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RELUCTANT NORWAY AND EUROPEAN UNION

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ABSTRACT

In this study, economic, social and identity-related reasons of Norway underlying her two consequent rejections against the European Union membership in 1972 and 1994 will be analyzed. In the first part, Norway-Europe relations will be examined from historical and economic viewpoints; then, the findings will be compared with the referendum campaigns handled by the Norwegian public in the mentioned years. The aim of the paper is to help construct further reference points by analyzing a factual figure in “No to the European Union” conjuncture.

Keyword: *Norway, European Union, national identity.*

GÖNÜLSÜZ NORVEÇ VE AVRUPA BİRLİĞİ

ÖZ

Bu çalışmada, Norveç’in Avrupa Birliği üyeliği fırsatını, 1972 ve 1994 yıllarında yapılan referandumlar sonucunda, iki kez reddetmesinin altında yatan ekonomik, sosyal ve kimlik-temelli nedenler ele alınacaktır. Başlangıçta, Norveç-Avrupa ilişkilerinin tarihsel ve ekonomik boyutu incelenecek; ardından, bulunan sonuçlarla bahsedilen yıllardaki referandum kampanyaları karşılaştırılacaktır. Çalışmanın amacı, “Avrupa Birliği’ne Hayır” söyleminin tarihsel bir örneğini mercek altına alıp, ilerisi için referanslar çıkartılmasına yardımcı olmaktır.

Anahtar kelimeler: *Norveç, Avrupa Birliği, ulusal kimlik.*

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1. INTRODUCTION

The foreign policy of the European Union (EU) comprises two major tools. Deepening, first, dictates a horizontal (among members) process where member states tie up their relations on stronger grounds whereas enlargement, second, is associated with a vertical (between the members of the Union and candidate countries) growth that absorbs new members into the Union creating new markets, new employment potential, and a wider geographical status. The basic difference between these two processes is that the latter must also include the satisfaction of an outsider - in that case, the candidate country -. As strange as it sounds to an average Turkish citizen, some countries are willing to opt out the so-called 'opportunity' of becoming an EU member, notwithstanding the fact that their economic and social status correspond the expectations or the membership criteria of the Union.

This paper is in search for an answer why Norway has been reluctant to the idea of EU membership with respect to her economic, social and identity-related reservations that keeps the country out of the European integration. The first part of the study will be dealing with the economic dynamics of Norway, as a successful model of Scandinavian Welfare State. The second part, then, will explore the formation of Norwegian identity - which aims to unfold the role of the Norwegian society in opt-out process. Next, the 'otherization' of Europe by the Norwegian identity will be analyzed. Finally, a more practical approach will be employed to examine the conditions, facts and figures in the Norwegian public's decision not to join to the club both in 1972 and 1994. In the last part, a comparative method will be employed to see whether or not one of the economic or identity-related reasons (if there are any?) surpass one another and some conclusions will be drawn accordingly.

2. NORWEGIAN ECONOMY AND THE WELFARE STATE

The Norwegian economy, as an example of Nordic welfare states, proposes a successful combination of free market activity and government intervention in some key areas, such as petroleum sector, agriculture, fishing and sparse resources¹. According to 2003 figures, the public sector expenditures covered more than 50% of the GDP, though it is not the main drive for Norway, since the same data also demonstrates that the economy is highly dependent upon international trade, making Norway one of the leading nations in international shipping. Depending both upon the public sector's efficient role and the high level of trade, the nation enjoys the welfare environment that makes her one of the richest countries in per capita terms - with \$43.300 per capita².

In a broader sense, the 'welfare' state model was the response of the whole Scandinavia to the economic crisis of the 1930s, whose construction had lasted until 1970s. The main purpose of the Scandinavian welfare state was to regulate the market economy so that it made sure full employment, growth, social and economic security. Drawing the difference between Scandinavian and any other welfare state models, the Scandinavian model had launched well before the World War II and hence cannot be examined in the post-war context. The mechanisms that the Scandinavian governments carried out on their heydays were basically divided into two: first, it was sought to manage the economy to limit cyclical unemployment and to channel the major investments and labor force from the least efficient firms to the most efficient ones, by sticking into the notion of 'solidarity'. Second, any dividends gained

1 2003 figures obtained from the CIA World Fact Book from the World Wide Web: <http://www.cia.gov/cia/publications/factbook/geos/no.html>

2 2005 figures obtained via the World Bank Report 2005 from the World Wide Web: http://siteresources.worldbank.org/INTWDR2005/Resources/complete_report.pdf

through economic growth were obliged to be spread more equally than the existing system distributed income and wealth; based on the concept of “everyone gains, no one loses” (Einhorn and Logue, p.432). The well-known phrase ‘capitalism with a human phase’ has been, for a long time, associated frequently with the Scandinavian welfare system that promises enhanced social networks, full employment, and equal economic growth within economic regulations that are unwilling to limit the private production or to delimit the dominance of public sector, rather searching for an achieving combination of these two.

