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## "By Gifts One Makes Slaves": Long-term Effects of Denmark's Colonization of Greenland

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**“By Gifts One Makes Slaves”:  
Long-term Effects of Denmark’s Colonization of Greenland**



Senior Project Submitted to  
The Division of Social Studies  
of Bard College

by  
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May 2018

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Sofia Stærmose Hardt

May 2, 2018

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## **Abstract**

Greenland was colonized by Denmark in 1721. Although Denmark's colonization had elements of racism and economic exploitation, it was not violent. This project explores the long-term effects of a paternalistic colonization on the establishment of extractive institutions and on social well-being and cohesion. I examine ways in which Danish colonial policy, from 1721-1953, on the one hand sought to "civilize" and modernize Greenlandic society and, on the other hand, attempted to maintain traditional hunting practices for economic gain. These complex and sometimes contradictory social engineering techniques of governance have been linked to long-term problems of Greenlandic identity. Greenland was officially decolonized in 1953, becoming an independent nation within the Danish Realm. However, it is argued that this formal decolonization paradoxically strengthened Denmark's influence and paternalism in Greenland; the 1950s and 1960s were known as the period of modernization or 'Danization' in which Denmark centered Greenland's economy on the cod fishing industry. Studies have linked this modernization to social disruption: for example, Greenland has the highest suicide rate in the world. There is suggestive evidence linking the rise in suicide rates in Greenland to aspects of modernization, such as rises in urbanization rates. Although Greenland is no longer a colony of Denmark today, they still rely on an annual subsidy from Denmark and the two nations are politically intertwined. Greenland's desire for self-reliance is becoming more globally debated as the polar ice caps melting is making natural resources and minerals more accessible in Greenland. While Greenland hopes revenues from these resources and minerals will aid their desire for economic self-reliance, the mining of these resources raises several concerns surrounding the exploitation of natural resources.

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## Introduction

My title, “By Gifts One Makes Slaves”, comes from Peter Freuchen’s ethnographic work *Book of the Eskimo* from the early 1900s.<sup>1</sup> After accompanying a group of Inuit hunters on a walrus hunt, Freuchen is given some of the walrus meat to eat. When Freuchen tries to thank the hunters for the meat his expressions of gratitude are met with laughter and he quotes Sorqaq, “who had been a great angakok and chief hunter in his day”, saying “In this country no one wishes to be dependent upon others. Therefore, there is nobody who gives or gets gifts, for thereby you become dependent. By gifts you make slaves just as with whips you make dogs!” (1961, p. 154). With this quote, I want to draw attention to the more subtle effects of a paternalistic colonization. Colonialism is typically associated with oppression by force, however military force was absent from Greenland’s colonial experience, even in the beginning. Some argue that Denmark was the ideal colonial ruler; their colonial policies and interventions were often orchestrated “for the benefit of Greenlandic society” (Greenland Commission Report, 1960, p. 30). While such formulations may, in part, aim to disguise economic motivations of the Danish colonial administration, this is not the whole story. In this project I will use Greenland to reflect on how paternalism, the “restriction of the freedom and responsibilities of subordinates or dependants in their supposed interest” (OED), affects the colonial experience. In this project, I explore the long-term effects of paternalistic colonization on extractive institutions as well as social well-being and cohesion. I look at ways in which Danish colonial policies created institutions that were more focused on extracting resources than generating inclusive

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<sup>1</sup> Peter Freuchen first went to Greenland in 1906 on the Danish Expedition to Greenland. He married a Greenlandic woman and was one of the first Danish explorers to settle in a Greenlandic hunting community. In 1910 Freuchen and Knud Rasmussen founded the Thule trading station.

development. I examine Danish interventions that have been linked to different measures of social disruption and social affliction, such as suicide rates.

In my background section I review theories on the motivations for colonization and the emerging body of mainstream economic literature on the long-term effects of colonization. While some theories of colonialism argue that colonizers were predominately economically motivated, other scholars focus on the ‘moral’ motivations for colonization. The mainstream economic literature emphasizes colonization’s effect on long-term development through its effect on institutions. Next, I trace Greenland’s history from their colonization in 1721 to present-day struggles for complete sovereignty; examining Denmark’s colonial motivations and the long-term effects of their interventions on Greenland’s economy and social structure. In my second chapter, I briefly describe the argument that Denmark’s colonization of Greenland broke up this pre-existing structure. While the argument that Denmark’s colonization of Greenland broke up what potentially could have been a better way of organizing Greenland’s economy is interesting, it is difficult to relate this to a discussion of Greenland’s current developments and political struggles. In my third chapter, I analyze Denmark’s colonial policies and suggest ways in which these policies might have had long-term effects on Greenlandic identity. During the colonial period Denmark set up local boards, introduced legislation which regulated relationships between Danes and Greenlanders, and brought Greenlanders to boarding houses in Denmark to ‘civilize’ them. Throughout this chapter, I examine how Danish colonial policies, on the one hand, sought to ‘civilize’ and modernize the Greenlanders and, on the other hand, attempted to maintain traditional hunting practices for economic gain. Scholars suggest that this social engineering form of governance has had long-term effects on the conception of Greenlandic identity (Rud 2014). In my fourth chapter, I analyze the period after the formal decolonization of



Greenland, also known as the modernization period. I explore how Denmark's focus on extracting cod fish from Greenland in the 1950s and 60s changed the institutional structure in Greenland; the focus on cod fishing necessitated rapid urbanization, created disruptions in Greenland's labor market and reinforced an economy centered on producing primary goods. In my fifth chapter I look at Greenland's economy today. Though Greenland has a high GDP per capita, they have the highest suicide rate in the world. Then, I explore ways in which Greenlandic could become economically self-sufficient. Although Greenland hasn't been a formal colony for 60 years, it still relies on an annual block grant from Denmark which accounts for approximately 50% of its state budget. Greenland hopes revenues from natural resources and minerals will help them achieve economic self-reliance, however, the exploitation of natural resources raises many concerns.

# **Chapter 1: Background**

## **Motivations for Colonialism**

Colonialism is defined as “the policy or practice of acquiring full or partial political control over another country, occupying it with settlers, and exploiting it economically”(OED). There are many theories about the motivation for colonization; some of these theories view colonialism as a predominantly economically motivated phenomenon, while others focus on the ‘moral’ motivations behind colonization. According to Eckstein (1991)'s Hobson-Lenin thesis, the motivation for colonial expansion was the need to export capital and to protect these new overseas expansions, often by force. Their thesis is based on the idea that European countries colonized in the 1870s and 80s because their advanced industrial capitalism produced an excess of capital that was unable to find any profitable outlet in the domestic economy. The argument assumes that capitalism caused wealth disparities and that once wealth was accumulated among the upper class, the lower class would under-consume and the upper class would need new markets to invest their capital in (Eckstein, 1991). More contemporary dependency theory scholars have made similar economically-based arguments, such as Andre Gunder Frank, who views colonialism as necessary at a stage of capitalism to channel the accumulation of capital, ultimately preventing the development of an autonomous economy within the controlled territories (1978, p. 189).

The notion of the civilizing mission focuses, instead, on ‘moral’ motivations for colonization, where colonizers feel the need to uplift the people they are colonized, typically based on racist notions of superiority. Edward Said (1994)'s notion of Orientalism explains how the West creates a specific view of the Orient as primitive, uncivilized and incapable of

governing to justify their colonization of the Orient. Scholars such as Ann Fienup-Riordan (1995), Kirsten Thisted (2002) and Lars Jensen (2015b) have applied Said's notion of orientalism to Greenland using the term 'Eskimo-orientalism' or 'Arctic-orientalism'. Much like Said's analysis claims that the West creates a specific view of Orientals as primitive, uncivilized and incapable of governing themselves, Fienup-Riordan claims the West represents the Inuit people as "pure primitive": peaceful, happy, childlike" to justify their colonization of Inuit territories. However, whether these paternalistic notions were simply used to disguise economic motivations or were a genuine, ill-founded desire to help the colonized is debated. Alice Conklin (1998), for example, examines Western belief in the moral legitimacy of colonialism. Conklin analyzes the relationship between Republican France's emancipatory discourses and their colonial policies in West Africa, claiming that the desire to civilize goes beyond rhetorical justifications for economic exploitation. While Conklin does not dispute the negative consequences of colonialism, she argues that often colonizers did believe in their the moral legitimacy of their mission; she writes "the faith of yesterday's empire builders in the moral legitimacy of their enterprise was all but absolute" (1998, p. 419).

## **Long-term Effects of Colonization in Economics**

In the last decade, a considerable body of research looking at colonialism's impact on long-term development has been established in mainstream economics. This body of research places colonization's impact on institutions at the center of these long-term effects.

In this section, I will first look at how economic models can account for colonialism's long-term effects on the colonies' development. I then, examine general claims about whether colonialism had good or bad effects on long-term development and possible channels of

influence. I will look at claims that colonialism alters colonies' institutional structure to focus on extracting resources from the colony and arguments about colonization's long-term effects on the colonies' legal institutions, financial institutions, education and health institutions, infrastructure, the role the market plays in society and informal institutions.

### **Modeling Colonialism's Impact on the Economy: Multiple Equilibria and Path Dependence**

It is not clear from classical economic models why colonization would have an impact on long-term development. This is because neoclassical growth models envision a world with only one unique equilibrium, failing to account for path dependency. We can see this illustrated in the Solow model, the neoclassical growth model. The Solow Model looks at the determinants of long-run economic growth, showing that the only source of long-run growth is technological change. In the Solow Model, there is a unique steady level of capital and income per worker; any deviations from this steady state are considered temporary. The Solow model predicts that, if the market is left to its own devices, poor countries will grow faster than richer countries, eventually converging at a steady state. This model does not account for how a historical event can alter the subsequent path of economic development.

Several scholars have critiqued this notion of one unique equilibrium, expanding the neoclassical model from having one unique optimal equilibrium to a model with many possible equilibria (Nunn, 2007; Murphy, Shleifer and Vishney, 1993; Acemoglu, 1995; Mehlum, Moene, and Torvik, 2003). For example, Nunn (2007) develops a model for post-colonial development in Africa. In this model, Nunn claims that the slave trade and Africa's colonial history shifted Africa's growth trajectory to a lower income level. Nunn claims that a long period of severe extraction caused not only a temporary shift to a lower income level but a shift to another stable equilibrium at a lower income level. In these models there are multiple equilibria, illustrating the

fact that historical events have lasting effects that lead some countries down different economic trajectories than others; they highlight the existence of path dependency.

### **Good or Bad?**

While economists agree colonialism has impacted current economic outcomes significantly, there is great debate over whether this impact has been good or bad. While many economists identify ways in which colonization negatively impacts the colonies' institutions in the long-term, others argue that colonial rule can have positive long-term effects on the colonies' development.

Grier (1999), for example, claims that colonies that were held for longer periods of time perform better than those that were held for shorter periods of time. His arguments seem to be in line with colonizers who felt the need to spread the civilizing mission. Grier suggests that colonizers transferred knowledge and technology to the colonies, aiding their long-term development. However, Grier only identifies a correlation between length of colonization and subsequent development, relying on OLS estimates. This correlation is not surprising, as colonizers are more likely to keep colonies that are more productive and the factors that make the colonizers more likely to keep the colony also create greater levels of economic growth now.

Iyer (2010) compares the long-term effects of Britain's direct versus indirect rule across 415 districts in India. While Iyer does not address what India would be like in the absence of colonial rule, she does determine that less intervention by the colonizer led to better development in the long-term. While Grier (1999)'s analysis relies on OLS estimates, Iyer identifies a more convincing identification strategy. Iyer addresses this endogeneity problem by taking advantage of a British policy, known as the 'Doctrine of Lapse'. The 'Doctrine of Lapse' was a policy which allowed the British to annex Indian states when the native ruler died of natural causes

without a natural heir. As Iyer points out, Britain generally annexed the most productive states. However, since Indian states that were annexed under the ‘Doctrine of Lapse’ were not annexed because they were more productive, the annexation of these districts should be exogenous to levels of development in the districts today; the difference between Iyer’s OLS and IV estimates support this idea. Using the ‘Doctrine of Lapse’ as an instrumental variable, Iyer finds that districts under direct rule now have less access to public goods such as schools, health centers and roads than districts with greater sovereignty.

Further, Acemoglu, Johnson and Robinson (2002) show that we see a reversal of fortunes among countries colonized by Europeans, suggesting that the colonial intervention had detrimental effects on colonies’ long-term development. Acemoglu et al. document that, of the colonized countries, the ones that were the richest in 1500 are now the poorest. Acemoglu et al. argue that in colonies with high population density, colonizers will set up extractive institutions to reap the benefits of the colony’s resources that create prosperity in that region.<sup>2</sup> Whereas if the colony was less prosperous there was less for the colonizers to exploit and the colonies’ development path would be less affected. This correlation is the opposite in countries that were not colonized; in countries that were not colonized high pre-colonial population density is correlated with high levels of GDP per capita today. The difference between countries which were colonized and those that weren’t, highlights the detrimental effects that colonialism had on the colonies’ long-term development.

In the following section, I review the literature pinpointing the channels through which colonization affects a country’s long-term development. I look at colonization’s effect on long-term development through its effects on the colonies’ institutions.

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<sup>2</sup> Huillery (2008) tested for a reversal of fortunes within districts of former French West Africa and found no evidence of a reversal in French West Africa. This points to the difficulty in generalizing the effects of colonialism across vastly different colonies and colonizers.

## **Institutions**

The importance of institutions for economic development has been well recognized since Douglass North (1991)'s seminal contribution to the field of economics. North (1991) defines institutions as "humanly devised constraints that structure political, economic and social relations" (p. 97). This includes both formal institutions, such as constitutions, property rights and laws, and informal institutions, such as sanctions, taboos, customs and traditions. North highlights the importance of institutions for the economy, claiming that institutions are the incentive structures of a nation's economy. Many scholars suggest that colonial rule affects long-term economic development through its effect on the colony's institutions (e.g., La Porta et al., 1997, 1998 and 2008; Engerman and Sokoloff, 2002; Acemoglu et al., 2001; Nunn, 2009). In this section, I review econometric studies that claim that colonizers set up institutions that aim to extract resources from the colonies and suggest different impacts colonization has on the colonies' legal institutions, property rights, education and health institutions, infrastructure, regulation of the market and informal institutions.

## **Extractive Institutions**

Colonization negatively impacts the colonies' long-term development because colonizers set up institutions focused on extracting the colonies' resources, rather than institutions focused on creating inclusive long-term development.

