PALGRAVE STUDIES IN EUROPEAN UNION POLITICS

Series Editors: Michelle Egan · Neill Nugent
William E. Paterson

palgrave pivot

NORDIC STATES AND EUROPEAN INTEGRATION

Awkward Partners in the North?

Edited by
Malin Stegmann McCallion
Alex Brianson

Palgrave Studies in European Union Politics

"This is an invigorating comparative assessment of awkward states that opens up new avenues for research and sophisticated conceptual advances. It illustrates that there are many awkward states in regional integration – and so it is especially timely. The study of these Nordic states provides us with excellent scholarly expertise in one accessible volume"

—Professor Philomena Murray, *the University of Melbourne, Australia*

Following on the sustained success of the acclaimed European Union Series, which essentially publishes research-based textbooks, Palgrave Studies in European Union Politics publishes cutting edge research-driven monographs. The remit of the series is broadly defined, both in terms of subject and academic discipline. All topics of significance concerning the nature and operation of the European Union potentially fall within the scope of the series. The series is multidisciplinary to reflect the growing importance of the EU as a political, economic and social phenomenon.

More information about this series at
http://www.springer.com/series/14629

Malin Stegmann McCallion · Alex Brianson
Editors

Nordic States and European Integration

Awkward Partners in the North?

palgrave
macmillan

Editors
Malin Stegmann McCallion
Karlstad University
Karlstad, Sweden

Alex Brianson
University of Kent
Canterbury, UK

Palgrave Studies in European Union Politics
ISBN 978-3-319-57561-2 ISBN 978-3-319-57562-9 (eBook)
DOI 10.1007/978-3-319-57562-9

Library of Congress Control Number: 2017940342

Cover illustration: © nemesis2207/Fotolia.co.uk

Printed on acid-free paper

This Palgrave Macmillan imprint is published by Springer Nature
The registered company is Springer International Publishing AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

Alex wishes to dedicate the book to his father, Brian.

Malin wishes to dedicate her part of the book to Éamonn, Anna, and Vilgot.

Foreword and Acknowledgements

This collaboration started because we wanted to explore if and how the *awkwardness* concept in the European regional integration processes is transferable from the UK context to other states. The Nordic countries have a history of close collaboration both politically and culturally; they are not all members of the European Union, though, even if by the same token both Norway and Iceland have flirted with the idea. Thus, we—Malin, Alex, Anders, Stefan, Thomas, Tapio, Hanna, and Baldur—thought it would be both fun and productive to collaborate and to explore the awkwardness concept with regard to our respective states. We met up at several conferences to discuss the project among ourselves and also with peers. However, our formal collaborations began in February 2015 at a workshop held at Karlstad University, and we wish to acknowledge SNES (Swedish Network for European Studies in Political Science) for funding travel and accommodation for this, our first formal meeting as the group involved with the project that became this book.

Contents

List of Figures

List of Tables

CHAPTER 1

Introduction: Awkward Partners in the North?

Malin Stegmann McCallion and Alex Brianson

Abstract In this chapter, we introduce the concept of awkwardness in regional integration, showing how it can apply both to states and to the relationship between states and their respective regional organisations and processes. We apply the terminology and variables developed by Philomena Murray, Baogong He, and Alex Warleigh-Lack in their 2014 article to the cases of our five Nordic states and sketch the relationship between the five states studied in this volume and European integration. We close the chapter by presenting the structure of the volume and introducing its following chapters.

Keywords Awkward · Nordic states · European integration

M. Stegmann McCallion (✉)
Karlstad University, Karlstad, Sweden
e-mail: malin.stegmann-mccallion@kau.se

A. Brianson
University of Kent, Canterbury, UK
e-mail: alex.brianson@yahoo.com

M. Stegmann McCallion and A. Brianson (eds.), *Nordic States and European Integration*, Palgrave Studies in European Union Politics,
DOI 10.1007/978-3-319-57562-9_1

1.1 Awkward Partners in Regional Integration—Definitions and Applications

The adjective *awkward* is defined in the Cambridge dictionary as *difficult to do, use, or deal with.* Our interest in this book lies in the third aspect, being *difficult to deal with*; we are seeking to understand when, why, and with which consequences states that join regional integration processes, but routinely stay outside the mainstream in their particular regions, are perceived as awkward by their partners. What and who determines when a state is considered awkward? How does this judgement impact on such states' ability to achieve their objectives? To what extent does it impact on the region itself? Is there anything significant that can be generalised across instances of awkwardness in a given region, or regions in general?

The idea of an 'awkward partner' originated in EU studies, when Stephen George (1998) used it to encapsulate the UK's relationship with European integration in general and the EU in particular. As we collaborated on this book, the UK voted in its referendum of 23 June 2016 to leave the EU; this is the most obvious case of regional awkwardness in a long history of strained relations between London and Brussels (Wall 2008). Never before has a Member State of the EU voted to leave the region; never before has a Member State obliged its partners to grapple with what secession from the EU should mean for the EU's single market or for its extramural relations with wider instances of European integration, such as the European Economic Area and Council of Europe.[1] This is, then, the paradigm case of being an awkward partner in Europe, and may remain its epitome/nadir for some considerable time.

However, the UK is not the only awkward state in European integration. Within the EU, other states regularly sit outside the policy mainstream with opt-outs (e.g. Denmark and the single currency). Others routinely throw spanners in the works by rejecting EU Treaties (Ireland) or blocking significant policy reform over decades (e.g. France and the Common Agricultural Policy). The Czech Republic, like the UK, refused to sign up to the 2012 Fiscal Treaty. But such states are not automatically considered 'awkward' by their partners, despite causing significant political and/or policy challenges. Why is this, and how do such states avoid the label?

Moreover, other instances of regional integration across the globe also include awkward partners, and although the two phenomena are not synonyms, differentiated integration (in which states opt-out of

regional policy, or gain sometimes time-limited exemptions from it) may be a near-universal feature of regional integration (Warleigh-Lack 2015). There has thus been a revival of interest in the concept of awkward states in regional integration processes, and recent studies have attempted to refine the concept so it can be applied comparatively (Murray et al. 2014). That said, research in the area is nascent, and requires both greater empirical depth and greater conceptual refinement.

Using the Nordic cases in this book, we aim to explore how well, and how far, the concept of awkwardness can travel—that is, the extent to which it is a useful concept in helping to understand a state's relationship with a regional integration process of which it is part, and what it can reveal about the nature of the region in question. We also want to investigate whether the Nordic cases can help generate more refined conceptual thinking about the phenomenon of awkwardness. In relation to the Nordic case(s) *how*, *when* and *to what extent* is awkwardness a useful descriptor?

In this book, then, we focus primarily on the empirical issues, exploring five cases of awkwardness in European integration in an attempt to systematise evidence in a way which could eventually feed into a process of conceptual or theoretical refinement (see below). We explore the Nordic states through three dimensions in relation to the 'EU'ropean integration process; these dimensions are identity, economic, and political (security) matters. This allows us to take awkwardness further as the dependent variable, exploring a range of independent variables which is held constant across our cases. We use Murray et al. (2014) cluster of independent variables (see Table 1.1. below).

The first independent variable is the relationship the state in question has with an extra-regional security guarantor, if pertinent. What is this relationship like, and why? Is it privileged over the regional ties the state has with other states in its neighbourhood? The second independent variable focuses upon the elite view of state identity in our selected countries, and on whether and how such identity is considered to cohere with that of the region. This is of interest as it may colour state actor(s) perceptions of what is necessary and or feasible within the region. The third independent variable is that of public or popular scepticism towards participation in the regional integration project. If there is scepticism within the population this may limit the political elite's room for manoeuvre or limit the elite's capacity to bargain, or even be used as a bargaining chip in negotiations. Related to the previous independent variable is the

Table 1.1 Independent variables of awkwardness

	Independent variable	*Relevance*
1	Relationship with extra-regional security guarantor	The relationship may be privileged over regional ties by the state.
2	Elite view of state identity—as 'different' from the region	May colour state actor perception of what is necessary/feasible in the region
3	Popular scepticism towards or opposition to participation in the region	May limit the room for manoeuvre or capacity to bargain
4	Internationalisation by state actors of regional values and norms	If inadequate, this may produce cognitive dissonance in the region and/or sense of difference from partner state actors
5	Policy preferences	If consistently different it may increase perception of alterity
6	Perception of potential gains from cooperation by state with regional partners	If considered few or minor this preclude (significant) compromise
7	Attempts to create material and tangible alliances	May diminish perceptions of *awkwardness* with regional partners
8	Regional agenda-setting efforts	Reveals whether and how a state seeks successfully to overcome political marginality in the region

Source Murray et al. (2014)

fourth one, namely whether and how state actors internalise a region's norms and values. If there is a (large) discrepancy in relation to the region's norms and values this may produce cognitive dissonance within the region and/or a sense of being different from partner state actors—a view which may be shared, and viewed as problematic, by the partner states in question.

The fifth independent variable is that of policy preferences: are there persistent differences between the choices of an awkward state and those of its partners, and does this increase the perception by the latter of the former's alterity? The sixth independent variable regards the state's perception of potential gains from cooperation with its regional partners. If the potential gains are considered few or minor this may mean the state is unwilling to make significant compromises with its partners. The seventh and penultimate independent variable is whether the state under the microscope attempts to create deeper material or tangible alliances with other partners, either within the regional integration process itself or as bi-or multi-lateral additions to it. If the state does this, then it may

diminish, or off-set, the perceptions of its awkwardness its regional partners—or alternatively, it may *increase* such perceptions, because the new structures and relationships in question are considered to be rivals, rather than complements, to the regional mainstream. The final independent variable is that of the state's regional agenda-setting efforts. By exploring these initiatives, as and where they exist, we can establish whether and how a state can successfully overcome political marginality in the region, either in a given sector or in general.

1.2 Why Nordic States and European Integration: Awkward, or just Different, Partners in the North?

Our focus in this book will be on the Nordic states—Denmark, Finland, Iceland, Norway and Sweden—and their relationships with the European integration process since the creation of the European Economic Community in 1957. It is the first lengthy comparative study of awkward states or partners in regional integration, and because we are focusing on these particular states, we are also adding to the wider literature on European integration as such (most EU studies volumes which analyse EU states and European integration do so either singly or in a limited comparison which tends to draw on the experiences of Germany, France and/or the UK). The Nordic region is inherently interesting to explore further thanks *inter alia* to its distinctive socio-economic model, as well as its sustained sub-regional integration and collaboration within the Nordic Council. It is also of interest as two of the five states have chosen not to join the European Union, but none the less participate in the broader European integration process through, for example, the European Economic Area (EEA). The three EU member states were all relative latecomers: Denmark joined in 1973, whereas Sweden and Finland joined in 1995. Thus, it is no coincidence that these states have been characterised as 'reluctant Europeans' (Miljan 1977) or 'the other European Community' (Turner and Nordquist 1982). In addition, recent events in the ongoing crisis of European integration, such as its member states' differing responses to the 'refugee question', add to the piquancy: the crisis appears to be undermining years of intra-regional solidarity even between the Nordic countries, with for example the erection of temporary (?) border controls between Sweden and Denmark. The security dimension of the region is a further factor enhancing its

general interest beyond specialist scholars of its five states, since it is both a borderland with Russia and a core part of regional attempts to involve Russia in looser forms of regional co-operation such as the Baltic Sea Strategy.

The Nordic countries have a long and intertwined political history. They have worked together politically in the Nordic Council since 1952, and even though Finland did not formally become a member until 1955 it played an active part in the Council's creation.[2] Within the Nordic Council the states collaborate in such widespread policy areas such as environment, culture, and defence. The collaborations within the Nordic Council are considered by some observers to be less relevant today than in the past, given, for instance, the changed geopolitical security situation since the break-up of the Soviet Union and the fact that three of the states are members of the European Union (see, for example, Hilson 2008; Bailes 2012; Forsberg 2013). Others suggest that Nordic cooperation always took place in the context of the scepticism of Nordic elites and electorates towards supranational arrangements—Nordic or not—that would limit national autonomy (Arter 2008; Grøn et al. 2015; Strang 2016), and that the Nordic approach to any type of international cooperation (Nordic, European or global) is best understood as an integral part of a pragmatic functionalist defence of the welfare state (Grøn and Wivel 2017).

When exploring the relationship that Denmark, Finland, Iceland, Norway, and Sweden have with the European integration process, an initial observation, then, is that there is great variation between the five states. Even for those that are members of the EU, there is no uniformity in their respective adhesion to the whole range of EU policies and law. In Table 1.2, we show how our five states have tailored their relationship with the EU, including the Schengen arrangements on visa-free freedom of movement; we also show their involvement with two key non-EU manifestations of European integration, namely NATO and the Council of Europe. The respective chapters on each of our states provide further detail.

We argue however that because of their intertwined political history and the evolving geopolitical security situation, it is of interest to do a comparative study of the Nordic states in an 'awkward' perspective. Why do two of our five states remain outside the EU? Why are the five states in question still displaying different relationships with the European integration process given that the immediate post-Cold War period (roughly 1989–2007) might have been expected to produce

Table 1.2 Nordic states in European integration—a patchwork

	EU member	*Euro member*	*Single market*	*Fiscal stability treaty*	*Banking union*	*Schengen*	*Council of Europe*	*NATO*
Denmark	Y	N	Y	Y	N	Y	Y	Y
Finland	Y	Y	Y	Y	Y	Y	Y	N
Iceland	N	N	Y	N	N	Y	Y	Y
Norway	N	N	Y	N	N	Y	Y	Y
Sweden	Y	N	Y	Y	N	Y	Y	N

Y = yes participating; N = not participating

greater uniformity in their respective relationships with Brussels and Strasbourg? One study (Stegmann McCallion and Brianson 2017 *forthcoming*) suggests that one of our case study countries, Sweden, can offset its reputation for awkwardness by acquiring a reputation for reliability and competence. Is this true for other Nordic states? If not, can they find equivalent coping strategies? Has the great economic crisis/recession since 2008 reduced, increased or altered the degree and form of awkwardness our five states reveal regarding European integration? The Conclusion chapter of this volume returns to these questions.

1.3 How the Book is Structured

In this, the introduction, we have set out the parameters of how we will explore the concept of awkwardness in the European integration of the Nordic states. We have also drawn on the findings of each chapter to establish the overall contribution of this volume. What follows the present chapter is a succession of case studies, consisting of a chapter devoted to each of our selected states in turn. Each country-specific chapter follows a similar structure in order to facilitate comparison, starting with a historical outline of the country's relations with the European Union and the wider integration process. The next section examines if there are any issues that have been especially controversial for each state followed by whether and how these issues have been overcome. The country-specific conclusions explore if the label of 'awkward partner' is appropriate for the state in question, and if so whether this is viewed as a negative or a positive phenomenon in both domestic politics and/or within EU-level diplomacy.

Chapter 2 is *As Awkward as They Need to Be: Denmark's Pragmatic Activist Approach to Europe* by Anders Wivel. This chapter makes three contributions towards understanding Danish awkwardness. First, the chapter unpacks the characteristics of Danish awkwardness and explain how it has developed since the debate over whether or not to seek membership in the early 1970s. Second, the chapter discusses how Danish state identity, rooted in the context of deep societal changes in Danish society in the second half of the nineteenth century and in the first part of the twentieth century, has created a particular action space for Denmark's engagement with the European integration project. Third, the chapter discusses Denmark's strategies for managing awkwardness.

Chapter 3, *Re-Assessing Finland's Integration Policy: The End of Domestic Consensus* by Hanna Ojanen and Tapio Raunio argues that pragmatism and adaptability are the leading qualities of Finland's European policy, behavioural traits influenced by Cold War experiences. According to the political elite, national interests can best be pursued through active and constructive participation in EU decision-making. Finnish integration policy stands thus in quite striking contrast to the EU policies of Denmark and Sweden (and of course Norway and Iceland), both of which have been far less supportive of further integration. Re-assessing this traditional image of Finland, we argue that beneath the veil of domestic consensus were strong disagreements over Europe, regarding both policy and procedure, i.e. how the EU was addressed domestically. The euro crisis has certainly shaken the foundations of this pro-integrationist approach, bringing to the surface the internal divisions that exist among both political parties and the public over Europe and even affecting EU-level bargaining. Moreover, the war in Ukraine has led to questions about Finland's foreign and security policy, especially in relation to Russia and to what extent Finnish external relations are tied to European level decisions. Despite such destabilizing tendencies, we nonetheless argue against major changes in Finnish EU policy: Finland joined the Union for economic and security reasons, and, if anything, the euro crisis and the Ukrainian war have underlined the importance of the European framework for advancing national interests. At the same time, there is no return to the pre-2010 era, with the public and party-political contestation over the EU setting stronger constraints to government behaviour in Brussels.

In Chap. 4 *Sweden: An Awkward Partner? The Difference a Question Mark Can Make*, Malin Stegmann McCallion explores Sweden's

engagement in the European integration process, both before and after joining the EU in 1995. It explores Sweden's relationship with the integration process through three dimensions: economic, identity, and political/security. The chapter finds that depending on the dimension explored the *awkwardness* label sits somewhat uncomfortably however it also becomes clear that Sweden can indeed be an awkward partner in the European integration process, although the label fits better with some policy areas, and at certain points in the integration process, more than with others.

Stefan Gänzle and Thomas Henökl argue in Chap. 5, *Norway: An 'Awkward Partner' of European Integration?* that as the only one of the Nordic states to have rejected membership of the European Union four times, it seems fair to consider Norway as an awkward partner *par excellence* in the process of European integration. However, the country has been tightly associated with the European Union since 1994 as a member of the EEA, actively participating in a large number of EU policies and programs and effectively forging a close partnership that has in itself become increasingly 'awkward'. This holds true despite the fact that successive Norwegian governments have recently started to embrace a generally more reserved attitude with regard to the EU, particularly in relation to the implementation of several EU directives. As a member of both Nordic and European cooperation, Norway aims at dissipating potential concerns for being perceived as awkward—despite the complexities created by its non-membership of the EU. We argue that Norwegian 'awkwardness' has resulted in an 'awkward' relationship between Norway and the EU that is predominantly rooted in the domestic political sphere—between Norwegian political elites and the electorate, and among the political parties themselves—as much as in the EU's incapacity to deal with a series of economic and political crises over the past few years.

The case studies conclude with Chap. 6, '*We are a Free Nation': The Icelandic Political Elite's Euroscepticism,* by Baldur Thorhallsson. This chapter examines how the firm adherence of the Icelandic ruling party—the conservative Independence Party—to its belief in the importance of national sovereignty, its Cold War ideological stance and its closeness with the fisheries and agrarian sectors have shaped its European policy and kept Iceland as an awkward partner in the European integration process. Iceland joined EFTA and the EEA, but only after difficult debates, and the Independence Party has put the country's 2009 European

Union membership application on hold. The chapter argues that participation in the European project clashes with the Conservatives' vision of Icelandic identity, its protectionist policies regarding the primary economic sectors, its emphasis on the solidarity of the nation and the policy of relying on US protection for Iceland's territorial security. The findings of this chapter for Iceland are similar to those of Murray et al. (2014), which were that British ambivalence towards the European Union is caused by a combination of various factors of material and ideational origin, with national identity, domestic politics and power relations as the most important factors.

In Chap. 7 *Conclusions: Awkward Nordics, Awkwardness and the Study of Regional Integration*, the volume itself is brought to a close. Alex Brianson undertakes three tasks. First, he provides an overview of the country-specific chapters of the book and by doing this establishes in which ways the Nordic states can be considered to be awkward partners in the European integration process. Second, he draws inferences from this for the study of European integration. The third and final part of the chapter see him undertake a similar exercise for the study of comparative regional integration.

Notes

1. Greenland received home rule from Denmark in 1979, and left the then-EEC in 1985 after a referendum, held in 1982, on whether it should remain or leave.
2. Also members in the Nordic Council are the autonomous areas Faeroe Islands (since 1970), Åland (since 1970), and Greenland (since 1984).

References

Arter, David. 2008. *Scandinavian Politics Today*, 2nd ed. Manchester: Manchester University Press.

Bailes, Alyson. 2012. The Nordic Countries from War to Cold War—and Today. *Scandinavian Journal of History* 37 (2): 156–163.

Forsberg, Tuomas. 2013. The Rise of Nordic Defence Cooperation: A Return to Regionalism? *International Affairs* 89 (5): 1161–1181.

George, Stephen. 1998. *An Awkward Partner: Britain in the European Community*, 3rd ed. Oxford: Oxford University Press.

Grøn, Caroline Howard, Peter Nedergaard, and Anders Wivel. 2015. *The Nordic Countries and the European Union: Still the Other European Community?* London: Routledge.

Grøn, Caroline, and Anders Wivel. 2017. Scandinavia and the European Union: Pragmatic Functionalism Reconsidered. In *The Routledge Handbook of Scandinavian Politics*, ed. Peter Nedergaard and Anders Wivel. London: Routledge.

Hilson, Mary. 2008. *The Nordic Model: Scandinavia Since 1945*. London: Reaktion Books.

Miljan, Toivo. 1977. *The Reluctant Europeans*. London: Hurst.

Murray, Philomena, Alex Warleigh-Lack, and Baogang He. 2014. Awkward States and Regional Organisations: The United Kingdom and Australia Compared. *Comparative European Politics* 12 (3): 279–300.

Stegmann McCallion, Malin, and Alex Brianson. 2017, forthcoming. How to Have Your Cake and Eat It Too: Sweden, Regional Awkwardness and the Baltic Sea Strategy. *Journal of Baltic Sea Studies*.

Strang, Johan (ed.). 2016. *Nordic Cooperation: A European Region in Transition*. London: Routledge.

Turner, Barry, and Gunilla Nordquist. 1982. *The Other European Community: Integration and Cooperation in Northern Europe*. Houndmills: Palgrave Macmillan.

Wall, Stephen. 2008. *A Stranger in Europe: Britain and the EU from Thatcher to Blair*. Oxford: Oxford University Press.

Warleigh-Lack, Alex. 2015. Differentiated Integration in the European Union: Towards a Comparative Regionalism Perspective. *Journal of European Public Policy* 22 (6): 871–887.

CHAPTER 2

As Awkward as They Need to Be: Denmark's Pragmatic Activist Approach to Europe

Anders Wivel

Abstract This chapter makes three contributions towards understanding Danish awkwardness. First, the chapter unpacks the characteristics of Danish awkwardness and explains how it has developed since the debate over whether or not to seek membership in the early 1970s. Second, the chapter discusses how Danish state identity, rooted in the context of deep societal changes in Danish society in the second half of the nineteenth century and in the first part of the twentieth century, has created

This chapter benefitted from presentations at the panel 'Awkward Nordic Partners in the European Integration Process?', UACES 46th Annual Conference, Queen Mary University, London, 5–7 September, 2016, and at the panel 'The Foreign Policy of the EU and Its Member States' at the 40th Anniversary Conference of the Danish Society for European Studies, 6–7 October, 2016. I would like to thank the participants at the events, and, in particular, Philomena Murray, Malin Stegmann McCallion and Chiara De Franco for helpful comments.

A. Wivel (✉)
University of Copenhagen, Copenhagen, Denmark
e-mail: aw@ifs.ku.dk

M. Stegmann McCallion and A. Brianson (eds.), *Nordic States and European Integration*, Palgrave Studies in European Union Politics,
DOI 10.1007/978-3-319-57562-9_2

a particular action space for Denmark's engagement with the European integration project. Third, the chapter discusses Denmark's strategies for managing awkwardness in the European Union.

Keywords Denmark · EU politics · Euroscepticism · Danish foreign policy · Small EU member states · Small state strategy

2.1 Introduction

Denmark is an awkward European partner. Danish political and administrative elites as well as the population at large are often out of step with the European mainstream regarding which institutions and decision-making procedures are required for the integration process, as well as regarding the specific policies produced by these institutions and decision-making procedures.[1] Selective engagement with a focus on defensively preserving 'bastions' of national autonomy has served as the baseline for Denmark's approach to Europe (Miles and Wivel 2014). However, this approach is combined with a pragmatic and increasing acceptance of Europeanization as a fundamental condition for policy-making, even in policy areas affected by the Danish opt-outs and occasional activism on selected policy issues.

Danish awkwardness is puzzling. There are at least three reasons why we would expect Denmark to be a 'most likely' case for European integration. The first reason is economic. Denmark is a small trading nation with an open economy. Denmark's main export partners are Germany, Sweden and the UK,[2] and the main import partners are Germany, Sweden and the Netherlands. Approximately 60% of Danish exports and 70% of Danish imports are traded with EU member states. Thus, economic developments in the EU and EU economic policies play a decisive role for Danish growth and economic development. The second reason regards national security. As has been the case for other small European states, instability in its geopolitical vicinity has been the major challenge to Danish national security of the past centuries, with Sweden, the UK and Germany historically constituting the most important threats to national security. The transformation of European policy-making taking place in the context of EU-integration, and creating a European security community, has helped stabilise Denmark's security environment and remove some of the most important threats to its territorial integrity.

Finally, the informal Danish political culture seems to be highly compatible with the decentralized negotiation culture of the EU, allowing Danish politicians, civil servants and lobbyists to use the same skills and techniques for influencing policy and technical issues in the EU system as they use at home.

In essence, we would expect Denmark to epitomize the typical pro-European small state described in much of the literature on small states in the EU. Over the past decades, an extensive literature has documented how the European Union serves as the major focal point for small state influence maximization in Europe (Arter 2000; Bailes and Thorhallsson 2013; Goetschel 1998; Grøn and Wivel 2011; Jakobsen 2009; Panke 2010, 2011; Steinmetz and Wivel 2010; Thorhallsson 2006; Thorhallsson and Wivel 2006). According to this literature, the EU serves small member states in several ways. The EU provides an unparalleled, wide-ranging shelter against the soft security challenges emanating from globalization, environmental degradation and non-state violence (Bailes et al. 2014), as well as historically unique opportunities for influencing the policy process in Europe through various institutional channels of the Union's decentralized decision-making structures (Bailes and Thorhallsson 2013; Wivel 2005, 2010). For this reason, the EU offers small member states a platform for influence within and beyond Europe (Larsen 2005).

In this context, Danish reluctance towards major elements of the European integrations process is surprising. Denmark only joined the EU in 1973 and has maintained opt-outs in regard to the Economic and Monetary Union, defence issues and justice and home affairs since 1993. Denmark has generally been sceptical towards initiatives undermining national autonomy. Moreover, along with, e.g. Greece, Denmark has been characterized as belonging to a cluster of small states mostly focused on promoting their narrow self-interests through European institutions (Wallace 1999). Denmark's status as a 'reluctant European' (cf. Miljan 1977) becomes more surprising when looking at Danish foreign policy priorities over the past decades. Pursuing a self-conscious 'activist' foreign policy, often depicted by policy-makers and analysts as a contrast to 'varying adaptive logics' of the Cold War period (Pedersen 2012: 344), Denmark has consistently promoted values such as peaceful conflict resolution, arms control, human rights and international development (Danish Government 1990, 1993; Holm 2002). These values resonate well with general EU priorities as well as the more specific UN policies of the EU (Laatikainen 2003).

To be sure, there are important qualifications to this depiction of Danish European policy. Despite reservations towards important aspects of the European integration process, Danish foreign policy is thoroughly Europeanized (Larsen 2005) and the Danish electorate in general views the EU as necessary and beneficial for a small state like Denmark (Nissen 2016). Even though there are variations across issue areas, e.g. with trade policy being more Europeanized than security policy, no aspect of Danish foreign policy can be completely isolated from European policy-making. Moreover, the relationship between Denmark and the EU has developed, with Denmark gradually accepting a still more encompassing Europeanization (Kelstrup 2014). 'Macro-reluctance' towards the European integration project has been accompanied by 'micro-activism' in day-to-day politics and occasional attempts at agenda setting on the European arena.

Rather than a consistent and all-encompassing reluctance towards European integration and the opportunities that it offers to small states, Danish awkwardness is characterized by pragmatic, selective engagement. Denmark is not presenting an alternative vision of Europe, but dancing to its own tune, often out of sync with wider European developments. This chapter makes three contributions towards understanding Danish awkwardness. First, I unpack the characteristics of Danish awkwardness and explain how it has developed since the debate over whether or not to seek membership in the early 1970s. Second, I discuss how Danish state identity, rooted in the context of deep societal changes in Danish society in the second half of the nineteenth century and in the first part of the twentieth century, has created a particular action space for Denmark's engagement with the European integration project. Third, I discuss Denmark's strategies for managing awkwardness before concluding the chapter.

2.2 Identifying the Issues at Stake: Agriculture vs. Nordic Culture?

Denmark joined the EU in 1973. Membership was widely viewed as a 'politics of necessity'. Advocates of membership included the big and old political parties also forming the backbone of all Danish governments in the twentieth century—the Social Democratic Party, the Liberal Party, The Conservative Party and the Social-Liberal Party—trade unions, employers' associations, and organizations representing a wide selection

of agricultural and industrial interests. Their main argument was economic (trade). With one central market for Danish exports (Germany) already inside the EU, Denmark could not afford to be left outside if the UK—the most important market at the time for Danish agricultural exports—was to join. The pro-membership campaign was organized around a classical small state argument: the great powers were seen as the rule-making drivers of international order, whereas small states needed to adapt by pragmatically responding to the agenda set by nearby great powers in a modern day interpretation of Thycydides dictum that 'the strong do what they have the power to do and the weak accept what they have to accept' (Thucydides 1972 [1954]: 302). This realist position represents one strand in Danish foreign policy thinking typically epitomized by the words of leading Danish Social Liberal politician and editor Viggo Hørup's words on Danish defence expenditure in a parliamentary debate in 1883: 'What is the use of it' ('hvad skal det nytte'). Hørup's position was primarily anti-militaristic but came to symbolize a defensive Danish foreign policy position pursuing Danish interests internationally by adapting to the power and policies of the great powers (in Hørup's case German military power), and identifying Danish interests and opportunities within the confines set by these great powers, rather than thinking up (what was perceived as unrealistic) alternatives.

The opposition to EU membership was mainly organized in a cross-party but left-leaning 'people's movement', arguing that EU-membership would undermine Danish autonomy. Market integration, it was argued, would undermine the ability to preserve the welfare state and in the process severe the close Danish links to other Nordic societies. As a counter argument, advocates held that in contrast Danish membership would provide Denmark with the opportunity to take on a unique role as bridge-builder between Europe and 'Norden'. This was not an option in the eyes of the EU-opposition, to whom the so-called Nordic model or Nordic international society presented an alternative vision of order incompatible with the perceived capitalist great power politics of the EU.[3] In this view, taking their own welfare societies as a point of departure, the Nordic countries promoted a foreign policy agenda of peace, disarmament, cooperation, human rights, ecologically sound development and solidarity with the Third World (mirroring domestic values such as economic equality, peaceful conflict resolution and strong yet accountable political and administrative institutions). At the regional level, the Nordic states could point to successful 'cobweb

integration' (Andrén 1967), a complex network of cooperative arrangements between the Nordic countries. Cobweb integration was based on a security community with extensive transactions and the construction of common institutions, responsive and predictable behaviour with each member acknowledging the needs of the others and compatible value systems (Deutsch et al. 1957: 5–8, 65–69). From this point of departure, it was only natural to view the Nordic region as 'the other European Community' (Turner and Nordquist 1982) and to explore alternative solutions to membership of the European integration project such as the attempt to create a Nordic customs union.[4] In the eyes of its adherents, this other European Community offered a long democratic tradition, a relative high level of wealth and a social democratic welfare state with economic equality and low levels of corruption (Archer 1996; Arter 2008; Grøn et al. 2015a; Kuisma 2007; Miles 1996), which made it not only different from Europe but also better than Europe (Wæver 1992). The Nordic community offered not only a 'third way' between the US and the Soviet Union, but also an alternative societal model (domestically, regionally, and globally) to Europe. Paradoxically then whereas the pro-EU membership arguments were largely defensive and centred around realist adaptation professing a deterministic view of international and European relations as inescapable power politics, opposition to membership took a more offensive and internationalist stance with arguments based largely on idealist activism, a second position in Danish foreign policy.[5]

Despite representing opposed views to the question of membership, it is worth noticing the common ground of those advocating and opposing EU-integration. First, advocates and opponents of Danish membership of the EU agreed that the Danish welfare state was worth preserving and that it should be a fundamental political aim to ensure this. Opponents argued that EU membership would transform Danish society, leaving more room for market forces and a smaller role for the welfare state, whereas advocates of membership argued that only through membership would Denmark be able to achieve the levels of growth necessary to provide an economically sound basis for a continued development of the welfare state. Thus, this was a debate over the means to preserve the welfare state rather than a debate over whether or not it should be preserved, reformed or abolished. Second, advocates and opponents agreed that the Danish welfare state was embedded in a larger Nordic community, and that this was a good thing, which needed to be preserved.

Third, neither advocates nor opponents of Danish membership presented a positive vision for the development of Europe. For advocates, membership equalled market access and therefore opportunities for economic growth. They argued that in this context, it was important to be present at the negotiation table. However, Danish decision-makers rarely explicated or detailed what they expected to bring to this table, and being present seemed mainly to be a defensive measure. For opponents, the primary alternative was a Nordic community, although negotiations on a Scandinavian common market—the so-called Nordek—had failed in 1968. Fourth, the operative word for opponents as well as advocates of membership was 'market'. Quite tellingly, advocates as well as opponents of membership referred almost uniformly to the European integration project as 'fællesmarkedet', i.e. 'the common market'. In sum, the debate over whether or not Denmark should join the EU was a debate on whether Danish membership was a necessary evil or an unnecessary evil. Moreover, rather than a 'European Community', European integration was viewed almost exclusively in market terms, and neither opponents nor proponents of membership saw much opportunity for uploading Danish interests to the European level. A policy of pragmatic scepticism resulting in selective engagement with a focus on promoting Danish (primarily economic) interests and defending national autonomy became an acceptable meeting point for opponents and adherents of Danish EU membership.