What distinguished Norwegian model from the Scandinavian models, on the other hand, emerged in the hard times. First, during the 10-year period between 1974 and 1984, in which two oil crises and the global economic stagflation were witnessed, Norway did not experience neither the expansion of social expenditures nor the rising unemployment, unlike all the other Scandinavian countries. Second, the need to reduce welfare programs at the margins (or to reevaluate the tax base, private consumption or capital investments) was not recognized in Norway while the ‘low-growth economy’ was - even more than - ordinary during the same period. Finally, whereas virtually all nations in both Continental Europe and Scandinavia were trying their best to keep the costs and unemployment down and in order to achieve this aim, were increasing their government spending as well as their taxation; Norway did not pursue such expansionary policies during troublesome periods. All of these three cases of Norwegian comfort were due to the petroleum-fueled prosperity of the country. As it will be indicated below, the exploration of enormous amounts of offshore oil and gas resources in the North Sea was almost a ‘blessing’ for the Norwegian economy and in general for the whole Norway. Since then, as this paper have also utilized, Norway has been referred as the most successful example of already ‘accomplished’ Nordic welfare states.

3. HISTORICAL VIEW OF NORWEGIAN NATIONAL IDENTITY FORMATION

In order to explore the Norwegian national identity, the Eidsvoll Constitution (enacted by May 17, 1814) must be considered first. The constitution played a significant role in the eighteen-day wars (June 29 - August 14, 1814), fought between Swedes and Norwegians, to provide the Norwegian side have its own country, which was free to manage its own affairs, national assembly and taxation system, and not become a Swedish province. Eidsvoll is important for at least two reasons when it comes to the formation of national identity. First, it was the first call for resistance against an ‘other’ (in this case, Swedes) by a Norwegian common consciousness. Second, it can be regarded as the origin of Norwegian sentiments, like the birth of politico-cultural thought of Norwegian ‘people’ (Tanil, p.50). Hence, Eidsvoll was surely the breakthrough for awakening of Norwegian national identity dynamic when a threat was perceived. The figure Eidsvoll represented still has a crucial aspect in Norway, since the day of its victory over the Swedish, 17th of May, is being celebrated as the National Day.

Since a national identity is composed of such elements like, common homeland, common ancestry, common history, common language and common institutions, it would be helpful to touch these points one by one in order to understand the Norwegian identity better. Norwegian territory, including all national surroundings, received its actual meaning, linked to the ‘national possession’ concept, only after Eidsvoll Constitution, pointed out before. The word ‘Norway’, meaning ‘way to the North’, was first used to describe all the long rivers, fjords and mountains ranging between the Atlantic Ocean and Swedish boundaries.



The well-known ancestors of the nation, the Vikings, have always been regarded as the figures of “young, fight-seeking men who were extremely skilled as sailors and warriors”³ throughout the continental Europe and general history. Viking civilization, on the other hand, was described as “vibrant, untamed, and raw, which had a strong and unmistakable impact on much of the rest of Europe and on lands across seas and oceans” (Logan, p.16). Norwegian people still believe that they inherited their wild-natured characteristics from their ancestors and the independence of the nation is one of the virtues of the Vikings. For the common history of the nation, on the other hand, the simple and dour life of the common men in freedom in the nature started to be nationalized after the independence.

The common language of all Scandinavian people in the 200-700 AD is called ‘Old Norse’ and it is known that the first break in this common language occurred in Norway in the Viking era. When Norway lost its independence and become controlled under the Danish rule, the Danish language came to be the education and politics language of the Norwegian. The Norwegian national language (called, Folkesprog) has never disappeared but was highly exposed to other languages (this also stands for the Norwegian culture), and after the independence, instead of forming a new language; a systematic ‘rehabilitation’ program that proposed a rejuvenation/re-introduction of the Folkesprog was followed. However, this led to different approaches and two main languages appeared in the nation. The Norwegian literary language (called, Landsmal or Nynorsk- meaning ‘Neo-Norwegian’ and language of the country) and the middle-class language (called, Riksmal or Bokmal- meaning state-language or book-language) still persist in Norway and, according to Burgess (1999), give nation a way to being a bilingual country.

In discussing national institutions, the first concept to consider must be the fact that democracy, as a tradition, has been playing the most important part of Norwegian institutionalization since the beginning of the history. Even in the period of kingship, assemblies or their descendants appeared to be as significant as the kings, and the concept of ‘democratized kingship’ was experienced. Among the duties of the assembly, such powerful actions like selection and disposition of kings, arbitration of disputes, condemnation of lawbreakers and legislation, were included. All freemen who could take arms were also entitled to participate in the assemblies. The history of these organs followed a path beginning from state-assemblies (including the aristocrats only), to estate assemblies (formed by nobles, clerics, burghers and farmers) and being ended by National Parliament, Storting, in the 19th century. All three institutions demonstrated how far the roots of democracy in Norway have been striking.

Lastly, the common culture of the nation has been influenced by other cultures (like Danish and Swedish ones) considerably. However, the so-called national culture surely started to be formed with the independence struggle (in the 19th century), affected by the actions of Storting and regional spokesmen (like ‘Wergeland and sons’). All of the national symbols, songs, heroes (like farmers); historical events, rituals, traditions, national flag and anthem emerged throughout this period and formed a basis for the characteristics of Norwegian culture.

4. EUROPE BECOMING ‘THE OTHER’

What makes sense after forming a national identity is surely to pick up an ‘other’, as William Bloom’s argument states that “in order to achieve psychological security, every individual possesses an inherent drive to internalize the behavior, mores and attitudes of significant figures in his/her social environment; i.e. people actively seek identity.” (Bloom, p.23) After finding this identity, individuals start to protect and to enhance it from ‘others’ who do not fall into similar identifications.

