

# Bachelor Thesis

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“To what extent can the Kingdom of Norway be regarded as the 28<sup>th</sup> Member State of the European Union?”

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This Bachelor thesis focuses on the EU-Norway relationship and tries to answer the question whether the Kingdom of Norway can be regarded as the 28<sup>th</sup> member state of the European Union. The close cooperation between the European Union and the Kingdom of Norway is examined and related to the question what really constitutes membership within the EU. The formal as well as the informal criteria for membership are analysed and applied to the Kingdom of Norway.

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## Executive Summary

The Kingdom of Norway has a very close cooperation with the European Union although it is not formally a member state of it. Therefore the following research question arises:

“To what extent can the Kingdom of Norway be regarded as the 28th member state of the European Union?”

In order to be able to answer the mentioned research question it is defined what constitutes membership in the EU. A mixture of formal and informal criteria can identify membership within the European Union

Formal criteria for memberships are covered by the Treaty of the European Union (TEU) in article 6 and article 49. Informal criteria identified and selected are comprised of the involvement in fishery, the involvement in the Common Agricultural Policy (CAP), the involvement in the EU budget and the involvement in the European Monetary Union (EMU). It is assessed in what way the Kingdom of Norway complies with those.

In terms of formal criteria, the Kingdom of Norway could be regarded as a member already due to the fact that the country fulfils all mentioned aspects and bases its principles on the same as the EU does. Despite that the country also acts as a member state in the informal criteria, the involvement in the EU budget and partially in the informal criterion, the involvement in the European Monetary Union (EMU).

However in terms of two informal criteria the Kingdom of Norway can only partially be regarded as a member of the EU. Those two criteria are the involvement in fishery and the involvement in CAP. In both situations the Kingdom did not act as a member and requested amendments to the existing policies.

After analysing the criteria for membership and after assessing the relationship in terms of the theory of social constructivism, neo-functionalism as well as intergovernmentalism it becomes clear that the EU-Norway relation is very special. Membership in the European Union can be seen as a variable concept and whether or not the Kingdom can be regarded as the 28<sup>th</sup> member states of the EU depends on the area of interest.

## Chapter 1: Introduction

In this first chapter, the overall topic is introduced with the related research question. In addition to that the theories and concepts related to the topic are described as well as the research methods and the case selection method. Moreover, the data collection method is explained as well as the data analysis and finally a provisional table of contents is visible at the end of this first chapter.

The Kingdom of Norway lies in the Northern part of Europe and borders the countries Sweden, Finland and Russia. The country itself has approximately 4,676,305 million inhabitants but cannot be seen as a main world power (CIA factbook, 2010). The capital of the country is Oslo which lies at the end of the so-called Oslo Fjord. The city has approximately 521,886 thousand inhabitants (Gene Frankland, 2006, p. 182). The whole country is divided into 19 different counties and gained its independence in June 1905 from Sweden after the Kingdom of Norway declared the union with its neighbour as failed (CIA factbook, 2010). The overall languages spoken are “Bokmal as well as Nynorsk Norwegian which are official languages of the Kingdom of Norway” (CIA factbook, 2010). The country is a constitutional monarchy with the head of state, King Harald V and the Prime Minister and so far the head of the King’s government is Jens Stoltenberg (Regjeringen, 2010). The main political parties in Norway are the Christian People’s Party as well as the Labor and the Conservative Party and the universal suffrage is 18 years (CIA factbook, 2010).

Over the past years the Kingdom of Norway has become one of the wealthiest countries not only in Europe but also in the world. One of the reasons which made this possible is the discovery of natural-gas and oil reserves in the Northern Sea (Gene Frankland, 2006, p. 185). Not only gas and oil reserves are responsible for the high standard of living in the country but also “fish, hydropower, forests, minerals and manufactured products” (CIA factbook, 2010). Moreover, Norway is one of the largest exporters in terms of seafood worldwide (Norwegian Ministry of Foreign Affairs, 2009). The countries GDP (purchasing power parity) in 2009 was around \$268.3 billion with an official exchange rate (GDP) of \$378.6 billion (CIA factbook, 2010). The overall unemployment rate of the Kingdom of Norway was around 3.2% in 2009 whereas the inflation rate was approximately 2.1% in 2009 (CIA factbook, 2010).

“The main exports of the country are petroleum and petroleum products, machinery and equipment, metals, chemicals, ships and fish for a total amount of \$122 billion in 2009“ (CIA factbook, 2010). The main trading partners are member states of the European Union such as the United Kingdom and Germany (CIA factbook, 2010). Another trading partner is the United States (CIA factbook, 2010). “The imports of Norway are mainly machinery and equipment, chemicals, metals and food related products“ (CIA factbook, 2010). The overall amount of those products was around \$66.68 billion in 2009 (CIA factbook, 2010). Again the main trading partners are member states of the European Union as well as the United States.

Over the past years the Kingdom of Norway and the European Union developed a close cooperation with each other.

Within this next section, a historical overview/written timetable about this cooperation between the Kingdom of Norway and the European Union is given.

This close cooperation started on 3 May 1960 with the establishment of the European Free Trade Area (EFTA) (Norwegian Ministry of Foreign Affairs, 2009, p. 6). Besides Norway, the countries Austria, Denmark, Portugal, Sweden, Switzerland and the UK were part of this arrangement (Norwegian Ministry of Foreign Affairs, 2009, p. 6). The EFTA is an organization which promotes free trade as well as economic integration among its member states (EFTA, 2010).

The next step in this partnership, from 1961-1967, was the application of Norway together with Ireland, Denmark and the United Kingdom to become a member of the European Economic Community (Norwegian Ministry of Foreign Affairs, 2009, p. 6). However this application was postponed due to the fact that President Charles de Gaulle vetoed the application of the United Kingdom (Norwegian Ministry of Foreign Affairs, 2009, p. 6). In 1969 the debate about membership was re-opened and in 1970 negotiations started again (Norwegian Ministry of Foreign Affairs, 2009, p. 6). In 1972 one of two referenda was held in Norway on the membership of the European Union. In 1972 the Norwegians refused to join the European Community with a majority of 53,5% (Norwegian Ministry of Foreign Affairs, 2009, p. 6).

In the year 1992 a very important step took place in the development of the partnership between Norway and the EU. “The EEA Agreement was signed between the EFTA states and the European Community” (Norwegian Ministry of Foreign Affairs, 2009, p. 6). Again the Kingdom of Norway as well as Finland, Sweden and Austria apply for membership (Norwegian Ministry of Foreign Affairs, 2009, p. 6). In 1994 the Kingdom of Norway held another referendum whether they should join the EU or not. Again as in 1972, the Norwegians voted against EU membership with a majority of 52,2% (Sogner & Archer, 1995, p. 389). Another important aspect in this year was the fact that the EEA Agreement was coming into effect (Norwegian Ministry of Foreign Affairs, 2009, p. 7).

The next remarkable step was the Schengen Convention in 2001. This Agreement made it possible that passport controls between Norway and the other Schengen members were erased (Norwegian Ministry of Foreign Affairs, 2009, p. 7).

“In 2004 the EEA Enlargement Agreement establishes a European Economic Area consisting of 25 EU member states and the EEA EFTA states Norway, Iceland and Liechtenstein” (Norwegian Ministry of Foreign Affairs, 2009, p. 7). This Agreement as well as the previous mentioned established the basis for the so-called flexible integration of the Kingdom of Norway with the European Union (Atilgan & Klein, 2006).

