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**Norway and European Integration
by**

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Extract:

This paper is a brief examination of Norway's position since its 1994 vote to stay out of the EU: to what extent is it a small European state trying to adapt to the developments of European integration. The conceptual framework uses the works of Katzenstein, Thorhallsson and Rosenau in examining features of a small state that may affect its attitude to the European integration process. After looking at background material on Norway and on its economic and political situation, a number of hypotheses are tested against early material on Norway and the EEA, Schengen and CESDP. While Norway has shown classic acquiescent adaptation to the EEA and Schengen, it has taken a more preservative stance in the case of defence and security matters.

Norway and European Integration

by

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1. Introduction

On 28 November 1994, the Norwegian electorate voted in a consultative referendum on EU membership. The result was 52.2% against joining and 47.8% for on an 89% turnout. This effectively killed the plans of the Labour government for EU membership. The result reflected that of a similar referendum in 1972 when the Norwegian people rejected membership by 54% to 46%.

This paper examines Norway's position since that vote, seeing to what extent it represents a small European state trying to adapt to the development of European integration. The next section will place the paper into a conceptual framework. Section 3 deals with Norway as a small state. Section 4 places developments in Norway in the context of wider developments in European integration from 1995 to 2001. The following three sections look at Norway's relations with the EEA, Schengen and CESDP since January 1995 in the light of the hypotheses set out in section 2.

2. A Conceptual Framework

How might we best analyze the position of a small state such as Norway in the process of European integration? A starting point might be Katzenstein's (1985) and Thorhallsson's (2000) works on the question.

Katzenstein outlined three characteristics of smaller West European states that made them different from their larger counterparts:

- their economic openness reinforces their corporatist arrangements;
- their corporatism demonstrated 'an ideology of social partnership, a centralized and concentrated system of economic interest groups, an uninterrupted process of bargaining among all of the major political actors across different sectors of policy';
- 'Political opponents tend to share power and jointly influence policy' mainly because the right-wing political parties are divided and proportional representation encourages coalitions or minority governments (1985: 50).

The basic assumption of Katzenstein's work is that 'corporatist arrangements set the small European states apart from the large industrial states.' (Ibid: 30). These elements impact on decision-making to such an extent that the behaviour of a small state is different from that of a large state. Thorhallsson, drawing on Katzenstein's work, postulates five hypotheses concerning small states within the EU which has relevance for Norway's actions within the EEA. These five can be summarised as follows:

- Because of the more open and dependent nature of their economies compared with large states, smaller states seek specialisation and economies of scale in export

markets because of their small home market. This influences their range of interests in the Common Agricultural Policy (CAP) and Regional Policy.

- The smaller states prioritise within the CAP and Regional Policy, concentrating on issues from which they can benefit considerably.
- The administrative working of the smaller states in the CAP and Regional Policy decision-making has a greater informality and flexibility. Officials from smaller states dealing with what are seen as non-vital matters have a greater flexibility and can deal efficiently with EU demands.
- 'The limited capacity and special characteristics' of small states' administration limits their influence on the Commission, but they try to compensate by developing special relations with Commission officials. They also rely more on the Commission to get their proposals through the Council.
- The small states' corporatism restricts their negotiations with the EU, giving them less leeway to back down in the face of the institutions of the EU (Thorhallsson, 2000: 12-19).

Thorhallsson's study¹ broadly supports Katzenstein's five hypotheses. He goes on to say:

The difference between the smaller and the larger states can be explained by the small administrations, their characteristics and different range of interests of the smaller states. Smaller states are forced to prioritize... They do not have enough staff, expertise and other resources to follow all negotiations... they become reactive in many sectors. However, they are pro-active in their most important sectors. (Ibid.: 232)

Thorhallsson thus stresses the size and characteristics of states' administration in explaining the international behaviour of the smaller member states of the EU. However, larger states are just as restricted as their smaller counterparts by their domestic interests. Thorhallsson supports Hicks' criticism of Katzenstein's near equation of smallness with corporatism. Hicks points out that Germany has a form of corporatism, albeit one where the political parties play a larger role, and that Katzenstein does not identify a single institutional complex that enhances democratic corporatism and provides an overall explanation of the strategies of different smaller states. (Hicks, 1988: 131-153). Furthermore Griffiths and Pharo (1995: 36) suggest another approach, collective action theory, to explain strong consensus in smaller states. They criticise Katzenstein's emphasis on internal factors to explain the action of small states and claim that Katzenstein is weakest 'when explaining the political consensus [in smaller states] as a result of the economic environment.' (ibid.)

