

2014 IN DEPTH ANALYSIS

Greenland: The challenge of managing a key geostrategic territory

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Abstract

Greenland's geostrategic location will grow in importance in the coming years – and not only because the island's melting ice sheet lies at the forefront of climate change concerns. After acquiring home rule status from Denmark in 1979, Greenland's 2009 Self-Government Act substantially increased its powers, including the management of its substantial untapped natural resources. Despite the difficulties inherent in exploiting these resources, they have already attracted international attention, notably from Asian countries. Although Greenland is still heavily dependent on an annual grant from Copenhagen, the territory will probably become self-sustainable in the medium term. Its sparse population faces a challenge in administering the huge territory. Elections in March 2013 focused mainly on the conditions for implementing large mining and industrial projects in the future and their effects on the Inuit way of life. The vote returned the Siumut party to power, with Greenland's first female Prime Minister, Aleqa Hammond.

Greenland is the only territory to have withdrawn from the European Union, but it remains one of the EU's Overseas Countries and Territories, closely tied to the Union through an extensive partnership agreement and a fisheries protocol. Greenland is also a focus of the EU's Arctic policy.

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1 Key issues and developments

- The EU has strong historical relations with Greenland through the island's link with Denmark and the Nordic community. The EU-Greenland Partnership strengthened the bilateral relationship in 2006. Greenland's specific, harsh climate, remote location and sparse population have made it the EU's most supported territory in the Overseas Countries and Territories (OCT) association in per capita terms. Relations with Greenland lie at the core of the EU's Arctic policy.
- Greenland has a crucial geostrategic Arctic location between Europe and North America. Its importance will grow in the future, in part due to mineral and energy resources and concerns about transport, the environment, research and defence.
- Greenland's autonomy established in 1979, was significantly reinforced in 2009, opening the way for independence in the long run. This will not happen soon because the territory is heavily economic dependent on its annual block grant from Copenhagen and, to a lesser extent, from the EU Partnership's allocations.
- The main challenge Greenland faces is how its small population can manage such a huge territory, which is increasingly courted by far-away powers interested in its natural resources. Greenland needs to enhance the skills of its limited human resources and consolidate its institutions. Defence and foreign affairs will remain two specific areas for which Danish - and EU - expertise should continue to contribute – in one way or another.
- Greenland is understandably interested in obtaining funds from international investors to develop its natural resources, but the fragility of Arctic lands demands a cautious environmental approach. The on-going debate within Greenland's civil society and between its political parties about different development projects and the infrastructure they would require demonstrate that the territory's citizens well appreciate the challenge.
- The public sector is Greenland's dominant employer, while the fisheries sector is also significant – and the key exporter. Greenland's specific geographic, political and economic situation has dictated this configuration until now, but the territory should now embark on economic diversification.

2 European Parliament– Greenland

March 2014 *The European Parliament approves a resolution on the EU strategy for the Arctic in which it 'stresses the EU's strong relations with Greenland and the geostrategic importance of that territory'.*

February 2014 *The European Parliament adopts a legislative resolution on a draft Council decision from 2013 on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other. In the same session, the Parliament approves a resolution on a proposal to include Greenland's in the Kimberley process certification scheme for diamonds.*

May 2009 *The European Parliament approves Regulation 1007/2009 banning trade of seal products in the EU. Despite the 'Inuit exception' included in the text, Greenland and Canada are disappointed.*

3 Background

Greenland occupies a strategic location between Europe and North America, but the island has been strongly linked to Europe over the last three centuries.

Greenland is one of the three realms of the Kingdom of Denmark.

The 1979 Home Rule Act gave Greenland autonomy.

Greenland is considered the world's largest island and has an area of 2,166,086 km², which is more than half of the EU current territory (EU27). Its north/south shape places its northernmost point, Cape Morris Jesup with its 83.39 degrees, only 740 km far away from the North Pole, and its southernmost point, Cape Farewell, at the same latitude than Helsinki. Greenland has a strategic location between North America and Europe, and although in physical geographical terms it is an American territory, its history makes it much closer to Europe. The majority of the land is permanently ice capped, making its ice sheet the second largest in the world just after the one covering Antarctica. This characteristic makes Greenland a much colder place than neighbouring Iceland or Norway and this is why its limited population (less than 57,000 persons) lives on the coast, mainly on the west coast. Due to the harsh climate Greenland's agriculture and livestock activities are very limited and its economic activities have traditionally been sea-oriented. As many as 20,000 persons living in Denmark have total or partial Greenlandic descent.

Greenland's population is mainly Inuit, around 90 % of the population is either Inuit or of mixed origin Inuit-Danish. If one day Greenland would become a fully independent country it would be the only Arctic country with a majority of indigenous peoples among its population. There is archaeological evidence of intermittent human presence in Greenland of indigenous peoples originating from North America since 4500 BC. Vikings coming from Iceland, led by Eric the Red, who initially departed from today's Norway, reached Greenland in 982. At about the same time Inuit populations coming from the northwest (today's Nunavut in Canada) began to settle in northwest Greenland, forming what has been known as the Thule culture. Greenland formally fell under Norwegian rule in 1261, followed by the common Crown of Denmark and Norway. After a long period in the XIV and XV century in which the Europeans abandoned Greenland, settlements of Norwegians and Danish were re-established in the XVI to XVIII centuries. In 1814 it became a Danish colony and in 1933 the Permanent Court of International Justice declared that all Greenland belonged to Denmark rejecting Norway's claims to its eastern coast after Norway regained independence from Sweden in 1905.

With the Danish Constitution of 1953, all Greenlandic people were granted Danish citizenship, and Greenland's status moved from being a colony to officially becoming a part of the Kingdom of Denmark in a relationship known in Danish as *Rigsfællesskabet* (Commonwealth of the Realm). Greenland's status remained unmodified until 1979. On 29 November 1978 a form of self-government (Home Rule Authority) was set up by the Home Rule Act, under which sovereignty remained in the hands of Copenhagen. A referendum in January 1979 showed a large support for the new autonomy (73.1%). A Greenlandic Parliament (Inatsisartut or Landsting) was elected two months later.

Greenland is the only territory that has left the EU, which it did in 1985.

When the Danish referendum on the country's accession to the EU¹ was held in 1972 a large majority of Greenlanders rejected the decision in contrast with the favourable vote in mainland Denmark. In 1982, once the Home Rule was consolidated, Greenland held a new referendum on the same issue in which 53 % of the voters preferred to leave the EU. This move was the result of the population's resentment to EU's commercial fishing regulations and a partial EU ban on seal products. On 1 February 1985 Greenland left the EU.

4 Political situation in Greenland

4.1 The 2009 Self-Government Act

Through the 2009 Self-Rule Act, Greenland acquired greater powers, particularly in managing its natural resources.

Following the positive results of the 25 November 2008 referendum on a more extensive form of autonomy, the 'Greenland Self-Government Act' was passed by the Danish Parliament (*Folketing*) on 21 June 2009, thirty years after the introduction of the Home Rule. The Act is the corner-stone of Greenland's powers and institutions and explicitly recognizes the Greenlanders as 'people' in international law, therefore recognizing their expectation to become one day an independent state. The Act also defines the natural resources located in and around the territory as the property of the Greenlandic people. The natural resources sector has the potential to be the most important element in the development of a future sustainable economy in Greenland, i.e. not dependant on subsidies. Moreover the Act includes the permanent powers of legislation agreed between Greenland and Denmark in 2005; under the Act Greenland can opt to take over thirty two administrative functions from Denmark.