Acemoglu et al. (2001) show how extractive institutions set up by colonizers were harmful to the colony's long-term development. Acemoglu et al. use data on settler mortality rates to show that when mortality rates are high and the colonizers don't settle, colonizers set up extractive institutions which hinder long-term development. Whereas, when mortality rates are low in the colonies, colonizers will settle in the colony and set up more inclusive institutions

which are more conducive to long-term development. In former colonies, such as the United States, Australia, New Zealand and Canada, where colonizers settled, the settlers demanded more inclusive institutional frameworks in these countries. Acemoglu et al. claim that if the colonizers settle in their colony, they will create institutions that protect private property and provide checks and balances against government expropriation. If a country has good institutions (according to Acemoglu this means more secure property rights and less distortionary policies) there will be more investment in physical and human capital, which will lead to higher levels of GDP. Acemoglu et al.'s measure of institutional quality today is an index measuring protection against appropriation. About New Zealand Acemoglu et al. write: "the enormous boom in public investment after 1870 ... was an attempt to build up an infrastructure ... to maintain high living standards in a country where voters expected politicians actively to promote their economic welfare" (Acemoglu et al., 2001, p. 225). This is in sharp contrast to the colonial experience in Latin America during the seventeenth and eighteenth centuries, and in Asia and Africa during the nineteenth and early twentieth centuries. If the colonizers don't settle, they instead set up extractive institutions which concentrate power in the hands of a small elite and create a high risk of expropriation for the rest of the population. In Latin America, for example, the main objective of the Spanish and the Portuguese colonization was to obtain gold and other valuables. Soon after the conquest, the Spanish crown granted rights to land and labor (the *encomienda*) and set up a complex mercantilist system of monopolies and trade regulations to extract resources from the colonies. This discourages investment and hinders the colonies' long-term development.

Engerman and Sokoloff (2002) claim that historical differences in endowments in the Americas have affected their levels of inequality today. They explain that in colonies with crops that rely on large labor resources, colonizers created institutions which promoted unequal



distributions of human capital, wealth and political power to make the exploitation of labor easier. This resulted in domestic institutions that protected the elite and restricted the rest of the population in the economy. Engerman and Sokoloff show how institutions made to systematically exploit labor hinder the long-term development of the colonies, resulting in lower levels of economic performance in these colonies today.

Acemoglu et al. show that institutions set up were focused on extracting resources from the colonies, Engerman and Sokoloff highlight that colonizers set up institutions that supported inequality to support exploitative labor practices. Making broad generalizations about the bad effects of colonization across widely different colonial contexts is not an easy task; cultural norms in the colonizer and colonies and specific colonial policies introduced all differ. However, colonization is typically economically motivated to a certain degree, meaning that the colonizers' aim in establishing colonial rule is to effectively extract resources from their colony. Although it can be hard to generalize what type of institutions a colonizer sets up, Acemoglu et al. and Engerman and Sokoloff point to the general incentive structure in place for colonizers. Although colonial policies differ greatly from country to country, the incentives in place for the colonizers are not conducive to establishing institutions that aim to create long-term prosperity for the indigenous. Most often colonizers are attempting to extract resources or labor from their colonies and thereby set up institutions that aid this extraction and aren't conducive to the colonies' long-term development. In the case of Greenland we will see how Denmark focused Greenland's economy on extracting cod fish in chapter 4, creating institutions that focused on extracting rather than generating inclusive development.

## **Legal Origin**

La Porta, Lopez-de-Silanes, Sheleifer, and Vishny (2008) investigate how the legal origin of the colonizer changes the long-term effects on the colonies' development. La Porta et al. examines the different effects of legal systems based on British common law, versus French, German and Scandinavian civil law. They claim that legal systems based on British common law offer greater investor protection and less government regulation than countries with legal systems based on civil law. La Porta et al. claim is that colonies colonized by Anglo-Saxon common law countries are better off than colonies colonized by civil law countries, as common law supports a market-based form of capitalism whereas civil law supports a more state-centered form of capitalism. These conclusions add to a larger argument about the interplay between the role of state and the market in creating long-term development. Many scholars, such as Chang (2011) argue against La Porta's conclusions, claiming that liberalized institutions are not necessarily more conducive to long-term development. La Porta et al. is significant as it points out that the long-term effects of colonization change based on attributes of the colonizer. This is different from Engerman and Sokoloff (2002) and Acemoglu (2001), who look at how the long-term effects of colonization changed based on attributes of the colony.

Greenland's high GDP per capita contradicts La Porta et al. (2008)'s analysis, as Greenland was colonized by a civil law country but has high levels of GDP per capita for a former colony. La Porta et al. (2008) claims that a country colonized by a civil law country, like Denmark, should have a lower standard of living today than former colonies colonized by a common law country. While Greenland's average GDP per capita from 1990-2017 was

\$30,103.69, the average GDP per capita of former colonies from this period is \$6,389.651.<sup>3</sup> It would be interesting to examine how Greenland's legal system has affected their economy and uncover why Greenland is an outlier in the La Porta's findings. It would also be interesting to see how more holistic measures of development such as HDI stack up to La Porta et al.'s theory about legal origins. Do countries colonized by more market-focused common law countries also have higher levels of health and education?

### **Critique of the Neoclassical Literature**

Chang (2011) critiques the mainstream economists (e.g., Acemoglu et al. 2001 and La Porta et al. 2008) focus on colonialism's effects on property rights. The mainstream institutional literature implies that property rights are key to high levels of economic development; Acemoglu et al. (2001) claim that colonies where colonizers set up extractive institutions have weaker property rights both then and today and thereby lower levels of economic development today. La Porta et al. (2008) argue that colonies where colonizers set up common law institutions are better off today than colonies where colonizers set up civil law, because common law countries promoted liberalized institutions, creating greater security of property rights. Chang (2011), however, claims that La Porta et al. and Acemoglu et al.'s emphasis on property rights implies a distrust of the public sector's ability to improve the country's economic development and a preference towards market fundamentalism. Chang argues that the field of economic development is overly focused on maximizing market freedoms. He claims that a truly free market is impossible to achieve and an overemphasis on attempting to achieve a free market is harmful.

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<sup>3</sup> This data on GDP per capita was taken from the World Bank. Both numbers are measured in constant 2010 US\$. The calculations were done by me.

Some scholars discuss the importance of who is given property rights. Banerjee and Iyer (2005) investigate this in their examination of the long-term effects of colonial land tenure system in India. They find that districts in which property rights in land were given to the cultivators of the land now perform better than districts in which property rights were given to landlords. Other scholars express concern that strong property rights can also be used to enhance large corporations, also known as the ‘technostructure’ (Galbraith, 1958). Galbraith suggests that we should be less concerned about an overreaching government and more concerned about a concentration of power among big firms. He calls those who control big firms the “technostructure”. He also criticizes mainstream economics for not incorporating the effects of large firms into its analyses of capitalism.

### **Persistent Effects of Investment in Education, Health and Infrastructure**

Scholars such as Bolt and Bezemer (2008) and Huillery (2009) suggest that colonial investment in education, health and infrastructure have significant and persistent effects on the colonies’ long-term development. Bolt and Bezemer find a positive correlation between colonial education levels and current income across African countries. Huillery finds differences in colonial investments in education, health and infrastructure in French West Africa had large and persistent effects on current education and health outcomes and access to electricity, water, and fuel in French West Africa today. Both of these econometric findings suggest that if colonizers choose not to invest in education, health and infrastructure, this lack of investment has long-term effects on the colonies’ development. As the colonial relationship is typically an exploitative relationship, the colonizers are less likely to invest in education, health and infrastructure than a sovereign government. This means colonialism leaves many colonies without the necessary

infrastructure and educational and health institutions, putting them on a different developmental path than countries that weren't colonized.

### **Informal Institutions**

There have been some attempts to understand ways in which colonization can affect cultural norms of behavior. Economists understand informal institutions or cultural norms to be important as the same economic institutions function very differently in different cultural contexts. Fields such as anthropology, psychology and sociology have a more comprehensive conception of the micro-foundations of culture.

Many scholars point to colonization's long-term effects on levels of trust in the colony. Guido Tabellini (2010) considers the implications of trust and other cultural norms for long-term development, while both Tabellini (2010) and Nunn (2008) consider the historical determinants of trust. Tabellini (2010) claims that 'culture' is an intermediary between good institutions and higher levels of development. He defines culture as levels of trust, respect for others and belief that there is a link between effort and economic success. In other words, Tabellini suggests that on average the citizens in countries with low literacy rates and bad political institutions will have lower levels of trust, less respect for others and less faith that individual effort leads to economic success. He uses literacy rates in the end of the 19th century and political institutions as instrumental variables for 'culture' and finds that countries with higher illiteracy rates and worse political institutions have lower levels of trust, less respect for others and less faith in the individual.

Cohen, Nisbett, Bowdle and Schwarz (1996) point to colonization's long-term effects on the informal institutions. Cohen et al. show how historical differences between the Northern and Southern United States have created a culture of honor in South, but not the North. The Celts,

who had been herders since prehistoric times and had never engaged in large-scale agriculture, settled in the South, while the North was settled by groups with a farming background. Cohen et al. (1996) argue that the herding society in the South historically had a weak state and the protection of private property was left to the individual. They argue that since the protection of private property was left to the individual, a stronger sense of honor and willingness to use aggression to protect one's private property persists today.

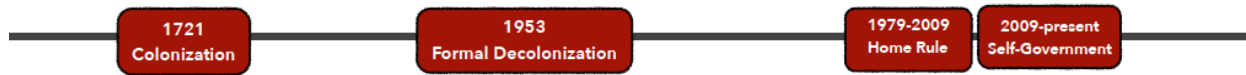
Nunn (2008) considers the historical determinants of trust by investigating whether the trans-Atlantic and Indian Ocean slave trades created a culture of mistrust in Africa. He finds a strong negative relationship between the individuals' reported trust in others and the number of slaves taken from the individual's group during slave trades. Nunn (2008) considers two possible channels through which the slave trade could have adversely affected trust: by altering cultural norms, making them inherently less trusting and by worsening domestic legal and political institutions, creating less trust among individuals in the region. To differentiate between these two channels, Nunn creates two measures of slave export. The first measures the average number of slaves taken away from the individual's ethnic group, isolating the adverse effects on cultural norms, while the second measures the average number of slaves taken away from the individual's geographic location, isolating the adverse effect on institutions in the region. The adverse effects on trust by changing cultural norms are internalized by the individual to the and thereby arguably internal within an ethnic group but geographically mobile, while institutions are geographically immobile and external to the individual. Therefore, by differentiating between ethnic group and geographic region, he is able to differentiate between effects on cultural norms, beliefs and domestic institutions. Nunn (2008) concludes that the slave trade had adverse effects

on trust through both channels, but that the cultural channel adversely affects trust about twice as much as the institutional channel.

Becker, Boeckh, Hainz and Woessmann (2015) claim that the Habsburg Empire created greater trust and less corruption. Becker et al. show that areas, where the Habsburg Empire ruled, have higher levels of trust today. To determine levels of trust Becker et al. used survey data asking whether people trusted other people and institutions, including local public services, such as courts and police, central state institutions, such as political parties, the parliament, the government/cabinet of ministers, the presidency and the armed forces, and non-state institutions, such as trade unions.

Ultimately, the literature shows that colonial institutions differ greatly and have had very different lasting effects on long-term economic outcomes in former colonies. In this project I will attempt to look at the particularities of the Greenland case. I will be looking at specific colonial policies in Greenland and identifying if and how the policies were harmful at the time and for long-term economic development. Unlike most of the mainstream economic literature, I will be focusing the long-term effects of a paternalistic colonization. Throughout my analysis of Greenland, I pay particular attention to the creation of extractive institutions, as defined by Acemoglu et al. (2001, 2002).

## Timeline of Greenland's Colonial History



“The colonial administration's interferences in Greenland’s social structure was economically determined and had dire effects on social and political relations”<sup>4</sup>

(Viemose 1976, p. 13).

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<sup>4</sup> My translation



## Chapter 2: Pre-Colonial Greenland<sup>5</sup>

The Inuit came to Greenland in 900 and are the forefathers of the current Greenlandic population. They started in Thule but spread in the 1300s as their population increased. In the pre-colonial period, the Inuit lived in groups that organized communally and lived off hunting and fishing. Viemose (1976) describes the way in which the Inuit collectively produced the means of subsistence to survive, referring to this as the ‘Arctic mode of production’. The groups were made up of several joined families. In different parts of Greenland, the size, composition and mobility of the groups differed due to differences in animals to hunt. For example, Viemose explains that in the summer the different groups were mobile, while they had fixed residence in the winter. In the summer the Inuit used kayaks to hunt seals, walruses and smaller whales, requiring a more mobile living situation. In the fall they primarily fished trout and hunted reindeer. In the winter they hunted seals on the ice. The mode of production varied in different parts of Greenland due to differences in climate and animals available to hunt. Feminist scholars, such as Jessen Williamson (2011) and Arnfred and Pederson(2015) have claimed that there was a complementary division of labor between men and women in pre-colonial Greenland. According to these authors, men did the hunting and women prepared the meat and made furs and used hides to fashion kayak covers. The women were also in charge of the partition and distribution of the catch. These authors claim that while there was a division of labor between men and women, neither was superior because the spheres were dependent on each other’s labor (Jessen Williamson 2011; Arnfred and Pederson 2015).

Each ‘settlement group’ would typically have communal meals after a big hunt. Viemose highlights the importance of these communal meals, explaining that they were a time to make

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<sup>5</sup> The information presented in this section is based primarily on Viemose (1977), Gulløv and Toft (2017), Jessen William (2011) and Arnfred and Pederson (2015)’s descriptions of pre-colonial Greenland.

community decisions, including how to “punish and resocialize lawbreakers” (Viemose, 1976, p. 12) in the community. Conflict resolution was typically done communally through drum circles. As an employee of the Danish colonial trading department (RGTD), Henric Glahn, describes in his diaries: “If one person has harmed another person, the offended party will wait until they can meet in drumming. At the first opportunity, when a group of people get together to have a jolly time, he will take the drum, enter the circle of people, and drumming, jumping, singing he will relate for those present what has happened, criticizing and making fun of his opponent. The other one will defend himself in the same way, telling in song his version of the story (Glahn, 1921, quoted in Arnfred and Pedersen, 2015). Conflicts were resolved communally, as the spectators of the drum circle would decide who’d won the argument.

Paganism was the main religion in pre-colonial Greenland. The shaman, known as *angakoq* (plural: *angakuq*), played an important role as the contact person between the Inuit and nature. The shamans encouraged good treatment of nature and animals and ensured that people didn’t break rules of the community. As Greenlandic native and scholar of Greenland Karla Jessen Williamson explains: “The Inuit believe that *nuna* [the land] and animals not only possess immortal souls and awareness (... ) but that their soul and awareness are equal to those of a human being. (... ) The life of human beings on *nuna* is possible because of the courtesy extended by *nuna* and the animals. (Jessen Williamson, 2011, p. 44– 45, quoted in Arnfred and Pedersen 2015). The position of *angakoq* was not inherited, but rather given to a respected member of the community; for this reason, the shamans were often great hunters, but did not have to be. Both men and women could be shamans.

## **Breaking Up Pre-existing Structures**

Different scholars argue that Denmark's colonization of Greenland broke up the communal structure and pre-existing trade network in Greenland. Viemose (1976) argues that Denmark's colonization of Greenland broke up Greenland's traditional hunter-gatherer economies, which were based on egalitarian values and common ownership. This idea draws on Marx and Engels' idea that traditional hunter-gatherer societies were a form of primitive communism. Viemose argues that part of the reason Denmark's colonial rule of Greenland lasted for as long as it did was that Denmark intentionally broke up the communal structure of Inuit society and opposed any attempts by the Greenlandic people to organize, making it harder for the Greenlanders to collectively oppose Danish rule throughout history. Further, Arnfred and Pedersen (2015) argue that Denmark's colonization of Greenland imposed European hierarchies of gender and morals of sexuality. While male and female labor were mutually dependent on each other in pre-colonial Greenland, labor policies in colonial Greenland opened up more job opportunities for men than women. As Arnfred and Pedersen explain: "Some men .... had the opportunity to gain an education and jobs in the context of the Mission and/or Trade (as *bestillingsmen*), while the option for women during the early phase of colonization - with the exception of an education as midwife for a select few - was unskilled jobs as *kiffat* (housemaids) in Danish homes (2015, p. 293). Further, there seemed to be an indifference to gender in spiritual contexts in pre-colonial Greenland, as the *angakoq* could be either a man or a woman. The colonial administration disapproved of the indigenous spiritual practices in general, as Arnfred and Pedersen (2015) explain: "collective relations of sharing are broken down, as is the spirituality of relations between human beings and nature" (p. 292).