The Kingdom of Norway has not only a very close cooperation with the European Union but also a very unique one. Through the former mentioned EEA Agreement the Kingdom of Norway has the right to participate in the internal market of the European Union (Norwegian Ministry of Foreign Affairs, 2009, p. 8). This Agreement ensures the “freedom of movement of goods, persons, capital and services” (Norwegian Ministry of Foreign Affairs, 2009, p. 8). Despite that the internal market provides equality when it comes to competition as well as non-discrimination (Norwegian Ministry of Foreign Affairs, 2009, p. 8). One aspect which is highly important in this case is the fact that through the EEA Agreement the EU law has to be adapted to a large extent by non-members. This EU legislation deals with the internal market arrangements (Norwegian Ministry of Foreign Affairs, 2009, p. 8). One really important aspect for Norway is the fact that the common agricultural and fishery policies are not part of the EEA Agreement (Norwegian Ministry of Foreign Affairs, 2009, p. 9). Other aspects such as the common trade and common foreign and security policy are excluded as well (Norwegian Ministry of Foreign Affairs, 2009, p. 9).

Due to the fact that the EEA and EFTA states are not member states of the European Union they do not have to accept decisions made by the European Commission (Norwegian Ministry of Foreign Affairs, 2009, p. 9). In order to overcome this problem special bodies have been established which basically match EU institutions (Norwegian Ministry of Foreign Affairs, 2009, p. 9).

Not only has the EEA Agreement regulated the close cooperation with the EU but additionally the Kingdom of Norway participates in various EU programs such as Europol (Norwegian Ministry of Foreign Affairs, 2009, p. 12). Despite that Norway takes part in justice and home affairs which is partly regulated through the Schengen Agreement (Norwegian Ministry of Foreign Affairs, 2009, p. 13). Moreover the Kingdom of Norway cooperates closely with the EU when it comes to foreign

policy and security issues. As a general statement one can say that the EU and Norway are moving in the same direction when it comes to political developments (Eliassen & Sitter, 2003, p.133).

Although the Kingdom of Norway is not fully a member state of the European Union it is heavily cooperating with it. The Kingdom of Norway has a form of quasi-membership with the European Union (Eliassen & Sitter, 2003). This quasi-membership guarantees Norway active participation in EU programmes without becoming a full member with full obligations. Related to the whole topic is another term which focuses on the flexible geometry of the EU. Another term which can be linked in this perspective is called “fuzzy borders” (Christiansen et al., 2000). Although the EU clearly defines its member states, the borders of the EU are not as clear. The term “fuzzy borders” is additionally supported by Egeberg and Trondal (1999) who talk about a “variable geometry” in Europe.

As a result of the mentioned facts the question arises what really constitutes membership in the European Union. Membership is clearly defined by article 6 and article 49 of the Treaty on the European Union (Busby & Smith, 2007, p. 73, 85). What are however the informal criteria for membership in the European Union?

## 1.1 Research Question

The research question which can be derived after analyzing the relevant literature and articles is:

“To what extent can the Kingdom of Norway be regarded as the 28th member state of the European Union?”

This research question is a descriptive research question. It aims to explain either why the Kingdom of Norway can be regarded as the 28th member state or why it cannot be regarded as the 28th member state of the European Union.

Related sub-questions which help to answer the above mentioned research question are:

1. What constitutes membership in the European Union?
2. What are the formal criteria (Article 6, Article 49 of TEU) for EU membership?
3. What are the informal criteria (the involvement in fishery, the involvement in the Common Agricultural Policy (CAP), the involvement in the EU budget, the involvement in the European Monetary Union) for EU membership?

Those three sub-questions are discussed and analysed in the second chapter of this Bachelor thesis. Due to the fact that those three questions are highly related to each other it is important to examine those in one overall chapter. The second and third sub-questions are basically the follow up of the first sub-question of how they cover the term membership within the EU. Formal and informal criteria are analysed and discussed within the second chapter.

The next sub-question which is dealt with in the third chapter is:

4. What happens if those formal and informal criteria are applied to the Kingdom of Norway?

Within the third chapter the formal as well as the informal criteria mentioned are applied to the Kingdom of Norway. The chapter examines how the Kingdom of Norway deals with the criteria and in what way it complies with those.

The last sub-question which becomes relevant in relation to the overall topic is:

5. How can the overall topic be assessed in relation to European integration theories?

Within the fourth chapter the flexible relationship the Kingdom of Norway has to the European Union is related to the European integration theories. The chapter examines how the flexible relationship corresponds to the relevant theories.

Within the fifth chapter the conclusion is outlined. The conclusion not only answers the overall research question but provides lessons which can be learned from Norway and its flexible relationship to the European Union. This special form of quasi-membership Norway has with the EU could be an example for countries such as Switzerland.

## **1.2 Theory and Concepts**

Related to this overall topic are basically three main theories which become relevant in this case. Additionally the concept of flexibility as well as membership helps to describe the subject. Those three theories are the theory of social constructivism, the theory of neo-functionalism and the theory of intergovernmentalism. All three theories can to some extent cover the unique relationship between the Kingdom of Norway and the European Union. Those three theories are explained in the fourth chapter and a reference of the relevant theories to the overall topic is made.

## **1.3 Research Methods**

To be able to answer the overall research question articles as well as governmental documents and journals are used. Journal articles which deal with the overall aspects of the topic have been collected and analyzed. The reason why this approach is suitable is due to the fact that for this topic it is relevant to study different existing sources. Many authors and researchers have been dealing with Norway and its relation to the European Union before, but only few of them partly focus on the flexible membership criteria.

## **1.4 Case Selection and Sampling**

The one case selected is the Kingdom of Norway and its relation to the European Union. Although the Kingdom of Norway participates in various international organizations and cooperates heavily with the European Union it is not a member state of the EU. Another example of a state which behaves in that manner is in this case Switzerland. Both countries are in some way unique examples in terms of non-membership status in the European Union. The Kingdom of Norway is however the more extreme case due to the fact that it would favour so-called quasi-membership. The Kingdom of Norway needs the European Union as well as the other way around. In the final conclusion of the Bachelor thesis, not only the Kingdom of Norway is mentioned but also Switzerland because as stated previously the country is in the same situation (although less extreme) as the Kingdom of Norway.

## **1.5 Data Collection**

The data which is used in the thesis is qualitative data. Journal articles, relevant books as well as ministry documents are analyzed and frequently used in the overall research project. Not only documents and journal articles are subject to study but also speeches or newspaper articles. All

relevant data which cover the topic and help to come to a conclusion about the overall project are examined. A qualitative data collection best suits this research project because governmental documents as well as the other sources mentioned cover the topic in a way which reflects reality. A lot of articles as well as the other documents do look very critically at the overall topic and give a very good inside view on it.

## **1.6 Data Analysis**

The data analyzed are as mentioned in the former section mainly qualitative data. In order to be able to draw causal inference a study of an “extreme” case in terms of non-membership and cooperation with the European Union is examined. In this case this is the Kingdom of Norway. It is examined and analyzed how the Kingdom of Norway exactly cooperates with the European Union, what the criteria for membership are and in which way Norway meets those criteria.

## **1.7 Provisional Table of contents**

In this section the provisional table of contents for the Bachelor thesis is presented:

1. Chapter 1 Introduction: In the introduction the research question is stated and what the topic is about and what the thesis adds to existing knowledge.
2. Chapter 2 Membership criteria: In this chapter the sub-question what really constitutes membership is discussed. Related to it are the formal and informal criteria for membership.
3. Chapter 3 Membership criteria applied to the Kingdom of Norway: The membership criteria are applied to the Kingdom of Norway and discussed in this perspective.
4. Chapter 4 EU-Norway relations: an assessment from EU integration theories: The relevant theories are described and related to the overall topic.
5. Chapter 5 Conclusion: This chapter gives an answer to the research question as well as a description of the approaches followed and recommendations for future research and neighbouring countries.

