Denmark in the Arctic

Bowing to three masters

Jon Rahbek-Clemmensen

Unlike the other Arctic powers, Denmark’s presence in the High North depends on the countries’ authority over a semi-autonomous territory that strives for cultural and political independence. Why has Greenland stayed within the Danish Commonwealth, even when it entails giving up much of its independence? Surely, the cultural and historical link is so thin that it could easily break at the first northwestern breeze. From Copenhagen’s perspective, the relationship is expensive, cumbersome, and filled with humiliations and guilty conscience - and colonialism is so 20th century anyway. What does Denmark gain from staying put? And how is it that other powers - let alone the Greenlanders - accept that a miniscule European country, roughly half the size of Belgium in terms of population, asserts sovereignty over the world’s largest island? The answers are that the Danish presence in Greenland is part of Denmark’s wider foreign policy strategy and that Denmark plays a complex three-way game in order to stay present in the Arctic.

The Arctic in Danish foreign policy strategy

In the Danish political imagination, Greenland is not considered a part of Denmark proper. The political union between Denmark and Greenland is not a given. Instead, the Danish presence in Greenland is part of Denmark’s wider foreign policy strategy. Denmark has no economic gain from being in Greenland. Even if new industrial opportunities, such as hydrocarbons, mining, and aluminium smelting, make Greenland a hundred per cent economically self-sufficient - a prospect that is highly unlikely and in any case not viable on this side of 2030 - will Denmark only be able to skim a slim economic profit from its Arctic engagement. Instead, Greenland is a bargaining chip that ensures Denmark’s much-needed political capital for only a minor economic investment.

Copenhagen’s foreign policy strategy rests on a European and an Atlantic pillar. First, by supporting the EU, Denmark hopes to prevent a ‘back to the future’-scenario between Europe’s great powers. Second, Denmark concurrently strives to ensure American backing against future military threats. Copenhagen therefore follows Washington and London in most foreign policy matters. In recent years, the second pillar has overshadowed the first. Denmark was a firm member of the coalition of the willing in Iraq and has been on the front-line in Afghanistan, suffering the most casualties per capita of any Western country. The purpose of this has been to show the White House that it has a devoted ally in Copenhagen that might be worthwhile to protect, should affairs ever get tough in Europe.
Greenland is part of this second pillar. Located between Russia and North America, the island holds a central position in geostrategic terms. By using its economic, political and cultural capital to ensure the Americans an ‘Okinawa-upon-the-Arctic-Circle,’ Denmark hopes to strengthen its alliance with its big brother from the other side of the Atlantic.

Greenland has been a cornerstone of Danish strategy since World War II. After the German occupation of Denmark in 1940, the Danish ambassador in Washington famously struck a deal with Secretary of State Cordell Hull, permitting U.S. military presence in Greenland. In the Danish foreign policy narrative, this move is generally considered one of the few reasons Denmark was regarded an Allied power, in spite of cooperating with the Germans in the early years of the war. The U.S.-Danish deal continued during the Cold War. Thule Air Base and the adjacent radar facilities became an important part of the U.S. nuclear deterrence system. The Danish government signed a secret deal accepting that the U.S. stationed nuclear weapons in Thule, thus contradicting the official government policy which allowed no nuclear weapons on Danish territory. By giving the U.S. manoeuvrability in the Arctic, Denmark showed its intentions to stay within the Western camp, in spite of its somewhat accommodative policy towards the USSR in the European theatre. With U.S.-Russian relations warming up after 1991, Greenland has lost some of its geostrategic allure. However, Washington has not forgotten its northern outpost. The security dilemma between Russia and the U.S. is still alive and kicking. The radars at Thule are a core part of the current plans for a missile defence system. Copenhagen’s tradition of using Greenland to buy political clout in Washington will most likely continue.

The tricky part of this strategy is to ensure that Denmark keeps control of Greenland. Copenhagen therefore plays a three-way game that is meant to show that Greenland belongs under Her Majesty’s jurisdiction. The three parties in question are the Greenlandic self-rule government, outside powers, and the Danish domestic public.

