

Norway's relationship with the EU

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Norway is, in the words of a recent report, both outside and inside the EU. Through a series of agreements, the most important of which is the European Economic Area (EEA) agreement, it is part of a free trade area with the EU, shares equal access to the EU internal market, and allows free movement with all 30 EEA states. It is part of the Schengen border-free area and related immigration and police cooperation. It collaborates with the EU over defence and security policy, fisheries and agriculture, and participates in dozens of EU agencies and programmes. As a result Norway has adopted three quarters of the EU's rules and legislation.

But Norway has little say in any of this. Although it can attend and talk at various meetings, it does not generally have the right to make or amend proposals which affect it, or to vote on them. This democratic deficit is seen as the biggest problem with Norway's position.

A recent official report and white paper on Norway's relations with the EU argue that despite some problems, the current arrangements work well in practice, and are largely supported or accepted by the main political parties. Although Norway is putting more emphasis on trying to influence EU policy at its early stages, no major change of direction is likely.

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1 Overview

Norway – which rejected EU membership in referendums in 1972 and 1994 – nevertheless has a close relationship with European Union. Although there is no one overarching agreement, there is a series of individual agreements: Norway is a member of both the European Free Trade Area (EFTA) and the European Economic Area (EEA); an associate member of the Schengen area; and party to a number of agreements with the EU and bilateral agreements with individual EU Member States covering immigration, the police, defence, security, fisheries and more. The EEA agreement is the largest and most important agreement, comprising most of the collaboration and establishing the main forms of association.

Norway and the other countries that are part of both the EEA and Schengen (Iceland and Liechtenstein) have committed to adopting a large portion of the EU's *acquis communautaire*. Norway's increasingly close relationship with the EU in areas that are outside the EEA has also led to further agreements. As a result, Norway has now adopted about three quarters of the *acquis*, affecting a significant proportion of its domestic legislation.

However, Norway has no representation in any of the EU institutions (although it is on the Schengen Mixed Committee and certain other committees), and no right to vote on EU decisions. It has some rights to participate in decisions at the early stages of a proposal, but its influence is very limited.

A Norwegian government brochure, *Norway and the EU - partners for Europe*, outlines the official view of the extent to which Norway and the EU cooperate. In October 2012 the Norwegian Government published a white paper on future relations with the EU, which

largely confirmed the current position but argued that using its powers to influence EU legislation is vital.¹

2 European Free Trade Area (EFTA)

Norway, Iceland, Liechtenstein and Switzerland are the four current members of the European Free Trade Area (EFTA). Switzerland is the only one which is not also a member of the EEA (see below).²

The original 1960 EFTA agreement was reached between countries that sought the benefits of trade without full membership of the then EEC (which had been established in 1957). EFTA countries first lowered tariffs between themselves, and then signed bilateral Free Trade Agreements (FTAs) with the EEC from 1973 onwards. The EEA Agreement superseded those with Norway, Iceland and Liechtenstein.

A number of countries that are now EU Member States were formerly EFTA members. The UK was a founder EFTA member, alongside Denmark, Norway, Sweden, Austria, Switzerland and Portugal.

EFTA is a free trade area, rather than a customs union like the EU: member countries set their own tariffs, and can reach independent FTAs. Its website explains what the FTAs cover:

EFTA Free Trade Agreements (FTAs) establish a free trade area between the partners. They provide for free trade in industrial goods, including fish and other marine products; cover trade with processed agricultural products; provide for trade disciplines; govern preferential trade in goods under the FTA and contain elaborate rules on customs and origin matters, including cumulation[1]. Trade in basic agricultural products is covered by separate bilateral agreements relating to the FTA.

FTAs liberalise trade in services, investments and public procurement in more recent agreements, including those with Mexico, Singapore, Chile and the Republic of Korea. Other agreements contain rules allowing for the further development and deepening of relations in these fields through evolutionary clauses, e.g. with partners in the Mediterranean region. They include rules on competition to avoid adverse effects in the case of restraints of competition which could frustrate the liberalisation benefits of an FTA.