Viemose (1976) also argues that there was a fairly extensive pre-existing trade network between North, South and possibly East Greenland by the start of Denmark's colonization of

Greenland in 1721. According to Viemose, legal institutions to deal with concerns of trade, such as disagreements between different trade parties, were also being developed in pre-colonial Greenland. While the arguments that Denmark's colonization of Greenland broke up what potentially could have been a better way of organizing Greenland's economy is interesting, it is difficult to relate this to a discussion of Greenland's current developments and political struggles. We can't create the counterfactual of what Greenland's economy would be like if Denmark never colonized Greenland.

## **Chapter 3: Denmark's Colonization of Greenland**

### **Historical Context<sup>6</sup>**

There were many expeditions from Denmark to Greenland before Denmark's colonization of Greenland in 1721. In 1473 King Christian I of Denmark sent an expedition to Greenland, wanting to renew contact between Greenland and Denmark. However, the expedition landed on an uninhabitable part of the Southeastern coast of Greenland. Between 1500 and 1581 there were several expeditions in search of the North Passage, organized by Danes, Portuguese, Germans, English and Fae. King Christian IV of Denmark felt that the British and Dutch were taking the lead on the expeditions in the Greenlandic waters in search of the North Passage. To establish Denmark's place in the expeditions, Christian IV sent several ships to explore Greenland. As evidence of the expedition's success, the expedition took several Greenlanders back to Copenhagen with them as detainees. In 1721 Hans Egede re-established the connection between Scandinavia and Greenland; this is known as the beginning of Greenland's modern colonial history. King Frederik IV of Denmark funded Egede's trips to establish trade activity. Hans Egede was a Danish-Norwegian Lutheran missionary, often referred to as the 'Apostle of Greenland'. His expeditions to Greenland aimed to do missionary work and to open up trade relations between Denmark and Greenland.

In 1774 the Royal Greenland Trading Department, run by the Danish colonial state, was granted trade monopoly. In 50 years following the colonization of Greenland a number of trade colonies were established with an integrated statutory mission. The Danish administration

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<sup>6</sup> The information presented in this section is based primarily on Frandsen et al. (2017), Taagholt (1991), Egede (1818), Viemose (1977), Manniche (2002), Rud (2014), Gad (2014), Thomsen (1998) and Marquardt (1998/9)'s descriptions of Denmark's colonization of Greenland.

justified the trade monopoly by claiming that the Greenlandic population was not ready for the modernization process that free trade would prompt (Manniche 2002; Rud 2014; Thomsen 1998; Thuesen 2007). However, many scholars today suggest that the trade monopoly imposed by the Danish colonial administration was driven by economic motivations, rather than a desire to protect the Greenlandic society. Gad (2014), for example, points out that when establishing the Royal Greenland Trading Department Denmark took several measures to weed out competition, such as Dutch and Basque whalers and Norwegian hunters, to ensure Denmark had a monopoly on Greenlandic resources. This implies that the protectionist policies put in place by the colonial administration were not a thought-through consideration of how free trade might harm Greenlandic society and identity, but rather a desire to monopolize Greenlandic resources. Although Greenland was not the most fruitful colony in terms of resources, Greenland was a good place to hunt sea mammals and blubber was an important product in Europe at the time. Blubber was used as fuel for things like street lamps and trains. Street lamps all over Europe were fueled by blubber that was ‘boiled out of sea mammals’ (Viemose 1976, p. 18) that had been caught in Greenland. Both the missionaries and the merchants viewed colonization as necessary for their separate goals in Greenland. While the missionaries and merchants had different interests in Greenland, Hans Egede’s diary suggests that relations were good between the missionaries and the merchants (Egede, 1818, p. 7).

In 1782 Denmark set up a direct channel of control from the Danish monarchy in Copenhagen to the colonial districts in Greenland. Two inspectorates were set up, one in Northern Greenland (in Godhavn) and another in Southern Greenland (in Godthåb). At that time the individual colonies were run very differently, in part because the harsh weather did not allow regular contact between the districts. The inspectorates were administered by the direktorat for

the Royal Greenland trade department in Copenhagen and each inspectorate monitored councils in Greenland (For detailed descriptions of the evolution of the administrative structure see Viemose 1976). The first state law in Greenland was also introduced in 1782; this piece of legislation was known as The Instruction of 1782. During the colonial period, Greenland's first state law, The Instruction of 1782, was introduced, money was introduced to Greenland in 1804 and local boards were introduced in the beginning of the 1860s.

## **Analysis of Denmark's Colonial Policies**

Danish colonial policy in Greenland has been interpreted in two ways (Forchhammer 2006; Rud 2014). The first view praises Danish colonial policies, claiming that they created a more democratic colony than other colonizers. The second view focuses on the ways in which Danish colonial policies were designed to extract resources from Greenland.

The first view glorifies Danish policies, claiming that Denmark's colonial policies were generally better than other forms of colonization (see for example Fleischer 2003; Oldendow 1955). This interpretation focuses on institutions established in Greenland during the period as facilitating the first steps towards a democratic Greenland.

The second interpretation of Denmark's colonial policies focuses on Denmark's desire to exploit Greenland's resources. This view argues that Danish colonial policy was purposefully orchestrated to get the Greenlanders to produce as much as possible (Viemose 1976; Thomsen 1998; Marquardt 1998/99; Rud 2014). This view is in line with Acemoglu, Johnson and Robinson (2001) who claim that colonizers that don't settle in their colony will set up extractive institutions rather than inclusive institutions. Although Acemoglu et al.'s data does not include

Greenland, we can see from other sources such as Petersen (2016, p. 125) that the settlement rate was low in Greenland. According to Acemoglu et al. “the main purpose of the extractive state was to transfer as much of the resources of the colony to the colonizer” (2001, p. 1370). While Acemoglu et al. don’t go into detail about the extractive institutions, their examples of extractive colonial policies are focused on exploitation by force. Violence and forced exploitation of labor was absent from the Denmark’s colonization of Greenland. However, scholars of Greenland argue that this is not because of an absence of the motivation of economic exploitation, but because violence would not have been the most effective way to extract resources from Greenland (see for example Rud 2014 and Viemose 1976). It was in Denmark’s economic interest to keep Greenlandic hunting practices alive. Rud (2014) and Thomsen (1998) claim that the financial success of Denmark’s colonization project came to depend on ‘traditional’ Greenlandic goods such as seal fur and blubber. They needed Greenlanders’ expertise in traditional hunting and thereby needed the Greenlandic population to willingly hunt in order to have a productive economy. In this chapter I will examine Danish colonial policy through the lens of colonial governmentality, investigating ways in which Danish colonial policy was orchestrated to encourage a profitable colony. I will look at how the Danish colonial administration established a labor hierarchy, through the creation of local boards (‘forstanderskabet’), which encouraged hunting by making productive hunters a class of elites and incorporated them into the edifices of Danish power. I also examine how the Danish government monitored relationships between Danes and Greenlanders, encouraging mixed marriages to create a small class of elite, allied Greenlanders. To accomplish this Danish colonial policies mobilized a sense of Greenlandic ‘tradition’. I examine the tug of war in Danish colonial policy between wanting to maintain traditional hunting practices and desires to civilize the



population, and I suggest ways in which the social engineering involved in Danish colonial policy has had long-term effects on Greenlandic identity.

### **Colonial Governmentality**

Governmentality is a Foucauldian term, which examines ways in which government policy is used to shape the actions of the governed; governmentality is typically associated with willing participation of the governed rather than disciplinary force. Foucault's work on governmentality focuses on liberalism as political rationality (Foucault, 1991). However, other scholars have employed the notion of 'colonial governmentality' to other colonial contexts to examine ways in which colonial policies socially engineer their subjects to fulfill the needs of the colonizers. Scott (1995) was the first scholar to use the concept of colonial governmentality in his work on British colonial policy in Ceylon (now Sri Lanka). He writes "What was at stake in the governmental redefinition and reordering of the colonial world was the design of institutions so that, following only their own self-interest, natives would do what they ought" (Scott, 1995, p. 214). Thomas (1994) examines British colonial policy in Fiji, through the lens of colonial governmentality, focusing on how the culture of the colonized was mobilized in Britain's colonial policy.

Rud (2014) applies the notion of colonial governmentality to Denmark's colonial policy in Greenland. Rud argues that the Danish colonial administration utilized the concept of a Greenlandic 'tradition' in their efforts to govern the behavior of the Greenlanders. Viemose (1976) argues that Denmark intentionally influenced Greenlandic perception of the colonial administration to gain implicit, rather than explicit, control over colonies in Greenland and avoid a major uprising; he writes "Not many colonizers have managed to take advantage of a colony's natural resource and population over 250 years without a major uprising at the local level" (p. 7,

my translation). Rud (2014) claims that Danish colonial policy was unique in “the way in which the notion of an authentic Greenlandic tradition was utilized tactically by the colonial authorities” (p. 554). This meant that the Royal Greenland Trading company attempted to limit contact between Greenlandic hunters and the Europeans, as they did not want to change the Greenlandic hunting practices. As Rud writes: “The colonial authorities believed that the more westernized or ‘civilized’ the Greenlanders became, the less skilled they would be in ‘traditional’ seal hunting” (p. 556). Wilhjelm (1997) notes that both catechist training colleges integrated cultural hunting practices into their curriculum; “The headmaster will see to it that the college students in their spare time studiously practise the Greenlandic occupation; he will watch over their conduct and expel the negligent and the indecent when warnings prove fruitless” (Anon. 1846, quoted by Wilhjelm, 1997, p. 304). Rud (2014), Marquardt (1999) and Thomsen (1998) claim that these new policies made all occupations, other than seal hunting, ‘un-Greenlandic’. Rud writes that “the seal hunters were singled out as the essence of Greenlandic culture” (2014, p. 361); seal hunting was even termed the ‘natural occupation’. To bias the Greenlandic people’s incentives towards seal hunting “the best hunters were singled out to be leaders and received economic benefits, whereas fishing and wage labour were deemed unnatural for Greenlanders” (Rud, 2014, p. 562).

We see the Danish administration's attempts to create the correct mixture of civilizing and maintaining traditional practices for economic gain. Rud (2014) explains that at the beginning of the 19th century there were conflicting interests between the “traditional wing” and the “modernist wing”. While some colonial officials and anthropologists pushed notions of tradition, other colonial officials and missionaries sought to modernize, westernize and civilize the Greenlandic society and individuals (Manniche 1998/99; Rud 2014). The traditional vs.

modernist wing is mirrored in the difference between the two catechists' training colleges started in Greenland in 1844. The first college in Nuuk (then known by its Danish name: Godthåb) was skeptical of the western influence, while the second in Ilulissat (then known by its Danish name: Jakobshavn) was open to Western influence (Manniche 2002). The college in Nuuk did not, for example, encourage their students to learn Danish, whereas the college in Ilulissat did (Manniche 1998/9; Wilhjelm 1997; Rud 2014).

### Forstanderskabet



**Figure 1: A local board in Qaqortoq (previously known as Julianehåb)**

Source: Nyeboe, Marius Ib. *Forstanderskab ved Julianehåb*. 1900. Arktisk Institut Fotosamling.

At the beginning of the 1860s, Denmark began to effectivize the colonial activities by incorporating Greenlanders into the colonial administration. The proposal to reform the colonial administration was made by Hinrich J. Rink, the inspector of the southern province of Greenland, C.E. Janssen, the headmaster of the college in Nuuk, S. Kleinschmidt, a Moravian missionary and J. F. T. Lindorff, a doctor. The reform, known as the local board arrangement (*forstanderskabsordningen*), established local boards in each colonial district with the aim of creating new institutions based on Greenlandic tradition. The main idea of this proposal was to exploit Greenlanders' knowledge about Greenland and establish a support class of Greenlanders who, through various forms of bribery, could be made loyal agents for the colonial administration. The long-term goal was, as Rink puts it, to create "a real subordination-relationship" (1874, p. 33).

The *forstanderskab* was essentially an administrative local council in each district. While these local councils consisted mainly of Danish officials, they also incorporated a few chosen Greenlanders. These Greenlandic representatives were known as *paarsisoqs*. Being a *paarsisoq* was a position of power as *paarsisoqs* were compensated handsomely. At the top of the *forstanderskab* hierarchy was a Danish priest, the colonial official who dealt with trade in and out of the district, a Danish doctor and a Danish trade assistant. The colonial administration strategically choose the best Greenlandic seal hunters to be the Greenlandic representatives in the councils. Good hunters were made leaders on the local boards but never given higher status than colonial officials. The boards and decisions made by the boards were always overseen by superior colonial officials (Rink, 1982). In this way the Danish administration created a hierarchy in the Greenlandic society, with seal hunters at the top, to promote the economic

interests of the Danish administration. Rud claims that the local boards reflect the Danish colonial administration's desire to "reshape Greenlanders' self-interest" (p. 563).

The Danish colonial administration used the local council to incentivize hunting by creating the perception that the Greenlandic hunters who were made members of the local councils were part of an elite class. The high status of the men in the photo both serve to make natives respect the higher class and want to be a part of the higher class. Creating a desire among the natives to become part of the council benefitted the colonial administration in two ways. Firstly, this incentivized people to be better hunters, as only the best hunters were chosen to be on the council. Incentivizing better hunting increased profits from Greenland's hunting industry. Secondly, it was important to represent the men as elite in order to express their status over the general native population. Only if the native population recognized the 'forstanderskab' as superior could they create a hierarchical control where the Greenlanders in the local council functioned as a middle class between the rest of the native Greenlanders, the lower class, and the Danes, the upper class. Incorporating natives into the local councils created an elite class of Greenlanders that were allied with the Danish colonial administration. By incorporating native Greenlanders into the colonial administration, it was easier for Denmark to control activities in Greenland from overseas.

Figure 2 shows how Greenlandic occupations were divided into categories by the Danish colonial administration. For example, Greenlanders without a kayak were categorized as either (1) boys or (2) incompetent adults; Greenlanders were expected to have a kayak to hunt, otherwise they were shamed. Further, fishing and wage labor was deemed 'unnatural occupations' for Greenlanders. Rud (2014) highlights this point by quoting a principle of one of the catechists colleges who is concerned that his student is not becoming a good seal hunter. The

principle explains that his student has “become unused to, and unskilled in, the essential national occupation [i.e. seal hunting], and has at the same time of course become accustomed to manners and needs that make life as a Greenlander difficult if not impossible” (Janssen 1856, quoted by Rud 2014).

Underbiskrifternes Navne.	Fangere.				Fiskere.		Drenge over 12 Aar uden Kajak.	Borne, uduelige, uden Kajak.	Konebørne.	Indsamlede Sildeposer forrige Efteraar.	Hele Folketallet.	Ammertninger over fortjente Personer eller Handlinger eller over det Mod= fattede.
	№ 1	№ 2	№ 3	№ 4	Følge Alder Drenge Dlinge.	Af Uduelighebd.						
N. N.												
N. N.												
Sum.												