**Danish-Greenlandic relations**

Greenland is wholly dependent on outside support to function as a modern society. With the state responsible for 73 per cent of annual production, it is as close as one gets to a planned economy these days. This largely inefficient machinery is held together by a lucrative public support from the Danish government, which amounts to roughly forty per cent of the Greenlandic economy. The Danish support is not only fiscal. The Greenlandic population has a very low level of education. Greenland needs skilled personnel from the outside to fill out the higher echelons of its business life and to serve in the state bureaucracy. Without these resources, a modern society that spans over such a vast and inhospitable area would not be able to function. The bulk of these administrative resources come from Denmark.

The goal for the Danish government is to show that it is the best provider of that support. This is done through a three-part policy: generosity, efficiency, and autonomy. First, the Danish government strives to make the Greenlandic self-rule government feel
that it gains from the status quo. Besides the aforementioned subsidies, the 2008 Danish-Greenlandic agreement about how to share a future hydrocarbon bonanza largely benefitted Nuuk over Copenhagen.

Second, Denmark argues that its bureaucracy is particularly geared to handling Greenlandic matters. The long presence has made the Danish administration accustomed to handling the particular issues stemming from Greenland’s unique geography, culture, and tradition. This gives Copenhagen a competitive advantage vis-à-vis other providers of administrative resources.

Finally, the Danish government is very aware of the importance of autonomy for the self-rule government. Greenlandic political identity is created in opposition to Denmark. Autonomy is the crucial issue in local political life. Denmark-bashing and highlighting the hypocrisy and maltreatment of the colonial past are common phenomena in Greenlandic politics. The Danish position is to turn the other cheek and instead stress that the option of independence is available, should the Greenlanders decide to pursue it. This policy is perhaps most visible in the establishment of a joint commission on independence in 1999, the result of which was the shift from home-rule to self-rule in 2009.

The new self-rule agreement specifies a road map towards independence, recognized by both parties. Concurrently, although Copenhagen formally holds jurisdiction over foreign policy matters, the government has been eager to include Greenlandic representatives when possible. In May 2008, Greenland and Denmark co-authored a paper specifying the visions for the Arctic region in light of global warming. When Denmark gathered the ‘Arctic five’ (Canada, Denmark/Greenland, Norway, Russia, and the U.S.) in Ilulissat later the same month - a meeting that in the Danish foreign policy narrative is commonly understood as the beginning of Arctic multilateralism - Greenlandic premier Hans Enoksen was recognized as co-host of the summit. This should be seen as an important pat on the back - especially when one considers that three members of the Arctic Council (Iceland, Finland, and Sweden) were excluded from taking part in the meeting.

The Danish-Greenlandic relationship may be stable at present, but it carries the seed of its own disruption. The Greenlandic dependency on Danish economic and administrative resources is alpha and omega for understanding why Nuuk stays within the Commonwealth. If the optimistic projections for the hydrocarbon, mining, and aluminium smelting industries prove true, Greenland’s fiscal dependency on Denmark might diminish. In that case, Greenland will still be dependent on an outside power for administrative resources. Will the Greenlandic policy-makers realize this? If so, can they explain it to their public that is used to yearn for independence? Alternatively, will they pursue independence anyway, perhaps by looking elsewhere for administrative support?
External relations

Denmark’s relations to the other Arctic powers must be understood in light of its overall goal of playing as big a part as possible in accommodating the U.S. In other words, Denmark aims to have as much influence as possible in the Arctic. This influence is used to accommodate U.S. Arctic interests, thereby showing the Americans that they have an interest in keeping Denmark safe.

These goals are achieved through three policies: performing a theatre of sovereignty, establishing efficient regional security governance, and keeping the others out. First, in order to gain the right to use Greenland as a bargaining chip, Denmark must establish its sovereignty over the territory vis-à-vis outside powers. Norway disputed Denmark’s sovereignty over parts of the island as late as 1933. The Danish government is therefore attentive to the fact that sovereignty depends on performing certain rituals, including military presence on land and sea. The Danish-Canadian dispute over Hans Island and the Danish claims to large swaths of underwater territory under the UN Law of the Sea are part of this performance.

