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Riding the Dragon in the Scramble for Independence: Chinese-Greenlandic Cooperation on Large-Scale Projects in the Arctic Sea

Montando o dragão na luta pela independência: cooperação sino-groenlandesa em projetos de grande escala no mar Ártico

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Abstract

The article examines the Chinese engagement in the Arctic, with specific focus on large-scale mineral and infrastructure projects in Greenland. Providing an important financial basis for potential Greenlandic independence, these projects also have significant environmental, geostrategic, and political reverberations. This leaves a complex geopolitical context in which Greenland will have to navigate interactions with China cautiously on its path to self-determination.

Resumo

O artigo examina o engajamento chinês no Ártico, com foco específico em projetos minerais e de infraestrutura de grande escala na Groenlândia. Fornecendo uma base financeira importante para a potencial independência da Groenlândia, esses projetos também têm repercussões ambientais, geoestratégicas e políticas significativas. Isso cria um contexto geopolítico complexo no qual a Groenlândia terá que navegar nas interações com a China com cautela em seu caminho para a autodeterminação.

Keywords: China; Greenland; Arctic; Independence; Geopolitics; Chinese investment.

Palavras-chave: China; Groenlândia; Ártico; Independência; Geopolítica; Investimento chinês.

Introduction

The Arctic is the area located within the Arctic Circle, comprising around 21 million square kilometers. From a legal standpoint, the Arctic encompasses the northernmost parts of Asia, Europe and

North America, including continental territory, as well as islands, waters within national jurisdiction, high seas and the Area[1]. Unlike Antarctica, there is no single treaty governing the region, which nonetheless is regulated by UNCLOS (1982) and the Spitsbergen Treaty (1920), besides general international law, the United Nations Charter and other specific treaties. Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the United States are the Arctic States, and therefore the only national entities who have sovereignty over the region. The Arctic is thereby strongly based on territorial divisions subjected to national authority (Koivoruva, 2012), which has formed the basis of relatively orderly management of Arctic affairs within the scope of international law and agreements (Baker, 2010; Graczyk & Rottem, 2020; Soendergaard, 2017). While internal waters, territorial seas, contiguous zones, exclusive economic zones, and continental shelves fall under the jurisdiction of these coastal states, parts of the Arctic Ocean form the high sea and the area. Hence, according to UNCLOS, non-Arctic states do have rights in the Arctic Ocean, such as navigation, fishing, scientific research and overflight, as well as in the Area, such as resource exploration and exploitation. Climate change has been spurring the melting of ice caps in the North Pole, while globalization has attributed a new strategic meaning to the Arctic, since the region's economic prospects are rapidly increasing as new sea routes open.

Given its global implications, this new situation has not only drawn the attention of Arctic states, but also of actors from outside the region, some of which have laid out Arctic policies. This was the case of Japan in 2015 (Japan, 2015), of the European Union in 2016 (European Commission, 2016), and more recently of China, whose Arctic policy was published in 2018 (China, 2018). China is a new player in the Arctic. While China traditionally has engaged with the Arctic through scientific research, the melting of the ice opens new economic opportunities, such as resource exploitation and shorter transit routes, which are China's key interests in the region (Lanteigne, 2015). Although China does not have sovereign rights over the region, it has been bolstering research on the Arctic and undertaken infrastructure through cooperative relations with Arctic states. The Chinese interest in the Arctic, and specifically in Greenland, follows a clearly defined long-term strategy. China is deeply interested in Greenland's natural resources, such as oil, gas, rare earths, uranium, zinc, and iron ore. Beijing also has security concerns regarding the region both in traditional, military terms, but also according to a more comprehensive strategic understanding, since it assesses that its food security is directly impacted by climate change. Presenting itself as a leader of an international community with a common destiny (China, 2018), China has incorporated the Arctic Sea routes into the maritime part of the Belt and Road Initiative (BRI), which, in turn, has already resulted in increased investment in the Arctic from Chinese state-owned enterprises (Danish Defense Intelligence Service, 2020, p. 20).

