Development, learning-processes and institutionalized racism

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Abstract

This article concentrates on problems of native peoples in the context of technical change moulded by institutionalized racism. External specialists are often imported to developing countries in order to introduce advanced technology as well as to organize and run the administration. Native workers are presumed to gain know-how from work experience and take over management and professional jobs gradually as they learn from the foreign professionals. However, this strategy may suffer from conflicts between the foreign professionals and natives due to different cultures and ethnic backgrounds. Learning processes are undermined by these conflicts creating mistrust and lack of confidence. These conflicts often develop into institutionalized racism involving organized forms of exclusion such as overvaluation of formal education as opposed to native knowledge. The result is permanent reproduction of the need for imported specialized labour and 'destructive forgetting' of local culture.

Keywords: De-colonization; home rule; sovereignty; development; learning-processes; institutionalized racism.

Research and theories of racism and ethnic relations in most cases reflect the problem of discrimination and segregation in Western industrialized countries. There is a strong tradition of studies of ethnic/race-relations in North America, particularly in terms of discrimination against blacks. Since the 1980s ethnic/race studies in Europe have grown and the interest is rapidly increasing following the spread of neo-Nazism, fascist groups and hatred against foreigners in many European countries. European studies have typically concentrated on discrimination against immigrants, often coming from former colonies of European powers, but these studies have also highlighted gender-based discrimination.

These Western studies have in common that they concentrate on peripheralized minority groups that face discrimination and segregation. Studies of race/ethnic relations in non-Western countries or former colonies of European countries are relatively rare. In particular, studies of ethnic/race relations between, on the one hand, Western professionals...
and/or development staff and, on the other hand, native populations, are hard to find. Unlike the situation of peripheralized immigrants in Western countries, foreign development professionals have the status of privileged class that not only get substantially higher income than the natives, but discriminate against them because of their ethnocentric state of mind. As a result, the majority, the natives, become peripheralized and stuck in a kind of 'development-trap'.

In this article, we shall examine this kind of ethnic/race relations and look at the case of Greenland, a former colony of Denmark. We shall first give a short historical background and reflect on the socio-economic development of Greenland. Then, we shall discuss the problem of institutional dependency that hinders the process of development and undermines self-government. Finally, we shall discuss development from the point of view of learning-processes and the problem of institutionalized racism, which leads to exclusion of natives from learning-processes and destruction of local knowledge.

Greenland – a short overview

Greenland, situated in the far north of Europe, is a huge country. Its total area is 2,175,600 sq. km or nine times that of the UK and its land area is 383,600 sq. km (ice free) or 1.6 times bigger than the UK. The population is, however, very small. In 1997 it was estimated to be 55,971, 13 per cent of which were born outside Greenland, mostly coming from Denmark. The vast majority of those born in Greenland is of Inuit origin. The average income is very high in Greenland. In 1996 disposable income per capita was 176,010 Danish Kronas or about $30,347, or around 1.5 times higher than in the UK.

Since the 1950s Greenlanders have been exposed to a process of planned modernization 'from above'. The modernization process has resulted in the concentration of the population in small fishing villages and in the capital, Nuuk, that had approximately 13,300 inhabitants in 1997. Greenland was incorporated into the Danish state in 1950, when it became one of Denmark's counties, having had the status of colony before. In 1979 home rule was introduced, since when Greenlandic home rule government in the 1980s, since it placed even greater emphasis on investment in the F-sector.

Following a severe slump in the F-sector in the late 1980s, a new accumulation strategy emerged in the early 1990s. This emphasized the development of tourism and a renewed interest in research related to mining and oil production in the future. At the same time, greater interest in knowledge intensive accumulation strategy also emerged, emphasizing investment in research and development [R&D] (Jonsson 1995a).

The public sector is relatively large in Greenland with the total public expenditure some 90 per cent of the GDP, but one has to add about 50 per cent of the GDP which Greenland receives from the Danish state to cover social expenditures. So around one-third of gross disposable income [GDPI] is a transfer from the Danish state, or a 'grant' as it is officially called. A large part of public expenditure, as a percentage of gross GDPI, is spent on health (6.2 per cent), on education and culture (5.2 per cent) and on social transfers (6.2 per cent) [1995 figures].

The size of the public sector in terms of market production of goods and services reflects how important it is for economic development. In the latest available labour market survey from 1987, which reflects the size of the private sector, the number of employed persons in Greenland was 24,789. Of those, 6,490 worked in public enterprises, and 10,423 in private enterprise. In some sectors the state-owned enterprises play a leading role, for example, in fish processing, where the state-owned Royal Greenland A/S has around 3,000 employees, most of whom are stationed in Greenland. Royal Greenland A/S is one of Europe's largest fish processing firms.

