

SHIFTING THE CENTRE

The Transformation of Greenlandic Society
from Subsistence to Market Economy in the Nineteenth Century.

By:
Zoe Robakiewicz
Art History



ABSTRACT: In this article, I aim to illustrate the process of transforming Greenlandic society from one centered around a subsistence economy to one integrated into the external Danish market, drawing particularly on Karl Polanyi's characterization of market patterns. My focus will be on the means by which the colonial administration acquired a socio-economic dominant position in Greenland, the colonial reforms implemented during the nineteenth century, and the establishment of *forstanderskaberne*, local councils of representatives, as a pivotal milestone in the transformation of the Indigenous society.

KEYWORDS: Danish colonialism, colonial governance, mercantilism, labour history



Introduction

The nineteenth-century political reforms occurring in Greenland have been the focal point of multiple historical analysis by scholars concerned with the colonial relationship between Denmark and Greenland. For many historians like Søren Forchhammer or Søren Rud, the creation of *forstanderskaberne* (local councils) as local administrative units in Greenland in 1862 in Southern Greenland and 1863 in Northern Greenland, served as a backdrop for significant structural changes occurring in both Denmark and Greenland (Forchhammer 2006; Rud 2017; Rud 2017). In this paper, I aim to demonstrate that the reforms surrounding creation of the local councils in the 1860s marked a transformative juncture, symbolizing the conclusion of a century-long period characterized by proletarianization and transformation of Greenlandic society from one organised around subsistence economy and its specific division of labour, to market economy and wage labour. To examine the process and apparent changes in the approaches of the colonial administration, I will use writings of missionary colonist and businessman Hans Egede, the civil servant - inspector of the region Southern Greenland, geologist and amateur anthropologist Heinrich Johannes Rink and the legal document of the *Instruction* from the 1782, which functioned as a legal framework for the Greenland's administration until 1908.

Much research on the colonial relationships between Denmark and Greenland has been influenced by core ideas in Michel Foucault's inquiry into historical development of biopower and the pairing of knowledge-power as a tool for the creation of modern subjectivities in governing practices (Cooper & Stoler 1997). The seminal work of Ann Stoler has also been instrumental in shaping the field of European colonial history, employing a Foucauldian approach termed the 'dialectics of inclusion and exclusion' (Cooper & Stoler 1997). Stoler's application of Foucauldian concepts to colonial governance highlights the instrumentalization and intertwining of colonial and metropolitan subject identities. The impact of Stoler and Frederick Cooper's work can be traced to the scholarship of the colonial relationship between Denmark and Greenland. This includes Hans-

Erik Rasmussen's work on the social stratification of Greenlanders as a method of exercising power by the Danish administration; Jens Manniche's studies of the historical significance of mastery of languages — Greenlandic and Danish — as indicators of positioning within the power structure of the administration; Kirsten Thisted's research within cultural analysis, literary studies, and discourse analysis in Denmark and Greenland touching on the process of constitution of ethnic, gender, and class identity (Rasmussen 1986; Manniche 2002; Thisted 2012).

In my approach, I aim to bridge the studies of governmentality based on social theory of power with research on socio-economic transformations that occurred from mercantilism to the latter half of the nineteenth century in European trade, with the emergence of capitalist economic structures and with the colonial context.

Firstly, I will employ Karl Polanyi's characterization of market patterns as a specific organizational structure for exchange and apply his description of the mercantilist state politics to understand the Danish crown political strategies in the formative period of establishing the colony in Greenland (Polanyi [1944] 2001: 60-65). The Royal Greenlandic Trade Department embodied characteristics of both a state, employing power-oriented strategies such as war and judicial procedures, and a profit-oriented business enterprise, creating systems of production and distribution through buying and selling (Arrighi 2010).

Secondly, I will explore the methods by which the Royal Greenlandic Trade Department subjugated and transformed the Greenlandic Inuit society. In this section, I will describe the primary steps taken to transform the Indigenous society from a subsistence economy to one based on market relations. The expropriation of Indigenous people in the process of colonization both mirrored and influenced historical precedents such as land enclosure from the sixteenth to eighteenth centuries, which led to the proletarianization of peasants and commoners in Europe. I will emphasize the significance of undermining the pillars of the subsistence economy by the colonial power as a means of eroding the independence of Indigenous social relations.

