

# Having a voice in Brussels from outside the EU: the lessons of EEA-EFTA

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If Britain were to leave the EU, yet seek somehow to remain a part of the Single Market, the EFTA countries would watch with interest. This is, after all, the deal Iceland, Liechtenstein, Norway and Switzerland currently have. In this post, **Sebastian Remøy** responds to the proceedings of [The LSE Commission on the Future of Britain in Europe](#).



## Britain as an EEA-EFTA State?

In terms of political legitimacy, the EU demands quite a high price for the EEA agreement. Since 1994, the EEA-EFTA States (Norway, Iceland and Liechtenstein) have adopted nearly 11000 legal acts that essentially extend the effect of EU Internal Market legislation and the Internal Market's four freedoms to their own markets. The rub is that these states have no representation or votes in the European Council or the European Parliament when the rules are being decided, and with no Commissioners or officials from EFTA countries in the European Commission, they also have very little influence in initiatives taken by the EU executive. Moreover, the EEA-EFTA States, and in particular Norway, make financial contributions to the EU that are substantial and comparable with those of EU Member States.<sup>[1]</sup>

Some view this as a form of taxation without representation, a sort of self-inflicted economic colonization. Others say that because these EEA-EFTA states voluntarily accept this arrangement they have preserved more of their sovereignty than EU member states. Yet it seems hardly likely that the UK would accept implementing over 400 EU laws a year without any voting rights and political influence over their promulgation. With no ability to vote in Brussels, the Norwegian Parliament rubber stamps on average 5 EU laws a day into Norwegian law. How would something like that go down in Westminster?

Even if Britain could accept the current EEA arrangement, aka the Norway option, it may be too big to simply slide into an arrangement that the EU for many years has only grudgingly accepted, and has tolerated because it was only supposed to be temporary and now is too difficult to get rid of. Most EU officials are too polite to admit this about the EEA. They praise it in public, even though it is an unspoken truth in Brussels that the agreement is the *Plan B*. Plan A has always been EU membership.

Whether the EU would accept Britain as an EEA-EFTA state is one matter. But another equally important question is whether the EFTA States would welcome back the UK as an EFTA member, and one that wants to participate in the EEA Agreement as an EFTA State. All four EFTA States must agree on accepting a new member into EFTA, and then all EU and all EFTA States that comprise the EEA (30 States excluding the UK) would unanimously have to agree to the UK reentering the EEA as an EFTA State.

Norway is not a large country, but alongside Iceland and Liechtenstein on the EFTA pillar of the EEA, it is influential, some might even say dominant. This dynamic would change significantly were the UK to become an EEA-EFTA State. The UK would dwarf all the other EEA-EFTA States, and to some extent also Switzerland which is in EFTA but not the EEA. Do the EFTA states relish the prospect of a giant like the UK lumbering in with its all its idiosyncrasies, hang-ups and requests for opt-outs, sometimes even beyond what the EFTA States have secured?<sup>[2]</sup> British re-entry into EFTA would certainly disrupt existing power structures within the organisation. For the time being, Norway is not encouraging Britain to leave the EU and jump back into its old club, although neither has it indicated it would try to stop British re-entry into EFTA.<sup>[3]</sup> EFTA States will unlikely express strong positions on this until there is more clarity about the direction the UK will take – following the referendum on June 23rd.

## EEA-plus: a non-EU member state but a member of the Internal Market with voting rights?

One can easily imagine that a “Brexit” UK might seek to secure a more democratic arrangement than is available to the EEA-EFTA States, so that it at least could vote on the Internal Market *acquis* that it would have to adopt should it wish to continue to participate in that market. Homogeneity is a fundamental principle of the Internal Market and other EU and EEA members will continue to insist upon the same rule book and a level playing field for all market participants.

If it became possible for the UK to participate in the decision making of Internal Market rules without being an EU member state, then it might entice other countries to leave the EU and seek the same. It may also induce the EFTA countries to try to improve their arrangements with the EU. Why should they hold onto a form of association that is less good than what another non-member has cherry-picked?