Greenland has received aid (or 'grant') and experts from abroad (Denmark), but unlike well-known statist countries like Taiwan and South-Korea, (White 1988; Chan and Clark 1992), local state-technocrats and local state-entrepreneurship have not played the leading role in the development process. The management levels of the state apparatus and enterprises are still dominated by Danish experts, the majority of whom leave the country after a few years. This is the case, despite the educational system having been consciously developed for almost half a century as part of the modernization process. But a dominant class of capitalist entrepreneurs has not developed in parallel. This is partly because of the small size of the home market and the unusually dispersed population living in villages with enormously long distances between most of them.
The Greenlandic statist regime has been restructured in recent years, such that the state enterprises have now formally become joint-stock companies and are relatively more autonomous and market-orientated. Furthermore, a development company was established in 1993, which is able to finance venture capital. Since 1990 the statist regime has developed from being a directly centralized system under the home rule government to an 'organic centralized' system of relatively autonomous enterprises. These are controlled by the home rule government through its ownership of shares and nominations of board members and directors of the companies. Most of these companies have either an oligopoly or a monopoly position in the economy.

Three-lane highway to modernization

In practice, Danish modernization was realized in the form of a 'three-lane society'. One lane was built for the losers in the process of simple modernization, that is, those who did not satisfy the requirements of industrial production for labour power in terms of skills and adjusting to control in time and space that was introduced with wage labour. This lane was a cul-de-sac with 'petrol stations' along the way in the form of greatly increased investment in the construction of churches and minimum welfare institutions, such as health centres and a small hospital in Nuuk.

A second lane was built for the future generation of Greenlanders who would fill the ranks of skilled labour and professionals, and perhaps the ranks of an indigenous Greenlandic elite in some undefined future. Investment in the educational system was increased heavily in the post-1960s period (Jonsson 1995a). However, this lane was built in a rush and turned out to be unusually bumpy so that the traffic was slow. After forty years of educational efforts, Greenlanders lag far behind other Nordic nations as regards technical and university education (see the table below). Furthermore, around 85 per cent of university students study abroad, and approximately 40 per cent of them do not return to Greenland after completing their studies (Direktoratet for Kultur, Uddannelse og Forskning 1995). This is an unusually high level of 'brain-drain'. Most of the specialist posts in administration and in companies in Greenland are still filled by a Danish workforce.

The third lane was/is the superhighway of skilled labour and specialists, who in the majority of cases were Danes. For decades they were paid wages that were 25 per cent higher (or more) than the wages of the Greenlandic workforce; they moved fast and remained for only a short time in Greenland. According to law, if one were born outside Greenland one's wages were higher. This was a form of institutionalized racism organized by the Danish state. Over 70 per cent of Danes who come to work in Greenland return to Denmark within three years. Indeed, in 1984 Danes accounted for 20 per cent of the population of Greenland and received 40 per cent of the total income in the economy (Lyck 1986). With their departure, accumulated 'know-how' constantly leaks out of the economy, and since the predominant organizational principle in administration and companies is Taylorist and hierarchical, there is little room for 'learning-by-doing', or for fast training of the Greenlandic workforce through job rotation (Jonsson 1995c). The result is a labour market that is highly segmented in terms of race/ethnic origin and characterized by institutionalized racism, as we shall discuss below.

In the context of globalization and reflexive modernization the present situation may have serious consequences in Greenland and lead to further race/ethnic segmentation of the labour market. With the concept of reflexive modernization, we refer to the increasing importance of signs and aesthetic design and consumption for capital accumulation (Lash 1994; Lash and Urry 1994, pp. 61), as opposed to the emphasis on economies of scale and mass production that characterized simple modernization. In reflexive modernization the design of goods and services is dominated by marketing strategies that use cultural symbols and criteria of beauty in design in order to adjust to market niches and individualized consumption. First, the failure of the educational system may create a new stratum of losers in the new 'mode of information' of reflexive modernisation - the group of the technically skilled in the slow lane of simple modernization in Greenland. This group will find it difficult to compete with the imported Danish professionals who possess more information technology and aesthetic intensive education and 'know-how'. The lack of emphasis on the aesthetic dimension of reflexive production may cause this development, such that some of the investment in human capital may be wasted. Secondly, there is almost a total lack of an independent 'technological milieu' in Greenland today, and there is


| Table 1. Number of students studying on at post-upper-secondary level (ISCED 5-7 Third Level) in 1993 in the East and West Nordic Countries per 1000 inhabitants |
|---|---|---|---|---|---|---|
| Denmark | Finland | Greenland | Iceland | Norway | Sweden |
| Students per 1000 inhabitants | 30.3 | 38.9 | 10.5 | 22.8 | 40.9 | 26.9 |
| Students aged 20-34 | 133.2 | 186.7 | 34.4 | 94.9 | 177.8 | 124.8 |

* 1992; ** Students 1992/3 studying at universities and schools that have similar requirements of entrance such as teacher-training programmes, medical and diagnostic and treatment programmes, commercial and business administration programmes and, programmes in mass communication and documentation.

no independent technological institute or technical university that could independently import leading-edge technology into the economy. This is due to Greenland's hyper-colonial relations with Denmark (Jonsson 1995a; 1995b; and 1995c) and its more or less voluntary dependence on 'Danocentric' Danish expertise. Thirdly, the general state of the Greenlandic nation may be such that motivation for innovative activity, and interest in the new techno-economic paradigm of information and aesthetically intensive accumulation is very low.