Second, as all Arctic states, Denmark is worried that the sea ice retraction that follows from global warming will exacerbate existing tasks. A busier and economically more lucrative Arctic will raise the costs of running an administration and asserting sovereignty. The risk of a resurgent Russia throwing its still-impressive Northern Fleet around in an ice-free Arctic is one of the key worries. The planning for a busier region has already begun. Partly, these new challenges are met through investments in the existing administration. For instance, the military is upgrading its capabilities in the North Atlantic, replacing its small and outdated patrol cutters with more formidable Knud Rasmussen-class patrol vessels carrying a light canon. These ships will be better suited to assert Denmark’s sovereignty and fulfil civilian administrative tasks, such as surveillance, registration, and search-and-rescue in the newly opened waters.

However, investments alone do not do the trick. Many of the potential challenges in the Arctic are best handled through bi- and multilateral cooperation. Existing international institutions must therefore be bolstered. For instance: more traffic in the Arctic requires better surveillance techniques. Such initiatives are best handled through organizations like the International Maritime Organization (IMO) and the Arctic Council. Furthermore, institutional build-ups diminish the risk of a great-power conflict. For example, by making sure that the undistributed territory is carved up according to the rules set up in the UN Law of the Sea, a potential scramble for the North Pole involving Russia and the U.S. can be avoided.\(^\text{13}\)

In spite of following a realist strategy in the Arctic, Denmark recognizes that its ability to withhold sovereignty over Greenland - the very basis of the strategy - requires a full dedication to regional cooperation. Copenhagen knows that in a politically unstable Arctic, the risk of an external power taking possession of Greenland is a real possibility. Unlike the great powers - who are still hesitant to build up regional institutions -
Denmark is therefore dedicated to most types of regional cooperation, as long as they do not directly counteract American interests or Danish sovereignty over Greenland. Denmark is one of the key proponents of common shipping rules and surveillance systems in the IMO. The country is a strong advocate for regional cooperation through the Arctic Council. The aforementioned 2008 Ilulissat Declaration was a wholehearted attempt to spark a new institutional development. Finally, Denmark is devoted to finding a peaceful solution to the undrawn borders of the region through the UN Law of the Sea. In the Ministry of Foreign Affairs, fingers are crossed that Washington will finally ratify the UN Convention on the Law of the Sea and that Canada and the U.S. are able to solve their on-going dispute about the status of the Northwest Passage.

In the midst of this global governance love-fest, one should not forget that these new institutions are developed as part of a larger realist strategy. This leads to the third policy in the Arctic: if possible, Denmark aims to keep outside powers out of the regional bodies. This policy has two underlying rationales. First, it is a basic lesson from the international regime literature that the more participants an international institution has, the more cooperation problems and political friction will hamper effective governance. By keeping outside powers out, the chances of actually handling regional challenges are much higher. Second, by limiting the number of participants, Denmark increases its own importance in the region. This gives Denmark a chance to help facilitate American interests in the region, thus buying political goodwill that can be used for future purposes.

This exclusion policy entails managing three complicated relationships. First, Denmark aims to diminish the presence of other Arctic small-states. This was perhaps most visible at the Ilulissat summit, where Iceland, Finland, and Sweden - all members of the Arctic Council - were not invited to participate, resulting in loud protests from these countries. Denmark strives to organize Arctic governance in concentric circles, with the Arctic five making up the axis around which wider institutional bodies revolve.

Second, Denmark strives to avoid involving the EU in the region. As the only EU member in the ‘Arctic five,’ Denmark could easily find itself in a pickle. Being the champion for Portuguese fishery rights, German environmental considerations, and general EU great power assertiveness in the High North is Copenhagen’s worst nightmare. This would make managing the three-way game nearly impossible. The presence in the Arctic would also lose some of its value, as it would become more difficult to serve U.S. interests. Denmark therefore has to strike a balance, where it avoids fully excluding Brussels, while concurrently making sure that it can pursue its own interests. This is done by highlighting that Greenland voted itself out of the European Community back in 1985, that Denmark has opted out of the EU’s Common Security and Defence Policy, and by focusing on the Arctic Council and the ‘Arctic five’ as the most important regional bodies.
Third, NATO’s presence in the Arctic is a somewhat complicated matter. On the one hand, Denmark is aware that NATO probably is the best body for handling an assertive Russia. On the other hand, Denmark is hesitant about letting outside organizations into the region. Partly, this is because a NATO presence is feared to fuel a security dilemma vis-à-vis Russia. In this regard, the Danish mentality is much more ambivalent than, for example, the Norwegian approach. From a Danish perspective, NATO should quietly develop contingency plans for future activities in the Arctic without scaring the Russians.