The Greenlandic government is involved in foreign policy matters that are Greenland's competence.

Greenland also acquired by the 2005 Act, the powers to negotiate and agree with third countries and international organisations on matters that only concern Greenland and that fall within the competences of the Greenland Government following the entry into force of the Act. Already with the 1979 Home Rule Act, Greenland received the competence to open representations abroad: The first Greenlandic Representation – apart from that in Copenhagen – was open in Brussels to the EU in 1992; another Representation has been recently opened in Washington DC². Nevertheless, foreign and security policy remains today – and possibly for a long time - a power in the hands of the Danish government, who involves actively the Greenlandic administration in foreign issues of interest to the territory.

Greenland is a parliamentary democracy with a constitutional monarchy (Queen Margrethe II of Denmark).

Greenland is a parliamentary democracy with a constitutional monarchy. The Queen of Denmark, Margrethe II, is the Head of State in Greenland. The Queen's government in Denmark appoints a Rigsombudsmand (High commissioner) representing the Danish government and monarchy; the post is held since April 2011 by Michaella Engel, formerly the head of the

¹ At that time the European Communities.

² The Greenlandic government is considering opening also representative offices in Reykjavik, Moscow and Beijing.

Danish/Greenland delegation to the Arctic Council Senior Arctic Officials' meeting. The Home Rule Authority must notify the High Commissioner of all statutes and regulations adopted by the Greenland Parliament and of any other general legislation drawn up by the Home Rule Authority.

The Judicial power has at its top a High Court (Eggartuussisuuneqarfia), but appeals can be made to the Eastern Division of the Supreme Court in Copenhagen.

Greenland's internal administrative divisions were re-organized in 2009: there are four large municipalities: Qaasuitsup (Ilulissat), Qeqqata (Sisimiut), Sermesooq (Nuuk) and Kujalleq (Qaqortok). In addition, the big and unpopulated north-eastern part of Greenland is a separate administrative entity, the North East National Park which is the largest and most northerly national park in the world.

One of the major challenges facing Greenland's autonomy is its limited human resources to manage such a huge country: Basically Greenland is governed by around 50 politicians, between its government, parliament and municipalities.

The territory is organised into four large municipalities and the world's largest national park.

4.2 Parliament and the March 2013 elections

Greenland (like Denmark) has a unicameral Parliament.

The 2013 elections returned the Siumut ('Forward') Party to power after a four-year break, with Aleqa Hammond now serving as Greenland's first female Prime Minister.

Much of the 2013 campaign focused on

Greenland has a unicameral Parliament or Inatsisartut (*Landsting*). The Parliament has 31 seats, and the members are elected by universal suffrage on the basis of proportional representation to serve four-year terms. The head of the government is the Prime Minister, who is usually the leader of the majority party in Parliament. The current Prime Minister is Aleqa Hammond who was elected in March 2013. Hammond is the first female Prime Minister of Greenland and belongs to the Siumut party (Forward) and is the sixth Prime Minister of Greenland³, since the self-rule was achieved in 1979. The Siumut Party defines itself as Social-Democrat and has held the government of Greenland for more years than any other.

Siumut obtained 14 seats and built a government coalition with the liberal Atassut (Solidarity) party which obtained two seats and the (far left) Partii Inuit with two seats as well. The latter party was set up by dissidents of the former governmental party - the left and nationalist Inuit Ataqatigiit (Community of the people) - who opposed the December 2012 law promoted by former PM Kuupik Kleist to speed up the launching of large-scale mining and industrial development projects. In fact, this was the main topic of the 2013 electoral campaign: while Kleist stressed that Greenland was ready 'for investments from the whole world', Hammond accused him of moving too fast, putting in danger the Greenlandic Inuit type of life by opening the door to a (relatively) huge influx of Asiatic workers to develop

³ Although the first Prime Minister, Jonathan Motzfeldt who died in 2010, served in two different time-periods (1979-1991 & 1997-2002)

new, large development projects and the possible arrival of large numbers of foreign (Chinese) labourers.

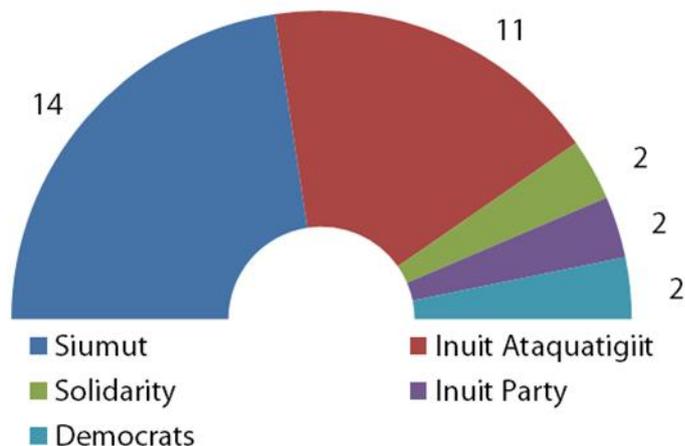
Both the Siumut and the opposition Ataqatigiit parties wish Greenland to move towards independence in the future and realise that exploiting natural resources is the only way to diminish the territory's economic dependence on Copenhagen's annual grant.

them, which could bring 'social dumping' and in the end made Greenlanders a minority in their own land.

However, although with a more cautious approach, PM Hammond has shown also a firm decision to develop the country's economy: In January 2014 at the annual circumpolar gathering of Tromso (Norway) 'Arctic Frontiers', she said 'I want Greenland to have a self-sustaining economy based on our own resources, with a greater degree of integration into the world economy'⁴. She also that 'It is important for Greenland to cooperate with China'. Furthermore, the Greenlandic Minister of industry and mining paid an official visit to China in November 2013 and representatives of ten important Chinese companies visited Greenland in summer 2013 to seek investment opportunities. Despite the ideological and strategic differences between the two larger Greenlandic parties, both realise that the only way to gradually diminish the territory's strong economic dependence from the annual grant given by Copenhagen is to attract the large foreign investment required to launch and develop projects to extract Greenland's natural resources. Still, PM Hammond has kept its original line of demanding 'the highest health and environmental standards' to any mineral or oil activities in Greenland.

In terms of nationalism, it is difficult to make differences between the Siumut and the Inuit Ataqatigiit (or even the Partii Inuit), because although the Inuit Ataqatigiit has traditionally been considered as more radical in these regards than the Siumut, the political speech used now by PM Hammond is self-explanatory: 'Our path towards independence is a natural path for people that have been colonised before'⁵. The Prime Minister describes independence as Greenland's long-term goal. The only party which advocates maintaining in the long run the present autonomous status within Denmark is the Atassut, which is part of the current governmental coalition.