The relationship between China and Greenland is consequently entangled in a complex geopolitical context that differs from traditional bilateral relations. On the one hand, this is due to the fact that Greenland is not a sovereign state, but an autonomous territory within the Kingdom of Denmark whose foreign and security policies are defined in Copenhagen. On the other hand, the increased

1 According to the United Nations Convention on the Law of the Sea (UNCLOS), "Area" means the seabed and ocean floor and subsoil thereof, beyond the limits of national jurisdiction.

tensions over the Arctic, especially among great powers, constrain Nuuk's political room of maneuver, while it also enables it to exploit geopolitical rivalries in order to attain its goals. The situation is more complicated, inasmuch as Greenlanders have been pushing for independence. As a result, this complex background, involving economic interests, extensive natural resources, environmental sensibilities, and a delicate political environment, gives rise to debates over scenarios of conflict or cooperation. Nevertheless, given the currently limited Chinese engagement with Greenland, most of the discussion is still about hypothetical scenarios or incipient trends (Mohr, 2020, p. 114).

In this paper, we are particularly interested in understanding, on the one hand, how Nuuk's relations with Beijing can sway the island's quest for independence, and, on the other, how Copenhagen and Washington have responded to this rapprochement thus far. We argue that Nuuk has skillfully maneuvered the great power rivalry taking place in the region, despite its limited leverage in relation to much more powerful actors. However, we can also observe how the Greenlandic population also appears to reject the pursuit of independence at all costs, notably if that would endanger the local environment and traditional livelihoods. Moreover, evidence shows that Chinese attempts at making strategic incursions into Greenland have been met with swift, firm responses from Washington and Copenhagen. The article is based on the analysis of official documents, policy papers, news articles, strategic reports, and other secondary sources. We initially analyse China's Arctic policy in section one, and then examine Greenland's local politics in section two. Sections three and four review the Chinese engagement with Greenland's mineral and infrastructure sectors respectively. The conclusion presents the wider implications of Chinese-Greenlandic relations both for Greenland's scramble for independence and for the rising geopolitical tensions in the Arctic.

China's Arctic policy

After years of occasional declarations from Chinese officials on Arctic issues[2] Beijing clearly laid out its Arctic Policy in a white paper published in January 2018. The document declares that the Arctic has a "vital bearing on interests of states outside the region", therefore having global implications that are central to the "shared future for mankind" (China, 2018). While China recognizes that non-Arctic states have no territorial sovereignty in the region, it points out that these states do have the right to conduct scientific research, navigation, overflight, fishing, laying of submarine cables and pipelines in the high seas and other relevant sea areas in the Arctic Ocean, as well as rights to tap resources and exploit the Area, in accordance to general international law and to UNCLOS. Moreover, under the Spitsbergen Treaty, of which China has been a party since 1925, its contracting parties have the right to access and explore certain areas of the Arctic (China, 2018).

Following the Chinese Vice Foreign Minister, Zhang Ming's declaration in October 2015 at the Arctic Circle meeting in Iceland, in which he defined China as a "near-Arctic state" (Zhang, 2015), the

2 Cf Reinke de Buitrago (2020, p. 99).

2018 white paper also adopted this term, maintaining that China is one the closest continental states to the Arctic circle. Beijing considers that the natural conditions of the Arctic directly impact China's climate and environment, thus affecting its economic interests, such as in agriculture and fishery. The Chinese government stresses that, as a United Nations Security Council permanent member, it has the mission of promoting peace and security in the Arctic. According to its Arctic policy, China's goals in the region are "to understand, protect, develop and participate in the governance of the Arctic, so as to safeguard the common interests of all countries and the international community in the Arctic, and promote sustainable development of the Arctic" (China, 2018). In other words, Beijing frames the Arctic as a global common that can potentially benefit humanity as a whole. China is especially attentive to territories with undetermined sovereignty, such as those claimed as continental shelf extended seabed, given that coastal states will likely not gain complete sovereignty over them, but more probably only sovereign rights (Brady, 2018).