The last point is interesting, as in many respects it reflects cultural and ideological conflicts between Greenlanders and Danes that are very important for the institutionalization of reflexive modernization in Greenland today. Some have speculated whether it is a lack of entrepreneurial spirit in Greenland that is manifested in the relatively few small enterprises, particularly in the service sector. This lack is often explained by theorizing that Greenlanders are a Naturfolk (a people of nature, in other words, 'primitive'), assuming that because their roots go back to a former hunters' culture, they cannot orientate themselves towards enterprise. Another explanation assumes that the growth of the entrepreneurial spirit has been hindered by the paternalistic, centralized control of development in Greenlandic society by the Danish state. The Greenland Home Rule Government has persisted in following the course of development laid down by the Danish state, thus continuing the situation. These speculations were recently highlighted and rejected by Professor M. Paldam at Aarhus University, Denmark (Paldam 1995, pp. 113–14). According to Paldam, the block transfers from the Danish state to the Greenlandic Home Rule Government lead to an overheating of the economy which results in high wage levels and a large public sector. Thus, it is particularly difficult to establish new firms because of high labour costs and the squeezing-out of private enterprises by the public sector. This supply-side reductionist explanation suffers from a logical fault, since the high wage levels and the high level of public sector employment generate a high level of general demand, which stimulates the establishment of small firms. Indeed, high-wage countries like Denmark are characterized by a thriving small business sector (Jonsson 1995a).

In order to explain why there are relatively few private enterprises in an economy, one has to do better than this. Indeed, as regards the point about the cultural roots of modern Greenlanders, it should be highlighted that the hunters' culture of the Inuits was based on teamwork. A group leader led the hunting team to the hunting area; but each hunter within the team hunted independently (Petersen 1992). This way of organizing labour is much more in line with modern management strategies than the imported, Fordist management strategies of simple modernization. In fact, this cultural background could help to foster a private enterprise culture. However, it has been suppressed during the period of simple modernization. In order to provide an adequate explanation of the lack of an entrepreneurial spirit, one has to analyse the situation as part of a more general complex of problems. The general problems of the Greenlandic economy stem from the fact that it is a micro-economy (Jonsson 1992; 1993; 1995a) that suffers from 'institutionalized dependency' and institutionalized racism.

Being a mini-economy, Greenland is particularly vulnerable in terms of capital accumulation because the local markets are especially small and there are especially long distances between local markets. Furthermore, due to the fact that over 90 per cent of exports are fish products, the economy is exceptionally unstable. This has to do with the instability of fish prices in the markets and the uncertain availability of fish.

**Institutionalized dependency**

As for 'institutionalized dependency', one has to keep in mind that Greenland is dependent on Denmark, in terms of both specific institutions and techno-economic paradigms. This is to be expected because of Greenland's historical colonial relations with Denmark, and because Greenlanders are still in the early phases of their independence struggle. As regards specific institutions, the institutionalized dependency is evident in that the Danish elite directs almost all trade towards Denmark and Danish firms. Seventy-five per cent of imported goods originate in Denmark and most of the remainder are goods imported through Denmark (Jonsson and Mosesdottir 1996). This partly because a large part of the elite group is brought in from Danish firms and it is in their personal interest to direct trade and business activities to Denmark, in order to reproduce their own business networks and secure their own future careers in Denmark. The same goes for the state elite in the home rule apparatus. It is in the interest of the Danish part of this elite to import consultants from Denmark, as by so doing they will extend their own networks, which will work as a network resource for their future careers in governmental bodies in Denmark. Institutional inertia is also at work here, as the Greenlandic home rule apparatus has grown out of the Danish state. 'Institutionalized dependency' is in this case an important institutional reason why trade and business contracts are not directed towards a country like the neighbouring USA, which would lead to much cheaper imports and quicker technology transfers to Greenland, since the USA is a technological leader in most fields.

Greenland's institutionalized dependency is also manifested in the form of techno-economic paradigms (Freeman 1987). This is not only a matter of technical and industrial standards, but of an overemphasis on the Taylorist, hierarchical organization of firms and administration. Manpower strategies are part of this paradigm and, in practice, are very disadvantageous to Greenlanders. The model of hierarchical organizational
The lack of motivation for work and of 'service-mindedness' which many assume to be characteristic of Greenlanders (Paldam 1995, pp. 111-12) may have deeper causes than the organizational and institutional relations mentioned above. The high level of anomic, which is evident, for example, in the unusually high suicide rate, may indicate a serious problem of apathy. Apathy takes the form of a general lack of motivation in the personal and economic life of an individual. It is a psychosocial state of mind that often results when people's social situation has changed so profoundly that they need to re-socialize. Problems of re-socialization are often acute in cases where modernization takes place over a short period of time or in cases such as ethnic cleansing. In extreme cases, like the Nazi concentration camps in World War II, Jewish prisoners were characterized by fast, radical, personality changes (Beettelheim 1991). Fear, deprivation and uncertainty made the personalities of the prisoners disintegrate. Some were apparently devoid of will, initiative or any interest in their own fate. Others became childlike in their behaviour, losing all sense of time and the ability to think ahead, and exhibited striking mood fluctuations in response to seemingly trivial events. Those who survived for more than a year in the camps experienced a process of re-socialization, by means of which they were able to cope with camp life. They were often unable to recall names, places and events in their previous lives. The reconstructed personalities of these prisoners were developed in imitation of the outlook and behaviour of the very individuals they had found so repugnant when they first came to the camps - the camp guards themselves. They aped the guards' behaviour and even used tattered pieces of cloth in an attempt to imitate the guards' uniform (Giddens 1993, pp. 81-82).