Figure 2:
Distribution of seats in the Parliament of Greenland, after elections in March 2013



Source: IHS Global Insight, Wikipedia

⁴ AFPR 21 January 2014

⁵ Also at the January 2014 Tromso Arctic Frontiers conference

4.3 Greenland's Government

Prime Minister	Ms Aleka Hammond (Siumut)
Vice PM& Minister for Health & Infrastructure	Mr Steen Lynge (Atassut)
Minister for Finance & Domestic Affairs	Mr Vittus Qujaukitsoq (Siumut)
Minister for Fisheries, Hunting and Agriculture	Mr Karl Lyberth (Siumut)
Minister for Industry and Mineral Resources	Mr Jens-Erik Kirkegaard (Siumut)
Minister for Family, Legal & Justice Department	Ms Martha Lund Olsen (Siumut)
Minister for Environment and Nature	Mr Kim Kielsen (Siumut)
Minister for Education, Church, Culture & Gender	Mr Nick Nielsen (Siumut)
Minister for Housing	Mr Siverth K. Heilmann (Atassut)
Danish High Commissioner in Greenland	Michaela Engel
Head of Greenland Office in Copenhagen	Tove S. Pedersen

Source: government portal of Greenland www.naalakkersuisut.gl

4.4 The Danish Folketing election (September 2011) and Greenland

Greenlanders also elect two MPs to Denmark's parliament, the *Folketing*.

While they are political rivals in Greenland, both the Siumut and the Ataqatigiit parties support the same coalition government in Denmark.

The result of Denmark's last general elections of 15 September 2011 produced a significant change in the Folketing's political landscape. The Venstre (Liberals) who had been leading the government coalition in Copenhagen since the previous elections in 2007 remained the first party (26.7%) and even increased in one the number of its MPs. However the dramatic fall of its main coalition partner, Det Konservative Folkeparti (Conservative People's Party), which lost 10 of its 18 seats, combined with good results of various leftist parties, favoured the creation of a new coalition, led by the second largest party, the Social Democrats (24.8%). Accordingly the post of Prime Minister in Denmark is currently held by this party's leader, Helle Thorning Schmidt.

As part of the Kingdom of Denmark, Greenlanders also elect two representatives who sit in the Parliament of Denmark (*Folketing*), currently one from each of the larger parties, Inuit Ataqatigiit and Siumut. The two seats allocated to Greenland, were gained in 2011 by the Ataqatigiit leader, Kuupik Kleist, and by the Siumut leader and current Greenlandic Prime Minister, Aleqa Hammond. Since the 2011 elections both Greenland representatives changed from the opposition side to the governmental camp of the Folketing, the so-called 'red alliance'. The next Folketing election is to be held by September 2015 at the latest.

4.5 Foreign policy and international relations

Nordic cooperation gave modern Greenland the first taste of international relations.

Greenland has its own representation in the Nordic Council of Ministers, as well as in the Nordic Council and the West Nordic Council parliamentary assemblies.

Nordic relations. The present constitutional arrangements place Greenland's foreign affairs and defence matters under Denmark. Nevertheless it can be argued that Greenland already has, to a certain extent, a foreign policy of its own, although not conflicting with that of Denmark. This is particularly the case concerning Nordic cooperation and Arctic issues. Furthermore Greenland's withdrawal from the EU in 1985 (see next chapter), while Denmark remained a full EU Member State, can also be considered as an element of an independent foreign policy.

Greenland is a member in its own right of the Nordic Cooperation and its various organizations, with the Nordic Council of Ministers at the lead. The Nordic Council of Ministers was established in 1971 after the *Nordek* (Nordic economic co-operation) had failed the year before. One of the goals of the Nordic Council of Ministers was to maintain Nordic co-operation in the event that some of the Nordic countries would also become EU members, as it happened with Denmark in 1973 and with Sweden and Finland in 1995⁶. However it was not until September 2007 (with the adoption of the Åland Document) that the three autonomous regions in the Nordic countries obtained within the organisation a position similar to the Member States. This applies to the Åland archipelago (Finland), Faroe Islands (DK) and Greenland (DK). Moreover, the Nordic Atlantic Cooperation (NORA) belongs to the Nordic Council of Ministers and includes Faroe Islands, Greenland, Iceland plus western Norway. These territories have a close historical relation which has evolved into a successful type of trans-border cooperation. Iceland is also the destination for many Greenlanders that require a more specialized type of medical treatment.

The parliamentary cooperation between Nordic countries preceded the cooperation between the governments, contrarily to the experiences of other regional organisations around the world. The Nordic Council was established as early as 1952. Greenland joined in its own right in 1984 and two of its own MPs are since then part the 87-member Nordic Council. The members of the Nordic Council are appointed by the Parliaments of its Member States and Territories among their respective MPs, i.e. they are not directly elected. The Nordic Cooperation also set up in 1985 a special cooperation parliamentary scheme between Greenland, Iceland and the Faroe Islands called the West Nordic Council⁷.

Arctic relations. The Arctic Council is the main Arctic forum in which all eight Arctic States are members: Canada, Denmark, Finland, Iceland, Norway, Russia and the US. From the moment in which the Arctic Council was set up in 1996 the Danish delegation was in fact called Denmark/Greenland/ Faroe

⁶ Norden website <http://www.norden.org/en/nordic-council-of-ministers/the-nordic-council-of-ministers>

⁷ Each delegation is composed of six MPs.

The Danish delegation at the Arctic Council includes the kingdom's three realms: Denmark, Faroe Islands and Greenland.

The first binding agreement negotiated at the Arctic Council was signed at the Nuuk 2011 ministerial meeting.

Greenlandic parliamentarians are members of the Conference of Arctic Parliamentarians and of its Standing Committee.

The Inuit Circumpolar Conference is an association fighting for the rights of Greenlandic, Canadian, US and Russian Inuit.

Islands. The delegation is led by a Danish diplomat but the Greenlandic and Faroe sub-delegations take the floor with their own representatives and under their own flags. Greenland is active at all levels in the Arctic Council, i.e. Ministerial, Senior Arctic Officials and Working Groups. Although the Arctic Council is not a full international organisation, it is increasingly growing in importance and visibility as the countries in the region and outside the region realize the big challenges and opportunities of the High North. Greenland's institutional position within the Arctic Council is a favourable one and is not comparable with the US State of Alaska, the Canadian Territories of Nunavut, Northwest and Yukon or the various Russian Republics and Oblasts in the Arctic which need to go through their respective national authorities to make their voice heard at the Arctic Council. Greenland is proud of sitting at the same table with the big Arctic and World powers beyond the Nordic region: the US, Russia and Canada. Greenland's relevance in the Arctic Council was stressed in May 2011 when it hosted the Seventh Foreign Ministerial⁸ meeting in its capital, Nuuk. This meeting represented a landmark for Arctic cooperation because it formalized the adoption of the first binding international agreement negotiated within the Arctic Council, on Arctic search and rescue⁹.

