

Why is Transparency Greenland necessary?

An interview with Anders Meilvang and Anne Mette Christiansen

Greenland is facing significant changes in the composition of its economy, and is moving rapidly in the direction of becoming a commodities economy. Studies conducted by Transparency International in other parts of the world suggest that oil exploration and mining are among the areas of economic activity, which carry the greatest risk of corruption. It is therefore important that Greenlandic society is prepared for the new economic players, and the risks this may entail.

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BBJ: Why did you establish Transparency International, Greenland?

AM: To a large extent because of the whole debate concerning the development of extractive industries in Greenland. If Greenland's economy becomes dependent on raw materials as opposed to fishing and tourism, a completely different set of problems will arise. According to Transparency International, the mining, oil and raw material industries are generally the most corrupt industries in the world. We are therefore working to strengthen and develop Greenland's anti-corruption mechanisms to avoid corruption in the future. At the moment, people tend to focus on the oil industry, but actually the mining industry is far behind. There have been decision processes that weren't open enough, and that's being discussed at the moment. It's a good thing that the discussion has finally started. Corruption is the greatest obstacle to global development. This is also relevant to Greenland. Many of Greenland's earlier problems were caused by nepotism.

AMC: If we do not address the corruption issue, it will be futile to discuss the environmental or social aspects of development. If corruption takes hold it does not matter what we do about the other areas because it won't have any effect. In many countries, environmental concerns get overruled because someone has been bribed. The absence of corruption

is a prerequisite to even looking at others aspects of sustainable development, whether environmental, financial or social. Greenlandic civil society is weak, and there are not many strong non-governmental organizations—neither environmental organizations nor social/ human rights organization. Different reports such as the Tax and Welfare Commission points to the fact that the Greenlandic administration is struggling with a high turnover of employees and lack of knowledge transfer. A recent report from the Greenlandic Employers' association points to a lack of transparency in hearing processes. We really need someone to sound the alarm, whistleblowers if you want, and insist that everything is discussed openly and thoroughly.

BBJ: I've looked at the most recent CPI (corruption perceptions index) from 2011. Denmark comes in at an impressive second after New Zealand, but Greenland isn't included at all. Looking at the map, it seems that Greenland is the only country with no data. Why is that?

AMC: The CPI draws on thirty-three different sources, and at least five need to be available to tell what position a country has. Much of this data doesn't exist for Greenland because it isn't an independent state. I've had several meetings with the international TI secretariat in Berlin to find out whether we should go through the list again to check whether it would be feasible. We would like to include Greenland in the CPI.

BBJ: If you had to make a qualified guess or make your own measurement based on your perception, what would you then say is Greenland's position?

AMC: According to our recently published National Integrity Study, there is no large-scale corruption, but there might be examples of facilitation payments, gifts and entertainment—small-scale corruption if you will similar to Scandinavia. There are stories and examples of small-scale things, but not of extensive, general corruption.

BBJ: How has the Transparency Greenland initiative been received?

AMC: That depends. I'd say that initially we were practically attacked for being in the pocket of GA, the Employer's Association of Greenland. There was an attack from one of the government ministers. I don't know the reason why, but it was very surprising and fierce. Perhaps it was healthy for us because it prompted a discussion of what exactly we were up against. We're up against the power structure in some way, and there are some who are at risk of losing power. Besides this, we have been very well received at the official level. Three ministers attended our launch event, and the Minister of Finance spoke. The government talked about the importance of openness, and there are many who have invited us to discussions and meetings. We were also not met with any criticism in the media—on the contrary, they have backed us up. We have had some concrete suggestions



Anne Mette Christiansen (Board member) and Anders Meilvang (Head of Board) of Transparency Greenland.

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for a whistle-blower system because it is very difficult to openly criticize public as well as private organizations. It’s a small society, and you can lose your job. Many people think it’s a very good idea, and it has prompted a fruitful discussion. People say, “We actually all know something or other that we don’t dare tell anyone”. So I think that the feedback has been all good except for the initial attack.