Since the 1990s, Beijing has proactively engaged with Arctic affairs. In 1996, it joined the International Arctic Science Committee, and China's research vessel Xue Long (Snow Dragon) has captained several scientific expeditions to the region as of 1999. In 2004, China built the Arctic Yellow River Station in Ny-Ålesund in the Spitsbergen Archipelago, and in the following year, China was the first Asian country to host the Arctic Science Summit Week, a high-level conference on Arctic affairs. In 2013, Beijing became an observer to the Arctic Council. More recently, Chinese firms have started to explore shipping routes in the Arctic, as Beijing plans to build a "Polar Silk Road", which aims at fostering the connectivity of the Arctic region, under the BRI. In a 2017 planning document on maritime cooperation under the BRI, China stated its intention to build a "blue economic passage" leading to Europe via the Arctic Ocean (China, 2017). For China, Arctic Sea routes, which comprise the Northeast Passage, the Northwest Passage and the Central Passage, constitute a promising alternative to routes through the Suez Canal and the Strait of Malacca, which are longer and present higher geopolitical risks. Arctic routes would also shorten shipping time between China and Europe. The Chinese interest in Arctic Sea routes also stems from its need for energy and raw materials for its manufacturing industry, with the goal of diversifying its supplier countries (Danish Defense Intelligence Service, 2020). Accordingly, in December 2020 China announced its plans to launch a satellite to monitor Arctic shipping routes in 2022 (Zhou, 2020).

In March 2021, Beijing released the 14th Five-Year Plan (FYP), covering economic policies up to 2025[3]. The chapter dedicated to the BRI directly mentions the Arctic, under the section "Deepen participation in global ocean governance". Beijing maintains that it will seek to "participate in practical cooperation in the Arctic and to build the Polar Silk Road". Although the statement is brief, this was the first time the Arctic – and, for that matter, Antarctica – was directly mentioned in one of China's FYP. Furthermore, the FYP claims China will "deepen cooperation with coastal countries", in areas such as "marine environmental monitoring and protection, scientific research, and maritime search and rescue" as well as "strengthen the investigation and evaluation of strategic resources and

3 An official translation of the 14th Five-Year Plan into English is not yet available. An unofficial translation of parts of the Plan can be found in Wang (2021).

biodiversity in the deep sea". This shows not only the increased importance of the poles in the Chinese foreign policy, but also China's will to intensify its scientific and economic diplomacy in the Arctic. Indeed, the Polar Silk Road has consistently evolved since it was first introduced in 2017, especially with the Yamal liquified natural gas plant in Siberia (Lanteigne, 2021).

The growing tensions among great powers in relation to developments in the Arctic concerns China, in that it reduces its capacity for establishing cooperative relations with Arctic nations to build up its influence over the region. Beijing understands Washington opposes its stronger role in the region, and that Moscow also is skeptical of it (Trenin, 2020). China has therefore been trying to present itself as a relevant Arctic player through investment in research and infrastructure, something China hopes will boost its relevance (Arctic Institute, 2020). The strategy is thus to deepen bilateral cooperation with Arctic states through its scientific diplomacy, in areas such as climate, space, satellite communication and navigation. China's military, for its part, seeks to strengthen its Arctic expertise especially through technologies that can serve both civilian and military purposes. However, current Chinese military presence in the region is still minimal (Danish Defense Intelligence Service, 2020).

A significant part of the Chinese strategy of building cooperative relations with Arctic states hinges on Denmark and Greenland, where it also uses scientific research as well as trade as a way to gain ground (Szymański, 2021). Its commercial strategy in the region follows a long-term rationale, and therefore may not always be economically viable in the short term. However, despite the potential long-term interest, China has not yet managed to materialize major investments nor comprehensive research cooperation with Greenland. That is partly because the Danish government has found risks stemming from major Chinese investments in Greenland (Lino, 2020), given the small size of Greenland's economy and the interconnections between Chinese companies and China's political system. Furthermore, for Copenhagen, these risks are greater when investments in strategic resources are at stake. The United States, for its part, views China's interest in the Arctic as part of the systemic competition between the two countries, especially because the region historically holds strategic importance and is considered by the US as part of its sphere of influence. Hence, the US seeks to stave off China's clout in the Arctic, including in Greenland (Lucht, 2018a). The increasing securitization of the Arctic in Washington (Schreiber, 2019) will likely curb Beijing's scope for action in Greenland, not least its capacity for investment in large-scale projects. The following section outlines central developments within Greenland's domestic politics to contextualize the background for the Chinese investment projects.