This common ground has served as the point of departure for Danish EU policies since 1973. To be sure, this does not mean that Danish policy in regard to European integration is without variation or development. As argued by Morten Kelstrup, Danish EU policy has developed through five phases (Kelstrup 2014). From 1973 to 1986, Danish policy was characterized by selective and reluctant engagement largely consistent with the debate over Europe which had preceded the 1972 referendum. From 1986 to 1992, the tone of the debate changed towards a more positive take on membership presenting the EU as a necessary part of Denmark's strategy for preserving the Scandinavian welfare state in a globalizing international order. This change of tone was as much a consequence of the rapidly transforming political and security environment in Europe in general as it was a consequence of the new dynamism within EU institutions and reinvigoration of the European project in the late 1980s and early 1990s. For a brief period of time, the Danish political elite considered Europe to be the benchmark to be measured against

in the future. However, this constituted too dramatic a break with the dominating discourse of pragmatic scepticism, and the Danish electorate voted 'No' to the Treaty on the European Union in June 1992 with the narrow margin of 50.7% of the vote against the Treaty and 49.3 in favour. The Danish 'No' was followed by a short phase of shock and adjustment in 1992–1993 resulting in the Edinburgh Agreement with Denmark opting out of the original treaty on defence, Economic and Monetary Union, Justice and Home Affairs, and European citizenship (cf. DIIS 2008). This adjustment process resulted in a return to a more selective engagement from 1993 to 2001. However, as the European integration process had moved forward (partly as a consequence of the adoption of the Treaty on the European Union, which Denmark had initially rejected) and now entailed both deeper and wider integration than during the first two decades of membership, pragmatic selective engagement needed to change as well. Thus, increased majority voting and intensification of European integration in some areas infringing on core areas of national autonomy (such as the Schengen Agreements) was now accepted by the political elite and population as 'necessary evils' that they pragmatically needed to accept in order to continue selective engagement. An attempt by the then Social Democratic-Social Liberal coalition government to abolish the Danish opt-out on Economic and Monetary Union in 2000 ended in defeat with 53.2% of the electorate voting 'No' and only 46.8 voting 'Yes'. From 2001, a revised pragmatic selective engagement approach of the previous period has been characteristic of Danish EU policies, now combining the acceptance of the EU opt-outs with the acceptance of differentiated integration. The 2016 British referendum in favour of Brexit, i.e. leaving the EU, had little effect on this policy.

The five phases identified by Kelstrup allow us to identify three permanent characteristics of, and two developments in, Denmark's approach to EU integration. First, pragmatic and selective engagement has with few exceptions provided the baseline for Danish EU policies over the whole period. Second, policy-makers and population have understood pragmatic and selective engagement as an inevitable outcome of an 'integration dilemma' between autonomy and influence (Kelstrup 1993; Petersen 1998). EU-integration has largely been viewed as a zero-sum game with regular discussions on whether or not Denmark was earning a 'surplus' or a 'deficit' from EU-membership. Finally, EU policies have generally had a low priority for Danish

governments—independently of which parties were in power—and throughout the period, considerations of domestic politics have played a larger role than consideration on what Europe could or should be and do from a Danish perspective. Only during the exceptional changes in Europe taking place in the late 1980s and early 1990s do we see any evidence of policies that went beyond pragmatic and non-visionary, or even anti-visionary, arguments on Europe, ignoring or questioning the rationale of European integration moving beyond intergovernmental policies. However, even in the late 1980s and early 1990s when Denmark engaged in debates over the status and future of Europe, the most prominent Danish contributions to international developments were unrelated to EU-integration. In 1990 when Denmark recognized the three Baltic States as independent states and thereby provided the starting point for a decade-long engagement with rebuilding the institutional infrastructure of these states after the Soviet occupation, this was not official EU policy. In 1994 in Bosnia when Denmark engaged in military combat proper for the first time since 1864 and successfully won a battle against a Serbian militia, thereby providing a starting point for the military activism that continues to characterize Danish security and foreign policy today, this was as a participant in a NATO mission rather than an EU matter. To the extent that Danish visions on European played into EU discourse, this was mainly as a 'junior partner' to Germany in a close cooperative partnership between the Danish foreign minister Uffe Ellemann-Jensen and his German counterpart Hans-Dietrich Genscher in the exceptional period of Danish European policy in the late 1980s and early 1990s.

Denmark's approach to Europe has evolved in at least two ways closely connected to the development of the EU. First, the increasingly multidimensional nature of the integration process over time has changed the Danish opportunities for uploading preferences to the EU level as well as Danish perceptions of these opportunities. 'Negative' market integration has continued, but is increasingly accompanied by 'positive integration' aiming at common positions and policies across Europe. This development has Europeanized Danish policies and administrative practices, but the 'Europeanization' of Denmark has been accompanied by a 'Nordification' of the EU. In particular, developments of EU debates and policies on issues such as the environment, climate, health and social issues as well as common EU positions on human rights and development in combination with Danish welfare state reforms mean

that EU policies are now more consistent with the Danish welfare state than in 1973. Also, partly due to different levels of integration with the EU, Europeanization across the Nordic countries has been unequal and it is less obvious what would constitute a 'Nordic' alternative to the EU. Even though Danish civil servants have extensive networks with their Nordic colleagues and they often meet informally when preparing policies and negotiations, this is rarely with the aim of achieving common ground on policy positions and most often focus on exchange of information (Grøn et al. 2015b; Schouenborg 2013b).

Second, EU-multidimensionality combined with a more fluid institutional environment in the Euro-Atlantic area after the Cold War has made it more difficult for political and administrative elites as well as the population to uphold traditional distinctions between EU policy and domestic policy, domestic policy and foreign policy and foreign policy and EU policy. During the Cold War, Danish foreign policy was based on a functional compartmentalization between four so-called cornerstones. Each cornerstone identified a central area of foreign policy and a corresponding international organisation, which Denmark could use as a platform for promoting its foreign policy interests. The EU was one of these international organizations viewed as central for pursuing economic cooperation and trade interests, whereas the others were NATO (security and defence policy), the Nordic Council (identity politics), and the UN (value promotion) (Due-Nielsen and Petersen 1995: 38; Hækkerup 1965). Today, these distinctions make little sense. The EU continues as the main organization for the economic cooperation and the promotion of Danish trade interests, but Danish security policy, value promotion and identity politics cannot be isolated from EU developments. In contrast, the EU plays a central role in creating security and stability in Europe through integration. In the UN, the EU has subsumed the Nordic bloc by promoting many of the same issues of peaceful co-existence, environmental issues, human rights and development (Laatikainen 2003), and Danish foreign policy-makers view the EU as a useful vehicle for promoting Danish values and interests at the global level (cf. Larsen 2005). At the same time, NATO and (typically US-led) ad hoc coalitions play an explicit role in Danish value promotion and identity politics.

In sum, selective engagement with the European integration process has served as the baseline for Denmark's approach to Europe but combined with a pragmatic and increasing accept of Europeanization

as a fundamental condition for policy-making, even in policy areas affected by the Danish opt-outs. What accounts for this approach to EU integration defying the expectations about Denmark's interests and policy in regard to EU integration outlined in the introduction and frequently placing Denmark in the role of an 'awkward partner' in the European Integration process? The next section seeks to answer this question by exploring how the constitution of Danish state identity in the second half of the nineteenth century and in the first half of the twentieth century has left a particular action space for Danish European policy.

2.3 There is Something Awkward in the State of Denmark

Since 1973, all Danish governments have formulated their general approach to Europe in the context of the integration dilemma. To be sure, all states participating in international negotiations may face a dilemma between autonomy and influence as they engage in multiple negotiations over the construction and reconstruction of regional and global orders and their own role in these orders. For small states, this dilemma is particularly intense as they have a smaller say over the nature of orders and less action space to define a role within these orders (Goetschel 1998), and the European integration process may be considered to intensify the dilemma, as it poses both greater challenges to national autonomy and better opportunities for influence than other orders. However, not all states perceive their interests in terms of this dilemma. It presupposes a particular view of the state and its role in society for a state to view its interests in terms of the integration dilemma. In particular, it presupposes a close link between state and society with the state acting as a protector of vital societal interests (cf. Hansen and Wæver 2002). In order to navigate in this dilemma, states tend to define a number of political bastions, i.e. interests that they perceive as fundamental to domestic society and that are therefore non-negotiable (Mouritzen and Wivel 2005). Thus, in order to understand Danish awkwardness we need to understand why these bastions became vital to Danish elites and population and how they delimit an action space for policy-making within the state and in its relations with the outside world, i.e. we need to identify the particular—or even awkward—aspects of Danish state identity.

In order to do so, we need to understand which values serve as the legitimate base for law-making and political activism, nationally and internationally. In Denmark, this complex of ideas—Danish 'state identity' (Wivel 2013)—is dominated by a fusion of classical liberal values (e.g. civil liberty, free trade) with strong notions of egalitarianism, i.e. what Østergaard has termed a 'libertarian ideology of solidarity' (Østergaard 2000: 161). It originates in the peasant movement and its organisational structures, which came into being in the nineteenth century, and it developed in the context of the Danish labour movement from the early twentieth century. From the beginning, it was a reaction to wider European developments—most importantly the Napoleonic wars and the European order that followed and the Danish defeat to Prussia and Austria in 1864, when Denmark lost the three duchies of Schleswig, Holstein and Lauenburg, a third of its territory. Post-Napoleonic Scandinavianism based the idea of 'Norden' on national romanticist ideals and in Denmark, this ideology of cultural community was parallel to the protestant (so-called Grundtvigian) conception of enlightenment and universal brotherhood influencing Danish society at the time (Breitenbauch and Wivel 2004).

The experience with organizing production and decision-making in the Danish cooperative movement, which was particularly strong in agriculture from the late eighteenth to mid-twentieth century, followed from these ideas and at the same time it had the effect of ingraining them into important Danish societal and economic structures. Although generally less successful in economic terms, labour movement-affiliated production cooperatives fused these ideas with socialism from the late nineteenth century, and from the mid-1930s, the ideas came to serve as the important ideational common ground in the so-called Kanslergade compromise of 1933. In this agreement, Social Democrats (labour), the Liberal Party (agriculture) and the social-liberal party (agricultural small-holders, intellectual city elite) united central societal interests to forge a political response to the economic crisis (e.g. free medical care, enhanced unemployment benefits, economic aid to disabled and elderly) and in the process created the basis for the development of the Danish welfare state. With similar compromises being forged in Sweden and Norway during the same period, Nordic romanticism, protestant 'Grundtvigianism' and the communal values of the labour movement came to serve as the ideational base for an approach to policy-making combining classical liberalism and egalitarianism and providing the underpinnings for an

'exceptionalist' Nordic internationalism, characterised by democratically accountable foreign policies, free trade, common social rights within the Nordic region and a strong commitment to multilateral conflict resolution (cf. Schouenborg 2013a). Liberal-egalitarianism thus created an ideological 'action space' for Danish politics, domestically and internationally.

Denmark navigates this action space with a functionalist pragmatism with strong roots in the defeat in 1864, which came to serve as a strong influence for the international expression of its ideational base in at least three ways. First, liberal egalitarian politics is pursued with a sound dose of pragmatism, an important lesson of 1864 being that the Danish state needed to prove its worth as a provider of basic needs such as security to the Danish people, a task that it had failed in 1864 (Knudsen 2006). The role of the state is basically to defend the interests and values of the people, and the pursuit of less tangible goals must be embedded in this function. This is in accordance with Denmark's selective EU engagement focusing on what is in the Danish interest rather than the European. Also, this approach is reflected more generally in Denmark's pragmatic approach to international institutions such as NATO and the UN. This is linked to a second lesson of 1864: the state elite needs to be accountable to the people that it serves. The defeat of 1864 was widely interpreted as a consequence of reckless elites pursuing unrealistic international goals (i.e. entering into a conflict with a much stronger opponent that Denmark could not defeat). In EU policy, this is reflected in a tradition of strong parliamentary control of the Danish government in EU policy, and a tradition of referendums on major policy decisions/treaties in regard to the EU. Finally, a lesson of 1864 (further strengthening the nationalist sentiments of the time) was that what was lost externally, should be won domestically ('hvad udad tabes, det må indad vindes') leading to a somewhat inward-looking political discourse focusing on self-reliance and the needs of domestic society.

In sum, liberal-egalitarian pragmatism has had important consequences for Denmark's approach to European integration by delimiting a particular political space defined by the development of Danish state identity. Although the development of this ideological space was spurred by European developments and in particular Denmark's intention to survive and flourish within the European order, the content was primarily defined by domestic developments and societal compromise. This societal compromise resulted in a conception (in Denmark) of Denmark being

a Nordic country different from and better than Europe (Wæver 1992), and with a national elite obligated to protect the interests of the people by pragmatically using the state to further Danish interests. Thus, in the Danish view, Denmark is avant-garde rather than awkward. As a consequence, Denmark has often been dancing to its own tune out of sync with wider European developments. In particular, Danish state identity has had two fundamental consequences for Danish policy towards EU-integration. First, autonomy and influence are seen as natural opposites, and therefore the EU places the Danish state in an integration dilemma between the two. European integration in this conception remains a zero-sum game not only between member states, but also between two strategies: defensively defending autonomy or actively seeking influence. Second, navigating this dilemma and seeking to ameliorate its consequences has left little room for a 'European project' or EU-integration as a goal for its own sake. In contrast, pragmatic functionalism applies to the Danish state as well as to the EU. Elites at both levels must justify their position as well as the role of the institution they are representing by continuously proving their ability to serve the Danish people.

2.4 Awkward or Avant-Garde? Overcoming/Accepting Awkwardness

Is Denmark likely to overcome its awkwardness in the European integration process? Overcoming awkwardness is a function of the willingness and ability to do so. Small states are rarely in a position to dictate or even affect regional orders without allying or cooperating with other states. For this reason, small states tend to cooperate with other states, often great powers, with compatible belief systems in order to influence their external environment.[6] The closer the ideational starting point of two states, the more likely they are to find common ground on policy issues. The ideological distance between Denmark and the European mainstream has been reduced since Denmark became a member state in 1973. In policy areas such as the environment and gender politics, the European mainstream has moved closer to the Danish/Nordic position, which has become less 'avant-garde'. On issues concerning the core of the welfare state, the EU has developed policies approaching those known from the Danish and Nordic welfare states and Denmark has moved closer to the European mainstream through a series of welfare

state reforms. However, this has more often been seen as a threat against autonomy than an opportunity for influence: general rights for EU citizens are viewed as entailing the risk of undermining the Danish welfare state. Thus, to a significant part of the Danish political elite and the Danish population, awkwardness is not something to be overcome, but something to be cherished for its own sake—as it follows directly from Danish state identity.

At the same time, political decision-makers have viewed active engagement with the EU as a pre-condition for developing Danish society and sustaining the economic growth necessary for an economically viable welfare state. This has resulted in a dual approach to European integration; selective engagement with the European integration process has served as the baseline for Denmark's approach to Europe, but been combined with a pragmatic and increasing accept of Europeanization as a fundamental condition for policy-making, even in policy areas affected by the Danish opt-outs. Thus, regarding the opt-outs, Denmark has allowed for a 'permissive' interpretation, e.g. in regard to defence policy (Olsen 2011), allowing for Danish participation in formal and informal negotiations from which they would have been excluded if the interpretation had been stricter (Marcussen and Wivel 2015). The focus has been on product rather than process, i.e. allowing for participation if it would further Danish interests even though it was closer to (or maybe even crossing) the border for permissive action within the restrictions of the opt-outs. In effect, in the day-to-day politics of the Union Denmark is more engaged than we would know from looking at official Danish policy statements and the opt-outs. Permissive interpretation of opt-outs has been combined with occasional activism showcasing Danish preferences (and the Danish 'brand') in selected high-profile areas such as climate policy, free trade and labour market policy. Finally, Denmark has been among the most effective member states when it comes to the implementation of EU legislation.

2.5 Conclusions: Two (and a Half) Cheers for Awkwardness

Denmark is an awkward European partner in the sense that it is often out of step with the European mainstream regarding which institutions and decision-making procedures are required for the integration process

as well as regarding the specific policies produced by these institutions and decision-making procedures. Danish awkwardness is a consequence of its 'dual approach' to European integration. In this dual approach, selective engagement with the European integration process has served as the baseline for Denmark's approach to Europe but combined with a pragmatic and increasing acceptance of Europeanization as a fundamental condition for policy-making, even in policy areas affected by the Danish opt-outs.

Dualism is at the same time a consequence of and a particular strategy for managing Danish awkwardness.[7] As argued above, dualism is a strategy for navigating an 'integration dilemma' between autonomy and influence by combining the identification of bastions for national autonomy with an active pursuit of influence in a Union characterized by increasing political, economic and cultural diversity. Thus, Denmark has defended an intergovernmentalist position in regard to the EU's institutional development and preserved the reservations granted by the Edinburgh Agreement, while at the same time allowing for intensified cooperation in some policy areas and actively participating in day-to-day negotiations and workings of the Union. This dualist strategy originates in the characteristic features of Danish state identity established in the formative period of the modern Danish state. In particular, two features stand out. First, the Danish defeat to Prussia and Austria in 1864 had profound consequences for the political and administrative elites who had put the survival of the country at risk by entering into war with a much stronger enemy, and for the governance of Denmark. The main consequences were a strong element of pragmatic functionalism in Danish governance holding the elites accountable for proving the 'value' of chosen policies and administrative procedures and their own value as guardians of national survival and autonomy. Second, regarding the ideational content of legitimate policies, this is dominated by a so-called libertarian ideology of solidarity (Østergaard 2000: 161) fusing classical liberal values (e.g. civil liberty, free trade) with strong notions of egalitarianism, originating in the nineteenth-century peasants' movements and developed in the welfare state into a set of more specific values.

From this point of departure, awkwardness seems to have served Denmark relatively well in the European integration process. There are two (and a half) reasons for this. First, the main lesson from the defeat in 1864 was that a small state needed to approach international relations with a pragmatic assessment of what is possible and necessary in a world

of great power politics. One might expect that this Thucydidian view of international relations would have fitted badly with the highly institutionalized, negotiated and self-consciously anti-Thucydidian soft power order of the EU. However, while the Danish approach to and view of Europe have been out of sync with the general visions and grand designs of the European integration process (to the extent that Denmark seems to be living in a parallel dimension or wholly different world than the founding fathers of the EU), and has at times put Denmark at odds with EU trendsetters, pragmatism has served Denmark extremely well in the day-to-day politics of the Union.

Second, whereas Denmark's liberal-egalitarian worldview put it at odds with its partners in the Western alliance during the Cold War—and even served as a basis for a Nordic position advocating a 'Third Way' between the Capitalist West and the Communist East—it has positioned Denmark well in the post-Cold War developments of the EU. Moving from 'negative' market integration to a process characterized by more 'positive integration' one might argue that the EU comes closer and closer to the liberal-egalitarianism ideology characteristic of Danish state identity. Thus, whereas 'Europeanization'—denoting the process where ideas and regulative measures are downloaded from the EU to the national level—has increased over the past decades, so have Denmark's opportunities for uploading ideas and policy proposals to the European level. The EU now takes a more direct interest than in the past in classical Danish priorities i.e. in environmental, labour market, and human rights policies. Although Denmark has not so far been able to take full advantage of this development, it provides a promising starting point for the future.

Finally, Denmark's liberal-egalitarian state identity combines with a more indirect fall-out of 1864 to produce a particular view of the Danish civil service that fits well with EU negotiation and implementation. As argued above, the 1864 defeat undermined the legitimacy of Danish political and administrative elites and created an expectation in the Danish population as well as in the elites that their future legitimacy would be based on their ability to prove themselves as worthy of their status. In liberal-egalitarian Denmark, the proof is found in their ability serve the population at large. This helped create one of the most effective and least corrupt civil services in Europe and the world, and therefore also a civil service well suited to enter into negotiations at the EU-level serving Danish interests as defined by the political

decision-makers. It has given Denmark the ability to act effectively when implementing EU-regulation consistently giving the awkward and sceptical Denmark one of the best implementation records in the EU. In fact, to the extent that Denmark has had implementation 'failures', these have been cases of potential over-implementation rather than lack of implementation. And these cases of potential over-implementation have typically been linked to environmental policies, a cornerstone of the liberal-egalitarian Danish welfare state.

What does this tell us about Denmark's future as an awkward partner in the European integration process? Despite increased scepticism against EU decision-making undermining Danish autonomy in general and direct opposition to common EU policies intervening in the core functions of the state such as defence, policing, monetary policies and control of immigration, there has been little political debate of a Danish counterpart to a Brexit. However, the aim of Danish pragmatic liberal-egalitarianism should not be forgotten: to secure the survival and continued development of Denmark as an independent state. This may help explain Danish popular and elite opposition to common migration policies and more generally a more clearly articulated elite scepticism towards continuing integration undermining national autonomy. In sum, Denmark is likely to remain both 'awkward' and as a 'partner' in European integration.

Notes

1. For discussions of awkwardness, see the introduction to this volume and Murray et al. (2014).
2. The importance of the British market for the Danish economy has been reduced significantly since Denmark followed the United Kingdom into the EU in 1973. In the early 1970s, Britain was Denmark's most important export market with approximately 20% worth of Danish exports going to Britain. Today, Germany, Sweden, the United States and Norway have superseded the British market in importance and export to the British market constitutes approximately 7% of Danish exports. Brexit is not expected to change this dramatically.
3. See Schouenborg (2013a) and Wivel (2014) for discussions of the characteristics of this particular Nordic approach to international relations.
4. The idea of a Nordic customs union was on the agenda simultaneously with Danish applications to EU membership in 1961 and, in particular, in 1967.

5. On determinism and internationalism in Danish foreign policy in general, see e.g. Branner (2000).
6. For a general discussion on the importance of compatibility of belief systems for small state foreign policy, see Gvalia et al. (2013: 108).
7. For a discussion of how the Danish approach to European integration may be interpreted as a 'smart state strategy', see Miles and Wivel (2014).

References

Andrén, Nils. 1967. Nordic Integration. *Cooperation and Conflict* 2 (1): 1–25.

Archer, Clive. 1996. The Nordic Area as a 'Zone of Peace'. *Journal of Peace Research* 33 (4): 451–467.

Arter, David. 2000. Small State Influence Within the EU: The Case of Finland's Northern Dimension Initiative. *Journal of Common Market Studies* 38 (5): 677–697.

Arter, David. 2008. *Scandinavian Politics Today*, 2nd ed. Manchester: Manchester University Press.

Bailes, Alyson, Jean-Marc Rickli, and Baldur Thorhallsson. 2014. Small States, Survival and Strategy. In *Small States and International Security: Europe and Beyond*, ed. Clive Archer, Alyson Bailes, and Anders Wivel, 26–45. London: Routledge.

Bailes, Alyson J.K., and Baldur Thorhallsson. 2013. Instrumentalizing the European Union in Small State Strategies. *Journal of European Integration* 35 (2): 99–115.

Branner, Hans. 2000. Options and Goal in Danish European Policy Since 1945: Explaining Small State Behavior and Foreign Policy Change. In *Denmark's Policy Towards Europe after 1945: History, Theory and Options*, ed. Hans Branner and Morten Kelstrup, 333–380. Odense: Odense University Press.

Breitenbauch, Henrik, and Anders Wivel. 2004. Understanding National IR Disciplines Outside the United States: Political Culture and the Construction of International Relations in Denmark. *Journal of International Relations and Development* 7 (4): 414–443.

Danish Government. 1990. *Principper og perspektiver i dansk udenrigspolitik*. Copenhagen: Danish Ministry of Foreign Affairs.

Danish Government. 1993. *Principper og perspektiver i dansk udenrigspolitik: dansk udenrigspolitik på vej mod år 2000*. Copenhagen: Danish Ministry of Foreign Affairs.

Deutsch, K., S. Burrell, R. Kann, M. Lee Jr., M. Lichterman, R.E. Lindgren, F.L. Loewenheim, and R.W. Van Wagenen. 1957. *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience*. Princeton: Princeton University Press.

DIIS. 2008. *De danske forbehold over for den Europæiske Union: Udviklingen siden 2000*. Copenhagen: Danish Institute for International Studies.

Due-Nielsen, Carsten, and Nikolaj Petersen. 1995. Denmark's Foreign Policy Since 1967: An Introduction. In *Adaptation and Activism*, ed. C. Due-Nielsen and N. Petersen, 11–54. Copenhagen: DJØF Publishing.

Goetschel, Laurent. 1998. The Foreign and Security Policy Interests of Small States in Today's Europe. In *Small States Inside and Outside the European Union*, ed. Laurent Goetschel, 13–31. Dordrecht: Kluwer Academic Publishers.

Grøn, Caroline, and Anders Wivel. 2011. Maximizing Influence in the European Union After the Lisbon Treaty: From Small State Policy to Smart State Strategy. *Journal of European Integration* 33 (5): 523–539.

Grøn, Caroline, Peter Nedergaard, and Anders Wivel (eds.). 2015a. *The Nordic Countries and the European Union: Still the Other European Community?* London: Routledge.

Grøn, Caroline, Peter Nedergaard, and Anders Wivel. 2015b. Mr. Svensson Goes to Brussels: Concluding on the Nordic Countries and the European Union. In *The Nordic Countries and the European Union: Still the Other European Community?* ed. Caroline Grøn, Peter Nedergaard, and Anders Wivel, 243–257. London: Routledge.

Gvalia, G., D. Siroki, B. Lebanidze, and Z. Iashvili. 2013. Thinking Outside the Bloc: Explaining the Foreign Policies of Small States. *Security Studies* 22 (1): 98–131.

Hækkerup, Per. 1965. *Danmarks udenrigspolitik*. Copenhagen: Fremad.

Hansen, Lene, and Ole Wæver (eds.). 2002. *European Integration and National Identity. The Challenge of the Nordic States*. London: Routledge.

Murray, Philomena, Alex Warleigh-Lack, and B. He. 2014. Awkward States and Regional Organisations: The United Kingdom and Australia compared. *Comparative European Politics* 12 (3): 279–300.

Holm, Hans Henrik. 2002. Danish Foreign Policy Activism: The Rise and Decline. In *Danish Foreign Policy Yearbook 2002*, ed. B. Heurlin and H. Mouritzen, 19–45. Copenhagen: Danish Institute for International Studies.

Jakobsen, Peter Viggo. 2009. Small States, Big Influence: The Overlooked Nordic Influence on the Civilian ESDP. *Journal of Common Market Studies* 47 (1): 81–102.

Kelstrup, Morten. 1993. Small States and European Political Integration: Reflections on Theory and Strategy. In *The Nordic Countries and the EC*, ed. Ib Damgaard Petersen and Teija Tiilikainen, 136–162. Copenhagen: Copenhagen Political Studies Press.

Kelstrup, Morten. 2014. Denmark's Relation to the European Union: A History of Dualism and Pragmatism. In *Denmark and the European Union*, ed. Lee Miles and Anders Wivel. London: Routledge.

Knudsen, Tim. 2006. *Fra enevælde til folkestyre*. Copenhagen: Akademisk Forlag.

Kuisma, Mikko. 2007. Social Democratic Internationalism and the Welfare State after the Golden Age. *Cooperation and Conflict* 42 (1): 9–26.

Laatikainen, Katie Verlin. 2003. Norden's Eclipse: The Impact of the EUs Common Foreign and Security Policy on Nordic Cooperation in the United Nations. *Cooperation and Conflict* 38 (4): 409–441.

Larsen, Henrik. 2005. *Analysing the Foreign Policy of Small States in the EU: The Case of Denmark*. Houndmills: Palgrave.

Marcussen, Martin, and Anders Wivel. 2015. In the Shadow of History? Explaining the (Lack of) Europeanization of Nordic Security and Defence Policies. In *The Nordic Countries and the European Union: Still the Other European Community?* ed. Caroline Grøn, Peter Nedergaard, and Anders Wivel, 206–225. London: Routledge.

Miles, Lee. 1996. *The European Union and the Nordic Countries*. London: Routledge.

Miles, Lee, and Anders Wivel. 2014. A smart State Handling a Differentiated Integration Dilemma? Concluding on Denmark in the European Union. In *Denmark and the European Union*, ed. Lee Miles and Anders Wivel, 228–238. London: Routledge.

Miljan, Toivo. 1977. *The Reluctant Europeans: The Attitudes of the Nordic Countries Towards European Integration*. London: C. Hurst & Company.

Mouritzen, Hans, and Wivel Anders. 2005. *The Geopolitics of Euro-Atlantic Integration*. London: Routledge.

Nissen, Christine Marie. 2016. Denmark: It's Complicated. In *Keeping Europeans Together*, ed. Josef Janning, 49–51. London: European Council on Foreign Relations.

Olsen, Gorm Rye. 2011. How Strong Is Europeanisation, Really? The Danish Defence Administration and the Opt-Out from the European Security and Defence Policy. *Perspectives on European Politics and Society* 12 (1): 13–28.

Østergaard, Uffe. 2000. Danish National Identity: Between Multinational Heritage and Small State Nationalism. In *Denmark's Policy towards Europe After 1945: History, Theory and Options*, ed. H. Branner and M. Kelstrup, 139–184. Odense: Odense University Press.

Panke, Diana. 2010. Good Instructions in No Time? Domestic Coordination of EU Policies in 19 Small States. *West European Politics* 33 (4): 770–790.

Panke, Diana. 2011. Small States in EU negotiations: Political Dwarfs or Power-Brokers? *Cooperation and Conflict* 46 (2): 123–143.

Pedersen, Rasmus Brun. 2012. Danish Foreign Policy Activism: Differences in Kind or Degree? *Cooperation and Conflict* 47 (3): 331–349.

Petersen, Nikolaj. 1998. National Strategies in the Integration Dilemma: An Adaptation Approach. *Journal of Common Market Studies* 36 (1): 33–54.

Schouenborg, Laust. 2013a. *The Scandinavian International Society: Primary Institutions and Binding Forces, 1815–2010*. London: Routledge.

Schouenborg, Laust. 2013b. Nordisk diplomati: I det Skandinaviske internationale samfunds tjeneste? *Samfundskøkonomen* (2): 18–24.

Robert, Steinmetz, and Anders Wivel (eds.). 2010. *Small States in Europe: Challenges and Opportunities*. Aldershot: Ashgate.

Thorhallsson, Baldur. 2006. The Size of States in the European Union: Theoretical and Conceptual Perspectives. *Journal of European Integration* 28 (1): 7–31.

Thorhallsson, Baldur, and Anders Wivel. 2006. Small States in the European Union: What Do We Know and What Would We Like to Know? *Cambridge Review of International Affairs* 19 (4): 651–666.

Thucydides. 1972 [1954]. *History of the Peloponnesian War*. London: Penguin Books.

Turner, B., and G. Nordquist. 1982. *The Other European Community: Integration and Cooperation in Northern Europe*. Houndmills: Palgrave Macmillan.

Wæver, Ole. 1992. Nordic Nostalgia: Northern Europe after the Cold War. *International Affairs* 68 (1): 77–102.

Wallace, William. 1999. Small European States and European Policy-Making: Strategies, Roles, Possibilities. In *Between Autonomy and Influence: Small States and the European Union, Arena Report No. 1/99*, ed. William Wallace et al., 11–26. Oslo: Arena.

Wivel, Anders. 2005. The Security Challenge of Small EU Member States: Interests, Identity and the Development of the EU as a Security Actor. *Journal of Common Market Studies* 43 (2): 393–412.

Wivel, Anders. 2010. From Small State to Smart State: Devising a Strategy for Influence in the European Union. In *Small States in Europe: Challenges and Opportunities*, ed. Robert Steinmetz and Anders Wivel, 15–29. Aldershot: Ashgate.

Wivel, Anders. 2013. From Peacemaker to Warmonger? Explaining Denmark's Great Power Politics. *Swiss Political Science Review* 19 (3): 298–312.

Wivel, Anders. 2014. Birds of a Feather Flying Apart? Explaining Nordic Dissonance in the (Post)unipolar World. In *Northern Security and Global Politics: Nordic-Baltic Strategic Influence in a Post-Unipolar World*, ed. Ann-Sofie Dahl and Pauli Järvenpää, 79–92. London: Routledge.

CHAPTER 3

Re-Assessing Finland's Integration Policy: The End of Domestic Consensus?

Hanna Ojanen and Tapio Raunio

Abstract Pragmatism and adaptability are the qualities most often associated with Finland's European policy. In the European context, they manifest themselves in the political elite's view that national interests can best be pursued through active and constructive participation in EU decision-making. Finnish integration policy has thus stood in quite striking contrast with the EU policies of Denmark and Sweden, both of which have been far less supportive of further integration. Finland has pursued what has often been labelled as a model pupil strategy, a policy which has made it characteristically pro-mainstream and anti-awkward. Re-assessing this traditional image of Finland, we argue that beneath the veil of domestic consensus were strong disagreements over Europe, regarding both policy and procedure, or how the EU was

The authors would like to thank Ilmari Uljas for apt research assistance.

H. Ojanen (✉) · T. Raunio
University of Tampere, Tampere, Finland
e-mail: hanna.ojanen@uta.fi

T. Raunio
e-mail: tapio.raunio@uta.fi

M. Stegmann McCallion and A. Brianson (eds.), *Nordic States and European Integration*, Palgrave Studies in European Union Politics,
DOI 10.1007/978-3-319-57562-9_3

approached domestically. The post-2010 situation has brought the disagreements into light. The euro crisis has shaken the foundations of this pro-integrationist approach, bringing to the surface the internal divisions that exist among both political parties and the public over Europe and even affecting EU-level bargaining. Moreover, the war in Ukraine and Russia's actions in the neighbourhood have led to questions about Finland's foreign and security policy, especially about the extent to which Finnish external relations and relations with Russia are tied to European level decisions. Party-political contestation over the EU sets stronger constraints on government behaviour in Brussels and lessening political consensus paves the way for more potential changes and unexpected behaviour, and thus a certain awkwardness. At the same time, we see continuity: even if more critical than before, Finland might still be firmly in the mainstream, because the mainstream itself has changed. The gains and losses caused by integration are now more thoroughly calculated, and the commitment of member states to the goals of the Union has arguably weakened. For Finland, the euro crisis and the deteriorated security situation have underlined the importance of the European framework for advancing national interests.

Keywords Finland · EU · Consensus · Awkward · Foreign policy · Security policy

3.1 Introduction

Finland's integration policy has traditionally been characterised as flexible and constructive. Successive governments have constantly underscored the importance of taking part in decisions concerning Finland. According to the political elite, national interests can be best pursued through active and constructive participation in European Union (EU) decision-making. Underlying this stance is a conviction that strong and efficient European institutions and common rules can best protect the rights and interests of smaller member states, as intergovernmental processes tend to favour the larger member states. Pragmatism and adaptability, behavioural traits influenced by Cold War experiences, are the leading qualities of Finnish EU policy. This also means a pragmatic attitude towards the definition of 'national interest': what is seen to be in the national interests may well change in the process of integration.