Thirdly, I will describe the conditions in the nineteenth century colonial Greenland, following the Napoleonic Wars and crisis occurring in the middle of nineteenth century. I will stress the importance of harnessing the social consequences of poverty among Greenlanders by the colonial

administration in creation of the conditions for transformation of the Greenlanders into wage labour. To visualize the process of integrating Greenlandic society into the market economy through administrative reforms, I will draw upon the parallel in Poor Law Reform and theory of political economy of the nineteenth century.

Mercantilism and Market-state Entities

In his analysis of the emergence of the modern market economy, Karl Polanyi observed that “mercantilism destroyed the particularism of local and intermunicipal trading by breaking barriers separating these two types of noncompetitive commerce and thus clearing the way for a national market” (Polanyi [1944] 2001: 68). He noted that the dominant merchant class in the mercantilist system, though subordinate to the crown, became the driving force behind the “marshalling of the resources of the whole national territory to the purposes of power in foreign affairs” (Polanyi [1944] 2001: 69).

This marshalling of resources by the Dano-Norwegian crown to establish trade stations and integration of Greenland to the national market was facilitated by The Bergen Company, a joint-stock company primarily funded by Norwegian merchants from Bergen, including the Norwegian pastor Hans Egede. The dual nature of trade companies like The Bergen Company reflected the power dynamics within the mercantilist state of the Dano-Norwegian crown. The merchant class depended on the state to implement policies that served their interests, while the state relied on trade to strengthen the national currency.

The Bergen Company sought to profit by purchasing Greenlandic produce cheaply and selling it at higher prices in the homeland’s entrepot, aiming to extend the national market to Greenland. However, dominating the Greenlandic trade required more capital expenditure than the Bergen merchants could afford, leading to the company’s debts and gradual takeover by the crown in the seventies of the eighteenth century. In that period, the Greenlandic trade became heavily supervised by the Finance Collegium and the crown. The importance of state capital became apparent, leading to the establishment of the state-owned Royal Greenland Trade Department (RGTD) in 1776.

Although managed like a trade company, it answered to the Finance Collegium rather than to private investors.

The persistence of the Greenlandic *Dasein* (colonial project) by the Danish crown seemed to be driven as much by hope for future profit as by the fear that failure would result in a loss of prestige in the international and local arena. In order to be able to win with the Dutch merchants competing with Danes over the right to trade in Greenland, the Danish crown had to establish a costly and constant presence in Greenland, even without immediate prospects for gains. Private capital was not enthusiastic about long-term investment in the Greenlandic trade. As described by one of the most prominent historians of Danish colonial presence in Greenland, Fin Gad, “no private trading enterprise would, at that time, have been able to manage the deficits to which the trade was at times exposed” (Gad 1976: 284).

Financed by the state treasury, the new venture of the Royal Greenland Trade Department couldn't go bankrupt as long as there was a viable purpose for keeping it afloat. The department effectively imposed executive decisions on the traditionally decentralised Greenlandic trade market, such as enforcing a monopoly and banning trade between Greenlanders and any merchant except the one designated by the Danish crown. Ultimately, the Royal Greenland Trade Department served as a hybrid entity, as described by Fin Gad, functioning as “a strange mixture of administrative organ, commission agency, and trading enterprise” (Gad 1967: 248). By the end of the eighteenth century, when the formative period of colonization was finished, the statements of the company's accounts for both individual colonial districts and the trade as a whole contained at least as many abstractions as real entries. Additionally, neither the management nor the committee acquired real insight into the yearly balance sheet or any idea of where savings could be made (Gad 1967: 251).

Subsistence Economy

Karl Polanyi's analysis of the origins of the free-market economy challenges the causal relationship between human nature and market relations proposed by classical economists like Adam Smith. In his writings, Smith attributed the emergence of market relations to a natural human proclivity to truck and barter (Polanyi [1944] 2001: 48-49). Polanyi demonstrates that for market relations such

as trucking and bartering, a predefined 'market pattern' must first be established, in order to emerge: "Unless such a pattern is present, at least in patches, the propensity to barter will find but insufficient scope: it cannot produce prices" (Polanyi [1944] 2001: 59).