Total institutions like concentration camps are obviously extreme cases, but they can be used as models for comparative purposes; and models developed on the basis of studies of such camps can be used to explain cases on a smaller scale. The concentration of the Greenlandic population brought about by simple modernization in Greenland is a case in point. People from very small settlements, often hunters leading traditional lives, were concentrated in small villages. Furthermore, they were concentrated in blocks that to some extent resembled barracks. Because of the harsh climate and the long distances between villages and towns, geographical limits made 'escape' difficult. Jewish culture and language were different from German culture, but hunters' culture was even more different from Danish culture. The guards in the German concentration camps were clearly distinct from the prisoners and exercised a brutal monopoly of violence. In the concentrated villages of simple modernization in Greenland, the inhabitants were faced with a foreign Danish police force that maintained law and order. For many, the reason for all these changes must have been wholly incomprehensible, and the future most unclear.

The educational system became the main instrument of re-socialization and transferred the values and norms of an industrial society to the younger generation. A primary school system had already been established some decades before, but large groups of the older generation still had little or no education. Many of those people became the losers in simple modernization and became apathetic. Furthermore, apathy is a social phenomenon, which is not limited to individuals but passed on from generation to generation. There may thus be historical factors of this kind that can explain the current apathy and lack of motivation.

Greenlandic society is today more open due to the easy access of the population to highly developed communication technology, modern media and transport facilities. Hence one would expect it to be less characterized by the characteristics of total institutions. However, the role that the housing system in Greenland plays is important in terms of a totalizing control of the population. The bulk of all accommodation is owned by one company, INI A/S, that the home rule government owns 100 per cent. Due to the huge over-demand for accommodation, it is extremely difficult to get accommodated. At present in Nuuk, there is a thirteen-year waiting list for an INI A/S flat. However, government institutions and companies have priority access to accommodation. This means that if one gets a job in one of these institutions or companies, within a few months one can move in. The higher one's position in the hierarchy or class, the quicker it will take; sometimes only a few days. The directors and managers of these governmental institutions and companies are usually also provided with a car and free telephone at home as well as easy access to accommodation. In this situation it is better not to be too critical and wiser to remain open minded about the mistakes one's superiors make. Nor should one risk becoming unpopular by expressing 'off-the-main-road' political views. If one is fired, one loses
powers war era and within the UN context, self-determination was and is associated with the concept of people. However, the primary definition of self-determination and self-government has changed through history. In the first decades of this century the concept was most often related to the concept of the many nation-states that have emerged in the post-war era has led to a different emphasis in the usage of the concept of self-determination. In the post-war era and within the UN context, self-determination was and is associated with the concept of people. However, the primary definition of 'peoples' was that of non-European inhabitants in former colonies, without any further regard for ethnicity, language, religion, or other objective characteristics of such colonized people. Territory, not nationhood, was the determining factor (Handum 1996, pp. 35). The formation of the many nation-states that have emerged in the post-war era has led to a different emphasis in the usage of the concept of self-determination. The formation of the territorially defined nation-states meant that ethnic minorities were often incorporated and, with increased affluence and higher levels of education as well as migration between nation-states, ethnicity has increasingly become a political issue and a source of political identity/identification. Indeed, minority groups and indigenous peoples have often appropriated the term 'self-determination' to express the essence of their political claims. In the case of indigenous peoples, the description of them as 'peoples' is current usage (Thornberry 1994, p. 14).

In short, we may refer to the notion of 'self' in self-determination as peoples within a territory, who identify themselves as having common interests, often on the basis of ethnicity, against a nation-state within which they live or against a colonial state power under which governance they are subsumed. Self-government of such peoples is hence the political bodies that institutionalize their self-determination. This means that the self-determining peoples govern by means of the institutions of their self-government, over which they rule. However, self-government of a people is not the same thing as self-government by a people. While the former refers to a people who rule over the governmental bodies, the latter refers to a situation where the governmental bodies are actually serviced by the people in question and not by external personnel.

The concept of rule and ruling refers here to hegemonic relations in which a group or groups secure the realization of their general long-term interests by way of concessions in terms of the interests of the other social groups (for a detailed discussion in the context of class analysis, see Jonsson 1989 and 1993). As a consequence, the concept of ruling and hegemony refers to power relations. Hegemony is realized through the actual power struggle in which social groups establish power blocs to gain the upper hand and power over institutions that allocate resources.

The concept of 'power bloc' refers to the collaboration of dominant social forces with the strongest power positions, usually economic social forces or representatives and/or interest groups of capital. State policies and interventions result from processes of strategic interest intermediation of the different social forces struggling to realize their interests. Depending on their evaluation of the 'strategic situation' the social forces join short-term coalitions and collaborate with each other in order to realize their long-term interests.

