

SHORT PAPER 3:
THEORIES REGARDING NORWEGIAN
RESISTANCE TO EUROPEAN UNION
MEMBERSHIP

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Introduction

Norway and Sweden are neighboring countries with a border over 1,600 kilometers long. Not only do they occupy a very similar land, they also share a significant portion of their history. During the middle ages, Norway and Sweden, along with Denmark, were united under one king. That Scandinavian union dissolved but Norway was forcefully united with Sweden in the 19th century after the Napoleonic wars and remained united until 1905 (The Royal House of Norway, n.d.).

Today, Norway and Sweden are independent nations but still remain similar in many aspects. Both countries are governed by a parliamentary constitutional monarchy with multiple political parties represented in parliament with seats distributed to parties based on proportion of electoral vote (Norwegian Centre for Research Data, n.d.). Additionally, both Norway and Sweden spend higher than average amount per capita on education and have similar achievement scores on the Program for International Student Assessment (PISA) exam. They also have similar rates of unemployment and low poverty rates due to similar social spending rates of roughly one quarter of their respective GDPs (OECD, n.d.).

Despite sharing much of their history, with many similarities in economic and social traits continuing into today, there is one major difference between the two countries - Sweden is a member of the European Union (EU) whereas Norway is not. In the following sections, three theories will be presented regarding possible reasons for this divergence.

Theory 1: Relative Importance of Independence

Despite an extensive shared history, Sweden has been an independent nation for centuries whereas Norway had to fight for independence twice in the 19th century and again during the Second World War; this history has significantly impacted the nation's desire for independence in a way that is not mirrored in Sweden (Hjerm, 1998). Under the union with Sweden, Norway was considered an independent state; however, they tired of being

subordinate to Sweden, especially in terms of foreign policy. As a result, a sense of national identity emerged and eventually union with Sweden was dissolved in 1905 (Hjerm, 1998; The Royal House of Norway, n.d.), however, the sense of national identity remains.

To promote their national economy, both Norway and Sweden joined the European Free Trade Association (EFTA) in 1960, allowing them to trade freely with each other and five other European nations (Mission of Norway to the EU, n.d.). The EFTA states eventually joined with the European Economic Area (EEA) to sign an agreement which allowed for free trade with member states of the European Community (EC), which was later subsumed by the EU (EFTA, n.d.). Norway first considered joining the EC by holding a referendum in 1972; a majority of citizens voted against joining the EC. This vote came only 67 years after gaining national independence. In 1994, both Norway and Sweden held referendums to join the EU. Sweden voted in favor of accession but Norway did not (Mission of Norway to the EU, n.d.; Government offices of Sweden, 2015). For Norway, this referendum was still less than a century after becoming an independent nation. Sweden, however, with its long history of independence and even rule over other countries, favored accession in part because they were willing to trade some autonomy in exchange for a seat at the table with EU decision-makers.

Remaining in the EEA means that Norway is beholden to select EU laws and regulations, however they maintain some key freedoms, such as the ability to set their own immigration policies, that would be constrained under EU membership. By joining the EFTA and trade agreements through the EEA while remaining independent of the EU, Norway can freely move goods while being subject to a minimum amount of political and economic policies they did not independently establish. Because their independence is relatively young, Norwegians are less likely to see cession of some of these freedoms as acceptable when their economic relationship with the EU is stable.

Theory 2: Economic Impact of Fishing

Fishing is a significant part of the Norwegian economy. The export of seafood accounts for over ten percent of total GDP in Norway, whereas it provides roughly two percent of Sweden's exports (see table 1).

Table 1: Economic Impact of Fishing and Aquaculture

	2017 Exports	2017 Exports as % of GDP
Norway	\$11.1B	10.5%
Sweden	\$2.3B	1.6%

Source: OEC

Members of the EU, including Sweden, are subject to the Union's Common Fisheries Policy (CFP). This policy recognizes bodies of water around Europe as a shared resource and thus seeks to ensure equal access to this resource for all EU members and to prevent over-fishing (CFP, n.d.). It also imposes regulations on aquaculture, the breeding, raising, and farming of seafood. While Norway is beholden to some of these policies because of its membership in the EEA, they are not currently required to comply with every part of the CFP.

As shown above, the Norwegian economy relies heavily on the export of fish. If Norway were to join the EU, this sector would likely suffer a significant loss as Norwegian fisherman are forced to share resources, for example with neighboring Sweden. As competition is introduced, price wars will likely drive the price of fish down. Additionally, as other countries are able to fish in previously single-access areas, their supply of fish will increase and the demand for exported Norwegian fish will go down. This has the potential to significantly lower Norway's GDP. Because Sweden is less reliant upon this industry, ceding access to their coastal waters in order to join the EU was likely not as significant a consideration.

Enabled by the EEA, Norway exports the majority of its fish to other European countries even though it is not part of the EU (OEC, n.d.). Because of this agreement, Norway is able to freely export one of its major goods throughout the EU without having to become a

member and cede as much control of its fishing and aquaculture industries.

Theory 3: Reliance on European Imports

Even though the EEA enables free exchange of goods between Norway and other European member countries, only 63% of Norwegian imports come from European countries; the largest portion of those imports come directly from neighboring Sweden (OEC, n.d.). Sweden, however, relies on Europe for 82% of its imports (OEC, n.d.).

The Norwegian economy is comprised in large part of natural resources like animal or mineral products rather than manufactured goods like electronics or automobiles which, consequently, comprise much of their imports. Many of these imports come from Asian countries; in fact, Norway imports almost one quarter of total imported goods from Asia, roughly twice as much as Sweden (OEC, n.d.). At 7.4%, cars are by far the largest import industry in Norway. Almost one third of cars heading to Norway come from outside Europe. In contrast, cars makeup 6.5% of Swedish import and over 90% of those cars come from Europe (OEC, n.d.).

Additionally, one of the top imports for many EU member countries is crude petroleum; for example, it is the second largest import in Sweden. One reason that Norway is less reliant on imports from EU is because it does not need to import as much petroleum. In fact, depending on the year, roughly a third to a quarter of Sweden's petroleum imports come from Norway. Norway also exports a good deal of petroleum to other EU countries like France and the UK (OEC, n.d.).

Because the people of Norway are less reliant upon European goods than those in Sweden, they are less likely to view a stronger relationship with the EU as vital to their quality of life. This view, coupled with the existing economic relationship established by the EEA likely has played a role in keeping accession from reaching another referendum.

Summary and Conclusion

Despite an extensive shared history and many social, political, and economic similarities, Norway and Sweden have a different relationship with the EU. While Sweden elected to join the EU in a 1994 referendum, Norway voted against accession the same year. This can be explained by Norway's relatively recent independence from Sweden which impacted nationalism throughout the country, ultimately resulting in the view that Norway should retain more control over its foreign and domestic policies. Additionally, fishing and aquaculture are highly important to the Norwegian economy. A desire to retain sole control of fishing in their coastal waters was likely very important in Norway's decision to remain separate from the EU. Finally, Norway is not as dependent on imports from the EU as Sweden is. Because they are able to get a significant portion of their goods from other countries or continents, Norwegians are less likely to feel dependent on the EU which makes them less likely to view an even stronger relationship such as joining the EU as imperative.

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