Before the Dano-Norwegian crown established permanent trading stations in Greenland, seasonal markets existed for exchange between Greenlanders and, primarily, Dutch merchants. However, as Polanyi emphasizes, sporadic market activities were insufficient to sustain commercial trade or establish prices for exchange. One of the most significant obstacles to introducing a dominant market pattern in Greenland for the colonial administration of The Royal Greenland Trade Department was the central role of the subsistence economy in organization of the Greenlandic society. Similarly to the much later transformation of the Indigenous Inuit societies in Canada, it was crucial for the Danish colonial administration to erode the central role of the subsistence economy in Greenland in order to introduce permanence of the market pattern and market relations (Hall 2021: 462-464).

Before the colonization of 1721, Greenlandic society was organized around non-commercial principles of reciprocity and redistribution, with the aim of ensuring the continuous reproduction of society and the common benefit (Sødbye 2019: 43-46). Reciprocity was deeply embedded in the cycles of gathering, fishing, hunting, and trapping, ensuring the subsistence and redistribution of goods among all members of the community. Dwellings were not subject to the law of private property, as living in shared houses was the most convenient way to ensure community's survival. Reciprocity and redistribution were also reflected in kinship relations, which extended to people who weren't blood related. In cases where someone could not provide for themselves due to the loss of an important member of their unit, they would typically join relatives or other families to create a larger unit (Marquard & Caulfield 1996: 108-109).

The subsistence economy necessitated that each able person in the community worked to sustain it. Kayak hunting, a dangerous and technically demanding profession which required constant training and repetition, was taught to men from childhood, emphasizing balance, timing, and the ability to blindly grasp tools placed strategically in the kayak. Transport of goods and people to other parts of the island occurred in boats called *umiag*, or 'women boats' as they were rowed by

groups of women. Women played an equally crucial role in the subsistence economy. Their work included processing hunted animals, which required extensive knowledge of carving and utilizing parts of the animal's organs. Women were also responsible for sewing watertight clothing from seal skins, worn by the community. The production and maintenance of tools was similarly a time-consuming task, but an indispensable stage in the larger process of societal subsistence. Although hunting tools were occasionally made from iron traded from foreigners, they were most often produced from the bones of hunted sea mammals.

Undermining the Subsistence Economy

The legal foundation for establishing the market system and regulating market relations in Greenland - as well as the framework for Danish commercial and colonial activities in the region - was provided by the *Instruction*. Issued by the Board of Managers of the Royal Greenland Trading Department on April 19th, 1782, the *Instruction* was the first legal document to authorize and regulate the RGTD's commercial operations in Greenland. Among other provisions, it formalized the punishment of Greenlanders, as outlined in the fourth chapter of the document. This section stipulated that officers, soldiers, and all Europeans residing in Greenland were authorized to punish Greenlanders who acted against the interests of the colony. Specifically, this included engaging in traditional Greenlandic ceremonies that were forbidden by the administration, or participating in illegal barter trade with Greenlanders from other regions or with traders not affiliated with the Royal Greenland Trading Department (Viemose 1977: 20). Regarding the control of daily life activities, the *Instruction's* fourth chapter, third point mentions:

In the Spring and Summer, until Greenlanders move to their winter houses, [they should] use their time on important fish and seal catching, instead of going to Reindeer hunting, chasing after egg of the arctic tern or lie by the rivers where salmon spawn, to eat what they catch immediately.

Whaling should be encouraged [by the colonialists] among Greenlanders [...].

Fox hunting should be strongly encouraged, Greenlanders should be taught to do it properly, so they do not diminish the value of the skins by ripping the muzzle or the hind of the fox off [...].

[Luxdorph 1782, translated by me]

These fragments illustrate the will to coerce the Greenlandic population into altering their culture, suppressing activities that did not directly benefit the operation of the Royal Greenlandic Trade Department. According to the *Instruction*, actions related to the subsistence economy of Greenlandic society should cease, and Greenlanders had to be coerced into delivering seasonal commodities to the trade company. The document's explicit narrative demonstrates that the Trade Department and the crown assumed to have the superior knowledge regarding what types of work were deemed worthwhile and which were not. A similar moral conviction justified the enclosure of commons in Europe and resources in European colonial projects from the seventeenth century. This outlook was best represented by John Locke's 'theory of appropriation', according to which the right to legally appropriate land is derived from the land's productive use. The concept of productive use was then translated into the right to own and utilize land, equating productive use with profitability and competitive pricing. The theory of appropriation was employed to expropriate commoners' lands that had traditionally been used for communal grazing. In European colonial missions, it supplanted the imperative of Christianizing missions, as it provided colonial administration with the necessary moral authority to dispossess Indigenous populations through extra-economic measures and then economically exploit them, furthering the interests of the allied merchant class and the crown.