Yet a sort of EEA-plus is advocated by some optimistic Brexit proponents, who maintain that Britain certainly can get something better than the best association deal that already exists, namely the EEA Agreement. They argue that Britain’s weight as an economic power will induce EU negotiators to be more accommodating than they have so far been to the much smaller EFTA states. But it is also possible that that the UK’s size will count against granting the UK something better than the EEA. Why establish an even greater exception to the practice of not encouraging cherry picking than the one presented by the EEA Agreement?

But let’s suppose that Britain invokes Article 50, on the assumption that it will secure access to decision making over the Internal Market *acquis*. What would the UK’s relationship be to the European Institutions: to both those in the EU and EFTA? What role would British officials have in these institutions? Would a new UK pillar have to be established that is better than the EFTA pillar of the EEA Agreement?<sup>[4]</sup> These are some important scenarios upon which the EFTA countries are undoubtedly pondering.

### Having a voice in Brussels from outside the EU

While advising many stakeholders on how to influence policies and decisions taken by the EU, I am in a somewhat privileged position to compare the access to decision makers that organisations from EFTA and other 3<sup>rd</sup> countries have, versus the access that interest groups from EU countries have.

It is important that UK interests understand what they are losing, if the UK leaves the EU.

Stakeholders from Norway, just like those from say Thailand, Ecuador or Ghana have **no** MEPs from their nations to whom they can appeal when important EU legislation is being promulgated on a matter of vital interest to them. Naturally, therefore, there are no Norwegians to chair committees in the Parliament, or to serve as rapporteurs or shadow rapporteurs on important dossiers. There are no Norwegian ministers at Council meetings to take up their causes. Nor are there Norwegian cabinet members working for Commissioners who can keep an eye out for their interests. Indeed, there is no Norwegian Commissioner or Director General, and aside from a few national experts here and there, there are practically no Norwegian officials drafting legislation or heading case teams in the Commission services, and certainly not heading directorates or units there.

A Norwegian has never held the Presidency of the European Parliament, like Ireland has done. There will never be a Norwegian Secretary-General or a President of the Commission, as there has just been a Portuguese one, or today



there is one from Luxembourg. Norway has no chance to host any EU agencies, not even ones in which the country has immense expertise, such as fisheries or energy. Norway does not have voting rights in these agencies or for that matter in [comitology](#) committees that produce technical regulations. Norwegian diplomats who are renowned for their skill in finding compromises and helping to resolve difficult conflicts around the world, are excluded from the European External Action Service.

This lack of access to EU decision making is quite remarkable, considering that Norway adopts about 75% of EU legislation. This denial of influence and self-absenting from the governance of an economic market of which it is an integral part is quite extraordinary. Is the UK prepared to end up in a similar situation?

*This post represents the views of the author and not those of the BrexitVote blog, nor the LSE. Image from the EFTA website ([public domain](#)).*

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[1] Norway contributes over €800 million to the EU each year.

[2] Norway participates in the Schengen and Dublin Agreements, the Prüm Treaty, Eurojust, the European Arrest Warrant. In total there are over 70 agreements that bind Norway to the EU. One way or another, Norway adopts about 75% of EU legislation.

[3] "I have a hard time seeing the UK, with its global ambition, dedication and contributions, being comfortable with such an arrangement. I say this not out of fear for a return of the UK to EFTA – although that would alter Norway's relative position within the EEA/EFTA. After all, we are the great power in the Oslo-Reykjavik-Vaduz axis." Vidar Helgesen, Europe Minister 16.10.13-16.12.15. Brexit: a Norwegian view, article in Open Democracy, 19. mars 2015.

[4] The EEA Agreement has two pillars, an EFTA pillar and an EU pillar. The EFTA pillar very roughly mirrors EU institutions containing organisations such as the EFTA Surveillance Authority and the EFTA Court which ensure Internal Market compliance by EEA EFTA States. Norway, Iceland and Liechtenstein meet in a Standing Committee to agree positions jointly, before taking joint decisions in the EEA Council with the EU (Council/Presidency/EEAS). There is an EEA Parliamentary Committee and a EEA Consultative Committee, both with advisory roles only.

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