**Figure 2** This table from the initial proposal to establish the local boards indicates how the authors envisioned the division of Greenlandic hunters into social classes. Fishermen were to be divided into two classes according to the reason for their ‘culturally abnormal’ occupation. Similarly, Greenlanders were to be divided on the basis of the reason for the absence of a kayak.

Source: Rud (2014)

### Instruction of 1782

The first state law in Greenland was also introduced in 1782; this piece of legislation was known as The Instruction of 1782. The full title of the legislation was “Instruction, to which the tradesmen or those who are in charge of trading and/or the whaling stations in Greenland in

particular and all employees of the trading company in general will have to adhere”<sup>7</sup>. This legislation describes how Europeans and Greenlanders should and shouldn’t interact. The census material shows an increase in attention to the registration of individuals’ social and cultural background. Relationships between Greenlanders and Europeans were carefully monitored, registered and regulated. Romantic relationships between Greenlanders and Europeans were considered dangerous, but also potentially useful in promoting the goals of the mission and the trade department. Rudolph Lassen, who was a missionary who worked in the factory in Ilulissat, writes that some mixed marriages produced children “of use to the Country and the Trade” (1795, p. 288, quoted in Seiding, 2011, p. 57). Further, Lassen argues that intermarriage can be used as a tool in the civilizing project, as intermarriage can help spread the Danish language and cultural education. Children of European fathers and Greenlandic mothers, known as ‘mixtures’<sup>8</sup>, played a crucial role in Denmark’s attempts to structure the behavior of the Greenlandic people; they were treated as an elite class of Greenlanders that were allied with the colonial administration. Men employed by the Royal Trading Department had to apply with the Inspector for permission to marry and the marriages would only proceed if they were deemed acceptable. Greenlanders were split into two classes based on race: ‘mixed’ Greenlanders (one European parent and one Danish parent) and ‘pure’ Greenlanders, where mixed were of higher status than pure Greenlanders. Danes and Greenlanders were categorized hierarchically to determine who was allowed to marry whom. Superior Danish staff members were not allowed to marry Inuit women, mixed or pure, and common staff members were only allowed to marry women of

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<sup>7</sup> In Danish: Instrux, hvorefter Kiøbmændene eller de som enten bestyre Handelen eller forestaae Hvalfanger-Anlæggene i Grønland, i Særdeleshed, saavelsom og alle de der staae i Handelens Tieneste i Almindelighed, sig for fremtiden have at rette og forholde.

<sup>8</sup> My translation, also used in Rud (2014) and Seiding (2011)

mixed descent, not pure or European women. Mixed Greenlandic men were allowed to marry both mixed and pure Greenlandic women.

### **Grønlanderhjemmet ('Civilizing')**

The idea that Denmark's colonization of Greenland helped Greenlanders become more civilized was present in Danish colonial policy. Grønlanderhjemmet, a boarding house in Copenhagen, was an example of attempts to civilize Greenlanders. Grønlanderhjemmet resembled a reformatory and was meant to civilize Greenlanders in a controlled setting. As explained in the Royal Greenland Trading Department's official documents "the Greenlanders should be educated by local employers in the city and, as much as possible, become accustomed to moving among strangers, but they should have a common homely refuge, where furthermore one can keep them under appropriate control" (Anon., 1879, quoted in Rud, 2014, p. 558, Rud's translation). However while Grønlanderhjemmet was meant to civilize the Greenlanders, the colonial officials also did not want Greenlanders in the boarding house to become too accustomed to the luxuries of life in Copenhagen; they wanted to create the correct mixture of traditional Greenlandic and modern "civilized" cultural elements. To keep the residents of Grønlanderhjemmet grounded, they made simple meals and kept artifacts from Greenland in the house. Rud (2014) explains that the "boarding house provides an example of the social engineering techniques by means of which colonial policies promoted a specific version of the Greenlandic tradition" (p. 559).



### **‘Protecting’ Greenlanders from Western Influence**

Much of Denmark’s Greenland policy in the 1850s aimed to protect the Greenlandic society from Western influences (Marquardt 1993, 1999; Thuesen 2007; Thisted 2002; Wilhjelm 1997; Rud 2014). Trade, whaling and the daily administration of the Danish colonies were run by private merchants from 1772 until 1774. In 1774 the Danish state took over and in 1776 the Royal Greenland Trading Department, run by the Danish colonial administration, monopolized trade. The Danish colonial administration justified the monopolization of Greenland by claiming that Greenlanders are fragile and in need of their protection; they viewed the Greenlanders as “children of nature” (Marquardt, 1993) with “immature mental attitudes that had to be radically changed” (Marquardt, 1993, p. 12). The Instruction of 1782 restricted exposure to Western influences, claiming that too much interaction with the Europeans leads to “laziness, neglect of hunting, debauchery, depravity and too much disorder” (Instrux, 1782, p. 4). Thisted notes that developments in the colonial history of Denmark’s relation to Greenland have created a Danish perception of “Greenlanders as a fragile people of nature” (2009, p. 107-9, my translation). These policies, which claimed to be based on a need to protect Inuit culture, create a harmful binary of Greenlandic identity where the ‘authentic’ Greenlandic identity is viewed as primitive and in need of protection, whereas a modernized Greenlandic is considered inauthentic.

Ole Marquardt, a historian who has worked as a professor at Ilisimatusarfik University and Århus University, illustrates ways in which misguided conceptions of Greenlandic identity and tradition led to lower employment and protectionism in Greenland. Marquardt examines the trade policies put in place by the Danish colonial administration. Gad (2013) suggests the trade monopoly imposed by the Danish colonial administration was driven by economic motivations, rather than a desire to protect the Greenlandic society. He points out that when establishing the Royal Greenland Trading Company Denmark took several measures to weed out competition,

such as Dutch and Basque whalers and Norwegian hunters, to ensure Denmark had a monopoly on Greenlandic resources. This implies that the protectionist policies put in place by the colonial administration were not a thought-through consideration of how free trade might harm Greenlandic society and identity, but rather a desire to monopolize Greenlandic resources.

Marquardt claims that many in the Danish colonial administration believed that employment by the Royal Greenland Trade Department harmed Greenlandic identity. He claims that many scholars viewed employment by the Royal Greenland Trade Department as part of the westernization process in Greenland, founded on the belief that “the diffusion of wage labour among the members of a society is seen as an important indication of the ‘westernization’ or modernization of this society” (1996, p. 106). Finn Gad, a scholar of Greenlandic history, wrote in his book *History of Greenland* that Greenlanders originally looked down upon male persons who earned their livelihood as subordinate ‘servants’ (Greenlandic: kiffat) in someone else’s service (1968, p. 365). W. Graah, who claims to have been repeating the words of Hans Egede, the missionary who colonized Greenland and director of the Royal Greenland Trade Department, when he writes that: “the Greenlanders live in a perfect state of liberty and despise any fellow-countryman who makes himself a slave by entering into the service of the Europeans” (Graah 1828-31, p. 132). However, Ole Marquardt disputes the commonly held belief that the Greenlandic people resisted employment by the Danish colonial administration. Marquardt claims that according to his extensive data analysis “Indigenous Greenlanders took advantage of the opportunities for gaining permanent full-time employment with the RGTD (Royal Greenland Trading Department)” (1996, p. 106).

Further, Marquardt looks at the ways in which religious boundaries were proliferated by selective employment by the Royal Greenland Trade Department. Greenlanders were converted

to the Christian faith by the Danish Royal Mission and the Hernhutians (those of Moravian brethren). Marquardt discovers that only those affiliated with the Danish Royal Mission were employed by the Royal Greenland Trade Department, whereas the Hernhutians were typically seal hunters and fishermen. Marquardt writes that “the natives adhering to the Danish Mission were occupationally diversified and westernized to a much higher degree” (p. 107). He speculates that the Royal Greenland Trade Department did not employ as many of the Hernhutians because they were seen as authentic Greenlanders who should not be westernized. The underemployment of the Hernhutians also explains why the Hernhutians were hit harder during the economic crisis in 1850-1880.

Marquardt (1999) discusses Greenland’s economic crisis from 1850-1880, otherwise known as the great socio-economic crisis of Greenland. Authorities in the Danish Greenlandic administration, such as H.J. Rink, claimed that the Greenlandic people were trading too much of their necessary goods, such as blubber and skins, for luxury goods such as coffee and sugar. Marquardt explains that many in the Danish colonial administration believed the Greenlandic people’s consumption of luxury goods caused the great socio-economic crisis of Greenland. Further, he explains that the general perception of the historical event has not changed; he writes, “the moral interpretation of the crisis made the hunters responsible for bringing about their own misery by trading in ever rising proportions of their catch, thereby depleting themselves of the blubber and skins necessary for e.g., boat construction and repair”.

Recognized author Mads Lidegaard, who published a series of books about Greenland, confirms Marquardt’s suspicions about the continuing perception that the crisis originated with the frivolous consumption of coffee by the Greenlandic people. In 1962 Lidegaard writes: “One takes comfort in believing that the violent consumption of alcohol and other luxury goods will be

but a transitional phenomenon and that it will regulate itself when the standard of living will reach a level where one no longer needs to find comfort in a bottle or something similar. Actually one used to say exactly the same a hundred years ago when the Greenlandic population through abuse of coffee was heading for its own destruction. Admittedly, in the end things were ameliorated - but the amelioration process lasted for two generations and not for just 5 to 10 years” (Lidegaard 1962, p. 314).

Using extensive data of coffee consumption and incomes in West Greenland in the 1800s Marquart argues that the Greenlandic people’s consumption of coffee should not have been worrisome. Further, he finds, that while the crisis was much greater in Southern Greenland than in Northern Greenland, the coffee consumption was much greater in Northern Greenland. Instead Marquart identifies the disappearance of the net hunt in in the 1850s in the Hernhutian congregations as a cause of the economic crisis. Marquardt counters the belief that the crisis was caused by “immature behavior on the part of the Greenlandic population” (Marquardt, , implying that the following colonial policies that aimed to protect Greenland from outside influences were unnecessary. Marquardt’s paper is significant as it refutes the commonly believed notion that the economic crisis was caused by irresponsible consumption by Greenlanders, which laid the groundwork for the Danish perception that Greenlanders need their protection.

### **Long-term Effects on Greenlandic Identity**

Rud (2014) argues that the way in which Danish colonial policies attempted to socially engineer Greenlanders has created a harmful perception of Greenlandic identity that persists to this day. Rud argues that understanding the motivations for these colonial-era policies is important as the

policies continue to influence Danish understanding of Greenland today. He writes: “The practice of contrasting the ‘victims of colonization’ Greenlanders of the west coast with ‘authentic and traditional’ Greenlanders from the east coast (later on also from Northern Greenland) epitomizes the dominant representation of Greenlandic culture in the nineteenth century and on into the twentieth” (p. 365). In fact, Rud explains that this binary is harmful to Danes’ views of Greenlanders today. He writes: “The enduring image of Greenlanders as either living in a static state of aboriginality or as marginalized losers in the modern world has had a deep impact on the popular understanding of Greenlanders among Danes” (p 566). Ultimately Rud advises “Even when Greenlandic identity is articulated with Inuit cultural traditions it is important to allow this identity to be as flexible and dynamic as we allow western identities to be” (2014, p. 269). Rud argues that it is important to reexamine Greenland’s colonial past in order to understand the contemporary view of Greenland and how it originates with colonial policies in order to create a dynamic view of Greenlandic identity; Greenlandic identity should not be viewed as a binary where they are either in touch with nature, primitive and ‘real Greenlandic’ or modernized, westernized and not ‘real Greenlandic’.

## **Chapter 4: From Colony to Dependent**

Greenland was officially decolonized in 1953, becoming an independent nation within the Danish Realm. However, scholars and observers claim that this formal decolonization paradoxically strengthened Denmark's influence in Greenland; the 1950s and 1960s were known as the period of modernization or 'Danization' (Grydehøj 2016). Much like Acemoglu et al. (2001) show how extractive institutions set up by colonizers were harmful to the colony's long-term development, I will argue that Denmark's interventions in this period centered Greenland's institutional structure around extracting cod fish rather than promoting inclusive development. In this chapter, I will explore how Denmark's focus on extracting codfish from Greenland in the 1950s and 60s changed the institutional structure in Greenland. In Greenland, the focus on cod fishing necessitated rapid urbanization and created disruptions in Greenland's labor market and an economy centered on producing primary goods. I explore ways in which Danish interventions in the 1950s and 60s impacted Greenland's economy, labor market and social well-being and cohesion in the long term.

### **Historical Context: The End of Colonization and Beginning of Modernization**

During World War II Denmark was invaded by Germany, leaving Greenland as an unoccupied territory. During this period Greenlandic movements for self-determination strengthened and the international community emphasized the need for worldwide decolonization. Although Denmark and Greenland re-established their political ties after the war, these factors prompted Denmark to change their relationship to Greenland. In 1953 Greenland was given home-rule, effectively integrating Greenland into the Danish state and giving Greenland the same power as any other Danish higher-level municipality (Danish:amt). However, these changes actually strengthened

Denmark's influence in Greenland in many ways (Grydehøj 2016). On the 29th of November, 1948, Grønlandskommissionen (the Greenland Commission) was appointed to make policy recommendations to aid in a process of modernization. The Greenland Commission had a main commission, with 16 members and nine sub-commissions with a total of 105 members. The commission claimed to be promoting the goals of the Greenlandic people, yet only 12 out of the 105 members on the sub-commissions were Greenlandic. The first Commission report was known as the G-50, while the second, published in 1964, was known as G-60.<sup>9</sup>

### **The Fishing Industry as an Extractive Institution**

The Greenland Commission reports explain that modernization efforts in Greenland should “first and foremost be centered around cod fishing” (Greenland Commission Report 1960, p. 12). By 1964 four filet factories are up and running each with capacity for around 40 000lbs; these factories can handle around 200 tons of fish every day. By 1966 there were factories in the five big cities Narsaq, Paamiut, Nuuk, Maniitsoq and Sisimiut. Acemoglu, Johnson and Robinson (2001) show that when colonizers don't settle in a colony, they will set up extractive institutions focused on extracting resources from the colony, leading to less protection of property rights and lower GDP per capita in the long-run. The goal of the Danish state in the 1950s and 60s was to

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<sup>9</sup> A note on using the Greenland Commission reports as sources: The two Greenland Commission reports are both primary sources written primarily by the colonial power; although they are artifacts created during the time of study and are thereby evidential in nature, their information is clearly biased towards the perspective of the Danish Colonial Administration. Grydehøj (2016) explains that the decolonization of Greenland and modernization efforts outline in the Commission reports were “planned and determined by the Danish government, with little input from Greenlanders”. In my analysis I will use Ann Stoler (2009)'s methodological framework for approaching the 1950 and 1960 Greenland Commission reports. While one could argue that the documents' skewed perspective make them hard to use as a credible source, Stoler invites us to read along the archival grain; she prescribes reading colonial archives as “condensed sites of epistemological and political anxiety rather than skewed and biased sources” (p. 20). In this vein, I will be using the Commission reports to study the nature of the Danish colonial rule over Greenland. I will not be viewing reports as sources of evidence about the state of Greenland at the time, but rather to analyze what are the writers of the report are hiding and why. I will attempt to unpack why and how the authors of the report are pushing Greenland's economy towards industrial cod fishing.

extract one particular resource: fish. For this reason they set up institutions in Greenland to make it easier to extract fish from Greenland. Promoting industrial cod fishing changed Greenland's structure in several ways and the policies outlined in these reports dictated Denmark's economic development policy for many years to come. In this section, I will look at changes in Greenland's institutional structure prompted by the focus on extracting cod from Greenland in the 1950s and 60s. I will look at the introduction of free trade in Greenland, urbanization and its long-term impacts, disruptions in the labor market, including an influx of imported Danish labor and discrimination in the labor market and possible long-term effects of re-centering Greenland's economy on the production of primary goods.