Finnish integration policy stands thus in quite striking contrast to the EU policies of Denmark and Sweden (and of course Norway and Iceland), both of which have been far less supportive of further integration. Interestingly, such a divergence was not foreseen. Some had predicted, especially after the divisive EU membership referendum of October 1994, that Finland would follow the path of Denmark with its cautious integration policy. Others expected an intra-Nordic division to go between, on the one hand, Denmark as a footnote country, and, on the other, Sweden and Finland as adaptive countries and even potential 'model pupils' (Mouritzen 1993). In the end, it was Finland that appeared to jump in from the cold, from a neutral outlier to a country aiming at the very 'core' of the Union. Sweden did not follow. A good illustration of the difference in attitude was the Economic and Monetary Union (EMU). Finland is the only Nordic country that belongs to the euro zone, with the single currency adopted as a done deal and without much political contestation. Sweden interpreted the same situation differently taking the political freedom to postpone its entry to the EMU, staying out of the euro (Ojanen 2004).[1]

Another illustration of adaptation was the reformulation of neutrality. Both Finland and Sweden reformulated their neutrality policies as military non-alignment and declared them compatible with EU membership and the Common Foreign and Security Policy (CFSP). Both also strived to show activism in this field and committed considerable resources to it, actually bringing integration forward. The change was, however, particularly striking for Finland, as it had earlier on approached security cooperation with great caution, avoiding binding commitments and political cooperation. Now, it stressed solidarity and the security-enhancing impact of membership (Ojanen 2000; Ojanen et al. 2000; Raunio and Tiilikainen 2003; Tiilikainen 2006; Raunio 2015).

In terms of awkwardness, Finland would seem to belong to a category of its own: it is a country that has from the start of its membership on purpose aimed at being non-awkward. In other words, it has been careful in not causing trouble or being difficult to deal with; it has stayed firmly in the mainstream, being fully committed to the goals of the Union. Moreover, it has sought to use whatever own influence it might have in a way that advances the interests of the whole Union, and been careful in not stressing national interests too much.

Re-assessing this traditional image of Finland as an adaptive and integrationist EU country, we argue that beneath the veil of domestic

consensus were strong disagreements over Europe. This applied to both national integration policy and to procedure or how EU affairs were handled in Finland. In order to put our argument into contextual perspective, we first explain the reasons why Finland joined the EU and the importance attached to consensual mode of decision-making before providing evidence of the changes. The euro crisis has certainly shaken the foundations of this pro-integrationist approach, bringing to the surface the internal divisions that exist among both political parties and the public over Europe. In particular, the crisis ushered in an era of unprecedented domestic politicisation of Europe, with this contestation over euro zone bailout measures and the further development of integration affecting the work of national political institutions and cabinet formation and even EU-level decision-making. Moreover, the war in Ukraine and the deteriorating security situation in the neighbourhood have led to questions about Finland's foreign policy, especially about the extent to which Finnish external relations and relations with Russia are tied to European level decisions. The domestic debates have clearly revealed the tensions between those favouring a more supranational EU and those more in line with an intergovernmental vision of Europe.

3.2 Joining the 'West' for Economic, Security and Cultural Reasons

When the Cold War had ended and the Soviet Union collapsed, Finland wasted no time in seizing the opportunity to become fully engaged in European integration. While joining the European Community (EC) was not on the political agenda during the Cold War, Finnish industry, especially the influential wood processing sector, had expressed its preferences by exporting heavily to Western Europe (Väyrynen 1993). Finland took part in the negotiations on the formation of the European Economic Area (EEA) in 1990 and joined it in 1994 (Ojanen 2004). Application for EC membership followed suit in March 1992. Once the membership application was made, a broad majority of the national decision-making elite—government, parliamentary majority, trade unions and employers' organisations, main political parties, the president, most of the media—emerged in favour of EU membership. Finland joined the EU from the beginning of 1995, following a membership referendum held in October 1994 in which 57% voted in favour of entering the Union (Pesonen 1994; Arter 1995; Jenssen et al. 1998).[2]

The broad support for membership shown by the political elites before the referendum is explained by both economic interests and security considerations. Economic factors were strongly emphasised in the membership debates. Finland is heavily dependent on trade, and the demise of the communist bloc increased trade dependence on the EU countries. Apart from trade concerns, the heavy recession of the early 1990s, including the instability in monetary policy and the devaluation of *markka*, further convinced industry and the trade unions about the importance of joining the Union. The only significant interest group campaigning against membership was The Central Union of Agricultural Producers and Forest Owners, a position explained by the anticipated negative impact of the Common Agricultural Policy (CAP) on the farming sector.

In addition to any lessons learned from history and the Cold War, the rather uncertain political situation in Russia brought security concerns to the fore. While security policy considerations were initially downplayed during the referendum campaign, there is no doubt that the security dimension was a key factor behind the decision of both the elite and the voters to support EU membership. Indeed, the importance accorded to security policy is arguably what distinguishes the Finnish case from the other Nordic countries. It was because of security considerations that Finland could not have joined the EU any earlier. Once an EU member, Finland gave great importance to the new provisions of the Maastricht Treaty on CFSP and the security-enhancing impact of membership. The quest towards the very 'core' of the Union also signalled a wish to be associated with the 'right' reference group: not with the reluctant Nordic neighbours, but rather, the pro-integrationist Benelux countries, or with Germany (Ojanen 2004: 161–162).

Moreover, there was a broader cultural argument about (re-)joining the West. While the pro-EU camp argued that by joining the Union Finland would merely be maintaining or consolidating its place among west European countries, there is little doubt that especially among foreign observers the 'western' identity of Finland had been far less clear. Indeed, the significance of EU membership for Finland should not be underestimated, for it clearly constituted a key element in the 'process of wholesale re-identification on the international stage' (Arter 2000: 691).

3.3 The Importance of Domestic Consensus

The Finnish political system is often characterised as consensual. Decision-making is pragmatic and based on broad consultation with key interest groups, not least with the main corporatist actors, the trade unions and the employers' organisations. The shape of the Finnish party system, with no party as a rule winning more than 25% of the votes in Eduskunta (the unicameral national legislature) elections, also facilitates consensual governance and ideological convergence between all the parties aspiring to enter the government. Cabinets are typically majority coalitions that bring together parties from the left and the right. The dividing line between government and opposition has become clearer as a result of recent constitutional reforms, but the pragmatic and consensual style of politics still largely prevails, particularly in EU and foreign policy matters (e.g. Arter 2006, 2009; Karvonen 2014; Ruostetsaari 2015; Karvonen et al. 2016; Raunio 2016a).

From the start of EU membership until the outbreak of the euro crisis in spring 2010 Finland used to have a relatively broad consensus about Europe among its political parties. The divisive nature of the EU membership referendum held in 1994, however, indicated that the commitment to integration which prevailed among the political parties was not shared to the same extent by the electorate. There has thus been a notable lack of congruence between the citizens and the political parties, with most parties considerably more supportive of the EU than their supporters (Mattila and Raunio 2005, 2012). Hence, it is not surprising that overall the Finnish parties kept a fairly low profile in integration matters, with also the rules of the national EU coordination system—based on building broad domestic elite consensus, including often between the government and opposition parties, which can arguably be translated into additional influence in EU level bargaining—contributing to the depoliticisation of European issues (Raunio 2005; Hyvärinen and Raunio 2014).[3]

Consensus on foreign and security policy has traditionally been even stronger. Finland is a small country and in many senses dependent on stable and good international relations. Underlining the Finnish appreciation of consensus is the belief that such a small country is vulnerable if it shows internal differences of views, or cleavages concerning its foreign and security policy. These cleavages could be used by outsiders

to damage its negotiation position, and they might also be encouraged from the outside, thus destabilising Finnish politics. Therefore, the tradition has been not to debate foreign and security policy very much in the open. Efforts at actually stopping or restraining the debate with the argument that 'it is not the right time for discussion' have not been rare, particularly when it comes to the Government Security and Defence Policy Reports or NATO membership. An example would be the plea of President Sauli Niinistö to party leaders that NATO would not be taken up in the debates before the 2015 Eduskunta elections.[4]

The importance of consensus has stretched to cover also CFSP and the understanding that EU membership is important for Finnish security, even the view that the stronger the EU is in this field, the better it is for Finland. Together with the parliamentarisation of foreign policy that resulted from the constitutional change in 2000, more possibilities for genuine debate have been created. Yet, the recent problems in Russia and the deteriorating security situation in the region is a factor that may make this growing pluralism again a potential security problem in itself, highlighting the need for consensus even more than before.

3.4 'Special Relationship' with Russia and the New European Foreign and Security Policy

For centuries, Finland has been a 'borderland' in between east and west, as a part of Sweden, as part of Russia, and then from 1917 on, as an independent state trying to find its position between east and west (Tiilikainen 1998; Alapuro 2004). During the Cold War, Finland had close economic and political ties with the Soviet Union, consolidated in the Treaty of Friendship, Cooperation and Mutual Assistance (FCMA) signed in 1948. The FCMA treaty constituted limitations to Finnish armed forces, and prohibited military cooperation with any country hostile to the Soviet Union. The Cold War entailed a delicate balancing act, with priority given to good relations with the Soviet Union reconciled with democratic political institutions at home and integration into western markets. While the direct interference of the Soviet leadership in Finnish politics has often been exaggerated, the Finnish political elite nevertheless was always forced to anticipate the reactions from Moscow, and this set firm limits to Finland's cooperation with Western European and Nordic countries.

During the Cold War, Finnish foreign policy was very much driven by the policy of neutrality, which culminated in 1975 when Finland hosted the Conference on Security and Cooperation in Europe (CSCE). From the mid-1960s at least until the mid-1980s, this foreign policy line enjoyed virtually unanimous political and public approval. During the long reign of President Urho Kekkonen (1956–1981) foreign policy was personally identified with the president, who was more or less visibly supported by political elites within the Soviet Union. Political debate and contestation on foreign policy were rare during this era of 'compulsory consensus' that placed a premium on maintaining amicable relations with the Soviet Union (Arter 1987).

Concerns about national security influenced voting behaviour in the 1994 membership referendum, but at the same time it was understandable that many commentators in Finland and abroad questioned whether the 'special relationship' with Russia—a relationship which also in economic terms had been very important for Finland—would hinder Finland's participation in CFSP. Others in turn argued that even when operating in the EU context, Finland should strive to maintain strong bilateral relations with Moscow. Hence the compatibility between Finnish foreign policy and the CFSP had to be proven for both domestic and European audiences. One important part of this compatibility was the understanding that CFSP did not necessitate altering relations with neighbours i.e. with Russia, and that defence decisions—should defence policy come to be discussed in the future—would be based on unanimity (Ojanen 2008).

To the member states, demonstration of good intentions as to the CFSP was in order. Seen from within the EU, Finland belonged to a group of neutral countries. As candidate countries, they were looked at with some suspicion: many member states thought these countries might not be willing to contribute to the new foreign and security policy and the possibility of a common defence policy in formation, but might in fact try to hamper it. Austria, Finland and Sweden did have to sign a special declaration confirming that they would be constructive participants (Ojanen 1998: 292–293). Of these three countries, Finland quickly adopted a particularly positive rhetoric about the EU's security-enhancing impact. The Government Security and Defence Policy Report of 1995 went as far as to state that Union membership will help Finland to repel any military threats and prevent attempts to exert political pressure. Furthermore, it displayed the idea of a 'model pupil' that

by its own loyalty ensures support from the others: 'by sharing in these collective efforts, Finland can expect support from other members for its own aspirations and for its position' (Ojanen 2008: 58–60).

Together with Sweden, Finland started its membership in a remarkably active way: in the preparation of the Amsterdam Treaty, they proposed adding the Petersberg tasks, or crisis management, to the treaty. Once accomplished, both countries also showed generosity in committing civilian and military capabilities to the EU, and later on, they have actively participated in its various crisis management operations as well as the Battle Groups (Ojanen 2000, 2008). The basic reason for this activism was no doubt to dispel the doubts about their credibility as partners in this field. Secondarily, there was the idea that multilateralism might indeed strengthen Finnish security: the new understanding gained ground that Finland might be in a stronger position as an EU member than it was alone, and this applied also to relations with Russia.

At the same time, Finland tried to influence the EU's views and policies on Russia. Finland's early membership years were also characterised by activism in engaging the EU in northern affairs. The initiative for a 'Northern Dimension' of the EU, presented in 1997, was a way for Finland to ensure that the EU would not lose sight of its northernmost regions in the wake of what looked like an imminent new enlargement to the east. Even more importantly, it was a way for Finland to insert its interests when it came to the relations between the EU and Russia, or to 'customise its Union' in this field (Ojanen 1999). At that point, Finland was the only EU member country with a border with Russia, and Finland soon also found itself in a position where its expertise on Russia was called for, the drafting of the common strategy on Russia in 1999 being one example (Haukkala and Ojanen 2011). General interest towards Russia in the EU was low, and the Finnish emphases on both positive interdependence and the inclusion of non-EU partners, Russia but also others, hardly met opposition (Ojanen 2000).

While the early years of membership entailed diverse and significant adaptation to EU foreign policy,[5] they were also characterised by Finland's successful impact on the most critical parts of this policy, the relations with Russia. The overall sense of compatibility between Finnish and EU interest strengthened Finland's belief in integration and multilateralism. A high point of multilateralism may have been achieved in 2000 when the Finnish President Tarja Halonen was asked whether bilateral relations with Russia still mattered, and her answer was: they

are the same, as the EU has adopted the Finnish policy on Russia (Pursiainen and Saari 2002: 22).

An important extra-regional security provider is often seen as a major cause for awkward behaviour within a regional constellation. Russia as the most important external security factor for Finland could well count as a reason for Finnish behaviour, but not as a reason for awkwardness. The Finnish strongly mainstreamist EU policy managed to reconcile this external factor with an active and committed European stand. Influencing the EU's policies on Russia (also through the Northern Dimension initiative) was a clear case of exerting constructive influence, as opposed to awkward behaviour or obstructionism.

But the situation was soon to change. A fundamental worry from the beginning had been that Finland could be entangled in the problems between the EU and Russia, should their relations deteriorate. Not even the first year of membership was problem-free, as the first Chechen war in 1994, on the wake of membership, and the second in 1999, during the first Finnish EU presidency, showed. What then started to change the situation was the process of eastern enlargement. The membership of Baltic countries and of Poland meant increasing diversity within the Union and made common policies appear less easy to achieve, but also less reliable and no longer necessarily following Finnish preferences. During its second EU presidency in 2006, Finland did not manage to secure the commencement of negotiations on a new agreement ('post-Partnership and Cooperation Agreement') with Russia. Little by little, this eroded the confidence in EU policies: where they were seen to fail, Finland engaged itself in 'damage control' of some kind through more active bilateral relations (Haukkala and Ojanen 2011: 157–159).

The period of 2001–2003 was one where also the development towards a common defence policy started to cause problems for Finland. 'The stronger, the better' no longer necessarily applied. The crisis management side of the CFSP was still fine, and Finland duly inserted the main contents of the 2003 European Security Strategy in its Government Security and Defence Policy Report of 2004. Inserting a common defence clause in what was then called the Constitutional Treaty, however, caused the four ex-neutral members much trouble. They proposed a much watered-down version of the clause in which the member states 'may request aid', leaving out the obligation of aid and assistance altogether (Ojanen 2008: 61). This was not acceptable to the other member

states and the final compromise was one in which the mutual defence commitment stays, but the policy of the Union 'shall not prejudice the specific character of the security and defence policy of certain Member States' (art 42:2 Lisbon Treaty).

This could be seen as one of the first instances of Finland actually complicating integration in this field, or acting in an awkward way. Common defence was, for Finland, problematic: the duties it could imply outweighed potential gains. Particularly the defence of the Baltic countries against Russia was looming large as a truly problematic scenario. The notion of being in the 'core' started to look problematic when it came to defence. The possibility of an inner core actually forming in defence policy was worrying for Finland as it would not know on which side it would position itself: it was the idea of a possible split within the Union that worried Finland the most. This was also the reason behind the ex-neutral member countries' letter on the planned defence clause, at least from Finland's point of view: it was imperative to avoid a split within the Union.

The Eastern neighbourhood issues were also to show the differences between Finnish and Swedish stances. Finland, from the outset a more integrationist and supranationalist country than Sweden, took first distance from its Nordic EU neighbours. This included the question of eastern enlargement, where Finland favoured the Commission line (enlargement in waves as the candidates meet the membership criteria, in practice Estonia in the first wave) over the Nordic position (supporting the entrance of all Baltic countries together) (Ojanen et al. 2000: 140). Finland was, as a matter of fact, being an awkward Nordic country during its first EU membership years. Sweden's activism in EU neighbourhood policy and in the Eastern Partnership was not matched with similar Finnish interest. Even the 2008 war in Georgia brought out the differences between Sweden and Finland. It led many in Finland to observe that the unchanged territorial defence system was actually good to have, while the much reworked and slimmed Swedish defence system seemed to leave the country more vulnerable.

Later on, increasing Russian assertiveness and rivalry in the neighbourhood, increasing military activity in the Baltic Sea region, air space violations and new hybrid threat scenarios further accentuated this tendency. The internal divisions between EU member states on Russia become more pronounced, as the overall security situation deteriorated, bringing national interest to the foreground.

3.5 The Euro Crisis: Politicization of EU Affairs

Overall, considering the quite Eurosceptical public opinion and the divisions inside parties, there was a societal demand or at least potential for more contestation over EU and national integration policy. The domestic politicisation of the euro crisis, coinciding with the 2011 Eduskunta election campaign, was thus perhaps not that surprising, but it has certainly changed the nature of national EU discussion and has even affected European level decision-making.

Economic factors played a key role in the decision to join the Union, and, if anything, the euro crisis seems to have further convinced at least the political and economic elites of the value of the internal market and monetary stability. As one of the euro zone countries with triple-A rating, Finland has supported tight budgetary discipline, emphasising that the success of the single currency and European economy depends on the performance of national economies. But while Finnish governments have consistently supported various euro area rescue and coordination measures from bailout payments to the Fiscal Compact and the banking union, they have certainly needed to pay closer attention to the mood at home.

In the run-up to the 2011 Eduskunta elections, the problems affecting the euro zone triggered heated debates, and the EU—or more precisely the role of Finland in the bailout measures—became the main topic of the campaign. The decision to rescue Greece from its near bankruptcy showed divisions between and within political parties, and when, just before the elections, first Ireland and then Portugal followed the path of Greece and required bailout measures, the debate only intensified. It is fair to say that no other EU matter has produced similar tensions in Finland since joining the Union. While the opposition parties, as well as a notable share of backbenchers from the governing parties, were clearly angered by the EU's response to the crisis, the debates were also strongly influenced by the upcoming elections. The more Eurosceptic parties (the Finns Party, the Christian Democrats and the Left Alliance) and the main opposition party, the Social Democrats, led the attack on the government. The Social Democrats, perhaps not to be outdone by the Finns Party's EU critique, adopted a high-profile position against lending money to Greece without bilateral collaterals, and the opposition parties in general voted against the aid measures.

Particularly, the Finns Party had an electoral incentive to capitalise on the crisis. It is the only party represented in the Eduskunta that has consistently been opposed to European integration (but without ever demanding Finland's exit from the EU or the euro area)—and also the only party which has systematically used the EU as a central part of its campaigns and political discourse. The Finns Party has forcefully attacked the consensual modes of decision-making and demanded public debates about Europe, calling for an end to 'one truth' politics. Indeed, it was the 'outsider' position which enabled the Finns Party to benefit from these developments. As the party was not part of the consensual arrangements, it could attack the existing status quo and the bailout measures with more legitimacy and credibility than its competitors.

The election result was nothing short of extraordinary, producing major changes in the national party system and attracting considerable international media attention. The Finns Party[6] won 19.1% of the votes, a staggering increase of 15% on the 2007 elections and the largest ever increase in support achieved by a single party in Eduskunta elections. All the other parties represented in the Eduskunta lost votes. In light of the election campaign, the 'six-pack' National Coalition-led government that entered into office in the summer of 2011 came under serious political pressure to defend national interests in Brussels. Finland demanded as the only country bilateral guarantees on its bailout payments; attempted, on its own, to reject 85% majority decision-making in the European Stability Mechanism (ESM), demanding unanimity instead; and blocked, together with the Netherlands, the entry of Bulgaria and Romania into the Schengen area. Overall, the success of the Finns Party has clearly pushed the other parties in the direction of more cautious EU discourse (Raunio 2012b).

The main effects were indeed felt at home, both in the political institutions and in public debate. Turning first to the government, the euro crisis clearly politicised and livened up debates in the ministerial EU committee (officially the Cabinet Committee on European Union Affairs), the main intra-cabinet forum for EU matters (Hyvärinen and Raunio 2014). More importantly, the euro crisis challenged the institutional norms of parliamentary engagement in EU affairs. Two interconnected features of parliamentary EU scrutiny stand out as particularly relevant: government scrutiny and parliamentary unity. The scrutiny model is primarily designed for controlling the cabinet in EU matters,

with emphasis on mandating the Brussels-bound ministers in the Grand Committee, the European Affairs Committee (EAC) of the Eduskunta. This emphasis on government scrutiny in EAC has clearly impacted plenary involvement in EU affairs, which was until the euro crisis very limited. The objective is to produce unanimous EAC opinions instead of decisions that pit the governing parties against the opposition.

In contrast with the previous lack of European debates, between 2010 and 2012, 18 EU debates took place on average per year, with 63% of them focusing on the euro area (Auel and Raunio 2014). More interesting are the interpellations that have become the standard form of confidence vote. Before 2010, only two were EU-related, with both of them dealing with CAP and its impact on Finland. However, between 2010 and 2015, the opposition tabled six crisis-related interpellations. The first of these was signed by the Left Alliance, while the other five were put forward by the Finns Party. These interpellation debates are well-attended by MPs and the government, and attract considerable media coverage. Examining Grand Committee decision-making and outputs, we can see a clear change from 2010 to 2011 onwards. Voting became more common in the EAC, with the losing opposition minority adding its dissenting opinions to the EAC reports and minutes. Most of the contestation was initiated by the Finns Party, but also the Centre Party often entered its objections to the public parliamentary records. The clear majority of the votes and dissenting opinions were on euro crisis-related issues. Hence, the euro crisis ushered in a new era of more contested EAC and parliamentary decision-making in EU affairs. Although problematic for the government (and occasionally by extension for EU decision-making, thus potentially awkward), these developments are good news in terms of democracy and the level of public discussion. The plenary debates about the euro zone were arguably the first time that the government was forced to justify and defend its EU policies in public—and when the opposition attacked the government publicly over its handling of European matters (Raunio 2016b).

The increased contestation has also influenced government formation. In 2011, the Finns Party was close to joining the cabinet, but according to Timo Soini, the long-standing party chair, it was impossible to participate in a government that was committed to further euro zone rescue measures. However, after another strong election result in the 2015 Eduskunta elections, with the Finns Party finishing second in terms of seats and winning 17.7% of the votes, Soini guided his party

to the new right-leaning cabinet that also includes the Centre Party and the National Coalition. With his eyes on post-election coalition formation bargaining, during the campaign Soini had assured voters that the EU and potential bailouts would not be obstacles to his party entering the government. The new Prime Minister, Juha Sipilä, needs also to look over his shoulder given that the Centre has been internally divided over European integration ever since EU membership entered the domestic political agenda in the early 1990s. Two-thirds of Centre supporters voted against membership in the 1994 referendum, and the rank-and-file continue to be sceptical of further integration. The party's parliamentary group also contains diverse views on Europe, and the generally speaking pro-EU Sipilä may thus be under pressure not to appear too soft when representing Finland in Brussels.

The European section of the government programme is certainly more critical of integration than the programmes of previous cabinets, with Finland seeking 'less, but better and lighter, regulation than at present'. The programme emphasises strongly that each euro area country is responsible for its own economy, and 'EMU should not be developed through such deepening of economic coordination which would lead to an expansion of joint responsibility'. Sipilä's cabinet is thus 'opposed to increasing Finland's liabilities in handling the euro crisis' and that 'if the European Stability Mechanism must still be used, it should be done only within the framework of the mechanism's current capacity and capital structure'. The programme also states explicitly that the EU 'must act decisively to manage illegal migration flows in the Mediterranean area. Relocation of asylum seekers within the EU should be based on the voluntary participation of Member States'.[7] Hence, it was not surprising that Finland was in the summer of 2015 among those countries that were most critical of a new Greek bailout package.[8] In the end, the government, including the Finns Party, swallowed the bitter pill and accepted the bailout deal, not least because they realised that under ESM rules Finland could not alone block decision-making. And in late September 2015, the government abstained (effectively, voted against) when the Council of the EU decided on relocating 120,000 asylum-seekers.[9]

Overall, the euro crisis was a turning point in Finnish EU policy, with party-political conflict and public contestation that clearly constrains the cabinet in EU-level bargaining, at least in euro zone decision-making. It may have strengthened similar tendencies in foreign and security policy

as well, a field in which the original integration zeal started to show signs of change much earlier, but where stepping out of the consensus tradition is relatively harder.

3.6 The Crisis in Ukraine: Reconsidering the Utility of CFSP

The war in Ukraine has certainly brought to the fore the 'special relationship' with Russia and the question about the proper relation between bilateral or national and EU policies. Economically Russia is a very important trading partner for Finland, and hence the sanctions imposed by the EU and the Russian countermeasures are hitting Finland particularly hard.[10] Nonetheless, Finland has supported the EU line, with the government and President Sauli Niinistö underlining that there is no other option. The active role of Niinistö during the crisis is also interesting because of the dual leadership system, with Finland's foreign policy co-led by the president and the government (Raunio 2012a). The system is often linked with the distinction between national and European foreign policy. While the government is in charge of the CFSP, the president has a larger role in bilateral relations, especially with non-EU countries.

Would Russia even be a factor that makes Finland turn away from the common EU policy line, or, in other words, turn into a reason for awkward behaviour, as major external security factors often do? Signs of questioning the efficiency and suitability of the sanctions can be found, even though the general support for EU decisions is officially repeated over and over again. What is interesting, though, is how the debate has changed. Russia plays an active role: seeking for internal splits within the EU, it has tried to influence the image of Finland, and give a picture of Finland as a potentially weak link behind the sanctions policy. Also the other EU countries watch Finland quite closely. In the Finnish debate on sanctions, the importance of a united EU front is stressed, but at the same time, the need for good bilateral relations is underlined. Finland has also called for solidarity between the member countries when it comes to the distribution of adverse economic consequences of counter-sanctions, claiming also for compensation from the EU for its losses. At the same time, it has positioned itself among those member countries that have been in favour of a slower schedule for the stepping

up of sanctions. The dissenting opinion of Foreign Minister Erkki Tuomioja to the minutes of the Council of the EU in September 2014 caused quite some debate. He signalled the readiness of Finland to object to new sanctions even if left alone in this position.[11] Such a move was quickly interpreted as part of the upcoming election campaign. Later on, Finnish politicians also complained about the EU countries leaving Finland alone with hard choices in the decision concerning the participation of Russians that are on the EU's sanction list in an Organization for Security and Cooperation in Europe (OSCE) parliamentary meeting in Helsinki.[12] Importantly, the domestic debate has changed, becoming at times quite heated as the politicians accuse each other of either entering a 'grey area' with too many concessions to Russia or of an EU zeal that is dangerous for Finnish interests and, in the end, its security.

Similarly, the programme of the Sipilä cabinet seeks to underline the support for common policies while marking space for bilateralism. On Russia, it says: 'The improvement of relations between Russia and the EU would reinforce the security and economy of Europe as a whole. This cooperation must be based on respect for international law and international commitments', and, 'Russia is an important neighbour for Finland. Finland complies with the European Union's common positions on Russia and also maintains diverse bilateral relations. In addition, Finland will maintain good bilateral relations with other countries'. When it comes to security and defence, the programme states that Finland is a militarily non-aligned state which is engaged in a practical partnership with NATO and it maintains the option to seek NATO membership.[13] Nordic cooperation and in particular bilateral cooperation with Sweden has increased in importance for Finnish security policy. Bilateralism is on the rise also when it comes to relations with the UK and the US.

If at the start, Finland's anti-awkward EU policy implied constructive activism in foreign policy, the trend seems to be a downward one. When looking at how Finland has scored in comparison to other member countries in EU foreign policy, it appears that its influence has been in decline for some time already. The Foreign Policy Scorecards from 2010 to 2015[14] show that the overall profile of Finland in CFSP has increasingly diverted from that of Sweden. Finland's activism and influence has been declining, while Sweden has become the most influential member country after the large member states. This also includes relations with

Russia, where Sweden has had a consistently active profile. In this period and according to the scorecard methodology, Finland has not been hampering the CFSP, either. As shown in the above, however, in some situations, Finland might be inclined to identify itself with those that want rather 'less' than 'more' Europe. Still, even in cases when it has actually opposed a decision, such as the Commission's relocation plan for refugees, Helsinki has complied with it afterwards.

3.7 Concluding Discussion

Considering the relatively narrow majority in favour of joining the EU in the referendum held in 1994, Finland would seem to have all the key preconditions for adopting a more intergovernmental approach to European integration. Yet the situation was until the euro crisis very much the opposite, with successive Finnish governments consistently in favour of both deeper policy integration and of increasing the powers of supranational institutions.

In light of the divisions underneath the consensus, the new, more cautious integration policy should not come as a major surprise. The euro crisis revealed the fragile basis of the domestic (elite) consensus over Europe, thereby bringing national EU policy arguably more in line with public opinion. The euro crisis and the success of the Finns Party have influenced domestic EU discourse, which is certainly more critical, downplays any moves towards further transfers of power to Brussels, and which emphasises the role of national interests. According to the programme of the Sipilä government 'Finland is an active, pragmatic and result-oriented Member State. The Government will seek, in a constructively critical and cooperative way, to combine the national and joint European interest in Finland's EU policy'[15] Overall, there is now more contestation over integration, and importantly much of this conflict takes place in public—in the plenary debates in the Eduskunta, and in print and electronic media. This is certainly a highly positive development when considering that Europe as an issue had remained depoliticised in Finland for such a long time. The more critical domestic climate on Europe has also impacted on EU-level bargaining. Increased contestation means more coverage and public scrutiny of national EU policy, and this in turn implies less room for manoeuvre for the cabinet.

The divisions have extended to cover even foreign and security policy. There is now more domestic debate about both the substance of EU

external relations and the difficulties in reconciling Finnish interests with the EU's common policy line. It seems that it is more legitimate than before to stress national interests and bilateral ties, particularly in relations with Russia. Moreover, the budget cuts of the Sipilä government that hit especially development aid but also crisis management activities have been interpreted as diverting Finland away from a 'Nordic' profile but also harming its international credibility, as signals of diminishing international role would equal lack of responsibility and too strong an emphasis on national interest.

So, what has changed? Has the pragmatic, flexible, adaptive and constructive member state turned into an 'awkward' one? To some extent yes, and not quite unexpectedly so. The political calculation of gains and losses has changed. Lessening political consensus implies more chances for even quick changes in policy. Contestation has even led to Finland standing alone in EU-level bargaining and to more polarised domestic debate. Yet, no signs of active obstructionism emerge, just more hesitation. In this, it might actually be the mainstream that is changing towards being more awkward, and not Finland: if so, Finland remains in the mainstream.

Still, the basic equation remains the same: Finland joined the EU for economic and security reasons, and, if anything, the euro crisis and the Ukrainian war have underlined the importance of the European framework for advancing national interests—but significantly, these national interests are now emphasised more, subject to increased domestic contestation, and defended more vigorously in Brussels. There is no real alternative, for instance no Nordic alternative to the EU. Of course one can say that this is more a matter of political rhetoric aimed at domestic audiences: after all, in the end the Finnish governments have, although with some reservations, supported various euro area coordination instruments and bailout packages. There is also no systematic evidence of Finnish governments acting tougher in other policy areas in EU-level bargaining. However, change is already evident. In terms of EU-level bargaining, flexibility may still prevail in less salient issues, but where national (publicly defined) interests are at stake, Finnish governments are bound to show less willingness for compromises than before. If compromise was a central tenet of anti-awkward policy, then a change can be perceived. In terms of policy, what can be expected from Finland in these circumstances is pragmatic cooperation geared towards economic growth rather than big reforms or supporting further centralization.

Domestically the changes are probably more profound. It is plausible to argue that there is no return to the pre-euro crisis era consensus over Europe. Most political parties, including all three current cabinet parties, and their electorates are divided over both integration and specific EU-related policy issues such as immigration, euro zone coordination instruments or relations with Russia. These issues are likely to feature prominently in both national and EU-level debates in the next few years. Experience from other EU member states and the Nordic countries also indicates that contestation over the EU is normally a long-term phenomenon. On a deeper level, however, we need to see whether domestic consensus is disappearing or at least weakening. This would be a major change for Finland, perhaps towards more openness, clashes and abrupt changes, something that truly awkward action would be about. But in a society where foreign and EU policies have always been based on single national interests defined by the president or the government, any cracks in consensus are surely not a bad thing.

To conclude, in terms of understanding awkwardness better, the Finnish case is illustrative in two ways. First, it shows the importance of the link between domestic political consensus and awkwardness. The more the consensus, the more predictable and easy to deal with the country. Second, the Finnish case also leads one to ponder on the larger change in Europe: a new European mainstream with new, less integrationist norms and values might be forming. If so, Finland would be continuing in the mainstream, but in reality following a new collective line. In this situation, the perception of Finland as an EU member country would not change dramatically, either.

Notes

1. In Finland the Centre Party demanded a referendum on the issue, however. In Sweden, a referendum on the euro was organised in 2003.
2. Only two minor Eduskunta parties were against membership: the Christian Democrats (then as the Christian League) and the Rural Party (the predecessor of the Finns Party). The Left Alliance and the Green League were so divided over the issue that they decided not to adopt positions either for or against membership.
3. It also appears that until the euro crisis the EU did not become as salient an issue as in the other Nordic countries, thus leaving parties more freedom to execute their preferred strategies. In contrast with the other Nordic countries, there were in Finland fewer issues around which

to wage anti-EU campaigns (like the euro in Sweden and Denmark or fisheries policy in Norway).

4. The Finnish broadcasting company YLE in its news item on this meeting reported the president to have concluded that the parties shared a common view implying that none of them was proposing membership application but neither were they ruling such a possibility out (http://yle.fi/uutiset/presidentti_niinisto_tapasi_puoluejohtajat_nato-hakemus_ei_ole_ajankohtainen/7700687).
5. On adaptation and Europeanisation in Finnish foreign policy, see also Jokela (2011) and Palosaari (2011).
6. The party adopted its current English name in August 2011. Until then it had been known as the True Finns. According to the party leader, Timo Soini, the new simpler name is intended to emphasize the fact that the party represents ordinary citizens. Soini also felt that the old name had an extreme right or nationalistic slant to it. The exact translation of the Finnish name of the party, *Perussuomalaiset*, would be 'common Finns' or 'ordinary Finns'.
7. *Finland, a land of solutions.* Strategic Programme of Prime Minister Juha Sipilä's Government, 29 May 2015. Government Publications 12/2015 (http://valtioneuvosto.fi/en/sipila/government-programme).
8. The bailout package did not increase Finland's contribution to the stabilization fund. According to many sources Finland was the country most opposed to the deal, with Soini supposedly even threatening to leave the government should Finland agree to new loan arrangements. See for example http://foreignpolicy.com/2015/07/13/the-biggest-roadblock-to-a-greek-deal-could-be-tiny-finland/; http://yle.fi/uutiset/stubb_finland_is_not_alone_in_opposing_greek_bailout/8149043.
9. The Czech Republic, Hungary, Romania and Slovakia voted against while Finland abstained. In practice Finland nonetheless voted against the winning coalition as according to the decision rules of the Council what matters is the number of votes in favour of the proposal.
10. Between 2007 and 2014, Russia was the most important trade partner of Finland. Since 2013, trade with Russia has diminished considerably (http://www.tulli.fi/fi/tiedotteet/ulkomaankauppatilastot/katsaukset/maat/venaja15/index.html?bc=370).
11. *Helsingin Sanomat*, 9 September 2014, "Tuomiojan merkintä: Suomi voisi vastustaa Venäjän-pakotteita vaikka yksin".
12. *Helsingin Sanomat*, 6 July 2015, "Niinistö: Suomi jätettiin yksin Venäjäratkaisun kanssa" http://www.hs.fi/politiikka/a1436145697408?ref=hs-art.artikkeli, *Hufvudstadsbladet*, 7 July 2015 ("Niinistö: Finland satt i en rävsax". http://hbl.fi/nyheter/2015-07-07-762030/niinisto-finland-satt-i-en-ravsax).

