

The 'Norwegian model' would be a poor alternative to EU membership for the UK

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Norway is not a member of the European Union, but participates in the single market and other areas of the integration process as a member of the European Economic Area. [Erna Solberg](#), the Prime Minister of Norway, outlines the main elements of the Norwegian system and the lessons it may hold for other European countries. She argues that while Norway's arrangement provides some notable benefits for the country, it is unlikely to be a suitable model for the UK to follow should it leave the European Union.



Does Norway's experience with the European Economic Area (EEA) offer an example for Britain?

The short answer to that question is "no". Before outlining the reasons why this is the case, however, it is necessary to first elaborate on the Norwegian experience with the EEA agreement and, indeed, the over 70 other agreements that Norway has with the EU.

Norway and the EEA

In order to explain how Norway signed up to the EEA, we need to go back to the early 1990s. The agreement was made in 1992 and went into force in 1994. The main aim when the agreement was negotiated was to strengthen trade and economic ties with the EU – and, some would say, to prepare the ground for EU membership. While the EFTA members Finland and Sweden joined, the Norwegian people narrowly voted 'no' in the referendum in 1994, just like they did in 1972. The EEA agreement was not as divisive as the membership agreement that split our nation in two. Most pro-EU voices were against the EEA agreement from the perspective that it stood in the way of full membership, while those opposed to the EU were against it due to the transfer of powers to Brussels. It was, and still is, the second choice for most people. You could say that the EEA became a political compromise, and still is a political compromise that most people have learned to live with.

The EEA agreement secures Norway's access to the four freedoms of the Single Market: the free movement of goods, services, people, and capital. The significant areas left out of the agreement were agriculture and fisheries. Petroleum, gas and manufactured products can be traded freely, because EEA members submit to all the directives connected with the Single Market. The 20 years of the EEA agreement have coincided with a prosperous era for the Norwegian economy. Of course, the prosperity is tied to Norwegian energy production, but the EEA has produced a solid framework for Norwegian business and industry. The influx of labour, particularly from Eastern Europe, has also contributed to economic growth. Moreover, the Norwegian social model has been safeguarded and further developed throughout this period.

The EEA agreement consists of a two-pillar structure that ensures close cooperation and scrutiny in all areas, much like the EU system does. The EEA Council links up the participating EFTA countries' governments, and the European



Norwegian flag, Credit: ghiac (CC BY 2.0)

Council and the EEA Committee links up the EFTA countries and the European Commission. The European Surveillance Authority monitors the EEA/EFTA countries in the same way that the European Commission oversees EU member states' progress and national implementation of EU legislation. The EFTA Court is the equivalent to the EU court. Following the Lisbon Treaty, the European Parliament has a bigger role and that has led to an increase in meetings between the MEPs and our parliamentarians, through the consultative committee for the EEA and EFTA's parliamentary committee.

This form of association has turned out to be surprisingly stable and flexible. It has given our export industry free and open market access. The changes at the EU level have harmonised well with our needs at the national level. The scope of the agreement has changed tremendously since we entered, and we now cooperate on environment, research, education, cultural and social affairs. At the same time, most of the EU legislation is passed in our Parliament with unanimous consent. We adopt and implement more legislative acts than the EU average, yet we have no formal impact on the preparation of them.

Our Parliament must consent to ratify all new EU agreements or legislative acts that entail significant new obligations for Norway. From 1992 to 2011, our Parliament voted on a total of 287 such EU matters, 265 of which were unanimously agreed to, and most of the remaining 22 were agreed to by a broad majority. We have implemented three-quarters of all of the EU's legislative acts. The use of our right to enter a reservation has only been submitted once, with regards the third postal directive. So I guess it's fair to say that we have been more compliant than many EU member countries. I think that goes to show that most of the EU legal acts make sense for our country – or alternatively that we have grown so accustomed to adopting them. For the most part I think that the former is true.