### **Paternalistic or Economically Motivated?**

Throughout this chapter I will be examining the Danish colonial administration's paternalistic rhetoric; are they using paternalistic language to disguise their real economic goals in promoting industrial cod fishing in Greenland? The last director of the Greenland Commission claimed the initiative aimed to "to impart civilization and culture to the Greenlanders" (Oldendow, 1952, p. 16-36). We see this view expressed time and time again in the policy prescriptions of the Commission reports highlighted above. The Commission even describes the modernization efforts as a strenuous task Denmark was doing for Greenland; "A series of new institutions have been established in Greenland and exceedingly many difficult work tasks have been imposed on the administration in Copenhagen" (Greenland Commission, 1960, p. 3). However, there is also evidence that the Danish colonial administration is economically motivated. In the Commission reports, we see evidence that the authors of the report have made in-depth considerations of the potential economic gains of the fishing industry. We see this, for example, in the use of tables to



show the revenue of fishing versus sealing (see for example table 15 in the 1960 Greenland Commission report), which show that the profitability of the fishing industry was undoubtedly a consideration. The Commission report even outlines models for how profitable different industrial fishing plants are; “The economic opportunities that lie in such an operational form are illustrated in a simplified model of the operation of a 40,000 lbs. filleting plant with associated lines in Annex 12” (Greenland Commission, 1960, p. 3). Here we, again, see the commission consciously pointing out the economic opportunities of promoting industrial fishing. But if the Danish Colonial Administration was economically motivated, why not make that explicit? Throughout history, we have seen many examples of colonial rulers imposing force and violence in their colonies to reap economic gains. When viewing the Commission reports in their historical context of the worldwide decolonization movement, the reports’ choice to disguise their economic motivations make a lot more sense.

### **Decolonization in the 20th Century**

In the context of the global decolonization movement in the 20th century, it would have been especially important for the Danish colonial administration to hide any exploitative motivations. In fact, Thorsten Borring Olesen, a scholar of Greenland’s postcolonial politics, claims that Denmark only formally decolonized Greenland to adhere to Chapter XI of the UN Charter. Chapter XI of the UN charter deals with “territories whose peoples have not yet attained a full measure of self-government” claiming that colonizers must “ensure the well-being of the inhabitants of these territories”. The nature of Olesen’s argument is not isolated to Greenland; a similar argument is presented in Peo Hansen and Stefan Jonsson’s discussion of Europe’s decolonization of Africa. Hansen and Jonsson claim that the way in which Europe decolonized

Africa in fact “secured a continuation for colonialism and at the same time went beyond it” (2014, p.254). Hansen and Jonsson not only claim that the decolonization movement prompted deficient changes, but that the changes initiated in fact worsened the situation in the long term. In the same vein, scholar of the Arctic region, Naja Dyrendom Graugaard (2009), writes that “modernization made Greenland economically more dependent on Denmark than ever before” (p. 14).

### **Introduction of Free Trade**

Danish officials that lived in Greenland and some Greenlanders had long criticized the failure to abolish the trade monopoly (Gad 2014). They wanted a new development with access to private Danish business in Greenland, and this pressure coupled with the unresolved question of the continued US bases in Greenland from November 1947, the new Social-Democratic government in favor of radical reforms. In 1948, Prime Minister Hans Hedtoft agreed to abolish the monopoly, opening up Greenland to free trade.

While the Danish State would argue that free trade was introduced to comply with the wishes of the indigenous, many scholars argue that they opened up Greenland’s markets to foreign investment and international trade to support the extraction of codfish. Although it is true that some Greenlanders wanted to see the abolishment of the trade monopoly, this had been an expressed concern for a long time. The 1950 Commission report, which proposes the introduction of free trade, also defends the Danish colonial administration’s previous monopolization of trade. They write: “The monopoly sought to prevent the exploitation of Greenlanders by private individuals and to protect the population against the world-wide fluctuating prices on the Greenlandic export products that originally consisted mainly of

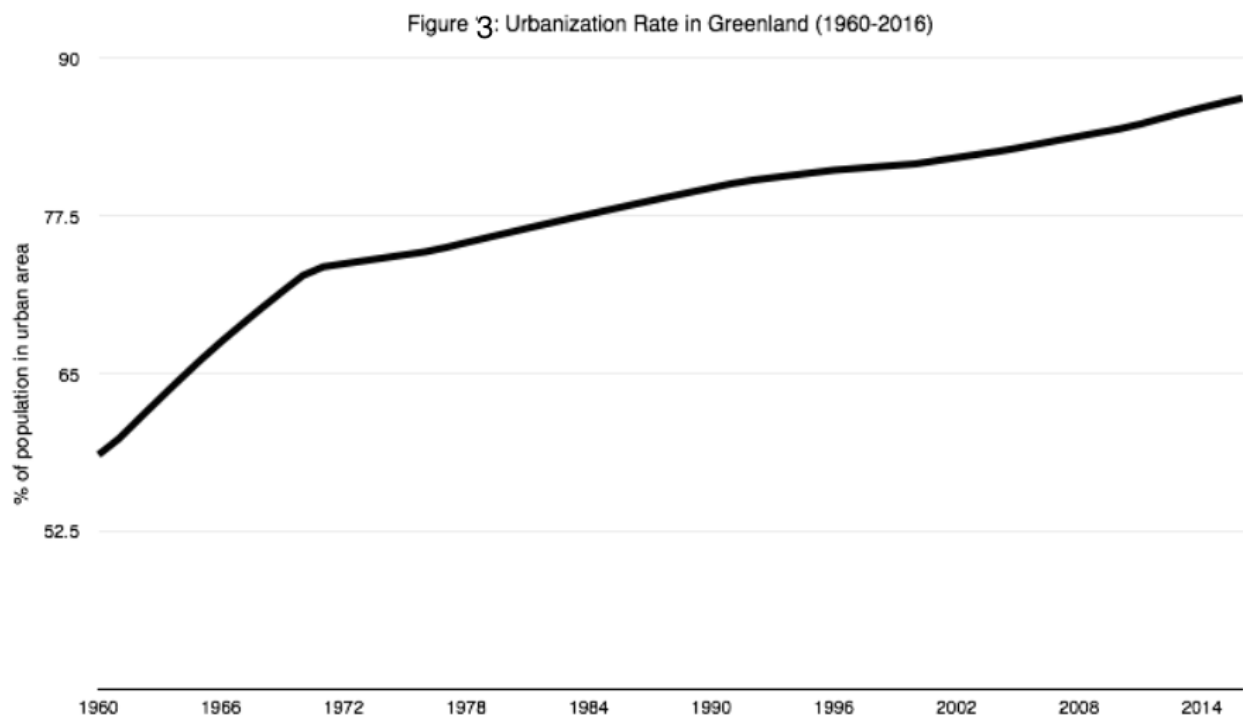
sealskin, fox skins and polar bear skins and whale and seal oil” (Greenland Commission, 1960, p. 117). This statement seems to imply that the price of cod fluctuates much less than that of sealskin, fox skins and polar skin and whale and seal oil, yet the report provides no evidence to back up this claim. Further, theories about the economic motivations for colonialism outlined in chapter 1 views colonialism as a stage of capitalism that is prompted by the necessity for colonizers to find new markets to invest their capital. Following this theory, Denmark’s trade monopoly was most likely motivated by a desire for Denmark to find new markets to invest their capital in. The introduction of free trade seems to be a continuation of a similar motivation, but in a new context. With the transition to cod fishing, there are more revenue opportunities if they open up Greenland to foreign capital and foreign markets. The Commission does not explicitly recognize the economic necessity of this transition for the importation of foreign capital and the ultimate success of the cod fishing industry. However, they focus on the potential positive benefits of this transition for Greenland. They write: “The main goal we are striving toward in opening up Greenland to Danish private capital is not to create new business opportunities for Danish capital, but to develop a business sector operated by Greenlanders and for the benefit of Greenlandic society” (Greenland Commission, 1950, p.30). We see the self-awareness of the Commission presented in this quote. It almost seems like the Commission is attempting to counteract this idea, claiming specifically that they are not opening up Greenland to ‘create new business opportunities for Danish capital’. In the same quote we see the Danish administration express ‘moral’ reasons for wanting to raise living standards in Greenland by promoting the cod fishing industry; the Commission claims they wish to “develop a business sector operated by Greenlanders and for the benefit of Greenlandic society” (1960, pp30). These notions of the civilizing mission become increasingly clear as the Commission continues to explain how

bringing in Danish companies will benefit Greenlanders. The Commission explains that their “goal is to establish private and independent Danish and Faeroe businesses in Greenland, such that they will be able to teach Greenlanders modern ways of conducting business, and thereby contribute to the advancement of business development in Greenland” (Greenland Commission, 1950, Vol. 5, p. 30). Here (and throughout the report) the Commission expresses that the Greenlandic people need their help. Again we see both economic motivations and paternalism invoked in the promotion of the cod fishing industry. In this case economic motivations and paternalism are virtually inseparable as both lead to the same action: promoting the cod fishing industry. This is economically motivated because it may increase revenues to Denmark and ‘morally’ motivated as the commission reports argue that they want to promote cod fishing to improve Greenland’s economy to help the Greenlanders.

## **Urbanization**

The planned introduction of industrial cod fishing prompted mass urbanization in Greenland. In order to promote industrial cod fishing, they needed the Greenlandic people to concentrate in cities rather than sprawl across Greenland as they did before. When seal hunting was the main occupation in Greenland, it made sense for Greenlandic population to sprawl. If the population were concentrated in one city, seals would migrate away from this densely populated area. However, for industrial fishing, the population must be concentrated in cities to benefit from increased economies of scale. Processing cod fish takes place in industrial plants and is labor intensive. Urbanization lowers transportation costs for inputs (mainly labor) and increase the possibility for knowledge spillovers by allowing workers who live close together to learn from each other (O’Sullivan, 2007). The commission is clearly aware of this, explaining that labor will be more accessible if the population concentrates in cities, rather than sprawling across rural

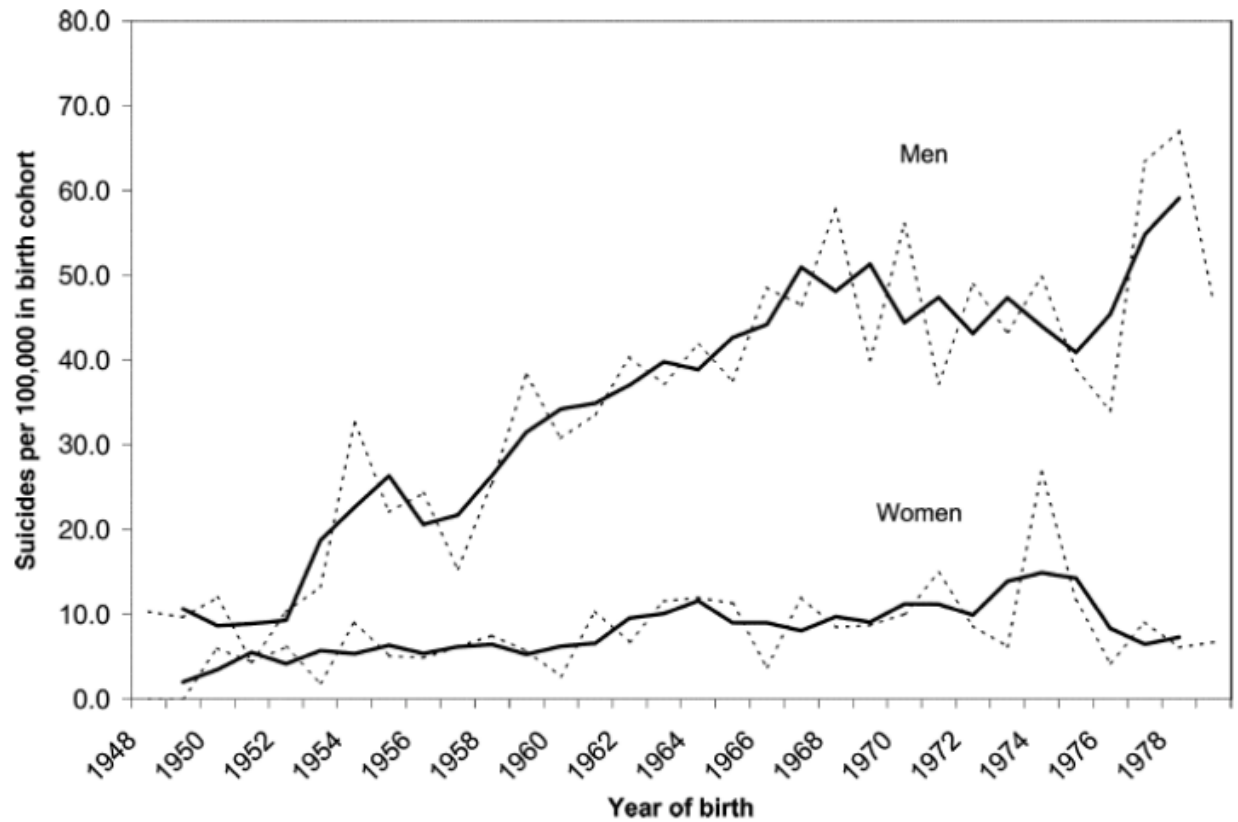
Greenland. They write: “more intensive exploitation of labor is easier to accomplish in larger cities than in the current with around 500-4000 residents” (Greenland Commission, 1960, p. 27). The reports show that Denmark does not invest in small settlements outside of the cities. The Commission explains that “Gathering the population in the so-called open-water area will yield the greatest economic progress” (Greenland Commission, 1960, p. 103). On Figure 3 we can see the long-term urbanization initiated after the 1950 and 1960 Greenland Commission reports. On Figure 3 urban population is expressed as a percentage of the total population. Interestingly, the Commission refers to this process of urbanization as “localization”. Perhaps this choice of words is meant to make the process sound like it’s focused on local values.