13. *Finland, a land of solutions*. Strategic Programme of Prime Minister Juha Sipilä's Government, 29 May 2015. Government Publications 12/2015 (http://valtioneuvosto.fi/en/sipila/government-programme).
14. http://www.ecfr.eu/scorecard/.
15. *Finland, a land of solutions*. Strategic Programme of Prime Minister Juha Sipilä's Government, 29 May 2015. Government Publications 12/2015 (http://valtioneuvosto.fi/en/sipila/government-programme).

References

Alapuro, Risto. 2004. What Is Western and What Is Eastern in Finland? *Thesis Eleven* 77 (1): 85–101.

Arter, David. 1987. *Politics and Policy-Making in Finland: A Study of a Small Democracy in a West European Outpost*. Basingstoke: Palgrave Macmillan.

Arter, David. 1995. The EU Referendum in Finland on 16 October 1994: A Vote for the West, not for Maastricht. *Journal of Common Market Studies* 33 (3): 361–387.

Arter, David. 2000. Small State Influence Within the EU: The Case of Finland's "Northern Dimension Initiative". *Journal of Common Market Studies* 38 (5): 677–697.

Arter, David. 2006. *Democracy in Scandinavia: Consensual, Majoritarian or Mixed?* Manchester: Manchester University Press.

Arter, David. 2009. From a Contingent Party System to Party System Convergence? Mapping Party System Change in Postwar Finland. *Scandinavian Political Studies* 32 (2): 221–239.

Auel, Katrin, and Tapio Raunio. 2014. Debating the State of the Union? Comparing Parliamentary Debates on EU Issues in Finland, France, Germany and the United Kingdom. *Journal of Legislative Studies* 20 (1): 13–28.

Haukkala, Hiski, and Hanna Ojanen. 2011. The Europeanization of Finnish Foreign Policy: Pendulum Swings in Slow Motion. In *National and European Foreign Policies: Towards Europeanization*, ed. Reuben Wong and Christopher Hill, 149–166. Abingdon: Routledge.

Hyvärinen, Anna, and Tapio Raunio. 2014. Who Decides What EU Issues Ministers Talk About? Explaining Governmental EU Policy Co-Ordination in Finland. *Journal of Common Market Studies* 52 (5): 1019–1034.

Jenssen, Andres Todal, Pertti Pesonen, and Mikael Gilljam (eds.). 1998. *To Join or Not to Join: Three Nordic Referendums on Membership in the European Union*. Oslo: Scandinavian University Press.

Jokela, Juha. 2011. *Europeanization and Foreign Policy: State Identity in Finland and Britain*. Abingdon: Routledge.

Karvonen, Lauri. 2014. *Parties, Governments and Voters in Finland: Politics under Fundamental Societal Transformation*. Colchester: ECPR Press.

Karvonen, Lauri, Heikki Paloheimo, and Tapio Raunio (eds.). 2016. *The Changing Balance of Political Power in Finland*. Stockholm: Santérus Academic Press.

Mattila, Mikko, and Tapio Raunio. 2005. Kuka edustaa EU:n vastustajia? Euroopan parlamentin vaalit 2004. *Politiikka* 47 (1): 28–41.

Mattila, Mikko, and Tapio Raunio. 2012. Drifting Further Apart: National Parties and Their Electorates on the EU Dimension. *West European Politics* 35 (3): 589–606.

Mouritzen, Hans. 1993. The Two Musterknaben and the Naughty Boy: Sweden, Finland and Denmark in the Process of European Integration. *Cooperation and Conflict* 28 (4): 373–402.

Ojanen, Hanna. 1998. *The Plurality of Truth: A Critique of Research on the State and European Integration*. Aldershot: Ashgate.

Ojanen, Hanna. 1999. How to Customise Your Union: Finland and the "Northern Dimension of the EU". *Northern Dimensions*, *Yearbook 1999*, 13–26. Helsinki: The Finnish Institute of International Affairs.

Ojanen, Hanna. 2000. Participation and influence: Finland, Sweden and the post-Amsterdam Development of the CFSP Occasional Paper 11. Paris: WEU Institute for Security Studies.

Ojanen, Hanna, Gunilla Herolf, and Rutger Lindahl. 2000. *Non-alignment and European Security Policy: Ambiguity at Work*. Helsinki: Programme on the Northern Dimension of the CFSP, Finnish Institute of International Affairs and Institut für Europäische Politik.

Ojanen, Hanna. 2004. If in "Europe", then in its "Core"? Finland. In *European Union Enlargement: A Comparative History*, ed. Wolfram Kaiser and Jürgen Elvert, 150–169. Abingdon: Routledge.

Ojanen, Hanna. 2008. Finland and the ESDP: 'Obliquely Forwards'? In *New Security Issues in Northern Europe: The Nordic and Baltic States and the ESDP*, ed. Clive Archer, 56–77. Abingdon: Routledge.

Palosaari, Teemu. 2011. *The Art of Adaptation: A Study on the Europeanization of Finland's Foreign and Security Policy*. Tampere: TAPRI Studies in Peace and Conflict Research No. 96.

Pesonen, Pertti (ed.). 1994. *Suomen EU-kansanäänestys 1994: Raportti äänestäjien kannanotoista*. Helsinki: Ulkoasiainministeriö, Eurooppatiedotus.

Pursiainen, Christer, and Sinikukka Saari. 2002. *Et tu Brute! Finland's NATO Option and Russia*. UPI Report 1. Helsinki: Finnish Institute of International Affairs.

Raunio, Tapio. 2005. Hesitant Voters, Committed Elite: Explaining the Lack of Eurosceptic Parties in Finland. *Journal of European Integration* 27 (4): 381–395.

Raunio, Tapio. 2012a. Semi-Presidentialism and European Integration: Lessons From Finland for Constitutional Design. *Journal of European Public Policy* 19 (4): 567–584.

Raunio, Tapio. 2012b. 'Whenever the EU is involved, you get problems': Explaining the European policy of The (True) Finns. Sussex European Institute Working Paper 127.

Raunio, Tapio. 2015. Finland: An End to Domestic Consensus. In *The European Union and the Member States*, 3rd ed., ed. Eleanor E. Zeff and Ellen B. Pirro, 243–257. Boulder: Lynne Rienner.

Raunio, Tapio. 2016a. Refusing to be Sidelined: The Engagement of the Finnish Eduskunta in Foreign Affairs. *Scandinavian Political Studies* 39 (4): 312–332.

Raunio, Tapio. 2016b. The Politicization of EU Affairs in the Finnish Eduskunta: Conflicting Logics of Appropriateness, Party Strategy or Sheer Frustration? *Comparative European Politics* 14 (2): 232–252.

Raunio, Tapio, and Teija Tiilikainen. 2003. *Finland in the European Union*. London: Frank Cass.

Ruostetsaari, Ilkka. 2015. *Elite Recruitment and Coherence of the Inner Core of Power in Finland: Changing Patterns during the Economic Crises of 1991–2011*. Lanham, MD: Lexington Books.

Tiilikainen, Teija. 1998. *Europe and Finland: Defining the Political Identity of Finland in Western Europe*. Aldershot: Ashgate.

Tiilikainen, Teija. 2006. Finland—An EU Member With a Small State Identity. *Journal of European Integration* 28 (1): 73–87.

Väyrynen, Raimo. 1993. Finland and the European Community: Changing Elite Bargains. *Cooperation and Conflict* 28 (1): 31–46.

CHAPTER 4

Swedish Awkwardness à La Carte? The Difference a Question Mark Can Make

Malin Stegmann McCallion

Abstract This chapter explores Sweden's engagement in the European integration process, both before and after joining the EU in 1995. It explores Sweden's relationship with the integration process through three dimensions: economic, identity and political/security. The chapter finds that depending on the dimension explored, the *awkwardness* label sits somewhat uncomfortably however it also becomes clear that Sweden can indeed be an awkward partner in the European integration process, although the label fits better with some policy areas, and at certain points in the integration process, more than with others.

This chapter benefitted from presentations and discussions at the panels 'Awkward States' at the UACES annual conferences in Bilbao, September 6–9, 2015, and 'Awkward Nordic Partners in the European Integration Process?', UACES 46th Annual Conference, Queen Mary University, London, 5–7 September, 2016. I would also like to express my thanks to feedback from and discussions with my fellow collaborators in this project.

M. Stegmann McCallion (✉)
Karlstad University, Karlstad, Sweden
e-mail: malin.stegmann-mccallion@kau.se

M. Stegmann McCallion and A. Brianson (eds.), *Nordic States and European Integration*, Palgrave Studies in European Union Politics,
DOI 10.1007/978-3-319-57562-9_4

Keywords Sweden · EU membership · Public opinion · Euro · Awkward

4.1 Introduction

Is Sweden, a reluctant and awkward backseat driver in European integration? The difference a question mark can make! Sweden[1] has been described as a reluctant European (Dinkelspiel 2009), or practising cautiousness (Bernitz and Kjellgren 2010: 100), and as a 'cowardly backseat driver' (Abrahamsson, as cited in Bjerström 2008: 223) in relation to the European integration process. Do these verdicts hold water in the third decade of Sweden's participation in the 'EU'ropean project? This chapter will explore the question by taking a three-part focus. It is divided into three parts, in which the first section explores Sweden's relationship with the European integration process and its reasons for joining the European Union in 1995. The second part of the chapter provides examples of areas where EU politics and policies may be seen as too close to Swedish political identity to permit easy agreement, which has resulted with the above descriptions of Sweden. The final and concluding part of the chapter explore if and how the awkwardness criteria can be applied to the Swedish case. The discussion that results makes it clear that Sweden can indeed be an awkward partner in the European integration process, but that the label fits better with some policy areas, and at certain points in integration, more than with others. The chapter draws upon literature of both primary and secondary natures i.e. official documentation as well as academic studies.

4.2 Sweden's Integration into 'EU'rope

When exploring integration processes, one should aim to explore both the internal and external drivers in order to provide a more holistic understanding of the reasons for engagement. Breaking down the official attitude of Sweden towards EU integration into *economic*, *security* (*political*), and *identity* issues, one can place these on a scale from positive to negative with sceptical/reluctant somewhere in the middle of the 'scale'. The reason for 'official' Sweden (i.e. the national government) changing its view on possible EU membership was a fear of worse (at the time, late 1980s and early 1990s) economic growth (Möller 2013: 232). Thus, the economic rationale at the time was that membership could aid Sweden, and provide a way out of the economic crisis that Sweden was then experiencing. The early relationship with European integration was

described by Andrén (1967) in a Nordic context as a *cobweb*, in which Sweden and the Nordic countries have multiple but weak links with the integration process. As illustrated by my co-authors in this book, the Nordic countries may have similar cultures and value bases but there are also variations between the Nordic states. However, what is of primary importance, and it is this that is stressed here, is their interdependence; it is this interdependence that makes both Sweden and the other Nordic countries part of the European integration process. Phinnemore (1996: 32) drew the conclusion when exploring the relationships with the European integration process that both Sweden and the other Nordic countries have had a 'preference towards intergovernmental co-operation'. This can explain the Swedish membership of, and preference for, EFTA instead of the then-EEC.

It was the changes in the geopolitical situation, due to the fall of the Berlin Wall and the subsequent unification of Germany, and the collapse of the Soviet Union that made the EU membership discussion possible (again). It was the then Prime Minister Ingvar Carlsson who drove the change in official Sweden's attitude towards a possible membership (Gustavsson 1998). It was leading Social Democratic politicians such as Ingvar Carlsson and Allan Larsson[2] who argued in favour of membership; their argument was that the nation state in itself was inadequate when it came to pursuing an effective Keynesian politics, that is to say an active public policy stimulating economic growth (Swedish: *stimulanspolitik*). Therefore, according to Carlsson and Larsson, it became more important for Sweden to influence the European integration process in this direction (Johansson 1999: 15). By incorporating the Swedish EU declaration in the economic crisis package EU membership was made an economic issue and not a political one (see Gustavsson 1998: 61–66 for a more detailed discussion) and as a result, one could argue, less controversial.

What has been visible throughout the whole relationship between Sweden and continental integration is its ambivalent character. Möller (2013: 231) divided Sweden's relationship with the integration process into seven phases; if Sweden has entered a new eighth phase since the 2014 elections, which resulted in a new minority government consisting of the Social Democratic Party and the Green Party, remains to be seen at this time of writing (early 2017). What one can discern with the shift in government are small albeit important changes in how Sweden acts on the global political scale that may have consequences for Sweden's relationship with the European Union as well as with other member states. How then did Sweden get to where it is today? In the mid-1950s,

membership with the then EEC was not on the political elite's agenda in swede. From 1958 and approximately 15 years onwards, the political elite's vies was mainly skeptical and passive. In 1967, Sweden hand in an *open application*, however only a year later in 1968, the then Prime Minister Tage Erlander holds his famous speech, *Metalltalet*, in which he outlines that a Swedish membership of the European Economic Community is not on the table. The Werner Report and Davignon Report resulted in that it was felt politically that it was impossible to join and as a result a possible membership was no longer a viable option. During the early 1970s, Sweden became more closely connected with the European integration process through the customs union, and agreements and adaptation to the 'rule book' of the EEC. Thus, a new relationship, albeit perhaps only less skeptical can be discerned. In the early 1990s, parts of the Swedish political elite start to affirm a possible membership, and the then Prime Minister Ingvar Carlsson publishes a debate article in Dagens Nyheter (the biggest daily broadsheet) outlining reasons for a Swedish EU membership.

On 1 July 1991, Sweden hands in its application for membership, the negotiations take place between February 1993 and March 1994, and on 13 November 1994, Sweden holds a guiding referendum on EU membership. The outcome was that the 'yes' vote (in favour of membership) won receiving 52.1% of the electorate's support compared to the no (against) which received 46.7% of the vote. On 1 January 1995, Sweden joins the European Union, she participated in the integration process with caution the first few years of membership and this has been described as a *learning process* and after the Millennia shift, there is more active participation. During January–June 2001 and July–December 2009, Sweden holds the Presidency, and during the 2000s, Sweden starts to show a more visible reluctance towards the European integration process with the rejection of the single currency in its Euro-referendum on 14 September 2003. In the referendum, 42% voted in favour of adopting the single currency, whereas 55.9% rejected it (Möller 2013; Bernitz and Kjellgren 2010). After the new coalition government (2014) between the Social Democratic Party and the Greens took office no new EU minister was presented, instead EU issues was placed on the Minister for Foreign Affairs' table, what is interesting to note is that there was a minister with responsibility for strategic development and Nordic co-operation, although in the government reshuffle 25 May 2016, this ministerial post ceased and a Minister for EU Affairs and Trade was (re-)instated.

4.3 Cautious, Reluctant, Difficult or Awkward?

This part of the chapter explores if there have been any issues which for Sweden have been controversial in the wider integration process. Swedish EU membership is less controversial in 2016 than it was when Sweden joined in 1995, however one has to take into account the (possible) change in attitude towards political/security cooperation by the current coalition government. Is this a change in the political elite towards European integration from what *Michalski* in 2013 described as pragmatic?[3] In order to explore possible answers to the raised question, one has to explore the Swedish public opinion towards the European integration process.

4.3.1 Public Opinion and European Integration

When exploring public opinion in Sweden towards the EU integration process, one can see how it corresponds to the ups and downs—the ambivalence—described in Table 4.1 *Key events in Swedish European integration process*. One explanation is that Sweden initially chose to stay outside what became the EU, and as a result for several decades was not

Table 4.1 Important issues in the EU integration process, exit polls EP elections

*Policy area**	*1995*	*1999*	*2004*	*2009*	*2014*
Peace in Europe	66	66	61	55	59
Environment	56	45	47	53	53
Democracy in EU	59	53	55	50	53
Social welfare		48	50	44	48
Equality		37	42	42	47
Employment	53	50	46	47	46
Economy	54	47	46	47	43
National sovereignty	48	43	47	38	38
Refugees/Immigration		19	26	26	38
Illegal drugs	46		47	32	29
€ in Sweden	33	29	36	32	28
Defence issues within EU	34	31	30	26	25
Business/industry's conditions		27	29	22	24
Agricultural support (CAP) within the EU	23	21	25	22	21

*Only policy issues ranked in three or more exit polls have been included
Source Oscarsson (2015: 37)

part of the decision-making processes about its structures or the policy areas delegated to the EU level. When in 1995 Sweden acceded she joined an organisation that had found its forms and ways of working (Bernitz and Kjellgren 2010: 100) and as a result Sweden had to adapt to the membership 'rule book' as it was then.

The SOM institute has since 1990 annually monitored Swedish public opinion toward the EU integration process. There are two peaks in the public opinion being in favour of EU membership or thinking that EU membership is a 'good thing' for Sweden. These correspond with the Swedish Presidencies. One explanation for this is that the EU was 'closer' to home and more visible and present in media reporting at those times. The peak in 1996 when 52% described themselves as being against the EU or thinking that EU membership is a 'bad' thing for Sweden steadily declined until 2010, when it started to slightly increase (Chart 4.1).

In 1994, the Swedish electorate was asked if Sweden should join the EU. The result of the referendum was in favour of membership, 52.3% voted 'yes' to membership and 46.8% of the electorate said 'no'. In the referendum 83.3% of the electorate used their right to cast their vote;

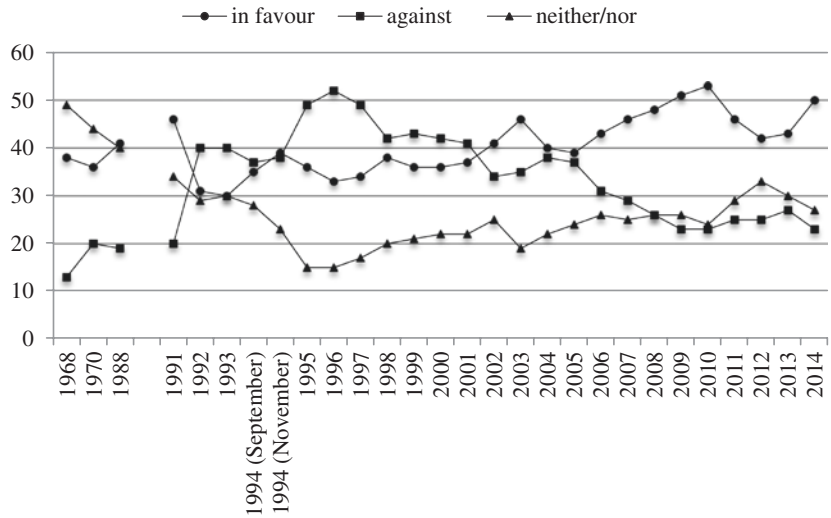

Chart 4.1 Public opinion—membership (%). *Sources* Holmberg (2014: 396), Berg and Vernersdotter (2015: 200)

this should be compared to the voter turnout in the national elections the same year, which was 86.8%. A further analysis of the 1994 referendum result illustrates a divided country, in which the city regions around Stockholm, Gothenburg, Malmö and the county of Skåne (Scania) voted in favour of membership whereas the rest of the country voted no.

Holmberg (1996: 227) provided an analysis of political party support in the EU referendum.[4] The breakdown in party support was placed on a scale of being most Eurosceptic to Europositive; the most Eurosceptic political party was the Left Party, followed sequentially by the Green Party, Centre Party, Christian Democratic Party, Social Democratic Party, Liberal Party to the most Europositive party being the Moderate Party. What is of interest to note in relation to the EU referendum, which was an advisory one, is the vote in the Swedish *Riksdag* (national parliament). The result in the *Riksdag* was 271 voted in favour of membership—77.65%—of the 349 members of parliament and 13–3.72%—voted against.

This is of interest not only because it illustrates the difference between and within the political parties in Sweden—EU as a political issue divides political parties—and that it could potentially be a sensitive issue for many of the political parties. It also, one could argue, illustrates the room of manoeuvring that the political parties have in relation to the European integration process.

If one breaks down the latest opinion poll, carried out by the SOM institute in 2015, of public opinion attitude towards EU membership by party political support,[5] one can see that political parties have moved and changed places along the scale Eurosceptic to Europositive over time. The scale, based upon the 2015 SOM survey, shows that the most Eurosceptic party in Sweden is the Sweden Democrats, the Left Party, Social Democratic Party, (Christian Democrats[6]) Green Party, Liberal Party, Centre Party and with the Moderate Party still being the most Europositive political party (Berg and Bové 2016: 233–234). The Social Democratic Party electorate was at the time of the membership referendum more positive towards EU membership compared to the 2015 poll, at the time of the EU referendum, the scale was from Eurosceptic to Europositive the Left Party, Green Party, Christian Democrats, Centre Party, Social Democratic Party, Liberal Party and the Moderates (Holmberg 1996; Widfeldt 1996).

When it comes to public opinion in Sweden, it is also of interest to compare the public opinion towards EU and/or membership with that

of introducing the single currency, it is here one can see a significant difference in attitude.

4.3.2 The Euro—A Political Opt Out?

On 14 September 2003, Sweden held a referendum on introducing the single currency or not. In this referendum 55.9% voted 'no', 42% voted 'yes', and 2.1% spoiled their vote. The question asked in the referendum was *do you think Sweden should introduce the Euro as a currency?* Again, as in the referendum on EU membership, the voter turnout in the referendum was high, 82.6% of the electorate voted which could be compared to the national elections held the year before (2002) in which the voter turnout was 80.1%. Since the referendum, the SOM institute has in their annual survey asked the question *should Sweden become a member of the EMU* (2006–2014), and *should Sweden introduce the euro as a currency?* Answers are provided on a five-grade scale ranging from 'a very good suggestion' to 'a very poor suggestion'; in the chart below the two alternatives in favour have been merged, as have the two alternatives against (Chart 4.2).[7]

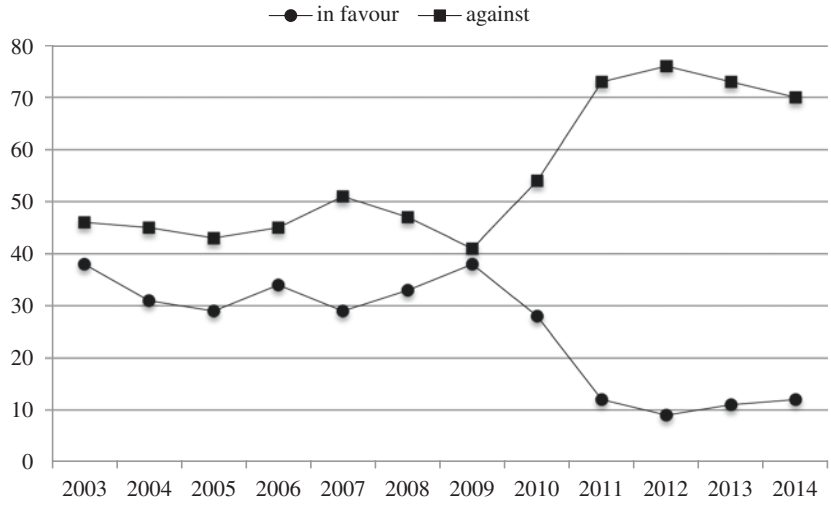

Chart 4.2 Public opinion—Euro (%). *Source* Holmberg (2014: 396), Berg and Vernersdotter (2015: 201)

It can be seen that since 2009 that Swedish public opinion towards the euro has dramatically changed becoming more negative, coinciding with both the euro crisis and the financial crisis.

From the above discussion on public and political elite support of the (wider) EU integration process one can draw three preliminary conclusions. Firstly, one can discern peaks in public opinion when the EU has been *closer to home* as during the Swedish Presidencies in 2001 and 2009, as well as during the 'super election year' 2014 in which Sweden had both European Parliamentary and national elections. There is a delayed peak in favour of membership albeit slight; it may also be reversed by the current crises that the EU is experiencing such as the asylum and migration debates, as well as Brexit. Secondly, as Vernersdotter (2014) argues, Swedes are not simply for or against the 'EU'. Vernersdotter argues that by using new terminology such as integration supporter (Swedish *integrationsivrare*), status quo, EU sceptic, EU-rejecter (Swedish *EU-avvisare*) and indifferent (Swedish *likgiltig*) in the future, a more nuanced understanding of Swedish public opinion towards the European integration process can be generated.[8] Vernersdotter also drew the conclusion (after applying this terminology to existing SOM data) that after 20 years of membership—and even though Swedish public opinion has become more positive—it can best be described as lukewarm acceptance (Vernersdotter 2014: 29). The third conclusion is that when exploring differences between public opinion (the identity dimension in *awkwardness*) and the economic and security dimensions one can observe a difference between the political elite and the public towards both the integration process and membership: as Mats Bergquist (1996: xiii) wrote in the foreword to the book *Sweden and the European Union Evaluated* 'the Swedish state might be ready for the EU, but Swedish society is not'.

4.4 Identifying Swedish Issues in the European Integration Process

During its time as a member of the European Union Sweden has experienced five European parliamentary elections,[9] two Presidencies and a referendum on the single currency. These events, as well as what the Swedish government have set out in its annual reports, have been used here as primary sources when identifying what policy areas has been

prioritised on the EU agenda. However, a starting point is the policy areas that were ranked top-five for both those in favour and those opposed to EU membership in the referendum on membership in 1994. The most important policy area was the economy for both sides in the debate, but on the next most important issues the two sides differ. Included in the top-five ranked policy areas for those who were in favour of EU membership were that if Sweden did not join it would become isolated, the possibility to influence EU [direction of integration and policy], employment and peace, whereas for those who were against EU membership the following policy areas were of importance: consumer issues, open borders, EU's [internal] organisation, and democracy (Oskarson 1996: 128). Comparing these policy issues with the ones voters are asked to rank at the European Parliamentary exit polls one can see that some areas are still important whereas others that were not on the EU agenda at the time have become more important for the Swedish electorate.

SVT[10] has after each election carried out election polls and after the European Parliamentary elections the electorate has been asked to rank policy areas in order of importance.

Thus, still on the agenda and a prioritised policy area for the electorate are the economy (although declining), employment (also slightly declining), peace and democracy. These were prioritised policy areas, and ranked top-five by either those in favour or those against in the EU referendum; a further policy area that has become more important for the Swedish electorate is that of the environment. What is of interest here is that *environmental* issues are higher ranked in the European Parliamentary elections exit polls compared to national elections, indicating that the electorate know that environmental policy is on the EU decision-making agenda (Stegmann McCallion 2014: 37). Close runner ups in policy priority are equality issues, employment, and social welfare. Policy areas that Swedes in general consider as important in relation to the EU integration process thus are on par with those of the political elite. The political elite put these policy areas on the agenda during its Presidencies (2001 and 2009) alongside enlargement and (geopolitical) security. What one should bear in mind here though is that the direction of integration—further, *status quo*, or go back to the national level—is not specified in the poll findings, and thus one should be cautious making too much of this.

4.4.1 2001 and 2009 Presidencies

Sweden has held the EU Presidency twice, in the first half of 2001 and the second half of 2009. During these two presidencies, Sweden raised policy areas onto the EU agenda that are/were important to Sweden. During the first presidency, employment, environment, and enlargement were the three areas that Sweden focused upon, as well as continuing to promote transparency at EU level. These policy areas were also on the agenda, albeit slightly differently, during the 2009 Presidency; employment was changed to economics (the financial crisis), environment and enlargement (not as much emphasis as in 2001's focus on what became the *big bang enlargement* but wanting to continue working with the then candidate countries), as well as the ratification process of the Lisbon Treaty and facilitating the new Commission President and College after the European Parliamentary election earlier in 2009. The appointment of the new chair of the European Council (if the ratification process of the Lisbon Treaty progressed as it should) was a further priority.[11]

There is one noticeable difference between the two presidencies; during the second Presidency the EU news was increasingly treated as *domestic* news rather than foreign affairs. There can be two possible explanations for this. Firstly, during the Swedish Presidency, meetings were held across the whole country with the argument that this would bring EU closer to the citizens. The spread of meetings were from Kiruna in the north to Malmö in the south of Sweden, and in total there was meetings held in 22 different municipalities throughout Sweden. For example, the then Prime Minister Fredrik Reinfeldt met with students and staff at Karlstad University in December 2009 and made it clear in/through the above mentioned meetings that *one cannot really underestimate how interwoven the two systems have become during the [then] 14 years of membership*, referring to the Swedish political system and the EU as a political system and more specifically how *EU politics and policies are domestic politics.* Sweden took over the Presidency 1 July 2009 less than a month after the 2009 European parliamentary elections; this is where one can find the second explanation in relation to EU news becoming more *domestic* in Swedish media. During the election campaign for 2009, European parliamentary elections membership i.e. should Sweden stay or leave, was no longer the dominant issue discussed. During spring 2009, file sharing (the EU directive on IPRED)

and legislation around what the FRA (Försvarets radioanstalt, [Swedish] National Defence Radio Establishment) could do or not do in relation to monitoring private communication between people became widely known. Thus, partly domestic politics, but also a timely realisation that these policy areas are played out in the EU political arena, shaped events, including the success of the Pirate Party in gaining seats in the European Parliament.

4.5 Neutrality and European Integration

With the fall of the Berlin Wall, and the breakup of the Soviet Union, Sweden's neutrality, was no longer a hindrance in relation to EU membership. Since joining the EU in 1995, Sweden has remained militarily non-aligned, but has also moved towards what can be termed a stance of 'postneutrality' (Bjereld and Möller 2016). In this emerging phase, long-standing foreign policy positions are increasingly questioned, but they have not yet disappeared completely, and may not do so; there has been significant stability in Swedish foreign policy since the end of the Cold War, regardless of the coalition in power (Bromemesson and Ekengren 2013). Certain questions remain off the table: for instance, Bjereld and Möller (2016) argue that, in relation to whether full Swedish NATO membership is feasible, 'the political cost of change still remains greater than that of the status quo due to the discrepancy between the political elite and public opinion'.

Thus, Sweden continues to subscribe to being 'alliance-free'; as discussed above, this was in fact one of the reasons why she felt she could not join the European Union until 1995. The matter of NATO membership persists in a mode of 'reluctance' or 'practiced caution', although public opinion on the issue may be changing.[12] Indeed, the question of how to ensure Sweden's independence can be considered to constitute a security dilemma (Berndtsson et al. 2016).[13] The principal concern here is how best to respond to Russian (and formerly Soviet) expansionism or aggression: at what point should those actions be considered a threat to Sweden, and how could the country best respond to them? Is the country better advised to seek security in NATO, thereby abandoning its 'alliance-free' tradition, or to invest political capital in diplomatic channels and 'low politics' cooperation mechanisms that aim to build trust and reduce tension in its region, such as the EU's Strategy for the Baltic Sea Region? The picture remains unclear; indeed, Swedish security

ambivalence is not only evident vis-à-vis the transatlantic question, but also regarding the EU's own security constructs, such as its Eastern Partnership (Hedling and Brommesson 2017).

Against this background, the evolution of Swedish participation in EU security and defence policies has been evolving in intriguing ways. Indeed, as a member of the EU Sweden has been able to actively pursue and support its geopolitical priorities such as the Baltic Sea Strategy in previously unlikely ways (Bengtsson 2016; Stegmann McCallion and Brianson 2017 forthcoming). Scholars such as Aggestam and Hyde-Price (2016) state that Swedish EU membership has led to a significant Europeanisation of its security and defence policy (see also Eriksson 2006). Significantly this has not only been by downloading measures from the EU level but also through being successful in uploading policies to it, and as a result shaping, for example, the EU's security and civilian and military crisis management. Brommesson (2016) further explores this and argues that the Europeanisation process can be seen both in the formal structures of Swedish foreign policy as well as in the norms and identities that are expressed in its policies. Thus, Sweden has made great changes to its international identity since the end of the Cold War, becoming more 'EUropean' and less broadly international, albeit within limits such as the impossibility of full NATO membership. However, this may change in the light of current government actions in securing a seat in the UN's Security Council.

4.6 Swedish Awkwardness à La Carte?

Is Sweden an awkward partner in the European integration process? Adding a question mark allows the exploration of possible answers to a question. When it comes to the three dimensions—economic, political/security and political—there are differences in Swedish *awkwardness*.

4.6.1 Economics

The narrative around Swedish EU membership is primarily an economic one. Sweden is a state that has built its welfare upon trade and economic growth (Stegmann McCallion 2016: 144) as seen in the Swedish rationale for engagement in the European integration process, and more specifically in the coupling of the EU with suggestions for how Sweden could move out of the economic crisis in the early 1990s

by Ingvar Carlsson. This is further seen as a common thread throughout Swedish policy preferences in relation to the European integration process, and can also be illustrated with the policy priorities during Swedish Presidencies. Access to the internal market was a motivation for the Swedish elite, but it could not come at the cost of Sweden's ability to pursue its own macroeconomic policy; not having adopted the single currency could be an example of this. Michalski (2013: 165) argues that the 'reticence towards adopting the euro derives from a fear of losing control over the ability to regulate the public economy'. Thus, within the economic dimension, Sweden wants to both have the cake and eat it.

Bernitz and Kjellgren (2010: 102) argue that Sweden normally also has a history of advocating free trade and free movement against protectionism, not only in relation to the European integration process but on a global political stage. This may however at the time of writing (early January 2017) seem paradoxical, with the border controls between Sweden and Denmark having been in place for a year, and the effect that this may have on the Swedish economy remains to be seen.

