

“Why Norway is not a member of EU?”

Causes of Norwegian euroscepticism

Jacopo Piccinetti

Matr. 068492

Understanding the causes that led to the Norwegian citizens to take on a sense of scepticism in contrast to the process of European integration is the objective of my thesis. The work is divided into three chapters. In the first part, the political and institutional relations between Norway and the European Union are analyzed. In the second chapter, it is considered the Norwegian history, sanctioned by the unions with Denmark and Sweden before the final independence reached in 1905. Inside this chapter, the two historians No decreed to the European referendum questions in 1972 and 1994 are described. The centre/periphery cleavage and the role of the economic dominant sectors are the two central themes in response to the research question, displayed in the third chapter.

Norway's relationship with EU is based on association without membership. In spite of the integration of $\frac{3}{4}$ of all EU legislative acts and has implemented them more effectively than many EU members state, Norway is not involved in the EU's decision-making processes. For example about Justice and Home Affairs Norway is more “IN” than UK because is party to the Schengen Agreement (since 1999). In other areas Norway is also more integrated than certain “opt-out” members like Denmark or Sweden. Member states negotiate certain “opt-outs” from legislation or treaties of the European Union, meaning the do not have to participate in certain policy areas. This “patchwork of agreements” covers: police cooperation, immigration, foreign, security and defence. But are not covered by these agreements the EU common policies on agriculture, fisheries and regional policy that most scares Norwegian interests.

At this moment Norway is adopting EU legislation, adapting to the rules of play and paying for the participation, but at the same time staying out of the political

discussions and decision-making processes to any significant extent. In fact, Norway is one of the three European Free Trade Association (EFTA) states (with Iceland and Liechtenstein) that are member of the European Economic Area (EEA) with the other 28 EU member States. These countries have access to the EEA and vice-versa through adopting all legislation that governs the four freedoms: -goods; -people; -services and -capital. Norway is the fifth largest trade partner of the EU, while the EU remains the main trade partner of Norway for both imports and exports.

Norway and Iceland are the only Nordic countries outside the EU. While Sweden and Denmark are EU members, Finland is the only Nordic country, which is both a member of the EU and adopt the euro currency. But this relation has a cost. Norway pays the 97% of the EFTA Grants and 100% of the Norway Grants. The grants are the financial contribution of Norway, Iceland and Liechtenstein towards the reduction of economic and social disparities in the European Economic Area (EEA). It amounts around 1,97 billion in the period between: 2009 - 2014. Norway, Iceland and Liechtenstein contribute to reducing social and economic disparities in Europe and to strengthening bilateral relations with 15 countries in Central and Southern Europe. The beneficiary states are: Poland, Romania, Hungary, Czech Republic, Bulgaria, Lithuania, Slovakia, Latvia, Greece, Portugal, Estonia, Slovenia, Cyprus and Malta. The total contribution since 1994 is around 3.27 billion.

Less than 20% of Norwegian voters want their country to join the European Union, according to a poll published ahead of a general election. The general answer at the question “why Norway is not a member of EU?” is: “why should we waste our money on EU countries where people don’t pay taxes? ”. But this answer is not enough, because resources and their export to the European Markets are also the major reason for Norway’s present wealth. The parties that are part of the government whose president is to Erna Solberg, leader of the Hoyre (Conservative Party), are the Conservative Party and the Progress Party.

During the 30 years from 1971 to 2001, its gross domestic product rose by 177 %. Norway's position as a "successful outsider" is based on an extremely favourable economic situation.

The country's oil driven economy has led to a situation with low unemployment (3,5%), no public debt and generous social welfare schemes. Anyway, for a country with high democratic standards is it a paradox that every Norwegian Governments has accepted the EEA logic, that concerns with participation without representation, and Norway has no voice inside the European policy-making process. Today Norway tends to influence the European policies only through the lobbying pressure, but without institutional discussion. Norway takes part in the European legislation, respecting the constraints and contributing to European participation in the single market, but at the same time is not involved in political discussion and not take part in the process of formation of laws. The causes of euroscepticism are found in Norwegian territorial cleavage, caused by the geography of the country. The discovery of oil transformed the Norwegian economy, today being the eighth largest oil exporter in the world and changing expectations of Norwegians over a greater European integration.

Rokkan (1998) wrote that the cleavage Centre/Periphery is useful for understand the Norwegian opposition at the EU entrance. The distance between the north and the south of the country is approximately 2000 km. People living in the peripheral regions already feel far from Oslo, the national decision-making centre. Brussels is almost yet another 2000 km from Oslo and this distance is experienced as some type of alienation. Norwegians farmers and fishermen are scared of EU legislation because the importance of Agriculture and Fisheries in the economy. With the entrance in the EU their internal subsidies system might be seriously damaged. The fear of losing control over natural resources is a strong argument in the no-to-the-EU discourse. Images such as "Norwegian fjords being invaded by Spanish and Portuguese fishing boats" are being used as what can happens in the event of EU membership. (Kristi Methi, Secretary-General of the European Movement in Norway, www.opendemocracy.net).

Historical overview:

1962 – Norway applies to join the ECC

1972 (24-25 September) – 53,5 % of Norwegians vote against EC accession in a referendum with 79,2% of turnout

1984 – “Luxembourg process”. EFTA-EC ministerial meeting in Luxembourg adopts a declaration mentioning the establishment of a European Economic Space (Area).