3 From the World Wide Web: <http://www.luth.se/luth/present/sweden/history>

Norwegian national 'identity-dynamic' was formed during late 18th century until the early 20th century, creating a worthy scene for the nation's independence. These dates also witnessed a major event throughout the Europe, namely the Enlightenment. Hence, both the independence of Norway and the formation of its national identity were actually influenced by the European Enlightenment ideas. The main return out of this occurrence was the idea of 'free peasant', which was referred as one of the major contributors to the freedom, as well. The concept of 'free peasant' was the critical part of the Norway's special mission, representing "to build a people's democracy and hence fulfill its mission for itself and for European democracy" (Neumann, p.23). With this perception, the Europe, for the first time, became an 'other' for Norwegian nationalists. Besides, such a separation did not only mean an external one, but Europe was also seen as an internal other since the nation was politically tied to Sweden while culturally dominated by Danish culture. Moreover, this point of view did not change after the independence of the country, but instead continued to shape especially the next century and most of the future decisions for Norwegian people.

On the other hand, during the independence struggle, Norwegian history made its decisive break from the continental Europe and other Scandinavians. For the first time in the history, the independence of a nation became a reality (in real terms, the Swedish parliament agreed to let the Swedish-Norwegian union dissolved due to the fact that Norwegian people did not favor it) neither without a military power nor as an act of a policy by the struggling state. According to Neumann, "as a result of the initiative and leading role taken by the nationalists on the issue of independence, a crucial convocation was established between the terms 'people', 'democracy', and 'independence'" (Nuemann, p.113). He refers this added touch to the independence as "baptismal exceptionalism", the exceptionalism that was added to an already established idea that Norway was different from the 'European warrior states'!

The process of 'making the Other', indeed, was strengthened particularly during the World War II, when Norway was occupied by the German troops on April 9, 1940 in order to acquire the Norwegian iron ore and to make use of her territory. Although, the invasion ended up in 1945- corresponding the actual end of the war-, Norwegian resistance was one of the toughest that German armies ever encountered, including the national symbols (like, treating Germans as 'lepers' in the public, insisting on using Norwegian made paper clips and red stocking caps, the usages of which were banned by Germans) worked as bullet-less weapons evidencing the importance of independence and how the national identity dynamic worked when it was threatened.

As a unique characteristic of the Norwegian national identity, it does not only compose the political mobilization among the masses and the intellectual nationalistic discourse but also makes this nationalism connected to some universal values like democracy and intellectual freedom while lacking the aristocracy which led to a common internalization and strengthening of these nationalist views.

5. NORWAY-EUROPE RELATIONS UNTIL 1972 AND THE FIRST REJECTION

The general perception goes that the first rejection of Norwegian nation against the full European Union membership is particularly about identity-related issues. Besides, it must not be forgotten that although the consequences of the Second World War in Norway were varying from the rise of the Labor Party, to centralization of the language and the classes, the main result was no doubt that Norwegian people, once again in their near history, 'otherized' the Europeans. Hence, the crucial after-war movement for healing the wounds of the bloodiest war of the history, namely the European integration process, was none of the Norwegian concerns, especially at the very beginning. To illustrate in a more systematic way, the period between 1945 and 1972 will be divided with respect to the breakthrough points in the European integration process.



5.1. European Coal and Steel Community (ECSC) Period

Norway, being included in the 'non-six' part of the divided Western Europe at the beginning of 1950s, has always been a crucial partner in the European trade. Although especially around 1952, when ECSC was operating, identity-related politics of Norwegian government did not allow much trade, Norway was still exporting raw materials, like base metal and pulp due to the expectations of increase in domestic steel output. Fish, moreover, was also among the mostly sold products to the common market.

5.2. European Economic Community (EEC) and Organization for European Economic Cooperation (OEEC) Periods

The first example of the Norwegian resistance against the European integration was seen during the EEC negotiations. Before dealing with the particular reasons, it would be useful to look at the general economic conditions. In the years of the EEC, Norwegian exports were on average levels. The major trade partners were Great Britain, and Nordic counterparts-Denmark and Sweden. The sales of base metals dominated the exports while pulp and paper manufactures reached relatively lower sales-figures. At these years, the question of membership was not an issue because Norwegian Social Democracy out-rated the Continental economic and social policies of the Community.

Although the OEEC, which was founded by the original-6 members of the EC, has eventually failed because of the "supranationality" concept (including long-term political objectives), Norway was of greater significance for the organization. The main focus in Norwegian exports remained to be composed of raw materials, in particular base metals, pulp and fish. The export dependence (total exports/GDP) of the economy reached about 65 percent and the export/GDP ratio reached to 13 percent. However, these exports kept being met by the medium level tariffs. Hence, the need for non-tariff (free trade) area was for the first time pronounced by Norwegian authorities (Skaug, p.22-23). This tendency, coming along with the Britain's free trade policy that was particularly about establishing "nothing more than a classical free trade area in industrial goods with purely intergovernmental decision-making process" (Gsöthl (2)), eventually led to the EFTA negotiations in 1960.