4.6.2 Political/Security Factors

The economic rationale of EU membership can also be seen in relation to the political and security dimension of awkwardness. Sweden has Europeanised part of its structures, decision-making processes and views in relation to problem-solving. Sweden has also been successful in uploading parts of her foreign policy preferences as illustrated above; Sweden also collaborates and participates in the EU's Common Foreign and Security Policy with other non-militarily aligned member states, and even successfully transformed a geopolitical security issue into an economic one with the Baltic Sea Strategy through strategic and tactical work to put it on the EU agenda. It is thus feasible to suggest that Sweden can offset instances of awkwardness by setting the agenda or being a reliable partner in other issue areas, as alluded to by von Sydow (1999) and Stegmann McCallion and Brianson (2017 forthcoming).

4.6.3 Identity

The issues on the agenda for the two Swedish Presidencies—the economy, enlargement, and environment—somewhat correspond with the Swedish public opinion as seen in the EP exit polls (see Table 4.1). In

the 2014 European parliamentary election, the Swedish electorate further broke the trend in voter turnout (from 45.5 in 2009 to 51.07% in 2014); part of the explanation here could be the *superwahljahr* effect,[14] which denotes the fact Sweden held elections to all political levels (local, county, and national in September and European parliamentary in June) in 2014. The higher voter turn out as well as the change in popular public opinion towards Swedish EU membership (as illustrated above) indicates that the country's participation in EU politics may be more accepted in Sweden than in the past. However, in relation to Swedish EU membership one should bear in mind that both Swedes and Sweden pride itself upon its welfare state, and in relation to the European integration process there is a belief that it will lessen or even hollow out social policies within the country. This belief may well explain the wary and continued lukewarm attitude towards EU membership of a significant part of the electorate, but also the political elite's concerns around employment and economic policies and why these matters were on the political agenda both times Sweden has held the Presidency.

Is the 'reluctantness', 'cautiousness', or 'back seat driving' that Sweden has been described as having in relation to the European integration process an 'awkwardness' identity marker? Anecdotal explanations are used below in order to further explore how Sweden is viewed within the EU. Bjerström recounts a conversation she had with Eva Hellsten, a Swedish civil servant working for the European Commission, in her book *Europe, reportage for curious Europeans* (2008: 222):

> Sweden has a lot to contribute within the European debate, we are miles ahead of other countries when it comes to the view on equality, children's rights, open decision making processes, and sustainable development. But we Swedes have a string of fundamental problems in meeting with political culture within the EU; for example, few Swedes can or want to use rhetorical language, which is experienced as both non- Swedish and bombastic. In Brussels we are also viewed as 'odd birds'. Our forward ways are often experienced as impolite and blunt, and we are seen to be obsessed with a fairness attitude/thinking.

Hellsten also, in her conversation with Bjerström, wished that more Swedes would work within Brussels, because 'Swedes are seen as a little blue-eyed [naive] and as always knowing best. If there were more Swedes working within the EU then the perception of us probably would change

and we would have more influence' (2008: 220). In the beginning of Swedish EU membership, Swedes in the EU were viewed as 'moaners' (*gnällspik* in Swedish) compared to their Finnish counterparts, who were viewed as more positive in how they were conducting themselves within the 'EU'ropean political system. It is possible that this reputation as 'moaners' was a hangover from the negotiation period, but the evidence available sounds a note of caution here. Once Sweden had joined and it was time to fill the allocated Swedish quota of civil servants as well as staffing the permanent representation, Von Sydow (1999: 32) writes that adjusting to Brussels life was frequently overwhelming for Swedish officials, many of whom had long track records including difficult postings in their diplomatic careers. The EU system and ways of working were rather alien, with informal negotiation practices and bureaucratic processes often impenetrable to Swedes accustomed to more formal, more transparent, and more accountable, ways of working. This was coupled with a sense that Swedish ways were preferable that could raise the hackles of interlocutors:

Von Sydow (1999: 17) recounts that a civil servant told her during the Swedish EU membership negotiations:

> … (the) EU's negotiator, who time and time again reminded us that the rules were set and that it was we that had applied for membership in the club and not it [i.e. the EU] that had asked us to send in an application because they thought it was needed.

This seems to be an ongoing attitude in tranches of Swedish officialdom—a kind of 'best in class' mentality that has not yet dissipated (Stegmann McCallion and Briansson 2017 forthcoming). To move away from this position would require an ideational shift: as Per Svensson (2014) said in a radio programme, 'it requires that our government recognises that we are members of the EU and not that the EU has as charity received membership in Sweden as it sometimes sounds like'.[15] So although Michalski (2013) described 'official' Sweden as pragmatic and Vernersdotter (2014) introduced a new way of describing public opinion towards EU and Swedish membership, and even though both public and elite opinion is more positive towards the European integration process than previously, these can still be viewed as somewhat more awkward or lukewarm than being very positive about European integration and embracing EU membership fully. This can perhaps partly be explained

by the fact that the EU is seen as elitist project, and the EU political system, which encourages elitism, is something that goes against the grain of Swedish public perception of equality as well as the *Law of Jante* (Jantelagen in Swedish).[16] In sum, then, Sweden is still an awkward partner in the EU and wider integration processes, but with an important caveat: the ways in which this awkwardness are manifest can change over time, and are clearer in some policy areas than others. Perhaps the best descriptive term for Swedish 'awkwardness' would be that it is *malleable*.

Notes

1. In this chapter Sweden is understood as the official Sweden and includes public representatives of the national government, i.e. the official line of the national government.
2. Served as Minister of Finance during Ingvar Carlsson during 1990–1991.
3. Sweden is at the time of writing led by a minority coalition government between the Social Democratic Party and the Green Party (2014)—the previous government was also a minority government consisting of the Moderate Party, the Liberal Party, the Centre Party, and the Christian Democrats (2010–2014). The Alliance were also in government during 2006–2010; what may be of interest to note here is the difference in attitude towards European integration between the political parties and this is discussed later in the chapter.
4. This analysis comprised all persons interviewed in the 1994 election survey and in the referendum survey of November the same year and who answered a survey after the referendum (Holmberg 1996: 227).
5. The question was generally speaking what is your position on the EU (allmänt sätt, vilken är din inställning till EU)? The respondent could choose very positive, somewhat positive, neither nor, somewhat negative, very negative and no opinion. Very positive and positive have been presented above together as have somewhat negative and very negative in order to place the political parties along the scale.
6. The figures for the Christian Democrats are based on a small sample thus one should be used with caution (Berg and Bové 2016: 234).
7. The two alternatives 'a very good' suggestion and 'a good suggestion' have been merged into one and are seen as the respondent being in favour or supporting the introduction of the single currency and thus replacing the Swedish krona, as have the two alternatives 'a very poor suggestion' and 'poor suggestion' the latter are interpreted as the respondent being against introducing the single currency and as such being in favour of keeping the Swedish krona.

8. Using these new labels Vernersdotter draw three conclusions, the first one is that Swedes have over time accepted that Sweden now is a member of the EU; secondly, that the structure in the EU opinion is more stable in relation to EU where integration supporter and status quo account for 10% and 50% respectively for the last 50 years, and thirdly, almost half of the population wants to keep the Swedish membership as it currently is (Vernersdotter 2014: 24–25).
9. Sweden held an election on 17 September 1995 instead of the ordinary European Parliamentary election in 1994; until the elected Swedish MEPs took their seats the national parliament formally elected the Swedish MEPs (on nomination from the political parties).
10. SVT (Sveriges television) Swedish Public Service Broadcaster.
11. Please see Rosén Sundström's chapter Leading the European Union for an more in-depth analysis of the two Swedish Presidencies.
12. In the latest national SOM report Berndtsson et al. (2016) found that for the first time there were more supporters of Swedish NATO membership than there were persons against. This should however be seen through the lens that when asked 60% of the Swedish public opinion still think that Sweden should continue to be alliance free. What is of interest and may further influence public opinion is that since 2015 there has been a clear demarcation between the two political blocs in Swedish politics: the centre-right *Alliance* parties (Moderates, Liberal Party, Centre Party, and Christian Democrats) now are in favour of Swedish NATO membership, whereas the Social Democrats, Green Party, and Left Party (on the centre-left spectrum of Swedish politics) are against. The far-right Sweden Democrats party is also against.
13. See Bjereld and Möller (2016) *Swedish Foreign Policy: Neutrality and Beyond* for a more detailed discussion.
14. Supervalår (super election year) borrowed from the German language.
15. The participants in the radio programme reminded listeners that the EU can shape political structures, has no control over cultural traditions and identity.
    The quote in Swedish: 'för Sverige kräver det att vår regering erkänner att vi är medlemmar i EU och att EU på nåder har fått bli medlemmar i Sverige som det ibland låter som'.
16. For a popular description of the Law of Jante see Karwoski (2014).

References

Aggestam, Lisbet, and Adrian Hyde Price. 2016. "A Force for Good" Paradoxes of Swedish Military Activism. In *The Oxford Handbook on Swedish Politics*, ed. J. Pierre. Oxford: Oxford University Press.

Andrén, Nils. 1967. Nordic Integration. *Cooperation and Conflict* 2 (1): 1–25.
Bengtsson, R. 2016. Sweden and the Baltic Sea Region. In *The Oxford Handbook on Swedish Politics*, ed. J. Pierre. Oxford: Oxford University Press.
Berg, Linda, and Klara Bové. 2016. Identifikation med Europa och inställning till EU. In *Ekvilibrium*, ed. Jonas Ohlsson, Henrik Oscarsson, and Maria Solevid, SOM report 66. Göteborg: SOM-institutet, Göteborgs universitet.
Berg, Linda, and Frida Vernersdotter. 2015. Svenskar mer positiva till EU igen. In *Fragment*, ed. A. Bergström, B. Johansson, H. Oscarsson, and M. Oskarson, SOM rapport 63. Gothenburg: SOM Institute.
Bergquist, Mats. 1996. Foreword. In *The European Union and the Nordic Countries*, ed. Lee Miles. London: Routledge.
Bernitz, Ulf, and Anders Kjellgren. 2010. *Introduktion till EU* 3: e upplagan. Stockholm: Norstedts Juridik.
Berndtsson, Joakim, Ulf Bjerled, and Karl Ydén. 2016. Turbulenta tider – svenskarnas åsikter om försvaret, Ryssland, NATO och Islamska Staten. In *Ekvilibrium*, ed. Jonas Ohlsson, Henkrik Ekengren Oscarsson, and Maria Solevid. Göteborg: SOM-Institutet.
Bjereld, U., and U. Möller. 2016. Swedish Foreign Policy: Neutrality and Beyond. In *The Oxford Handbook on Swedish Politics*, ed. J. Pierre. Oxford: Oxford University Press.
Bjerström, Erika. 2008. *europa Reportage för nyfikna européer.* Stockholm: Pocketförlaget.
Brommesson, D., and Ekengren. A.-M. (2013) "What happens when a New Government Enters Office? A Comparison of Ideolgical change in British and Swedish Foreign Policy 1991–2011". *Cooperation and Conflict* 45 (2): 224–244.
Brommesson, Douglas. 2016. The Europeanization of Swedish Foreign Policy and Beying. In *The Oxford Handbook on Swedish Politics*, ed. J. Pierre. Oxford: Oxford University Press.
Dinkelspiel, U. 2009. *Den motvillige européen. Sveriges väg till Europa.* Stockholm: Atlantis.
Eriksson, Arita. 2006. *Europeanization and Governance in Defence Policy: The Example of Sweden*. Stockholm: Statsvetenskapliga institutionen.
Gustavsson, Jakob. 1998. The Politics of Foreign Policy Change. Explaining the Swedish Reorientation on EC Membership *Thesis.* Lund: Lund University Press.
Hedling, Elsa and Douglas Brommesson. 2017. Security Through European Integration or Flexible Autonomy: Ambivalence in Sweden's Position on the Eastern Partnership? Paper presented at Swedish Network for Foreign Policy 2–3 February 2017, Karlstad University.
Holmberg, Sören. 1996. Partierna gjorde så got de kunde. In *Ett knappt ja till EU*, ed. Mikael Gilljam, Sören Holmberg, Martin Bennulf, Peter Esaiasson, Per Hedberg, Niklasson Håkansson, Rutger Lindahl, Henrik Oscarsson, and Maria Oskarson. Stockholm: Norstedts Juridik AB.

Holmberg, Sören. 2014. Opinionsfallet för EU bromsar upp. In *Mittfära och marginal*, ed. H. Oscarsson and A. Bergström. Göteborgs universitet: SOM-Institutet.

Johansson, Karl Magnus. 1999. 'Inledning_ Sverige och det europeiska integrationsprojektet' i Karl Magnus Johansson (red.) *Sverige i EU*. Stockholm: SNS Förlag.

Karowski, S. 2014. How I tackled Sweden's Law of Jante. In *The Local*. http://www.thelocal.se/20140617/how-i-tackled-swedens-law-of-jante.

Michalski, A. 2013. Sweden: From Scepticism to Pragmatic Support. In *The Member States of the European Union*, ed. S. Bulmer and C. Lequesne. Oxford: Oxford University Press.

Möller, Birger. 2013. *Vad är EU … och vad kan det bli? Allt du behöver veta om EU*. Stockholm: Santérus Förlag.

Oskarson, Maria. 1996. Väljarnas vågskålar. In *Ett knappt ja till EU*, ed. Mikael Gilljam, Sören Holmberg, Martin Bennulf, Peter Esaiasson, Per Hedberg, Niklasson Håkansson, Rutger Lindahl, Henrik Oscarsson, and Maria Oskarson. Stockholm: Norstedts Juridik AB.

Phinnemore, David. 1996. The Nordic Countries, The European Community (EC) and the European Free Trade Association (EFTA) 1958–1984. In *The European Union and the Nordic Countries*, ed. Lee Miles. London: Routledge.

Rosén Sundström, M. 2016. Leading the European Union. In *The Oxford Handbook on Swedish Politics*, ed. J. Pierre. Oxford: Oxford University Press.

Stegmann McCallion, Malin. 2014. "Lokala" val till Europaparlamentet. In *Makt och missnöje Sockenidentitet och lokalpolitik 1970–2010*, ed. Christer Ahlberger and Martin Åberg. Lund: Nordic Academic Press.

Stegmann McCallion, M. 2016. A 'Europe of the Regions'—Swedish Regions as the Undead. 2016. *L'Europe en formation* no 379 Printemps 2016—(Spring).

Stegmann McCallion, M., and A. Brianson. 2017, forthcoming. How to Have Your Cake and Eat it Too: Sweden, Regional Awkwardness and the Baltic Sea Strategy.

Svensson, P. 2014. Sveriges Radio. *Filosofiska rummet Berättelsen om Europa*, May 25.

Vernersdotter, Frida. 2014. Svenskarnas attityder till EU. In *Förhoppningar och farhågor – Sveriges första 20 år i EU*, ed. Berg Linda and Lindhal Rutger. Göteborg: Kompendiet.

Widfeldt, Anders. 1996. Sweden and the European Union: Implications for the Swedish Party System. In *The European Union and the Nordic Countries*, ed. Lee Miles. London: Routledge.

Von Sydow, Emily. 1999. *När Luther kom till Bryssel Sveriges första år i Bryssel*. Lund: Bokförlaget Arena.

CHAPTER 5

From 'Awkward Partner' to 'Awkward Partnership'? Explaining Norway's Paradoxical Relations with the European Union

Stefan Gänzle and Thomas Henökl

Abstract Norway is the only Nordic state to have rejected membership of the European Union four times. Applying the conceptual lens of 'awkwardness', as developed by Murray et al. (2014), it seems fair to consider the country as an awkward partner in the process of European

*The authors are grateful to the comments by Alex Brianson, Tarvo Kungla, Benjamin Leruth, Malin McCallion Stegmann, Philomena Murray and Frode Veggeland as well as the participants of the panel on "Awkward States" at the UACES annual conferences in Bilbao, September 6–9, 2015 and London, September 5–7, 2016 as well as the international politics panel at the Norwegian Political Science Congress, Kristiansand, January 6–8, 2016.

S. Gänzle (✉) · T. Henökl
University of Agder (UiA), Kristiansand, Norway
e-mail: stefan.ganzle@uia.no

T. Henökl
e-mail: thomas.henokl@uia.no

M. Stegmann McCallion and A. Brianson (eds.), *Nordic States and European Integration*, Palgrave Studies in European Union Politics,
DOI 10.1007/978-3-319-57562-9_5

integration. As a member of the European Economic Area (EEA), however, Norway has been tightly associated with the European Union ever since 1994, actively participating in a large number of EU policies and programs and effectively forging a close partnership that has in itself become increasingly 'awkward'. This holds true despite the fact that successive Norwegian governments have recently started to embrace a generally more reserved attitude with regard to the EU, particularly in relation to the implementation of several EU directives. As a member of both Nordic and European cooperation, Norway aims at dissipating potential concerns for being perceived as awkward—despite the complexities created by its non-membership of the EU. We argue that Norwegian 'awkwardness' has resulted in an awkward' relationship between Norway and the EU that is predominantly rooted in the domestic political sphere (relations between Norwegian political elites and the electorate, and among the political parties), although this has also been shaped by the EU's incapacity to deal with a series of economic and political crises over the past few years.

Keywords Awkward state · European Economic Area (EEA) · European integration · Norway · Nordic cooperation

5.1 Introduction

Together with Iceland, Norway stands out among the Nordic countries in its consistent refusal to fully participate in the process of European integration. This attitude has attracted considerable scholarly attention in the debates on the United Kingdom's future relationship with the European Union (EU). The 'Norway solution' has once more been reignited in light of the United Kingdom's 'Brexit' vote of June 23, 2016. Norway is an awkward partner of the European Union: the country has applied for membership in the European Community, and later the European Union, no less than four times[1]—and the Norwegian people have rejected membership twice.[2] Instead of EU membership, however, Norway became a signatory of the European Economic Area (EEA) Agreement, which was originally designed by then Commission President Jacques Delors as 'a new, more structured partnership with common decision-making and administrative institutions to make our activities more effective and to highlight the political dimension of our cooperation in the economic, social, financial and cultural spheres' (Delors 1989, quoted in Vahl 2009: 13). Today, the EEA Agreement

provides for the inclusion of EU legislation covering the so-called four freedoms—the free movement of goods, services, persons and capital—throughout the 31 EEA States, 28 EU member states, as well as Iceland, Liechtenstein and Norway.[3] Norway's net contribution to the EU budget as an EEA-member is estimated at around 50% of what the country would pay as a full member (Darvas 2016). In addition, it covers cooperation in other important areas such as research and development, education, social policy, the environment, consumer protection, tourism and culture, collectively known as 'flanking and horizontal' policies. Furthermore, the EEA guarantees equal rights and obligations within the internal market for citizens and economic operators.

The EEA has a number of significant consequences for Norway. First, it is estimated that one-third of all Norwegian legislation contains elements of EU law; second, Norway has adopted more than 6000 EU legal acts with only 55 material exemptions since 1994; third and finally, it is very difficult for Norway to 'veto' new EU legal acts from becoming EEA law in practice (despite the fact that Art. 102 EEA provides for such a possibility in legal terms; see Holmøyvik 2015: 139). While Norway has no formal and little real influence on decision-making processes in the EU, it is 'integrated to the same extent as full members are as far as policy harmonization is concerned' (Egeberg and Trondal 1999: 34). Hence, the country's EEA-based relationship with the European Union poses a veritable puzzle, especially bearing in mind some core economic features of the relationship: Norway is the EU's fifth largest import partner for trade in goods and the seventh export market for the EU. More importantly, the EU constitutes the first major import and export partner for Norway, capturing 74.3% of the latter's trade. EU exports to Norway are dominated by manufactured products, whereas Norway's exports to the EU, in turn, are concentrated on primary products (such as for example gas, crude oil, seafood, and aluminium) as well as electricity. In a brief formula, Norway's trade ties with the EU are close enough to keep it interested in a comprehensive agreement and association, allowing it access to the common market; at the same time, Norway is sufficiently wealthy and secure to bear the costs of non-membership of the European Union. Still, from a rationalist (institutionalist) perspective, one may ask why Norway ultimately only chose the EEA—originally foreseen as a transitional institutional arrangement—that comes with substantial shortcomings in terms of political influence, democracy, legitimacy and accountability. One may even speak of a loss of self-governance in that not taking part in EU decision-making may leave Norway

with fewer possibilities to determine its own rules and norms than might otherwise have been the case.

These questions have triggered scholarly debates (e.g. Ingebritsen 1998, 2001; Neumann 2001) on the place of economic interests (e.g. the oil sector), emerging path-dependency shaped by the 'experience' of a relatively young nation-state (gaining independence from Sweden only in 1905) as well as the role of norms and ideas of egalitarian democratic rule. Based on his analysis of domestic party politics, Fossum (2010) argues that Norwegian non-membership in the European Union is the by-product of internal divisions and a pattern of conflict avoidance among the political elites. The main argument professed by the *nei*-sayers is that Norway needs to protect its sovereignty and its own democratic tradition. In this context, the concept of awkwardness in inter-state relations and regional cooperation/integration as developed by Murray et al. (2014) proposes a broader approach that goes beyond unidirectional explanations as suggested by grand theories. Drawing on a constructivist terminology, the concept focuses on how individual member or partner states relate to processes of formal and substantial regional integration (RI), thus offering a classification in addition to well-established terms and dichotomies of the kind of big versus small states (Panke 2010).

Against this background, this contribution explores the fundamental aspects which turn Norway into an awkward partner in the process of European integration, providing first a snapshot on the history of its relationship with the EU. We then turn to the topics of power relations, domestic preferences and cultural identity as material and immaterial factors explaining 'awkwardness' which—hence our argument—is mainly rooted in the domestic political sphere. The third section assesses to what extent Norway may be seen as 'awkward' and how it has managed this 'awkwardness', internally, and with regard to the EU: How does Norway frame the integration process and associated problems with it? Finally, the conclusion revisits the concept of awkwardness in the light of our findings and speculates whether we need to recalibrate what is to be considered 'awkward'—especially after the Brexit referendum.

5.2 Anything Awkward About Norway?

Although its immediate Nordic neighbours—Denmark, Finland and Sweden—opted for membership of the European Community (EC) or European Union (EU) in 1973 and 1995 respectively, Norway decided

to stay outside the EC/EU following the negative outcome of two popular referenda (see Archer 2005; Hillion 2011). It is against this background that Norway has been perceived as a member of the group of awkward partners of the European Union (see e.g. Sitter 2005: 16; Eriksen and Fossum 2015). The Nordic countries have been studied if not as awkward then at least as 'reluctant European' (Gstöhl 2002). The question of Nordic exceptionalism in general and Norwegian 'awkwardness' in particular has recently been informed by two strands of scholarship. Ingebritsen's book on *The Nordic States and European Unity* sparked a debate some years ago on the motives why some Nordic states resist EU membership (Norway and Iceland) and others (Denmark, Finland and Sweden) do not. In a nutshell, Ingebritsen holds that international security policy considerations and the political influence of leading economic sectors—in the case of Norway the petroleum industry—are the prime causes that divide the Nordic states in their relations with the EU. Neumann, and also Tiilikainen, have challenged this point of departure and emphasized the role of cultural identity and the different historical and political orientations of the five Nordic countries as explanatory variables for differential patterns of Nordic accession and association (Ingebritsen 1998, 2001; Neumann 2001; Tiilikainen 2001). This debate was not just about the causal underpinnings for Nordic exceptionalism *vis-à-vis* the EU, but also about the place of historicism, social constructivism and neo-realism in contemporary International Relations theory. Combining material and non-material approaches to the study of international relations is one of the merits of this literature—as Ingebritsen wrote in her rejoinder (Ingebritsen 2001: 102)—and as captured by the term 'awkwardness'.

A second line of research within EU integration theory has gained currency, particularly since Europe slid into crisis mode, starting with the failed referenda on the Constitutional Treaty in France and the Netherlands in 2005, and continued through the Euro-crisis and in conjunction with the migration and Brexit challenges, transforming into a severe test for legitimacy and cohesion of the Union. Differentiated integration (DI) has become a key concern for EU studies (see Leuffen et al. 2013; Leruth and Lord 2015). This theoretical lens strongly emphasizes the conditions under which RI structures engage in policies and decision-making, reflecting various forms of differentiation. From this perspective, the dependent variable is often associated with the breadth and depth of a given political system of DI, rather than the motives of

individual states seeking permanent or transitional arrangements of differentiation.

Using awkwardness as a conceptual tool, here the research ambition is to account for a partner country's drive for a special arrangement to be put in place taking into account historical, cultural, economic and political constraints. The shift of analysis becomes clear when compared with the previously described strands of scholarly interest. First, it subscribes to the idea of marrying both non-material and material factors in explaining awkward behaviour, and second, it turns our attention to individual countries that are being perceived as spoilers of RI processes. 'Awkwardness' therefore becomes a Janus-faced concept referring to (self-perception and the projected perception by others of) special-ness, internally and externally. It also becomes a constant reminder that RI needs to allow some leeway for those partners who demand different terms that do not exclusively build on a rational cost-benefit analysis. Awkwardness may appear as counter-intuitive and unexpected behavior, and at times, as disturbing and even threatening along a continuum starting well before, but possibly only ending where (dis-)integration starts—viz Brexit. Murray et al. (2014: 282) have identified power relations, domestic politics and cultural identity as key sources of awkwardness. A country needs to afford awkwardness via credible security as well as economic and political alternatives. Furthermore, RI needs to intrude into boundary areas and cores of national identity (culture, societal, political and economic, and also geographic) exhibiting sectoral and temporal dimensions (i.e. differing from one policy area to another and varying over time). Given the magnitude and scope of post-Maastricht European integration, implementation prerogatives no longer reside with the national level in core areas of statehood (such as foreign and security policy, defence, migration, taxation and monetary policy—see Genschel and Jachtenfuchs 2014; Henökl 2014). Consequently, RI can easily be framed as a threat to national identity and a challenge to the symbolic community, e.g. the collective memory of a nation's former power status, and the dominant narrative on sovereignty. Essentially a heuristic device, 'awkwardness' accommodates perceptions and subjective impressions. As a concept it accounts for significant fractures between diverging or contradictory perceptions, resulting from more or less obvious discrepancies between rational cost-benefit calculations such as in power or economic relations, and the rather interpretative elements of identity, collective values and beliefs, as well as public opinion, the mediatized discourse and political rhetoric.

5.3 Norway and European Integration

5.3.1 Norway's Domestic Arena

Norway has been described as a unitary state, run by parliamentary, multi-party minority governments (Allern and Saglie 2012). At the same time, there is a high degree of decentralization (devolution), with an important role of the municipalities ('*kommune*') and appreciations for local democracy and self-rule of these communities (Selle and Østerud 2006: 555). The power of the regional level was traditionally smaller, with a tendency to get 'squeezed' between the central government and the peasant or fishing populations in the remote areas (Rokkan 1987), i.e. between the (central) state and the (peripheral) local levels. 'The special legitimacy of the municipalities […] must be understood in the light of the particular Norwegian interpretation of the centre-periphery relationship' (Tranvik and Selle 2007: 158)—a relationship that has a bearing also with regard to EU integration, where the bureaucratic elites in Brussels are considered to be less suitable and legitimate to cater for local needs in the periphery. The 'no' campaigners have repeatedly been successful in mobilizing this sentiment among voters in rural communities.

Besides an engrained preference for local self-rule, the country has strong democratic, egalitarian and collectivist values, as well as a traditionally strong role for labour movements and a well-developed corporatist culture. Together with a proportional electoral system, with regular alteration of the ruling parties, politics is, generally speaking, consensus-oriented, and accordingly the levels of economic disparity and partisan conflict in the society are rather low (Christensen 2003; Christensen and Lægreid 2004). The Norwegian welfare state can be described as a bastion of the Scandinavian model (Esping-Andersen 1990) with universal coverage and high levels of benefits. Equal opportunities and access are key values of the system, and this is reflected in the development of the public sector and participation in work life. The pension system is 'comparatively' robust, covered by a national pension fund that presently harbours a wealth of €900 billion, to a large extent the result of revenue of Norway's, until recently, very productive oil and natural gas industries. Internationally, Norway is a top performer when comparing highest human development index, degree of gender equality, life expectancy, contribution to official development assistance (ODA) by GNP, and the OECD resilience index; it is in many respects perceived as a 'supermodel'

(together with other Nordic countries), celebrated as such by the news magazine The Economist a few years ago (see Economist 2013).

Domestic factors determining the country's positioning towards EU membership further include conflict structure and power relations between different economic sectors, political and economic elites, and interest and other societal groups. Overall, it is in the Norwegian interest to partake in Europe's single market—whilst being in the position of keeping some exceptions and privileges, notably in the agriculture and fisheries sectors. Norway would be able further reduce transaction costs by joining the EU and shaping the terms of trade. However, the agriculture sector—a rather strong and well-represented interest group in the country—has long been shielded from competition and thus gained by staying outside the EU. This situation constrains the forces of demand and offer and raises the prices of a limited array of products for the consumer.[4] The farmers, firmly anchored in the periphery sphere, have repeatedly been able to push through their own agenda and to coalesce with other EU-sceptical parts of society. The reflex of rejecting the idea of being governed from a remote power centre is then combined with different elements of economic self-interest or more general concerns for the Norwegian welfare state. From the perspective of industrial relations, for instance, it is true that Norwegian labour standards (and costs) are higher than in the EU, and that there is a fear of 'downgrading' these standards to the EU level, even more than through opening the labour market via the EEA Agreement, which is why the traditionally very influential labour movement at times sides rather awkwardly with other sectoral interests to avoid EU membership.

5.3.2 From the European Free Trade Association (EFTA) to the European Economic Area (EEA) Agreement

Norway was amongst the founding countries of the European Free Trade Association, proposed by the UK in 1956 and set up by the 'outer' Seven (Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the UK) in 1959 in competition with the European Community. Only a few years later, however, EFTA started to erode following EC membership applications from the UK, Denmark and Norway in the 1970s, Portugal (together with Spain) in the 1980s. Despite the decrease in potential members—only Iceland (1970), Finland (1986) and Liechtenstein (1991) joined—EC–EFTA relations produced a number of successes: full

EFTA-EC free trade for industrial products, for example, was agreed in 1977 and an EFTA-EC-declaration on the 'European Economic Space' was endorsed in 1984. Hence, while Austria, Finland and Sweden joined the EU in 1995, Norway remained part of the European Free Trade Area and in 1994 became a member of the European Economic Area (EEA).

The EEA comes close to 'quasi membership' of the EU, and provides for a great deal of legislative and judicial homogeneity amongst the participating countries. In short, it aims to mirror EU legislation and jurisdiction on matters within the scope of the agreement, such as the four freedoms, related policies (competition, transport, energy, and economic and monetary cooperation), horizontal and flanking policies (environment, social policy, consumer protection, statistics and company law) as well as cooperation activities, such as research and technological development. The common agricultural and fisheries policy, customs union, common trade policy, Common Foreign and Security Policy, justice and home affairs (although all the EFTA countries are part of the Schengen area) and the economic and monetary union (EMU) remain outside the scope of the EEA Agreement. In terms of its governance architecture, the EEA has set up a two-pillar structure bringing together EFTA bodies and EU institutions. Norway is often portrayed as a successful decision-shaper during the preparatory stages of Commission-driven EU legislative initiatives; yet, the country does not have any guaranteed leverage inside the EU institutions. Norway entertains an impressive mission to the EU, the 'Norway House', just a stone's throw away from the main premises of the Commission, and it is the only non-EU country that has a permanent representation inside the European Parliament.

In 2010, both EEA–EFTA countries and the European Union started to review the functioning of the EEA. Both sides concluded that the agreement represents 'the bedrock for very good and close EU relations with the EEA EFTA countries' (European Commission 2012: 3); however, several major challenges have been identified, such as the involvement of the EEA EFTA States in EU decision making, determining the EEA relevance of EU legal acts, participation of the EEA EFTA States in EU agencies, and the timely incorporation of legal acts into the EEA Agreement ('backlog'). As a consequence of the European Union's rapid growth, Norway has concluded 74 bilateral agreements with the EU in several areas outside the original scope of the EEA since the early 1990s. For instance, in the area of justice, it concluded Schengen (1999) and Europol/Eurojust (2001/2005); in the area of security and defence, it

signed a framework agreement on participation in EU civil and military emergency management operations (2004), agreements on participation in the EU's battle group (Nordic Battlegroup) (2005) and on participation in the European Defence Agency (2006); other agreements regulate Norwegian participation in EU programs and policies, such as the fisheries sector (with regard to quotas, supervision, harbour control etc.) and agriculture (on trade and market access).

5.3.3 Implications: Transfer of Norwegian Sovereignty by Stealth

According to Article 115 of the Norwegian constitution, the state is entitled to empower international organizations of which Norway is a member in order to 'exercise powers which in accordance with this Constitution are normally vested in the authorities of the State'.[5] Formal transfer of sovereignty requires a three-quarter majority in the Norwegian Parliament, the *Storting*. The Article has only been invoked once, namely with regard to the ratification of the EEA Agreement. Subsequent agreements, of which several are mentioned above, have been concluded with reference to Article 26 of the Norwegian constitution. The second paragraph of Article 26 enshrined the ordinary treaty ratification procedure, which only requires a simple Parliamentary majority and does not presume Norwegian membership in the organization.[6]

This has attracted criticism from political and legal scholars alike, denouncing such 'constitutional acrobatics' in order to 'avoid admitting to the public that transfers of sovereignty take place under the EEA Agreement and its premise of unabridged Norwegian sovereignty' (Holmøyvik 2015: 147). Fossum (2010: 74), to give yet another example, criticizes Norway's 'tight incorporation without formal membership', whereby 'Norway is almost as integrated as any other member state'; in fact, Oslo may effectively be more integrated than other Nordic countries, as in the case of Denmark's 'No'-vote in a referendum on the question of whether to join its EU partners in the area of Justice and Home Affairs (JHA) of December 3, 2015. This is in itself an awkward status questioning the country's egalitarian democracy. Moreover, all parties represented in the Parliament have silently agreed not to substantially question either this status or the accountability gap related to the EEA agreement. In a 'suicide clause', a virtual ban on discussion of potential EU membership was kept off the political agenda for years, as the public debate would have been fatal for any

government coalition (Fossum 2010: 75). Two—if not three—governments (Borten in 1971, Bratteli in 1972 and Syse in 1990) have already stumbled and fallen over this issue. The result of this position is 'paradoxical', namely that the values of democracy and popular control of policy-making ('folkestyret', see: Olsen 2014; Lægreid and Olsen [1978] 1987), which are generally seen as superior to the complex continental-European governance systems, are actually weakened by them, rather than protected (Eriksen and Fossum 2014; Stie 2012). Central here is the direct link from the people to their elected representatives to guarantee the principle that the citizens participate in decision-making regarding how they want to be organized and governed politically. This immediate connection to political decision-making as an expression of sovereign self-government of the people, by the people, is in the eyes of many lost in extended chains of supranational delegation. However, as far as EU law applicable in Norway is concerned, at present, the Norwegian people have no say in EU rule-making at all (EEA Review Committee 2012).