According to Hans Egede, in Greenland there was a prescribed role for the Indigenous population since the beginning of the colonial endeavour:

[Greenlanders] have to contribute some trifle for their own good. [to achieve this] These savages must be completely subjugated and made into slaves and if not, quite slaves then coerced. [Egede Hans 1727, Copy of the writings on the *Haabets Colonie* June-August 1727 and protocols for the colony June – August 1727. Fol. 84, p. 36-47, translated by me].

A complete separation between Greenlanders and their means of subsistence was not only unfeasible for the colonial administration, but it also would not serve the objectives of the enterprise. The primary goal of the reforms and governance implemented by the Royal Greenland Trading Department was to undermine the subsistence economy just enough that it no longer served as the central driver of economic and cultural practices. However, the administration did not aim to completely eliminate traditional practices like hunting, fishing, and trapping. Rather,

the RGTD sought to manage these activities, providing tools and control over production, with the expectation that Greenlanders would continue their traditional methods—but now as producers supplying the RGTD.

Kayak trappers, for instance, were intended to become the primary producers for the RGTD, shifting from being a vital component of the Indigenous subsistence economy to a central part of the trading enterprise. Although the trade company did not directly employ them, trappers became the main producers of ‘monopoly goods’ through barter exchange (Gulløv 2017: 111). This gradual decentralization of the subsistence economy was one of the most significant shifts in Greenland’s economy, gradually changing the economy based on human, social exchange to an abstract relationship between private property which’s expression is value constituted in money.

Control Over Supplies and Tools

Key point of assuming the dominant position by the Danish crown was the exclusion of competition through establishing a monopoly and safeguarding of the functioning of the market in Greenland. The safeguarding of the market’s functioning and balance was achieved through multiple means. First, by using military force to fend off competition from Dutch, British, and North American merchants. Second, by controlling and prohibiting any illicit trade between Greenlanders and employees of the Trade Department. Third, by establishing profitable supply and demand relationships through the maintenance of a monopoly on the provision and trade of goods in Greenland.

Finn Gad states that during the initial formative phase of colonization (1750-1808), the Royal Greenland Trade Department had already assumed control over the supply of imported goods. With the prolonged presence of foreign merchants, a demand for products from the Indigenous population began to develop. Imported Iron was required for tools, while wood was in demand as a building material for boats and kayaks. Other products such as textiles for shirts (like linen and cotton fabrics), wool, needles, and thread also saw increased demand among the Indigenous population. Trade in Greenland primarily occurred through barter, which not only shielded the Greenlandic market from price fluctuations in Copenhagen, but also allowed the Trade

Department to establish buying prices for Greenlandic products that best served their political and economic interests (Gad 1969: 283). This was a deliberate political strategy aimed at creating a sense of stability in the Greenlandic-Danish commercial relationship and asserting economic domination through exchange rate regulation.

A similar strategy of undermining the subsistence economy through market regulation and product supply was developed by the British Crown's Colonial administration in present-day Ghana, as described by Frances Lappe and Joseph Collins:

Perhaps the most insidious tactic to 'lure' the peasant away from food production — and the one with profound historical consequences — was a policy of keeping the price of imported food low through the removal of tariffs and subsidies. The policy was double-edged: first, peasants were told they need not grow food because they could always buy it cheaply with their plantation wages; second, cheap food imports destroyed the market for domestic food and thereby impoverished local food producers. [Lappe & Collins 1980: 83]

The independence in production of the means of subsistence by Greenlanders became substituted with foreign products obtained from Danish merchants. The same mechanism that was used in modern day's Ghana, became a powerful force of coercion Greenlanders into a relationship of dependence with Danish colonial enterprise.