They provide for the protection of intellectual property rights in accordance with high standards, and contain provisions for the avoidance and settlement of disputes between the parties. They are adapted and upgraded regularly in order to remain as efficient as possible, taking into account developments in the World Trade Organization and in the bilateral trade relations of major trading partners.

[1] Cumulation: products originating in one partner country may be used as materials in the production of a product in another partner country without prejudice to the preferential status of the finished product.

EFTA now has FTAs with 32 countries: Albania, Canada, Chile, Colombia, Croatia, Egypt, Gulf Cooperation Council (GCC), Hong Kong, China, Israel, Jordan, Republic of Korea,

[&]quot;Norway and the EEA Agreement", Norwegian Ministry of Foreign Affairs press release, 12 October 2012. The full report is available in Norwegian on the Norwegian Ministry of Foreign Affairs website: EEA Agreement and Norway's other agreements with the EU, October 2012. A summary of the white paper in English is also available.

For information on Switzerland, see Library standard note 6090, Switzerland's relationship with the EU, 20 October 2011

Lebanon, Macedonia, Mexico, Morocco, Palestinian Authority, Peru, Serbia, Singapore, Southern African Customs Union (SACU), Tunisia, Turkey, Ukraine.

EFTA has three intergovernmental institutions: a Secretariat, a Surveillance Authority and the EFTA Court (see below).

There is further information on the Norwegian Government's EU website, the EFTA website and the EU DG Trade website: Norway.

3 European Economic Area (EEA)

Signed in 1992 and operational from 1994, the EEA Agreement extends the EU's rules on free movement of goods, persons, services and capital, as well as non-discrimination and equal competition, to Norway, Iceland and Liechtenstein. This means that companies and economic operators in the EU and the three EEA EFTA countries have equal access to the internal market, and that EEA citizens can live, work, and study in all 30 EEA states. Connected areas such as transport, competition, social policy, consumer protection, environment, statistics and company law are also included.

As with EFTA, the EEA Agreement is a regional free trade agreement, not a customs union. The EFTA website explains further:

The Agreement on the European Economic Area, which entered into force on 1 January 1994, brings together the 27 EU Member States and the three EEA EFTA States – Iceland, Liechtenstein and Norway – in a single market, referred to as the "Internal Market". The EEA Agreement also states that when a country becomes a member of the European Union, it shall also apply to become party to the EEA Agreement, thus leading to an enlargement of the EEA.

The EEA Agreement provides for the inclusion of EU legislation covering the four freedoms — the free movement of goods, services, persons and capital — throughout the 30 EEA States. In addition, the Agreement covers cooperation in other important areas such as research and development, education, social policy, the environment, consumer protection, tourism and culture, collectively known as "flanking and horizontal" policies. The Agreement guarantees equal rights and obligations within the Internal Market for citizens and economic operators in the EEA.

What is the EEA Not?

The EEA Agreement does not cover the following EU policies:

- Common Agriculture and Fisheries Policies (although the Agreement contains provisions on various aspects of trade in agricultural and fish products);
- Customs Union;
- Common Trade Policy;
- Common Foreign and Security Policy;
- Justice and Home Affairs (even though the EFTA countries are part of the Schengen area); or
- Monetary Union (EMU).

Although it does not cover agriculture (the CAP) or fisheries (the CFP), some market access is allowed. Following negotiations between the EC and EFTA on the creation of the EEA, an agreement was reached allowing Iceland access to EC markets free of tariff for most of its marine exports and partial access to EC waters in return for a guota of catch by EC fishing

vessels in Icelandic waters. Norway adheres to EU fisheries conservation measures and the quota system.