## Chapter 2: Criteria for Membership within the EU

Within this second chapter, the membership criteria are analyzed. The questions under study are what really constitutes membership in the European Union and related to this question what are the formal as well as the informal criteria for membership.

In order to be able to answer the first overall sub-question, the formal as well as the informal criteria for membership must be examined. First of all the formal criteria for membership are explained and later on in this chapter the informal criteria involvement in fishery, EU budget, Common Agricultural Policy (CAP) and European Monetary Union (EMU) are examined.

### 2.1 Formal criteria for Membership within the EU

The formal criteria as mentioned previously in the introduction are clearly defined by article 6 and article 49 of the Treaty on the European Union (TEU). Article 6 states that the “foundation of the Union are the principles of liberty, democracy, respect for human rights, fundamental freedoms, the rule of law, and all principles which are common to member states” (Busby & Smith, 2007, p. 73). “Moreover the member states of the Union should respect fundamental rights as they are guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms signed in Rome” (Busby & Smith, 2007, p.73). “In addition to that the national identities of the several member states should be respected and the Union should provide itself with the means necessary to attain its objectives and carry out through policies” (Busby & Smith, 2007, p. 73).

Article 49 of the Treaty is basically the follow-up of article 6. “In article 49 it is stated that the European states which respect the principles provided in article 6 may apply to become a member state of the Union” (Busby & Smith, 2007, p. 85). “The conditions of admission for the relevant state as well as the adjustments to the Treaties should be the subject of an agreement between the member states and the applicant state” (Busby & Smith, 2007, p. 85). “This named agreement should be submitted for ratification by all contracting states in accordance with their respective constitutional requirements” (Busby & Smith, 2007. p. 85).

### 2.2 Informal criteria for Membership within the EU

The informal criteria for membership in the European Union are much harder to grasp and to identify. Four main informal criteria have been selected and are pointed out. Those criteria are the involvement in fishery, the EU budget, the Common Agricultural Policy (CAP) of the EU as well as the European Monetary Union (EMU). Those four criteria can show the flexible EU-Norway relationship to a large extent.

#### Involvement in Fishery

The first informal criterion is the involvement in fisheries. Since the Kingdom of Norway has a very long tradition when it comes to fishery, this criterion is of utmost importance for the country itself. The Kingdom of Norway is not only one of the world’s largest fish exporters but about 65% of the total fish export is traded with EU member states (Norwegian Ministry of Foreign Affairs, 2009).

Due to the fact that fish was one of the main exports of the Kingdom of Norway and besides that a huge market within the country, “Norway strongly asked for adjustments to the fisheries policy of the European Union right from the beginning” (Sogner & Archer, 1995, p. 397). In the 1970’s the

Common Fisheries Policy (CFP) meant a lot of problems for the country itself and the Norwegian government (Sogner & Archer, 1995, p. 397).

The main problem of Norway was that the European Union wanted its Community vessels to have the right to fish in Norwegian waters (Sogner & Archer, 1995, p. 397). “On the other hand the Kingdom of Norway wanted to maintain its already existing quotas with the relevant member states and to maintain the strict enforcement of quotas as well as catching regulations” (Sogner & Archer, 1995, p. 397). Although the Kingdom requested adjustments to the CFP and disapproved the fishing rights for Community vessels, the country strongly asked for full and free access to the European Union’s market in order to be able to sell its fish products (Sogner & Archer, 1995, p. 397). The former Fisheries Minister Olsen stated that the Kingdom “has no more fish to give away to the EU” which deepened the problems (Sogner & Archer, 1995, p. 397).

Despite the fact that Norway wanted free and fair access to the EU’s market in order to be able to sell its fishing products, the country also “wanted the affirmation of the link of the coastal settlements and the fish resources as well as the 12 miles fishing zone which should be retained until the year 2002” (Sogner & Archer, 1995, p. 397). “Moreover the Kingdom of Norway requested that it maintains the whole control over resources north of 62 degrees latitude” (Sogner & Archer, 1995, p. 398) In line with those claims was the view that the country should not only be part of the CFP but should also, as a traditional fishing industry, be more actively involved in the decision-making as well as the developments of the CFP (Sogner & Archer, 1995, p. 397). This would guarantee Norway’s permanent active role as the main fish exporter as well as securing its interests (Sogner & Archer, 1995, p. 397).

In September 1993, the overall negotiations concerning fisheries in the Northern Sea started. The outcome was a victory for the country itself (Sogner & Archer, 1995, p. 397). “Although it was unacceptable for the European Union to grant a country like Norway free access to the European market without the principle of reciprocity, the Kingdom of Norway was ready for an exchange of fishing products” (Sogner & Archer, 1995, p. 397). Furthermore the country finally agreed that an “increase in EU fishing quotas related to the Norwegian Arctic cod was granted” (Sogner & Archer, 1995, p. 397).

By the end of the negotiation process, Norway as well as the European Union gained from the agreements. The relative stability principle which was strongly asked for by Norway was granted which guaranteed a permanent system which allowed fishing quotas (Sogner & Archer, 1995, p. 398). On the other hand the Kingdom of Norway was granted the right for free and fair access to the European market for its fishing products as well as the demanded 12 miles fishing zone in front of the Norwegian coast (Sogner & Archer, 1995, p. 398). “Related to the free European market access was the fact that within four years the European Union could limit the sell of some species such as salmon whenever those are causing market disturbances such as the competition between member states” (Sogner & Archer, 1995, p. 398). In addition to that which was not proposed by Norway was the fact that the EU had the demand for “2000 tonnes of cod which was beyond the quotas agreed in the EEA Agreement” (Sogner & Archer, 1995, p. 398). Furthermore the Norwegian laws which set out that only “Norwegian citizens could own Norwegian registered fishing vessels was kept for a period of three and a half years” (Sogner & Archer, 1995, p. 398). After this period EU citizens were able to acquire Norwegian ships (Sogner & Archer, 1995, p. 397). In addition to that the water management “south of 62 degrees latitude was handed to the EU and later the north part of 62 degrees latitude was also handed to the EU as well as the negotiations with Russia concerning the grey zone in the part of the Barent Sea” (Sogner & Archer, 1995, p. 398). “In the end EU market regulations had to be adopted by Norway in order to be able to sell the fishing products and Norway decided to exchange ultimate control over the regulation of its offshore fisheries” (Sogner & Archer, 1995, p. 398).

Nowadays, as stated by the Norwegian Ministry of Foreign Affairs, the Kingdom cooperates closely with the European Union in “terms of the management of the marine resources as well as the controls and the enforcement of regulations set out by the annual agreements between Norway and the EU” (Norwegian Ministry of Foreign Affairs, 2009). Moreover the EU and Norway are working closely together in “fighting illegal, unregulated and unreported fishing” (Norwegian Ministry of Foreign Affairs, 2009). However, the Kingdom of Norway together with the European Union lifts fish from the same sea and is able to manage this cooperation (Norwegian Ministry of Foreign Affairs, 2009). A separate agreement between Norway and the EU deals with the former mentioned annual quota agreement which regulate the joint stocks in the Northern Sea (Norwegian Ministry of Foreign Affairs, 2009).