Greenland is also represented at the Arctic parliamentary cooperation was set up in 1993 with the Conference of Arctic Parliamentarians (CPAR) and it became one of the main promoters for the establishment of the Arctic Council three years later. Its members are members of the Parliaments of the Member States of the Arctic Council and of the European Parliament. The CPAR meetings are held every two years¹⁰: the last one was held in September 2012 in Reykjavik, Iceland and the next one will be held in the Whitehorse, Canada on 9-11 September 2014. The Standing Committee (SCPAR) composed of one member of each national Parliament and one MEP meets more regularly and the next meeting will be held in June 2014 in Copenhagen. The Chairman of the EP SINEEA Delegation, MEP Pat the Cope Gallagher is the EP representative at SCPAR.

Greenland's population has a large majority of Inuit indigenous people. Accordingly, the Greenlandic Inuit belong to the Inuit Circumpolar Conference (ICC) since its foundation in 1977, along with the Inuit people of North Canada, Alaska (US) and Chukotka in the Russian Far East. The ICC is an NGO recognized by the UN and is one of the six Arctic indigenous associations which have the status of Permanent Participants at the Arctic Council. These six organisations do not follow national lines but ethnic-cultural links, with the exception of the one grouping all Russian Arctic indigenous peoples, RAIPON. As Greenland's authorities become more assertive in the international scene and the ICC has a majority of North

⁸ Foreign Ministerial meetings are the highest instance of the AC and are held every 2 years.

⁹ A second binding agreement was signed at the AC Foreign ministerial meeting of Kiruna on May 2013 on Cooperation on Arctic Marine Oil Pollution Preparedness and Response

¹⁰ They are held on those years in-between the AC Foreign Ministerial meetings.

American members, the former convergence between Greenland's and ICC's aims and interests tend to disappear. The ICC General Assembly meets every four years. Denmark and Greenland are also working at the UN Human Rights Commission, towards setting-up a UN Permanent Forum for Inuit Peoples.

The tourist-oriented city of Ilulissat hosted the 2008 meeting of the 'Arctic coastal States', which rejected any internationalisation of the Arctic region.

In May 2008 the Greenlandic town of Ilulissat hosted the meeting that issued the declaration of the so-called 'Arctic coastal states' or 'Arctic five' – meaning those Arctic countries having a coast to the Arctic Ocean. The declaration was a result to the calls to protect the Arctic environment with an international treaty, and stressed that the Arctic is a region where their sovereignty has been exercised for centuries, that any territorial claim will be treated peacefully and that there are enough international sector treaties and bodies to take care of Arctic regulation. Iceland was upset not to be invited to this meeting to weaken the Arctic Council. Canada has sought the repetition of this type of meetings in a move that some analysts believe can weaken the Arctic Council's position.

The 2011 Danish Arctic strategy focuses on Greenland.

The 2011-2020 Danish Arctic strategy, presented to the UN in August 2011, logically focuses on Greenland (and on Faroe Islands). It announces that Denmark will introduce three claims to the UNCLOS¹¹ Commission on the Limits of the Continental Shelf to extend the Exclusive Economic Zones of three areas around Greenland, one of which would probably include the North Pole. This claim will inevitably cause tensions with Russia and Canada who have also submitted similar claims to the UNCLOS Commission. In 2012, and in accordance to its Arctic Strategy, Denmark merged the Greenland and Faroese military commands to establish a Joint Arctic Command (JAC) in Nuuk. Moreover, one of the four core targets contained in the 2010-2014 Danish National Defense Agreement calls for the creation of an Arctic Response Force (ARF). Denmark has recently reinforced its navy with modern weaponry adapted to Arctic conditions, notably Iver Huitfeldt frigates, Knud Rasmussen-class ice-strengthened offshore patrol ships, and MH-60R Sea Hawk helicopters. With the independence in mind, Greenland's political actors tend to admire the 'Icelandic' model of defence, i.e. NATO integration without holding a national army. However it is important to distinguish between coast guard functions and military defence tasks. NATO does not provide sea surveillance, fishery protection and search and rescue tasks. Setting up a coast guard - like the Icelandic – represents a large expense, requires skilled and educated people that exceeds the capacity of the small Greenlandic society and large sea areas to cover.¹²

Denmark is substantially improving its Arctic military capabilities.

Relations with the US and with Canada are marked by the Second World War and above all by the Cold War period. Following the 1940 German occupation of Denmark during the II World War, the governor of Greenland in 1941 granted the US Armed Forces permission to establish stations in Greenland. The US occupation continued until 1945 and Greenland set up a

¹¹ UN Convention for the Law of the Sea

¹² 'Greenland and the new Arctic', Nils Wang and Damien Degeorges, Royal Danish Defence College, January 2014

Greenland's relations with the US have been marked by World War II and the Cold War.

The US's Thule air base was critical for defending the West in the Cold War, but it also caused controversy because the original inhabitants were forcibly expelled and an airplane carrying nuclear bombs crashed near the base in 1968.

Relations with Canada have traditionally been good, but an on-going dispute over the uninhabited Hans island damaged the connection in 2005.

small army that effectively patrolled the coast. During those years, Greenland was able to buy goods from the United States and Canada by selling cryolite from the mine at Ivittuut in the south.

The US offered to buy Greenland from Denmark in 1946 because its location became strategically important in the Cold War, controlling parts of the passage between the Soviet Arctic harbours and the Atlantic, as well as being later on a good base for observing any use of intercontinental ballistic missiles. Although the proposal was rejected, Denmark allowed the establishment of the Thule US Air Base in the remote northwest corner of Greenland, as part of a unified NATO Cold War defence strategy. The Thule Air Base later became a source of friction when some Inuit families were forcibly removed from their homes to provide space for its extension in 1953. The tension was further intensified during the nuclear accident in January 1968, when a B-52 carrying four hydrogen bombs crashed near the base, contaminating a large area with radioactivity. Although most of the contaminated ice was cleaned up, controversy remains because recently declassified information indicates that one of the bombs was never accounted for. Another controversy affects the Ballistic Missile Early Warning System (BMEWS), which the US Air Force upgraded in recent years to phase out a radar installation; opponents argued that the system presents a threat to the local population, as it would be targeted in the event of nuclear war. In 2003 the Danish Supreme Court upheld the Eastern High Court's ruling of 1999, in which the Thule tribe were awarded a compensation of +/- EUR 2,279 for each individual. Whilst the Danish Supreme Court recognised that the forced relocation was unlawful, it did not grant to the Inuit the right to return. In 2004 Greenland, Denmark and the US reached an agreement to upgrade the radar facilities at the Thule base, but from then on there are Greenlandic and Danish representatives and the three flags fly at the base.

Relations with Canada are traditionally good not least because of the Inuit connection between Greenland and Nunavut (the last federal entity created in Canada in 1999) as well as the Inuit communities in the north of Newfoundland and Quebec provinces. However a territorial dispute over an uninhabited small island of 1.3 km², Hans Island, located in the Nares Strait between northern Greenland and Arctic Canada (Ellesmere Island) made the headlines in the international media in 2005 when the flag of one country was replaced by the other's as soon as each expedition landed. The interest lays in the alleged oil reserves existing in the island and the surrounding waters. Negotiations were held in 2012: two possible solutions are drawing a border through the island's centre or a joint sovereignty.