5.3. European Free Trade Area (EFTA) Period

By the birth of the EFTA, the foreign trade started to make up a great part of the national product in Norway, selling about 37% of the total international trade to the EFTA countries and 27% of it to the EEC. With the agreement, mainly the British market (by 52.1 percent), Swedish market (by 26 percent) and Danish market (16.2 percent) started to receive Norwegian exports⁴. Despite the fact that increasing competition was a threat to Norwegian producers of industrial goods, the government successfully put some arrangements on the agreements, especially about trading fish. Hence, Norway did neither give up successive international economic activities nor give occasion for exploitation of its domestic market. By the time of the EFTA, Norway's exports and of goods and services made up about 40 percent of GDP, while 75% of the goods were sold to the ECC and the EFTA countries (Ministry of Foreign Affairs, 1967, p.32-34). Thus, the export dependence of Norway to those countries was inevitable. However, the first Norwegian resistance seemed to become real in this

4 OECD Statistical Bulletin data, 1961, from the World Wide Web: <http://www.ifpri.org/pubs/abstract/117/rr117.pdf>

particular period. On August 9, 1961, the United Kingdom applied for full-membership of the EEC, followed by Denmark and Ireland (EFTA countries) immediately. Although both the ordinary Norwegians and the Storting, resisted the idea, the fear of being kicked out of the European markets and inability to access to capital made the accession remain as a question. Nevertheless, that question was decided to be answered not by the people's representatives; i.e., the Parliament, but by the people, themselves, in a referendum.

5.4- First Rejection

The statements of Neumann deserve special attention in order to understand the feelings of the Norwegian people over the Europe as a union or integration on those days.

There was a benign cultural Europe of peoples and a malign Europe of imperialist states. The Common Market was an institutionalization of the latter, and it was on its way to becoming a 'union'.... There was the united Norwegian people, who followed the historical line from 1814, 1905 and 1940 by taking a stand in favor of the good Europe, against the false European Union. (Neumann, p.113)

Additionally, a subsequently rising question was about what would be gained from the EU membership for the sake of what would be given by Norwegian side. The opportunity to hunt, fish and produce, and the rich nature were among the things that Norway, as a nation, could not find any reason to give up for. Moreover, such a referendum did not take place at all, since French president de Gaulle vetoed against Britain after which the EEC relations disappeared from the Norwegian political agenda.

Only 6 years later, however, not only the name of the EEC altered into European Communities (EC) or Britain renewed its application, but also Norwegian political structure changed. The Labor Party government (a social democratic tradition committed to liberal democratic ideas) was replaced by a conservative coalition, composed of Liberal, Central and Christian Democratic parties. The new government, resembling its predecessor, was suspicious about the membership, as well. The British accession and serious safeguards for the primary sectors were only the pre-entry conditions. The tradition of putting 'people' into the center of the decision-making process remained unchanged; the voice of the referendum was crucial, once again.

On 25 June 1972, the Storting approved the application by 132-17, and applied to the EC. Declaration made by the Foreign Ministry implied that the government saw the European cooperation as an economic and a political tool to increase international peace and security. (Miljan,p.212) The bilateral negotiations started on 22 September 1970.

The main concerns of the Norwegian side were structural decisions over agricultural and fisheries policy of the EC. Coming along with other factors, the Norwegian community divided into two basic groups composed of people saying 'Yes' to the EC membership, and others saying 'No'. The Yes-side, including big businesses, industries (Norwegian Union of Industrialists), the Banking Union, civil servants and bureaucrats, argued that Europe and Norway were of the same; Norway was another cultural nation of the Europe with a better social policy. Hence, with couple of structural changes, accession to the EC would be beneficial. On the other hand, the No-side, including the youth, veterans, agricultural and fishery organizations, students, professors, peasants and leftists, believed that Europe and Norway differed significantly. According to them, Europe was hierarchical, centralized, caring about the strong whereas Norway was egalitarian, dispersed and caring about the weak. Besides, about the religion (Norway having an anti-Catholic religion, mostly Protestants) and colonial past (some

Norwegians saw EC having a neo-colonial policy), the two sides were differing sharply. Finally, the No-side insisted on the argument stating that Norway without the people only living in its territory, would not be a ‘way to the North’ (what Norway meant as a word) anymore. Before the details of the referendum, one must note that it would be unfair to divide the Yes and No sides solely upon the ‘nationalism’ category, claiming those in the first group are less nationalistic than those in the second group. It would rather be better to understand that individual perceptions of nationalism may not be ‘exactly’ reflected upon the decision of one’s country’s membership to the EU. It is much of a social reflection, being composed of several factors ranging from economics and politics to structural as well as nationalist dimensions.

The referendum was held on 25 September 1972. Out of the voters, 53.5% said ‘No’ and 46.5% said ‘Yes’ (Gsöthl, 2002). Although the numbers seem to be on the margin, the Norwegian Parliament indeed sought for 4/5 of the majority as required, hence the Parliament did not ratify the Treaty and Norway refused to be a member of the EC. Since the ruling politicians had agreed upon many struggling points of the accession process and demanded favor for the membership; after the results, Labor Government resigned, the conservative coalition came into the force; and several bilateral agreements were made between -former and present -EFTA countries and Norway. The basic economic reasons of the first rejection can be listed as follows:

- Norwegian agricultural organizations demanded a national agricultural policy within the EC without adapting to the Common Agricultural Policy (CAP) and maintained import controls, regional arrangements confined to disadvantaged areas, national powers of the producer organizations and the system of price subsidies,
- The current CAP conditions would have fallen down the Norwegian producers’ living standards and the efficiency of the Norwegian natural sources,
- The Common Fishery Policy (CFP) was adopted just before the negotiations with Norway began (June 1970); thus, the largest fishing nation of the Continent (contributing 6 % of total exports) would be ignored and would have no control over its own fishing resources,
- Norwegian fishermen demanded the permanent retention of an exclusive 12-mile fishing limit around the coast, the extensive rights of their organizations to continue, including compulsory membership, sales rights to the entire catch, and price-regulation rights whereas CFP was not prepared to give a legal guarantee for none of their demands; further it did not recognize Norway’s interests as vital and proposed to divide the Norwegian coast in two (which was regarded as a ‘capitulation’ by the anti-EC protestors in Norway),
- On January 17, 1972, after the signing of the EC-Norwegian fisheries protocol, the fishermen’s national organization unanimously rejected it,
- The authorities were confused whether influence on decision-making or self-government mattered more, mainly because of the campaign run by fishing and agriculture sector authorities,
- and rural area people (anti-EC movement including, the youth, veterans, student, professors, peasants and leftists), speaking Landsmal, were not convinced about the negotiations, at all.