Domestic politics in Greenland

Situated in the North Atlantic Ocean, Greenland occupies a total area of 2.166.000 km2, – roughly the size of Western Europe. While human settlements date back for many thousand years, the island is mainly populated by Inuit people who crossed from North America in the 13th Century.

From the 18th Century, Greenland was gradually colonized by the Kingdom of Denmark. In 1862, a Trustee System was implemented, by which each district was governed by Danish officials and local Inuit chieftains. In 1911, an administrative reform resulted in the establishment of a Northern and a Southern Regional Council, along with 63 municipal entities. The Regional Council did have some autonomy, although most important decisions were still taken in Copenhagen. With the onset of the Second World War, and the German occupation of Denmark in April 1940, the United States quickly moved to occupy Greenland, which held an important strategic position between Northern Europe and North America. While Greenland was returned to Danish rule after the war, the island kept its strategic significance as well as the presence of US military throughout the Cold War and until today. In 1953, Greenland's colonial status was officially ended, and the island included within the Danish constitution, meaning that the population was to be granted equal political and economic rights as those of the Danish population within a foreseeable future. In 1979 Greenland transitioned to home rule, as a series of administrative fields were distributed to local government. In 2009, a further step towards Greenlandic independence was made as the island gained status of self-rule, and more administrative responsibilities were transferred to Greenlandic authorities, except for areas such as defense, foreign policy, and the judicial system. Importantly, with self-rule, the status of Greenlanders as a people was recognized by Denmark, which within international law constitutes a prerequisite for the potential future establishment of an independent Greenlandic nation state.

With the self-rule in 2009, the crucial area of mineral resource governance was conceded to Greenlandic self-rule. This resulted in the Natural Resource Law of 2009 (Gov. Greenland, 2009a). The law forms the general framework for natural resource and mineral governance in Greenland, and also states that the Greenlandic government should determine the authorization and condition under which natural resources can be extracted. It furthermore regulates natural resource exploitation activities in accordance with a series of environmental, labour, and other sustainability-related concerns (Gov. Greenland, 2009b). Public natural resource governance authority is nonetheless relatively fragmented in Greenland, with three ministries responsible for administering mineral projects. Hence, while the Ministry of Mineral Resources is responsible for legal and geological matters, social issues fall below the Ministry of Industry, Labour and Trade which manages the Social Impact Assessment (SIA) and Impact Benefit Agreements (IBA), while environmental administrative responsibilities, such as the elaboration of Environmental Impact Assessments are within the domains of the Ministry of Nature, Environment and Energy (Smits et al, 2017, p.112).

In 2012, another important legislation, the so-called "Large-Scale Law" was passed in Greenland. The law aimed to flexibilize labour legislation in the case of large-scale projects, in order to be able to attract foreign investments within the extractive sector. A predominant perception is that the Large-Scale Law has been particularly geared in order to accommodate Chinese enterprises that need to import labour from China in order to be able to undertake mining projects demanding a large amount of specialized labour at a relatively low cost, which would be impossible under existing Greenlandic labour law. As visiting professional visa rules regard foreign policy legislation, complementary legislation had to be passed by the Danish parliament in 2014. Although the complementary law was eventually

passed, it sparked significant public debate within Denmark about whether it would permit standards not compliant with the International Labour Organization's rules on Danish territory. Moreover, the issue of whether the extraction of strategic minerals, such as rare earths, should indeed be considered as a security and foreign policy issue due to its geo-economic and strategic implications would also spark discord between Copenhagen and the Greenlandic administration in Nuuk. The Greenlandic Prime Minister, Aleqa Hammond, thus firmly stated that "it is not in accordance with the law when the Danish government tries to take over the right to dispose of our raw materials by declaring a raw material in Greenland "strategic" and thus of defense or security significance" (Haslund et al, 2014).