Source: The World Bank

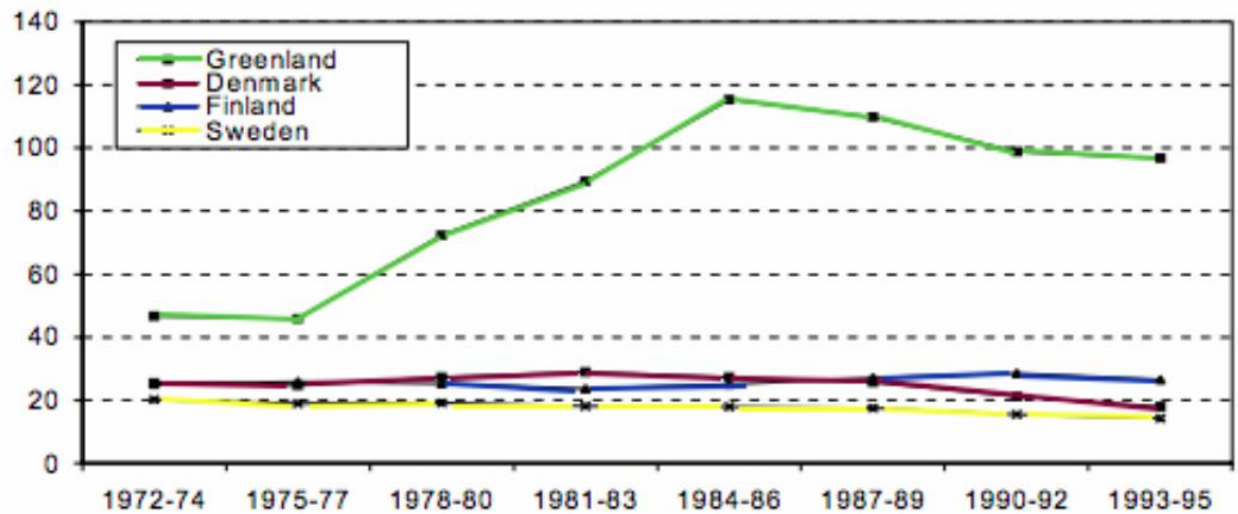
While urbanization is often viewed a normative goal in development economics (Roland, 2016, p.113-135), the Greenland case suggests that urbanization can have negative effects on social well-being and cohesion.

## Long-term Effects on Social Well-Being and Cohesion



**FIGURE 4** Youth suicides (age 15–29) by birth cohort among Inuit of Greenland, observations by birth cohort (dotted line) and 3-year moving averages (solid line).

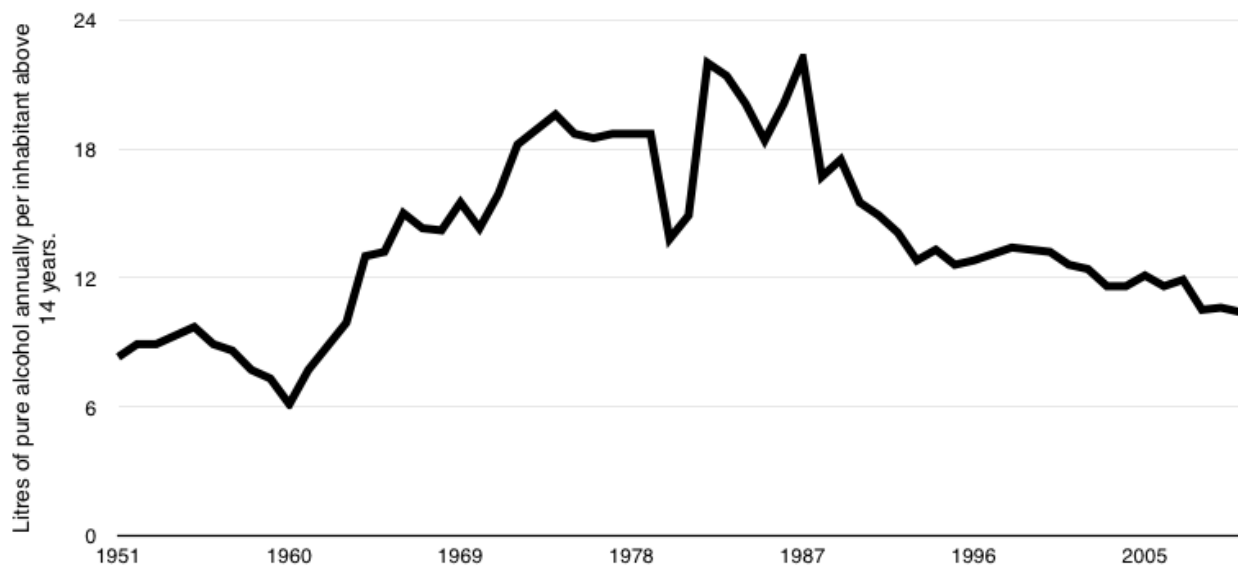
Source: Bjerregaard, P., & Lynge, I. (2006). Suicide—a challenge in modern Greenland. *Archives of Suicide Research*, 10(2), 209-220.



*Fig. 5: Suicide rates per 100.000 population over the years 1972-1995 by three year periods for the total Greenland-born, Danish, Finnish and Swedish population. Source: death register and OECD Health data 98.*

Taken from Bjerregaard and Lynge (2006)

Figure 6: Alcohol Consumption in Greenland (1951-2010)



Source: Aage, Hans (2012) *Alcohol in Greenland 1951–2010: consumption, mortality, prices*. International journal of circumpolar health, 71(1), 18444.

Since the 1950s, the rapid modernization of Greenland has been accompanied by increased suicide rates, drinking problems and violence. On figures 4 and 5 we see that Greenland's suicide rate increases sharply from 1952 until the early 1980s, whereafter it stays fairly high. On

figure 5 we can see that the rise in Greenland's suicide rates is not mirrored in Denmark, or indeed any of the Scandinavian countries. Scholars such as Thorslund (1990), Leineweber (2000) and Bjerregaard and Lynge (2006) have documented a correlation between the modernization of Greenland in the 1950s and 60 and a subsequent rise in suicide rates. Most notably Bjerregaard and Lynge (2006) examine regional differences within Greenland, showing that suicide rates rise first in parts where modernization came first. They argue that the increase in suicide rates was caused by the shift from relatively isolated, self-reliant communities based on subsistence hunting and fishing to wage labor in cities.

The idea that modernization may cause a rise in suicide rates comes from sociologist Emile Durkheim (1897)'s book *Le Suicide*. Durkheim claims that suicide rates change “abruptly and completely whenever there is an abrupt change in social environment” (1897, p. 138). While suicide is an individual decision, Durkheim argues that the decision to commit suicide is affected by social integration and regulation in society; thus suicide rates increase during periods of rapid change when society no longer has common rules and values.

While it is “not apparent from the epidemiological data which specific components of the modernization process are the most influential” (Bjerregaard and Lynge, 2006, p. 216), there is a consensus among scholars that high suicide rates in Greenland have been connected to Danish interventions in Greenland in the 1950s and 60s. Bjerregaard and Lynge speculate that suicide can be seen as an act of resistance or defiance. Using survey data, Bjerregaard and Lynge find that alcohol problems in the home and being the victim of sexual violence as a child, both increase the frequency of reported suicidal thoughts. “Among those who reported frequent alcohol problems and also had been sexually violated, 82% had harbored suicidal thoughts compared with 10% among those who had not been exposed to either” (p. 212). This indicates



that the rise in suicide rates is intertwined with different problems of social cohesion and well-being, stemming from a disruption in the social structure. We see a similar trend in alcohol consumption on figure 6; alcohol consumption rises sharply in 1960, plateauing in the early 80s and decreasing in the late 80s, early 90s. Leineweber (2001) draws information on the occupation of those committing suicide. He finds that while unemployed people commit suicide most, fishermen and hunters commit suicide almost as frequently. Not surprisingly low skilled/blue collar workers commit suicide more frequently than high skilled/white collar workers.

Similar arguments about a connection between rapid modernization and suicide epidemics have been documented in different post-colonial contexts; Boothroyd, Kirmayer, Spreng et al. (2001) look at this question among the Inuit of northern Québec, Hunter & Harvey (2002) among the indigenous in Australia, New Zealand, Canada, and the United States, Kirmayer (1994) among the Canadian aborigines, Macpherson and Macpherson (1987) in Western Samoa and Rubenstein (1983; 1992) in Micronesia.

In other work I test the generalizability of the connection between urbanization and suicide rates seen in Greenland. I use panel data from 202 countries from 1990-2016 to test whether there is a correlation between urbanization rates and suicide rates. Using a fixed effects model I find a correlation between urbanization and increases in suicide rates in countries that were once colonized. In countries that were never colonized the opposite correlation exists (see results in appendix 1). This says something about the post-colonial context. In a post-colonial context urbanization was often orchestrated by the colonial or former colonial state, so it was externally forced structural change rather than perhaps a structural change planned democratically by the people indigenous to the country in question. When urbanization is

prompted externally, it is more likely to create social disruption resulting in anomic suicides. While urbanization is typically viewed as progress, an extreme interpretation of this result could be that colonization creates the mirror image of progress. In the context of Greenland's post-colonial period urbanization seems to have been promoted by the Danish state in order to support the fishing industry. This result suggests that although Denmark was attempting to promote the fishing industry and generate higher living standards in Greenland, it resulted in social disruption seen in increasing suicide rates. In this perhaps good-intentioned intervention we see once again the paradox highlighted in Freuchen's quote "by gifts you make slaves" (1961, p. 154). To generalize this correlation, we must look more closely at how and why urbanization occurred in other former colonies.

## **Disruptions in the Labor Market**

### **Imported Danish Labor**

The Commission's emphasis on promoting industrial cod fishing also introduced new dynamics to the labor market in Greenland, namely increased importation of Danish labor. During the modernization period, the Danish share of the total working-age population (15-64 years old) in Greenland rose from 5.8 percent in 1950 to 17.4 percent by 1965, to more than 26 percent by the end of the Danish administration. The Commission describes how labor must be imported from Denmark to promote the industrial fishing industry: "In order to complete a construction and infrastructure development of the size outlined in the recommendations, it will be necessary to import manpower from Denmark" (Greenland Commission, 1950, Vol 1, p. 52). The Commission claims "there is not enough educated manpower available in Greenland. Furthermore, it would seem irresponsible to employ Greenlandic manpower in construction that

is of a temporary nature. This would only limit the opportunities for Greenlanders to engage in, and improve upon the traditional Greenlandic occupations, which are going to provide the economic foundation of the society” (Greenland Commission, 1950, Vol 1, p. 52). Again we see the Danish administration invoking the morality the civilizing mission in their claim that Denmark must bring in labor because it might be harmful to employ Greenlanders. The report does not recognize ways in which the Danish labor market benefits from opening up new employment opportunities for Danish workers. Further, although the reports use extensive data on the profitability of the fishing industry, they do not report any numbers to support their claim that there isn’t enough educated manpower in Greenland.

### **Discrimination in the Labor Market**

With the prescription for increased importation of Danish labor, the Commission also created privileges for the imported labor. The 1960s Commission outlines a discriminatory wage differential policy, which was later passed in the Greenland Civil Servants Act. This policy, known as the ‘birthplace-criterion’, states that civil servants born in Greenland should receive 85% of the salary received by those born in Denmark. The policy was in place until 1991. The introduction of the Birthplace-Criterion shows two things. It contradicts the claim that the Commission was acting on behalf of the Greenlandic people. It also reveals the Commission’s self-consciousness; the Commission expresses that they knew that the global community would not look favorably on a discriminatory wage policy and thus attempt to distract from the discriminatory nature of this policy. For example, on page 155, where the Greenland Commission outlines the Birthplace-Criterion, they write: “Of the disadvantages (of the Birthplace-Criterion), the worst thing is that it can be interpreted as racial discrimination”

(Greenland Commission report, 1960, 155). They spend a few pages defining the prescription, claiming that it is not racially discriminatory because it is based on where the person is born and not their racial makeup.

### **Worsening Terms of Trade?**

Today Greenland's economy is small, open and highly dependent upon fisheries and an annual block grant from Denmark. In figure 8 we see that Greenland almost exclusively exported fish in 2016. Viewed in light of the Prebisch-Singer hypothesis (1950), we see why the promotion of cod fishing in Greenland might have worsened Greenland's terms of trade, making Greenland more economically dependent on Denmark and other core countries.

The Prebisch-Singer hypothesis describes a dialectical relationship between countries which export primary goods, 'periphery' countries, and countries which export manufactured goods, 'core' countries. Primary goods are raw, unprocessed goods, whereas manufactured goods are primary goods that have value added through a manufacturing process. Greenland's economy is mainly a primary sector economy which focuses on industries such as fishing and mining, whereas Denmark's exports are mainly manufactured goods, such as computers, phones and packaged medicaments.<sup>10</sup> The Prebisch-Singer hypothesis claims that, over time, the terms of trade worsen for periphery countries, while improving the terms of trade for core countries. Terms of trade is defined as the ratio of an index of export prices by an index of import prices. The common explanation for the Prebisch-Singer hypothesis involves the differences in income elasticity of demand for primary goods and manufactured goods. When a periphery country

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<sup>10</sup> The line between primary goods and manufactured goods is not clear cut; the fishing industry, for example, does involve some processing of the fish.

trades their primary good for a core country's manufactured good, the economy rises. When real disposable incomes rise, the demand for both the primary good and the manufactured good rises. However, the income elasticity of demand for primary goods is typically lower than the income elasticity of demand for manufactured goods. This is because primary goods are often necessity goods, whereas manufactured goods are often luxury goods. People generally consume the same amount of fish regardless of a rise in their income, whereas people are likely to only buy a fancy computer if their income rises. This means that although the rise in disposable incomes created by the trade causes the demand of both goods to rise, the demand for manufactured goods rises more than the demand for primary goods and thereby the price of manufactured goods will rise more than the price for primary goods. Because demand for primary goods rises less than the demand for manufactured goods the trade causes the price of primary goods to fall relative to the price of the manufactured good, worsening the terms of trade for periphery countries. Over time, periphery countries, such as Greenland must export more of their primary products (fish) to import the same amount of manufactured goods, whereas core countries have to export less manufactured goods to import the same amount of primary goods.

Further it is not easy for periphery countries to shift to the production of manufactured goods and they thereby become dependent on importing manufactured goods from core countries. As the trade between periphery and core countries continues, the terms of trade gets worse and worse for periphery countries. Some argue that this can cause debt growth and decreases in wealth of periphery countries, creating a vicious cycle where it becomes harder and harder for periphery countries to move from producing primary goods to producing manufactured goods. The Prebisch-Singer hypothesis signifies a way in which existing global

inequality is proliferated by trade within the market mechanism and suggests that centering Greenland's economy on fish worsens their terms of trade in the long-term.

### **Environmental Consequences**

Further, the promotion of industrial cod fishing in the 1950s and 60s may have had long-term effects on the environment. As Kurlansky (1998) describes, industrial fishing techniques have led to overfishing with dire ecological and socioeconomic consequences. However, it is not only the environmental consequences of overfishing industrial fishing brought to Greenland. Institutional economists who oppose the overemphasis on the free market might suggest that the introduction of free trade hindered Greenland's ability to deal with community concerns in the long-term. This argument claims that since the free market organizes production and consumption based on individual choices, the free market is less apt at addressing large scale environmental concerns in the future. In imposing their economic system, they are imposing a way of organizing society that makes Greenland unable to make decisions that take community concerns into consideration in the long term. Environmental issues are a big concern in Greenland today. As Greenland's ice caps melt, their natural resources and minerals become more accessible. While Greenland hopes revenues from these resources and minerals will aid their desire for economic self-reliance, the mining of the resources raises environmental concerns surrounding the exploitation of natural resources.

In this chapter, I have examined possible long-term effects of Danish interventions in Greenland in the 1950s and 60s. Denmark's modernization of Greenland has been statistically linked to falls in measures of social cohesion and well-being. Further, I explored disruptions in the labor market and possible long-term effects of the focus on cod fishing, such as unequal

terms of trade and an inability to deal with environmental concerns. Throughout this chapter, I have examined the paternalistic rhetoric of the 1950s and 1960s Commission reports. Denmark's interventions in the post-colonial period seem to be equally contradictory as colonial policies in the previous period, indicating evidence of both economic and 'moral' motivations.

