

Greenland's state-building in a changing Arctic: climate, energy and geopolitics

Dr. Damien Degeorges¹ Paris Descartes University, France

The consequences of climate change highlighted Greenland and the Arctic on the world map. The region's energy potential has strengthened its value while its geopolitical dimension and the global interest it has raised make the Arctic even more unique. While the Arctic is seen to be a "laboratory" of the challenges at stake during the 21st century, Greenland appears as a "laboratory" of the challenges at stake in the Arctic. The self-ruled territory, part of the Kingdom of Denmark, is 2 166 086 km² large – about half of the European Union or a fourth of the United States – and inhabited by no more than 57 000 persons. Given Greenland's strategic assets, the territory's state-building process is of the greatest importance for future developments in the Arctic as well as for global energy security.

This paper is based on the author's doctoral thesis in political science which dealt with the Role of Greenland in the Arctic. Studying the consequences of Greenland's state-building process led the author to closely monitor China's interest for the Arctic and Greenland, given the territory's strategic assets and natural resources.

State-building in Greenland

Building a Greenlandic state may be a long process but it has already started since the Self Rule Act. Thirty years after Home Rule (1979) in Greenland, Self Rule was introduced in 2009 and is seen as the last step before a possible independence from Denmark. Two main approaches characterise the current stage of Greenland's state-building process. They are different but have however a shared goal: independence. The "Enoksen²" approach aims to introduce independence in 2021 – the 300th anniversary of the arrival of the Danish-

¹ The author is grateful to the Embassy of France in Iceland and the Northern Research Forum (NRF) for supporting his participation to the 6th NRF Open Assembly in Hveragerði (Iceland), September 2011.

² Hans Enoksen (*Siumut*) was Premier of Greenland from 2002 to 2009.

Norwegian missionary Hans Egede in Greenland: a fast approach that would lead Greenland to become an object of international relations and clearly be a matter of concern for Arctic developments and global energy security. The “Kleist³” approach is more pragmatic: it aims to give Greenland time to be economically autonomous before asking the people if they feel ready to become formally independent, as Greenland’s independence is legally possible since the Self Rule Act. However, some do not believe in an independent Greenland – at least in their lifetime. The main issue is to know how independent Greenland could and would be.

Educating the future Greenlandic elite and shaping its orientation on international affairs are essential issues for future developments in the Arctic too. Being a costal territory, Greenland is part of the first circle of Arctic governance. In 2011, the political elite of Greenland was composed of no more than 44 persons, including ministers, parliamentarians and mayors. “Soft power” that “rests on the ability to shape the preferences of others”⁴ is in that context a central issue. Education is therefore not only of internal importance for Greenland in order to have the required well-educated population and elite for its potential independence, it is also of interest in an external perspective: who will educate the future elite of Greenland may have a privileged access to the territory and its strategic assets.

A key for action on climate change and energy security

Greenland and the Arctic are key for climate adaptation. An Arctic study⁵ from 2011 shows clearly that the best data to adapt climate change are to be found in polar regions. The Intergovernmental Panel on Climate Change (IPCC) provided in its 4th Assessment Report data that estimated global sea level rise by 2100 to be between 0.18 and 0.59 meters. World leaders at the 2009 Copenhagen Climate Conference based their work on such data. Two years later in Copenhagen much more alarmist data was released: the SWIPA [Snow, Water, Ice and Permafrost in the Arctic]-project of the Arctic Monitoring and Assessment Programme (AMAP) estimated global sea level rise to be at the same period (2100) between 0.9 and 1.6 meters. More than a meter of difference in terms of climate adaptation changes

³ Kuupik Kleist (*Inuit Ataqatigiit*) has been Premier of Greenland since 2009.

⁴ NYE Joseph N. Jr., *Soft Power: The means to success in world politics*, New York: Public Affairs, 2004, p. 5.

⁵ AMAP, SWIPA 2011 Executive Summary, “Snow, Water, Ice and Permafrost in the Arctic”, 15 p., <http://www.amap.no/swipa/SWIPA2011ExecutiveSummaryV2.pdf>.

completely scenarios and costs, particularly for coastal countries like China that are key to the global economy. It is therefore not only a domestic problem for China but an issue of global concern. The Arctic has a unique potential to engage China and other large CO₂-emitters into further international cooperation on climate research in order to get the best data to adapt to climate change. Doing so would lead to “creative diplomacy” on climate change: it would give Greenland and its icecap the opportunity of being part of a creative way to resolve the global climate challenge, considering that major global actors are involved in polar research. The concept of “creative diplomacy”, praised by Australian Foreign Minister, former Prime Minister and China expert Kevin Rudd, normally applies to middle powers. Without being a power, Greenland could however be part of such “creative diplomacy” by offering the tools for doing so: its “climate laboratory” and Arctic dimension that attract major powers.