The questions which arise regarding the potential for increased mineral extraction in Greenland have thus generated a highly complex dilemma with multiple dimensions, such as the desire for independence, in relation to which economic autonomy is indispensable; the socio-environmental risks inherent to large-scale natural resource extraction and potential backlash from Greenlandic society; and finally, the highly emergent Arctic geopolitical and geo-economic context, in which a range of new players have made their voices heard recently. Amongst these new powers who have come to define the Arctic as a region in which to actively pursue their national interest, China stands out as the most significant newcomer. On the one hand, declaring independence would hinge on Greenland first securing economic autonomy. It currently depends on annual subsidies from Denmark, which in 2020 amounted to US$632 million (Gov. Denmark, 2021). With a population of roughly 56.000, this amounts to a large share of the island's public budget, and other sources of external revenues would thus become vital in order to guarantee independence. However, problems of unemployment, relatively low levels of education, rural exodus, and an aging demography are all factors that complicate attaining this objective (Volpe, 2020). In this situation, mineral wealth and concomitantly, foreign investments and royalty generation appear as the most likely path to independence. However, as a society with strong cultural roots in fishing and hunting, as well as other livelihoods dependent on ecosystem services, the environmental hazards intrinsically associated with natural resource extraction have also been a very sensitive issue in Greenland. Despite being extremely sparsely populated, many of the most promising mineral deposits are located close to settlements, meaning that accidents could have disastrous consequences for local communities. What is more, the ability and leverage which Greenlandic would enjoy *vís-a-vís* large foreign corporations and governments could also be called into question. The same is the case with regards to the local government's capacity to implement existing legislation within the field of natural resource extraction (Smits et al 2017, p.113). Limited administrative capabilities could thereby position Greenland in a situation of exacerbated political vulnerability on a more disputed Arctic political chessboard.

The Mineral Panacea

With its extensive landmass and extended continental shelf in the North Atlantic and Arctic Ocean, Greenland has often been thought of as a highly important potential site for mineral extraction.

Estimates from the US Geological Service indicate that the Arctic might harbor as much as 90 billion barrels of technically recoverable oil, and 1.670 trillion cubic feet of natural gas (USGS, 2008). However, despite many attempts to discover oil reserves off the coast of Greenland, so far, exploratory drillings have been unsuccessful (Smits et al 2017, p.110). The melting of the Greenlandic Ice Sheet nonetheless appears to have been facilitating access to significant deposits of mineral resources, which not least Chinese companies have made great efforts to develop (Lanteigne & Shi, 2019). An important case in point is the iron ore deposit in Isua in South-Western Greenland, which the UK-based London Mining gained the right to develop in 2005. However, after the company went bankrupt in 2016, the Chinese General Nice acquired the US$2 billion project (Fouche, 2016). In partnership with the Australian mining company, Ironbark, the China Nonferrous Mining Corporation is also in the process of developing a lead-zinc project in the *Citronen Fjord* in Northern Greenland.

The mining venture which by far has attracted the largest attention recently is the *Kvanefjeld* project in Southern Greenland, close to the town of Narsaq. The project is managed by the Australia-based Greenland Minerals together with the Chinese Shenghe Resources, and aims at the production of uranium, zinc – and most importantly – rare earth elements (REEs) at the site (Lucht, 2018b). While Shenghe Resources depend on Greenland Minerals crucial license, the Chinese enterprises would supply essential technology and knowhow for the mine (Lucht 2018b). With a projected annual production volume of 30.000 tons, the *Kvanefjeld* mine would supply roughly 15% of current global demand for REEs of 200.000 tons (Kalvig & Luch, 2021). The zinc, uranium, and fluorite extraction is generally viewed as a byproduct of the REE production which is the focus of the project, aiming at the extraction of neodymium, dysprosium, and yttrium, among others (Lanteigne & Shi, 2019; SN, 2021). However, the prospects of uranium production, in particular, have been associated with significant environmental hazards (Krog, 2021). The project plans to deposit more than 100 million tons of mud and other residues from the mineral ores in a lake situated 518 meters above Taseq, behind two 45-meter-tall dams. Scenarios elaborated of a potential breach of these dams point to serious environmental consequences in the case that the stored mud would flow into the surrounding land areas and reach the ocean (Voller, et al. 2021). Although Greenland Mineral's own environmental impact assessment for the project highlights the very low risk of a breach in the dams, it underscores the substantial consequences which such a breach would have if it occured (Greenland Minerals, 2020). After having submitted a range of impact assessments to the Greenlandic authorities, the project was finally approved in December 2020. Operations were planned to continue through 37 years, and royalties and other tax flows to the Greenlandic self-rule were estimated to be in the order to US$8 billion, – which would bring the island much closer to economic sovereignty and concomitantly, national independence (Tybjerg, 2021).