## **Chapter 5: Contemporary Struggles for Sovereignty**

After Greenland's official decolonization, there have been many efforts to achieve greater autonomy from Denmark. Greenland acquired Home-Rule in 1979 and Self-Government in 2009, yet there is a continuing discussion in Greenland on how to achieve greater autonomy from Denmark. Although Greenland has not been a formal colony for more than 60 years, they are still economically dependent on Denmark.

### **Snapshot of Greenland's Economy**

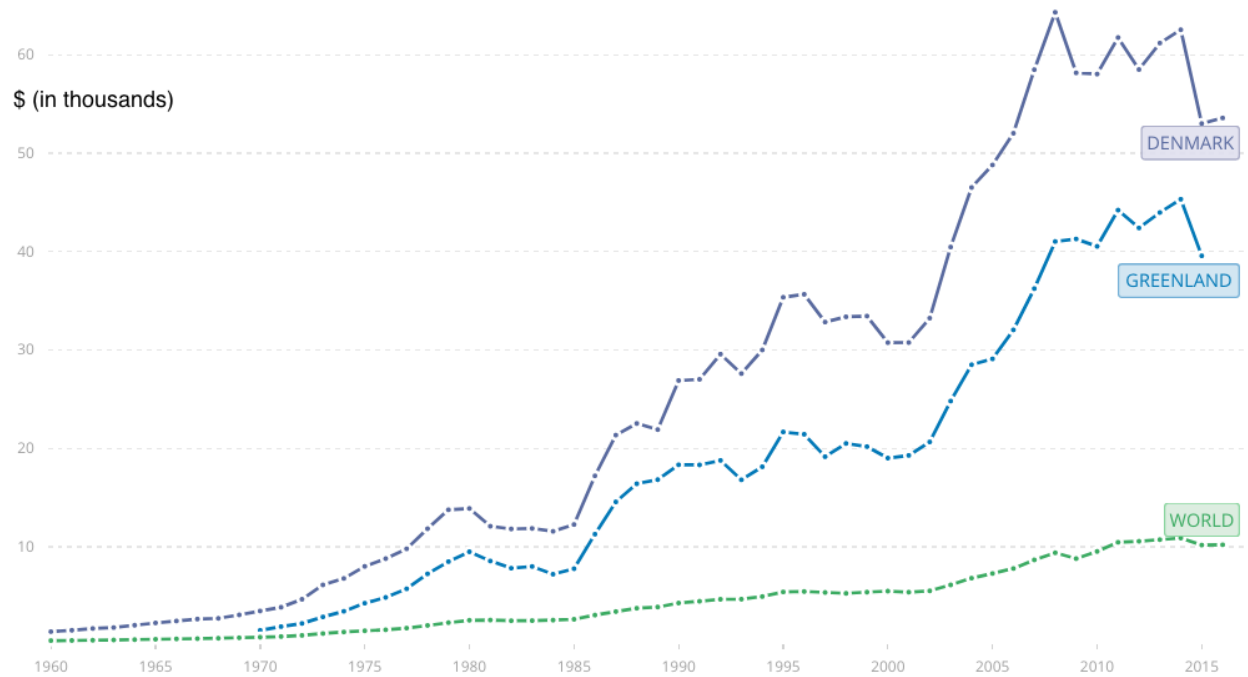
Today Greenland has a fairly high standard of living. Their economy is small, open and highly dependent upon fisheries and an annual block grant from Denmark.

### **Measures of Development**

As seen on figure 7 Greenland has a high gross domestic product per capita. We can also see that their GDP per capita follows Denmark's periods of growth and recession fairly closely, but on a lower level. In 2015 the block grant of 3.719 billion kroner from Denmark, which was around 30% of their GDP that year.



**Figure 7: GDP per capita (Current US\$)**



Source: World Bank

Greenland's Human Development Index (HDI) was 0.869<sup>11</sup> in 2008. The Human Development Index measures development beyond simply GDP per capita. HDI also looks at health outcomes, measured by life expectancy, and educational outcomes, measured by mean years of schooling. For comparison, Greenland's HDI is around the same level as that of Greece (0.869), Brunei (0.865) and the Czech Republic (0.878), while Denmark's HDI was 0.91 (in 2010). The life expectancy in Greenland was 71.83 years in 2013, Denmark's was 80.3.

### Important Industries

Fishing is still the most important industry in Greenland. Since the 1960s Greenland's cod stock has dwindled due to overfishing and climatic changes. Now Greenland fishes mainly prawns and

<sup>11</sup> This was not calculated by the UNDP.

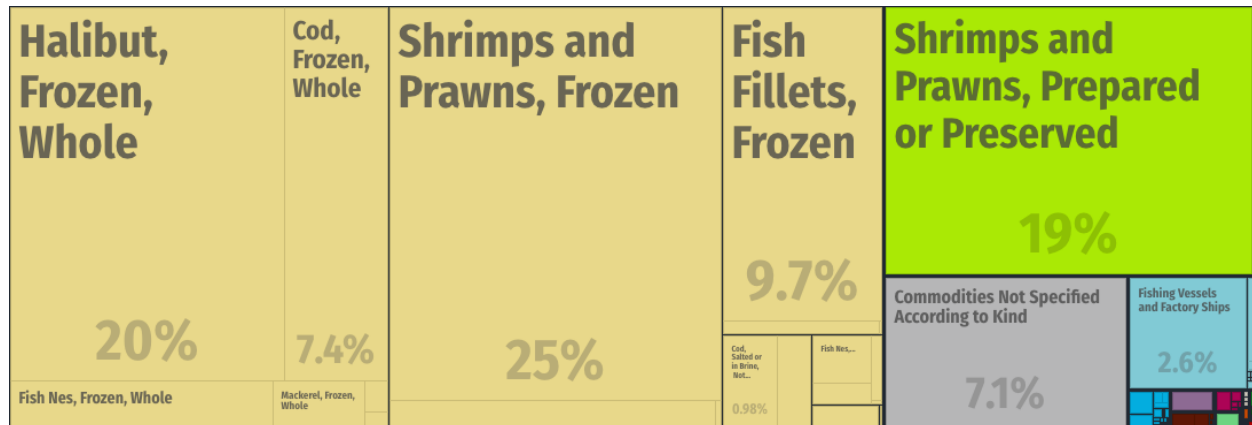
halibut and recently mackerel (Andersen, 2015). However, economist Torben Andersen claims that the fishing industry cannot provide a much larger economic base than it currently is. He explains: "There is definitely scope for improvements, and productivity can be increased, but it is not realistic that it can reach a scale to push the economy towards self-sustainability" (2015, p. 25). Overall catch levels cannot be increased and may have to be decreased for some fish species.

Other important industries include tourism, energy and minerals and hunting and agriculture. The tourism industry has been rising in the past two decades; the number of tourists visiting Greenland has increased from about 3,500 annually in the 1990s to about 35,000 annually today (Naalakkersuisut, 2017). However, tourism is a difficult industry to sustain as Greenland's harsh climate creates high transportation costs and only appeals to certain tourists. Oil, gold, rubies, diamonds, coppers, olivine, marble and about 75 new mineral species have been found in Greenland. Greenland hopes revenues from these resources and minerals will aid their quest for economic self-reliance. However, the mining of the resources raises environmental concerns. The hunting industry is small today, with about 10% of the workforce directly or indirectly involved (Naalakkersuisut, 2017).

## **Trade**

Greenland trades with EU countries, primarily Denmark. In 2016 87% of their exports went to Denmark and 79% of their imports came from Denmark. In 2016 Greenland imported \$622M and exported \$519M, resulting in a negative trade balance of \$103M. Greenland consistently has a trade deficit (The Observatory of Economic Complexity).

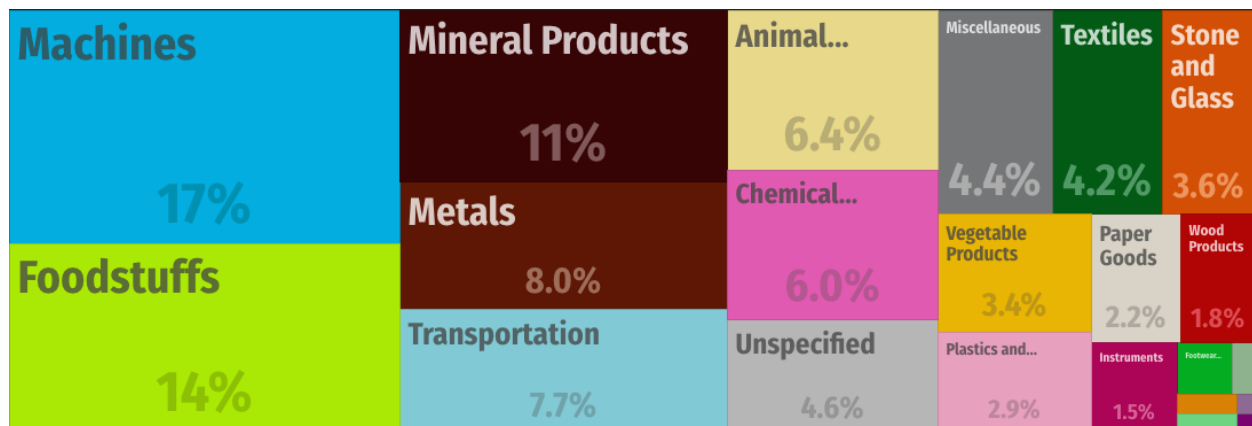
**Figure 8: Exports in 2016**



Source: The Observatory of Economic Complexity

As seen above Greenland primarily exported fish products in 2016. They exported frozen shrimp, prawn, halibut, cod and mackerel.

**Figure 9: Imports in 2016**



Source: The Observatory of Economic Complexity

### Remnants of the Royal Greenland Trading Department

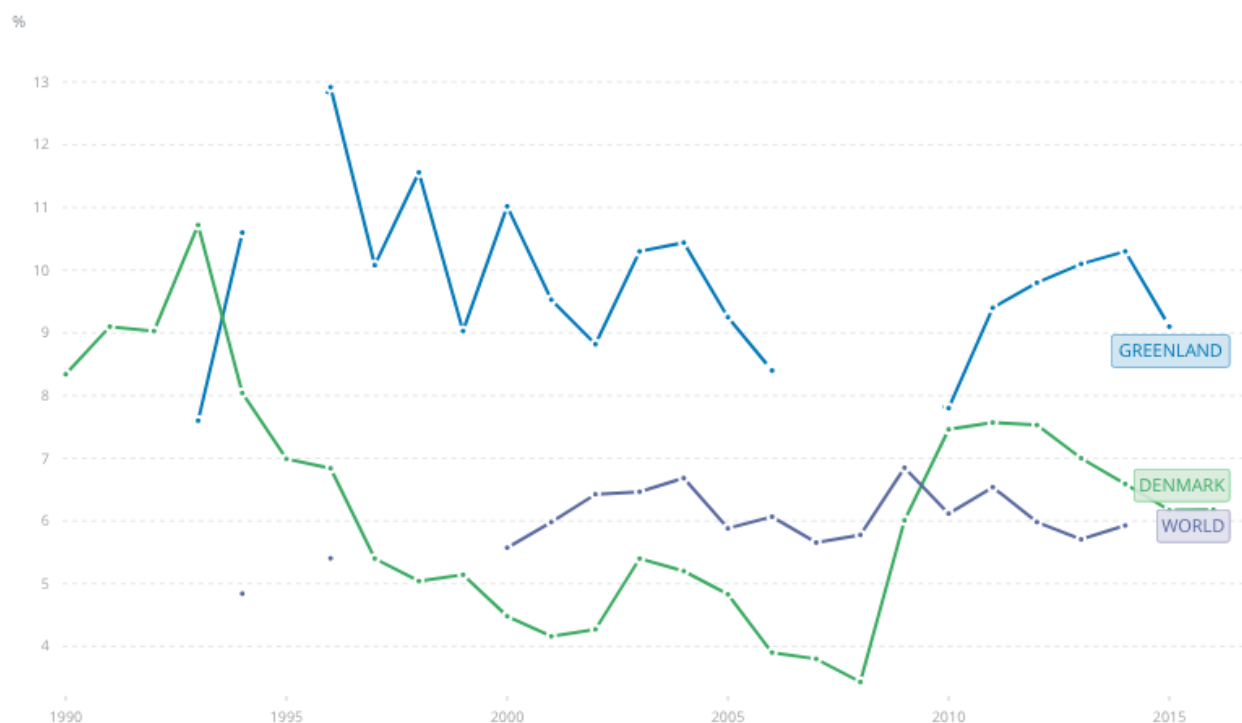
The Royal Greenland Trading Company was taken over by the Greenlandic Home Rule government in 1986 and continued under the name Kalaallit Niuerniat (KNI). In 1992 KNI was

split up into different companies including a government-owned fishing company called Royal Greenland Ltd. and a shipping company called Royal Arctic Line. Royal Greenland is one of the two biggest fishing companies in Greenland today (Naalakkersuisut).

## Labor Market

As seen in figure 10, unemployment in Greenland has been fluctuating around 10% since the 1990s. It is consistently higher than unemployment in the rest of the world and in Denmark. Unemployment does not seem to follow Denmark's trends as we saw with GDP.

**Figure 10: Unemployment**



Source: World Bank

Because we don't have unemployment data from before the 1990s, it is unclear exactly how this relatively high level of unemployment relates to the importation of Danish labor in the 1950s and

60s discussed in chapter 4. However, there continues to be to a high level of labor imported from abroad despite high unemployment. Mia Bennett points out the irony of high unemployment and the continued importation of foreign labor in her article on the importation of Chinese labor to work in fish-processing factories. Bennett writes: “The lack of a substantial labor force is one reason why Royal Greenland has had to look all the way to China for workers. At the same time, Greenland has an unemployment rate that tends to hover around 10 percent“ (2017). Looking at comments on another news story Bennett seems to think this may have something to do with the perception of Greenlandic workers being less suited for wage labor. She writes “One commenter on Sermitsiaq (another Greenlandic newspaper)’s story on the topic hailing from Denmark asked, ‘I can’t understand why one has to get workers all the way from China when the unemployment rate is so high in the country.’ Another commenter responded, ‘It’s because people magically get sick after payday,’ referencing the supposed unreliability of some Greenlandic workers” (Bennett, 2017). Bennett also suggests that Greenlandic workers might need flexible schedules to balance subsistence hunting and fishing with a wage labor job. Bennett (2017) explains that although hunting is not a major industry in Greenland, a study done by the University of Alaska found that 43% of the people survey had hunted sea mammals in the last 12 months, 69% had fished and 71% had picked berries.

From the period 2008-2015 the labor force was comprised of approximately 87% Greenlandic-born workers and 13% was foreign-born workers (Statistics Greenland). For comparison, in 2015 about 9% (Danmarks Statistik, 2015, p. 59) of Denmark’s the labor force was foreign-born and about 16.7% of the labor force was foreign-born in the United States of America (Bureau of Labor Statistics). For this period the average monthly wage<sup>12</sup> of foreign-

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<sup>12</sup> From their “main occupation”

born workers was 41,774.875kr, while the average monthly wage of Greenlandic-born workers was 21,479.125 (Statistics Greenland, my calculations).