5 Economy and social indicators

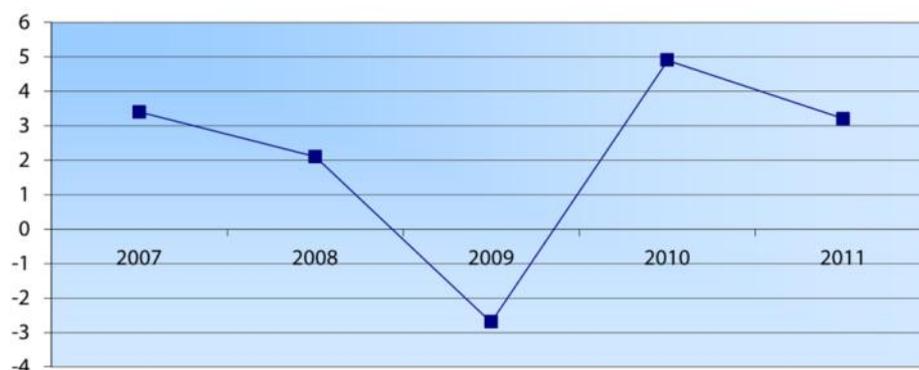
5.1 Economy and social indicators

Greenland's nominal GDP is the highest among the EU's Overseas Countries and Territories (OCTs).

During the past two decades Greenland's economy has been growing, but Greenland's real GDP growth rate had been largely steady for the past 10 years, growing at around 1.8 % per annum.. In light of the global economic slowdown, Greenland's GDP contracted about 2 % in 2009. However the real GDP grew 2010 by 1.2 % and by 3% in 2011 The Greenland GDP in 2011 (the last available year in Statistics Greenland) was EUR 1,553 million.¹³ There are few and not updated data available on Greenland economy.

Greenland's nominal GDP per capita is currently estimated to be on a par with the average EU GDP per capita. Greenland GDP per capita is well below the Danish GDP but it is the highest among the EU's Overseas Countries and Territories (OCT). However this statement about Greenland's wealth require to be analysed in the context of the high cost of living, closely related to its remoteness and the high expenses that every household has to face due to harsh climate conditions.

Figure 3
GDP growth in Greenland, annual % change



Source: Statistics Greenland

The 2009 Self-Government Act refers to a gradual reduction in Copenhagen's annual block grant as Greenland's natural resources provide greater income.

In round figures, in Greenland the service sector accounts for 63 % of the GDP, while industry contributes 32 % and the agricultural sector 5 %. The economy of Greenland is characterised by a large public sector, including publicly owned enterprises and the municipalities, and plays a dominant role in Greenland's economy. Danish subsidies supply roughly 60 % government revenue and 40 % of Greenland's GDP, a. The 2009 Self-Government Act refers to a gradual reduction of the annual block grant from Copenhagen as the use of natural resources provides increasing revenue to the Home Rule Government. However budget surpluses turned to deficits since of 2007, and unemployment has risen slowly but continuously. During the last decade the Home Rule Government pursued conservative fiscal and monetary policies, but public pressure has increased for better schools, health care and retirement systems.

¹³ Greenland in figures 2013

The public sector is the largest employer, and fisheries the main exporter.

The public sector is the largest employer in Greenland, with more of 40% of the labour force working in the government or public agencies. The private sector is not sophisticated and is highly focussed on fisheries and its related products (87% of exports are shrimp and fish). Prawns / shrimp represents more than half of the total catch in terms of weight, but catches of other species such as Greenland halibut and, more recently, crabs are important as well. Fishing remains a highly sensitive issue to foreign developments concerning Greenland. The Government's tries to diversify the economy, helping to establish an economy based on its own resources, gradually getting independent from Danish subsidies and better integrated in the world's global economy. Overall trade balance remains negative and the traditional surplus in the Government's budget has turned into a moderate deficit.

Discussions about building a controversial aluminium smelting plant have grown rather quiet.

In an attempt to encourage economic diversification, and perhaps emulate Icelandic success stories, the Home Rule Government concluded an agreement in 2007 with a US aluminium producer to explore the possibility to build an aluminium smelter and a power generation facility, which would take advantage of Greenland's abundant hydropower potential and create around 600 permanent posts of employment. However the new establishment became controversial, not least because as it would prevent Greenland from fulfilling its Kyoto commitments on reducing greenhouse gas emissions, when it is the melting of Greenland's ice cap that constitutes the most tangible world-wide threat from climate change in the future. However in the words of the Bank of Greenland 2013 annual report the 'previously high-profile project, Alcoa's potential aluminium project in Maniitsoq, is now very quiet, another indicator of challenges in the creation of [industrial] profitability'.

There is great potential for exploiting oil and gas, but drilling offshore in the Arctic is risky in environmental and safety terms.

The exploitation of minerals and oil has a great potential in Greenland. The majority of its natural resources have yet to be identified and exploited. International studies have indicated the potential for oil and gas fields in northern and north-eastern Greenland. However oil exploration is at an early stage and drilling offshore or inland in extreme climate conditions requires the most advanced technology and costly systems to ensure safety and environmental protection for the fragile Arctic landscape. The US Geological Survey estimates that under Greenland or its surrounding waters there can probably accommodate one of the world's biggest oil and gas fields. The results of the first exploration drillings gave initially encouraging prospects but offshore drilling in Greenland is also a controversial issue. Former Prime Minister Kleist was a passionate defender of this practice but he became under increasing pressure after the 2010 Gulf of Mexico disaster¹⁴ and the opposition of the Inuit population of neighbouring Nunavut in Canada who fear the consequences of a possible oil spill in Arctic waters which will be much more serious than in other ecosystems. The new Greenlander

¹⁴ However the sea is much less deep in the waters around Greenland.

government has set up a moratorium on new drilling licenses offshore, a move that has been greeted by environmentalists while the international industry claims that unstable national conditions discourage investors. Prime Minister Hammond has said that in the future new applications for oil or mining licenses will be much more scrutinized and that anyone wishing to drill in Greenland will have to pay more than in the past. Furthermore the capacity of Greenland's administration to negotiate with large international companies and supervise their activities is questioned by many.

Within the area of mining, olivine sand continues to be produced and gold production has resumed in the south of Greenland. Other large deposits believed to be under Greenland's soil include iron, diamonds and rubies. Nevertheless investments in the sector have been negatively affected by the world crisis and the government has promised to delay the collection of mineral extraction tax until the company concerns begins to make profits. More than half of exploration companies operating in Greenland are Canadian or Australian, The European companies have a low involvement in on-going exploration activities and own only a few exploration licences (with most licences owned by UK, Germany and Denmark).

Contrarily to its reluctance to issue licenses for drilling to search oil and gas, the new government has been firmly in favour of mining uranium, against the opposition to do so by the previous government. Despite the zero-tolerance policy followed by Denmark since the late 80s on mining radioactive minerals, the Greenlandic Parliament amended in September 2010 the legislative ban on uranium mining in the territory, leaving the door open to carry on these activities following decisions taken on a case-by-case basis. This decision had an important significance both in view of the traditional Danish non-proliferation policy and in terms of the implications for mining other valuable Greenland resources in the future, such as rare earth and zinc. The subject came back to the news forefront on 24 October 2013 when finally the Greenland parliament decided to drop the zero tolerance, as a mining project of uranium and rare earths (they tend to come up together) in the south was given the green light. However, since Denmark remains in charge of defence and foreign matters, Greenland's export of uranium requires the agreement of Copenhagen. Danish Prime Minister Helle Thorning-Schmidt met Aleqa Hammond in January 2014 on this issue and at the press conference that followed the meeting she said that she was confident that both governments will reach an agreement before the end of the year.