There are some fundamental and significant downsides to the agreement as well. The democratic deficit is apparent. We have no formal political representation in Brussels or Strasbourg, and no voting rights on the legislation that eventually will become national laws. We are not at the negotiating table when the EU is assembled and we're lucky if we've made it into the hallways of Brussels. There is also a significant delay in the implementation which is causing a backlog of EU legislation and creating a different legal basis between the EU member states and Norway.

The EEA agreement also has a financial cost. Norway's total financial contribution linked to the EEA agreement is roughly around 340 million euros per year, which is more than many EU member states pay – and the bill is increasing. We pay for accessing the various EU agencies and programmes. A large part of this is funnelled through the EEA grants. For the 2009 to 2014 time frame, Norway, through the EEA grants, provides 1.8 billion euros to programmes in 15 EU countries. The contributions make sense. By reducing social and economic inequalities in Europe, and strengthening the rule of law in these countries, we do make a substantial difference.

Is the EEA agreement an example to follow for Britain?

Norway and Britain are very different countries and are in many ways incomparable. Norway has a small, open economy with 5 million people. Some 75 per cent of our exports go to the EU. The United Kingdom is an international power of 63 million people. It has a large trading relationship with the EU, but also with the rest of the world. We simply have different comparative advantages and priorities vis-à-vis the EU.

There is more at stake for the United Kingdom. I think the most convincing argument for why Britain should remain a member of the European Union is both to maintain stable market conditions for the country's export industries, but also to be an integral and instrumental part of European democracy. I would, however, be careful about giving advice when it comes to Britain's future in Europe. Norwegian diplomats, and to a certain extent politicians, when asked about what European non-EU countries should do, tend to give the advice of joining EU membership. That has especially been the case for the Eastern European countries. They of course find it peculiar that such advice comes from a non-member.

David Cameron, the British Prime Minister, has repeatedly rejected the Norwegian and Swiss models. He has, instead, set out a plan to reassess Britain's relationship with the EU, aimed at ending up with new terms before a likely in/out referendum in 2017. We know that the Prime Minister wants those new arrangements to be successful, allowing him to campaign for Britain to stay in the European Union. In other words, he is doing what he can to push the UK-EU relationship in a positive direction and to stay in the union, but the issue is how he should go about doing that.

We live in a time where different countries are at different stages in their EU association. Countries are opting out and opting in on various agreements. We need to ask some important questions. Do we want a multi-speed Europe and do we want to end up at the same station? Do we want associate memberships and full memberships? Do we want *more* Europe, or a *better* Europe? I don't necessarily look at those two 'Europes' as mutually exclusive, but I do think that a membership is a membership. The result may end up being a large union with all member states and a closer community that is based on the Eurozone.

Politicians tend to like evaluations and reports. Of course, you tend to like the reports whose conclusions happen to support your thesis. We received such a report last year: a Norwegian assessment of EU-Norway relations with the fitting title "[Outside and Inside](#)". Through 911 pages (and some people indeed called it a "911 call for help") it gives the most comprehensive report on the upsides and downsides of our agreements with the EU. The report concludes that Norway is far more closely associated with the EU than most people realise, yet we simply play an observational role in the EU.

I think Norway is dependent on a sound British voice within the EU. Even though our societies are vastly different, we, the British and Norwegian – and indeed the Nordic Conservatives – are, in the end, all in favour of international cooperation in order to solve cross-national issues. We don't want free and untamed liberal policies. We put Edmund Burke's morals before Adam Smith's laissez-faire.

Both EU member states and those of us who are "outsiders" need to become better at communicating the positive narrative of Europe. The EU works best when it works together to solve the issues at hand, whether it is brokering peace, helping poor countries develop, through climate negotiations or in trade rounds. I believe that the countries in the "Inner 27" and those of us in the "outer 4" share the values and principles of freedom, responsibility and diversity. Consequently, we need to strive for the closest possible cooperation when seeking to preserve those values and principles.

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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Erna Solberg is the Prime Minister of Norway and leader of *Høyre* (the Conservative Party), the largest centre-right political party in the country. She is a graduate from the University of Bergen and has been a member of the *Storting* (Norwegian Parliament) since 1989.

