

Exploitation of mineral resources in Greenland

Presentation

Introduction: Pol. Consultant for ACL, historian, Danish-Greenlandic and besides my work at FT (the Danish Parl) I'm trying to write a textbook for the public school about exploitation of mineral resources. This textbook is an elongation of the report "To the benefit of Greenland" from 2014. The committee behind the report was inhabited by university researchers from a number of universities and the report and affiliated background papers dealt with the exploitation of min. res from a wide range of fields. I'll get back to the committee later on. I will only briefly touch upon the aspect of climate change, and will primarily talk about the historical background for the present conditions.

1: kort over Grønland

Greenland is a self governing part of the Danish Realm. The present agreement between the two countries stipulates the exploitation of the mineral resources to be a Greenlandic responsibility. And on a number of other areas Greenland is managing on its own. The economy of Greenland however is maintained through grants from outside. From Denmark about a quarter of the Greenland GNP of about 2 billion euros comes through the block grant, and about 60 % in total is through these grants from outside. 90 % of the export from Greenland is based on marine resources, primarily cod, halibut and shrimps. Tourism is a field in expansion. The exploitation of mineral resources is regarded as a potential "gold mine" – but it comes with a responsibility and of course consequences. The population of Greenland is about 56.000, and the level of education is relatively low compared to other Nordic countries. About 40 % have an education besides the public school. It is however on the rise, but not in the desired manner as Greenland spends about 14 % of the GNP on education. In Denmark the number is 8 % and the average of the EU is 5.3 %.

When Greenland introduced self-government in 2009 the agreement with Denmark meant that block grant would not be raised, and as times goes by, a still larger gap in the economy will emerge. This means Greenland need to find a way to make an income. At the same time there is a growing political wish to gain independence, and to get rid of the dependence of Denmark.

2: The geological map of Greenland show a variety of mineral resources.

As you might know, Greenland a few years ago lifted the zero tolerance band concerning radioactive materials, which allows the exploitation of resources with a radioactive content. This is seen as a way to gain economic independence. The point of origin is the possibility of exploiting the Kvanefjeld in southern Greenland, which holds a large quantity of rare earth materials. A byproduct of the mininge would be uranium. The lift of the band was gained through a decision in the Greenland parliament and only one vote divided the parties. As of November 2016 the two opposing parties, Siumut and Inuit Ataqatigiit, in this matter formed the present government of Greenland. There is an ongoing debate in Greenland on this matter – and it is a dilemma Greenland is divided on. Should the environment potentially be sacrificed in order to make an income. The area in Southern Greenland is an attractive area for farming and tourism, and the nearby town of Narsaq would most likely be heavily affected.

A few years ago there was a belief Greenland was on the verge of a breakthrough in this field. An aluminum melter and an iron mine was planned, but different circumstances obstructed both projects. As of today to mines looks ready to start production – the ruby mine near Qeqertarsuatsiaat and the anorthosite mine in Kangerlussuaq. Other mines are prepared, but it is hard to predict whether all conditions will be meet and a mine can start.

The prices on the world market concerning mineral resources of course have a great say on whether mines

in Greenland are deemed profitable. At the same time, the infrastructure in Greenland will make any endeavor complicated, as everything will have to be transported over great distances in a harsh environment. At the same time it is important for foreign investors and companies to be able to rely on a fixed set of rules, and as I understand it – the debate on uranium in Greenland is a sign of disagreement in Greenland and this gives ground for doubt seen from abroad.

The security aspects of the possible export of uranium and possible influx of foreign workers to mine projects is a Danish responsibility and this puts strains on the relationship between Greenland and Denmark – and mine projects could transform the Greenland society and the culture radically. So, the opportunities are plenty but also the consequences.

3: historical perspective

Citat

In order to understand the present conditions I think it is important to look at the historical background.

The quote mentioned here is from 1975, but it could just as well have been mentioned in a yesterdays newspaper. Often the plans and the realization of these plans are stretched over decades. But it is an important area, and the area have had an important historical impact.

In the 1970s Greenland was seen as solution by Denmark to the energy crises - and this nurtured the political mobilization in Greenland, as Greenland felt the resources to be theirs. I'll get back to this.

4: Ivittuut

1850s – 1980s

No Greenlanders employed until after WWII

Held out of the usual Greenland accounts – balanced economy until the 1950s – little room for improvements

During WWII very important – able to support

Still a source of pollution

5:

WWII as catalyst

Gave birth to the idea of a sustainable economy – independence

WWII – centralization – one country and an awareness of being able to manage on your own

Strategic importance – the connection with the US – Danish interest in keeping Greenland

The poli. Reforms after the war – UN – Greenlandic wishes of a greater say on own matters.

1953 – equal part of the Danish realm – Nuuk capital and seat for the national council, which came to have a greater influence – fishing saw seen as the economic foundation for the society – a heavy financial support from Denmark – a Danish responsibility

6: Qullissat coal mine – 1924-72

Greenlandic coalminers

Vibrant culture - music

Organization of workers – first negotiation concerning pay and working conditions

Communitistic inspiration – front runner for present day IA?

Eventually in economic difficulties – as oil gradually replaced coal – poor quality

Decision on a closure – 1972

Came to be a trauma and contributed to the political tendencies

Opposing the policy of centralizing the population – even though the Greenland national council supported the policy and the closure

7:

During the 1960s a new generation of Greenlandic pol. Emerged – many had been students in Denmark and had been organized in the student organization, heavily influenced by left wing policies – opposing authorities.

Their immediate goal was a Greenland, ruled by Greenlanders and ruled from Greenland. They saw a Danish dominance – Danification – as the primary problem.

The energy crises in the 1970s made mineral exploitation in Greenland a possible mean to end the crises. Exploration for oil and other mineral resources fostered the idea of Greenland being able to earn a lot of money. During the 1970s the pol mobilization led to demands for a greater say concerning own affairs. From the new generation of Greenlandic politicians a fear of being robbed of the countries resources emerged – and the Greenlanders wanted more influence.

Eventually the political discussion between Greenland and Denmark led to the Greenlandic Home rule agreement – mineral resources came to be an area between the two countries. Within the boundaries of the Danish constitution Greenland on a wide range of areas from 1979 onwards held the responsibility and in 2009 self government was introduced which gave Greenland the control of the mineral resources in.

8:

The Greenlandic independence will be a natural next step, when you look at the development of the society. Greenland do have challenges – a small administration and a small population scattered over great distances and a relatively low edu level. Recently a independence ministry was formed, and a constitution commission is being established – the political wish of independence raises the question of how to make an economic foundation for independence – it is an exciting time.

Alliances

On the right path

Fixing the problems or having independence as the primary goal

Mineral resources is a crucial aspect of a future Greenland – but how to go about is still a question