Thus, the question of EU membership is a delicate and thorny issue for politicians, and is made more so by high levels of popular mobilization and a very active anti-EU movement. A recent opinion poll suggested that 76% of Norwegians wanted their country to remain outside the EU (Dagbladet 2014). The Euro-crisis, growing inequalities and the erosion of social cohesion in Europe as well as the failure by the EU to tackle the refugee situation have led Norwegians farther away from membership than ever before. Yet the country continues on a path of active adaptation, where Norway is part of almost all of the EU's areas of activities (as a rule taker), including Schengen, home affairs (justice and police cooperation, e.g. the European Arrest Warrant), as well as a contributor to around half of all the EU's CFSP-initiated civilian and military crisis management missions (Finstad 2008; Sjursen 2008).

5.4 Explaining Norwegian Awkwardness: From Awkward Partner to Awkward Partnership

The conceptual lens of awkwardness now directs our attention to the role of both material and non-material explanatory factors accounting for Norway's 'reserved' stance *vis-à-vis* European integration. We will now focus on the impact of power and security relations, domestic preferences and cultural identity as independent variables.

5.4.1 Power and Security Relations

After World War II, Norwegian foreign, security and defence policy became closely interlinked with a number of global and regional formats. Together with Denmark and Iceland, Norway was one of the founding members of NATO in 1945—the alliance is a key reference of Norwegian foreign, security and defence policy. With a military expenditure of 1.4% of its GNP in 2014, Norway does not fulfill the NATO target of 2%. Yet for 2015, the Norwegian Government proposed to increase the defence budget by an additional 3.4%, amounting to a total of just over €400m. By the standards of its population and size, and judged by its financial or material resource provision and force generation, Norway is one of the most active contributors to international security in diplomatic efforts and military operations alike, be it via the United Nations, NATO, or the EU. The fact that in 2014 former Norwegian Prime Minister Jens Stoltenberg became NATO's Secretary General was also interpreted as a way of rewarding the country for its contribution to the alliance, and in particular its contribution to the Implementation Force (IFOR) operations in Afghanistan.

At the regional level, Nordic Defense Cooperation (NORDEFCO) provides yet another anchor in security policy, ensuring close coordination on political and military levels 'to facilitate efficient common solutions' (Norwegian Government n.d.) in defence matters. At the same time, Norway has always cultivated close bilateral contacts with alliance partners such as the US, the UK and later Germany. Norway's affiliation with the EU in the domain of foreign and security policy—as encouraged by the EEA—is 'often described as a mere continuation of its alliance policy' (Sjursen 2015: 200). To some extent, the EEA Agreement, Norwegian participation in the Schengen club and the administrative arrangements of 2006 between Norway and the European Defence Agency have also been necessary so as to avoid endangering the military as well as civilian security cooperation with its Nordic partners.

The EU is different—and has been entrusted with legal personality following the ratification of the Treaty of Lisbon. Day-to-day operations in CSDP contribute to the formation of common positions beyond the 'national interest' of individual states. Norwegian diplomacy is part of this machinery, and cooperation may be facilitated through the largely intergovernmental character of cooperation. However, it is often incomplete, as illustrated by Norway's failed attempt to become a full member

of the EDA as a core element of the political part of cooperation. Still, the Norwegian government tends to portray itself as a willing and supportive member, contributing to almost half of the EU's CFSP/CSDP missions thus far.

Traditionally, having a very temperate and pragmatic approach towards Russia, with which it shares borders and interests in the North, Norway aligned itself with the EU position during the Ukraine crisis, thus leading to considerable tensions in bilateral relations, including a boycott of Norwegian exports (e.g. salmon) to Russia, and earning the Solberg government rather pronounced domestic critique. Russia could be seen as an external threat to—or by—Norway, partly explaining its stalemate engagement in NATO, and frequently seen as an exogenous driver for RI (Murray 2015: 28; Warleigh-Lack 2006). Therefore, analyzed as a power-relationship, the trade-off appears to be that Norway's commercial ties are closely enough linked to the EU's market that it accepts even unfavourable contractual terms or a 'sharecropper's agreement' (Claes 2003) such as the EEA in order to benefit from market access. Meanwhile, the country can afford to remain a 'silent partner', i.e. not to become a full member, and maintain formal sovereignty thanks to its wealth of natural resources, its military guarantees through NATO, and its close ties to other Nordic partners in the context of Nordic cooperation, which is—together with Benelux—the oldest still-existing form of sub-regional cooperation in Europe. In this regard, it has also been argued that Norway has actively tried to benefit from 'surrogate representation', defined as 'representation by a representative with whom one has no electoral relationship' (quoted in Fossum 2015: 157), through its intimate relations with other Nordic partners that are members of the EU.

Before the 1990s, Norway looked solely to the US (and the UK) in matters of military security and tried to steer away from Europe's potentially 'belligerent power'. The recent memory of aggressive Nazi-German occupation certainly fuelled such sentiment at the time. With the Maastricht Treaty the EU began to assume responsibilities in the area of foreign and security policy (albeit exhibiting a 'capabilities-expectations-gap' at the time—as famously captured by Christopher Hill). Norwegian foreign and security policy has become deeply transformed since the emergence of the EU as a global political actor after the end of communism and at a time when the EU itself was catapulted into a leadership role in terms of managing both political and economic transformations

in Eastern Europe. Following a constructivist logic, Norway wanted to showcase itself as a functioning part of the European family which was increasingly perceived as dominated by the EU. The security relationship to the US and *vis-à-vis* NATO is changing, however; for quite sometime during the 1990s and 2000s, it seemed that NATO and the US had lost their relevance as regards security in Europe, but this is about to be corrected in the aftermath of the Russian annexation of Crimea and support for terrorists and rebels in Eastern Ukraine.

5.4.2 Domestic Opportunity Structures and Preferences: Administrative Sovereignty

In Norway, sovereignty is a highly cherished achievement after splitting from the forced 'unions' consecutively with Denmark and Sweden (Selle and Østerud 2006). This idealized notion of autonomy ('*selvstendighet*') is deeply anchored in collective perception and is seen as an important feature by public opinion (Østerud et al. 2003). However, via the EEA Agreement Norway is tightly bound to the European Union. And due to new types of interaction with national authorities, EU administrative bodies are more and more frequently directly coupled to Norwegian bureaucracies (precisely like the member states' administrations), often also bypassing national governments, so much so that Egeberg and Trondal (2011) see the Norwegian administrative sovereignty, i.e. the state's prerogatives to implement policies on its territory as being under considerable pressure. In their empirical study, they show that Norwegian administrative practice does not differ in essence from EU member states' ways of integrating their implementation bodies into the EU's supranational bureaucracy. The point here is the national control over the (indirect) implementation of supranational rules, which are automatically applicable and enforceable in all member states and countries covered by the EEA Agreement. For the most part of its lawmaking law-making and regulatory activities the EU does not have the administrative capacities to ensure their active implementation, with the actual enforcement of rules traditionally falling under the exclusive competence of the member states. With a rapidly growing number of EU (executive and regulatory) agencies and new competences, e.g. in the form financial and banking supervisory authorities (Bauer and Becker 2014), to coordinate and support the implementation phase, it has become more and more common to see direct interactions and involvement of EU bureaus

with their national counterparts, notably by direct unit-to-unit interaction at organizational sub-levels and without coordination by national ministries (Egeberg and Trondal 2014).

Norwegian administrative personnel owe their professional loyalty to their national departments and, via the minister, to the Parliamentary assembly (Lægreid and Olsen 1978/1987). These bodies of the state enjoy high levels of trust and prestige in the Norwegian society, and are traditionally closely followed and watched by observers from civil society, the media and academia (Selle and Østerud 2006; Østerud et al. 2003). They are seen to be accessible, meritocratic-egalitarian in their recruitment and composition, as well as responsible and comparatively close to those they serve, i.e. the people (Lægreid and Olsen 1984; Strøm et al. 2005). Egeberg (2006) holds that over time the relatively independent government bodies and agencies outside the direct control by national ministries have become part of two administrations, namely part of the national administration *and* the supranational EU equivalent. Over the last 20 years, the Norwegian state apparatus has seen the establishment of about 40 such government bureaus that are direct implementation organs of the EU's law and rules (Egeberg and Trondal 2011).

5.4.3 Economic Power Relations

As discussed above, domestic opportunity structures are closely linked to the relations between well-represented interest groups and economic actors, which at times also converge with the centre-periphery divide. Agriculture, representing a limited proportion of the country's population and responsible for a tiny part of production as opposed to the high levels of public subsidies, has its protectionist interests firmly represented in the political process. In its 2011 country report, the OECD wrote 'the Norwegian agricultural sector, though small, is one of the most heavily protected in the OECD, encouraging inefficient use of resources'.[7] On the other hand, Norway's second most important export industry (behind the petrol industry), the seafood sector, which is equally associated with periphery, has a more extroverted interest, namely to have market access and to sell their products to European consumers. Within the seafood industry, there is a difference between the interests of the fishing sector and the aquaculture industry. While both seek the possibility to export their products, the fisheries sector, of course, also wanted to defend their resources from quota for European

fishing vessels. Fish farming, by contrast, is keen on open markets to export its products, and the considerable growth of this sector over the last decade has therefore, overall, reduced the negative attitude towards the EU within the seafood industry.

Also in the service sector, Norway was reluctant to accept market liberalization in the postal or transport services, where it invokes its geographic specificities and the need to guarantee universal services throughout the country (Leiren 2015). This again connects to the cultural and identity arguments, emphasizing the egalitarian tradition of trying to achieve a fair balance between citizens living in the sparsely populated areas in the periphery versus those in the city.

5.4.4 Cultural Identity

Iver B. Neumann has shown that the Norwegian 'people' is at the very core of the political discourse in Norway, in particular related to Europe, and that identity is inseparably tied to conceptions of national patriotism and independence (Neumann 2002). These manifestations have been a constitutive part of Norwegian history since 1814, the moment of the constitutional treaty. Building on these arguments, Tanil (2012) has sought to identify the causal mechanisms that have turned identity politics into tangible foreign policy outcome. She identifies five composing elements of the Norwegian national identity that have been activated in particular during the campaigns prior to the two EU membership referenda. First, Norwegian history is characterized by the struggle for independence and freedom from the forced unions with Denmark and Sweden (Selle and Østerud 2006). The fact that there are two official languages in Norway is, in the case of New Norwegian ('nynorsk'), the result of linguistic attempts to wipe out the substrate of the Danish language. The scepticism with regard to continental Europe has been furthered by the traumatizing experience of German occupation during World War II. Second, identity discourses emphasizing 'Norwegian-ness' often refer to the time of the glorious and adventurous Vikings presumably finding their way towards America—this reference often serves as a foundational myth going well beyond the early nineteenth century. Third, there is the theme of a beautiful homeland characterized by coast and countryside—in stark contrast with urban centres. This cleavage between rural periphery and urban centrality has also been emphasized by Stein Rokkan, one of Norway's most renowned political scientists.

The two subsequent narratives are strongly connected with this i.e. an idealized simple and pure existence in accordance with nature in contrast to a modern and slightly decadent cosmopolitan lifestyle on the one hand, and the enthusiasm for farmers, fishermen and explorers as national heroes of Norwegian history on the other. Furthermore, a recent popular revival of the Viking myth as a positively beset figure of mass culture has been detected, with the figure of the ancient Nordic warrior advocated as a role model or icon for young, male, identity in particular (NRK 2013).

These features of national identity do not go unchallenged—and the (relatively) tight results of both referenda on membership provide ample evidence of this. Furthermore, for a long time—up until the beginning of the Euro-crisis–the elite consensus on EU membership did not quite converge with these popular sentiments. More importantly, national identity politics have become increasingly difficult to accommodate with other international policies of Norway, for instance in the realm of migration policy.

5.5 Conclusion

Given the framework conditions in domestic politics as well as in the areas of identity and security, one would expect Norway to be awkward as regards European integration, perhaps even more so than it actually is. Without being a formal EU member, the level of Norwegian adaptation to the EU across a wide range of policies has even exceeded the level of a number of member states. The main paradox of Norway's non-membership is actually that the present status as a norm-taker—albeit a proactive one that intervenes at an early stage of decision-making in Brussels using its sophisticated lobbying infrastructure—via the EEA Agreement runs counter to the principal argument, namely to protect the country's egalitarian democracy against external rule and, in particular, the notorious Brussels bureaucrats.

Considering the high level of domestic popular resistance, it would rather seem that Norwegian political elites are stretching a long way, and that the country is doing a lot to 'fit in', despite its outsider position. It is virtually impossible to discern the main cause explaining the Norwegian attitude *vis-à-vis* the EU. What appears therefore most awkward is that by contrast to its very strong de facto integration—Norway in many ways is more integrated than some EU member states—it has

refrained from full formal membership with the right to take part in decision-making. To account for this paradox, our chapter suggests that a blend of factors predominantly from the domestic opportunity structure, historically as well as culturally rooted popular self-perception as well as the security guarantee through NATO-membership provide the strongest explanatory evidence. Whether under Donald Trump as the 45th President of the United States, the transatlantic alliance will remain as steadfast as it has been since 1949—a circumstance that also sparks discussions about beefing up defence cooperation in the EU—might lead to questions as regards Norway's present position.

Within the domestic arena, the sectors of agriculture that heavily rely on national subsidies and stay more focused on the domestic market, e.g. traditional fishing and farming, which continue to outweigh those segments of the economy that are more dependent on export markets, e.g. aqua-farming. Furthermore, this cleavage attracts a lot of political attention since it aligns itself with other core cleavages of the Norwegian society, in particular those constituted by the rural–urban and North–South 'divide'. As a consequence, the Norwegian political elite is compelled to find compromises and accommodate the needs of these societal and political groups. Still, judged against a full membership option, the cost-benefit ratio for 'in' is probably highest when weighing economic arguments (market access) against the domestic political structure and popular identity concerns (formal or 'administrative sovereignty'), but it is, as we have seen, economically affordable from a Norwegian perspective. One may assume that the fundamental paradox of the Norwegian democratic deficit inside the EEA remains; it is only reduced by the fact that the country is constantly portrayed as an active 'global model citizen'—a term coined by the Oxford-based Jennifer Welsh (2004) with regard to Canada in international politics—open towards the development and implementation of common norms at the international level. By comparing the three independent variables against each other, it would seem that economic power to 'afford' non-membership and the structure of internal political debates about the Norwegian egalitarian tradition and democratic values have the strongest influence in shaping Norwegian awkwardness. In light of the Ukraine crisis, the military power argument may have come more directly into play since Norway stands as a firm partner to a united West and thereby—willy-nilly—also embraces the EU position with regard to a sort of European solidarity against Russian aggression.

5.5.1 The Revival of the Nation State—Fashion or Fad?

However, the Euro-crisis and the EU's quarrel over how to deal with the refugees arriving in 2015 have certainly added to the popular perception that Norway is 'better off' outside the EU, and can independently chose the kind and level of support it wants to give to other European countries. Yet, at times by its deafening silence, the debate on Norwegian EU-membership continues to dominate Norway's domestic political struggles, and has probably contributed to widening the gulf between voters and the political and economic elites, with the latter having a preference for joining the EU. Also in academia EU-cooperation and research funding has grown in importance. Among political scientists, curiosity about the EU as a governance system remains unfaltering, and it is generally considered as one of the most interesting political projects of our time and an attractive object of study. Indeed, with the UK leaving the EU and nationalist populist tendencies spreading across Europe scholars may thus ask the question whether what was until recently considered awkward is now becoming the 'new normal'. The potentially rather complicated and conflictual Brexit negotiations ahead will bind resources and attention for years to come. An agreement about the conditions for Britain's access to the single market will be a landmark deal for non-members in determining their own position. At the end of the day, if the UK gets 'to have its cake and eat it, too', why should not other EU-outsiders as well? And vice versa, given the apparent renaissance of the nation-state as the dominant political and cultural resonance room for the peoples of Europe, the Norwegian way may well turn into a model for others, one considered to be more legitimate, more appropriate, more sustainable, and altogether more attractive than a stern and struggling supra-nationalism.

Notes

1. The first two bids for membership, presented in 1962 and 1967 were set aside following French President Charles de Gaulle's stout rejection of prospective British membership. The county's third and fourth application was rejected by 53.5 and 52.2% of the population in 1970 and 1994 respectively.
2. The 'no' campaign won with 53.5 (1972) and 52.2 (1994) % respectively of the popular vote.

3. In a strictly legal and political sense, Iceland, Norway and Liechtenstein are the European Free Trade Area (EFTA)-EEA states, whereas the 28 EU member states are the EU-EEA states. All together, the 31 countries make up the EEA. As this would make for unduly heavy terminology throughout this document, however, we call the three the EEA states and the 28 the EU.
4. In its 2011 country assessment for Norway the OECD suggests, that "barriers to entry and public ownership reduce competition and may result in lower productivity growth", see online at: http://www.oecd.org/norway/47473811.pdf.
5. Article 115 reads in full: "In order to safeguard international peace and security or to promote the international rule of law and cooperation, the Storting may, by a three-fourths majority, consent that an international organisation to which Norway belongs or will belong shall have the right, within specified fields, to exercise powers which in accordance with this Constitution are normally vested in the authorities of the state, although not the power to alter this Constitution. For the Storting to grant such consent, at least two thirds of its Members shall be present, as required for proceedings for amending the Constitution. The provisions of this Article do not apply in cases of membership in an international organisation whose decisions only have application for Norway exclusively under international law."
6. Article 26: "Treaties on matters of special importance, and, in all cases, treaties whose implementation, according to the Constitution, necessitates a new law or a decision by the Storting, are not binding until the Storting has given its consent thereto."
7. According to recent OECD data, the Norwegian agricultural sector employs approximately 53,000 full-time equivalents, 2.1% of the country's total employment, and produces 0.3% of Gross Domestic Product (GDP), cf. http://www.oecd.org/norway/47473811.pdf.

References

Allern, E.H., and J. Saglie. 2012. Inside the Black Box: Parties as Multi-level Organisations in a Unitary State. *West European Politics* 35 (5): 947–970.

Archer, Clive. 2005. *Norway Outside the European Union. Norway and European Integration from 1994 to 2004*. London: Routledge.

Bauer, M.W., and S. Becker. 2014. The Unexpected Winner of the Crisis: the European Commission's Strengthened Role in Economic Governance. *Journal of European Integration* 36(3): 213–229.

Christensen, Tom. 2003. Narratives of Norwegian Governance: Elaborating the Strong State Tradition. *Public Administration* 81 (1): 163–190.

Christensen, Tom, and Per Lægreid. 2004. Public Administration Research in Norway: Organization Theory, Institutionalism and Empirical Studies in a Democratic Context. *Public Administration* 82 (3): 679–690.

Claes, Dag Harald. 2003. EØS-avtalen – mellom diplomati og democrati [The EEA-Agreement. Between Diplomacy and Democracy]. *Internasjonal politikk* 61 (3): 275–302.

Dagbladet. 2014. *Massiv norsk EU-motstand. Det er fire ganger så mange EU-motstandere som EU-tilhengere i Norge, viser en ny meningsmåling fra Sentio Research.* Available online at: http://www.dagbladet.no/2014/08/30/nyheter/meningsmalinger/politikk/eu/35038965/. Accessed 12 Dec 2015.

Darvas, Zolt. 2016. Single Market Access from Outside the EU: Three Key Prerequisites, Blog Post July 19. Available online at: http://bruegel.org/2016/07/single-market-access-from-outside-the-eu-three-key-prerequisites/. Accessed 14 Sept 2016.

EEA Review Committee. 2012. Norway's Agreements with the European Union, Submitted to the Ministry of Foreign Affairs on 17 January 2012, Oslo, (Europautredningen). Available online: https://www.regjeringen.no/no/dokumenter/nou-2012-2/id669368/. Accessed 12 Sept 2015.

Egeberg, M. 2006. *Multilevel Union Administration.* The Transformation of Executive Politics in Europe, Houndmills, Basingstoke: Palgrave.

Egeberg, M., and J. Trondal. 1999. Differentiated Integration in Europe: The Case of EEA Country, Norway. *Journal of Common Market Studies* 37 (1): 133–142.

Egeberg, M., and J. Trondal. 2011. EU-level Agencies: New Executive Centre Formation or Vehicles of National Control? *Journal of European Public Policy* 18 (6): 868–887.

Egeberg, M., and J. Trondal. 2014. Nasjonal administrative suverenitet – myte eller realitet?. *Det Norske Paradoks. Om Norges Forhold til den Europeiske Union*, eds. E.O. Eriksen and J.E. Fossum, 153–173. Oslo: Universitetsforlaget.

Eriksen, Erik O., and John Erik Fossum (eds.). 2015. *The European Union's Non-members. Independence Under Hegemony?* London: Routledge.

Eriksen, Erik O., and John Erik Fossum (red.). 2014. *Det norske paradoks. Om Norges forhold til den Europeiske Union*. Oslo: Universitetsforlaget.

Esping-Andersen, Gøsta. 1990. *The Three Worlds of Welfare Capitalism.* Cambridge: Polity Press.

European Commission. 2012. *A Review of the Functioning of the European Economic Area. Commission Staff Working Document*, SWD (2012) 425 Final, Brussels, 7.12.2012.

Fossum, John Erik. 2010. Norway's European 'gag rules'. *European Review* 18 (1): 73–92.

Fossum, John Erik. 2015. Representation under Hegemony. On Norway's relation to the EU. *The European Union's Non-Members: Independence under Hegemony*, eds. Erik O. Eriksen and J.E. Fossum, 77–100.

Finstad, Fredrik Bøckman. 2008. Norges tilknytning til EUs justis-og innenrikspolitikk [Norway's association with the EU's policy on justice and internal affairs]. *Nytt Norsk Tidsskrift* 4: 336–347.

Genschel, Philipp and Jachtenfuchs, Markus. eds. 2014. *Beyond the Regulatory Polity? The European Integration of Core State Powers.* Oxford: Oxford University Press.

Gstöhl, Sieglinde. 2002. *Reluctant Europeans. Norway, Sweden and Switzerland in the Process of Integration*. Boulder: Lynne Rienner.

Henökl, T. 2014. Conceptualizing the European Diplomatic Space: A Framework for Analysis of the European External Action Service. *Journal of European Integration* 36 (5): 453–471.

Hillion, Christoph. 2011. Integrating an Outsider. An EU Perspective on Relations with Norway, *Europautredningen*, Rapport 16, Oslo.

Holmøyvik, Eirik. 2015. Norway's Constitutional Acrobatics under the EEA Agreement. *The European Union's Non-members Independence under Hegemony?* eds. Eirik O. Eriksen and J.E. Fossum, 137–152. London: Routledge.

Ingebritsen, Christine. 1998. *The Nordic States and European Unity.* Ithaca: Cornell University Press.

Ingebritsen, Christine. 2001. When Do Culture and History Matter? A Response to Neumann and Tiilikainen. *Cooperation and Conflict* 36 (1): 99–103.

Jennifer, Welsh. 2004. *At Home in the World: Canada's Global Vision for the 21st Century.* New York: HarperCollins.

Lægreid, Per, and Johan P. Olsen. [1978] 1987. *Byråkrati og Beslutninger, En studie av norske department.* Bergen: Universitetsforlaget.

Lægreid, Per, and Johan P. Olsen. 1984. Top Civil Servants in Norway: Key Players—On Different Teams. In *Bureaucrats and Policy Making*, ed. E.N. Suleiman. New York: Holmes and Meier.

Leiren, M.D. 2015. Scope of Negative Integration: A Comparative Analysis of Post, Public Transport and Port Services. *Journal of Common Market Studies* 53 (3): 609–626.

Leruth, Benjamin, and Christopher Lord. 2015. Differentiated Integration in the European Union: A Concept, a Process, a System or a Theory? *Journal of European Public Policy* 22 (6): 754–763.

Leuffen, Dirk, Rittberger, Berthold and Schimmelfennig Frank. 2013. *Differentiated Integration: Explaining Variation in the European Union.* Basingstoke: Palgrave Macmillan.

Murray, Philomena. 2015. Drivers of Regional Integration: Some Comparative Considerations. In *Drivers of Integration and Regionalism in Europe and Asia*, ed. Louis Brennan and Philomena Murray. London: Routledge.

Murray, Philomena, Alex Warleigh-Lack, and Baogang He. 2014. Awkward States and Regional Organisations: The United Kingdom and Australia Compared. *Comparative European Politics* 12 (3): 279–300.

Neumann, Iver B. 2001. The Nordic States and European Unity, *Cooperation and Conflict* 36 (1): 87–94.

Neumann, Iver B. (2002). This Little Piggy Stayed at Home: Why Norway is Not a Member of the EU. *European Integration and National Identity: The Challenge of the Nordic States*, eds. Lene Hansen and Ole Wæver, 88–129. London: Routledge.

Norwegian Government. n.d. The Nordic Defence Cooperation (NORDEFCO), Accessed on December 9, 2015. Available online at: https://www.regjeringen.no/en/topics/defence/international-operations/nordisk-forsvarssamarbeid—nordefco/id2350954/. Accessed 12 Sep 2015.

Norwegian Radio and Television. 2013. *Vikingene er maskuline ikoner* (Vikings are Masculine Icons), Accessed on December 9, 2015. Available online at: http://www.nrk.no/ytring/vikingene-er-maskuline-ikoner-1.11168104. Accessed 12 Sept 2015.

Olsen, Johan P. 2014. *Folkestyrets varige spenninger. Stortinget og den norske politiske selvforståelsen*. Oslo: Universitetsforlaget.

Organization for Economic Development and Cooperation (OECD). 2011. *Country Assessment for Norway*. Paris: OECD.

Østerud, Øyvind, Fredrik Engelstad, and Per Selle. 2003. *Makten og demokratiet. En sluttbok fra Makt- og Demokratiutredningen*. Olso: Gyldendal Akademisk.

Panke, Diana. 2010. Small States in the European Union: Structural Disadvantages in EU Policymaking and Counter-strategies. *Journal of European Public Policy* 17 (6): 799–817.

Rokkan, Stein. 1987. *Stat, nasjon, klasse*. Oslo: Universitetsforlaget.

Selle, Per, and Øyvind Østerud. 2006. The Eroding of Representative Democracy in Norway. *Journal of European Public Policy* 13 (4): 551–568.

Stie, Anne Elizabeth. 2012. *Democratic Decision-making in the EU: Technocracy in Disguise?* London: Routledge.

Strøm, K., H.M. Narud, and H. Valen. 2005. A More fragile Chain of Governance in Norway. *West European Politics* 28 (4): 781–806.

Sitter, Nick. 2005. When the Monnet Method is Not an Option: Norway, Schengen and Flexible Governance. *Norwegian School of Management. The Centre for European and Asian Studies*, Report 4, Oslo.

Sjursen, Helene. 2008. Integration Without Democracy? Three Conceptions of European Security Policy in Transformation. ARENA Working Papers, No. 7, Oslo.

Sjursen, Helene. 2015. Reinforcing Executive Dominance. Norway's and the EU's Foreign Policy. *The European Union's Non-Members: Independence under Hegemony*, eds. Erik O. Eriksen and J.E. Fossum, 189–200.

Tanil, Gamze. 2012. *Why is Norway Outside the European Union? Norwegian National Identity and the Question of European Integration (European University Studies)*. Frankfurt am Main: Peter Lang.

The Economist. 2013. The Next Supermodel: Why the World Should Look at the Nordic Countries, Special Report on Scandinavia, 2 February 2013. Available online at: http://www.economist.com/printedition/2013-02-02. Accessed 12 Sept 2015.

Tiilikainen, Teija. 2001. Nordic Integration Policy Seen from Abroad. *Cooperation and Conflict* 36 (1): 87–94.

Tranvik, Tommy, and Per Selle. 2007. State and Citizens in Norway. Organisational Society and State-municipal Relations. In *Norway in Transition. Transforming an Stable Democracy*, ed. Øyvind Østerud, 148–167. London: Routledge.

Vahl, Marius. 2009. *15 Anniversary of the EEA Agrement. EEA 1994–2009*. Brussels: Drifosett.

Warleigh-Lack, Alex. 2006. Towards a Conceptual Framework for Regionalisation: Bridging 'New Regionalism' and 'Integration Theory'. *Review of International Political Economy* 13 (5): 750–771.

CHAPTER 6

Iceland: The Dominant Party in Thrall to Its Past Discourse

Baldur Thorhallsson

Abstract The chapter will examine how the firm adherence of Iceland's largest and historically most prominent political party – the conservative Independence Party – to its belief in the importance of national sovereignty, its Cold War ideological stance and its closeness to the fisheries and agrarian sectors have shaped its European policy and kept Iceland as an awkward partner in the European integration process. Iceland joined EFTA and the EEA, but only after difficult debates, and a coalition government including the Independence Party put the country's 2009 European Union membership application on hold. The chapter argues that participation in the European project clashes with the Conservatives'

Baldur Thorhallsson, Professor of Political Science, the Faculty of Political Science and the Centre for Small State Studies, University of Iceland. The chapter draws extensively on a lecture and a short article in conference proceedings by Thorhallsson, B. 'The influence of ideology on the European policy of the Independence Party', Johannesson, G. and Bjornsdóttir, H. (eds.) *Rannsóknir í félagsvísindum IX*, Félagsvísindasvið Háskóla Íslands, 2008.

B. Thorhallsson (✉)
University of Iceland, Reykjavik, Iceland
e-mail: baldurt@hi.is

M. Stegmann McCallion and A. Brianson (eds.), *Nordic States and European Integration*, Palgrave Studies in European Union Politics,
DOI 10.1007/978-3-319-57562-9_6

vision of Icelandic identity, its protectionist policies regarding the primary economic sectors, its emphasis on the solidarity of the nation and the policy of relying on US protection for Iceland's territorial security. The findings of this chapter for Iceland are similar to those of Murray et al. (Comparative European Politics 12(3): 279–300 2014), which were that British ambivalence towards the European Union is caused by a combination of various factors of material and ideational origin, with national identity, domestic politics and power relations as the most important factors.

Keywords Iceland · Nordic states · European Union · European integration · Sovereignty · National identity · Independent Party · Fisheries · Agriculture · Ideology

6.1 Introduction

The historical narrative in Iceland, created in the 'independence struggle' against Denmark at the beginning of the twentieth century, emphasizes the uniqueness of the nation. This has led to a steadfast belief on the part of many Icelanders that everything Icelandic should be protected by all available means (Hálfdanarson 2001). The associated nationalistic political discourse has profoundly influenced domestic and foreign affairs. Iceland is closely associated with the other Nordic states and has adopted many of their domestic characteristics. Iceland is also highly integrated into the European project through its membership of the European Economic Area (EEA) and the Schengen Agreement. On the other hand, there are important exceptions from the Nordic model in Iceland and the country has always hesitated to participate in the European integration process (even in EFTA, EEA and Schengen) and is not a member of the European Union.

Iceland received Home Rule in 1904 after having been part of the Danish kingdom for centuries. Icelanders commonly view the Nordic settlement in the ninth century and the following three centuries as a glorious and prosperous period. Icelanders are seen to have been independent (the Althingi, the Icelandic national parliament, was created in 930) despite the influence of the Norwegian King on affairs on the island. The traditional narrative still holds that decline and humiliation ensued when Iceland lost its independence and became part of the Norwegian kingdom in the last quarter of the thirteenth century.

The nationalist movement in Iceland gained momentum in the mid-nineteenth century and a long but peaceful 'independence struggle' followed. Iceland slowly gained control over its own affairs: the Althingi was re-established in 1844, Iceland received a constitution in 1874, Home Rule in 1904 and sovereignty in a union with Denmark with a common monarch in 1918; the Republic was created in 1944. Iceland has been in full charge of its foreign affairs since it gained sovereignty although Denmark carried out its foreign policy and led by example until the Nazi occupation of Denmark and the creation of the Icelandic Foreign Service in 1940. The traditional narrative holds that Iceland did not become prosperous again until it became a free and independent country in the first half of the twentieth century.

British and American occupation in the Second World War rapidly modernized the country and set up a special relationship between the United States and Iceland. The United States (US) not only supported the creation of the Republic and guaranteed the country's security; the Icelandic economy relied heavily on US aid in the post-war period. The economy was characterized by trade restrictions and high tariffs until the 1960s and US assistance kept up living standards in the country. US direct assistance slowly diminished and Iceland received its last 'aid package' in the late 1960s. On the other hand, the US continued to pay for the running of Iceland's international airport (on the US base), and the expensive surveillance radar network around the country, and the US military base made a considerable contribution to the economy until it was closed in 2006.

Iceland joined most of the post-war international organizations but was not an active participant in them, and received both financial backing from the World Bank and important advice from the International Monetary Fund until the mid-1970s. In 1970, Iceland joined EFTA in order to take part in the EFTA member states' free-trade agreement with the European Economic Community (EEC), which was signed 2 years later. In the late 1950s, Iceland had not been invited to participate in the creation of EFTA due to a fishing despite with Britain, but even if it had been, it was ready for membership of neither EFTA nor the EEC due to the undeveloped state of its economy. A reluctance to open up the economy and share power with others delayed EFTA membership for a decade (Thorhallsson and Vignisson 2004a). Also, Iceland was not in much need of better trade deals due to the 'herring boom' and the associated economic prosperity in the 1960s. The free-trade agreement

with the EEC was highly beneficial for the fishing industry and the country did not start to consider other alternatives until Spain and Portugal (important markets for Icelandic marine product exports) joined the EU (Thorhallsson and Vignisson 2004b).

In the mid-1990s, Iceland joined the European Economic Area and decided to participate in the Schengen scheme to secure the continuation of the Nordic passport union. Membership of EFTA and the EEA caused great controversy in the country. All political parties, except for the small Social Democratic Party (SDP), had great reservations about the four freedoms, power sharing and the transfer of power from Reykjavik to Brussels. Membership led to considerable public protests and the coalition government consisting of the centre-right (conservative) Independence Party (IP) and the SDP only narrowly managed to have Althingi ratify the EEA Agreement. At the time, there was no way for pro-European forces within the parties to take up the EU cause and push the national parliament to follow the other EFTA members and apply for membership of the European Union (Thorhallsson 2004).

The Independence Party's dominant position in Icelandic politics and its ideology are crucial to explain Iceland's awkward engagement with the European project. It is only by examining the IP that we can properly account for Iceland's reluctant membership of EEA, EFTA and Schengen, its unwillingness to join the European Union and its special relationship with the United States.