Self-sufficiency in tool creation and the common ownership of tools necessary for hunting and continuous sustenance was yet another crucial aspect of the Greenlandic subsistence economy. Therefore, ownership of hunting tools played a significant role in creating dependency. During the formative colonization period, Greenlandic trappers had to rent sloops, boats, harpoons, lines, and skinning tools from the Trade Department. Flaying was no longer performed in the traditional manner, which would have utilized every part of the animal for the benefit of the community. Instead, the new flaying methods prioritized delivering the products that the RGTD was interested in, namely meat and blubber. The changes in hunting objectives, tool ownership, and consumption also influenced the concentration of residency among Greenlanders. The control exerted by the Danish crown through the Royal Greenlandic Trade Department allowed the company to become the intermediary for fulfilling large parts of the needs in Greenlandic society. This ranged from

growing dependence on the RGTD for obtaining tools needed for hunting, to acquiring products necessary for reproducing society itself. Establishing this relationship of dependence and domination made further reforms of Greenlandic society possible. These reforms included managing the Greenlandic identity and relationships between Greenlanders themselves, through laws on marriage and allowed kinship structures. They also involved slowly influencing the organization of society by stratifying it and infiltrating the most intimate spheres of Greenlandic life (Rud 2017: 30-33).

Poverty as a Drive

The practice of writing amateur ethnological studies by colonial administrators and individuals involved in extra-European trade and colonial enterprises dated back to the seventeenth century. Notable examples included François Bernier's *A New Division of the Earth, according to the Different Species or Races of Men Who Inhabit It* (Bernier 1684) or British India's colonial officer's W.H. Sleeman's writings on the phenomenon of thuggee, as well as his *An Account of Wolves Nurturing Children in Their Dens* (1852).

Similarly, Hinrich Johannes Rink, a geologist by training and inspector for the Southern Greenland region, produced several ethnological works, including *About the Greenlanders, Their Future, and the Measures Aimed at Their Best Interest* (1882) and *The Eskimo Tribes, Their Common Origin, Their Dispersion, and Their Diversities in General* (1887).

Between the 1850s and 1880s, Western Greenland, especially Nuuk and Akunnat, experienced a significant crisis characterized by widespread starvation among Greenlanders and a decline in the production of Greenlandic goods. In his 1855 study, *About the Shortcomings of the Support Agency in Greenland*, Rink commented on the starvation among Greenlanders attributing it to population to the excessive consumption of European products like bread, sugar and coffee.¹

¹ "When we recognize that it is a significant misunderstanding to regard bread as a necessity, it is merely a useful product. But for the natives, on the contrary, it is one of the most useless goods they could use their money on. Especially when one considers that during the winter Greenlanders are not having sufficient funds to buy a fishing line those costs less than 1 Rigs dollar, which is sufficient to provide them and their family with daily sustenance, then surely, I do not need to explain further for the reader to get a picture of Greenlanders' economy and their ability to manage their income". Rink H. J., 1856, *Samling af Betænkninger og Forslag vedkommende den Kongelige*

According to historian Ole Marquard, contrary to Rink's diagnosis, the crisis was triggered by other reasons. Firstly, by the liberal reforms implemented in Greenland in the early 19th century. According to the administration, these reforms were intended to "raise Greenlanders to more elevated levels of culture and civilization" (Marquard 1999: 10), but their key aspects were of economic character. The changes included raising prices on European products and the introduction of money as a measure of value and a medium of exchange, slowly replacing the traditional system of barter. This shift represented a profound transformation in the economic practices of Greenlandic society.

Secondly, according to Marquardt's research, the decline in goods sold to the Trade Department was influenced by changes in water temperature and a decline in seal population, particularly affecting stations in Godthåb (Nuuk) and Godhavn (Qeqertarsuaq), leading to hunger and poverty.

Further data found by Marquardt indicate that the excessive consumption of European products, designated as the alleged culprit of starvation, was actually lower in the regions most affected by poverty and death compared to areas like Northern Greenland, which did not suffer the same crisis (Marquard 1999: 10). Additionally, contrary to Rink's analysis, Marquardt's archival data revealed that Greenlanders sold fewer skins and blubber to the Trade Company during the crisis years and saved most of their hunted goods for their own sustenance (Marquardt 1999: 27). This indicates that guiding principle among Greenlanders was responsibility for themselves and their kin, showing clarity of judgment in the face of a crisis. On the other hand, the administrative reforms were not primarily aimed at alleviating the crisis, but rather focused on transforming the Greenlandic economy from one based on non-commercial principles to a commercialized economy governed by market relations (Marquardt 1999: 30-31).