Despite the potential which the *Kvanefjeld* mining project implies in terms of bringing Greenland closer to the point of independence, it did not enjoy consensus within the Greenlandic population. The project has become strongly contested and encountered significant resistance from organizations within both the Greenlandic and Danish civil society (Volpe, 2020). The approval of the project thus generated wide dissent within the ruling Center-left coalition of the local government, and

eventually became the defining issue on the political agenda for the elections on April 6, 2021. While the social-democratic party, *Siumut*, supported the Kvanefjeld project, its more left-leaning coalition partner, the *Inuit Ataqatigiit* (IA), positioned itself strongly against the project, despite its pro-independence policy. At the run-off on April 6, 2021, IA and the Centrist *Naleraq*, which also opposed the mining project, respectively obtained 12 and 4 of the 31 seats in the local government, the *Inatsisartut*. Having obtained the majority, these two parties which were determined to reject the *Kvanefjeld* mine could thereby form the government. Upon the election, Greenland Minerals sought to establish dialogue with the new government, headed by Múte Egede from the IA in order to avert the definitive suspension of the project. After the result of the vote was known, Greenland Minerals stock price had plummeted approximately 40% (SN, 2021). However, as resistance to the mining project had occupied a central spot on the new government's electoral agenda, it is difficult to imagine any acceptance of a revised version within the near future.

The process surrounding the proposal, approval, and eventual halting of the *Kvanefjeld* project shows how local populations still have a say about extractive projects with associated socio-environmental hazards, – despite their high geostrategic significance. It thereby demonstrates how a democratic institutional context can provide means for indigenous populations to opt for a mode of development which is compatible with the preservation of the integrity of the ecological sources of their traditional livelihoods. In the specific case analyzed, the result of April's election thus shows how even the desire for independence did not lead to the unconditional acceptance of extractive development as a means which would be justified by the goal of complete self-determination. This highlights that not only independence matters to the *Inuit* population, but also the terms on which this independence would be obtained.The case examined also holds a wide range of geo-economic implications. The effectiveness and concrete results of China's engagement in the Arctic is highlighted by the significance of the REE deposits which it came close to securing, – and still might access in the future. China already accounts for around 90% of global REE extraction, a clear position of leadership within this sector which the *Kvanefjeld* mine only would serve to cement even further (Lanteigne & Shi, 2019). Because of the Chinese dominance also of REE processing, new mines often depend on long-term contracts with Chinese industry, which, it also appears, would have been the case with the *Kvanefjeld* project (Kalvig & Lucht, 2021). The REE industry is classified by China as strategic, not least because these minerals are essential inputs to many of the technologies and devices that will drive the energy transition towards a low-carbon economy (Kalvig & Lucht, 2021). What is more, large volumes of REEs are also essential inputs to cutting-edge weapon systems. Hence, while, for example, the production of the fifth-generation F-35 fighter jet consumes approximately 400 kg. of REEs, an Arleigh Burke class destroyer requires 2 tons, and a Virginia Class Nuclear-Powered submarine 4 tons of REEs. Currently, NATO countries depend on China for nearly 100% of their REE imports (Kõrts, 2020). It is worth noting that REEs can be extracted in many countries, which means that alternative supply options would be available if China decided to demand drastically higher prices or restrict supplies (Lucht, 2018b). However, despite the alternative production options, the strategic significance of controlling existing REE supply chains should not be neglected, especially

given their importance in renewable energy sectors which are likely to undergo exponential growth in the coming decades. Greenland and its deposits may thereby also gain a central role in future efforts by great powers to secure REE access.