The Independence Party has dominated Icelandic politics ever since the Icelandic party system took root in the second and third decades of the twentieth century. The fact that the Icelandic right is united, and the centre-left is divided, in conjunction with the right's ability to work both with the Social Democrats and the centre-agrarian Progressive Party, has given it a pivotal position in Icelandic politics. The Conservatives have been in office for 55 of the 73 years since the creation of the Republic, often receiving nearly 40% of the vote.[1]

The IP has been dominant in forming Iceland's foreign policy. It took the lead in firmly committing Iceland to western alignment during the Cold War and to close relations with the United States. Iceland was a founding member of NATO and hosted a US military base from 1951 to 2006. The Conservatives were in coalition with the Social Democrats when Iceland joined EFTA and the EEA, and in coalition with the Progressive Party at the time of accession to Schengen. On the other hand, the party and a number of its MPs had great reservations about

the EEA—particularly as regards participation in the Union's four freedoms and the transference of sovereignty included in the Agreement. In opposition during 1988–1991, the party proposed withdrawal from the EFTA-EEA negotiations and to work instead for a bilateral agreement with the EU on free trade in marine products, alongside other negotiations on access to the Common Market. The former leader of the party claims that this position was partly tactical, and was adopted in order to split the left-of-centre coalition then in office—which was divided on the EEA Agreement—in order to make clear that the IP would not support the EEA while it was in opposition (Pálsson, interview, March 27 2007).

The Conservatives only came out in favour of the agreement after they formed a coalition government with the Social Democrats, who made signing of the EEA Agreement a precondition for the creation of the coalition in 1991. However, the IP leadership had substantial difficulties in bringing all its parliamentarians into line with the party's new policy on the EEA. Actually, it narrowly managed to have enough of its MPs support the agreement and oppose a bill from the opposition on a referendum on EEA membership (Bjarnason, interview, March 23 2007). Those in the party who opposed the agreement repeatedly referred to freedom and independence in their speeches: Iceland would sacrifice its freedom and independence by joining the EEA (Albertsson 1993; Haukdal 1993; Jónsson 1992, 1993). Moreover, the solidarity of the Icelandic nation would be placed in jeopardy by the ratification of the agreement (Jónsson 1992). They were particularly suspicious about the supra-national character of the EEA. They also pointed to the sacrifices that the Icelandic agricultural sector might have to make due to more liberal imports of agricultural products; in fact, the degree of liberalization was very limited (see detailed discussion in Thorhallsson 2008). Moreover, the leader of the party who served as the Prime Minster at the time opposed participation in the Schengen Agreement behind the scenes and only reluctantly agreed to sign it in order to secure an arrangement by which Icelanders did not have to show passports on their visits to the other Nordic states.

The IP never seriously considered the EU membership alternative until after considerable external and internal pressure to examine the pros and cons of membership after the 2008 economic crash in Iceland. The Social Democrats insisted on an EU application as a precondition for the continuation of its coalition government (2007–2009) with the Conservatives. Until the mid-1990s, the Conservatives' policy towards

EU membership was labelled 'the wait and see' policy, i.e. to follow the development of the project from the sidelines without formally rejecting full participation in it. However, in 1996, it was safe for the party to formally oppose membership since the EEA Agreement was seen as being highly beneficial for Icelandic interests and the EEA Agreement itself was secured after Norwegian voters had rejected EU membership. In the immediate aftermath of the crash in 2008, the IP became more open to discussion of the EU membership option, even though it stuck to its policy that Iceland should not apply for membership. The Conservatives suggested instead that Iceland should adopt the Euro with the support of the EU (which was immediately rejected in Brussels).

The first left-wing government in Iceland was created after the spring election of 2009. The crash had given the Social Democrats the opportunity to place the EU question on the political agenda, and their strong negotiating position after the general election (making them the largest Icelandic political party for the first time) enabled them to carry the membership application through the Althingi. The SDA made EU application a precondition for the creation of a government coalition with the Left Green Movement (which the Left Greens very reluctantly accepted, in view of their firm opposition to membership of the EU, in order to secure a place in government). Iceland's EU membership application in the summer of 2009 was soon sidelined by the 'Icesave' dispute, which dominated Icelandic politics until the end of the parliamentary term in 2013 and triggered a nationalist backlash and greater Euroscepticism. The main opposition parties, the IP and the Progressive Party, abandoned their softer stances on the EU membership application, now fiercely opposing the accession process which Iceland had begun. The parties resumed their traditional European policy stance that EU membership did not serve the country's interests, framing EU membership as a surrender of Iceland's sovereignty and control over its national resources (Thorhallsson 2015). Fears over the implications of the EU's 'unfavourable' Common Fisheries Policy (CFP) and its Common Agricultural Policy (CAP) for Iceland's fisheries and agricultural sectors ranked high.

In spring 2013, the first act of the newly formed coalition government, consisting of the Conservatives and the Progressives, was to put the EU accession negations on hold. They again came out in outright support of the Icelandic currency, the Icelandic króna, and in opposition to the transfer of power over the country's monetary affairs. However, the coalition hesitated to carry out its intention of making the Althingi withdraw the EU

membership application altogether. That said, in spring of 2015, the Foreign Minister wrote a letter to the European Commission stating that the government did not consider Iceland an applicant country any longer and insisted that the EU take the same view (Thorhallsson 2015). The Conservative leadership has been unwilling formally to withdraw the application due to a small vocal pro-European force within the party (mainly from the business community), a section of which has now left the Conservatives and created a new political party. A parliamentary resolution prepared by the government in 2015 to the effect that Iceland should cancel its EU application met fierce opposition, and around 22% of voters signed a petition to the assembly to halt the action on withdrawing the application and hold a popular referendum instead on whether to complete the entry negotiations.

This chapter seeks to explain why Iceland's relations with the European Union are characterized by awkwardness. It argues that the IP's position on Europe is the result of an interplay of material and ideational conditions. The findings are consistent with those of Murray et al. (2014) who showed that British awkwardness towards the EU 'is produced by the interaction of various factors that stem from both material and ideational origins' and that 'power relations, domestic politics and cultural identity are the most important factors'. In the case of the Independence Party and its position towards European integration, these factors all play a key role.

In terms of power relations, the IP was the dominant actor in keeping Iceland aligned with the United States. The Conservatives found that the US provided Iceland with sufficient military, diplomatic and economic backing. It has always hesitated to look to Europe for these benefits and still regards US military backing and its potential diplomatic backing as more important than potential European support. For instance, prominent leaders of the party hoped for US assistance during the 2008 economic crash and were very disappointed that the US government refused to come to Iceland's aid.

In terms of cultural identity, the chapter analyses the extent to which the Independence Party's (IP) ideology has influenced its policy towards European integration. It argues that the Conservatives' opposition to EU membership is partly based on its ideology, i.e. the core values of the party. The ideology of the IP has roots in the concepts of freedom and independence. The party's political discourse is founded on these concepts and is extensively referred to in all contexts concerning domestic and foreign affairs. Membership of the EU is seen as running contrary to these core values of the party.

In terms of domestic politics, the Conservatives have enjoyed broad popularity among voters of all walks of life, as is claimed in its successful slogan 'solidarity of classes' (*stétt með stétt*), dating back to the economic structure of the 1930s. The idea of solidarity between classes and the universal appeal of the party to the traditional classes makes it difficult for the party leadership to break ranks with what are, historically, the core economic sectors of Icelandic society, i.e. the agricultural and fisheries sectors, which firmly oppose EU membership. The fisheries and agrarian sectors have also formed a powerful force within the party due to the over-representation of MPs from the rural and coastal areas in the Althingi, at the cost of the more populated areas, especially in the Greater Reykjavík area. The solidarity of Iceland's economic sectors and, in fact, the solidarity of the party itself, is threatened by discussion of EU membership. Moreover, the party's emphasis on self-determination of the nation—its freedom and independence—is manifested in its protectionist policies in the agricultural and fishing sectors. Accordingly, material (agrarian and fisheries interests), ideational factors, and domestic politics (overrepresentation in the Althingi of the less populated regions) are nicely knitted together and strongly shape Iceland's engagement with the European project, making it an awkward partner.

6.2 Ideological Origins of the Conservatives' Awkwardness: The Value of Freedom and Independence

The Independence Party gives an account of its achievements under the headline 'History of the Independence Party—history of freedom and the nation,' indicating its emphasis on self-determination (Independence Party, n.d.). The party was founded in 1929 through the merger of the Conservative Party and the small Liberal Party. The backgrounds of these parties lay in the independence movements—loosely-defined parliamentary parties—striving for independence from Denmark in the first two decades of the twentieth century (Guðmundsson 1979; Kristjánsson 1979). The IP followed their quest for greater independence and its key goal, set in its first platform, was achieved in 1944 with the foundation of the Republic of Iceland (Independence Party, n.d.). The title of the Independence Party's first manifesto, 'Iceland for Icelanders' (*Ísland fyrir Íslendinga*), reveals the roots of nationalism in its ideology and the wish for full independence from Denmark (Guðmundsson 1979; Kristjánsson 1979).

The Independence Party, along with other political parties, kept 'the independence struggle' alive during a series of extensions of Icelandic

fishery limits from 4 miles in 1952 to 200 miles in 1975. The party's emphasis on independence and self-determination of the nation was in the forefront of its policy. One could argue that the political discourse during the Cod Wars indicated that the nation had not won its independence until it had full control over its waters (Ingimundarson 2003). The fishery limit extensions over-ruled all other overseas priorities such as better market access to Europe and defence cooperation. For instance, Iceland was not invited to participate in the negotiations which led to the foundation of EFTA in 1959 due to its fishing disputes with Britain (Benediktsson 2003) and its free-trade agreement with the EU, formed within EFTA in 1972, did not take effect until 1976 due to the Second and Third Cod Wars (Thorhallsson and Vignisson 2004a). Moreover, in 1960, the government under the leadership of the IP threatened to leave NATO if Britain again sent its frigates into the 12-mile zone (Ingimundarson 2001a) and in the third and final Cold War, Iceland, under the leadership of the IP, went as far as breaking off diplomatic relations with Britain and hinted that Iceland's membership of NATO was at stake (Ingimundarson 2003).

Another concept, besides independence, commonly referred to by the party is 'freedom', i.e. freedom of the individual, freedom to work and the abolition of any kind of restraint (Gissurarson 1992, 2008; Independence Party 1991, 2007c, n.d.; Oddsson 2004a). The political discourse of the party leadership has successfully combined the concept of freedom with the market, the nation and the right of the Icelandic state to manoeuvre internationally (Guðfinnsson 2006; Independence Party 2007c; Oddsson 2004a). One could say that the party has captured the freedom concept in the political discourse, and that this has led the way towards its electoral success ever since its foundation.

Furthermore, the Independence Party extensively and successfully used its core concepts of independence and freedom to justify its controversial polices throughout the Cold War: Iceland's independence, freedom and democracy were best protected by a military alliance with the USA and other Western democratic governments within NATO (Bjarnason 2001; Guðlaugsson and Jónsson 1976; Oddsson 1999). The party's close ties with the US government date back to 1941, when it paved the way for US protection in the Second World War, favourable economic and trade arrangements and a promise by the USA to support Iceland's quest to become a republic (Kristjánsson 2001). In 1946, the party took a decisive step away from Iceland's traditional policy

of neutrality and allied the country with the USA, allowing its military to use the international airport in Keflavík (Ingimundarson 1996; Whitehead 1991).

The party's traditional political discourse is still alive and well. For instance, it frequently referred to the importance of standing by freedom, democracy and human rights in its support for the US 'war on terror' and in justifying Iceland's placement on the list of 'the coalition of the willing' (Bjarnason 2003a, 2004; Oddsson 2004b, c). Hence, ever since the early 1940s, the IP has looked to the USA for inspiration and support. The relationship between the IP and the US government strengthened over the years as the IP broadly followed US foreign policy. (Ingimundarson 1996, 2001a, b, 2008). The similar emphasis in US political discourse on freedom and independence has not been unfamiliar to the party leadership and even serves as a further motivation for its use.

Interestingly, the Independence Party emphasized international cooperation based on bilateral relations with neighbouring states in the post-war period, mainly with the other Nordic states, the USA and Britain. Iceland has been regarded as having greater room for manoeuvre internationally through using a bilateral or even unilateral approach than by working within multi-lateral frameworks of international organizations. Iceland did not become active within the international organizations it joined in the post-war period in the same way as the other Nordic states (Thorhallsson 2005). For instance, it played a very limited part in NATO for two reasons: the importance which was placed on the defence treaty with the USA and domestic controversy surrounding its NATO membership (Ingimundarson 2001b). The leadership of the Independence Party was convinced in its belief that it had a better chance of influencing decision-makers in Washington than within NATO (Bailes and Thorhallsson 2006; Ingimundarson 1996, 2001a; Kristjánsson 2001; Hrafnsson 2003; Viðræður um varnarmál 2003). Also, Iceland played a very limited part in the activities of the United Nations and the Council of Europe.

Moreover, Iceland's unilateral approach in extending its exclusive economic zone is seen to have paid off and been resolved by bilateral negotiations (Thorhallsson 2005). Ignoring the development of international law and the multi-lateral framework in which the Cod Wars were concluded (Jóhannesson 2002). In addition, Iceland's freedom of action is seen as being heavily restricted by the rules of the International Whaling Commission (IWC): the IWC's multi-lateral framework is seen

as restricting the use of marine resources and the Icelandic government's ability to take independent decisions concerning its waters (Guðfinnsson 2006; Nýting hvala óhjákvæmileg 2008). However, in 2003, under the leadership of the Independence Party, Iceland took the decision to resume whaling for scientific purposes according to IWC rules. In 2008, a fisheries minister of the IP repeated this decision, despite outright condemnation by all the Social Democratic ministers in the coalition government (Samfylkingin 2008). Iceland's freedom to use 'its' marine resources and take independent decisions was kept in the forefront of these decisions (Átökin um auðlindina 2006; Stefánsson 2008).

Prominent figures in the Independence Party have not only been sceptical about transferring power to EU institutions; they have criticized the role of the European Court of Human Rights (Bjarnason 2003b, 2005) and opposed moves within the United Nations towards joint policy-making in the fields of fisheries and environmental protection of the sea (Hannesson 2004. Also, their enthusiasm for the inter-governmental nature of Nordic co-operation is matched by the suspicion with which they regard the supranational character of the EU. Furthermore, the IP has emphasized what can be described as the importance of direct benefits of overseas relations. Accordingly, Iceland only became actively engaged in international relations if it received direct benefits. For instance, it played an active part in the International Monetary Fund and the work on the Law of the Sea within the UN in the 1970s due to the obvious benefits from these activities (Thorhallsson 2005).

Many within the IP were not keen on Iceland's first bid to become a member of the UN Security Council in the period 2010–2012. This is because a seat in the Council is not seen as giving Iceland any direct economic gains: on the contrary, it is seen as being extremely costly for the state budget (Kostar um milljarð 2005; Oddsson 2005) and Iceland, as a small state, is not seen as being able to have a say within the council. The long-serving chairman of the party and PM, Davíð Oddsson, was very sceptical of the UN bid and wanted to withdraw the application when he moved from the Prime Minster's Office to the Foreign Ministry, slowing down the campaign for the seat in 2004 (Thorhallsson 2012). The government kept the application alive in response to considerable pressure from the other Nordic states (which usually take turns to apply for a seat on the Council). Moreover, Iceland did not give into heavy US pressure to contribute to its own defence and pay for the operation of its international airport and helicopter rescue teams until the last possible

moment in the negotiations about the future of the US base in Keflavík (Ingimundarson 2008). The Conservatives wanted to keep full US backing and commitment intact.

6.3 Ideology, Material Interests and Membership of the European Union

The Independence Party has, since its foundation, held a broad appeal for voters of all classes (Gissurarson 1992; Grímsson and Broddason 1977; Harðarson 1995). In the 1930s, the party leadership presented itself as the representative of the nation at large, and not of particular interests. It managed to secure support from public servants, merchants, vessels and fish-factory owners, the middle class, farmers and workers by its ideology, manifested in the slogan 'solidarity of classes,' referring to the importance of having workers, farmers and employers unite (Kristjánsson 1979). Furthermore, key actors from all sectors of Icelandic society took part in the establishment of the party and from the beginning the solidarity of these actors and the economic sectors which they represent has influenced its policy formation (Guðmundsson 1979). Accordingly, it managed to maintain considerable support both in the rural regions and the Greater Reykjavík area—its stronghold until the mid-1990s being the capital (Gissurarson 1992).

This broad range of party supporters from all economic sectors has led to cautious policy-making concerning domestic and foreign affairs. The universal appeal of the party, based on its ideology of solidarity between the economic sectors and classes, coincides with the solidarity of the party itself. Its status as the largest political party in the country and forming most of its governments—the only conservative party in the Nordic states to have succeeded in these respects—makes it difficult for the party leadership to break ranks with the traditional economic sectors. Discussions on EU membership are seen as putting a strain on the solidarity of the party and its universal appeal to voters in the rural and urban regions (Bjarnason, interview, 23 March 2007; Pálsson, interview, 27 March 2007).

Historically, the Independence party was slow to adopt the liberal economic and trade policies of its sister parties in Western Europe (Ásgeirsson 1988). Moreover, the party's emphasis on freedom of the market and the abolition of any kind of restraint (Independence Party, n.d.) is still compromised by its protectionist policies in the traditional

economic sectors, those of agriculture and fisheries. Iceland's decision-making continues to be based on sectoral corporatism, not the Scandinavian consensual decision-making based on the corporatist model (Thorhallsson 2010). The party hesitates to open up the Icelandic fishing industry to foreign investment, despite the multiple effects this might have on its expansion abroad (Efnahags- og viðskiptanefnd 1995; Greiningardeild Kaupþings 2003; Eðlilegt að heimila fjárfestingar útlendinga í skráðum sjávarútvegsfyrirtækjum 2004). For instance, Iceland secured an exemption from the free flow of capital in the fishing industry in the EEA Agreement, the EU Common Fisheries Policy not being a part of the Agreement. This is because of the party's commitment to maintaining Icelandic ownership of the industry and its marine resources (Stefánsson 2008; Blöndal 2008; Independence Party 2007a) and outright pressure from the sector not to open it up to foreign ownership of fishing quotas. This probably has to do with huge profits from the industry which current Icelandic owners want to keep for themselves. However, foreigners can own as much as 49% of a fisheries company (through direct and indirect ownership) in Iceland (Icelandic Ministry of Fisheries and Agriculture 2016). The fisheries sector has held a special status among the party due to its economic importance and the direct connections between many of its MPs and the sector (Thorhallsson and Vignisson 2004c).

The IP is also strongly committed to protecting the small Icelandic agricultural sector, and continues to implement policies of import restraints and high tariffs against agricultural products. Whenever discussion comes up concerning the possibility that changes in WTO rules might lower trade barriers against agricultural products, the IP leadership announces that it will find ways to continue the protection of Icelandic farmers (Guðbjartsson 2008). Iceland finds itself in the company of the most protectionist countries in the field of agricultural trade within the WTO—namely Norway, Switzerland, South Korea and Japan. Furthermore, the fisheries and agrarian lobby have formed a powerful force within the party due to the fact that votes in the rural and coastal regions still carry considerably more weight (proportionally) than those in the urban area—so much so that the disproportionality between rural and urban regions in Iceland is the greatest in Western Europe (Harðarson 2002). The important role of the agrarian and fisheries sectors in Icelandic society and politics dates back to their status as the backbone that kept the remote nation alive for centuries and, in the case

of the fishing industry, led to enormous economic growth in the twentieth century. Most Icelanders may no longer work within those sectors but they are all in one way or another connected to them through relatives, friends or ancestors.

Originally, the leadership of the Independence Party sought ideas and policies from the other Nordic states. American influences became evident later, and since the 1980s the party has been highly influenced by the neo-liberal policies of the Reagan and Thatcher era. It developed relations with the British Conservative Party and was influenced not only by its liberal economic and trade polices but also by its scepticism towards the supra-national institutions of the EU. The EU project is seen as putting constraints on businesses, restricting world trade, threatening the authority of domestic institutions, diminishing sovereignty and undermining the uniqueness of the nation and its identity (Baker 2001; Brady 2006; Cameron and Topolanek 2007; Thatcher 1993). Moreover, US influence was not restricted solely to the party's attitude to neo-liberalism: it strengthened the Independence Party's cynicism regarding the superiority of international organizations (Bjarnason 2000, 2003b, 2005; Gissurarson 2001; Haarde 2006; Luck 2003; Oddsson 2004a).

The Independence Party's present policy on European integration was formed under the leadership of its chairman, Davíð Oddsson, in the early and mid-1990s. He became gradually more Eurosceptic, while governments which he headed privatized state-run businesses and improved the corporate environment through various measures including tax reductions (see detailed discussion in Thorhallsson 2008). Oddsson's opposition to EU membership was based on several arguments: Iceland's fisheries sector would be seriously damaged by EU membership; Iceland would not be able to conduct its own economic policy; adopting the euro would be fatal to the economy; as a small state, Iceland would be powerless within the EU and unable to defend its interests; corporate taxes might rise as a result of membership and regulations from Brussels would place a burden on businesses and the community at large (Independence Party 1995, 1999, 2007b; Oddsson 2001, 2002a, b). In 1996, it was safe for the party to formally oppose membership since the EEA Agreement was seen as being highly beneficial for Icelandic interests and the EEA Agreement itself was secured after Norwegian voters had rejected EU membership.

However, the party never ruled out the possibility that membership might become an option in the near future (Independence Party

1999, 2007b; Independence Party and Progressive Party 1995, 1999). Oddsson managed to unite the party by this approach. He maintained firm control on the EU debate, not only in the party, but in the country as a whole, by strongly denouncing the EU whenever the issue of possible membership arose. For instance, his opposition to EU membership and an open EU debate weakened moves by the Confederation of Icelandic Employers and the Iceland Chamber of Commerce to campaign openly for membership in the mid-1990s—these associations standing in a close relation to the Independence Party (see detailed discussion in Thorhallsson 2004).

The Conservatives took up a much fiercer stance against EU membership during the application process from mid-2009. Opponents of EU membership within the party point to the economic success of Iceland since the mid-1990s and argue that Iceland's living standards have risen enormously, this partly or mainly because of the country's status as a non-member of the EU (Oddsson 2004a). They point to the fact that the government and the Central Bank have been able to form their own economic and monetary policy without EU interference (Oddsson 2002c, 2004a) and the fact that Iceland recovered relatively quickly from the 2008 economic crash and, at present, has one of the highest economic growth rates in Europe (IMF 2016). They totally opposed membership of the Common Fisheries Policy (CFP), i.e. sharing Icelandic waters with foreign vessels, transferring power in the fisheries sector from Reykjavík to Brussels and allowing the European Commission to negotiate on behalf of the Icelandic fisheries sector internationally (Haarde 2006; Oddsson 2004a). They opposed the workings of the Common Agricultural Policy (CAP) and want to protect agricultural production in Iceland in any way possible (Viðskiptablaðið 2015). Also, EU opponents commonly argue that as a small state within the EU, Iceland would not have any influence within the Union and would not be able to defend its interests within it (see for instance Oddsson 2002b and Gissurarson 2001). They also indicate that Iceland would be a net contributor to the Union in terms of direct transfer of money and that Iceland as a EU member might face the danger of tax increases (Haarde 2006). Moreover, the prominent figures of the IP frequently refer to Iceland's freedom to make free-trade agreements with other countries as a positive aspect of not being a member of the EU (Haarde 2006; Kjartanson 2008; Oddsson 2001, 2004b), ignoring the reality that Iceland participates in the free-trade agreements of the other EFTA states, which

normally follow the EU in this respect (EFTA, n.d.; Ritstjórnargreinar: Fríverzlun við Kína 2005; Sigurðsson 2007). The freedom to make free-trade agreements without being bound by EU arrangements, which it would be as a member, is what matters.

6.4 Conclusion

Iceland has been an awkward partner in the European integration process from the beginning. The origin of the Independence Party's nationalist ideology and ideological stance during the Cold War and its closeness with the primary sectors help us to evaluate Iceland's European policy. We have identified a core link between important economic interests (those of fisheries and agriculture) and national identity/autonomy. The outcome is Iceland's awkward position in the European integration process. Our findings are consistent with those of the study by Murray et al. (2014) showing that British awkwardness towards the European Union 'is produced by the interaction of various factors that stem from both material and ideational origins' and that 'power relations, domestic politics and cultural identity are the most important factors.'

In the case of the Independence Party and its position towards European integration, these factors all play a key role. The IP was the dominant actor in forming the special relationship between Iceland and the United States and, thus, placing Iceland in an awkward position in Europe. The Conservatives saw, through close relations with the United States, the means by which to keep Iceland secure and economically prosperous. The unique and extensive benefits of the special relationship with the US meant that Iceland and Icelandic elites looked towards the US for help and did not concern themselves much with affairs on mainland Europe. This policy of the party still prevails and the last government including the Conservatives, created in 2017, is fully committed to the US and want to strengthen the ties between the two countries. Unlike other small states in Europe which looked kindly upon European integration as a solution to the vulnerabilities of smallness, Iceland looked to the superpower in the West. Iceland's special relationship, in terms of defence and economic assistance, with the US placed Iceland in an awkward position right from the start of the European integration process.

The Conservatives' attitude towards European integration has also been shaped by domestic politics and firmly made Iceland into an

awkward partner in the European project. The IP looks after agricultural and fisheries interests in Iceland, two sectors that are generally Eurosceptic and deem EU membership adverse to their interests. The traditional domestic decision-making based on sectoral corporatism gives these sectors a powerful position and the Conservatives' idea of solidarity contributes to their opposition to EU membership, i.e. the solidarity of the nation and the economic sectors are seen as being threatened by membership. In addition, the solidarity of the party would be endangered by any extensive EU debate in the country. The IP also tries to appeal to rural and coastal areas, which are generally more Eurosceptic. The electoral system in Iceland helps the IP maintain its dominant position in Icelandic politics, because it awards disproportionate representation in parliament to the rural areas, which tend to be Eurosceptic, over more populous areas, which tend to be more pro-European. Moreover, the European alternative is only regarded as feasible when all economic sectors are largely united (the interests of fisheries and the agrarian sectors having been settled) in their quest for a European solution. This was the case with membership of EFTA and the EEA. Most Icelandic politicians and voters regard Iceland's awkwardness in European integration process as beneficial. Iceland has secured favorable access to the Common Market and, at the same time, kept full domestic control over its important primary sectors. Hence, transfer of power/sovereignty to Brussels is limited to other economic sectors, and national identity/autonomy preserved in areas of importance for the national image. Moreover, the powerful role of the fisheries and agrarian lobby is kept intact and the sectoral corporatist structure (which is highly beneficial for the primary sectors and the Independence Party) is not altered. A policy change is highly unlikely.

The European project also clashes with the IP's vision of Icelandic identity and, thus, firmly contributes to Iceland's awkwardness position in the European integration process. The IP has since its foundation emphasized Iceland's independence struggle and used nationalist rhetoric to appeal to voters. It has both shaped and been influenced by the nationalist discourse in Iceland. Hálfdanarson (2004) finds that political discourse tends to polarize around nationalism, which has made it difficult for politicians to compromise Icelandic sovereignty. For Hálfdanarson (2004, 130), 'hesitation towards the EU makes perfect sense when it is examined in the context of Icelandic political history'. Hálfdanarson (2004, 130) finds that the nationalist rhetoric, myths and

ideals of the independence struggle 'have defined all political debates in the country' and suggests that Icelandic discourse regarding sovereignty and European integration is deficient and crude, owing to the fact that Iceland has repeatedly had to surrender sovereignty to gain practical benefits without formally recognizing that it has done so. This means that any further integration, with clearer breaches of sovereignty, is unlikely unless the Icelandic political community undergoes change. To the extent that Iceland has surrendered sovereignty through EFTA, or Schengen, Icelandic political elites are unable to recognize that any sovereignty has been surrendered (Hálfdanarson 2004, 138–141). EU membership is consequently seen as an unacceptable loss of sovereignty, one which the IP struggles to reconcile with its past and current rhetoric. Moreover, Icelandic identity is closely connected to the primary sectors—agriculture and fisheries—and a transfer of power in these sectors to foreign organizations is seen as unacceptable by most politicians and voters. All governments would have great difficulties with compromising Icelandic sovereignty in these sectors. The outcome is an awkward position in the European integration process.

These are the key reasons why the IP's position towards the EU is so awkward. The Conservatives have always been uncomfortable with the pressure to participate in European integration in order to secure Icelandic core economic interests. They have never been fully committed to the EU's goals, such as the four freedoms, or the development of common European security and defence policy. Membership of the CAP and the Common Fisheries Policy is out of the question for both material and ideational reasons. The Conservatives lack full commitment to the EU's values on free internal trade and role in preserving peace in Europe. According to the literature cited by Murray et al. (2014), they lack full commitment to the European project and, thus, are awkward partners in it. Despite this hostility towards EU membership, the Conservatives have nonetheless been forced to accept some of the constraints associated with participation in the European project. Iceland joined EEA, EFTA and Schengen because non-membership would have threatened its key economic interests in the case of EEA and EFTA, and imposed burdens on Icelandic individuals in the case of Schengen. EEA and EFTA membership entailed access to EU markets, including those for marine and agricultural products, without adverse effects for these sectors. When indisputable economic interests clash with the sovereignty and nationalism

discourse, the economic interests prevail. One could say that Iceland has been able to get away with its ambivalence through the willingness of the European Union to grant it—along with Norway and Liechtenstein—access to the Common Market without sacrificing its protectionism in the agrarian and fisheries sectors. However, the EEA arrangement comes at the cost of participation in the EU's decision-making and Iceland is obliged to implement EU rules without much chance to exert influence on their content.

These findings have significant implications for predicting Iceland's future engagement with the European project. It is hard to see Iceland joining the European Union unless the IP loses its dominant position in Icelandic politics or economic interests shift drastically, to the extent that the IP could embrace economic sectors with a pro-European leaning or that the EU could accommodate Iceland's agricultural and fisheries interests. The financial crisis in Iceland proved an insufficient impetus to change Iceland's situation, as the IP regained its dominant position quickly and shifted its attitude on EU membership back to opposition after having wavered briefly after the worst of the crisis.

As long as Iceland's core material interests are not threatened, the dogma of the Independence Party's concepts of independence, freedom and solidarity prevails. Accordingly, the party holds on to its rhetoric on Iceland's sovereignty, greater freedom and the importance of protecting the fisheries and agrarian sectors as a country outside the EU. Iceland, as an awkward partner in the European integration process, is seen as having better chances to explore new opportunities across the globe, and to align itself with the United States.

Note

1. Moreover, a small minority of the party's MPs, under the leadership of its vice-chairman, led a government for three of the remaining 18 years when the Independence Party itself was in opposition.

References

Albertsson, I.B. 1993. Speech on Althingi, 1. mál: Evrópskt efnahagssvæði, 3. umræða. http://www.althingi.is/altext/116/01/r09193937.sgml. Accessed 5 Aug 2008.

Ásgeirsson, J.F. 1988. *Þjóð í hafti*. Reykjavík: Almenna bókafélagi›.

Bailes, A.J.K., and B. Thorhallsson. 2006. Iceland and the European Security and Defence Policy. In *The Nordic Countries and the European Security and Defence Policy*, ed. A.J.K. Bailes, G. Herolf, and B. Sundelius, 328–341. Oxford: Oxford University Press.

Baker, D. 2001. Britain and Europe: The Argument Continues. *Parliamentary Affairs* 54: 276–288.

Benediktsson, E. 2003. *Iceland and European Development: A Historical Review from a Personal Perspective*. Reykjavík: Almenna bókafélagið.

Bjarnason, B. 2000. Ferðalög – danskar Evrópudeilur – Raddir Evrópu. 27 August. http://bjorn.is/pistlar/nr/504. Accessed 21 Aug 2008.

Bjarnason, B. 2001. *Í hita kalda stríðsins*. Reykjavík: Nýja bókafélagi›.

Bjarnason, B. 2003a. Skynsamlegasta úrræði Saddams. 22 March. http://bjorn.is/greinar/2003/03/22/nr/946. Accessed 9 Aug 2008.

Bjarnason, B. 2003b. Mannréttindasáttmáli Evrópu, 50 ára. September 26. http://bjorn.is/greinar/2003/09/26/nr/2553. Accessed 11 Aug 2008.

Bjarnason, B. 2004. Átökin um Íraksstríðið. Morgunblaðið. December 18. http://mbl.is/mm/gagnasafn/grein.html?grein_id=835452. Accessed 9 Aug 2008.

Bjarnason, B. 2005. Hlutverk dómara – alþjóðavæðing. 28 October. http://bjorn.is/greinar/nr/3311. Accessed 11 Aug 2008.

Bjarnason, B. 2007. Interview; Bjarnson, Björn, MP for the Independence Party from 1991. Chairman of the Foreign Affairs Committee in Althingi from 1992–1995. Minister from 1995–2002 and from 2003. 23 March.

Blöndal, H. 2008. Fiskveiðiheimildirnar séu í höndum Íslendinga. Morgunblaðið. 3 February. http://mbl.is/mm/gagnasafn/grein.html?grein_id=1190042. Accessed 12 Aug 2008.

Brady, G. 2006. The Conservative Party and the European Union. http://www.conservativesabroad.org/guestblog/?p=10. Accessed 22 Aug 2008.

Cameron, D., and M. Topolanek. 2007. Building an EU that We can all Be Proud of. http://www.telegraph.co.uk/opinion/main.jhtml?xml=/opinion/2007/03/06/do0601.xml. Accessed 22 Aug 2008.

Efnahags- og viðskiptanefnd, minnihluti. 1995. 830. Nefndarálit um frv. til l. um breyt. á l. um fjárfestingu erlendra aðila í atvinnurekstri, nr. 34 25. mars 1991, með síðari breytingum. http://www.althingi.is/altext/120/s/0830.html. Accessed 12 Aug 2008.

EFTA. n.d. Trade Relations. http://www.efta.int/content/free-trade. Accessed 22 Aug 2008.

Gissurarson, H.H. 1992. *Jón Þorláksson: Forsætisráðherra*. Reykjavík: Almenna bókafélagið.

Gissurarson, H.H. 2001. *Hvernig getur Ísland orðið ríkasta land í heimi?*. Reykjavík: Nýja Bókafélagið.

Gissurarson, H.H. 2008. Í dag – Evrópusambandið: Hvaða nauður. Fréttablaðið. http://www.visir.is/ExternalData/pdf/fbl/080822.pdf. Accessed 24 Aug 2008.

Greiningardeild Kaupþings. 2003. Sjávarútvegsgreining 01 2003, 27 January. http://www.kaupthing.is/?PageID=852&NewsID=2837. Accessed 12 Aug 2008.

Grimsson, Ó.R., and Þ. Broddason. 1977. *Íslenska þjóðfélagið: Félagsgerð og stjórnkerfi*. Reykjavík: Félagsvísindadeild og Örn & Örlygur.

Guðbjartsson, S. 2008. Landbúnaðurinn á grænu ljósi. Morgunblaðið. 11 July. http://mbl.is/mm/gagnasafn/grein.html?grein_id=1228247. Accessed 12 Aug 2008.