The fact that major global actors like the United States and Russia are part of the Arctic has contributed to highlight developments in the region. The rise of China in the Arctic has clearly made the region a place of global interest. China in the Arctic remains an issue of concern for some major Arctic stakeholders but has begun to be seen as an asset for small Arctic states in their attempt to strengthen their relationship with the Asian power. The Chinese interest could clearly be seen positively if it leads to further international cooperation on a global issue like climate change. In the case of Greenland, the Chinese interest raises opportunities and challenges.

The role of Greenland was clearly highlighted prior to the 2009 Copenhagen Climate Conference. Greenland was a key element of Denmark’s climate diplomacy: major policy makers from the United States and Europe – among them Nancy Pelosi, then U.S. Speaker, José Manuel Barroso, President of the European Commission and Angela Merkel, German Federal Chancellor, as well as representatives from key countries of the international negotiations on climate change visited Greenland and the Ilulissat Icefjord, a UNESCO world heritage site, to observe first-hand the effects of climate change and discuss climate negotiations in a creative and more effective way.

The Arctic is also key for climate mitigation. Greenland’s Rare Earth Elements are seen to be crucial for securing low carbon economies. Rare Earths Elements (REE), a group of metals

composed of 15 lanthanide elements (atomic number 57 to 71) and yttrium (atomic number 39) to which is commonly included scandium (atomic number 21), are actually not “rare”, but rather critical to many applications, mainly commercial but also military, due to their unique properties. The demand is growing fast, partly due to the emergence of new high-technologies and the stronger focus on green technologies. The fact that China controls more than 97% of the world’s REE-production and is focusing on the supply of its internal demand, reducing export quotas and increasing export taxes, has raised major concerns, particularly in the American, European and Japanese economies. Greenland and its enormous REE-potential are seen as part of the solution: the Arctic territory may be able to supply at least 25% of the world’s REE-demand in the next 50 years. It may actually be more: new data from 2011 show that a mine in South Greenland – which was expected to be exploited during 25-30 years – may be exploited during 300 years, if not more. A zero-tolerance policy on radioactive elements’ exploitation in Greenland did however not allow the exploitation of some REE-deposit in 2011. It may nevertheless be subject to change as a majority at the Greenlandic Parliament is seen to be in favor of changing the legislation while Greenland’s major political party IA is being opposed. Given Greenland’s strategic assets, the challenge for the Arctic territory is to remain economically healthy if becoming a state, in order to keep the full control of its natural resources policy.

A key for future developments in the Arctic

The Self Rule Act from 2009 has generated growing interest among the international community and coincides with a strengthened global attention on the Arctic region. Greenland has everything to attract any country, particularly China: natural resources (Rare Earth Elements, Uranium, Iron Ore, etc.), enormous reserves of water (about 10% of the world’s fresh water reserves), strategic costal dimension in the Arctic Ocean, etc.

The Arctic territory is far from being just covered by ice: Greenland can be seen as “hypermarket” of natural resources. Not only the territory has large potential of hydrocarbons and enormous reserve of water, but also a long list of minerals: Antimony, Barite, Beryllium, Celestite, Chromium, Coal, Cobalt, Copper, Cryolite, Diamond, Gold, Graphite, Iron, Molybdenum, Nickel, Niobium, Silver, Palladium, Phosphorus, Platinum,

Ruby, Lead, Olivine, Osmium, Tantalum, Thorium, Rare Earth Elements, Titanium, Uranium, Tungsten, Vanadium, Zinc, Zirconium, etc.

Greenland's state-building process becomes a major issue in terms of energy security and future developments in the Arctic as soon as economic assistance from a country willing at the same time to secure its domestic growth through natural resources and to strengthen its presence in the region is possible in case of the economic failure of a Greenlandic state. It is therefore essential for Greenland to be a subject of international relations and remain economically healthy in the long term in order to become independent. What happened with China in Iceland may occur later in Greenland: in that case, Chinese economic assistance could have much more serious consequences due to Greenland's strategic resources and position.

In order to still control its future as well as its natural resources policy, an independent Greenland would need to maintain an economic "security net" to secure its development: it would avoid or at least reduce the need of foreign economic assistance. As long as Greenland remains under the Kingdom of Denmark, the Danish yearly block grant to Greenland ensures the self-ruled territory this necessary economic "security net". It secures Greenland's possibility to manage its resources as it wants – a right that was granted to Greenland by the Self Rule Act and that the Arctic territory assumes since 2010. If Greenland decides to become independent, it would need to think about rejoining a partly supranational entity, either in North America or in Europe, to secure its economy in case of economic difficulties. The European Union (EU) is the only option in 2011 as the North American Free Trade Agreement (NAFTA) is only about free trade. A "secured" Greenlandic economy would be in Greenland's interest and would clearly benefit Arctic countries as well as the world community with regard to regional stability and the securitisation of global green economies.