EEA countries also make annual financial contributions to the EU in return for access to its single market. Over the period 2009 to 2014, Norway is providing almost €1.8 billion through the EEA and Norway grants to efforts to reduce social and economic disparities within the EEA.³ (The UK's estimated net annual contribution to the EU budget was £8.1 billion in 2011 and £6.9 billion in 2012.⁴) The EEA and Norway grants were negotiated in parallel with the negotiations on improved market access for seafood, which is an area where the EEA Agreement does not provide for full market access.⁵

When Norway joined the EEA it was able to agree some adjustments and exclusions, including the television directive, non-life insurance directive, regulation of pesticides and some transport legislation.⁶ The Norwegian island of Svalbard, in the Arctic Ocean, is excluded from the EEA.⁷

4 Schengen, immigration and police

Norway is one of the four non-EU states to be part of the 'Schengen' area (along with Iceland, Switzerland and Liechtenstein). It is an associate member, without voting rights.

Border and passport controls have been removed in EU Member States that have ratified the Schengen agreement, with the corollary that external borders will be better controlled. In addition, the network of cooperation between the police and judicial authorities has been improved. A vital element is the Schengen Information System, a data bank providing information about wanted persons and goods.

Norway's participation in Schengen involves:

- being included in the area without checks at internal borders;
- applying all the provisions of the Schengen acquis and all Schengen-relevant texts adopted pursuant to it;
- parts of EU police cooperation measures
- being involved in decisions relating to Schengen-relevant texts but without the right to vote.⁸

Norway, Iceland, Switzerland and Liechtenstein's involvement in decision-making comes through the mixed committees that that meet alongside the working parties of the EU Council. These countries participate in discussions on the development of the Schengen *acquis*, but do not take part in voting.

Norway participates in related agencies including Europol, Eurojust and the European Border Agency (Frontex). It is also part of the EU's Dublin Regulation co-operation on asylum, and the European Migration Network.

Norwegian Ministry of Foreign Affairs, *Norway and the EU – partners for Europe*, 2011, p4. See also "The EEA and Norway Grants: Solidarity and cooperation in Europe", Press release, 27 April 2012

See *EU annual budgets* 2007 – 2013, Library Standard Note 6463,14 December 2012

Norwegian mission to the EU, *The EEA and Norway Grants*, last updated 20 December 2012

Norwegian Ministry of Foreign Affairs, *EEA Agreement and Norway's other agreements with the EU*, October 2012 ch 5.3.2

⁷ See Protocol 40 on Svalbard, Official Journal L 001, 03/01/1994, and Article 126 EEA Agreement

[&]quot;The Schengen area and cooperation", Europa summaries of EU legislation, 3 August 2009 [accessed 14 January 2013]

5 Defence and security

Norway is actively seeking association with the EU's foreign & security and security & defence policies (CFSP and CSDP).

- It has entered into a separate agreement with the EU for participating in EU civilian and military operations, and has participated in several EU-led operations in the Balkans (including the EU police mission in Bosnia), in Asia and in the Middle East.
- Norway also has a special agreement with the European Defence Agency (EDA) which allows it to participate in the EDA's activities.
- Norway is part of the UN-mandated Nordic Battle Group under EU auspices, and has pledged personnel and equipment to CSDP Rapid Reaction Force.

It has limited participation in EU foreign policy matters:

As part of the EEA Agreement, there are foreign policy consultations twice a year in the margins of EEA Council meetings. Together with the EFTA partners, Norway is invited to consultations with the Council working groups on topics of common concern such as the Middle East, the Balkans, Russia, the OSCE and the Council of Europe. In addition, Norway is frequently invited to align itself with foreign policy statements by the EU, or with EU interventions in international organisations.⁹

The EU's External Action Service (EEAS) describes Norway as "a valuable partner for the EU on the international stage with frequently shared policy priorities, for example in the areas of energy and climate change. It is also an active partner concerning the Arctic". ¹⁰

6 Other policy areas

Norway also cooperates with the EU on other policy areas including fisheries (quotas, monitoring, harbour control, market access, etc), agriculture (trade and market access), energy, climate change and maritime affairs.¹¹

7 EU projects and agencies

As part of the EEA and under other agreements, Norway participates in 21 EU agencies. As a general rule, it can speak and put forward proposals at these agencies' meetings, but cannot vote.