The conclusions of Rink and his contemporaries, based on the living conditions of Greenlanders, reflected the prevailing ideas of political economists like Jeremy Bentham and Thomas Robert Malthus. The most significant Benthamite characteristic of the colonial administration's response to crises (such as the one from 1850 to 1880) was their unwillingness to provide relief. Instead,

Grønlandske Handel, Kjøbenhavn: Louis Kleins Bogtrykkeri, p. 172. Digitized 2011. <https://www.kb.dk/e-mat/dod/113908034163.pdf>. My own translation.

their primary concern lay with the declining supply of Greenlandic goods to the Trade Department. Bentham famously argued that “if hunger could do the job, no other penalty was needed” (Polanyi [1944] 2001: 122). This sentiment echoed the views of thinkers like Thomas Hobbes, who believed that a ‘free society’ consisted of property owners and laborers, with the number of laborers naturally limited by the available food (Polanyi 2001: 120). As long as property was safe, hunger would drive laborers to work, making legal constraints unnecessary because “hunger was a better disciplinarian” (Perelman 2000: 102). Rink and his contemporaries recognized that the real consequence of the contact between Europeans and the indigenous population was not merely changes in consumption behavior, but a profound transformation of Greenlandic society’s metabolism. The establishment of the colony and the trade monopoly irrevocably altered both the Greenlandic population and their environment. The colonial administration’s drive to exploit the labor of Greenlanders and the island’s resources led to a loss of culture and independence. Greenlandic communities could no longer simply revert to their traditional modes of living, which involved seasonal migrations and subsistence practices. Their means of subsistence had been turned into commodities controlled by the Trade Department, while many traditional practices were marginalized or rendered obsolete.

Forstanderskaberne

Sharp law of private property cannot be found in Greenland, but in the given conditions of local organisation of relationships, legal enforcement of it wouldn’t work sufficiently. In these circumstances, laziness and indifference become crimes against other members of the society. To eradicate that burden, which rests on the Company and the hard-working part of the society, there is a need for tribunal which will impose a compulsion on such individuals. [Rink 1856, *Samling af Betænkninger og Forslag vedkommende den Kongelige Grønlandske Handel*, pp. 234-235, (translated by me)]

H.J. Rink and his peers, growing impatient with the slow emergence of a free market economy, became inclined to believe that non-market solutions were necessary to hasten the process of the transition. In his writings as in the quote above, Rink emphasized that the path to a ‘civilized society’—synonymous with respect for the law of private property—needed to be enforced through hierarchical, patriarchal authority among the Greenlanders. This idea was developed further

through the creation of a class of indigenous hunter-trappers, who would serve as an elite within the indigenous population. This special class was embodied in the establishment of boards of representatives known as *forstanderskaberne*, envisioned as an administrative bridge between the interests of Danish officials and Greenlandic hunters and trappers.

According to Rink, the board of representatives, allied with the colonial administration, would enable the creation of a hierarchical structure and the eradication of patterns of redistribution and reciprocity. This process would bring the trappers closer to the free market ideal of an independent laborer, guided by his own individual interest (Polanyi 2001: 105). ‘The representatives’ were supposed to bring the Greenlandic population closer to the colonial administration, on one hand, while on the other, to create a distinct stratum of an allied class that represented the benefits of fulfilling the ideals prescribed for Greenlanders by the colonial administration.

Forstanderskaberne were not solely a project of social stratification through employment and meritocracy. They were also designed as a tool to undermine the social support system and its distribution. The board of representatives functioned as a project aimed at cultivating local elites, illustrating that cooperation with the colonial administration could prove advantageous on an individual level. In addition to being part of the local councils, Greenlandic workers who excelled in their domain or personally owned a dog sled or a ‘women boat’ were given the repartition. The repartition system was a program where financial benefits were distributed to Indigenous workers from what remained in the district’s budget after allocating social support funds to those unable to work and widows. What enhanced its effectiveness was that indigenous representatives in local councils awarded the money to the best workers based on merit, thereby creating a hierarchical structure and class differentiation among Greenlanders.

Conversely, by linking financial benefits for outstanding workers with reduced spending on social assistance, the administration aimed to generate societal conflict of interest. The repartition system not only provided substantial sums to workers fulfilling their roles in the trade administration, but also promoted private ownership (rather than collective ownership) of traditional Greenlandic boats and sledges.