The suspected large deposits of rare earth (usually mixed with uranium) under Greenland's soil have recently received a particular international attention, following China's moves to use its advantageous position of

Mining is the most promising sector, but EU companies have not yet grown much involved.

The Siumut government is in favour of mining uranium, but any agreement to export it would have to come from the Danish government, which is responsible for foreign and defence affairs.

There are strong indications that Greenland holds large

deposits of rare earths.

controlling more than 85% of the world's proven resources of this commodity as an economic, and perhaps political, tool¹⁵.

Figure 4:

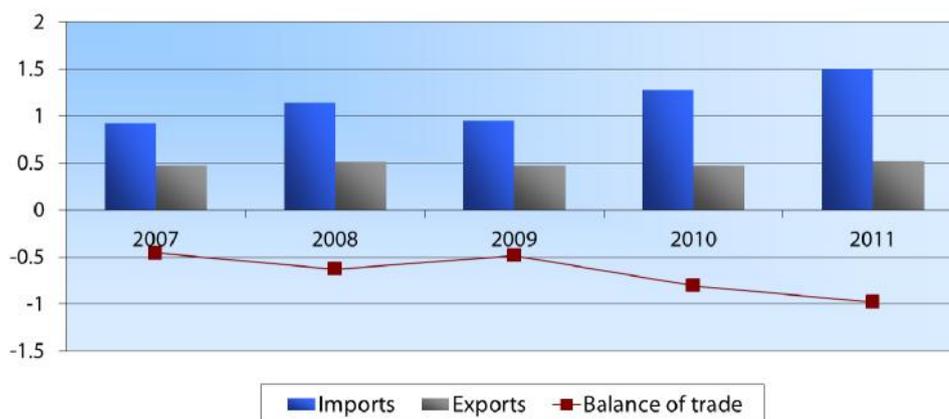
Greenland's top five trading partners 2012 (trade in goods)

Origin of imports				Destination of exports				Trade partners			
#	Origin	€ million	%	#	Destination	€ million	%	#	Partner	€ million	balance
1	EU	636	91.1	1	EU	328	64.3	1	EU	964	- 308
2	Iceland	18	2.6	2	Japan	75	14.7	2	Japan	75	75
3	USA	14	1.9	3	China	41	8.0	3	China	41	41
4	Norway	10	1.4	4	Norway	15	2.9	4	Iceland	26	- 10
5	Canada	9	1.3	5	Iceland	8	1.6	5	Norway	24	5
All imports:		699		All exports:		509		Balance of trade:		- 190	

Source: DG Trade

Figure 5:

Greenland's trade in goods and services in EUR billion



Source: Statistics Greenland

Figure 6:

Greenland's trade in goods with the EU

	Imports from EU:	Exports to EU:
Value 2012:	EUR 363 million	EUR 593 million
EU's rank (for Greenland), 2012:	1	1
Greenland's rank (for EU), 2012	101	112
% Greenland's total, 2012:	64.3 %	91.10 %
% EU total, 2012:	<0.1 %	<0.1 %

Source: DG Trade

¹⁵ In addition to the 2009 case against China at the WTO, this country decided unilaterally to suspend its exports of rare earth in October 2011 for one month, causing a surge of prices in the international market.

Tourism is a growing sector, but Greenland remains an expensive destination.

Tourism also offers another avenue of economic growth for Greenland, with increasing numbers of cruise lines now operating in Greenland's western and southern waters during the peak summer tourism season. However, the development of the tourism industry in Greenland is limited by a short season and high costs. It also lacks appropriate training and management. Travellers can reach Greenland from either Denmark or Iceland by air; or by sea from US, Canada, and several European countries.

5.2 Social issues

The Danish welfare model is admired and applied.

Greenland has adopted the Danish welfare model. Accordingly a high taxation level is applied but its citizens are covered by an extensive network of social benefits: a comprehensive free healthcare, social housing, unemployment benefits, etc. The rate of unemployment has been rather stable in the last years at around 4 - 5 %; despite an economic environment of increasing investments there are structural obstacles to diminish this rate linked to the lack of adequate training and high-skilled labour. Over the last years and as a consequence of the harsh economic crisis suffered by Iceland, a significant flow of Icelandic skilled labour force has been arriving in Greenland; while in the past this flow was only originated in Denmark. The prospect of large amounts of Asiatic labour force is a concern for the Greenlanders and is seen by the western neighbours of Greenland as a possible way for these far away countries to exercise a strong influence over Greenland. Mining projects require new port facilities to be built, which in turn rise substantially the overall costs and often include the possible arrival of large amounts of foreign labour in Greenland, opening big controversy across the society – this is the case of the Isua mine located only 150 kms north of Nuuk to be managed by London Mining, which foresees bringing 3,000 Chinese workers to Greenland.

The prospect of an influx of Asian labourers to develop infrastructures is a cause of concern among the population.

Hunting and fishing are activities closely linked to the Inuit history and culture and are socially recognized as important. Hunting quotas are fixed by the Home Rule Government on the basis of scientific advice in order to ensure sustainability. However for some areas the collected data is extremely limited and some species are experiencing worrying reductions in numbers.

Human development is high in Greenland, although the school drop-out rate is significant, and alcoholism and domestic violence are frequent, possibly as a result of rapid societal changes.

Greenland's Human Development Index is high, placing it in the category of very high human development. However Greenlandic people in average have insufficient education and working skills, a high level of students drop out of school before completing their studies; the youth receives also inaccurate educational guidance. The life expectancy in Greenland is 70.3 years, and the average literacy rate is 100 %. However, Greenland lacks crucial social infrastructure, and complex medical procedures tend to be carried out either in Iceland or Denmark.

Alcoholism and domestic violence are particularly problematic in Greenland. Adding to the harsh climate conditions, the rapid societal changes linked to globalization have deeply affected the traditional Inuit culture, particularly in the small coastal settlements.

5.3 Climate Change and environmental threats

The melting of Greenland's ice cap as a result of climate change poses one of the largest long-term challenges to modern human life.

The melting of Greenland's ice cap, the largest in the world after that over Antarctica, is considered to be one of the most serious threats to humanity as a result of climate change. The ice cap of Greenland is so large (+/- 2,400 km long and +/- 1500 km width) and so thick (2 to 3 km), that its melting (as a result of global warming) would cause such a rise of the sea level across the world that many regions and cities would be submerged. Other negative effects of the melting of Greenland's ice cap would be that in lands currently far away from the sea the soil and the aquifers underneath would become affected by sea water and salt, ocean biodiversity and currents may be modified by the large input of sweet water, etc. This worrisome consequences are not to be feared as a sudden event because the scientific community agrees that the melting is happening gradually¹⁶, but the challenge is how to predict the speed of it in order to apply mitigation and adaptation measures, for example in the most exposed areas of the world (like Bangladesh or many Pacific and Indian Ocean islands) and when we will be reaching a point of no-return (when the global warming would become an irreversible process for the melting of Greenland's ice cap). Unfortunately the scientific community is divided due to the very different predictions, but agrees on the necessity to reinforce international Arctic observation so as to benefit from better and more reliable data. An additional challenge posed by climate change in the Arctic region, including Greenland, is that due to the increasing melting of permafrost in the soil the maintenance and building of infrastructure becomes more complicated and costly.