It also participates in 20 EU programmes in areas as diverse as research and education (Erasmus etc.), business, information services and information security systems, culture, consumer policy, civil emergencies, public health and statistics.

Norway provides significant levels of funding to these projects and programmes:

EEA EFTA states fund their participation in programmes and agencies by an amount corresponding to the relative size of their gross domestic product (GDP) compared to the GDP of the whole EEA. The EEA EFTA participation is hence on an equal footing with EU member states. In addition the EEA EFTA states second several national experts to posts in the European Commission. These posts are 100% financed by the EEA EFTA states.

⁹ Norwegian Ministry of Foreign Affairs, Norway and the EU – partners for Europe, 2011, p15

¹⁰ European External Action Service: Norway [accessed 8 January 2012]

See Norwegian Ministry of Foreign Affairs, *Norway and the EU – partners for Europe*, 2011, pp21-22

The total EEA EFTA commitment amounts to 2.4% of the overall EU programme budget. In 2010 Norway's contribution was €210 million. This constitutes 97 % of the total EEA EFTA contribution. Throughout the programme period 2007-2013, the Norwegian contribution will increase substantially in parallel with the development of the EU programme budget, from €130 million in 2007 to 290 million in 2013. 12

8 Influence

Norway has little influence on the EU laws and policies it adopts.

EFTA countries' membership of the EEA requires them to adopt EU standards and law related to the single market. They can also choose to align themselves with Europe in other areas. However, once they have chosen the areas for cooperation, they must accept everything in that area whether they like it or not. They have no representation in the EU institutions, and only indirect influence – including the right to be consulted – on European legislation affecting them. This is known as a 'democratic deficit'. Their scope for influence is greatest at the very early stages: the preparation of Commission proposals and the preliminary discussions in the Council and the European Parliament.¹³

The Norwegian government has summarised the forums in which it meets the EU:

The EEA Agreement introduced the EEA Council to establish political priorities for implementing and developing the Agreement. The EEA Council meets twice a year at ministerial level to assess the overall functioning of the EEA Agreement and to discuss matters of common concern such as climate and energy, the Europe 2020 strategy, maritime policy and the Arctic. Its Presidency alternates between the EU and the EEA EFTA chair.

In connection with each EEA Council meeting, a separate political dialogue meeting is held to discuss foreign and security policy issues.

The Schengen association agreement gives Norway the right to participate in the work of the Council at political, senior official and expert levels, although without the right to vote when formal decisions are taken. Through the Mixed Committee the Norwegian Minister for Justice and the Police takes part in the discussions when matters relevant to Schengen are on the agenda.

In addition to the established structure provided for by the EEA Agreement, various bilateral high-level meetings take place. The Prime Minister meets with the President of the European Council, the President of the European Commission and the EU Presidency. The Minister of Foreign Affairs meets regularly with the High Representative of the Union for Foreign Affairs and Security Policy. The members of the Government meet with members of the Commission to discuss issues of common interest.

Based on a long-standing tradition between the EFTA states and the EU Presidency, various Norwegian ministers are invited to informal ministerial meetings and conferences arranged by the EU Presidency.

The Norwegian Minister of Defence is invited to a political dialogue with the High Representative of the Union for Foreign Affairs and Security Policy together with

Norwegian Ministry of Foreign Affairs, Norway and the EU - partners for Europe, 2011, p11

Norwegian Ministry of Foreign Affairs, *EEA Agreement and Norway's other agreements with the EU*, October 2012, ch5.2 [in Norwegian – a summary of the white paper is available here: http://www.eu-norway.org/news1/Norway-the-EEA-Agreement-and-Norways-other-agreements-with-the-EU/]

ministers from the other European NATO members that are not EU members and countries that are candidates for EU membership.