AMC: Sometimes there’s some grumbling about us being a very Danish organization. However, many of the members of the board are Greenlanders. And it is a global movement, not a Danish idea.

BBJ: *Corruption is as good as impossible to detect objectively, which is also why you assemble a perception index. But it’s also alluringly close to nepotism and incompetence!*

AMC: We employ the official TI definition, which is “the abuse of entrusted power for personal gain.” This applies to public as well as private organizations and businesses. We’ve pinpointed one issue, conflict of interest, and nepotism, as a potential problem in a small society. It’s not necessarily done in bad faith, but merely caused by people being so close. One of the things we try to look at is what you can do to limit conflicts of interests, and become more aware of the problem by working with a set of objective criteria for selection processes, and being open about the choices made when hiring people donating money, offering sponsorships, etc. We generally try

to promote a higher degree of transparency.

AMC: Hiring a cousin or a sister is practically unavoidable. Our message is that withdrawing in situations of incompetence is a way to protect the individual. We have to establish a set of criteria so that when the cousin gets the job, you can say that it was a transparent selection process and that he was actually the person most qualified. People say that this society is very open because it’s so small, but in this specific case I think they’re wrong. Many decisions are made by a select few behind closed doors, and there’s an awful lot of gossip. The rest of the society are trying to guess why things turn out the way they do. In my view, a lot of nepotism-related problems could be avoided through openness.

BBJ: *But you can’t maintain free market competition as well as clear-cut distinctions between state, market and civil society in a town of 4,500 people with perhaps a single available bulldozer. You can’t expect free and open competition because conditions don’t allow it. The Greenlandic society does not have the critical mass necessary to divide things into separate, independent entities. There will always be intimate ties between social institutions and private companies. How do you deal with that?*

AMC: Well, it just shows that it is even more important to ensure openness and democratic discussion. The free market is an illusion here so you have to agree on how to organize things instead.

AMC: There has been established a forum called Forum for Social Responsibility, which provides the opportunity for businesses and the government to discuss Corporate Social Responsibility issues. One of the thoughts behind it is that unlike in so many other societies, neither the state nor the market alone can manage to solve many of the problems that society faces, so we have to form partnerships. In other words, we need to join forces to bring society forward.

BBJ: *That makes demands on the government but also on the large companies to a large extent. And I guess it also requires some NGOs on the outside of the system to serve as watchdogs?*

AMC: Well the ‘Law of Jante’ is very powerful here, and standing up for something is very hard, also in a critical sense. There is no tradition for it. Perhaps we need to regard NGOs in another way than the traditional Western one. I think it’s very important to include the citizens in another way than the association approach of “We’re against something or other”. Greenland still needs more extensive commitment to community development at a political level. The political debate still needs to develop further.

BBJ: *In small villages of only a couple of hundred people, you naturally have to take care not to become unpopular because that might cause significant problems. But the opposite is true as well. You do see some people who have really put their foot in it, who have been exposed or have lost their jobs, but who are nevertheless*

back in some key position only a short while later.

AMC: But that’s also due to necessity – you simply cannot throw away your resources here. In principle, that’s also why the practice in Denmark of putting children in children’s homes and letting them stay within a closed-off institutional world, there’s no room for that here. You need to get them back into society to function again.

AMC: A fairly small part of the population live in settlements now. When you talk to people in Nuuk and in the other larger towns, they have strong ties to Inuit traditions, but they also look ahead and embrace development.

AMC: Greenlanders have been good at taking what was good for them and promoting that, and at keeping those parts of history that did not stand in the way. Greenlanders are generally very pragmatic, thank goodness. After all, it’s important that Greenland develops into a country that can function in a globalized world. That whole “back to our roots” discussion is not something you encounter on a political level, only on a cultural one. I think this balance is very good.