From this train of thought, it follows that one can expect that self-determination and self-government are a complicated process characterized by a struggle of hegemony and power relations. In most cases the 'self', or the 'people' in question, are divided into different social groups or categories such as ethnic groups, classes, gender, families/clans and regional location that become the bases of a formation of different social forces that build power blocs to realize their interests. The picture can even become more complicated during periods when the societies in question go through a process of de-colonization and are dependent on the institutional set-up inherited from the colonial power and external professionals working in the higher levels of the public administration or local firms (Jonsson 1996). These professionals will form a powerful group in society that other social groups will have to take into account when forming power blocs, and they will often include them. Depending on how capable this last mentioned-group is to realize its interests and
influence the policy formation in society, self-determination and self-government will be diminished. Furthermore, despite a formal self-government of the people, self-government by the people will be reduced.

The role of this particular group is very important because the state or public administration has its own laws of inertia and dynamics (see Jonsson 1989, 1993; Mosesdottir 1995). The state apparatus is not simply an instrument of a particular social class or classes, but is characterized by relative autonomy. The relative autonomy of the state is determined by the balance of power of social forces external to the state. In cases where labour or trade unions are weak due to social cleavages such as race/ethnic relations, gender and/or regional division of labour and to the level of concentration, and centralization of capital is low, the state-élite will have more space to manoeuvre and hence more power/autonomy. In a situation where labour is weak and capital is highly concentrated and centralized, capital will have a strong power position to influence state policies. This is particularly so if the bulk of the firms are owned by the state and state-capital is heavily concentrated as, for example, in Greenland. In this situation there will be a strong tendency for a fusion of the business élite and the political élite constituted by representatives from the élite of the political parties and the state élite. However, the fusion of these different élites cannot lead to the conclusion that the different interests of firms and political parties must analytically be reduced to either the interests of capital or the interests stemming from civil society and reflected in the political parties. Civil society has its own relative inertia or dynamics of development, which determines the frame within which the political élite can manoeuvre.

The ‘state nobility’ in a developing country context

In the analysis above we have emphasized the role of the balance of power of social and economic forces as a determinant of the power position of the state élite. This structuralist approach is, however, inadequate as it does not take into account how the taken-for-granted cultural background produces and reproduces the collective identity of different social groups. We refer here to conscious and unconscious symbolism that creates the feeling of belonging to a group at the same time as it creates mechanisms of exclusion. This phenomenon is an essential part of how the political élite can manoeuvre. The lifestyle, experience and experiencing as well as the informal networks and formal educational merits and recommendations constitute an individual’s culture-capital which is essential for his or her career and access to positions of power.

State élites usually play a crucial role in developing countries in determining developmental strategies. Usually foreign professionals are part of the state élite; sometimes they are a part of foreign development aid. The foreign professionals will share a different habitus from that of the rest of the domestic state élite and a different ethnic background. As a consequence, they will share an ethnic/race based culture-capital that we may call ethnic-capital (Olsen 1995, pp. 15-17). That is particularly important in the development context, as it secures for foreign professionals a special social status and power along with their strong power position due to their relation to, and control of, the foreign development aid. If this group becomes large enough as a proportion of the state élite and business élite, the aspect of ethnic/race relations will become essential for the development of mechanisms of exclusion from these élites. The local people will suffer from institutionalized racism that excludes them from a career and prevents their entry to the élite circles. In this context, formal educational merits and ethnically determined notions of who is fit socially to be a member of the élite groups become important means of exclusion.

In the ethnic-capital context, language is an important factor in mechanisms of exclusion. In many former colonies the language of administration is that of the former colonial power. In this situation foreign professionals who speak the language of the colonial power will have a special status, as they speak more fluently, have a better accent and a much larger vocabulary. They can express themselves more easily and in an appropriate manner, thus appearing to be more confident and reliable than the locals. The local professionals whose mother tongue is the native language will not have the same chance to fit in with the élite. Most of the foreign professionals come from the same country, the former colonial power, and a large number of them have studied in one or other of only a handful of universities. They not only share the same kind of humour and jokes about their country’s politicians or important events in its history, but their networks and personal contacts will also include friends they have in common ‘back home’. Most importantly, they agree on which universities are good and which are not, and usually presume that they have had the best education. They therefore systematically down grade local education and local knowledge and ‘know-how’. They
often have very close personal ties through attending the same clubs and taking part in the same leisure activities and they will even live with their families in areas dominated by their own kind. In short, they tend to lead a highly segregated life.

Ethnic-capital and learning processes

The mechanisms of exclusion and social distinction that ethnic-capital makes possible are important in the development and self-government context. These mechanisms can and do hinder learning-processes that are essential if local people are to be able to take on higher level positions and accumulate more 'know-how'. Accumulation of 'know-how' is essential for economic growth because it constitutes the basis of the capacity to innovate new or improved products/services and production/service-processes (on different types of innovation see Freeman 1987).

