



Greenland[❖]

– Lise Lyck[†]

Greenland is the largest island in the world, with a huge territory mostly is covered by ice to the extent of about 81 percent (the icecap). It lies in the Northern North America between the Arctic Ocean and the North Atlantic Ocean North-east of Canada. The territory free of ice is the same size as the territory of Sweden, which accounts for eight times the territory of Denmark.

Greenland's history can be dated back to about 4000-5000 years ago when tribes came to the Thule area. Since then people from not less than six different Inuit cultures have immigrated to Greenland. In the year 982 AD, Vikings from Iceland arrived and this marked the start of Viking period in Greenland. The Viking population however disappeared around year 1500 AD. Following this, expeditions from England and Denmark – Norway came to Greenland in the 16th and 17th centuries. In 1721, a missionary from the joint kingdom of Denmark – Norway arrived in Greenland and baptised the local Inuit Greenlanders to develop trading colonies along the coast as part of its aspirations as a colony power. Greenland had a colony status until the year 1953, when Greenland became a Danish county. In 1979, Greenland got Home Rule Act; and in 2009 the Act was changed into a Self-rule Act. It implied that political decisions and financial responsibilities that were previously issued from Denmark had been handed over to the Greenlandic government.

Economy

The economy remains critically dependent on exports of shrimp and fish, income from resource exploration and extraction, and on a substantial subsidy from the Danish Government. The subsidy is budgeted to be about US\$650 million in 2012, approximately 56 percent of government revenues in 2012 for the year.

The public sector, including publicly owned enterprises and the municipalities, plays the dominant role in Greenland's economy. Greenland's real Gross Domestic

PROFILE	
Population:	56,740***
GDP (Current US\$):	1.268 billion***
Per Capita Income: (Current US\$)	26,020 (Atlas method)*** (at PPP.)
Surface Area:	410450 sq. km***
Life Expectancy:	68 years
Literacy (%):	100 (of ages 15 and above)***
HDI Rank:	77**
<i>Sources:</i> - World Development Indicators Database, World Bank, 2012 - Human Development Report Statistics, UNDP, 2010 (**) For the year 2010 (***) For the year 2012	

Product (GDP) contracted about 1 percent in 2009 as a result of the global economic slowdown, but is estimated to have grown 2 percent in 2010 and 3 percent in 2011. The relative ease with which Greenland has weathered the economic crisis is due to increased hydrocarbon and mineral exploration and extraction activities, a high level of construction activity in the Nuuk area and the increasing price of fish and shrimp.

During the last decade the Greenland Home Rule Government (GHRG) pursued conservative fiscal and monetary policies, but public pressure has increased for better schools, health care and retirement systems. The Greenlandic economy has benefited from increasing catches and exports of shrimp, Greenland halibut and, more recently, crabs. Due to Greenland's continued dependence on exports of fish – which accounted for 89 percent of exports in 2010 – the economy remains very sensitive to foreign developments.

International consortia are increasingly active in exploring for hydrocarbon resources off Greenland's Western coast,

❖ Original paper written in September 2013.

and international studies indicate the potential for oil and gas fields in Northern and North-eastern Greenland. In May 2007, a US aluminium producer concluded a memorandum of understanding with the Greenland Home Rule Government to build an aluminium smelter and a power generation facility, which takes advantage of Greenland's abundant hydropower potential. Within the area of mining, olivine sand continues to be produced and gold production has resumed in South Greenland, while rare-earth and iron ore mineral projects have been proposed or planned elsewhere on the island. Tourism also offers another avenue of economic growth for Greenland, with increasing numbers of cruise lines presently operating in Greenland's Western and Southern waters during the peak summer tourism season.

CIA World Factbook

Evolution of the Competition Regime

The legal regulation has its roots in the Nordic competition system. However, new laws have been agreed upon after the Home Rule of 2009. It is a complete set of laws including consumer laws (October 14, 2011, number 989), Sale of Goods Act (after November, 2011) and the Interest Act (November 08, 2011). A commission for competition, including a secretariat, is responsible for the daily administration of the new Competition Law (number 16 from November, 2009). The intention of the law is to promote an effective use of the social resources to competition that benefits the corporations and consumers. The law changes the existing paradigm for competition, based on the principles of control to a paradigm of transparency. It implies a ban against the misuse of dominating positions and follows the EU competition system. However, it includes merger control, because the economy is characterised by many small firms. This change implies that the new Competition Law is closely related to the Danish Competition Law. Information concerning competition is found in both Greenlandic and Danish (Grønlands Forbrugerråd, 2012).

The Greenland Home Rule Model

In the 1970's, the Greenlanders were actively negotiating with Denmark on achieving a Home Rule model, like the one on the Faroe Islands. The Home Rule model came into force in 1979. Since then, political and economic development in Greenland has been very fast.

As Greenland had no Home Rule in 1973, Greenland automatically became a member of the EU, however, the Greenlanders were promised a referendum to decide on the membership themselves when they achieved a Home Rule. The referendum resulted in declining of the membership and in 1982

Greenland left the EU, as the only country that has ever left the EU. A decisive argument in the negotiations was that Greenland is situated on the American continental shelf, a unique argument, which cannot be copied by any other territories in the EU wishing to leave the union.

In 2009 Greenland got a new Home Rule Act. As is the case for the Faroe Islands, this Home Rule model is not a normal autonomy model, since the Home Rule and self-governance are not given by an international treaty or mentioned directly in the Danish Constitution. However, the Greenland Self-government Act of 2009 is considered the most power transferring act among all existing autonomous acts in the world. It includes the possibility that the Greenlanders can choose themselves to become establish a sovereign state if there is a majority vote for it in the population. Furthermore, it also gives the sub-soil rights to Greenland, which has resulted in new laws on mineral activities in Greenland.

Consumer Protection

Greenland also has a consumer council with seven members. The rules of procedure have been changed referring to the new Law Number Eight (2011). Its activities are published annually in a report on consumer questions.

Concluding Observations and Future Scenario

The competition system in Greenland was initially the same as in Denmark, except for the laws prevailing for the Faroe Islands and Greenland. It was a competition system based on control of the price setting, allowing monopolies and oligopolies to exist. The main change after Greenland has achieved the new Home Rule of 2007 is that the basic competition system now is based on the ban of dominating positions and of mergers, monopolies and oligopolies. However, due to the small size of the economy with many small firms there are exceptions from the basic rules on competition. Furthermore, Greenland has very specified rules for consumer protection and now has a modern and adjusted law system that fits the needs for a small open economy with high exports and imports. All the laws can be found on www.atuisoq.gl, but are only available Greenlandic or Danish.

Suggested readings

Axel Kjær Sørensen (2006): *Denmark- Greenland in the twentieth Century*. Man and Society 34. Copenhagen, the Commission for Scientific Research in Greenland. ISBN 978-87-90369-89-7.

Lyck, L. eds. (1996): *Constitutional and economic space of the small Nordic jurisdictions*, Nordiska Intitutet för Regionalpolitisk Forskning, ISBN: 91-88808-18-1.

Related websites

Greenland- BE A PIONEER: www.greenland.com/en/about-greenland/kultur-sjael/historie.aspx

Grønlands Forbrugerråd (2012): *Lovgivning*, www.atuisoq.gl

Human Development Report Statistics, UNDP,

2010. <http://hdr.undp.org/en/reports/>. NANOQ.GL: www.nanoq.gl.

World Development Indicators Database, World Bank, 2012. <http://data.worldbank.org/data-catalog/world-development-indicators>

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