Thorhallsson (2000: 235) introduces his own 'important explanatory variable', that of administrative size and characteristics. He contrasts their characteristics in small states to those in larger states which have 'a hierarchical structure, formal decision-making processes, limited or no manoeuvre for officials and strict instructions to negotiators in Brussels from their capitals.' Furthermore 'smaller states tend to be inflexible in negotiations where they have important interests, but are flexible in negotiations where they do not have specific interests.' (ibid: 239)

¹ This discussion reflects points made by Thorhallsson (2000: chs. 1 & 2)

Other authors have noted particular aspects of small states. These can be summarised as follows:

- Small states can be expected to exhibit 'a low level of participation in world affairs', 'high levels of activity in intergovernmental organizations', high levels of support for international legal norms', 'avoidance of the use of force as a technique of statecraft', 'avoidance of behavior which tends to alienate the more powerful states in the system', and 'a narrow functional and geographic range of concern in foreign policy activity' (East 1975: 160).
- Small states are often 'vulnerable to fluctuations in the world economy and open to domination by trading partners' (Papadakis & Starr 1987: 425).
- Small states are 'slow to perceive various opportunities and constraints' (Reid, 1974: 46). and have 'less margin for error than the more powerful states' (Barston 1973: 19).
- The size of a small state allows 'administrative coordination and integration and promote[s] the responsiveness of public servants' (Rapoport 1971: 148).
- Small states have modes of adaptation to the outside world which quite often are acquiescent (Rosenau, 1970: 5; Mouritzen 1996: 4).

The aim of this paper is not to test any of these assumptions with regard to Norway and the EU since 1995. It represents the stage before that. It aims instead at estimating whether a number of hypothesis, taken from an amalgam of the above-cited works, are - based purely on prima facie evidence – seemingly tenable. The hypotheses are:

- H1. The small state nature of the Norwegian economy has obliged Norway to narrow the functional and geographic range of interest in its dealings with the EU and to concentrate on those areas where it can benefit most.
- H2. The small state nature of the Norwegian administration has given it more flexibility and informality in its dealings with the EU, and it has in particular relied on contacts within the Commission; the size and characteristics of Norway's administration is similar to that outlined by Thorhallsson and has led to a special relationship with Commission officials and a greater reliance on the Commission to get their way, as compared with large states.
- H3. Norwegian corporatism has not allowed the government leeway to back down in negotiations with the EU.
- H4. In its relations with the EU, Norway has shown a high support for international organizations, legal norms, avoidance of the use of force as a tool of statecraft and of any behaviour that might alienate the more powerful members of the EU.
- H5. Norway has been slower to perceive opportunities and constraints than larger powers; it has also had less of a margin for error than the more powerful and has been more cautious.
- H6. The period since 1995 has been one of acquiescent orientation (Rosenau 1970: 5) in Norwegian policy to the EU, whereby external factors have dominated over domestic ones. Norwegian policy towards the EU has decreasingly shown domestic constraint.

These elements will now be tested in the cases of the three major areas of Norwegian relations with the EU since January 1995, the EEA, Schengen and Justice and Home Affairs and Defence and Security (CESDP). Section 3 will examine Norway's credentials as a small state. Section 4 will provide some background material on the EU and

Norway. The three main areas of Norwegian contact with the EU since January 1995 will then be examined before conclusions are drawn.

3. Norway as a small state

This section will not revisit the debate on the definition of a small state.² This section will examine whether Norway seems to have the features suggested by Katzenstein of a small West European country, that is

- their economic openness reinforces their corporatist arrangements;
- their corporatism demonstrated 'an ideology of social partnership, a centralised and concentrated system of economic interest groups, an uninterrupted process of bargaining among all of the major political actors across different sectors of policy';
- 'Political opponents tend to share power and jointly influence policy' mainly because the right-wing political parties are divided and proportional representation encourages coalitions or minority governments (1985: 50).

On the issue of *corporatism*, Norway certainly displays a number of classic characteristics of Nordic corporatism. First, there is a centralised and concentrated system of economic interest groups, headed by the main trade union (LO) and employers (NHO) organisations that have annual centralised bargaining rounds. Interest organisations are closely tied into the political structure of the country (Rommetvedt 1997). Broadly economic policy during the 1990s has been based on the 'solidarity model' whereby the main economic interest groups and the government have come to an arrangement. This is that the trade unions would not press for wage increases that perhaps the market could bear, while the government would take measures to keep unemployment low. Furthermore, wage increases should give preference to the lower paid. Though this model has not always worked at the local level, it is one that both Labour and centrist governments have supported. It has also been the case that, given no party or even coalition had a majority in the Storting (parliament) during the 1990s, there was a continuing process of bargaining to get the budget passed, let alone other legislation. However, it is doubtful that Norway's corporatism was forced by economic openness as Katzenstein seems to contend. After all Norway was even more corporatist during the time when its economy was comparatively closed, say up to the period when it became a member of EFTA in 1960 and even during the period up to joining the EEA in the mid-1990s.