Learning is largely a social interactive process, but different kinds of learning involve different levels of interaction. Some involve a simple, individual and isolated imprinting of immediate experiences on memory, but this is certainly not the most important form of learning. There is also rote learning, that is, one learns by repetition, without necessarily understanding what one is doing. This usually means observing and learning from other people and therefore requires more human interaction than simple imprinting. Much learning is done by feedback, which necessitates still more interaction and consists of learning from other people's responses to one's own conduct. Finally, there is systematic and organized searching for new knowledge as is found in industrialized societies with their universities, research institutes, and R&D units whether in firms or universities. Organized research involves intense and complex forms of interaction within one research group as well as between that group and other research groups and individuals (Johnson 1993, pp. 30-33). As all forms of learning are a social interactive process, they are shaped by institutions, that is, habits, norms and formal institutions as well as social relations between groups. Hence, one may presume that different institutionalized contexts will affect the level or speed of learning as well as creative and destructive forgetting. Let us have a closer look at this matter.

The following figure highlights the institutional embeddedness of the relationship between institutionalized learning-processes and innovation leading to accumulation of 'know-how', development and growth.

This model is an elaboration of B. Johnson's (1993, p. 33) model of the relations between learning, growth of knowledge and innovation, but we emphasize the role of institutionalized embeddedness of the learning-innovation process. (For more detailed discussion in terms of the institutionalist concept of 'neo-structuralism', see Jonsson 1995a.) Our main point is that the learning-innovation process works differently in different societal contexts. The institutional factors determine barriers of entry for different social groups. As discussed above, ethnic-capital is an important factor in determining social exclusion. These mechanisms determine who enters what kind of jobs that cover different kinds of learning (learning by doing, searching or exploring) and are therefore important factors in the labour market segmentation (Rosenberg 1989). These mechanisms are not only race/ethnic-orientated but are gendered as well.

Technical change and cultural sustainability

The original model of the learning-innovation process as presented in Figure 1 is essentially Eurocentric (Shohat and Stam 1994) by orientation, as it is based on the idea that interactive learning leads to innovations that improve competitiveness of firms and economies, but the process of forgetting is reduced to creative forgetting, that is, knowledge that does not fit innovations and improved competitiveness disappears. However, there is more to the story. The learning-innovation process can be destructive in so far as local knowledge/culture is ruined and in so far as the mechanisms of entry to the learning-innovation process lead to exclusion of particular ethnic groups, classes or gender, and their accumulated knowledge is wasted by unemployment, dissolution and apathy.
There is a great chance for a vicious circle of destructive forgetting in situations such as when self-government of the people is not characterized by self-government by the people. When foreign professionals have strong hegemonic positions and are able to exclude local labourers from learning and accumulating knowledge, they will not only to a large extent determine who is excluded, but will also accelerate the process of destruction of local culture in so far as it does not comply with Eurocentric or their ethnocentric criteria. As a consequence, the process of interaction between local culture and foreign culture's embodied in imported technology is severely diminished and innovations as well as business opportunities are reduced.

The case of Greenland and Inuit culture is interesting in this respect. Technical change refers to innovations as well as technological transfer that leads to the implementation of new technology. Technology here refers both to the organization of production/services and the technique used in production/services. In the case of Greenland, since the 1950s the technological development has been predominantly Eurocentric. The emphasis has primarily been on capital intensive mass production of fish products on the one hand, and Taylorist hierarchical organization of labour on the other. (See Jonsson 1995a on the industrial structural development in Greenland.) This Fordist trajectory has not only reinforced ethnic-based structures of status and segmentation, but it has also ignored the potentials that Inuit culture involves in terms of organizing work. At the same time the Fordist trajectory undermines Inuit cultural sustainability and limits cultural transformation. As we have mentioned above, and Robert Petersen has highlighted, the hunters' culture of the Inuites was based on team work, where a group leader led the hunting team to the hunting area, but each hunter within the team hunted independently (Petersen 1992). This way of organizing work is much more in line with contemporary management strategies than the imported Taylorist management principles. This local cultural base has been suppressed in the process of modernization in Greenland since the 1950s, and thus a strong potential for a thriving local enterprise spirit leading to a small business sector producing for the domestic market has been suppressed. It is interesting to compare Greenland with neighbouring Iceland in this context. Iceland, too, is a mini-economy with 270,000 inhabitants and is also based on fishing. While it is one of the richest countries in the world in terms of income per capita, Greenland's GDP per capita is very low. Like Greenland, Iceland was a colony of Denmark, but she gained sovereignty in 1918 and became a republic in 1944. Unlike Greenland, in Iceland the state and business elite has always been almost exclusively native, and economic development has been based on accumulation of local 'know-how' rather than on importing foreign professionals. The interesting thing in this comparison is that although the export income per capita is similar in both countries, the GDP per capita is twice as high in Iceland. One of the main reasons for this is Greenland's voluntary colonial dependence on imported Danish professionals and the fact that over 90 per cent of the import comes from Denmark. (See Jonsson 1997 for a detailed discussion.) As a consequence, technical change has been characterized by destructive forgetting.

The predominantly Fordist technical change in Greenland has been characterized by a highly segmented labour market as we shall discuss shortly. As foreign professionals have to a large extent monopolized management posts in business firms and public administration, definitions of business opportunities/emphasis have been skewed so that domestic production does not develop. Innovation activity in relation to production for the domestic market relies greatly on local culture as to the form and use of products. The important link between innovation activity and local culture is undermined in Greenland, since Inuites are excluded from management positions in firms and public administration. Again, the result is destructive forgetting in terms of cultural sustainability. Let us now look more closely at how this process of destruction is organized in Greenland by way of institutionalized racism.