1992 (2 May in Oporto) – the EEA Agreement signed between the EFTA states and the EU

1994 (28 November) – 52,2 % of Norwegians reject the membership of the EU in a referendum with 89% of turnout

1996 – Nordic passport union (5 states) signed the Schengen Convention

1972 and 1994, two referendums

The Norwegians have twice rejected proposals to join the European project. In 1970 the Norwegian government made the request for accession to the European Union. Yes votes were all concentrated in the south of the country, where they were the areas most urbanized and densely populated.). In Norway, the referendum vote for the entry into the European Economic Community was consultative. The establishment Norwegian pushing for entry into the EEC, seeing the entry into the European Economic Community as the definitive statement of continental Norway in the assembly. The romantic myth of Norwegian independence was in the service of the front of No. comparing the pro-European parties to the constant presence of unionist parties in Norwegian history, both in 1814 and in 1905. Parties in favor of maintaining the union with other states, because it would helped to Norway. It was the face of the painting like the front of industrialists, bankers, officials of party and administrative employees. On 24 and 25 September 1972, Norwegians voted with a turnout of 79.2%. The front of No, prevailed (53.5%) on Yes (46.5%) decreeing the final rejection of entry of Norway into the European Community.

On 28 November 1994 the second European referendum voted in Norway. Compared to the referendum of 1972 where basically they voted entry into an economic community, with still limited property policies, in 1994 Norway was opposed to the process of supranational political integration that was bringing in all the western states of the continent. The Agrarian Party usually voted to represent the interests of the farmers of rural coastal able to take on the role of the party catalyst of the protest. Together with Norway, Sweden and Finland also, applied to become EU member states. The 1994 referendum was held simultaneously in Sweden, Finland and Norway. Two referendums have not been the sovereign decision of the Norwegian people to refuse to join the European Economic Community and the European Union before then.

The influence of economic sectors

Norway is the largest exporter of petroleum in Europe and one of the largest in the world. According to the estimates of 2010, exports about 1.6 million barrels a day more than double the second European country in the ranking (UK). The discovery of oil transformed the Norwegian economy, today being the eighth largest oil exporter in the world.

In Norway, the economy has been less dependent on an internationally oriented manufacturing sector and more reliant on a single industry for its export revenue: the petroleum sector. Norway's principal export commodity, responsible for more than one-third of export revenue and the largest contributor to GDP, is oil and gas from the North Sea. The Norwegian economy has grown accustomed to income from the sector, and the government has adopted policy options, such as a petroleum fund, that are inconceivable elsewhere in northern Europe. Petroleum companies, both Norwegian and multinationals operating on the continental shelf, are strategically important to the Norwegian state; yet these producers are not as committed to European policy coordination as the manufacturing sector is in Sweden.

Agriculture is the largest recipient of aid from the government, receiving approximately 60% of the total annual transfers. The government's objective was

to avoid the de-population of rural areas and combat the problem of urbanization, ensuring the work within the country.

The role of the cleavage centre/periphery

At the referendum held on 28 November 1994, 52,2% of the votes cast were against Norwegian membership of the European Union (EU). The membership treaty that the government had negotiated was hence withdrawn and Norway separated itself from the other applicant countries and remained outside the EU. Norway has chosen to position itself outside the dominant political forum of cooperation on the European continent. People who live in remote areas of the north and the coast, as far perceive the institutions of the capital Oslo. The result of the referendum in November 1994 could be seen as a sign of a division between State and Nation. It was the State apparatus, in other words the political system consisting of the Cabinet, the majority of Parliament and the civil service, which had negotiated the membership agreement with the Union. The representative of the State sought a wider frame for the execution of State functions and improved possibilities for Norwegian trade and society to participate in their international arena. When the question was put out to a referendum it was to a greater extent the preferences and logic of the Nation which were allowed to structure the debate. The result can be seen as an expression of the opposition of the Nation to the changing of the State, which many people perceived would be the consequence of EU membership. The Nation wanted to “protect” the institution of the State, as an attempt to maintain the unity between territory, people and the nation-state.

The reasons why Norway is not a member of the EU are multiple. The analysis of the political profile of the country is a first step to understanding the foreign and domestic policy. A relatively young, independent since 1905, which for centuries has participated in unions with other countries, such as Denmark and Sweden, covering always a minority role, a condition that has led to a rejection of forms of supranational integration with consequent loss of sovereignty. The uniqueness of the Norwegian model combined with the refusal of Norwegian citizens of greater European integration are the key features of the work.

Norway is the only country in Western Europe to have twice refused entry into the European Community. In September of 1972 only 46.5% of Norwegians expressed a vote for Europe, and in November of 1994 only 47.7%. The referendum results were analyzed by many authors and a greater emphasis has been placed on the role played by the inhabitants of the northern regions of the country, where most citizens are engaged in fisheries or agriculture. It is these sectors benefit of national subsidies guaranteed by the yield of oil, run publicly. The dominant economic sector, the oil and gas, has a decisive influence in the decisions of Norwegian economic policy. The management of oil through Statoil, the state oil company, has given the opportunity for governments to ensure a system of subsidies for traditional sectors and to forge bilateral agreements with the European member states, without having to become an EU member.

The term Euroscepticism is generally used in reference to those who are averse to European integration. The Eurosceptic field is very vast, populated by extreme right-wing factions in the member states. In reference to the Norwegian case, Euroscepticism is not comparable to a single political party, but is defined as a widespread feeling in the country and increased by territorial cleavage.