It has certainly been the case that political parties share power in Norway. This is done by formal coalitions and by building voting coalitions in the Storting on particular issues. During the 1990s (and indeed back to 1961) no one party had a majority in the Storting and governments were either minority ones or coalitions or both. The 1990 minority centre-right coalition of Syse was followed by the minority government of Brundtland and then Jagland (1990 to 1997) which led to the centrist minority Bondevik government which was ousted by the minority Stoltenberg government in March 2000. The voting coalitions within the Storting were most important on budget matters, with the centrist government from 1997 to 2000 gaining support first from Labour and then from right-wing parties.

Whether the fragmentation of political parties results from the division of right-wing parties and PR elections are moot points. What is true is that Norway's centre-right is

² See, for example, Thorhallsson 2000: 4-7.

much more divided (Progress, Conservatives, Liberals, Christian Democrats, and Centre Party) compared with the centre-left (Labour Party and the Socialist Left), and that the PR system allows for a reasonably close representation of voter preferences in the Storting. As can be seen from Table 1, the Labour Party was substantially over-represented in the Storting, with Christian Democrats also being over-represented. The 'Others' - with votes divided between a number of parties - were most underrepresented, though all the remaining parties had some, fairly small under-representation. The voting system does not produce the sort of proportional representation seen in Denmark but is certainly better than the British 'first-past-the-post' system in providing proportionality in party representation.

Table 1 Voting and seats in the 1997 Norwegian General Election

	% of vote 1997	Number	% of seats 1997
Labour	35.0	65	39.4
Progress	15.3	25	15.2
Conservatives	14.3	23	13.9
Christian Democrats	13.7	25	15.2
Socialist Left	6.0	9	5.4
Centre	7.9	11	6.7
Liberals	4.5	6	3.6
Others	3.3	1	0.6
Total	100.0	165	100.0

Generally Norway tends to display many of the aspects of a small states posited by Katzenstein.

4. The EU and Norwegian Background

In 1994, in contrast to 1972, the pro-membership campaign did not place so much stress on what disasters might befall Norway should it stay out of the EU. The government listed the benefits of membership as:

- Norway maintaining its welfare system and settlement pattern
- High employment and strong economic growth
- Securing Norway's environment
- Nordic solidarity within the EU
- Securing the defence of Norway (Archer & Sogner 1998: 69-70).

However, the suggestion was that that joining the EU would enhance these elements rather than any of these would be seriously adversely affected by non-membership. After all, in 1994 Norway's GDP grew by 5.1% (the highest in Europe after Ireland); unemployment was 5.4% of the labour force (about half that in the UK) and inflation was 1.4%, only bettered by Finland and Switzerland in Europe. The country had a positive trade balance of Nok 51bn (\$8.3bn), with oil and gas making up 44% of the value of exports (EIU 1995, passim). Perhaps with these sorts of figures in mind, the September 1994 convention of the main trade union grouping, the LO, voted against its leadership's recommendation for a 'yes' to EU membership in the referendum (Archer & Sogner 1998: 71).

By 1994, unlike in 1972, Norway had a close association with the EU, and this was built on after the November 1994 result. The European Economic Area (EEA) agreement had come into force between most of the EFTA states and the EU on 1 January 1994. In effect this extended to the relevant EFTA countries the four freedoms of movement (of labour, capital, goods and services) and some flanking policies created by the EC's single European market. Norway was not to be part of the CAP or the Common Fisheries Policy and it could have its own external tariff. Furthermore, this was an agreement with the EC made before the creation of the EU. It therefore did not include those policies coming under Pillar 2 – the Common Foreign & Security Policy – and Pillar 3 – Justice and Home Affairs – of the Maastricht Treaty. However, Norway was an associate of the Western European Union (WEU) which, according to article J.4 of the Maastricht Treaty, is 'an integral part of the development of the Union'. In the associated declaration on Western European Union it was stated that 'the objective is to build up WEU in stages as the defence component of the European Union' and to that end the WEU was to take measures to 'develop a close working relationship with the Union'. Under that declaration other European members of NATO (at that stage Iceland, Norway and Turkey) were invited to become associate members of WEU 'in a way which will give them the possibility of participating fully in the activities of WEU.' With regard to some Pillar 3 matters, Norway was also able to obtain an association status with the Schengen Agreement – which aimed at abolishing border controls between most EU member states – in 1995 with the other Nordic countries, with whom Norway had a passport union.