Nelson describes the No-movement as “an emotional appeal to the hearts of the Norwegian people. Europe was depicted as a menace... good was struggling against evil.” (Matlary, 45) According to the results, the ‘good’ won over the ‘evil’. However, the game had not yet ended.

6. EUROPEAN COMMUNITIES AND THE SECOND REJECTION

After the end of the EC membership discussions, a new excitement was experienced in the Norwegian society. The era of explored petroleum and resurrection of EU talks occurred in European Economic Area period.

6.1. European Economic Area (EEA) Period

As EC-EFTA relations enhanced throughout the years (until 1984) and the notion of 'Single European Market' merged; a crucial occasion took place on the fields of North Sea, where Norwegian fishermen had discovered incredibly large amounts of oil beds. Not only the Norwegian export dependence increased from 47.4 percent in 1973 to 70 percent in 1984; but also the export materials of the country were altered to mainly oil and gas related products. In this particular year, Norwegian export contribution to the GDP was 21.8 percent, while EC average was only 12.8 percent (Gstöhl, p.137). In addition to the fact that almost all tariffs and quotas were removed in 1984, Norway began to enjoy oil revenues as well as other products exported. The foundation of the oil did not only bring Norway the opportunity to open up a brand new sector in the country, but also made the dependence on both agriculture and fishery sectors decreased⁵. After Luxembourg process and the introduction of the White Paper, Norwegian government was persuaded that being part of a large Single Market in Europe would be beneficial to Norwegian economy. However, before making another application to full EC membership, Norway first decided to take part in the EEA.

Until 1992 (and later on, as well) Norwegian exports are composed of large amount of oil, gas and nonferrous materials, almost 80% of which go to the EEA market (Haaland, p.394). What must be stressed here is, because of the nature of the products exported, that Norway faced very low trade barriers and hence, the necessity of joining in an internal market, with those countries that already charged negligible restrictions, remained as a question. Nonetheless, the real income effect after the EEA turned out to be 3.5 percent for trade in goods and services in Norway while the average for whole EFTA was only 2.7 percent (Ministry of Foreign Affairs, 1992, p.357). Moreover, the EEA was expected to reduce both the uncertainty of investments in Norway and the differences between export-oriented and domestically oriented sectors of the Norwegian economy.

6.2. Second Rejection

During the negotiations upon the EEA, Norwegian government decided to make another request for the full EC membership mainly because of that other Nordic EFTA countries (Finland and Sweden) had applied for full EC membership, that the end of the Cold War was recognized and that the collapse of the USSR increased the dominance of the EC in the continent, and leaving political concerns behind, the economic side of joining an internal market would surely be beneficial for Norwegian investors and the country's economic-diversification.

When the accession negotiations began, Norway did not show any political nor major economic problems, at all. The country had already established its own 'free trade for industrial products' policy

5 The so-called 'Dutch Disease', an economic problem that represents a serious decline (disappearance) in manufacturing (or 'traded goods') sectors due to the increase in revenues from natural resources, did not surprisingly occur in Norway after the exploration of oil resources. For a comprehensive study to show why and how Norway escaped from the 'disease', see Larsen, E. R. (2004) "Escaping the Resource Curse and the Dutch Disease?" in *Statistics Norway, Research Department Discussion Papers*, no. 337, May 2004. Taken from the World Wide Web: <http://www.ssb.no/publikasjoner/DP/pdf/dp377.pdf>

and with the EEA Agreement, free movement of goods, services, capital and persons (and the *acquis communautaire*) were accepted. Norway was even likely to strengthen such areas, like democratic control, currency, low inflation and environment policies, in the EC. However, some problematic issues did not only cause hard time in the negotiation process but also in Norway's internal debate about the membership. Among the chapter headings of the negotiations, the major ones were as follows:

6.2.a) Fisheries:

Since Norway supplied almost a quarter of fish for the EU in 1992, the Norwegian fisheries minister Jan Henry T. Olsen thought it was his right to declare that Norway 'had no fish to give away' until current CFP was adjusted according to their wishes (Archer, p.357). Among those wishes were to keep Norway's existing quota regime and catching regulations, not to give any new fishing rights in Norwegian waters, and to get a guarantee to preserve its 12-mile exclusive fisheries zone at least until 2002. On the other hand, the EU Commission and especially French and Spanish ministers were insisting on excluding the Norwegian fish imported under EEA agreements and demanding additional annual quotas.

The negotiations on fisheries ended in March 1994 with Norway keeping its 12-mile zone and obtaining duty-free access to EU markets in return of exchanging the ultimate control over the regulation of its off-shore fisheries and a few extra cod.