Norway is also invited to the European Parliament to present Norwegian views on topical issues, such as Norwegian involvement in the Middle East, the Arctic and the High North, Norway's energy policy or gender equality. Both the Foreign Minister and other ministers have been invited. Norway also takes part in the Space Council as a member of the European Space Agency. The Norwegian Minister of Trade and Industry is present when the Competitiveness Council discusses matters relating to the Agency. ¹⁴

Norway has a Mission to the EU which is staffed by about 60 people and represents every Norwegian government department. It also seconds national experts to the Commission and to EU agencies under the Commission's administrative authority (but there is no similar agreement with the other EU institutions). Norway and the other EEA members have the right to participate in expert groups and committees that the Commission consults, where these concern EEA matters. 16

The Norwegian government feels that it has become increasingly difficult to influence EU legislation and protect Norwegian interests and models (for example the Norwegian work model). It wants to make the most of its ability to have some influence at the early stages of proposals, and of being able to express its view when implementation measures are being discussed in EU 'comitology committees':

Norway participates when the Commission adopts supplementary legislation following discussions in committees made up of representatives of the member states, i.e. the procedure known as the comitology system. Under the EEA Agreement, Norway is entitled to participate as an observer in these committees, which provides an opportunity to discuss matters of substance and put forward our views at an early stage. ¹⁷

Norway's Foreign Minister recently highlighted some of the most important European policy issues on Norway's agenda:

- helping to influence the European Commission to withdraw its proposal to restrict the right to strike (the "Monti II Regulation")
- absorbing and welcoming labour immigration following the EU enlargement of 2004, but on the other hand producing action plans to combat social dumping on Norway
- awarding the Nobel Peace Prize to the EU
- promoting more effective police efforts to combat organised crime, through the EEA and Norway Grants, Schengen cooperation, Europol, Eurojust, cooperation between police training colleges, Prüm cooperation and Norway's parallel agreement to the European Arrest Warrant¹⁸
- reaching a special agreement with the EU on how the Renewables Directive should be implemented in the EEA in the period up to 2020

Norwegian Minister of Foreign Affairs Jonas Gahr Støre, Biannual address to the Storting on important EU and EEA matters, 17 November 2011

¹⁴ Norwegian Ministry of Foreign Affairs, *Norway and the EU – partners for Europe*, 2011, pp16-17

Norwegian Ministry of Foreign Affairs, *EEA Agreement and Norway's other agreements with the EU*, October 2012 ch7.3 [in Norwegian]

¹⁶ EEA Agreement, Articles 99 and 100

Norwegian Minister of Foreign Affairs Espen Barth Eide, *Biannual address to the Storting on important EU and EEA matters*, 13 November 2012

 being invited to take part on a temporary basis in regional expert groups on EU cooperation in the area of energy infrastructure that are selecting "projects of common interest".

The Norwegian government's white paper on relations with Europe gives some examples of how Norway has used its limited scope for action when it feels EU proposals are not in its interests. For example, the Commission's 2008 proposal for a Consumer Rights Directive would have weakened several areas of the Norwegian consumer rights. Norway established a clear position, with domestic and industry coordination, issued a joint statement with EFTA, held meetings with Nordic counterparts, and seconded a Norwegian national expert to the unit in the Commission dealing with the proposal. Norway felt the final 2011 directive was a significant improvement from its point of view and that "some points in the final directive had been amended in accordance with Norwegian wishes and suggestions". 19

9 Incorporating EU laws

Once EU laws have been passed, the EEA Joint Committee (in which the EU is represented by the European Commission) works to extend them – generally without any amendment – to the non-EU members of the EEA. Some adjustments – substantive or geographical limitations, institutional adjustments, transitional arrangements or exceptions – may be permitted.²⁰

There have been delays in incorporating new EU laws into the EEA agreement, but some progress has been made recently:

The Council notes that overall, the EEA Agreement has continued to function in a satisfactory manner. The Council welcomes the substantial efforts made by the three EEA EFTA countries (Iceland, Liechtenstein and Norway) in the course of the past year to reduce the number of outstanding legal acts still to be incorporated into the EEA Agreement. The Council draws the attention to the importance of addressing, as a matter of priority, the remaining large number of legal acts, for which the compliance date in the EU has passed, but which have not entered into force in the EEA EFTA countries as their incorporation into the EEA Agreement has been delayed. In this regard, the Council underlines that the principles of homogeneity and legal certainty guarantee the efficiency, sustainability and ultimately the credibility of the single market and must therefore continue to guide the action of all parties in relation to the functioning of the EEA Agreement.²¹

Norway has incorporated approximately three quarters of all EU legislative acts into Norwegian domestic law. EU law affects around 170 of a total of 600 Norwegian statutes and approximately 1,000 Norwegian regulations.²² The Norwegian parliament, the Storting, has to approve major EU instruments before they become part of Norwegian law, but there has generally been strong parliamentary support for them:

The Storting must consent to ratify all new EU agreements or legislative acts that entail significant new obligations for Norway. In the period 1992–2011, the Storting voted on a total of 287 such EU matters, 265 of which were unanimously agreed to, and most of

¹⁹ Norwegian Ministry of Foreign Affairs, *EEA Agreement and Norway's other agreements with the EU*, October 2012, ch5 box 5.1 [in Norwegian]

Norwegian Ministry of Foreign Affairs, *EEA Agreement and Norway's other agreements with the EU*, October 2012, ch5.3.2 [in Norwegian]

Council of the European Union, Council conclusions on EU relations with EFTA countries, 20 December 2012
Report by the EEA Review Committee, Outside and Inside: Norway's agreements with the European Union,
January 2012, Official Norwegian Reports NOU 2012: 2, ch1 p6

the remaining 22 were agreed to by a broad majority. There have been some controversial EU/EEA matters over the years, but there have been few disputes with the EU given the extent of our adaptation to the EU, and these disputes have not damaged our overall relations. Of the more than 6 000 new EU legislative acts that have been incorporated into the EEA Agreement, the use of our right to enter a reservation has only been proposed in connection with 17, and so far we have not entered a reservation in practice, although the first case may be on the horizon.²³

The EEA Council – the members of the Council of Ministers (in its General Affairs and External Relations formation) and one representative each for the EFTA EEA country governments – meets twice a year.

Because the EEA EFTA states are not members of the EU, they are not subject to the direct jurisdiction of the European Commission or the Court of Justice of the European Union. Separate EEA EFTA bodies have therefore been set up to parallel these EU bodies:

The EFTA Surveillance Authority (ESA) corresponds to the surveillance function of the Commission and ensures that Iceland, Liechtenstein and Norway respect their obligations under the EEA Agreement. It also ensures that companies in these countries abide by the common competition rules. The Authority can investigate possible infringements of EEA provisions, either on its own initiative, or on the basis of complaints. There is close contact and cooperation between the Commission and the Authority.

The EFTA Court corresponds to the Court of Justice of the European Union in matters relating to the EEA EFTA states. The EFTA Court deals with infringement actions brought by the EFTA Surveillance Authority against an EEA EFTA state and handles disputes between two or more EEA EFTA states. ²⁴

10 The future

The future of the EEA if Iceland leaves to join the EU is unclear;²⁵ the whole EEA Agreement may have to be renegotiated. Other countries may wish to join. In this context, Norway has been looking in detail at its relations with Europe.