In other words, Norway could afford to say 'no' to EU membership in 1994. Not only was the country in good economic shape – it had its oil and gas wealth, its shipping and its fisheries, all of which were dependent more on the world market rather than just that of the EU – it had developed and was developing a network of close relations with the EU in the key policy areas about which Norway had concerns. Furthermore, the range of Norway's foreign policy activities – the Middle East, Guatemala, South Africa – was global rather than just European. In words used elsewhere, '(p)erhaps the European Union was simply too small for such a country' as Norway' (Archer & Sogner 1998: 173).

How has Norway fared since the 1994 referendum? Has it suffered politically, economically and in its security position?

In 1994 Norway had a minority Labour government. By mid-2001 Norway has a minority Labour government. However, there are some differences. The 1994 Labour government, led by Gro Harlem Brundtland, had been in power since 1990 and had just increased its number of seats in the 1993 election from 63 to 67, though it still needed the support of the Socialist Left Party and at least one other party for a majority. In 2001, the Labour government of Jens Stoltenberg had come into power in March 2000, after a three-party centrist coalition led by Kjell Magne Bondevik had resigned. This centrist minority had been in power since the election of September 1997 at which the number of Labour Party MPs fell to 65, resulting in the resignation of the Labour administration of Thorbjørn Jagland. The Centrist government – which consisted of three anti-EU membership parties, the Centre Party, the Christian Democrats and the Liberals – was forced from office by a combination of the Labour and Conservative parties. However, since Labour came to office it had to negotiate support for its legislation with other parties and only passed its budget with the help of the centrist parties. Its position is thus precarious until the September 2001 general election. Despite this, The Economist

Intelligence Unit has depicted Norway as the most politically stable country in the world for the 2000-2004 period (EIU 2000a: Table 4).

By 2001 Norwegian economy was still in a good condition (see Table 2). The figures for 2000 showed the GDP growth to be just below that for the EU's. However, the Norwegian figure followed increases in the years from 1995 to 1999 of 3.8%, 4.9%, 4.3%, 2.1% and 0.9% respectively, with the last figure being determined by a weak year in the offshore industry. Unemployment was back to its low level but the rate of inflation was expected to rise to 3.1% for 2000. The trade balance for 2000 was likely to be treble that for 1999.

Table 2 Economic Factors in Norway 1994 and 1999

	1994	1999
GDP growth Norway	5.1	2.8
EU		3.3
Unemployment	5.4	3.2
Inflation	1.4	2.3
Trade balance (surplus)	\$8.3bn	\$11.3bn
- of which, oil & gas	44	41.5

Sources: (EIU, 2000a: 18; EIU, 2001: 24-27). Percentage figures unless otherwise stated.

Furthermore, the government's Petroleum Fund, established in 1990 to manage the financial benefits of offshore resources, stood at almost Nok 222bn (\$28bn) by the end of 1999 (EIU, 2000b: 21) and Nok 366bn (\$41bn) by September 2000 (EIU, 2001: 20). According to the IMF, Norway's economic record over the past decade had been 'exemplary' (EIU 2000c: 16)

What about relations with the EU? Norway has maintained close links with the European Union. The EEA has continued in place, though Norway, Iceland and Liechtenstein are the only non-EU members after Finland, Sweden and Austria joined the EU in 1995. The Schengen arrangement was revised in 2001 in view of the changes made in the Treaty of Amsterdam, but Norway remains associated with the new arrangement. Norway's association with the WEU has been an active relationship, and Norway has participated in IFOR, SFOR and the Kosovo campaign. What were listed as the benefits of EU membership back in 1994 have been maintained with the exception of Nordic solidarity within the EU. Here the differences have been less between Norway and Iceland on one side and Denmark, Finland and Sweden within the EU, and more between Norway and Sweden, for example on the issue of processed food products (Anda 2001a: 12).

Ending the story here would show Norway to be in an enviable position where the country could pick and choose in its relations with the EU. It has the free trade and other free movement elements on the commercial side, without having to swallow the CAP, CFP and CET, and is associated with pillars 2 and 3 of the Union. Its economy is thriving and it has a good deal more political stability than many other European states. However, there are snakes in the Garden of Eden. One of the great fears of the advocates of Norwegian EU membership was that after the 1994 referendum Norway

would become marginalised in Europe and its voice no longer heard. To an extent, this has happened.

The three central areas of the Norwegian relationship with the EU since January 1995 -- the EEA, Schengen/Justice and Home Affairs, and Defence and Security will now be examined with the hypotheses in section 2, above, in mind.

5. The European Economic Agreement (EEA)

The original notion was that the EEA should consist of two equal partners, the EU and EFTA. Even on ratification of the EEA treaty, this was something of a myth, especially after the European Court of Justice struck down the original plan for an independent EEA court. After Austria, Finland and Sweden left EFTA to join the EU, only Norway, Iceland and Liechtenstein face the EU's fifteen members. In effect, the EEA is a means for transferring the decisions of the EU in the Single Market area to the EFTA EEA states, which they accept without changes. These countries have had less say in the making of these decisions certainly than the European Parliament and even than the EU's Economic and Social Committee.