**Ethnic-capital and institutionalized racism – the case of Greenland**

Being a former colony of Denmark, Greenland was integrated into Denmark as a county in 1953 and was granted home rule in 1979. When Greenland became a county of Denmark, the process of modernization was heavily intensified. The aim was to realize similar living standards in Greenland as in Denmark as quickly as possible. At the same time, Danish professionals were imported to implant institutional preconditions and infrastructure, so that Danish capital could invest in businesses in Greenland. However, Danish firms did not invest to any great extent, and so in the early 1960s it was decided that the state would instead develop and invest in businesses. The result was a heavy investment in fisheries.

Foreign labour, mainly Danish, became a substantial part of the labour force and still is. The number of foreign-born persons in Greenland as a percentage of the total population has developed since the 1950s as follows: 1950 = 4.5; 1960 = 8.3; 1970 = 16.4; 1980 = 17.7; 1990 = 17.0 and 1996 = 12.9. However, the number of foreign workers reflected in population figures does not tell the whole story. According to a survey from 1994, foreign workers (born outside Greenland) counted for 14 per cent of the labour force (18–59 years old) and 95 per cent of them were skilled workers or with higher education, while only 42 per cent of those born in Greenland had this qualification. Furthermore, 47 per cent of those born outside Greenland belonged to the highest income group, with 400,000 DKK in income per year (ca. £40,000), while only 9 per cent of those born in Greenland belonged to this group. Unemployment was...
around 18 per cent in 1994. Among unskilled workers, who are mostly Inuit, the unemployment rate was 61 per cent, and 20 per cent among fishermen/hunters. At the same time, 45 per cent of those born outside Greenland belonged to the group of professionals, managers or directors, while only 9 per cent of those born in Greenland belonged to this group. Finally, 12 per cent of those born outside Greenland belonged to the group of self-employed, while only 1 per cent of those born in Greenland belonged to the same group (Statistics Greenland 1994). As a consequence, the Greenlandic society is highly ethnically segregated both in terms of class and income.

‘Know-how’ and skills do not accumulate in Greenland to the same extent as they do in the neighbouring countries, because Greenland imports exceptionally many expensive Danish ‘professional’ workers and external consultants, over 70 per cent of whom move back again within three years. One of the main characteristics of manpower policy in Greenland is the prioritizing of Danish professionals and academic staff rather than local workers. As a consequence, Danish professionals make up most of the staff at managerial level in the public and private administration. This is very different from Iceland. Greenland and Iceland are both Arctic countries with fisheries as their main source of revenue (Jonsson 1995a). Unlike Greenland, in Iceland manpower-policy emphasizes native knowledge, work experience and on-the-job training. In Iceland, only 15 per cent of senior officials and managers in firms and public administration had a university degree in 1995, at the same time as 63 per cent of professionals had such a degree (Statistics Iceland 1996). In 1997 53 per cent of senior officials and managers within the public administration in Iceland (excluding municipalities) had academic degrees and 68 per cent of the professionals (Statistics Iceland 1997: special cross-tabulation for this article).

In Greenland, the emphasis is on formal educational degrees rather than on native and local knowledge, local personal contacts, networks and the local language. The result is that managers and professionals in Greenland are in most cases Danish and to a lesser extent of other nationalities.

There are relatively many people in Greenland who have finished or attended technical schools and gymnasium (ISCED 2 and 3). In terms of enrolment of students in such schools, around 85 per cent of 15–19-year olds in Greenland attend such schools, while the ratio is 89 per cent in USA (UN: Human Development Report 1995, p. 200; Greenland Statistics, Uddannelse 1995:1; Statistical Yearbook 1990). This resource of human capital is, however, not used. Opportunities in the labour market are constrained due to the constant flow of Danish workers and the limited support for domestic production and consumption. What is needed is that existing domestic producers and future producers should have access to inexpensive technological facilities and assistance, and a greater supply of risk-capital for investments and experiments, marketing, etc.

The situation of severe labour market segmentation and exclusion of Greenlanders from management and professional jobs and learning-processes is best analysed in terms of the concept of institutionalized racism. We consider it to be one of the cornerstones of the institutionalized dependency of Greenland. The concept of institutionalized racism refers to the active side of institutional racism. In other words, it does not merely reflect that institutions function in a discriminatory way, but that these institutions are organized by people who may have different levels of awareness of the racist discriminatory results of the procedures and ways of conduct that characterize these institutions. Institutionalized racism may appear in very different forms spanning, on the one hand, from macro-organization of segregation and discrimination such as the South African apartheid system with the spatial segmentation in the form of homelands and discrimination in terms of work and consumption.

<table>
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<tr>
<th>Denmark</th>
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* 1992; ** aged 15–69; *** top 17.7 per cent of income earners; **** top 17.5 per cent of income earners.

within three years. Their transport costs alone are estimated to cost some
without any work experience. An unstable and unfit labour force of this
kind can hardly be ideal for any employer.

formal educational merits compared to local 'know-how'. This happens
5 per cent of Greenland's GDP (Paldam 1995). The productivity of this
landic language. Furthermore, they lack knowledge of the particularities
of this common statehood.