Denmark sees an institutionalization of the Arctic as part of its state interests. However, the country wants to tailor this process in a way that maximizes its own influence in the future bodies and which suits American interests. There are two possible threats to this balancing act. First, a resurgent and aggressive Russia might cause a situation where Danish sovereignty over Greenland is questioned. Second, if Denmark is forced to subsume its own interests under those of the EU, staying in the Arctic would become more difficult and less valuable.

**Domestic politics**

Domestically, the government aims to avoid resistance to the fiscally expensive Greenland policy. Keeping the other Arctic powers and the Greenlandic government content with the status quo costs the Danish government between USD 600 and 700 million annually.\(^\text{14}\) If the strategy is to continue the public must either accept these expenses as necessary or ignore that they exist. The major political parties agree to continue the current strategy and are hesitant to even discuss the issue. The strategy is challenged from the far ends of the political spectrum. The far-left Red-Green Alliance argues for a more acquiescent policy, where Denmark stops gaining realpolitik advantages from its presence in the North.\(^\text{15}\) Conversely, the far-right Danish People’s Party (DPP) advocates a more assertive colonial policy, where Denmark takes direct control over large parts of the local government, cuts down economic support, emphasizes a shared Danish culture, and increases its military presence on the island.\(^\text{16}\)

The DPP has used its status as the parliamentary foundation for the centre-right government to influence the Greenland policy. For instance, the defence agreement for 2010-14 suggested that Denmark could be “utilising, for example, combat aircraft in the occasional performance of tasks in relation to surveillance and upholding sovereignty in and around Greenland.”\(^\text{17}\) This sentence has led some analysts to suggest that Denmark is becoming more assertive in the Arctic.\(^\text{18}\) This is a misinterpretation. The brief section was most certainly meant to give the DPP a symbolic victory with little military significance. In overall terms, although the domestic sphere does cause disruptions in the Danish Arctic strategy, it is unlikely that the Danish public in itself will demand a change in the Danish-Greenlandic relationship.
Future developments: towards an institutionalized region

Like all Arctic nations, Denmark’s goals in the High North are largely defensive. Being present in Greenland is not a strategic goal in itself. It is a tool that Denmark can use to achieve political muscle elsewhere. Greenland is a bargaining chip that Copenhagen can use to tie itself closer to Washington.

In order to keep a presence in Greenland, Denmark plays a complex three-way game to keep the Greenlandic local government, the other Arctic states, and the domestic public satisfied with the status quo. So far, Denmark has had a steady hand in playing this game. Looking towards the twenty-year horizon, two potential sources of conflict are present in the Danish foreign policy narrative. First, if Greenland becomes less dependent on Denmark, the Commonwealth between the two nations may weaken. Second, if the EU or Russia tries to gain more political power in the Arctic, Denmark may be unable to keep playing the game.

The fact that Denmark’s Arctic policy focuses on realizing narrow state interests does not mean that Copenhagen dismisses regional institutions. On the contrary: central policy-makers have already realized that their own military means will never be enough to hold on to Greenland. Denmark’s military behaviour is purely reactive. When Denmark bulks up militarily, it is most certainly a result of either a perceived challenge from global warming, a reaction to military build-ups of other states, or a treat for the political fringes back home. The status quo can only be kept by strengthening regional organizations. In this way, regional militarization can be avoided and the local administration can become more efficient in producing the outputs necessary to keep the self-rule government satisfied. Copenhagen knows that it needs to be all warm and cuddly in order to gain hard power advantages.

Jon Rahbek-Clemmensen is a PhD student in International Relations at the London School of Economics and Political Science.

14. In 2006, the support was DKK 3,803 million (Grønlands-Dansk Selvstyrekommision, 2008, p. 445). Using the exchange rate at the time, this more or less corresponds to USD 633 million. For subsequent years, the number varies with inflation and the DKK-to-USD exchange rate.
15. Enhedslisten, *Grønland og Færøerne*. Located 18/4 2011 on webpage [http://www.enhedslisten.dk/gr%C3%B8nland-og-f%C3%A6r%C3%B8erne](http://www.enhedslisten.dk/gr%C3%B8nland-og-f%C3%A6r%C3%B8erne).