6.2.b) Petroleum:

After the exploration of the petroleum in the Norwegian Sea (late, p.1970), Norwegian oil and gas exports increased sharply and Norway became the major energy supplier to the Western Europe (nearly 90% of the whole petroleum (Sogner and Archer, p.59). Since then, the public sector has been employing the sovereignty and national rights over oil resources; in other words, the Norwegian oil has become an issue of 'national guidance and control', meaning that the Norwegian government was in charge of every single right over the natural resources. The state oil company, Statoil, held a 50% share of all licenses (Sogner and Archer, p.65). However, although the situation was as such; just like the EEC had suddenly passed the fisheries policy only before the Norwegian 1972-membership occasion; in autumn 1991, the EC proposed a directive stating that EC companies, regardless of nationality and whether they were state-owned or private, could bid for off-shore resources in a non-discriminatory basis.

Surely, the directive was hugely criticized by Norway, referring to the 1972 fishery occasion, particularly. This heavy reaction actually paid off and the final version of the directive was shaped according to the demands of Norwegian side, too. Most importantly, the Protocol 4 of the Accession Treaty guaranteed Norwegian jurisdiction over its petroleum resources and noticed the right of state participation.

6.2.c) Agriculture:

Due to the arctic conditions of the country, Norwegian farmers no doubt needed special support; hence, the main demand of the Norwegian side was to get a guarantee that their farmers should be compensated to reach the level of similar farmers elsewhere in the EU. However, the CAP representatives of the EU stated that they could only give Norway a five-year privilege about subsidies, national support and prevention of market disruption.

6.2.d) Regional Policy:

Norwegian government requested EU-support, as state aids continuing, for some of the underdeveloped areas (namely, Finnmark, Troms, Nordland, Nord Trondelag), which were sparsely populated, and having sub-arctic weather conditions. However, the EU Regional Policy makers claimed that even in those areas, the GDP per capita was not too low to attract aid and only very small portion of state-aid could be given (about Nkr 0.5 bn yearly from EU funds).

These problems had huge impact on the referendum campaigns, as well. The “Nei til EU” (‘No to the EU’ in Norwegian) side of the campaigns had absolute victory over the pro-EU side, once again. Led by the ‘Information Committee on Norway and the EC’, the scope of the no-campaign was ‘being national’, ‘cross-party’ and ‘anti-racist’. The number of active participants was above 140,000 in 1994, making it Norway’s largest political organization in her history (Seierstad, p.19), including members of political parties, such as Socialist Left Party, Red Electoral Alliance, Center Party, Liberal Party and Christian Democratic Party, trade union members, the Farmers’ Association members, members of youth, environmental and fisheries organizations. The main arguments of the no-side were that the membership to the EU would result in decrease in the country’s democracy, subsidiary and control, would rise the regional differences in terms of solidarity and redistribution of income (hence, hurting the welfare system), and that supranationality would make it hard to secure Norwegian sovereignty especially over the natural resources that the country owned.

In the yes side, the Labor Party was the most significant actor, being followed by Conservative Party, Progress Party, some organizations called ‘The European Movement’ (led by the rector of Oslo University), ‘From No to Yes’, ‘European Youth’, and business groups in the industrial sector. The very first task of the supporters of the EU was to make sure Norwegian society about that the EU would not be a ‘threat’ to Norwegian values or identity. In these assurance trials, the main argument was that the high values of Norwegian society had been formed with the cooperation of the European states; therefore, the more collaboration with Europe was claimed to be a safeguard to Norwegian values. Besides, the yes-side spent most of the campaign by referring not only to the benefits of the EU membership, but also to the costs of non-membership, such as insisting on possible weakened position of Norway in NATO, possible economic costs, and the idea that through the EEA Treaty, “Norway [would be] forced to adopt EU rules without having any voice in shaping them”⁶.

After the campaigns, Norway once again voted on the question of accession to the EU on 27 and 28 November 1994 and rejected it with 52.3% No-votes (over 88.8% total participation). The similarity between the results of 1972 and 1994 referendums was crucial, bearing in mind that almost half of the voters in 1994 did not vote in 1972. This pointed out that although there had been significant changes in both Europe and the Norwegian society (and the economy), the voting pattern and the perception of the EU did not change. Once again, the countryside, the North, the urban left/radicals, rural voters, the users of Nynorsk, and a majority of blue-collar workers and women said ‘no’. Another evident result was that almost all of the arguments that the Yes-side made use of in the referendum campaign turned out to be wrong in the upcoming years, like the economic situation after the rejection became even more prosperous.

6 Quote taken from the World Wide Web: <http://www.csmonitor.com/2004/0428/p07s01-woeu.html> (The Lands that Opted Out, by Mark Rice-Oxley; 28 April 2004)

The economic reasons of the second rejection might be listed as follows;

- Although the fish breeding industry was in favor of the EU membership since they believed this would create more than 10,000 new job opportunities, both fishermen's organization and the Fisheries Ministry had already rejected the conditions of the EU. Both of the latest organizations were heavily involved in the 'no' side of the referendum campaign. The public opinion was influenced by these fishery-representatives significantly
- Even though the final version of the EU's petroleum directive included Norwegian demands and gave Norway some privileges, the Norwegian society were upset about being excluded from the beginning of a 'truly related' policy issue, once again. Hence, the off-shore petroleum problem was not ever considered 'as positively completed' by Norwegian people
- Norway wanted to keep its full jurisdiction over its natural oil and gas resources. However, the negotiations over this issue were inconsequential. Besides, Norway had the largest petroleum resources all over the Europe and was already charged very few restrictions due to the need of other nations
- Because of the harsh Arctic conditions, subsidies to Norwegian agriculture were necessary; however, considerably exceeded the Community levels, at the same time. Moreover, producer prices in Norway were almost doubled the ones given in the Community. The response of the EU to Norway's needs was warm, but not as amiable as the country wanted to be. Agriculture, in the words of Farmers' Association, was 'a part of Norwegian history and cultural heritage'; thus, needed more privileges to maintain its current condition
- The level Norwegian regional state-aid actually illustrated how the welfare system of the country worked well within itself. Hence, although an amount of EU-aid was guaranteed, how little this amount was brought a question mark in the minds of Norwegian society about what the EU could bring to their nation's already high living standards
- Since Norway's social structure was characterized by strong and centralized labor unions, and those concerns listed above were not concluded in favorable terms; the working side of Norway couldn't get convinced in favor of EU-membership, at all.

