greenland: Digging for Trouble*. European Council on Foreign Relations. February 7, 2013. <[http://ecfr.eu/blog/entry/china\\_and\\_greenland\\_digging\\_for\\_trouble](http://ecfr.eu/blog/entry/china_and_greenland_digging_for_trouble)>
- Pickering, Thomas R. and Benediktsson, Einar: *China knocks on Iceland's door*. International Herald Tribune, March 12, 2013.
- Plumer, Brad: *How to free the World from China's rare Earth Stranglehold*. Washington Post, September 16, 2011.
- Politiken, leader on December 12, 2012: *Grønlands lov mot dansk tornerosesøvn*. <<http://politiken.dk/debat/ledere/ECE1840011/groenlandsk-lov-mod-dansk-tornerosesoevn/>>
- Politiken.dk: *Kleist: Undergrund kan frigøre Grønland fra bloktilskud*. January 15, 2013. <<http://politiken.dk/politik/ECE1867973/kleist-undergrund-kan-frigoere-groenland-fra-bloktilskud/>>
- Roed, Fredrik: *Danmark griner av Ruslands flag på Nordpolen*. Avisen, August 3, 2007.
- Ruggie, John Gerard: *What makes the World Hang Together? Neo-utilitarianism and the Social Constructivist Challenge*. International Organization, Vol 52, Issue 4, September 1998, pp 855-885.
- Skov, Oliver Routhé and Rasmussen, Rasmus: *Valgkamp i Grønland: Siumut vil du av riks fællesskabet*. Danish National Broadcast, February 20, 2013. <<http://www.dr.dk/Nyheder/Politik/2013/02/20/214025.htm>>
- U.S. Geological Survey: *Circum-Arctic Resource Appraisal Assessment, 2008, Estimates of undiscovered oil and gas north of the Arctic Circle*: U.S. Geological Survey Fact Sheet 2008-3049.
- Wang, Nils: *Sikkerhetspolitik i Arktis – en ligning med mange ubekjente*. Retrieved from Danish defence Academy/Atlantsammenslutningen's publication Sikkerhetspolitisk Info, January 12, 2012.
- Weber, Cynthia: *Simulating Sovereignty. Intervention, the State, and Symbolic Exchange*. Cambridge University Press, 1995.
- Weber, Max: *Essays in Sociology*. Ed. Gerth, Hans Heinrich and Mills, Charles Wright. Routledge, 2009.

World Trade Organization: *Dispute DS 431: China – Measures Related to the Exportation of Rare Earths, Tungsten and Molybdeum*. Panel composed on September 24, 2012.

Wythe, Tim: *Grønland truer med å forlade dansk delegation inden klimaforhandlingerne*. Information, August 25, 2009.  
<<http://www.information.dk/201318>>



**The Fridtjof Nansen Institute is a non-profit, independent research institute focusing on international environmental, energy, and resource management. The institute has a multi-disciplinary approach, with main emphasis on political science and international law. It collaborates extensively with other research institutions in Norway and abroad.**



**FRIDTJOF NANSENS INSTITUTT  
FRIDTJOF NANSEN INSTITUTE**

**Fridtjof Nansens vei 17, P.O. Box 326, NO-1326 Lysaker, Norway  
Phone: (47) 67 11 19 00 – Fax: (47) 67 11 19 10 – E-mail: [post@fni.no](mailto:post@fni.no)  
Website: [www.fni.no](http://www.fni.no)**