The Arctic faces other environmental challenges, some of them originating far across the planet.

Greenland faces as well other environmental challenges. Pollution originated in other parts of the northern hemisphere is brought to the Arctic region by the earth's natural air and sea water circulations. The presence of heavy metals and persistent organic pollutants has been detected in the entire Arctic region, including Greenland, during the last decades, causing damage to its inhabitants, fauna (as it accumulates in the food chain) and the entire ecosystem. The special climate conditions in the Arctic make this region more vulnerable and less capable of a quick regeneration from pollution damage. Another particular problem of Greenland's environment is that the low number of roads and their bad state (particularly due to climate and geographical conditions) are obstacles for an optimal waste management with modern facilities.

¹⁶ However new investigations highlight the importance of the 'lubrication' effect of increasing streams of liquid water under the ice sheet

6 The EU and Greenland

6.1 EU-Greenland relations

Greenland has had a complex relationship with the EU.

Greenland chaired the association of OCTs in 2006 and 2012.

Since 2006 the EU-Greenland fisheries protocols have been complemented with a Partnership Agreement, whose funds so far have focused on education.

Greenland has had a complex relationship with the EU. Following the 1972 referendum by which Denmark became an EU member (along with the UK and Ireland) Greenland (as part of Denmark) joined as well the EU¹⁷. The results of the Danish referendum of 1972 already indicated a divergence with the overall result in Denmark: Greenland was against its membership (over 70 % voted against). With the introduction of Home Rule in Greenland in 1979, an ad-hoc referendum was held in 1982 (only in this territory) and the Greenlandic people reiterated their position. However the results of the latter referendum were less overwhelming (53 % voted for leaving the EU). Special arrangements for the withdrawal had to be negotiated, and the Greenland Treaty was signed in 1984. Greenland officially withdrew from the EU on 1 January 1985.

However, due to its ties with Denmark, Greenland remains closely associated to the EU through the association of Overseas Countries and Territories (OCTs)¹⁸ with the EU. Greenland held the Chair of the Association of OCTs in 2006 and in 2012

Further, Greenland also obtained in the past special fisheries arrangements with the EU, and retained its ties with the EU via trade for goods of Greenlandic origin. A Greenland-EU Fisheries Partnership Agreement (FPA) in force between 1985 and 2006 entitled Greenland to an annual allocation of EUR 42.8 million, roughly the same amount of EU funding that it would have obtained through the regional funds if it would have remained inside the EU. In return the EU fisheries vessels retained the access to Greenland's waters. However in 1999 the EU Court of Auditors made a critical review of the FPA because the annual amount transferred was considered too high in comparative terms with other agreements. Subsequently the Commission issued a Communication in 2002 and the Council agreed Conclusions in 2003 resulting on the opening of negotiations of an EU partnership with Greenland covering two separate aspects: an FPA adjusted to the real benefit offered to the EU's fisheries industry and a cooperation scheme focused at addressing the structural weaknesses of Greenland. Contrarily to the situation of other OCTs the EU financial assistance to Greenland is financed from the General Budget of the EU (and from not the EDF). Accordingly Financing Agreements have to be concluded annually.

The Partnership Agreement EU-Greenland is therefore regulated by the EU

¹⁷ The Faroe Islands, the other Realm of the Danish Kingdom, never joined the EU because, contrarily to Greenland they benefited from a Home Rule Status since 1948 and therefore also at the time that Denmark joined the EU in 1973. The main reason for the Faroe Islands refusal to join was the EU fisheries policy then on the making.

¹⁸ There are OCTs outside Europe across the world, and they are territories which are not part of the EU belonging to Denmark, France, the Netherlands or the UK.

The EU-Greenland Partnership, launched in 2006, reinforces the bilateral relationship and widens the areas of cooperation.

Council Decision 2006/526 and it has two distinctive components:

- A) Under the (renewable) fisheries protocol for the period 1.1.2007 – 31.12.2012, an annual financial contribution of EUR 15.8 million allows EU vessels (mainly from Germany, Denmark, UK, Spain and Portugal) to keep fishing in Greenland waters. It is the only fisheries partnership agreement concluded with a non-ACP States.

A new fisheries Protocol between the EU and Greenland was signed on 8 February 2012 entered into force on 1 January 2013 and it concerns eleven EU member States: Denmark, Germany, Estonia, France, Ireland, Spain Lithuania, Latvia, Poland, Portugal and the UK. Like with the present arrangements, during its three years of validity the owners of the vessels concerned are obliged to pay to the Greenlandic authorities a license fee to access the relevant waters. The protocol is divided between ten species, each with a number of tonnes allocated. In exchange the EU will pay EUR 17.8 million per year. Within this amount a reserve of EUR 1.5 million is set to be used if Greenland grants the EU the possibility to exploit additional resources. The protocol includes as well a clause on respect of human rights.

- B) A cooperation programme reflected in the Programming Document for the Sustainable Development (PDS) also for the period 2007-2013 which was signed by Greenland, Denmark and the European Commission in 2007. This amounts to EUR 25 million per year from 2007 until 2013 - the highest per-capita assistance to any of the EU's OCTs. The aid modality decided by the EU is 'Sector Budget Support'. At Greenland's request and with the EC agreement, this financial assistance is used entirely to support the 'Greenland Education Programme (GEP)', which involves a 14-reform of its entire education and training sector.

A new Council decision on relations between the EU, on the one hand, and Greenland and the Kingdom of Denmark, on the other, is being prepared.

Based on the positive experience of the first phase of the Partnership Agreement, the Commission drafted in 2013 a Council Decision on relations between the EU on the one hand and Greenland and the Kingdom of Denmark on the other. The European Parliament (rapport Cortes Lastra) welcomed the proposed Decision and included some amendments in the January 2014 plenary session. Following the previous practice of focusing on education, the new Decision will state that EU financial support should be focussed on a reduced number of areas. The text refers to the need of diversifying the Greenlandic economy, and of increasing the skills of its labour force. The indicative amount of EU financial commitment in support of Greenland for the period 2014-2020 is of EUR 217.8 million.

Even though the 2007-2013 EU assistance to Greenland is used to support the reform of the education and training sector, the Greenland Home Rule Government is also seeking to strengthen cooperation with the EU in other areas and in particular on the environment, research and food safety, by participating in the relevant EU programmes. Such cooperation is possible on

Greenland takes a keen interest in the development of the EU's Arctic policy (set out in the communications in 2008 and 20012).

Greenland is supportive of the EU's aspirations in the Arctic Council.

Growth in Greenland could also be spurred through the EU's regional policy.

Greenland resented the 2009 EU regulation banning seal products. Its 'Inuit exception' has been operational for less than a year.

the basis of Greenland's status as one of the OCT associated with the EU.