### **Involvement in the EU Budget**

The second criterion which becomes relevant in terms of informal criteria for membership within the European Union is the involvement in the EU budget. In the year 2008 “the Kingdom of Norway contributed 188 million Euro to the overall EU budget” (Norwegian Ministry of Foreign Affairs, 2009, p. 11). Within the upcoming years and mainly from 2007 until 2013, the Norwegian contribution for the EU budget programme will increase heavily. Whereas in the year 2007 Norway’s contribution was around 130 million Euro, in the future year 2013, Norway’s contribution will have risen up to 290 million Euro (Norwegian Ministry of Foreign Affairs, 2009, p. 11).

The overall contribution to the EU budget of the Kingdom of Norway is handled through the EEA Agreement. “EEA and 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” (Norwegian Ministry of Foreign Affairs, 2009, p. 11). This aspect makes clear that the participation can be seen as equal to the other EU member states. In general the total amounts of EEA and EFTA states make up about 2.4% of the total EU budget programme (Norwegian Ministry of Foreign Affairs, 2009, p. 11).

Moreover the Kingdom of Norway has another bilateral agreement with the European Union in terms of financial matters. This agreement is called the Norwegian Financial Mechanism which ranges from 1 May 2009 until 30 April 2014 (European Commission, Treaty Office Database, 2010). Within this mentioned period the Kingdom agrees to make an overall financial contribution of 800 million Euro which should help to “reduce economic and social disparities within the EEA” (European Commission, Treaty Office Database, 2010). Despite that the relationship of Norway with the beneficiary state should be strengthened (European Commission, Treaty Office Database, 2010). “The overall sectors in which the financial contribution should be available are carbon capture and storage, green industry innovation, research and scholarship, human and social development, justice and home affairs and the promotion of decent work and tripartite dialogue” (European Commission, Treaty Office Database, 2010).

### **Involvement in the Common Agricultural Policy (CAP)**

The third criterion analysed is the involvement in the Common Agricultural Policy (CAP). This criterion as well as the first criterion (involvement in fishery) caused a lot of problems for the Kingdom of Norway.

The country argued in the early 1990’s that the climatic, demographic as well as topographic circumstances within the country are totally different and not comparable to other EU member states (Sogner & Archer, 1995, p. 400). As a result of this the Kingdom of Norway claimed that those special circumstances have to be taken into account when it comes to producer incomes which they argued

should be quite the same as in the other member states of the European Union (Sogner & Archer, 1995, p. 400). Not only the Kingdom of Norway was in this kind of situation, also Sweden and Finland found themselves in quite similar ones. Together those three Nordic countries argued that there should be a “special Arctic and sub-Arctic status” present within in the European Union (Sogner & Archer, 1995, p. 400).

The Norwegian point of view was to maintain its own regional agricultural policies while CAP would be actively adopted by the country (Sogner & Archer, 1995, p. 400). However there was one huge problem the Kingdom of Norway was not satisfied with. Due to the fact that the Kingdom of Norway wanted to maintain an agricultural structure within the country to make sure that rural communities were able to survive, the producer prices were about double as high as in other EU member states (Sogner & Archer, 1995, p. 400). “Despite that about 77% of the farmer’s income in the Kingdom of Norway came from state aid in the year 1993” (Sogner & Archer, 1995, p. 400). A Norwegian membership of the European Union would have meant that the government would have been released from this burden of financial support for the agricultural sector (Sogner & Archer, 1995, p. 401). The overall aim of the country was to ensure that farmers earn about the same amount as industrial workers which would make sure that “earnings are in line with the average income of the total population of Norway” (Sogner & Archer, 1995, p. 401). This new policy meant that the financial support of the government for farmers would be slowly reduced which has not been the case for a long period (Sogner & Archer, 1995, p. 401). In the meantime the EU’s common agricultural policy has moved towards a more “income support framework for farmers, which was now in line with the new Norwegian set of policies in the agricultural sector” (Sogner & Archer, 1995, p. 401).

Due to the new Norwegian agricultural policies, CAP was established and extended to the Kingdom of Norway in the northern and southern parts. In order to be able to keep up with the EU standards, the price levels for agriculture were adjusted to the EU agricultural levels (Sogner & Archer, 1995, p. 401). Important to mention is in this case that the Norwegian government could provide support for farmers in those areas covered by CAP. “Those financial supports of the Norwegian government should however not outrun the support provided by CAP” (Sogner & Archer, 1995, p. 401).

Another aspect which was remarkable in this perspective was the fact that the Norwegian government was subsidizing farms producing certain goods for an overall period of seven years (Sogner & Archer, 1995, p. 401). This was done because a couple of farmers did not accomplish the EU subsidy criteria without the financial support from the Norwegian government (Sogner & Archer, 1995, p. 401). In addition to that Norway was given a three-year’s period in order to be able to adjust to the EU regulations which are dealing with the food processing industry (Sogner & Archer, 1995, p. 401).

Nowadays the Kingdom of Norway’s agricultural policy and the Common Agricultural Policy (CAP) of the European Union move in the same direction although there are only little formal links (Norway : Mission to the EU, 2009). A lot of objectives such as sustainability as well as market price regulations are quite common to each other (Norway: Mission to the EU, 2009).

Whereas in the late 1999’s the Kingdom of Norway’s objective was to reduce “the price gap between agricultural prices in Norway and the European Union”, in the year 2011 the objective changed to an analysis of the past years in order to be able to integrate the findings and experiences in a more “future oriented foundation for policies regarding agriculture and food industry” (Norway: Mission to the EU, 2009).

### **Involvement in the European Monetary Union (EMU)**

The last criterion is the European Monetary Union. In the 1980’s the Kingdom of Norway participated in the European Monetary System (EMS) which was the precursor of the current European Monetary Union (EMU) where the country was part of the “snake” (Klein, 1998, p.5). The so-called “snake”

were several countries which came up with an exchange rate agreement which made it extremely hard for weak currency countries (Klein, 1998, p.5). After a very short period Norway stopped participating in EMS (Eliassen & Sitter, 2003, p. 135).

The today's European Monetary Union presents a high problem for the Kingdom of Norway due to the fact that the country plays a large role in "oil based economies but plays a much smaller role in non-oil based economies" (Eliassen & Sitter, 2003, p. 136). Despite the fact, that the Kingdom of Norway is not formally a member state of the European Union and is therefore not a member of the European Monetary Union either, the country's monetary policies are increasingly in line with the EMU's (Eliassen & Sitter, 2003, p. 136).

To make it more clear, the country's goals and practices are basically equal to that of the European Monetary Union. The Norwegian representative office in Brussels states that "although the Kingdom is not a member of the European Monetary Union, Norway has close and regular contacts with representatives from EU member states as well as the European Commission" (Norway: Mission to the EU, 2009). Those contacts mainly deal with "economic and monetary aspects at the political as well as the administrative level" (Norway: Mission to the EU, 2009).

The economic policies of the Kingdom of Norway are based on "economic stability, sustainability over time as well as efficiency when it comes to the use of resources" (Norway: Mission to the EU, 2009). In addition to that the monetary policies of the country should help to "maintain low as well as stable inflation and besides that they will also lead to stable expectations in terms of exchange rates, output and employment" (Norway: Mission to the EU, 2009). Those two dimensions of policies as well as other relevant ones are basically in line with the European Monetary Union's policies.

## Chapter 3: Applying the Membership criteria to the Kingdom of Norway

Within this third chapter the formal and informal criteria for membership are applied to the Kingdom of Norway. It is examined in what way the formal and informal criteria can be related to the overall topic. The concept of membership which becomes important in this case is linked to both formal and informal criteria for membership.

First of all the formal criteria are applied and afterwards the informal criteria are applied to the Kingdom of Norway.