7. CONCLUSION

Since the study makes use of a two-level division between 'economics' and 'society/identity' related concepts, it would be better to draw the conclusions accordingly. In the economics side, it can be concluded that Norway has traditionally been an export-oriented free trader where domestic organizations play a central role in the decision-making process. The other European states have long been partners with the country while at the same time, Norway plays one of the major roles in the EFTA. The EEA Treaty between EU members and EFTA members, on the other hand, not only describes the procedures how to implement the European Common Market's rules to Norway, but also it provides Norwegian economy high-level integration with EU sectors; except for agriculture, energy and fish sectors. For these mostly state-owned sectors, Norwegian governments have been pushing for a political dialogue within the EEA, and seeking for bilateral contacts with other members. The reason underlying the significance of agriculture, energy and fish sectors might also be found in the very economic factors for both opt-outs of Norwegian society in 1972 and 1994. Moving away from the

membership disputes today, Norway, thanks to the Nordic passport union, has participated in Schengen agreement (enacted by December 19, 1996⁷) eliminating border controls and in association with the Western European Union (WEU), which leads her citizens to share the same advantages of free trade area just like any other EU members' citizens. In a nutshell, due to her demographic and resource-based advantages (very few population, rich natural resources including high amount of oil reservoir) as well as the long tradition of Norwegian welfare state, Norway enjoys a very efficient and promising economy, highly integrated into the European Common Market, without giving up national control over sensitive sectors to the EU.

On the society side, this paper reserved considerable amount of research into the formation of Norwegian national identity. In order to find the connection between a nation's national identity and her foreign policy, one must first deal with whether Norwegian identity formation has yet ended up with a solid national identity. A. D. Smith distinguishes two models of the 'nation' (civic and territorial vs. ethnic and genealogical), yet he outlines fundamental features of a 'national identity' as such: a historic territory (homeland); common myths and historical memories; a common mass public culture including vernacular languages and shared customs/traditions; common legal rights and duties for all members; and a common economy with territorial mobility for members (Smith, 1991). As pointed out throughout the text, Norway has accomplished all of these criteria, except for the bilingual culture, which still reflects a dialectical difference between countryside and urban areas.

"To speak of a collective social identity", Yurdusev continues, however, "besides shared characteristics, the members of the collectivity should have some sort of subjective consciousness of belonging to that collectivity." (Yurdusev, 2003) For that matter, 'making an other' is critical for a national identity. In at least four points, Norway 'achieves' to make Europe her very other. First, in a temporal sense, the history of Norway proves a certain tension with not only the other Scandinavian countries but also with the Continental Europeans. Accordingly, an average Norwegian perception draws the 'Europeanness' on the line upon which military invasions, imperialism and warship prevail. This non-colonial perspective, for instance, even led the Norwegian Minister of Energy to unreservedly declare that "EU was an answer to the attempt of the rich countries to increase the competition between them" (Neumann, 2002). In a spatial view, secondly, the geographic location of the country (meaning 'a way to the North') does not only place Norway away from Europe to the furthest place within the Continent, but also differentiate 'Europeans' from 'Norwegians' from a geographical point of view. Thirdly, linked closely to the history, the experience of Norwegian society sharing - or being imposed by - other cultures (especially, Danes and Swedes) in her own territory also sets out a feeling distance from Europeans. Fourthly, the religion factor poses a significant difference, as well, since being Norwegian is associated with 'Protestantism' and 'cultural Puritanism' whereas the EU is partly open to serve Catholic values, which have been drawn off since the Reformation took place in Norway from mid 18th century.

Internalizing the Smith's features of national identity as well as making Europe 'the other', Norwegian society has come up with an accomplished national identity without question. However, the degree of cohesion of a national identity to influence her foreign policy is not always high. Bloom outlines a four-dimensional list for how national identity dynamic works on foreign policy. Accordingly, first, a threat must be perceived against national identity in order for mass national public to mobilize; second, within a nation-state, the mobilization of the mass national public is no doubt the largest possible movement;

7 The main reason of Norway's participation of the Schengen Agreement as a non-EU member state, shared also by Iceland, was to maintain the open borders agreement among Nordic countries, effective since 1952.

third, domestic politics have a feature that there is competition to appropriate national identity dynamic; and last, a mobilized national identity dynamic surely influences governmental decisions (Bloom, 1993). Aposing the Norwegian national identity side by side with Bloom's list of national identity's influence upon foreign policy, in that case membership to the EU, some conclusions might be drawn.