Guðfinnsson, E.K. 2006. Ræða á aðalfundi LÍÚ. 19 October. http://www.ekg.is/greinar-raedur/2006/10/19. Accessed 9 Aug 2008.

Guðlaugsson, B., and P.H. Jónsson. 1976. *30. marz 1949: Innganga Íslands í Atlantshafsbandalagið og óeirðirnar á Austurvelli*. Reykjavík: Bókaútgáfan Örn og Örlygur.

Guðmundsson, H. 1979. *Uppruni Sjálfstæðisflokksins*. Reykjavík: Félagsvísindadeild Háskóla Íslands and Örn & Örlygur.

Haarde, G.H. 2006. The EEA Agreement: Taking Stock and Looking into the Future. http://www.utanrikisraduneyti.is/frettaefni/RaedurGHH/nr/3014. Accessed 15 Aug 2008.

Hálfdanarson, G. 2001. Íslenska Þjóðríkið: Uppruni og Endimörk. Reykjavík: Hið íslenska bókmenntafélag.

Hálfdanarson, G. 2004. Discussing Europe: Icelandic Nationalism and European Integration. In *Iceland and European Integration*, ed. B. Thorhallsson, 128–144. London: Routledge.

Hannesson, H.W. 2004. Oceans and the Law of the Sea. Statement by Ambassador Hjálmar W. Hannesson, Permanent Representative of Iceland to the United Nations, at the 59th Session of the General Assembly. http://www.iceland.org/un/nyc/the-embassy/statementsnews/nr/809. Accessed 11 Aug 2008.

Harðarson, Ó.Þ. 1995. *Parties & Voters in Iceland: A study of the 1983 and 1987 Althingi Elections*. Reykjavík: Social Science Research Institute, University of Iceland.

Harðarson, Ó.Th. 2002. The Icelandic Electoral System 1844–1999. In *The Evolution of Electoral and Party Systems in the Nordic Countries*, ed. A. Lijphart and B. Grofman, 101–166. New York: Agathon Press.

Haukdal, E. 1993. Grein fyrir atkvæði, 1. mál: Evrópskt efnahagssvæði, 3. umræða. http://www.althingi.is/altext/116/01/r12154441.sgml. Accessed 20 Aug 2008.

Hrafnsson, B.I. 2003. Mikilvægur áfangasigur. *Morgunblaðið*. 16 August. http://mbl.is/mm/gagnasafn/grein.html?grein_id=746793. Accessed 18 Aug 2008.

Icelandic Ministry of Fisheries and Agriculture. 2016. Foreign Investment. http://www.fisheries.is/economy/structure/Foreign-investment/. Accessed 16 Aug 2016.

IMF. 2016. Iceland: 2016 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Iceland. IMF Country Report No. 16/179. https://www.imf.org/external/pubs/ft/scr/2016/cr16179.pdf. Accessed 23 Aug 2016.

Independence Party and Progressive Party. 1995. Stjórnarsáttmáli. Stefnuyfirlýsing ríkisstjórnar Sjálfstæðisflokks og Framsóknarflokks sem tók við völdum 23. apríl 1995. http://www.stjornarrad.is/Stefnuyfirlysing/nr/69. Accessed 20 Aug 2008.

Independence Party and Progressive Party. 1999. *Í fremstu röð á nýrri öld: Stefnuyfirlýsing ríkisstjórnar Sjálfstæðisflokks og Framsóknarflokks.* Reykjavík: Forsætisráðuneyti.

Independence Party. 1991. *Kosningayfirlýsing Sjálfstæ›isflokksins 1991.* Reykjavík: Sjálfstæðisflokkurinn.

Independence Party. 1995. *Framboðslisti Sjálfstæðisflokksins í Reykjavík.* Reykjavík: Sjálfstæðisflokkurinn.

Independence Party. 1999. *Kosningayfirlýsing Sjálfstæðisflokksins 1999.* Reykjavík: Sjálfstæðisflokkurinn.

Independence Party. 2007a. Ályktun umhverfismál og auðlindanýtingu. http://xd.is/?action=landsfundur_nanar&id=590. Accessed 12 Aug 2008.

Independence Party. 2007b. Ályktun um utanríkismál. http://xd.is/?action=landsfundur_nanar&id=603. Accessed 12 Aug 2008.

Independence Party. 2007c. Landsfundur 2007: Stjórnmálaályktun. http://xd.is/?action=landsfundur_nanar&id=588. Accessed 7 Aug 2008.

Independence Party. n.d. History of the Independence Party—History of freedom and the nation. http://xd.is/?action=international_en&id=620. Accessed 4 Aug 2008.

Ingimundarson, V. 1996. *Í eldlínu kalda stríðsins – Samskipti Íslands og Bandaríkjanna 1945–1960.* Reykjavík: Vaka-Helgafell.

Ingimundarson, V. 2001a. *Uppgjör við umheiminn. Íslensk þjóðernishyggja, vestrænt samstarf og landhelgisdeilan.* Reykjavík: Vaka-Helgafell.

Ingimundarson, V. 2001b. The Role of NATO and the U.S. Military Base in Icelandic Domestic Politics, 1949–1999. In *A History of NATO—The First fifty years*, ed. G. Schmidt, 285–302. New York: Palgrave.

Ingimundarson, V. 2003. Fighting the Cod Wars in the Cold War: Iceland's Challenge to the Western Alliance in the 1970s. *The RUSI Journal* 148 (3): 88–94.

Ingimundarson, V. 2008. Frá óvissu til upplausnar: "Öryggissamfélag" Íslands og Bandaríkjanna, 1991–2006. In *Uppbrot hugmyndakerfis. Endurmótun íslenskrar utanríkisstefnu 1991–2007*, ed. V. Ingimundarson, 1–56. Reykjavík: Hið íslenska bókmenntafélag.

Jóhannesson, G.Th. 2002. Tíu spurningar. Hugleiðingar um þorskastríðin. In *2. íslenska sögupingið: 30. maí – 1. júní: Ráðstefnurit II*, ed. E.H. Halldórsdóttir, 436–451. Reykjavík: Sagnfræðistofnun Háskóla Íslands.

Jónsson, E.K. 1992. Speech on Althingi, 1. mál: Evrópskt efnahagssvæði, 1. umræða. http://www.althingi.is/altext/116/09/r10002105.sgml. Accessed 20 Aug 2008.

Jónsson, E.K. 1993. Speech on Althingi, 1. mál: Evrópskt efnahagssvæði, 2. Umræða. http://www.althingi.is/altext/116/01/r05105406.sgml. Accessed 20 Aug 2008.

Kjartanson, fi. 2008. Endurskoðum gjaldeyrismálin. http://www.visir.is/article/20080713/SKODANIR03/573552955. Accessed 15 Aug 2008.

Kristjánsson, S. 1979. *Sjálfstæðisflokkurinn: Klassíska tímabilið 1929–1944*. Reykjavík: Félagsvísindadeild Háskóla Íslands and Örn & Örlygur.

Kristjánsson, S. 2001. Forsetinn og utanríkisstefnan: Bandaríkjaför Sveins Björnssonar. *Ný saga* 13: 4–16.

Luck, E.C. 2003. American Exceptionalism and International Organization: Lessons from the 1990s. In *US Hegemony and International Organizations: The United States and Multilateral Institutions*, ed. R. Foot, S.N. MacFarlane, and M. Mastanundo, 25–49. Oxford: Oxford University Press.

Morgunblaðið. 2003. Viðræður um varnarmál. 6 June. http://mbl.is/mm/gagnasafn/grein.html?grein_id=735265. Accessed 18 Aug 2008.

Morgunblaðið. 2004. Eðlilegt að heimila fjárfestingar útlendinga í skráðum sjávarútvegsfyrirtækjum. 20 October. http://www.mbl.is/mm/vidskipti/frettir/2004/10/20/edlilegt_ad_heimila_fjarfestingar_utlendinga_i_skra/. Accessed 12 Aug 2008.

Morgunblaðið. 2005a. Kostar um milljarð. 24 January. http://mbl.is/mm/gagnasafn/grein.html?grein_id=840910. Accessed 12 Aug 2008.

Morgunblaðið. 2005b. Ritstjórnargreinar: Fríverzlun við Kína. 14 May. http://www.mbl.is/mm/gagnasafn/grein.html?grein_id=1017604. Accessed 22 Aug 2008.

Morgunblaðið. 2006. Átökin um auðlindina. 1 June. http://mbl.is/mm/gagnasafn/grein.html?grein_id=1085693. Accessed 14 Aug 2008.

Morgunblaðið. 2008. Nýting hvala óhjákvæmileg. 9 April. http://www.mbl.is/mm/gagnasafn/grein.html?grein_id=1205605. Accessed 11 Aug 2008.

Murray, P., A. Warleigh-Lack, and B. He. 2014. Awkward States and Regional Organisations: The United Kingdom and Australia Compared. *Comparative European Politics* 12 (3): 279–300.

Oddsson, D. 1999. Ávarp Davíðs Oddssonar forsætisráðherra á ráðstefnu Samtaka um vestræna samvinnu og Varðbergs í tilefni af fimmtíu ára afmæli Atlantshafsbandalagsins. http://www.forsaetisraduneyti.is/radherra/raedur-og-greinar/nr/331. Accessed 8 Aug 2008.

Oddsson, D. 2001. Ávarp Davíðs Oddssonar forsætisráðherra á fundi Samtaka um vestræna samvinnu og Varðbergs. http://www.forsaetisraduneyti.is/radherra/raedur-og-greinar/nr/355. Accessed 21 Aug 2008.

Oddsson, D. 2002a. Áramótagrein forsætisráðherra í Morgunblaðinu 31. Desember 2002. http://www.forsaetisraduneyti.is/radherra/raedur-og-greinar/nr/378. Accessed 2 Feb 2004.

Oddsson, D. 2002b. Ávarp forsætisráðherra á a›alfundi Samtaka atvinnulífsins. http://www.forsaetisraduneyti.is/radherra/raedur-og-greinar/nr/365. Accessed 18 Aug 2008.

Oddsson, D. 2002c. Ræða forsætisráðherra, flutt á ársfundi Seðlabanka Íslands 26. mars 2002. http://www.forsaetisraduneyti.is/radherra/raedur-og-greinar/nr/364. Accessed 15 Aug 2008.

Oddsson, D. 2004a. Iceland's Economic Performance. Address by Davíð Oddsson, Prime Minister of Iceland. The American Enterprise Institute, Washington DC, 14 June 2004. http://eng.forsaetisraduneyti.is/minister/speeches-and-articles/nr/1391. Accessed 8 Aug 2008.

Oddsson, D. 2004b. Ræða Davíðs Oddssonar, utanríkisráðherra um utanríkismál. http://www.utanrikisraduneyti.is/frettaefni/RaedurDO/nr/2436.

Oddsson, D. 2004c. Speech: At the End of the Year. http://eng.utanrikisraduneyti.is/speeches-and-articles/nr/2505. Accessed 9 Aug 2008.

Oddsson, D. 2005. Ræða Davíðs Oddssonar, utanríkisráðherra, um utanríkismál. Flutt á Alflingi á 131. löggjafarþingi 2004–2005. http://www.utanrikisraduneyti.is/frettaefni/RaedurDO/nr/2687. Accessed 12 Aug 2008.

Pálsson, Þ. 2007. Interview; Pálsson, Þorsteinn, Chairman of the Independence Party from 1983 to 1991. Prime Minister 1987–1988. Minister from 1985–1987 and 1991–1999, 27 March.

Samfylkingin (Social Democratic Alliance). 2008. Samfylkingin styður ekki hvalveiðarnar. 20 May. http://www.samfylking.is/Forsida/Frettir/Eldrifrettir/lesaeldrifrett/2284. Accessed 4 Aug 2008.

Sigurðsson, B.G. 2007. Speech: Meeting of the Iceland Chamber of Commerce and the European Commission Delegation to Iceland and Norway. http://eng.vidskiptaraduneyti.is/minister/speeches/nr/2509. Accessed 22 Aug 2008.

Stefánsson, H.O. 2008. EES-samningurinn: Ráðherra greinir á um fjárfestingar. *24 stundir*. 19 January. http://mbl.is/mm/frettir/innlent/2008/01/19/ees_samningurinn_radherra_greinir_a_um_fjarfestinga/. Accessed 11 Aug 2008.

Thatcher, M. 1993. *The Downing Street Years*. London: Harper Collins Publishers.

Thorhallsson, B. 2004. Towards a New Theoretical Approach. In *Iceland and European Integration. On the Edge*, ed. B. Thorhallsson, 185–208. London: Routledge.

Thorhallsson, B. 2005. What Features Determine Small States' Approach to Foreign Relations until the mid-1990's. *Icelandic Review of Politics & Administration (Stjórnmál og stjórnsýsla)* 1 (1): 107–140.

Thorhallsson, B. 2008. Evrópustefna íslenskra stjórnvalda: Stefnumótun, átök og afleiðingar. In *Uppbrot hugmyndakerfis. Endurmótun íslenskrar utanríkisstefnu 1991–2007*, ed. V. Ingimundarson, 67–96. Reykjavík: Hið íslenska bókmenntafélag.

Thorhallsson, B. 2010. The Corporatist Model and Its Value in Understanding Small European States in the Neo-Liberal World of the Twenty-First Century: The Case of Iceland. *European Political Science* 9 (3): 375–386.

Thorhallsson, B. 2012. Small States in the UN Security Council: Means of Influence? *Hague Journal of Diplomacy* 7 (2): 135–160.

Thorhallsson, B. 2015. Iceland—A reluctant European? In *The European Union's non-members: Independence under hegemony?* ed. Erik O. Eriksen and John Erik Fossum, 118–136. New York: Routledge.

Thorhallsson, B., and H.Þ. Vignisson. 2004a. The First Steps. Iceland's Policy on European Integration from the Foundation of the Republic to 1972. In *Iceland and European Integration: On the Edge*, ed. B. Thorhallsson, 21–37. London: Routledge.

Thorhallsson, B., and H.Þ. Vignisson. 2004b. A Controversial Step. Membership of the EEA. In *Iceland and European Integration: On the Edge*, ed. B. Thorhallsson, 38–49. London: Routledge.

Thorhallsson, B., and H.Þ. Vignisson. 2004c. Life is First and Foremost Saltfish. In *Iceland and European Integration: On the Edge*, ed. B. Thorhallsson, 67–102. London: Routledge.

Viðskiptablaðið. 2015. Harma að Bjarni vilji ekki afnema tolla á matvörur. 13 June. http://www.vb.is/frettir/harma-ad-bjarni-vilji-ekki-afnema-tolla-matvorur/118916/?q=Matvörur?q=Matvörur. Accessed 23 Aug 2016.

Whitehead, Þ. 1991. Leiðin frá hlutleysi 1945–1949. *Saga* 29: 63–121.

CHAPTER 7

Conclusions—Awkward Nordics and the Study of Regional Integration

Alex Brianson

Abstract In this chapter, I conclude the book by undertaking three tasks. The first is to provide a comparative overview of the preceding chapters, and establish the ways in which the states studied here can be considered awkward partners in European integration. The second is to draw inferences from this for the study of European integration, and the third is to undertake a similar exercise for the study of comparative regional integration.

Keywords Awkward partners · Nordic states · Comparative regional integration

I would like to thank the contributors to this volume for their feedback on an early version of this chapter, and also for their thoughts regarding the developments of their respective states' stances towards the EU in the near future.

A. Brianson (✉)
University of Kent, Canterbury, UK
e-mail: alex.brianson@yahoo.com

M. Stegmann McCallion and A. Brianson (eds.), *Nordic States and European Integration*, Palgrave Studies in European Union Politics,
DOI 10.1007/978-3-319-57562-9_7

7.1 Nordic States and European Integration: Evolving Patterns of Awkwardness

Our book demonstrates conclusively that the concept of awkwardness has useful applications in the context of European integration that go beyond the obvious case of the UK. In fact, each of the five states studied here is an awkward partner for, and sometimes in, the regional integration institutions and processes of Europe. Table 7.1 provides a helpful snapshot.

Nordic states tend to choose their awkwardness instead of having it thrust upon them, with the exception of Finland's non-membership of what we now call the EU during the Cold War. They tend to reject either key policies of organisations they have joined, or indeed membership of regional organisations altogether; where regional integration is considered to require too great a sacrifice of national sovereignty, Nordic states frequently seek to protect their autonomy even at the cost of lying outside the regional mainstream. They also tend to reject the loftier elements of the European integration ideal, seeing the latter more as a practically useful process than a normative good in itself. In a sense, then, they choose to be on the margins to varying degrees, often seeing national or sub-regional (Nordic) values and senses of identity as more important and more intuitive than their European equivalents. A significant exception here is Finland: although Helsinki seems to be signalling greater reluctance to take part in deeper integration now than was previously the case, and may have a different agenda vis-à-vis Russia from many other EU nations, the extent to which this is outside the parameters of the EU's evolving 'new normal', at least for its Northern member states, remains to be seen.

The ways in which our states are awkward are not immutable, although they have been enduring. Sweden and Finland, for instance, have been active in shaping the EU's external policies despite, or perhaps because of, their neutrality. That said, significant shifts in our states' forms of awkwardness have tended to result from developments at the EU level or from wider continental/global pressures, such as Finland's post-1989 ability to join the EU; the domestic political conditions that drive our states' regional integration preferences have proved remarkably resilient, and enduringly binding, with a particularly clear case being Iceland's de facto withdrawal of its membership application to the EU after the 2008 financial crisis.

Table 7.1 Awkward Nordics

	Forms of awkwardness	Dynamic or static?	Popular level only?	Primary causes material?	Regional costs?
Denmark	Opt-outs from key EU policies; focus on self-interest; scepticism of European Ideal	Dynamic in response to shifts at EU level or global context	No	Yes, but sense of superior national/Nordic identity and communitarian ethics important justifiers	EU policy entrepreneurship possible; uploading Danish policy seen as evident and useful
Finland	Emerging in wake of € crisis and Russian foreign policy	Dynamic in response to changing EU and neighbour-hood contexts	Largely popular	Yes—security and economics key internal drivers, with Russia a potential external driver	Emerging—TBC. Finland has history of shaping EU agenda as a 'model pupil' it could use
Sweden	Opt-out from €; 'best in class' mentality; scepticism of European Ideal	Dynamic in response to shifts at EU level or global context	No	Yes, but sense of superior national/Nordic identity and communitarian ethics important justifiers	EU policy entrepreneurship possible; uploading Swedish policy seen as evident and useful
Norway	Rejection of EU membership; potential as model for post-Brexit UK	Static internally; dynamic regarding role as model	Largely civil society-driven	Yes (economics), but sense of superior national/Nordic identity and communitarian ethics important justifiers	Limited Norwegian influence at EU level; EU itself makes Norwegian policy and politics more awkward
Iceland	Rejection of EU membership; intra-EFTA conflict with UK	Largely static, except briefly after 2008 financial crash	No—majority of elite and civil society are Euro-sceptic	Yes (economics, Atlanticism), but sense of superior national/Nordic identity and communitarian values important	Little EU influence; EEA membership not problematic

Across the five states studied here, the forms of Euroscepticism that shape regional awkwardness can be found at popular and elite levels, although it is civil society opposition to a state's participation in a particular regional integration institution or process that appears key: on the whole, national elites in the Nordic countries tend to choose awkwardness either in anticipation of popular opposition to a given proposal or in response to a clear cue from the populace. The situation is not entirely clear cut, since over time elites can shape how issues are framed in ways that drive popular opinion, with Baldur Thorhallson's chapter perhaps providing a particularly salient example in the guise of the Icelandic Independence Party; nonetheless, it seems correct to infer that Nordic elites pursue regional awkwardness out of electoral calculation rather than cost-benefit analysis of a given policy as such.

Are Nordic states awkward at European level because their material interests dictate this, or because their values and senses of identity make this the preferred outcome? The chapters in this book suggest a complex and complicated relationship here, in which *economic and security interests are ultimately the driving factors, but crucially it is the way in which these questions are framed that determines when and how a decision to be awkward is made*. For instance, the objective impact of the euro on Finnish national sovereignty is logically no greater or lesser than on the Swedish and Danish equivalents, and yet the latter two states have rejected it largely on that very ground. More generally, what counts as a 'national interest' in our states is refracted through a prism of particular accounts of history and so-called common sense understandings of the world and our states' respective places in it: for instance, Norwegian elites may wish their state was an EU member so that they could shape the rules by which their country must abide more tellingly, with logic dictating Norway's national autonomy is rather more truncated by the EU as an EEA member than as a fully-fledged member of the Union, but popular opinion either disagrees or makes a different calculation regarding the costs and benefits of EU membership.

Nordic awkwardness at European level appears so far to be relatively free of penalty. Although the chapters in this book have an inside-out focus (that is, they take their respective state as the primary focus and look outwards, horizontally to their partner countries and vertically to the European level of governance), no contributor reports significant political costs for their states as a result of a choice, or cumulative choices, to lie outside the regional mainstream. Norway and Iceland

contribute significant sums to the EU budget in order to be part of the EEA, and must implement extensive amounts of EU legislation for the same reason, yet in both states these costs are domestically acceptable, or even considered evidence that the state has leveraged a good deal from its continental partners, since full EU membership has been avoided, while important benefits from the wider integration process have been secured. A further example is Iceland's participation in the Schengen area. Indeed, at the EU level, the three Nordic states that have joined the Union all report the capacity to offset their awkwardness by providing leadership in other policy areas. Although this situation may change as a result of Brexit—to date, the EU has been decidedly cool about the availability of the so-called Norway Option to the UK, especially if London maintains its insistence that Brexit requires a rejection of both the freedom of movement of people and the jurisdiction of the EU Court of Justice—so far Nordic awkwardness has generally benefited from benign neglect.

7.2 Awkward Nordics and the Study of Awkward Partners in European Integration: The Pitfalls of 'Rescue' by Europe

What does this imply for the more general study of awkward states in regional integration? The countries studied here are all in Europe, so the primary inferences are for the regional integration context of this continent, although they may well have wider application (see Sect. 7.3 below).

The late EU historian, Alan Milward, argued that the European integration process had to be understood as the means by which the nation state itself was patched up and restored as a viable form of governance after the chaos and bloodshed of World War II (Milward 1992). According to this thesis—which I have always found persuasive, not least in its pre-figuring of the Europeanisation literature—it is a mistake to see 'Europe' and its states as distinct entities: instead, the latter are the core ingredients for the former, which in turn guarantees their endurance by facilitating an evolution in their constitution away from nineteenth-century understandings of national sovereignty, while simultaneously midwifing the birth of the welfare state.

The chapters in this volume, it seems to me, demonstrate the validity of Milward's argument by revealing again the importance of history in

shaping a given state's approach to European integration: for the original Six members of the EU, constructing the region was synonymous with a survival and growth project, undertaken in an increasingly difficult international context, and with the need for post-war reconciliation paramount (Kaiser 2009). The Nordic states were not part of this stage in European integration, at least regarding the European Coal and Steel Community and its successors; like the United Kingdom, then, they have a history of post-war state transformation, and also of welfare provision, which has no causal link to the EU, even if the wider regional institutions (the Council of Europe and NATO, in particular) were necessary structural guarantors. For Nordic states, then, perhaps it is no surprise that the benefits of 'rescue' by European integration are usually set alongside its penalties; with the partial exception of Finland (see Ojanen and Raunio, this volume), the desire to pool sovereignty in core areas of policy is less evident in our states than in, for example, Italy. Could it be that latecomers to the party tend to be the most difficult revellers, particularly if there is no popular sense in such states that European integration is linked to the beneficial re-working of their state, or even to its existence as a functioning liberal democracy?

Our cases suggest that awkwardness in European integration is an enduring and widespread phenomenon, albeit one capable of evolution, generally in response to pressures from the regional level or the wider external context. Awkward partners tend to be so either because great power politics dictate this (Finland's post-war situation being the clear example), or because economic interests, buttressed by and viewed through a sense of cultural difference and superiority (see the chapters in this volume by Gänzle and Henökl, Stegmann McCallion, Thorhallson, and Wivel), suggest that such is the best course of action. Intriguingly, awkwardness can persist even when the real-world gaps between a state's self-understandings and those it has of the wider region are narrowed: Denmark and Sweden, for instance, are still awkward partners in the EU despite the growth of the EU's 'normative power'.

The chapters in this book also suggest that states that take part in European integration will be more inclined to be awkward if they see the EU in zero sum terms, that is, as a game in which one party's gain necessarily involves another's loss. Public opinion is more likely to be Eurosceptic in such a manner than elite views, given the relative weakness of the Europeanisation of popular understandings of politics and the way states work in the twenty-first century, but as stated above elites

will often consider their hands tied if a decision to accept EU legislation in a particular policy area would have deleterious electoral consequences. Of course, domestic factors can be used as helpful bargaining chips in EU-level negotiations, and states that are in general very constructive members of the EU can be awkward in the face of significant domestic constraints, as in the case of Germany's insistence upon austerity in the measures taken to help (sic) Greece, Spain, Portugal and Ireland during the ongoing euro-crisis. None the less, states with long-standing strands of Euroscepticism in public opinion are likely to be awkward more often, and make such obstructiveness something of a totem, even if they will also seek to cloak it in attractive garb when necessary (Adler-Nissen 2013). As Ojanen and Raunio point out in their chapter on Finland, moreover, states can become more likely to be awkward over time if popular views within a state territory become less permissive of regional integration.

Perhaps a key factor in determining the regional awkwardness of the Nordic states is the existence of alternatives to the dominant regional architecture that are considered either more important, more intuitive, or both. Although the chapters on Denmark and Sweden in this volume, by Anders Wivel and Malin Stegmann McCallion, respectively, show that a state and its citizens can become more accepting of the EU over time, they also show that pre-existing ties, although considered sub-regional from a continental perspective, can resonate more deeply in the popular imagination. Hence, in Sweden and Denmark, the ongoing popularity of the *Norden* concept. In more material terms, security and economic dependence upon extra-regional states is also crucial: for Iceland, US military backing and its potential diplomatic backing continues to outweigh the opportunities that could be found in EU membership (Thorhallson, this volume). For Finland, the need to contain or placate Russia may well make the country more inclined to awkwardness in the EU context, although this is presently unclear (Ojanen and Raunio, this volume).

Perhaps the best way to understand what drives Nordic awkwardness in European integration, then, is that it is more likely in instances when national identity is seen in a defensive communitarian way, and when this is coupled with a view that regional integration is a zero-sum affair, either in general or as regards a particular policy area.[1] When both factors are present, our states are more likely—indeed almost certain—to be awkward partners in the continental venture. In other words, when 'Europe' is seen as 'out there' rather than as an aspect of 'here', and when

important features of national politics and policy are considered at risk from regional integration, then Nordic states become awkward partners. The parallels with the United Kingdom are, in this regard, instructive.[2]

As a final note in this section, none of the contributors considered that the US Presidency of Donald Trump is likely to change anything fundamental in their respective states' roles in the European integration process, at least as far as can be foreseen at this early stage: at the time of writing, President Trump has been in office for approximately 2 months. The future of NATO is a possible catalyst in this regard; however, if that alliance does become a thing of the past, such a seismic shift would not automatically make our states more inclined to support a deeper role for the EU in defence and security matters.[3] Furthermore, if, as has been touted, after the elections in France and Germany this year (2017), there are proposals to change the policy regime that underpins the euro, making it less neoliberal, such initiatives might make our states more awkward, rather than less. Iceland would find such change difficult to accept, given the pre-eminence of the Independence Party and the dependence of the pro-EU cause on two small centre-right parties: such change would make Icelandic accession to the EU *less* likely, not more so. In Finland, such change would also run against the stated policy of the present centre-right government, and more generally any deepening of EU-level economic governance would encounter more resistance in Helsinki than in the past, given the rise of Euro-cautiousness, if not outright Euroscepticism, in Finland.[4]

7.3 Comparative Regional Integration—Inferences from the Nordic Cases

Do the chapters in this volume have any implications for the study of awkward states outside Europe, and for the comparative study of awkward states in regional integration/regionalism? A full discussion of this matter, including the comparability of European integration and its equivalents, is beyond the scope of this chapter, but it is nonetheless possible to draw inferences from this book for the wider study of awkward states in regional integration.[5]

A first such point is the vindication of comparative regionalism's insistence upon seeing regional integration in non-hermetic ways, i.e. as structures and processes in which the region is not closed off from the wider world, either economically or in terms of security. The chapters in this

volume clearly show the importance of a state's relations with powerful extra-regional actors in shaping their approach towards regional integration, even if such relations do not entirely dictate our state's course of action. Murray, He and Warleigh-Lack's (2014) insistence upon such relations as a key dependent variable thus appears to be validated.

Secondly, the chapters in this volume show that it is not simply 'big' states—or those that see themselves in this way, such as the UK—that can be awkward partners. All the states studied in this volume are, for want of a better term, 'small' in the vocabulary of international relations, and yet all of them are awkward in ways that gainsay the assumption only powerful states can get away with such behaviour. On the other hand, our volume indicates that there is still a role for what might loosely be called neorealist ways of understanding international politics when it comes to the question of awkward states in regional integration: economic and security ties to extra-regional powers may truncate a state's role in a region, as shown in the Icelandic case. Moreover, plain and simple wealth—being a 'big' state in economic terms at least—can give states a certain freedom to sit outside the regional mainstream, as shown in the case of Norway. The implications for the study of, for instance, Brazil in the context of MERCOSUR, or Japan in the context of East Asian regionalism, are intriguing.

Thirdly, the chapters in this collection indicate that a reputation as a reliable partner—one which can be depended upon to implement agreements made at regional level, and to abide by the rules by which it has agreed to be bound—does not nullify a reputation for awkwardness, although to a great extent it can mollify an awkward state's partners (Wivel, this volume; Stegmann McCallion and Brianson 2017 forthcoming). An interesting implication for the study of awkward states across global regions is that differentiated integration can be an acceptable means to manage such countries at regional level. Two related observations bear attention for comparative study across regions: first, where differentiated integration is understood as a means to manage awkward partners, and hence as a necessity rather than as intrinsically desirable, this hinders its usage as part of the normative basis of the region. Second, just because differentiated integration and awkward states are often seen at the same metaphorical watering hole, this does not make them beasts of the same genus. Instead, it seems from the cases examined here that the understanding of the region in question regarding differentiated forms of integration reveals much about its approach to

long-standing, and possibly permanent, differences in policy preference between its component states; in this light, the relationship between the various strands of spaghetti in the proverbial regional bowl appears as an important issue for study. In the chapters contained here, the ability of states to create individualised patterns of involvement with not just the EU, but the various institutions and processes of European integration is suggestive: in regions where more than one macro-level integration process exists, are particular states equally awkward in all of them?

On a different note, our book suggests that states which see themselves as outside the regional mainstream in terms of identity are not led automatically to translate this sense of difference into awkwardness. Liminality—in this instance, seeing oneself and one's country as both part of its region and different from it at the same time—only drives awkwardness once it becomes seen in negative zero-sum terms, that is, when regional identity or structures are considered to threaten the national equivalents. From the perspective of the other states in a region, a state's liminality may even be an asset, if it extends the region's reach in useful ways or sees the potentially awkward state adopt a mentality that is 'model pupil', intent on being constructive, rather than haughty 'best in class' (Ojanen and Raunio, this volume).

In sum, then, the chapters in this volume serve to demonstrate again that the concept of 'awkward partner' can accurately be applied to states other than the UK in the processes of European region, and also to suggest questions for study in a broader comparative regional context. There are indeed awkward partners in European integration to be found in the continent's north!

Notes

1. Communitarian senses of national identity—which maintain that it is only/primarily in the national community that meaningful bonds of solidarity and identity can be forged—are not necessarily impossible to reconcile with a more supranational equivalent. Indeed, the literature on EU citizenship has long maintained that, for this status to develop further as part of citizens' life-worlds, the communitarian and the cosmopolitan will have to be combined (Bellamy and Castiglione 1998). However, if national identity is considered to be at risk from regional integration—that is, that it could be diluted, or submerged—then this is likely to foster scepticism towards such regional projects (see Ojanen and Raunio, this volume).

2. EU-level actors from states other than Britain have long complained that British actors usually seem to feel they have to negotiate WITH Brussels, rather than IN Brussels (de Vries, quoted in Brown Pappamikail 1998: 220).
3. I am grateful to Anders Wivel for the insight that, absent NATO, Denmark might join a scaled-up EU defence policy and structure, but would probably still be awkward even within it. I am also endebted to Stefan Gänzle and Thomas Henökl for the view that in the same circumstances, Norway would probably seek to deepen defence cooperation on a Nordic level rather than to seek refuge in the EU or any putative deeper defence role the latter might evolve.
4. For these insights, I am grateful respectively to Baldur Thorhallson, and to Tapio Raunio and Hanna Ojanen,
5. See Warleigh-Lack (2015) and Murray (2010).

References

Adler-Nissen, R. 2013. *Opting Out of the European Union: Diplomacy, Sovereignty and European Integration*. Cambridge: Cambridge University Press.

Bellamy, R., and D. Castiglione. 1998. The Normative Challenge of a European Polity: Cosmopolitan and Communitarian Models Compared, Criticised and Combined. In *Democracy and the European Union*, ed. A. Follesdal and P. Koslowsk. Heidelberg: Springer.

Brown Pappamikail, P. 1998. Britain Viewed From Europe. In *Britain for and Against Europe: British Politics and the Question of European Integration*, ed. D. Baker and D. Seawright, 206–221. Oxford: Clarendon Press.

Kaiser, W. 2009. Bringing People and Ideas Back in: Historical Research on the European Union. In *Reflections on European Integration: Fifty Years of the Treaty of Rome*, ed. D. Phinnemore and A. Warleigh-Lack, 22–39. Basingstoke: Palgrave.

Milward, A. 1992. *The European Rescue of the Nation State*. London: Routledge.

Murray, P. 2010. Comparative Regional Integration in the EU and East Asia: Moving Beyond Integration Snobbery. *International Politics* 47 (3–4): 308–323.

Murray, P., A. Warleigh-Lack, and B. He. 2014. Awkward States and Regional Organisations: The United Kingdom and Australia Compared. *Comparative European Politics* 12 (3): 279–300.

Stegmann McCallion, M., and A. Brianson. 2017 forthcoming. How to Have Your Cake and Eat it Too: Sweden, Regional Awkwardness and the Baltic Sea Strategy. *Journal of Baltic Studies.*

Warleigh-Lack, A. 2015. European Union Studies and the New Regionalism. In *Research Methods in European Studies*, ed. K. Lynggard, I. Manners, and K. Löfgren, 297–308. Basingstoke: Palgrave.

Index

M. Stegmann McCallion and A. Brianson (eds.), *Nordic States and European Integration*, Palgrave Studies in European Union Politics,
DOI 10.1007/978-3-319-57562-9