Around the time that Iceland started accession talks with the EU, Norway set up an EEA Review Committee, which reported in January 2012. The following chapters of the committee's report, called *Outside and Inside*, ²⁶ are available in English:

- official translation of Chapter 1, which includes a brief overview of the committee's main findings
- unofficial translation of Chapter 3 Norway's agreements with the EU
- unofficial translation of Chapter 13 Other parties' views on Norway's agreements with the EU
- unofficial translation of Chapter 26 Europeanisation of Norway 1992 2011
- unofficial translation of Chapter 27 Outside and Inside Norway's European Dilemma
- unofficial translation of Chapter 28- The way forward

Report by the EEA Review Committee, *Outside and Inside: Norway's agreements with the European Union*, January 2012, Official Norwegian Reports NOU 2012: 2, ch1 p8

Norwegian Ministry of Foreign Affairs, Norway and the EU – partners for Europe, 2011, p9

See for example "Norway sparks debate on future of EU relations", *EurActiv*, 18 January 2012

Report by the EEA Review Committee, *Outside and Inside: Norway's agreements with the European Union*, January 2012, Official Norwegian Reports NOU 2012: 2 [in Norwegian]

The review was broadly positive, concluding that Norway's relations with the EU are pragmatic, flexible and work better than many expected:

In principle, this is a difficult arrangement, with inherent structural tensions and problems. In practice, however, this form of association has worked, and far better than many expected ... Another important point is that the agreements with the EU have on the whole safeguarded Norwegian interests and values²⁷

In the Committee's view, the biggest problem is the democratic deficit:

The most problematic aspect of Norway's form of association with the EU is the fact that Norway is in practice bound to adopt EU policies and rules on a broad range of issues without being a member and without voting rights. This raises democratic problems. Norway is not represented in decision-making processes that have direct consequences for Norway, and neither do we have any significant influence on them. Moreover, our form of association with the EU dampens political engagement and debate in Norway and makes it difficult to monitor the Government and hold it accountable in its European policy.

This is not surprising; the democratic deficit is a well-known aspect of the EEA Agreement that has been there from the start. It is the price Norway pays for enjoying the benefits of European integration without being a member of the organisation that is driving these developments. Although the democratic problems are as great today as they were 20 years ago – and have in fact increased – this is a situation that the broad political majority has been willing to accept and that many have become accustomed to. Norway's agreements with the EU are firmly established, both constitutionally and politically, through a large number of decisions of the Storting.²⁸

A related problem raised by the Committee is that the arrangements de-politicise issues: issues that would otherwise have been high on the political agenda are passed without debate in Parliament when they arrive as EU/EEA measures, and there is little public awareness or involvement.²⁹

The report also suggests that adopting such a large supranational system through the framework of a narrow international legal agreement is like wearing a suit that is too tight: it bulges between the buttons and strains the seams.³⁰

Overall, it describes the Norwegian model of association with the EU as being "confusing":

because it is difficult to get an overview of the whole, because there is so much distance between formality and reality, and because the depoliticised individual cases put a lid on the debate. The result is that there are very few people – not only in the general public but also in politics, government and the media – who know the true breadth and depth of Norwegian EU adaptation.³¹

Report by the EEA Review Committee, *Outside and Inside: Norway's agreements with the European Union*, January 2012, Official Norwegian Reports NOU 2012: 2, ch1 p7

Report by the EEA Review Committee, *Outside and Inside: Norway's agreements with the European Union*, January 2012, Official Norwegian Reports NOU 2012: 2, ch1 p7

Report by the EEA Review Committee, *Outside and Inside: Norway's agreements with the European Union*, January 2012, Official Norwegian Reports NOU 2012: 2 [in Norwegian], ch27

Report by the EEA Review Committee, *Outside and Inside: Norway's agreements with the European Union*, January 2012, Official Norwegian Reports NOU 2012: 2 [in Norwegian], ch27

Report by the EEA Review Committee, *Outside and Inside: Norway's agreements with the European Union*, January 2012, Official Norwegian Reports NOU 2012: 2 [in Norwegian], ch27

The report was followed by a white paper from the Norwegian Government on EU relations.³² The (pro-EU) Foreign Minister, Espen Barth Eide, supports Norway's strong links with the EU:

Norway's interests are best served by striving to maintain stability and predictability in the European cooperation. This means continuing to pursue an active European policy.³³

But he wants to find ways to promote Norway's interests more effectively in the EU:

It is important that we are clear about what Norway's interests are, and that we use the room for manoeuvre available to us to further these interests more effectively. This is one of the main messages of the Government's white paper on Norway's European policy and the recently submitted white paper on the EEA Agreement and Norway's other agreements with the EU.