The centrist government had said that it would reject certain EU directives (e.g. that on patents on genetic materials) being implemented through the EEA. However, such a refusal could be seen as an interference to EEA trade and would leave Norway open to EU retaliation, for example in Norwegian fish exports to the EU. A number of examples illustrate this dilemma for Norway.

Not long after the anti-EU membership centrist coalition came to power in 1997, they had to face an EU Natural Gas Directive that would have been imposed on Norway through the EEA. This was originally aimed at increasing natural gas suppliers in the EU market and had a section referring to offshore pipelines. Norway opposed these pipelines being treated as part of distribution process -- their ministers saw them as part of the production process -- and were only saved because the UK had similar interests and were able to persuade their EU colleagues to place offshore pipelines in a separate category. Nevertheless, the Norwegian minister of petroleum decided that the matter was too important to place before the Norwegian parliament (Storting) before the September 2001 election and the issue could become a troublesome one for the new government after that election (Anda 2001b: 10). The European Commission has continued to press for an early Norwegian implementation.

Another example of an EU decree that had to be accepted was when the EFTA Surveillance authority (ESA) ruled that Norway's level of support for businesses in Troms and Finnmark was too high (in the form of exemption from payroll tax) and that the level of subsidies should be cut to come into line with their EU neighbours, Sweden and Finland. The ESA also struck down the differentiated employment support which favoured Norway's regions and which had the appearance of regional subsidies (EIU, 1998a: 12-13). Although ministers in the centrist government often talked about opposing EU directives (for example that on the level of vitamins in baby-food), during their first year in office they actually implemented 41 more EEA directives than had the Labour government in its last year in office (EIU 1998b: 13-14). Perhaps one of the hardest directives to accept was the veterinary one. The removal of border controls on live animals and foodstuffs moving between Norway and the EU from 1st January 1999 also brought the ready access to the EU market for Norwegian fish. It was the freedom

to move EU food and animals into Norway – with its supposed higher standards of control in this area – that was a popular element in the anti-membership campaigns in 1972 and 1994 (EIU 1999a: 14-15).

The six hypotheses will now be evaluated in terms of prima facie evidence for Norway's relationship with the EU through the EEA since 1995.

- H1. The small state nature of the Norwegian economy has obliged Norway to narrow the functional and geographic range of interest in its dealings with the EU and to concentrate on those areas where it can benefit most.
On EEA matters, Norway has kept its powder dry on most contentious issues and has concentrated its resistance to issues such as offshore oil and gas, key to the Norwegian economy.
- H2. The small state nature of the Norwegian administration has given it more flexibility and informality in its dealings with the EU, and it has in particular relied on contacts within the Commission; the size and characteristics of Norway's administration is similar to that outlined by Thorhallsson and has led to a special relationship with Commission officials and a greater reliance on the Commission to get their way, as compared with large states.
The EEA provides institutions through which Norway can express its viewpoints to the EU. However, these have not functioned at much more than a civil-service level with the EU reluctant to allow the EEA to meet at a political level. No great special relationship seems to have been developed with the Commission. Indeed the best links seem through other states such as and the UK and Denmark.
- H3. Norwegian corporatism has not allowed the government leeway to back down in negotiations with the EU.
On most EEA issues there have been strong interest groups wanting Norway to stand up to ESA and EEA rulings. However, these have been matched by representations from those groups that benefit from open EEA trade and from a hard line from the Commission.
- H4. In its relations with the EU, Norway has shown a high support for international organizations, legal norms, avoidance of the use of force as a tool of statecraft and of any behaviour that might alienate the more powerful members of the EU.
On the whole this has been the case. It is noticeable that Norway abides by ESA rulings even though these cause political problems. One exception to this rule is Norwegian foot-dragging in the implementation of EU directives through the EEA.
- H5. Norway has been slower to perceive opportunities and constraints than larger powers; it has also had less of a margin for error than the more powerful and has been more cautious.
These have both probably been the case though more empirical evidence is needed.
- H6. The period since 1995 has been one of acquiescent orientation (Rosenau 1970: 5) in Norwegian policy to the EU, whereby external factors have dominated over domestic ones. Norwegian policy towards the EU has decreasingly shown domestic constraint.
Norwegian governments have had little chance to balance external and domestic factors and the approach to the EEA showed little constraint even with the anti-EU centrist government in power. On the whole the approach has been acquiescent to external factors (that is, the requirements of the EU).