## **Economic Independence**

To achieve complete sovereignty, Greenland must attain economic independence from Denmark. Their main prospects for increased revenues are the block grant and revenues from minerals and other non-renewable resources being discovered. However, these different revenue streams raise different problems.

## **Block Grant**

"Up here we say that by gifts one makes slaves and by whips one makes dogs"  
(quoted in Graeber, 2011, p. 79, originally from Peter Freuchen's *Book of the Eskimo*)

Greenland receives an annual block grant from Denmark which accounts for approximately 50% of Greenland's annual state budget and the Danish state pays for Greenland's judiciary system and defense (Statsministeriet, 2007; Kleist, 2010). In 2016 the block grant to Greenland was 3.682 billion kroner (\$614 million using 2017 exchange rate).<sup>13</sup> Both the Danish and Greenlandic governments express wishes to end the block grant. Danish Prime Minister Lars Løkke Rasmussen has repeatedly stated that the block grant from Denmark must stop if Greenland is to become independent.<sup>14</sup> The Greenlandic government views economic self-sufficiency as key in their process to complete self-determination.

Danish scholar of Greenland, Adam Grydehøj, investigates the effect of the block grant on Greenlandic identity. Grydehøj (2016) claims that the block grant supports the view that

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<sup>13</sup> The amount given fluctuates each year as it is adjusted for inflation.

<sup>14</sup> In this quote independence for Lars Løkke meant Greenland establishing their own constitution

Denmark needs to nurture the Greenlandic society. He explains that the block grant is viewed as foreign aid and, by collecting quotes from online comment threads to Danish newspaper articles, Grydehøj concludes that “there is a Danish public perception that Greenlanders are ungrateful (utaknemlige)” (2016). Essentially, Grydehøj is arguing that the block grant creates the perception that Greenland is indebted to Denmark.

In David Graeber’s book *Debt - the first 5,000 years* Graeber claims that debt transforms a previously equal relationship into a hierarchical relationship. For Graeber (2006), there are three moral principles on which economic relationships can be founded: exchange, communism and hierarchy. Exchange can only exist between two equal parties and is based on the logic of reciprocity; in exchange when you give something to someone you expect to receive something of equal value back.<sup>15</sup> Hierarchy, however, implies a formal inequality. For Graeber, a debt moves a transaction from an equal exchange relationship to a hierarchical relationship between the creditor and the debtor. Graeber uses this idea to condemn IMF loans, claiming that these loans are simply a way of increasing a perception of hierarchical relationship between nations. Similar ideas about the social effects of large global money transfers have been expressed about foreign aid being created as a way to exert political power over developing nations (e.g. Escobar, 1995).

Although Greenland’s block grant is not expected to be paid back, many of Graeber’s arguments about the perception of hierarchy brought about by the quantifiable transfer of money are applicable to Greenland’s block grant. David Graeber also uses the Peter Freuchen quote I used in my title. Graeber commends the Inuit for his refusal to calculate debts, by calculating debts we are essentially “reducing each other to slaves”(79).

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<sup>15</sup> Everyday communism exists in situations where there is no need for reciprocity, it occurs "from each according to their abilities, to each according to their needs"(Graeber, 2006, p. 95).

Graeber discusses how hierarchy can affect the debtor's identity; "the logic of identity is, always and everywhere, entangled in the logic of hierarchy" (111). And later Graeber specifically discusses the moral implications of not being able to restore equal relations: "If the debtor cannot do what it takes to restore herself to equality, there is obviously something wrong with her; it must be her fault" (121). Following this idea that an unpaid debt creates an unequal relationship, the block grant Denmark gives to Greenland in some sense increases perceptions of inequality between Greenland and Denmark, rather than helping Greenland achieve full sovereignty as it is supposed to.

Further, once an unequal relationship is established between the debtor and the creditor, the debtor might perform services for the creditor, but the debtor cannot expect anything in return. Graeber writes "If you bring your creditor tomatoes from the garden, it never occurs to you that he would give something back. He might expect you to do it again, though. But always there is the assumption that the situation is somewhat unnatural, because the debt really ought to be paid"(121). Grydehøj has a similar argument in the case of Greenland's block grant, arguing that has a that the block grant is beneficial to Denmark in many ways that are not acknowledged. Grydehøj argues that the block grant should be viewed as an investment rather than a gift or form of aid. He points out that nearly all of Greenland's imported goods are imported from Danish businesses. Therefore, the block grant increases demand for Danish goods, making the block grant a beneficial investment for Denmark, as it is multiplied back into the Danish economy. Further, Grydehøj argues that many Danish workers go to Greenland to work for short periods of time and then return to Denmark with their accumulated wages. This causes their wages from Greenland to be reinvested in the Danish economy, rather than the Greenlandic economy. Grydehøj also argues that Denmark gains international power from its relationship to Greenland.



As the polar ice caps melting is making natural resources and minerals more accessible, Greenland is receiving more international attention. Further, Greenland has been of considerable geopolitical and military interest internationally, and the United States has a significant military radar situated in the North of Greenland. Grydehøj quotes former Foreign Minister of Denmark Martin Lidegaard who says, “We quite simply make a greater impact in Beijing and Washington and Berlin because we're associated with Greenland. It's among the elements that make Denmark's foreign policy unique” (p. 108).

Grydehøj (2016) discusses how Greenlandic identity has been impacted by their colonial history; he writes: “Greenland’s colonial experience has trapped it in a Denmark-oriented conceptualisation of Greenlandic identity, which prevents the pursuit of potential political and economic futures, for example gaining economic benefits through the provision of strategic services to a patron state”. He claims that there is a binary conception of Greenlandic versus Danish identity and that Greenlandic identity has come “to be defined in opposition to perceived Danish values”. Grydehøj debates Greenland’s most promising path toward complete sovereignty, both in terms of economic self-sufficiency and being able to configure a Greenlandic identity independent of Denmark. He briefly discusses the excitement of many created by the prospects of revenues from the new resources being discovered on Greenland. However, drawing from experiences of other subnational island jurisdictions and writing by Overton and Murray (2014), Grydehøj argues that the block grant provides better prospects for Greenland’s economic independence; the block grant is a more long-term, sustainable revenue stream than revenue from natural resources. Grydehøj argues that the perception of the block grant must change from being regarded as charity to being viewed as a “payment for strategic services”, for Greenland to be able to fully utilize the grant to achieve economic self-sufficiency.

## **Resource Curse**

Greenland's desire for self-reliance is becoming more globally debated as the polar ice caps melting is making natural resources and minerals more accessible in Greenland. Economists such as Torben Andersen (2015) identify natural resources as Greenland's most promising economic prospect and Naalakkersuisut, the Greenlandic government, write: "a handful of promising mining prospects are prepared, set to open during the next five years, making Greenland one of the most interesting mining nations in the years to come". While Greenland hopes revenues from these resources and minerals will help them achieve economic self-reliance, the exploitation of natural resources raises many concerns. Stevens and Dietsche (2008), for example, identify Greenland as a country "at risk of 'contracting' the resource curse" (58).

Natural resources contribute to the economy in several unique ways that raise potential problems. Natural resources generate temporary windfalls. They are non-renewable, meaning that they have a fixed supply that is eventually depleted. They don't reward productivity, generating rents rather than wages/profits. They are a point-source good, which concentrates economic activity to one area. And, finally, their supply is unpredictable. Sachs and Warner (1995) are the first to document the existence of the resource curse; they show that there is a robust negative relationship between a country's share of primary exports and its subsequent economic growth. There are several possible explanations for this correlation. One explanation for this correlation is an idea known as the 'Dutch Disease', which claims that non-renewable resources generate a large influx of money, the government spends money on non-traded goods, labor and capital shift to the resource sector and other sectors don't develop. Other scholars suggest that natural resources have a bad effect on institutions. Sala-i-Martin and Subramanian

(2003) argue that the negative correlation identified by Sachs and Warner is created by natural resources encouraging institutional decay. It is argued that the discovery of non-renewable resources often create higher levels of corruption and rent-seeking behavior, incentivizing government officials to create institutions which support unequal distributions of wealth. Because non-renewable resources generate rents, government officials are incentivized to create institutions that help them concentrate the wealth and keep the rents without making productive changes in the country's economic base. Sala-i-Martin and Subramanian's theory could suggest that the increasing focus on the exploitation of Greenland's natural resources might incentivize institutional decay and more corruption in government. Mehlum, Moene and Torvik (2006), however, claim that institutional difference cause the divergent paths. If the country has good institutions when they find the resources, resources can be good for growth. However, if the country has bad institutions when they find the resources, the resources will encourage corruption and will be bad for long-term growth. While most resource abundant countries have been subject to the resource curse, countries with good institutions, like Norway, Botswana, Canada and Australia, have used their resources to generate long-term growth. This theory suggests that there are ways in which Greenland can avoid the resource curse. In 2014 a joint committee between members of Ilisimatusarfik (the University of Greenland) and the University of Copenhagen was set up to address Greenland's resource potential. The committee suggested establishing a wealth fund to stabilize the economy and avoid the problem of unpredictable windfall revenues. They also argue that the block grant from Denmark could act as a stabilizer for Greenland's economy, which could potentially reduce overheating in times of large natural-resource revenue as well as compensate for periods of decline in this type of revenue. However, incorporating the block grant into Greenland's plans to exploit their resources seems like a step

back towards increasing dependence rather than a step towards complete sovereignty. Finally, the committee suggests addressing corruption by introducing a policy where individuals cannot take a political post after having a seat on the board of a mining company and calls for greater transparency surrounding the mining process generally.

## Concluding Remarks

“A shift in language (and also in thought) occurred after World War II. Verbiage about racial superiority, the tutelage of backward peoples, and people not ready to rule themselves went into the wastebasket. Self-rule and decolonization became universal principles. The West exchanged the old racist coinage for a new currency. “Uncivilized” became “underdeveloped.” “Savage peoples” became the “third world.” There was a genuine change of heart away from racism and toward respect for equality, but a paternalistic and coercive strain survived”

(Easterly, 2006, p.28)

Throughout Greenland’s colonial and post-colonial history we see a tension in Danish policies between rhetorics to disguise economic motivations and attempts to intervene “for the benefit of Greenlandic society” (Greenland Commission Report, 1960, p. 30). In this project, I argue that it is important to take seriously the ways in which Denmark genuinely thought they were helping Greenland. As Conklin (1998) writes: “To capture the full complexity of not just the French-West African colonial encounter but the myriad other democratic imperialisms during this period, all the contingent and contradictory registers of liberal discourse must now be recovered and analyzed” (p. 441). In chapter 3 I demonstrated how Danish colonial policies, on the one hand, sought to civilize and modernize Greenlandic society and, on the other hand, attempted to maintain traditional hunting practices for economic gain. These complex and sometimes contradictory social engineering techniques of governance have been linked to long-term problems of Greenlandic identity. In chapter 4 I analyze Denmark’s modernization plans, as read in the Greenland Commission reports. I provide suggestive evidence that Denmark’s modernization of Greenland was linked to rises in measures of social disruption, disruptions in the labor market and perhaps even worsening terms of trade. Although Denmark claimed to have been attempting to improve Greenland’s economy to raise living standards and “benefit

Greenlandic society” (Greenland Commission, 1960, p.30), this modernization period seems to have had several bad effects. This shows that even when a colonial power is trying to help the indigenous, paternalistic interventions can have complex effects; paternalistic interventions prevented Greenland’s economy from developing in an autonomous way.

This critique of Denmark’s attempts to ‘help’ Greenland is not isolated to the case of Greenland, nor is it just a historical question; we are still grappling with the issue of how to help effectively. As Easterly’s quote alludes to, paternalistic policies are not just a thing of the past. In his critique of development economics, *The White Man’s Burden*, William Easterly (2006) ties the beginning of foreign aid to colonialism, arguing that foreign aid programs hold back local attempts to increase living standards using local institutions and markets. Critiques of development economics, such as Easterly’s, argue that the universalism applied in development policies is a continuation of the colonial civilizing mission.

It is important to recognize the similarities between colonial policies and paternalistic development policies today, both generally and in the case of Greenland. Greenland’s contemporary struggle for sovereignty is complex. Greenland’s desire for complete sovereignty depends, in part, on their economy’s ability to sustain itself independently from Denmark. However, there are also more nuanced questions of being able to reconfigure Greenlandic identity independent from Denmark. As Grydehøj (2016) writes “Greenland’s colonial experience has trapped it in a Denmark-oriented conceptualisation of Greenlandic identity, which prevents the pursuit of potential political and economic futures”. The distinction between independence and dependence is not clear cut and in light of continuing influence from Denmark, it is important to emphasize that this distinction should be defined in Greenland. Although I have tried to get a Greenlandic perspective on how Greenlanders imagine their post-

colonial identity, most academic writing about Greenland comes from Danish or Danish/Greenlandic scholars. More input from Greenland is needed. It is also important to pay attention to the perception of Greenlandic identity in Denmark and I would argue that creating greater awareness about Greenland's colonial history in Denmark may help Greenland's continuing struggle for sovereignty. The block grant is good example of the complexity of continuing 'help' from Denmark. Although politicians on both sides would like to see the end of this grant, Greenland's economy relies on it and would not be able to sustain itself without it. However, I argue that a tangible improvement would be changing Danish perceptions of the block grant from being a charitable donation, to being an investment. It is unrealistic to suggest that Denmark will play no part in shaping Greenland, but hopefully Danish politicians can learn from looking back on the history of Denmark's relationship to Greenland and attempt to raise Greenlandic viewpoints on the continuing struggle for sovereignty, rather than impose paternalistic policies. For Gad (2014), it is helpful to look at the ways in which Denmark's colonial project has harmed Greenland, but he argues that we must do so without underplaying Greenland's capabilities today by victimizing Greenlanders. Gad argues that careful, thoughtful discussions of Greenland's history and contemporary struggles and aspirations can help Greenland to place itself as "both a victim of past Danish sovereignty games and an important player in future Arctic sovereignty games" (p. 112).

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## Appendix

	(1) suicide	(2) suicide	(3) suicide	(4) suicide
<i>Ulag1</i>	-0.103*** (-5.83)	-0.117*** (-6.46)	-0.103*** (-6.99)	-0.118*** (-7.75)
<i>col</i>	-10.88*** (-4.76)	0 (.)	-12.04*** (-6.59)	0 (.)
<i>collagurban</i>	0.0810*** (4.52)	0.0847*** (4.60)	0.0885*** (5.96)	0.0961*** (6.28)
<i>lngdplag</i>	-0.228* (-2.36)	-0.308** (-3.15)	-0.129 (-1.62)	-0.197* (-2.44)
<i>unemployment</i>			0.0586*** (4.13)	0.0599*** (4.19)
<i>_cons</i>	24.39*** (10.51)	16.36*** (16.50)	23.30*** (12.46)	13.94*** (16.73)
<i>N</i>	3904	3904	3549	3549

t statistics in parentheses

\* p<0.05, \*\* p<0.01, \*\*\* p<0.001

### Appendix 1: Urbanization, Colonization and Suicide Rates; Preliminary Results

Where columns (1) and (3) are random effects and (2) and (4) are fixed effects. *Ulag1* is the urbanization rate (% of population living in an urban area) for year t-1, *col* is the colonizing dummy, *collagurban* is the interactive term between the colonizing dummy and the urbanization rate (*col* x *Ulag1*), *lngdplag* is the log of GDP per capita for year t-1 and *unemployment* is the unemployment rate.