### 3.1 Formal Criteria for Membership within the EU

As mentioned formerly in the second chapter article 6 and article 49 of the Treaty on the European Union (TEU) deal with the formal criteria for membership within the European Union. They clearly state what conditions the applicant states must fulfil in order to be able to apply for membership.

If those formal criteria are applied to the Kingdom of Norway, it easily becomes clear that the Kingdom could become a member state right away. Not only has the Kingdom of Norway applied for membership in the past, it also fulfils the conditions for becoming a member state. Especially article 6 of the Treaty on the European Union (TEU) makes clear that the Kingdom of Norway lays its basis on the same principles as the European Union and is therefore also an attractive candidate for membership. The Kingdom of Norway does not violate any of the aspects named in article 6 as well as article 49 of the Treaty on the European Union (TEU).

In terms of formal criteria the Kingdom of Norway fulfils all criteria and could become a “real” member state of the European Union.

### 3.2 Informal Criteria for Membership within the EU

As mentioned in the introduction and the second chapter the informal criteria analysed are the involvement in fishery, EU budget, Common Agricultural Policy (CAP) and European Monetary Union (EMU). In order to be able to measure and analyse those informal criteria, it is examined whether those identified criteria are part of certain policies in terms of regulations or treaties. Related to this part it is also examined whether the Kingdom of Norway plays or did play an active role in determining the content of the policies of those regulations or treaties.

#### Involvement in Fishery

This first criterion, the involvement in fishery, is regulated by a bilateral agreement between the Kingdom of Norway and the European Commission (EFTA, 2011). However as mentioned above the Kingdom of Norway not only had a lot of problems with the agreement as it was formulated, the country also strongly asked for a couple of amendments to the existing CFP agreement. Although both sides, the Kingdom of Norway as well as the EU had to concede in a lot of aspects, both sides gained in the end to some extent.

For Norway it was important to maintain not only their traditional fishing industry and their related fish exports but also to some extent the protection and control of their marine resources. For the European Union it was important to gain more access to the Norwegian marine resources and the Northern Sea. In the end Norway was granted the right for free market access in order to sell their fishing products and on the other hand the EU was granted more rights for the allocation of fishing

quotas. What is interesting and important to mention in this case is that if the Kingdom of Norway would have become a member state of the European Union, the tonnage of the EU's fishing fleet would have increased by about 17% (Sogner & Archer, 1995, p. 398).

Another important aspect is that the Kingdom of Norway did play an important part in the decision-making process in the CFP. Not all member states were in favour of Norway's amendments and requests. Mainly Spain as well as France and the United Kingdom opposed those amendments (Sogner & Archer, 1995, p. 398). What is important to mention in this case is that although the CFP is not part of the EEA Agreement, the trade of fish and marine products is regulated by the EEA Agreement (EFTA, 2011). Protocol 9 of the Agreement covers this special aspect (EFTA, 2011).

### **Involvement in the EU Budget**

This second criterion clearly shows that the Norwegian payment to the EU budget falls within the EEA Agreement. The interesting aspect about this fact is that the country's contribution to the EU budget is not sizeably different compared to member states of the European Union. The relative size of the country's gross domestic products (GDP) determines the amounts which are paid to the EU budget. In the year 2008 as mentioned in the second chapter, the Kingdom contributed approximately 188 million Euros to the overall EU budget (Norwegian Ministry of Foreign Affairs, 2009, p. 11).

Due to the fact that the Norwegian payment to the EU budget falls within the EEA Agreement and Norway accepted this fact, the role the country played in terms of decision-making was quite limited. The country wants to support the EU and of course also due to the EEA Agreement pays to the EU budget.

One aspect which is interesting in this case is the Norwegian Financial Mechanism which falls beyond the EEA Agreement. This Norwegian Financial Mechanism is the counterpart to the EEA Financial Mechanism (Portal on EU funding, 2011). Although Norway is part of the EEA it developed its own Financial Mechanism. However the Kingdom pays to the EEA Mechanism but additionally supports EEA countries with its own financial mechanism (Portal on EU funding, 2011). It becomes clear that the Kingdom of Norway is willing to spend a high amount of money in order to help other states without using the existing EEA Financial Mechanism. Although both mechanisms have the same goals, Norway wanted to maintain its sovereignty and created its own financial mechanism (Portal on EU funding, 2011).

### **Involvement in the Common Agricultural Policy (CAP)**

This third criterion falls beyond the European Economic Area Agreement. Remarkable in this perspective is that "custom duties for processed agricultural products (Protocol 3) and the development of trade concerning basic agricultural products between the EU and Norway (Article 19) are included in the EEA Agreement" (Norway: Mission to the EU, 2009). Although agricultural policies fall beyond the EEA Agreement, the agreement regulates the related trade for the agricultural products.

The former mentioned Protocol three also regulated the former mentioned price gap between agricultural products between Norway and the EU and it went into effect in January 2002 (Norway: Mission to the EU, 2009). Related to the Protocol was "the elimination of the non-agricultural component of customs duties on products" (Norway: Mission to the EU, 2009). Article 19 concerns the common efforts in order to "accomplish progressive liberalisation of agricultural trade and carry out reviews of trade in agricultural products at two-yearly intervals" (Norway: Mission to the EU, 2009). An exchange letter between the Kingdom of Norway and the European Union will come into effect within the year 2011 in which tariff reductions as well as an increase in quotas will be handled and discussed (Norway : Mission to the EU, 2009).

Overall the Kingdom of Norway did play an important part in determining the content of policies within the Common Agricultural Policy of the European Union. In the end the Common Agricultural Policy was extended to Norway and the agricultural prices were adjusted to the EU standard. The differences between the Norwegian Agricultural Policies and the Common Agricultural Policy set out by the EU are not remarkable and again are approximately equal to each other. However what is also important in terms of agricultural policies is the EEA Agreement which handles the customs duties as well as the development of trade. Those two aspects of the EEA Agreement are highly necessary for the Kingdom of Norway.

### **Involvement in the European Monetary Union (EMU)**

This last informal criterion is not part of any regulation or agreement. It falls beyond the European Economic Area Agreement and therefore the role the Kingdom of Norway played in terms of determining the content of the policies is very limited. One could argue that the Kingdom did play an important role in the 1980's in determining the content of policy as they were part of the former mentioned "snake". This role was in some way quite important but a lot of other countries participated as well and therefore it was not only the Kingdom of Norway which did shape and make the decision to a large extent. However through the country's exit of the European Monetary System they basically resigned from the exchange rate agreement as mentioned in the second chapter.

Nowadays the country's monetary policies as mentioned previously are basically equal to that of the EMU as they share the basic policies and values. Interesting to see in this perspective is that although the Kingdom of Norway resigned from the European Monetary System which later turned into the European Monetary Union, their policies move in the same direction and both parties have the same aims. In addition to that the Kingdom of Norway has very close contact to the European Commission and European representatives from member states which shows close cooperation between the Kingdom of Norway and the European Union.

All four informal criteria for membership within the European Union are unique examples of the Kingdom of Norway's flexible relationship to the European Union. In some situations the Kingdom of Norway did shape the decision-making process in terms of the content of the policies in a substantive way whereas in other situations the country was more a follower such as in the European Monetary Union. Besides that some policies and regulations are part of the former mentioned European Economic Area Agreement whereas some others fall beyond the Agreement.

In general it is not as easy to say that the country fulfils the requirements of the informal criteria for membership as it was concerning the formal criteria for membership.