6. Schengen and Norway

Plans to have Norway as an associate of Schengen met problems by the end of 1995. The original notion was that Denmark, Sweden and Finland could become full members and Norway and Iceland would be associated by virtue of their passport union with these states. However, other EU states pointed out that Schengen was supposed to be the preserve of EU states and the arrangement would mean Norway obtaining the benefits of Schengen without footing the bill. A Belgian compromise would participate in Schengen but without any voting rights. This was seen as a loss of sovereignty by the Centre Party and the Socialist Left Party in particular. By May 1996 a deal was reached that allowed all the three Nordic EU states to participate fully in Schengen and Norway and Iceland to become associated with Schengen. However, this still left Norway without a vote on Schengen-related matters.

Only a week after having ratified this agreement, the Amsterdam IGC decided to incorporate Schengen into the revised EU treaty, thereby requiring the issue to be re-negotiated by Norway. In the end, an arrangement was reached that established a Mixed Committee, not dissimilar to that of the EEA, to deal with Schengen-type issues between the EU and Norway and Iceland. However, neither state will have voting rights when it comes to making decisions on these matters which will be decided in an EU framework (EIU 1999a: 15). Even this arrangement was threatened with a Spanish veto unless Norway continued payment to the EU's structural funds. Back home, the revised Schengen association met with opposition from the Centre Party, which was in government, but was finally agreed by the Storting by 81 votes to 23 (EIU 1999b: 11-12).

How can the hypotheses be answered in this area?

- H1. The small state nature of the Norwegian economy has obliged Norway to narrow the functional and geographic range of interest in its dealings with the EU and to concentrate on those areas where it can benefit most.
Norway has had to accept Schengen through its arrangement with the other Nordic states, without any changes.
- H2. The small state nature of the Norwegian administration has given it more flexibility and informality in its dealings with the EU, and it has in particular relied on contacts within the Commission; the size and characteristics of Norway's administration is similar to that outlined by Thorhallsson and has led to a special relationship with Commission officials and a greater reliance on the Commission to get their way, as compared with large states.
There seems little or no flexibility in the arrangements.
- H3. Norwegian corporatism has not allowed the government leeway to back down in negotiations with the EU.
Norwegian governments have consistently accepted the arrangements presented to them, despite strong domestic concerns.
- H4. In its relations with the EU, Norway has shown a high support for international organizations, legal norms, avoidance of the use of force as a tool of statecraft and of any behaviour that might alienate the more powerful members of the EU.
This seems to be the case; Norway has certainly tried not to alienate any powerful EU state over Schengen.
- H5. Norway has been slower to perceive opportunities and constraints than larger powers; it has also had less of a margin for error than the more powerful and has been more cautious.
It is difficult to comment on this, given the limited empirical evidence.

H6. The period since 1995 has been one of acquiescent orientation (Rosenau 1970: 5) in Norwegian policy to the EU, whereby external factors have dominated over domestic ones. Norwegian policy towards the EU has decreasingly shown domestic constraint.

Norwegian policy has been acquiescent -- i.e. with external factors dominant -- rather than preservative in this area.

7. Defence and Security

Before the Amsterdam IGC the Norwegian Labour government was concerned that the WEU should not be completely taken over by the EU, leaving Norway, as an associate, out in the cold. At that stage – 1996 – Norway could rely on the Conservative government in the UK to oppose such changes. After the Labour government came to power in Britain in May 1997, British interests started to diverge from those of Norway. The United Kingdom still supported a solution for the Common European Security and Defence Policy (CESDP) that recognised the particular position of Iceland, Norway and Turkey – as well as Poland, the Czech Republic and Hungary – but was no longer prepared to use this as one of the excuses to hold back the integration of the WEU into the EU.

This has been a major concern of Norwegian foreign and defence ministers as they fear that Norway will become sidelined in the integration process. The worst-case scenario is where the United States decreases its presence in Europe – particularly in the north – but Norway is left out of EU calculations whilst EU members increase integration of security and defence matters. At the same time, Russia becomes more militarised and more self-confident in the Barents and Baltic region. Even scenarios short of this black picture include the consideration that Norwegian interests can easily be side-lined in European discussions.