The infrastructure conundrum

In the complex quest for Greenlandic independence, China has presented itself as a potential source of abundant capital and often demonstrated its interest in various infrastructure and extractive projects. As Greenland since 2009 has indeed gained an increased degree of autonomy to pursue its own development objectives within this field, many projects either wholly or partly funded by Chinese actors have been discussed. However, beyond formally delegated authority to approve these ventures, the realities of geopolitics have also materialized in the form of a series of invisible lines that have been difficult to ignore. Two episodes are insightful to illustrate how traditional Arctic actors, namely Denmark and the US, have responded to the Chinese attempt to expand its influence over Greenland: the airport and the naval base cases.

The investment in Greenlandic airports from China had been on the agenda since the island's Prime Minister Kim Kielsen visited Beijing in 2017 seeking financing (McGwin, 2017). Trying to show support for Greenland's autonomy, Denmark helped to arrange the visit, which included meetings with China Development Bank and the Export Import Bank of China (Hinshaw & Page, 2019). In that context, Greenland's Minister for Foreign Affairs declared the local administration's intention to open an office in Beijing to boost trade ties (Reuters, 2018). The imbroglio started in 2018, when the Greenlandic government shortlisted China Communications Construction Company (CCCC) for the construction or expansion of airports in Nuuk, Ilulissat and Qaqortoq (Jensen, 2018). In June 2019, CCCC unexpectedly withdrew its bid (Reuters, 2019), after then-US Defense Secretary Jim Mattis called upon Denmark to prevent China from eventually militarizing that stretch of the Arctic, while comparing the case to the militarization of islands in the South China Sea (Breum, 2018). The project fell into a grey zone between Copenhagen's jurisdiction over Greenland's foreign and security policies and Nuuk's self-determination with regard to affairs of infrastructure and development (Lucht, 2018a). In the context of what Washington calls Beijing's "debt-trap diplomacy" (USDOS, 2020, p. 12), the US Deputy Assistant Secretary of Defense, Katie Wheelbarger, publicly warned Denmark about China's supposed reasoning (Lucht, 2018a, p. 3). Officials from the US Department of Defense reportedly feared a scenario in which Greenland's aid-dependent government could fail to repay a loan for the US$ 555 million project, and consequently China's government would be able to take over the airports and use it for military purposes (Hinshaw & Page, 2019). After visits by American and Danish officials, the local government announced that the capital's new airport would be funded with loans endorsed by Denmark at very favourable rates. This represented a shift in Copenhagen's posture, since it had repeatedly refused to fund airports in Greenland (Hinshaw & Page, 2019). Furthermore, the US Department of Defense released a statement promising investments

in Greenland's airports with dual military and civilian use just a week after the airport deal was announced (Lucht, 2018a, p. 4).

A similar episode involving a decommissioned US-built naval base took place in 2016. Supposedly giving in to US pressure (Jensen, 2018), Denmark refused an offer from the Chinese mining company General Nice Group to buy the Gronnedal base, a naval base in Greenland that had been abandoned for almost two years. The base had been built in 1942 by the US. Following the incident, the overwhelming majority of the Danish parliament decided to reestablish the base (Matzen, 2017). Besides being members of Nato, Denmark and the US have a defence treaty dating back from 1951, and the US has an air base in Greenland. The US Thule air base includes a radar station which is part of the American ballistic missile early warning system. The air base has been recently renovated, indicating the Pentagon's renewed engagement with the Arctic and particularly with Greenland (Rosen & Thuringer, 2017, p. 12).

The cases concerning the airports and the naval base shed light on the invisible lines that the Arctic *realpolitik* imposes on Greenland. Although in both cases the Chinese were not able to materialize their investments, the Greenlanders did eventually obtain their objectives. This appears to be the result of very skillful maneuvering on behalf of Greenlandic authorities, since Nuuk managed to get much better proposals from its traditional partners after having flirted with Beijing. Moreover, the episodes show that the US does not seem to tolerate Chinese activities close to its homeland, not least because Greenland geographically is part of the North American continent. Since the US and Denmark are closely aligned, the cases were resolved diplomatically in a relatively simple manner and therefore were not the cause of further geopolitical strain. Nevertheless, should Greenland become independent, the historical American dominance over the island could be threatened. An independent Greenland could represent a clean slate through which the Chinese could eventually enhance their presence in the Arctic. However, this would certainly be met with strong resistance from the Americans and would generate a point of friction between superpowers.