Greenland – China's next step in the Arctic?

Contrary to the Western world, China sees things in the long term – however long it may take to reach its goal. The strengthened relationship between China and Iceland, following the economic crisis faced by the Arctic island, went beyond a bilateral currency swap

agreement of 3.5 billion yuan (about \$552 million): a joint Chinese-Icelandic polar expedition reached the North Pole in 2011 and demonstrated a clever approach from China that got a privileged “entrance ticket” to the Arctic through Iceland.

China’s interest in Greenland is obvious too. In 2005, the visit to China by Hans Enoksen, then Premier of Greenland, already showed an interest from China in Greenland at a time when the international focus on the Arctic territory was not that high. In 2011, the Chinese interest in Greenland appeared obvious during the visit to China by Greenland’s Minister for Industry and Natural Resources Ove Karl Berthelsen, who took part in a mine and mineral fair in Tianjin and met China’s Vice-Premier Li Keqiang in Beijing. Chinese investments in Greenland are welcomed by Greenlandic authorities and will be part of Greenland’s future developments. In order to secure global green growth, the challenge is to get Western economies to invest first in the strategic REE-sector of Greenland. Greenlandic ministers have on several occasions mentioned that they were looking to deal with the Western world, considering themselves as part of it, but clearly pointed out at the same time that they couldn’t be waiting for too long. The possibility of Chinese investments in the Greenlandic REE-sector, in one way or another, is an issue for global green growth: should new mines open or be reopened in the United States or in Australia to face the Chinese monopoly on Rare Earth Elements, the situation would be the same – if not worse – than in 2011 with a Chinese control over Greenlandic REE-deposits.

At the same time, large possibilities are offered to China to invest in the Greenlandic green energy sector – even just for Greenland’s “green” name – as well as in polar research. It would be positive to further engage a large CO₂-emitter on green energies and climate research, ideally into international cooperation. A Chinese-Greenlandic joint venture in the green energy sector would for example illustrate the huge “green” potential that Greenland has to attract foreign investors in the renewable energy sector, particularly in the hydropower sector. As stated in 2011 by then Danish Foreign Minister Lene Espersen, China has shown “interest in pursuing scientific activities in Greenland”⁶. By engaging China in international cooperation on climate research, Greenland would not only be contributing in

⁶ “The Danish Minister of Foreign Affairs’ Speech on the Arctic Strategy 22 August 2011”, http://um.dk/da/~/_/media/UM/Danish-site/Documents/Politik-og-diplomati/Nyheder_udenrigspolitik/2011/UMerens%20tale220811.ashx.

a creative way to resolve the global climate challenge but also reminding the key scientific dimension of polar regions given the challenges facing the future of Antarctic environmental protection.

The Arctic appears as a “card” not only for Greenland but for the whole Kingdom of Denmark to strengthen its relationship with China: Danish Foreign Minister Villy Søvndal discussed Arctic related issues with its Chinese counterpart during a visit to Denmark by Chinese Foreign Minister Yang Jiechi in 2011. One of the main challenges for Greenland and the Kingdom of Denmark may be to find a balance between a strong relationship with the United States and growing links with China.

The consequences of political developments in Greenland have been quite underestimated abroad as Greenland remains in “safe hands” with the Danish economic “security net” and controls its natural resources policy. An independent Greenland would need to be and remain strong in order to conduct “creative diplomacy” on climate change and secure global green economies. Through its climate “laboratory” and its strategic non-Chinese owned REE-deposits, Greenland is seen as a key to ensure environmental diplomacy and security. However, Greenland is in a state-building process and faces enormous challenges. This process should be closely monitored in order to prevent a potential Greenlandic state from economic difficulties, given the consequences it could have for Greenland, its Arctic neighborhood and global energy security.

References

AMAP, SWIPA 2011 Executive Summary, « Snow, Water, Ice and Permafrost in the Arctic », 15 p. (<http://www.amap.no/swipa/SWIPA2011ExecutiveSummaryV2.pdf>)

Arctic Council (<http://www.arctic-council.org>)

Australian Department of Foreign Affairs (<http://www.dfat.gov.au>)

Bureau of Minerals and Petroleum, Government of Greenland (<http://www.bmp.gl>)

Government of Greenland (<http://www.nanoq.gl>)

JAKOBSON Linda, « China prepares for an ice-free Arctic », SIPRI Insights on Peace and Security No. 2010/2, March 2010, 15 p.

(<http://books.sipri.org/files/insight/SIPRIInsight1002.pdf>)

Ministry of Foreign Affairs of Denmark (<http://www.um.dk>)

Sermitsiaq.Ag (<http://www.sermitsiaq.ag>)