Immediately after the referendum, it was recognised by Norwegian ministers that a policy of engagement with and commitment to European and Atlantic allies had to be continued and enhanced unless Norway was to be even further sidelined in security matters. Events more generally since 1989 had meant that the north of Europe and Norway in particular no longer had the position of importance – though never of priority - - that it held during the Cold War period, especially during the 'New Cold War' era (Archer & Sogner, 1998: ch.9). In wider strategic terms the North was of lesser importance to NATO and the EU compared with the Balkans and the Middle East, let alone Central Europe. Norwegian politicians faced the dual task of trying to address their traditional security concerns – put bluntly an imbalance of power in Northern Europe – at the same time as involving their country in addressing some of the new security concerns. The latter involved the broader concepts of security such as cooperative security and comprehensive security and in practical terms have involved non-Article 5 issues on NATO and the so-called Petersberg tasks of the WEU, and more latterly the EU. A Norwegian researcher encapsulated this dilemma:

Should emphasis still be put on a classic defence of territory, with great weight on general conscription, the 'total defence' concept involving civil society, and a strong concentration on fighting powers in Northern Norway? Or, as the present government argues, should concentration be more on international military participation through multinational forces under the UN, NATO/PfP or even under a WEU flag? (Eide 1996: 99)

How have Norwegian decision-makers faced this dilemma?

In the immediate aftermath of the referendum, the Labour government in Norway continued its strong Atlanticist policy as being the best way to ensure the security of the country. The stress was placed on a continued close bilateral link with the US (Kosmo 1995: 6), a clear precondition of any Article 5 defence of Norway. At the same time, Norway attempted to become more engaged with security arrangements within Europe. In 1995 Norway declared some of its forces available to the WEU for Petersberg (non-Article 5) tasks (Ellingsen 1996: 19). The country became more engaged in the Baltic and in the follow-up to the Dayton Peace Accords of December 1995, demonstrating the country's international commitment. Indeed by 1996 the Norwegian defence budget rose by 1.6%, mainly because of SFOR-related expenditure, reversing the cuts of previous years (Kosmo 1996).

The tension between the more traditional Article 5 defence of the country and non-Article 5 international commitments was partially solved in White Paper No. 38 (1998-99) (<http://odin.dep.no/html/english/odin-eds.html>). In this the centrist coalition government recommended to the Storting 'the establishment of Armed Forces Task Force for International Operations', consisting of units from all branches of the armed forces and including 3,500 personnel. In the words of the White Paper it would be 'capable of fulfilling both NATO Article 5 and non-Article 5 missions and tasks (i.e., collective defence and peace support operations), with priority to the former in case of conflicting needs' (ibid.: 1). The force would also be answerable to the WEU 'and may be assigned to future European force structures. The idea was to create a force that was designed 'to handle all international missions in which Norway may choose to participate' from preventive tasks to a fully-fledged Article 5 (ibid.: 2). The force would be made available to NATO in its entirety and for use in NATO-led non-Article 5 operations. It was recognised that the present Norwegian armed forces would have to be adapted to respond more rapidly to international crisis management, but it was hoped the entire Task Force would be ready by 2005 (ibid: 3).

This seemed to solve the question of tension between Norway's traditional defence posture and the increasing demands of international commitments. However, it left a number of loose ends, not least that of Norway's relations with the emerging Common European Defence and Security Policy. This problem was addressed both in the White Paper and in a subsequent address by the then minister of defence, Eldbjørg Løwer.

What would happen with the WEU being absorbed into the EU? The answer for the Norwegian government was that 'the non-EU European Allies to be granted the same rights in any future new European institutional set-up as they currently enjoy in the WEU' (ibid.) Within the EU, though these countries are associates, they are given a full role in decision-making when their troops are involved. In other words, it seems to be the *commitment* that is important rather than the formal position of states. However, there were certain consequences for Norway of the EU assuming 'a more prominent role in the field of European security' in the medium term (Løwer, 2000: 8). Norwegian participation in collaborative work with the UK, Germany and the Netherlands, for instance, would need 'a satisfactory framework to be devised' (ibid.). The question facing any Norwegian defence minister is 'to what extent can Norway contribute forces towards an EU led operation without the assurance of full participation in the planning of the operation'. The centrist minister of defence made it clear that 'consultation after decisions have been

taken will not be acceptable to Norway... It cannot be assumed... that Norwegian forces declared to the WEU's force register will automatically be transferred across to the EU force register' (ibid.) Until now WEU tasks have reflected the activities of NATO or, at least, the main NATO powers (for example in the Gulf War and in former-Yugoslavia) whereas in the future there is the likelihood that the CESDP will reflect EU policy decisions. Norway is a member of NATO but not of the EU.

The obvious answer would be for the EU states to come to an agreement whereby in any future CESDP arrangement, non-EU NATO states could participate in the decision-making on a 'buy-in' basis, similar to EU schemes such as ESPRIT and BRITE. If Norway contributes troops, it gets a position at the decision-making table. However, it is unlikely that such an arrangement would be welcome by all EU states as it allows a non-member all the advantages of membership in a crucial and developing policy area (CESDP) without them 'paying the price' of full EU membership. As the Commission and the European Parliament are eager to have a standing in the CESDP, they would also oppose a non-EU member having a better access to decision-making than themselves.