Greenland takes a keen interest in the development of the EU's Arctic policy. Beforehand Greenland had expected that EU's Northern Dimension Policy (ND) launched at the initiative of Finland in 1999, and particularly of its announced 'Arctic Window', would take care as well of Greenland's position as the policy's coverage was vaguely defined 'from the Urals to Greenland'. However the ND implementation showed that it was meant to be a successful tool but limited to deal with Russia and Norway in the continental Northern areas of Europe, i.e. the Barents and Baltics regions, far away from Greenland's location and problems; Greenland, like Canada, argued then that the ND was too centred in the European continent. The adoption of the 2008 European Commission Communication on the EU and the Arctic Region opened a completely new perspective, as its focus was the entire Arctic Region and EU's relations with Greenland received a special attention. The EU Arctic policy has been consolidated with the joint Commission and EEAS Communication of 26 June 2012 'Developing a European Union policy towards the Arctic Region'¹⁹. Both Communications acknowledge the geostrategic importance of Greenland in the Arctic region and call for enhancing the strong historical links with this territory. Greenland along with the EU Arctic Member States, Norway and Iceland, is in favour of the EU's longstanding objective to become an official observer of the Arctic Council, a request that was partly achieved at the Arctic Council Kiruna Ministerial meeting of May 2013. The AC decided then to welcome the EU in its meetings and that the EU observer status will be confirmed as soon as the differences between Canada and the EU on the latter's seal ban have been solved. The Kiruna ministerial meeting accepted for the first time non-European observers, like China, India, South Korea and Singapore. However Inuit Greenlanders who are part of the ICC remain critical of the EU and its pretension intention to be confirmed Arctic Council's observer.

The EU's regional policy could also use further fund Denmark's North Denmark region as an indirect way of boosting growth in Greenland, contributing to the territory's development. Greenland has a close relationship with the North Denmark region, whose Port of Aalborg has served as the maritime hub between Greenland, Europe and the rest of the world for 40 years.

Greenland was also resentful of the EU 2009 Regulation banning seal products from the Internal Market. The exception became operational in 2013, following the 2010 implementation regulation and the relevant preparations of the Greenlandic authorities to put in practice the system to trace the seal products covered and issuing certificates. Seal hunting and the use of products coming from this practice (skin, meat and hand-made artefacts) are very much integrated in Greenland's tradition, as it is also the case of Canada's Inuits. Exports of seal products are becoming less important for Greenland's economy but Greenlanders feel that the EU has a total

¹⁹ [Communication \(2012\) 19](#)

incomprehension towards its own life-style because the number of seals around Greenland is so large that is easy to maintain a safe level of sustainable hunting (i.e. the species concerned are not in danger)..

Whaling is a difficult topic in EU–Greenland relations, as the two sides do not agree on which species are endangered.

Whaling is another contentious issue between Greenland and the EU. Greenland, like some traditional whaling countries (including neighbours Iceland and Norway), is in favour of increasing the number of whale species allowed to be hunted against the conservationist views of the EU and many countries around the world. This causes clashes at the meetings of the International Whaling Commission (IWC), where Denmark (representing Greenland) is often in the odd position to reject EU common positions. Nevertheless this way of proceeding is in line with the EU Treaty, as the latter recognizes the right of Denmark to represent Greenland's and Faroe Islands' interests abroad. The whales that Greenland, and other whaling countries, would like to start hunting again are still considered by many in the scientific community and many countries across the world as either in danger or still in a too vulnerable position. In July 2012 the IWC rejected a proposal put forward by Denmark to increase aboriginal subsistence whaling catch quotas for Greenland, due to the latter's growing commercial use of whale meat. Denmark in 2013 threatened to leave the IWC if the Greenland would not take a more flexible stand. This threat worried both Greenland and the EU..

Greenland Representation to the European Union is located inside the building of the Danish Permanent Representation but it has a separate existence and personnel. Its current Head is Mrs. Lida Skifte Lenner.

Speculation as to whether Greenland would ever re-join the EU is always in the minds of Greenlanders and in the EU. Although the possibility of such move is limited in the short term, the debate was nevertheless reignited following the 2009 Icelandic financial crisis. Prior to leaving the EU Greenland held a seat at the European Parliament²⁰.

Commission Vice-President Antonio Tajani visited Nuuk in June 2012 to sign a letter of intent about cooperation.

Vice-President and Commissioner for industry and entrepreneurship, Antonio Tajani, along with the Commissioner in charge of Development Andris Piebalgs visited Nuuk in June 2012 to sign a letter of intent on EU-Greenland cooperation in joint infrastructures and investments or capacity building in exploration of raw materials.

At her first official visit to Brussels as Greenland's Prime Minister in mid-January 2014, Aleqa Hammond met the European Commissioner in charge of Environment, Janez Potočnik and NATO Secretary General Anders Fogh Rasmussen

²⁰ won by **Siumut** candidate **Finn Lynge** in 1984 and 1979.

7 Policy options

The following policy options could be considered:

- The European Parliament could ask the Commission and EEAS to devote greater attention to Greenland. The EU should build upon the strong historical relations it has developed with Greenland through Denmark. The large degree of autonomy granted Greenland by Denmark in 1979 and 2009 and the non-confrontational nature of relations between Copenhagen and Nuuk in the devolution process make it possible for the EU to provide support and expertise to Greenland's institutions. If required, the European Parliament could also contribute.
- The European Parliament could insist that the Commission and EEAS properly implement the EU's Arctic policy, which rightly places Greenland in a key position and highlights the geostrategic importance of the territory. Moreover, as most of Greenland's population are Inuit, Arctic indigenous peoples may perceive a closer relationship between the EU and Greenland as evidence of the EU's solicitude, counterbalancing critical views of the EU.
- Legitimate EU (and specifically EP) environmental concerns about Greenland and the Arctic region as a whole should always be presented in a manner that could not be interpreted as patronising. The Arctic population's experience with the Arctic environment should be valued and used. The EP could ask the Commission to apply the 'Inuit exception' (described in the EU regulation banning seal products, adopted for ethical rather than environmental reasons) in the widest possible manner. The European Parliament could ask the Commission to evaluate and report on its first year's experience implementing this 'exception' in Greenland.
- The EU should commend and support the choice made by Greenland and the Commission to focus the EU's partnership funds on education. At the same time, other areas of cooperation could be opened or deepened according to Greenland's needs, bearing in mind the territory's importance in terms of the environment, research, energy and transport.

8 Basic data on Greenland

People and geography			
Population	56 370	2013	Source: Statistics Greenland
Capital city	Nuuk	16 454	Source: Statistics Greenland
Total land area	2 166 086 km ²		Source: Statistics Greenland
Religion	Evangelical Lutheran		Source: Statistics Greenland
Ethnicity	Born in Greenland (Inuit or partly Inuit)	88.9 %	Source: Statistics Greenland
	Born outside Greenland	11.1 %	Source: Statistics Greenland
Languages	Greenlandic	principal language	Source: Statistics Greenland
	Danish	widely understood	Source: Statistics Greenland
Life expectancy at birth	72 women 67 men		Source: UN

