

Opposition to the Kuannersuit project offers an opportunity for the EU and United States to pursue closer cooperation with Greenland



Resistance to the Kuannersuit mining project had a decisive impact on Greenland's general election on 6 April. The project would have granted rights to exploit one of the largest undeveloped deposits of rare earths and uranium in the world. [Ulrik Pram Gad](#) writes that while the results of the election may have put the Kuannersuit project on hold, Greenland's new government is eager to initiate other mining projects and remains open to investment from China. He argues it is time for the EU and the United States to step up with viable green alternatives.

Four years ago, the Minister for Foreign Affairs of Greenland [welcomed](#) Donald Trump's choice of oil executive Rex Tillerson as US Secretary of State. At the time, Tillerson's appointment was viewed as a potential boost to oil extraction in the Arctic. Yet things can change quickly both in Washington and Nuuk, Greenland's capital. On 6 April this year, following a campaign that focused on social and environmental sustainability, the left-wing Inuit Ataqatigiit party (IA) won [Greenland's general election](#) and has now formed a new government.

Greenland's new Prime Minister, Múte Egede, joined forces with the pro-independence Naleraq party to form the new coalition. Although both parties support Greenland's independence from Denmark, the [government's platform](#) is more geared toward developing the country's human resources and businesses than establishing immediate independence. While the coalition only controls 16 of the 31 seats in parliament, it might very well last. The social democratic Siumut party, the government's main opposition, is in disarray after governing for four decades almost without interruption. Moreover, the other two parties present in parliament are unlikely to support a new Siumut government for the foreseeable future.

The coalition agreement cemented the commitment of the new government to ban extractive projects that contain any radioactive materials as a by-product. With the redistribution of priorities that has now taken place following the election, Greenland is looking for new economic opportunities and possibly new investment partners. This represents a chance for Washington and Brussels to present green alternatives.

Greenland remains open for business

The development of the Kuannersuit project has attracted [international attention](#) as the rare earth elements at the centre of the project are viewed as vital for the world's green transition as well as global communication and defence technologies. China remains the world's leading rare earths producer, and a partly state-owned Chinese company has been the largest investor in the Kuannersuit project.

The EU and the US have remained on the sidelines, mulling over the feasibility of [establishing an alternative](#) to the Chinese rare earths supply chain. The efforts of some politicians to frame the project as a stepping-stone on the path to Greenlandic independence has similarly added tension between Denmark, which is in favour of continued close cooperation, and Greenland, where many would like to diversify their dependence on other states.

However, rather than lofty plans for industrial development and independence, those in the south of Greenland, where the project is based, have been concerned about the potential environmental impact. While many lament a lack of new initiatives and slow-motion depopulation, the election showed that most people in South Greenland would prefer to develop the economy with projects that build on nature, such as tourism, agriculture, and fishing, rather than risk damaging the natural environment.

In recent years, Greenlandic politicians [have become more cautious](#) with Chinese investments as the downsides to China's partnerships with developing countries have been increasingly featured in media reports and academic research. However, the opposition to the Kuannersuit project was based on the fact that uranium was to be an unavoidable by-product, and that the deposit to be mined is situated at the outskirts of a city. Other mining projects might run into other kinds of opposition, but neither mining as such nor Chinese involvement is anathema to Greenlanders.

For geopolitical reasons, the US government and its Danish allies [are wary about Chinese investments in Greenland](#) and have applied various carrots and sticks to avoid them in the past. But any restraints are precarious given Greenland's constitutional autonomy, and they [might backfire](#) given that independence ambitions are already fuelled by the prospect of new resources made accessible by the Arctic thaw. By closing down the Kuannersuit project, the controversial issue of Chinese investment is essentially being kicked down the road, giving the US and the EU time to present Greenland with alternatives.

An opening for green visions

Greenland's mineral resources abound, but no major projects have thus far proven to be competitive on global markets. Large scale extractive projects without Chinese investment seem most likely to materialise in Greenland as part of a new US-led drive to challenge China's control over access to rare earths. Greenlandic politicians currently remain agnostic in relation to Western concerns about strategic independence from China. Any investments and mining projects which promise to ease Greenland's economic dependence are [likely to be welcomed](#), provided they adhere to environmental standards and, specifically, do not bring radioactive substances above ground.

While the wait continues for a decisive shift in Western strategic approaches, more down to earth alternatives remain for investment in Greenland's development. Denmark and Greenland are currently implementing a massive (by Greenlandic standards) expansion of airport capacity. The [Pentagon has promised to chip in with money](#) for 'dual use' airstrips but nothing specific has been agreed.

At present all commercial planes from Greenland go to Copenhagen or Reykjavik. As Covid-19 releases its grip on the tourism industry, [westbound flights should be made available too](#). Experience from earlier attempts suggests that it might take subsidies to get these connections off the ground. Creative thinking might involve the US government buying seats and cargo space on commercial flights to secure their feasibility, rather than sending their own military aircraft without any civilian benefits.

Other projects may have far wider implications. The administrations now in charge in Nuuk, Washington and Brussels appear to be on the same page when it comes to battling climate change. Even without an accelerated melt of the Greenland ice sheet, the island has [unrivalled hydropower potential](#). So far only local power production has benefitted, and larger projects have folded when investors have given up their single business proposal. But with 'power-to-X' technologies in the pipeline, hydropower should be on the agenda for cooperation between Greenland and both the United States and EU.

- This article originally appeared at the [LSE EUROPP blog](#).
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About the author



Ulrik Pram Gad – *Danish Institute for International Studies*

Ulrik Pram Gad, PhD, is a Senior Researcher at the Danish Institute for International Studies in Copenhagen. He is the author of *National Identity Politics and Postcolonial Sovereignty Games: Greenland, Denmark, and the European Union*. From 1998 to 2004 he worked for the Government of Greenland in Nuuk.