In the case of the first criterion, involvement in fishery, one cannot directly state that the Kingdom of Norway did fulfil the criteria for membership. In this particular area the Kingdom of Norway did request a lot of amendments to the already existing agreement which dealt with the topic of fishery policies. The country wanted to maintain its long tradition in fisheries and maintain its fishing areas on its own. At the end of the negotiations both sides (the EU and Norway) had to make a lot of amendments in order to be able to find a compromise. In this particular area one cannot directly say that the Kingdom of Norway fulfilled the criteria as other member states of the European Union did.

Concerning the second criterion, involvement in the EU budget, one has to state that the Kingdom of Norway fulfils the criteria for membership to a very large extent and is basically equal to any other member state of the European Union. The country's GDP determines the amount of funds paid to the EU budget which is also the case for the Kingdom of Norway. In this perspective the country fulfils the criteria for the involvement in the EU budget.

The third criterion, the involvement in the Common Agricultural Policy (CAP), is mostly equal to the situation of the involvement in fishery. Again as in the area of fishery, the Kingdom of Norway requested a lot of amendments to CAP and requested producer incomes equal to that of other EU member states. In the end and due to amendments the country requested, one cannot state that Norway fulfills this particular criterion for membership which was quite the same situation as the involvement in fishery.

The last criterion, involvement in the European Monetary Union (EMU), is to some extent similar to the EU budget criterion however not in such a direct way. Although the Kingdom of Norway was a former member of the European Monetary System which can be regarded as the fore-runner of the European Monetary Union, the country decided to stop participating in the system. The Kingdom of Norway did at that point of time shape the decision within EMS. Nowadays Norway has its own monetary policies which are mainly equal to the EMU ones.

The question which remains is the first and overall sub-question: what really constitutes membership within the European Union? Both formal and informal criteria for membership help to answer this question. In general one can answer by saying that a mixture of both formal as well as informal criteria is necessary for membership within the European Union. Of course the formal criteria have to be fulfilled due to the fact that those are the basic principles on which the Union is founded. The informal criteria have to be fulfilled as well but are much more based on negotiations between the EU and its member states.

### **3.3 Norway and the EU: a flexible arrangement**

During the 1990s the term “Fortress Europe” was often used and associated with the European Union (Christiansen et al., 2000, p. 389). At that point of time the EU’s borders were strictly defined and those borders were even insuperable for other states outside this fortress (Christiansen et al., 2000, p. 389). Nowadays and although the European Union clearly defines its member states and what the applicant states have to fulfil in order to become a member state, the borders of the EU are not as clearly defined anymore (Christiansen et al., 2000, p. 389). The borders of the EU 27 member states are flexible and variable.

Today the European Union follows a more flexible approach when it comes to membership and European integration. This flexible approach can be called flexible integration. The related concept is the concept of flexibility which becomes relevant in this case.

Due to this flexible integration European states have the opportunity to cooperate with the Union and participate in its various programmes without becoming a full member. European countries can for instance use policies within the EU domain (Groenendijk, 2007, p. 265). However those countries use different frameworks than that of the European Union (Groenendijk, 2007, p. 265). This former mentioned flexible approach is deepened by various bilateral as well as multilateral agreements between the EU and other European states. Those special agreements can be arranged between member states and non-EU member states and can cover different areas of interest. These specific agreements have developed over the past years into deep cooperations between the states of Europe. One outcome of this deep cooperation is for instance the Schengen Agreement.

In terms of the Kingdom of Norway’s flexible relationship to the European Union various bilateral as well as multilateral agreements exist. Two agreements become especially important because they clearly show the flexible integration the Kingdom of Norway has to the European Union.

The first agreement which needs to be mentioned is the former mentioned European Economic Area (EEA) Agreement. Through the participation in the EEA the Kingdom of Norway has the chance to be

part of the European internal market. The four main freedoms, namely the “free movement of goods, persons, capital and services, are safeguarded by the former mentioned EEA Agreement” (Norwegian Ministry of Foreign Affairs, 2009, p. 8). “Despite those four freedoms, equal competition is guaranteed as well as non-discrimination in all member states” (Norwegian Ministry of Foreign Affairs, 2009, p. 8). In order to make sure that all the above mentioned rules are applied by the member states which are part of this agreement special bodies have been established (Norwegian Ministry of Foreign Affairs, 2009, p. 9). The EEA Council as well as the EEA Joint Committee is responsible for this special task (Norwegian Ministry of Foreign Affairs, 2009, p. 9).

“Another important aspect which has to be regulated in this situation is the fact that non-members of the EU such as Norway are not able to accept decisions made by the Commission or the European Court of Justice” (Norwegian Ministry of Foreign Affairs, 2009, p. 9). In order to overcome this situation another body has been established, the EFTA Surveillance Authority (ESA) (Norwegian Ministry of Foreign Affairs, 2009, p. 9). This ESA looks at whether the Kingdom of Norway as well as Iceland and Liechtenstein accept the decisions made (Norwegian Ministry of Foreign Affairs, 2009, p. 9). Another authority is the EFTA Court which guarantees that the states fulfil the demands (Norwegian Ministry of Foreign Affairs, 2009, p. 9). Both last-mentioned bodies are closely connected to the European Union.

This first aspect mentioned can be closely associated with the concept of flexibility. Although the Kingdom of Norway is not a member state of the European Union it is closely connected to the EU through the EEA Agreement. The former mentioned ESA as well as the EFTA Court are strongly linked with the corresponding EU institutions. The European Commission as well as the European Court of Justice is important to mention in this case.

Through the European Economic Area Agreement the Kingdom of Norway participates automatically in other various EU programmes and agencies (Norwegian Ministry of Foreign Affairs, 2009, p. 11). If some area is not covered through the EEA Agreement bilateral agreements between the Kingdom of Norway and the EU exist (Norwegian Ministry of Foreign Affairs, 2009, p. 11). In addition to that the Kingdom of Norway makes a yearly contribution to the EU budget which is partly according to the EEA Agreement (Norwegian Ministry of Foreign Affairs, 2009, p. 11). This yearly financial contribution is relative to the country size of the GDP and is therefore equal to other EU member states (Norwegian Ministry of Foreign Affairs, 2009, p. 11). Other programmes as well as agencies in which the Kingdom of Norway takes part are for instance Frontex, Europol, the Consumer Programme as well as Eurojust (Norwegian Ministry of Foreign Affairs, 2009, p. 12).

Two areas which are not covered by the EEA Agreement but which are highly important to the Kingdom of Norway are the area of fishery as well as agriculture. As formerly mentioned bilateral agreements between the Kingdom of Norway and the European Union exist in these situations.

Another agreement which needs to be mentioned is the Schengen Agreement and related to this the justice and home affairs.

Through the Schengen Agreement it is regulated that the Kingdom of Norway and the EU work together in terms of justice and home affairs (Norwegian Ministry of Foreign Affairs, 2009, p. 13). The mentioned Schengen Agreement implies that the country “applies the harmonised policies on visas and external border control” (Norwegian Ministry of Foreign Affairs, 2009, p. 13). Furthermore the Kingdom of Norway became an active member in the European Union police cooperation due to the Schengen Agreement (Norwegian Ministry of Foreign Affairs, 2009, p. 13). What is important to mention in this perspective is the fact that the Kingdom of Norway plays an active part when it comes to the development and the changes of the Schengen aquis (Norwegian Ministry of Foreign Affairs, 2009, p. 13). As a result of this, participation in the EU Council decision-making system is important (Norwegian Ministry of Foreign Affairs, 2009, p. 13). Although the Kingdom of Norway participates in the EU Council when it comes to the Schengen aquis the country has no right to vote on a certain

decision (Norwegian Ministry of Foreign Affairs, 2009, p. 13). However the country has the right to speak and can therefore be regarded as a “decision shaper but not a decision maker” (Eliassen & Sitter, 2003, p. 139).