The Government's active European policy has successfully safeguarded important Norwegian interests. We have, for example, retained our system of regionally differentiated employers' contributions, an important element of an effective policy for securing economic activity across the country.

And we have gained acceptance for the right of reversion that ensures public ownership of our inexhaustible hydropower resources.³⁴

The white paper placed a strong emphasis on Norway influencing EU policy at its early stages:

In the white paper, the Government attaches importance to making full use of the opportunities open to Norway under the EEA Agreement. We need to take a proactive approach and set clear priorities and we will actively promote Norwegian interests. We will also make active use of the opportunities available to us in implementing the legislation. In cases where the development of legislation is not compatible with Norwegian interests, the Government will use the opportunities provided by the agreement to safeguard Norway's interests...³⁵

Norway also wants to increase public awareness of EU and EEA matters, for instance including a separate page on its European portal for new initiatives coming from the Commission.³⁶ Parliament has now asked the government to consult it at an early stage about EU/EEA cases, and the Foreign Minister gives explanations about the EU/EEA to Parliament every six months. A new system was established in spring 2011, where the EFTA secretariat forwards Commission proposals for legislation that is believed to be EEA

Norwegian Ministry of Foreign Affairs, *EEA Agreement and Norway's other agreements with the EU*, October 2012 (in Norwegian). A summary of the white paper in English is also available.

Norwegian Minister of Foreign Affairs Espen Barth Eide, *Biannual address to the Storting on important EU and EEA matters*, 13 November 2012

Norwegian Minister of Foreign Affairs Espen Barth Eide, *Biannual address to the Storting on important EU and EEA matters*, 13 November 2012

[&]quot;Norway and the EEA Agreement", Norwegian Ministry of Foreign Affairs press release, 12 October 2012. The full report is available in Norwegian on the Norwegian Ministry of Foreign Affairs website: *EEA Agreement and Norway's other agreements with the EU*, October 2012. A summary of the white paper in English is also available.

Norwegian Ministry of Foreign Affairs, *EEA Agreement and Norway's other agreements with the EU*, October 2012 ch 7.1 (in Norwegian)

relevant to the Parliament and the relevant government departments. The government is also trying to get more local and regional involvement in EEA issues.³⁷

Most of Norway's political parties either support or at least accept the current arrangement, even if it is not their first choice:

Although it is not the first choice of any of the political parties (with the exception of the Christian Democratic Party and the Liberal Party), most of the other parties have it as second choice, and it has become clear that all the parties can in practice live with this form of association ... Norway's cooperation with the EU has evolved because a broad political majority has wanted it to. While the question of Norwegian membership of the EU has been and still is one of the most contentious issues in Norwegian politics, there has been little dispute over Norway's association with the EU since 1994. The EEA Agreement and the other agreements have been a compromise that nearly all the political parties have been able to live with, and they have provided a basis for stable coalition governments. On the whole, successive Storting majorities and governments have in practice pursued the same European policy³⁸

It is unlikely, therefore, that Norway will pursue any major change of direction in its relations with the EU – either loosening its ties or seeking to join as a full member – in the short to medium term.

Norwegian Ministry of Foreign Affairs, *EEA Agreement and Norway's other agreements with the EU*, October 2012 ch 4 (in Norwegian)

Report by the EEA Review Committee, *Outside and Inside: Norway's agreements with the European Union*, January 2012, Official Norwegian Reports NOU 2012: 2, Chapter1 p8