Conclusion: The Inuit and the Artic Dragon

Even a brief overview of the Chinese engagement in Greenland shows how the island, with its 56 thousand inhabitants has become entangled in a multitude of geopolitical and environmental issues. Its pursuit of independence will thereby necessarily take place on an increasingly complex and disputed Arctic chessboard, marked by intensifying great power competition. This strategic backdrop both provides different opportunities, but also imposes a series of invisible lines which the *realpolitik* of the coming years will make it very difficult to cross. Our analysis has been engaged with these prospects, and has illustrated that they do not deprive Greenland of agency, despite its Lilliputian leverage amidst the Arctic giants. Hence, despite the fact that the island's foreign affairs under the current self-rule are managed from Copenhagen, matters of clear geo-economic importance, such as strategic mineral development, are allocated to Greenlandic authorities. The *Kvanefjeld* affair thereby

underscores how the Greenlandic population clearly has rejected the pursuit of independence at all costs, especially if it would mean a threat to the socio-natural basis of traditional livelihoods. This decision should also be viewed in the historical light of the detrimental experiences deriving from the Danish colonization and paternalistic attempts to "develop" the island. The Chinese interest in infrastructure development provides another example of something which appears as very skillful maneuvering on behalf of Greenlandic authorities within a complex political scenario. Especially the pro-active attempts to attract Chinese interest as Nuuk sought Beijing's attention around ports and airport projects would inevitably provide tangible benefits for Greenland as aversion towards a direct Chinese presence on the island forced Denmark to provide substantial counteroffers. Whether Greenlandic authorities consciously calculated this compensatory reaction stands as an open question, but the case does show how a certain room of maneuver exists for this North Atlantic island. Nonetheless, it is also important to be aware of the risks which the approximations with Beijing can imply. The countries which have partnered with China as part of the BRI have often found this course of action to be associated with increased economic vulnerabilities (Bandiera & Tsiropoulos, 2020), which could spill over into a more precarious geopolitical position (Sum, 2019). The heightened attention from great powers means that any Chinese attempts at making strategic incursions into Greenland are likely to be met by prompt and affirmative responses from the United States and Denmark. Surfing the waves of competing global interests in the region could thereby easily prove to be a risky strategy. It is worthwhile remembering that as part of the Danish Commonwealth, and therefore of NATO, politically Greenland is firmly positioned within the US-led Western security order. Moreover, geographically, as part of the American continent, the island is of central importance to the United States, which not only upholds a direct military presence there, but also historically has considered it as part of the "hands-off" sphere of the Monroe Doctrine. This points to the invisible, albeit very real, lines which China also is likely to be aware of crossing in the island. These lines are subjected to a certain degree of flexibility, especially depending on the incumbent US government. Thus, while Mike Pompeo was very articulate about not wanting the Chinese presence on Greenland, the new Foreign Secretary, Anthony Blinken, has focussed more on the need for China "to play by the rules", while still highlighting the need to "protect our most sensitive industries" (Gov. USA, 2021). Given the limited administrative capacity and resources of the self-rule administration, voices in Denmark have thus highlighted how the current attachment to Copenhagen helps shield the island against the hazards of an increasingly volatile Arctic strategic scenario. Such cautions are nonetheless likely to be dismissed by defenders of independence as remnants of historical paternalism. It is also important to keep in mind that even though the Danish strategic position and military capabilities in the Arctic are disproportionately larger than this Scandinavian country's size would justify, the Danish influence would not be able to entirely deflect potential wider pressures deriving from intensified future geopolitical competition in the Arctic. Given these circumstances, Greenlandic independence could thereby well hinge on how this island navigates the troubled waters of future Arctic geopolitics.

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