Those two mentioned agreements provide the flexible political basis for cooperation between the Kingdom of Norway and the European Union.

As formerly mentioned various bilateral as well as multilateral agreements between the Kingdom of Norway and the European Union exist. In relation to these bilateral agreements also bilateral meetings take place between the two parties. As a result of this it is normal that members of the Norwegian government such as the Prime Minister are invited to meetings in the European Commission in Brussels (Norwegian Ministry of Foreign Affairs, 2009, p. 17). In addition to that other “Norwegian ministers are invited by the EU Presidency on a regular basis” (Norwegian Ministry of Foreign Affairs, 2009, p. 17). In these ministerial meetings topics as well as problems are discussed which concern all attendant states. “Moreover the Norwegian Minister of Defence is invited by the EU Presidency after formal and informal Council meetings of EU defence ministers” (Norwegian Ministry of Foreign Affairs, 2009, p. 17). Additionally the Kingdom of Norway is invited on a non-regular basis to present its views on certain topics and issues in the European Parliament (Norwegian Ministry of Foreign Affairs, 2009, p. 17). The relevant ministers of the Kingdom of Norway are invited and present their ideas and views.

The above mentioned formal criteria, informal criteria as well as the last mentioned facts show the flexible relationship the Kingdom of Norway has to the European Union. Although the country is not a member state of the EU it participates actively in its programmes.

In terms of the formal criteria for membership it becomes clear that the country could become a member state of the EU. It fulfils the criteria for membership as stated in article 6 and article 49 of the Treaty on the European Union (TEU).

In terms of the informal criteria for membership it cannot be clearly stated that the country fulfils all of them. In two situations the country requested various numbers of amendments and was not willing to give up its positions. Those two informal criteria are the involvement in fishery as well as the involvement in the Common Agricultural Policy (CAP). In terms of the involvement in the EU budget the Kingdom fulfils the criteria. It does act as a member state of the EU. In terms of the involvement in the European Monetary Union (EMU) one can argue that the country does fulfil the criterion in the sense that its own regional monetary policy moves in line with that of the EU. However a direct formal fulfilment is not visible but both parties basically follow the same approach in this particular case.

In the end one can state that the close political cooperation both parties have with one another is mainly regulated by two agreements. Those two agreements are the European Economic Area Agreement as well as the Schengen Agreement. These two agreements facilitate the cooperation and enable the Kingdom of Norway to participate in various EU programmes without becoming a full member state. As a result of this the Kingdom of Norway is able to maintain large parts of its national sovereignty. If some areas of interest are not covered by the two mentioned agreements, bilateral and multilateral agreements between the EU and Norway exist.

## Chapter 4: EU-Norway relations: an assessment from EU integration theories

Within this fourth chapter it is assessed how the EU-Norway relation can be related to EU integration theories. Three main theories help to assess the unique relationship. Those three theories are the theory of social constructivism, the theory of neo-functionalism and the theory of intergovernmentalism.

### 4.1 Social Constructivism

The first theory is the theory of social constructivism. The theory focuses on the fact that “human agents do not exist independently from their social environment and its collectively shared systems of culture” (Wiener & Diez, 2009, p. 145). In other words the “social environment in which we find ourselves defines who we are and our identities as social beings” (Wiener & Diez, 2009, p. 146). As those two citations point out, social constructivism mainly focuses on social aspects of international relations (Jackson & Sørensen, 2006, p. 162). Part of these social aspects of international relations is the aspect of human consciousness which becomes relevant within this theory (Jackson & Sørensen, 2006, p. 162). The theory of social constructivism is a theory about shared and collective “ideas, human inventions and creations as well as a body of thoughts and a common system of norms” (Jackson & Sørensen, 2006, p. 162). As a result of this fact, “if those mentioned ideas, creations as well as norms change, the whole international system will change as well because those aspects are interrelated with each other” (Jackson & Sørensen, 2006, p. 162). Central within the theory is that if states share common identities, interests, ideas and various other parts of culture their orientations concerning policies as well as attitudes will be quite broad (Jackson & Sørensen, 2006, p. 162).

In relation to the European Union and what is most striking in this perspective is that it is mostly argued that such a European identity does not exist within Europe. This would be against the basis of the theory of social constructivism, arguing that a common identity is shared among the citizens of Europe. However what is mentioned by Wiener and Diez (2007) is that Europe does not need either a national or a European identity and that no distinctions between the two have to be made, but they have to coexist and strengthen each other (Wiener & Diez, 2009, p. 152).

In relation to the overall topic, namely the Kingdom of Norway’s flexible relationship to the European Union the theory of social constructivism becomes relevant. This theory implies that the Kingdom of Norway and the EU member states share common values, norms, identities as well as cultures which are grounded in the common history of all states involved. Through the historic affinity the states of Europe share with one another, common cultures and identities exist. As a result of the common history and the common cultures and identities close cooperation grew between the states of Europe which led to the establishment of the EU. Most states of Europe decided to become members of the European Union in order to benefit. However the Kingdom of Norway decided not to join the European Union. The Kingdom of Norway decided to follow a different path than most other European states. The country decided that a membership would not be beneficial and therefore chose a flexible way to cooperate with the European Union. Through various bilateral and multilateral agreements the Kingdom is able to participate in EU programmes without having full obligations in other areas. The country can participate in for instance the EU’s internal market and is able to sell its goods, whereas the country opt’s out in various other arrangements. This flexibility guarantees that the country benefits to a large extent due to the fact that it only “picks the pieces it needs”. In other words the country only participates in EU programmes when it can be sure that it will benefit from this participation in the short-run or in the long-run.

In the end one can argue that although the states of Europe share a collective culture as well as identities, the Kingdom of Norway decided to follow a different path than all other European countries. It chose a flexible cooperation to the EU which enables the country to participate without becoming a member state and without giving up its national sovereignty.

## 4.2 Neo-functionalism

The third theory which becomes relevant in this perspective is the theory of neo-functionalism which is also coined supranationalism by some authors. It is as the other theories as well, a theory of regional integration. Two authors who are highly important in terms of this theory are Ernst Haas and Leon Lindberg who were basically the founding fathers of this special theory of integration (Wiener & Diez, 2009, p. 45). At the basis of this theory of integration is the fact that it is assumed that all states are rational and self-oriented (Wiener & Diez, 2009, p. 48). “Moreover and related to that is the fact that states do change their preferences in order to benefit” (Wiener & Diez, 2009, p. 48). “In addition to that activities as well as expectations are shifted to a higher authority” (Wiener & Diez, 2009, p. 45). Furthermore institutions which have been established will develop their own life and will move beyond the control of the member states (Wiener & Diez, 2009, p. 48). As a result of this regional institutions which are working for higher authorities will influence the national governments due to the fact that they shape integration to some extent (Wiener & Diez, 2009, p. 48).

Member states of various institutions and organizations are not only important parties but they are also setting the initial agreements (Schmitter, 2002, p. 3). What is important to mention in this perspective is the fact that although the member states set the agreement, they are not able to “determine the direction of the changes made” (Schmitter, 2002, p. 3). This would mean in other words, that the member states of these institutions lose some sort of their national sovereignty to the higher authority. In relation to the European Union there is one large aspect which intervenes within this theory namely the EU law. The EU law is primary over national laws and is therefore a very good example of the loss of national sovereignty (Nugent, 2008, p. 560).