Ironically, it may also be in the interests of Norwegian supporters of EU membership that the EU is insistent on this point. After all, what would be the point of membership if Norway could pick and choose from the EU menu as a non-member? Might this not just underline the choice for Norway: stay outside the EU and risk marginalisation or come in from the cold and have a real seat at the table?

How do the hypotheses work in this area?

- H1. The small state nature of the Norwegian economy has obliged Norway to narrow the functional and geographic range of interest in its dealings with the EU and to concentrate on those areas where it can benefit most.
In the defence field Norway has been able to concentrate on certain activities in which it has a niche and a comparative advantage, such as peacekeeping.
- H2. The small state nature of the Norwegian administration has given it more flexibility and informality in its dealings with the EU, and it has in particular relied on contacts within the Commission; the size and characteristics of Norway's administration is similar to that outlined by Thorhallsson and has led to a special relationship with Commission officials and a greater reliance on the Commission to get their way, as compared with large states.
Norway's established contacts within NATO have probably strengthened its position in this functional area. As the CESDP is dominated by the Council within the EU, Norway has been able to deal more effectively with traditionally good NATO friends such as the UK.
- H3. Norwegian corporatism has not allowed the government leeway to back down in negotiations with the EU.
This has not been relevant in this case.
- H4. In its relations with the EU, Norway has shown a high support for international organizations, legal norms, avoidance of the use of force as a tool of statecraft and of any behaviour that might alienate the more powerful members of the EU. *Again, the Norwegian view of security is broadly a 'liberal institutionalist' one that supports international norms and organizations and the avoidance of the use of force. However, this led to an ambiguous situation in the case of the Kosovo conflict. Unlike Turkey, Norway has managed not to alienate key EU members over the CESDP issue, but to a certain extent has coat-tailed on the Turkish hard line.*

- H5. Norway has been slower to perceive opportunities and constraints than larger powers; it has also had less of a margin for error than the more powerful and has been more cautious.
This seems to be the case in Norwegian approach to security matters: it is cautious.
- H6. The period since 1995 has been one of acquiescent orientation (Rosenau 1970: 5) in Norwegian policy to the EU, whereby external factors have dominated over domestic ones. Norwegian policy towards the EU has decreasingly shown domestic constraint.
Norway has been less acquiescent in this area, not so much because of domestic factors but because the innovative aspect of CESDP means that there is more up for discussion; the relationship of the EU with NATO gives Norway a standing, as does the existing dominance of this field by NATO. The broadly inter-state nature of the negotiations allows Norway wider scope to negotiate as a non-EU member.

8. Conclusions

Examining the hypotheses there is a mixed response, with perhaps the area of defence and security contrasting to the EEA and Schengen where there are developed acquis that either have to be taken or left:

- H1. The small state nature of the Norwegian economy has obliged Norway to narrow the functional and geographic range of interest in its dealings with the EU and to concentrate on those areas where it can benefit most.
This seems to be the case in all areas.
- H2. The small state nature of the Norwegian administration has given it more flexibility and informality in its dealings with the EU, and it has in particular relied on contacts within the Commission; the size and characteristics of Norway's administration is similar to that outlined by Thorhallsson and has led to a special relationship with Commission officials and a greater reliance on the Commission to get their way, as compared with large states.
As an outsider, Norway cannot rely on the Commission for support, especially when challenging its works. Instead it has to be content with working through friendly countries.
- H3. Norwegian corporatism has not allowed the government leeway to back down in negotiations with the EU.
The 'take-it-or-leave-it' nature of much of the arrangements with the EU have not allowed much opportunity for domestic resistance. Furthermore, the strength of Norwegian interests that benefit from the EEA should not be under-estimated.
- H4. In its relations with the EU, Norway has shown a high support for international organizations, legal norms, avoidance of the use of force as a tool of statecraft and of any behaviour that might alienate the more powerful members of the EU.
This seems to be the case.
- H5. Norway has been slower to perceive opportunities and constraints than larger powers; it has also had less of a margin for error than the more powerful and has been more cautious.
This is true for Norway more broadly in the defence and security field.
- H6. The period since 1995 has been one of acquiescent orientation (Rosenau 1970: 5) in Norwegian policy to the EU, whereby the decision-makers have had to give way to external requirements. Norwegian policy towards the EU has decreasingly shown domestic constraint.

On the whole Norway has been acquiescent in its dealings with the EU, regardless of which government is in power in Oslo. The one area where there has been a more preservative orientation is in the CESDP field.

If there is another referendum, Norway will have the opportunity to choose between a path of adaptive acquiescence by joining the EU or another act of intransigent orientation similar to those in 1972 and 1994. This time the costs and benefits of both decisions will be higher than on previous occasions, and it thus may mean that the net cost of any 'wrong' decision will also be more expensive.

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