BBJ: *Anne Mette, you mentioned earlier that you have to approach the large corporations and work with them on developing Corporate Social Responsibility, or CSR—is that possible?*

AMC: I’ve worked with CSR in Denmark for ten years, and the development in Greenland over the last two years far surpasses the Danish results. It’s just natural here, partly because it is close to the hearts of many of the top executives and partly because it makes a lot of sense. You could say that even though many of these businesses don’t need to compete for customers because they have a monopoly, they are competing for the most important and most scarce resource: employees. Let’s say that there are twelve to fifteen large corporations in this country; most of these are well underway with their CSR work already. I think the reason why it’s happened so fast is that it fit in with something people felt they were actually doing already. It’s new in the sense that people haven’t dealt with it as a structured or comprehensive concept, but the labor market has always been very flexible and inclusive. Here, you can really talk of companies able to deal with many different kinds of employees. They are very tolerant and active in their local communities. There has been a lot of focus on the development of competence simply because it has been a necessity if you wanted local employees. So companies have needed to develop their

resources in a manner entirely different from what they do in Denmark. The environmental agenda was largely non-existent when we started out. It has only emerged during the last couple of years, but there is great interest in it. So I think that it’ll play a major role in the future.

BBJ: *You don’t need to be particularly well read to have noticed that social and environmental responsibility is not doing very well in Nigeria, Kazakhstan, Azerbaijan and numerous other countries where multinational companies extract oil and gas!*

AMC: There’s a radical difference between the two, though, because most of the corporations working in this country have their home market here and hire their employees here. If you lose your license to operate here, you no longer exist. There’s a clear-cut correlation for businesses— if things are going well in Greenland financially and socially, then the companies are doing well too. That correlation does not apply to the international companies. After all, Shell is completely global. They operate in 180 countries or something like that, and the same goes for the other oil companies arriving. There’s no direct correlation for them between the country thriving and their business thriving. So you can’t compare the two at all.

BBJ: *So the large multinational corporations will be met with a different set of criteria and terms?*

AMC: Yes, entirely.

AMC: They all say the right things, but they’re here to make money after all; that’s what it’s all about.

BBJ: *People are waiting for London Mining to move in. It’s a Chinese company, and in China you might ultimately be executed for getting on the wrong side of the government. How can you work with such a company and convince them to behave according to principles that they could get jailed for defending in China?*

AMC: You need to make the demands you think are necessary—environmentally, in relation to work safety, regarding wages—and then you need to keep an eye on them and take action if they aren’t met. I think that’s the hard way. Trust is good, but control is twice as good. The problem, for instance, when it comes to work environment, is that the Greenland Health and Safety Authority has two or three employees. How are they supposed to control so many mines all along the coast? That’s a big problem, but I think we need to approach the issue with a great deal of mistrust. Make demands and make sure they are met.

AMC: In my view, we’re not quite ready for it yet. Even though we’ve adopted a set of

environmental regulations from Norway, we have weak monitoring mechanisms; we have very few people here who possess the expertise required. We have few mechanisms that will in any way hold these companies accountable. Once someone has invested in a mine and made a fifty-year contract with the government... then good luck throwing them out. But the government has been very clear on the fact that sustainability is important for them as well, so I think that helps a lot.

BBJ: *Yes. They may have invested two billion dollars in a pipeline. Isn’t the power balance completely skewed?*

AMC: We lack some political insight or political will to do something about it unfortunately.

AMC: What’s going on right now is at once incredibly fascinating and incredibly frightening. These are really large companies with a lot of resources. So the question is, what kind of mechanisms do we have that will hold them accountable? Not very many. What we’re trying to do is to reach out to organizations such as TI and the UN Global Compact. Talking to some of the bodies where these companies are also represented and making sure that they keep an eye on Greenland and what is going on here. After all, we can’t do anything on our own.

AMC: The most recent long discussion we’ve had centers on the fact that they’re still at the exploration stage, but that they apparently want to make some very extensive plants for discharge and that there’s no turning back. This was scheduled for a more or less closed hearing with persons specially selected by the authorities. The pressure from the media and various NGOs made them reschedule it as a public hearing, and there has been much debate since then, but that’s a brand new phenomenon never seen before in this country, and it bodes well that awareness is increasing.