As demonstrated in the 4th section, 'Europe', and therefore the EU, have already become and posed as a 'threat' to Norwegian national identity due to historical, geographical, cultural and religious reasons. One might argue that the perception of such threat must have been more effective and influential in the results of especially the 1972 referendum and the pre-referendum campaigns, whereas only 53.5 % of the participants (being hardly considered as a 'mass public mobilization') voted against the EU membership. However, recalling the fact that acceptance of the EU membership did require 80 % of votes in favor of membership, it should be evaluated that the 'No' votes were not simply 3.5 % above the required; instead, that the 'Yes' votes were (80 % - 46.5 % =) 33.5 % short of what was actually needed. Hence, there was a certain mass public 'immobilization' in favor of EU membership in Norway and such a dynamic in national-identity did not only legally but also socially worked against the common 'threat', namely Europe, in 1972 referendum. Pointing out the national identity factor, however, does not mean to underestimate the other factors - especially, economics -, considering that a foreign policy as well as human perception has different layers in decision-making process. Nevertheless, it seems fair to associate the main drive of the rejection in 1972 referendum largely with national-identity relations because of two main reasons: first, it was still too early (only a thirty years period) to overcome the near experience of German invasion of Norway during the World War II, strengthening the level of 'European threat'; and, second, the possible economic advantage of becoming an EC member in 1972 was even less promising than joining in 1994⁸ for a government that had been elected by a population with sensitivities in certain economic sectors.

When it comes to the 1994 referendum, on the other hand, the things are getting more complicated and way far from reducing the explanation into one major factor. Except for twenty more years passed from the latest 'bad' experience with Europe, no decisive national identity forming factor disappeared for Norway in Smith's list. There were serious changes occurred in both sides, though. In Norway, enormous offshore oil and gas resources were developed, increasing the level of Norwegian exports and adding one more sensitive sector to the Norwegian negotiation agenda with the EU. In the EU, a more ambitious direction was employed both to harmonize economic regulations of the members in order to create a common market and economic union, and also to create a political union with common foreign policy. The impact of these changes upon two sides went on opposite directions, making the distance between Norway and the Union extended. Recent political considerations, including loss of sovereignty in critical decision-making areas, were joined by long standing economic reservations and strengthened the trump card at the hands of those representing the 'No' side in pre-referendum campaigns. Nevertheless, the results of the 1994 referendum reported a slight reduction (-1.2 %) in the 'No' side in comparison with the one in 1972. However, this reduction did not reflect a major direction change in Norwegian society with respect to their perception over the EU membership. To sum up, for the 1994 referendum, a major reference to national-identity dynamics can not be done; instead, a combination of economic, political as well as identity-related reasons should be noted to find an explanation behind the motive of Norwegian rejection to the EU membership.

8 Even though the argument is questionable, from a developmental/evolutionary perspective, this paper regards the European transition from the EC to the EU as a progress in European economic integration with respect to the stages from the customs union, the common market and economic union (with monetary union). To follow the stages theory, refer to Hitiris, Theo (2003) *European Union Economics*, UK: Prentice Hall, pg. 49-52.

In a strictly economic basis, there are benefits and costs of the membership to the EU. The layers of each individual society will be affected differently from the membership process both in the short-run and in the long-run due to the fact that new regulations, policies and sanctions, which will be imposed by the EU, will eventually change the distribution of income over the various parts of member societies. Those who are more exposed to the negative impact of the integration, such as Norwegian farmers, fishermen and workers, are expectedly located in the 'No' side of the campaigns held in the society for the membership referenda. Reducing the European integration solely into economic process, however, is surely naïve. Especially after the end of the Cold War, it is undeniable that European integration devoted more emphasis upon politics that it had ever before. Since then, the EU agenda has not only been filled with economic, fiscal or monetary transformations, but it has also born a thick volume of political harmonization among member states. The certain impacts of the membership upon different layers of society are no longer restricted in economic terms, but politics must also be considered seriously. The complexity of individual perception of politics, a remarkable part of which is identified by 'national identity dynamics', further, makes the analysis of membership discussions even more complicated.

Norwegian case represents quite a challenge for researchers in all these respects. An efficiently working economy with sensitive sectors of agriculture, fishery and energy, which have been handled well by the welfare state tradition, needs serious attention in search for a reason of Norwegian opt-out. Norwegian identity, on the other hand, seems not only unique to the EU motivation of forming a union, but it also distinguishes from individual uniqueness of other members of the EU with its formation, being shaped and developed around by 'making Europe its very other'. Therefore, an analysis of the reasons of Norwegian opt-out to the EU membership must evaluate both economic and identity-related sides, weights of which might vary according to the viewpoint of the researcher or to temporal period under discussion.

Lastly, it should be noted that it is considerably difficult making a comparison between Norwegian and Turkish cases. From the economic point of view, Norwegian and Turkish positions both in the world-wide and Europe-wide scales differ significantly; ranging from Norway representing a strong, export-oriented economy with a full and small market to Turkey with a weak, dependent, import-oriented economy offering a huge market and workforce to be exploited. The attitude of the EU towards both countries will be sharply different. For the national-identity, on the other hand, an irony might be caught, regarding that whereas Europe was made 'other' by the Norwegian identity, Turks were made 'other' by the Europeans⁹. Therefore, the direction of reluctance, no matter which reason caused Norwegians to take stand against the EU membership, is likely to be turning backwards when it comes to Turkish-EU relations. Yet, this paper tends not to go any further claim upon this issue since it is beyond its aim and boundaries.

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⁹ See Neumann, Iver B. (1999) *The Uses of the Other: The East in European Identity Formation*, UK: Manchester University Press. & Coles, Paul (1968) *The Ottoman Impact on Europe*, UK: Thames & Hudson.



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