These solutions had predecessors in Europe and the colonial states. The Poor Law Reform in Britain occurring between 1834 and 1844 was a crucial step towards a self-regulating market economy (Polanyi 2001: 86-88). It involved the legal removal of the Speenhamland system, which had been in place since 1604 and was aimed at mitigating poverty and pauperization of British common people. The Speenhamland system, introduced alongside the *Act of Settlement* in 1662, tied labour to local parishes, which distributed work and payments to the able-bodied poor. Between 1815 and 1830, the subsidy rate provided by the Speenhamland system was reduced by one-third, yet it still served a substantial group of poor and unemployed individuals. Critics of poor-relief argued that it led to idleness and financial mismanagement, as it was alleged that too much money was spent by the poor on unnecessary items such as bread and tea. Karl Polanyi suggested that the real reason for the widespread unemployment and poverty at the time was invisible unemployment caused by the dysfunctional organization of labour and land enclosure (Polanyi 2001: 95). The abolition of the Poor Law was promoted among the political class as a means to address the perceived moral decline of the poor and to encourage their ‘independence and industriousness’. In effect, the repeal of the Poor Law removed the biggest obstacle to the emergence of a market economy and allowed unemployed, landless people to be pressured out of their parishes and into cities in search of wage labour.

Conclusion

In this paper my aim was to provide a comprehensive analysis of the process of Danish colonization in Greenland. I began by examining the mercantilist policies of private and state capital expansion into Greenland, carried out through the organization of the company-state represented by the Royal Greenlandic Trade Department. This trade company served two key functions: preparing Greenlandic society for the accumulation of wealth, and —with the aid of extra-economic power— governing by inserting itself between the Greenlandic people and their means of subsistence. I focused on the role of Lockean theory of appropriation in the construction of laws, which gave grounds to expropriation of commoners in Europe, and Indigenous people in European colonies. The examples of this were the legal document of the *Instruction* from 1782 and writings of Hans Egede. I followed the process of the intrusion of the colonial administration into the Greenlandic

culture and into the socio-economic metabolism of the society. Furthermore, I discussed the significance of the nineteenth-century reforms in promoting social stratification in Greenland. I drew a comparison between the Poor Law Reforms in Britain and the reforms in Greenland, as processes designed for integration of Greenland into a market economy through means of economical coercion of the society into wage labour. Søren Rud, Kristian Manniche, and Kristine Thisted have thoroughly explored the processes by which populations were classified into categories of “useful” and “useless” subjects (Rud 2017; Manniche 2002; Thisted 2012). This classification reflects the state’s tendency to gather detailed information about its citizens to enhance governance — a process that, as I aimed to demonstrate, was enabled and reinforced by changes in the living conditions and the organization of the Greenlandic society. The mentioned methods of governance could only be put forward following the restructuring of society from one centered around a subsistence economy to a market economy. This restructuring resulted in the mediation of the Indigenous population’s basic needs through the market, and, later, in the its coercion into a hierarchical labor market through a series of reforms.

In conclusion, my goal was to illustrate the process of restructuring Greenlandic society from an independent subsistence economy—of which Hans Egede was initially uncertain, believing that it “can do very well without the majority of our goods” (Egede in Gad 1969: 140)— to one that became dependent on trade institutions and, subsequently, on the market in order to obtain means of subsistence. My aim was to show that, as much as in Europe, the process of transformation of the society was long, and that there was nothing natural about it.

I also wished to emphasize that the policies of the colonial administration, which incurred a significant human cost among Greenlandic society in the mid-nineteenth century, relied on controlling market prices. These policies affected the prices of basic necessities such as food purchased by Greenlanders, which, for example, doubled over three years between 1806 and 1809. In contrast, the buying prices of Greenlandic products sold to the Trade Department stagnated, resulting in a decline in real wages (Toft *et al.* 2016: 89-91). I wanted to underline that it took the introduction of certain laws in Europe, and the reduction of others, to drastically change the conditions of living of the commoners so that they would have no other choice but to engage in

wage labour. The same pattern can be observed in Greenland, where society resisted the compulsion of the market economy for as long as possible. However, as I argue in my paper, the eventual introduction of money, a series of reforms that reduced social security financing, and the stratification of Greenlandic society—combined with periods of starvation—constituted a critical step towards a self-regulated market economy and wage labor.



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