Foreign worker with MA degree and no background
in Greenlandic society or language
points/years (max.)
3
2
3
3
2
8

Foreign worker with MA degree and no background
in Greenlandic society or language

Local knowledge/experience
Local language
Relevant background education (ISCED 2)
Further background education (EVU = ISCED 3)
Bachelor degree
MA degree
Total:
10.5
8

Total:
10.5
8

(Wieviorka 1995, pp. 54-66). On the other hand, institutionalized racism
appears at the micro level in unexpected places such as job-centres, where
unemployed black persons are not offered vacant jobs in firms
known to reject black applicants. The staff presume that they are sparing
black applicants from destructive humiliation through being rejected by
companies where such applicants might believe they had a chance of
getting a job (Braham, Rattansi and Skellington 1992).

Institutionalized racism hinders the accumulation of work experience
of native workers and hence the accumulation of local 'know-how' and
skills.11 Institutionalized racism involves systematic overvaluation of the
'know-how' of a particular ethnic group, that is, Danish workers and their
formal educational merits compared to local 'know-how'. This happens
despite the fact that most Danish workers lack knowledge of the Green-
landic language. Furthermore, they lack knowledge of the particularities
of the Greenlandic society and its economy as well as local personal con-
tacts, which are essential both for the administration and businesses. In
addition, the Danish 'requested' ('tilkaldt') workers form an extremely
unstable workforce, since around 70 per cent of them move abroad again
within three years. Their transport costs alone are estimated to cost some
5 per cent of Greenland's GDP (Paldam 1995). The productivity of this
foreign workforce must be low, because they need to get acquainted with
the Greenlandic society and many of them come straight from university
without any work experience. An unstable and unfit labour force of this
kind can hardly be ideal for any employer.

The exclusion of the Inuit population from higher positions and the
extensive labour market segmentation are probably the main factors
cauing the high level of apathy and anomie which appears among other
things in the phenomenally high suicide rate (see Table 2). The suicide
rate in Greenland is six times higher than in Scandinavia (Jonsson 1995a
and 1996). In the first half of 1997, thirty-nine persons committed suicide
in Greenland which is equivalent to 79,000 persons a year in the UK, if
multiplied by the difference in population size, or nine persons every
hour. These are figures that one would not expect in a formally Nordic
welfare state.

As a consequence, it appears important to fight institutionalized
racism and discrimination. Positively emphasizing local knowledge and
language in manpower policy can do this: for instance, by hiring persons
according to points given for different kinds of 'know-how' acquired in
terms of years. In Table 3 above, emphasis is on local knowledge and lan-
guage and hypothetical applicants are compared:

When an applicant has a higher education than an MA degree, the
application needs to be evaluated critically in order to prevent an
overqualified person from being hired (given that his/her educational
background is relevant), and keeping in mind the chances for a local
person with on-the-job training.

Notes
1. The income per capita for the UK refers here to GDP, while that of Greenland
refers to gross disposable income, where 'grants' from Denmark and the Danish state's
direct expenditure in Greenland are included.
2. We would rather look at it as necessary expenditure to keep Greenland as part of
the Danish federation or 'common statehood' as it is called. The Faroe Islands are also part
of this common statehood.
3. 'Hyper-colonial relations' refer to the fact that Greenland was incorporated into
Denmark in the 1950s and only as late as 1979 was allocated certain powers by the Danish
parliament in the form of a home rule government. However, the Greenlandic nation was
not allowed the status of sovereignty.
4. The concept of mini-economy or micro-economy refers to economies with less than
one million inhabitants. (See I. Jonsson 1991 and 1993.)
5. Total institutions refer to institutions such as prisons, ships, the army and asylums
where personalities are remodelled in the context of severe means of psychological and
physical control. (See Goffman (1991) for detailed analysis.)
6. Ervin Goffman's (1991) detailed analysis of the process of civil death and program-
mimg of the individual in total institutions is helpful in this context. However, there is not
space enough in this article to elaborate further on this aspect of re-socialization which is
important in understanding the process of development at the micro level.
7. In 1994 77 per cent of households in Greenland had video equipment, 97 per cent
radio, 96 per cent television, and, on average, Greenlanders watched TV for 2.9 hours per
day (Statistics Greenland 1994).
8. See Goffman (1991) on the psychosocial role of inmate degradation and curtailment
of privileges as a means of control.

Table 3. Evaluation scheme for hiring

| Local EVU (worker with extended commercial school education) | Foreign worker with MA degree and no background in Greenlandic society or language |
| Local knowledge/experience | 3 | 8 |
| Local language | 2 | |
| Relevant background education (ISCED 2) | 3 | |
| Further background education (EVU = ISCED 3) | 3 | |
| Bachelor degree | 2.5 | |
| MA degree | | |
10. This statistic is based on the standardized ILO labour market survey in Iceland. The occupations are defined in accordance with ILO's ISCO-88 categorization of occupations. The category 'professionals' refers to occupations requiring academic education.

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