In relation to the overall topic this theory becomes relevant. In terms of the Kingdom of Norway’s flexible relationship to the EU this theory can cover various parts of this relationship. The basis of the theory namely the statement that states are rational, self-oriented parties which want to benefit can be related to the Kingdom of Norway’s behaviour. The Kingdom of Norway maintains its flexible relationship with the EU in order to benefit to a large extent. The informal criterion, the involvement in the CAP can be regarded as an example here. The Kingdom wants to benefit from the close cooperation with the European Union. As a result of this the country can indeed be regarded as self-oriented and rational.

In addition to that, if the country would decide to become a member state of the European Union the country would lose large parts of its national sovereignty. This is one aspect in which the country sees huge problems for itself. If the Kingdom would decide to become a member of the EU, the country would have to open up large parts of its traditional industries to various other member states of the EU which is not beneficial for the country itself. As a result of this the country chooses to maintain a flexible relationship to the EU rather than a full membership. Through this flexible relationship the country is able to benefit and maximize its profits because it only acts according to what is in its own interest. Agreements and arrangements which would not be beneficial for the Kingdom will not be signed unless additional articles regulate the requested aspects of the country. Again the former mentioned informal criterion involvement in fishery can be regarded as an example in this case. Despite those mentioned aspects, the member states of the EU have collective responsibilities. These responsibilities are also related to the Kingdom of Norway however only if those responsibilities fall

within the EEA Agreement, the Schengen Agreement, other EU programmes in which the country participates, other bilateral and multilateral agreements.

In the end one can state that the Kingdom of Norway acts according to its own preferences. The country follows the flexible integration approach in order to benefit to a large extent and maintain its national sovereignty.

### 4.3 Intergovernmentalism

The last theory which becomes relevant in this perspective is the theory of intergovernmentalism. This theory can be regarded as the contrary to the former mentioned theory of neo-functionalism.

At the basis of this theory is the belief that states of Europe strongly cooperate (Puchala, 1999, p. 3). The reason why the states of Europe cooperate nowadays is due to their common interests not only in economic but also in political terms (Puchala, 1999, p. 3). Important to mention in this perspective is the fact that this close cooperation can be monitored by states (Puchala, 1999, p. 3). States can determine the rules under what conditions cooperation and future agreements will take place (Puchala, 1999, p. 3). On the other hand this would mean that there would be no direct loss of national sovereignty (Puchala, 1999, p. 3).

Another important aspect of the theory of intergovernmentalism is the fact that international institutions and organizations and especially international courts are able to monitor and implement agreements between member states (Puchala, 1999, p. 3). Those institutions as well as international courts are important because they guarantee a certain security for member states and owing to this guarantee, attract other states into commitments, as Puchala explains (Puchala, 1999, p. 3). “Interesting to mention in this case is the fact that not the institutions as well as other various organizations are the important initiators but the national governments of the member states” (Puchala, 1999, p. 3). The national governments and of course the heads of the governments are determining the process of European integration to a large extent (Puchala, 1999, p. 3). The various representatives of the European institutions however only partially influence and determine the process of European integration (Puchala, 1999, p. 3). Again this last aspect formulated by the theory of intergovernmentalism stands in large contrast to the theory of neo-functionalism.

In relation to the overall topic one can state that also this last mentioned theory becomes highly relevant in this perspective through the fact that this theory can be regarded as counterpart to the former mentioned theory of neo-functionalism. It is stated that states cooperate due to common interests not only economically but also politically. In addition to that it is argued that states determine under what conditions cooperation will take place. In terms of the Kingdom of Norway’s flexible relationship to the European Union this theory fits quite well. The Kingdom of Norway and the EU members cooperate because they share common interests. Various EU programmes in which the Kingdom is an active member show these sharing of interests. One example could be the EU programmes Europol and Frontex. However and this is important to mention the Kingdom of Norway is partly able to determine under what conditions and how cooperation takes place. In terms of the former mentioned involvement in fishery, this was visible. The country requested large amendments to the policy and gained in the end. However and this is remarkable in this situation, the Kingdom of Norway only cooperates as long as it benefits either in the short-run or in the long-run. As a result of this the national sovereignty of the country is again maintained.

In the end one can state that the Kingdom of Norway and the EU share common interests in some areas however the country acts according to its own interests. The Kingdom of Norway is able to coordinate how cooperation will take place in order to find beneficial solutions for itself.

Overall one can argue that all three theories can cover the unique flexible relationship between the Kingdom of Norway and the European Union. The flexible relationship is clearly identified with the help of the theory which all focus on different aspects.

In general one can argue after analysing the relevant theories that although the Kingdom and the other European countries share the same history and as a result of this also the same identities and cultures, the approaches towards the EU are diverse and different. Whereas other European countries chose to become a member of the EU, the Kingdom of Norway decided that it would not be beneficial to become a full member of the Union. The country chose to have a more flexible relation to the European Union. Although the Kingdom cooperates with the EU to a large extent, the country acts in its own interests and what is more beneficial for itself. It acts according to its preferences and cooperates only if it is in its interests.

## Chapter 5: Conclusion

Over the past years the Kingdom of Norway and the European Union developed a close and unique relationship to each other. Although the Kingdom of Norway is not a member state of the European Union both parties cooperate closely and the Kingdom of Norway takes part in various European programmes. As a result of this the question arose:

“To what extent can the Kingdom of Norway be regarded as the 28th member state of the European Union?”

In order to be able to answer the research question, membership within the European Union had to be defined. Informal as well as formal criteria for membership were defined, analysed and applied to the Kingdom of Norway.

The formal criteria for membership were defined by Article 6 and Article 49 of the Treaty on the European Union. It became clear that according to those formal criteria the Kingdom of Norway could become a member state of the European Union because both parties share the same values and norms. The informal criteria for membership were analysed in terms of whether those identified criteria were part of policies, agreements, regulations or treaties. In addition to that it was examined if the Kingdom of Norway was active in determining the contents of the policies, agreements, regulations or treaties. The four informal criteria which have been analysed were the involvement in fishery, the involvement in the Common Agricultural Policy (CAP), the involvement in the EU budget and the involvement in the European Monetary Union (EMU). While analysing the four informal criteria for membership it became clear that in basically two cases the Kingdom of Norway did act and still does act as a member state of the European Union. Those two informal criteria are the involvement in the EU budget and to some extent the involvement in the European Monetary Union. Although in the latter the country is not a member, their policies are in line with those of the European Union. In the two remaining informal criteria, namely the involvement in fishery as well as the involvement in the Common Agricultural Policy (CAP), one cannot state that the country did act as a member state of the European Union. In both situations the Kingdom requested various forms of amendments to the policies and agreements and was not willing to change its position to a large extent.

Related to the overall topic were three main theories. The three theories which became relevant were the theory of social constructivism, the theory of neo-functionalism and the theory of intergovernmentalism. All three can to some extent explain the flexible relationship between the European Union and the Kingdom of Norway. All theories look at the overall topic from different points of views and therefore help to identify the unique relationship both parties have with each other. The related concept of flexibility and the concept of membership link up with the notions of formal and informal criteria and make clear that both criteria are important for membership within the European Union.

Finally and in order to give an answer to the overall research question one can state that the Kingdom of Norway can only partially be regarded as the 28<sup>th</sup> member state of the European Union. However and this is highly important in this perspective it depends on the areas of interest. While in some areas the country may be regarded as the 28<sup>th</sup> member state, in other areas the country cannot be regarded as a member state at all. It depends on the area itself.

If one looks at the involvement in the EU budget itself it would be easy to conclude that the country can be regarded as the 28<sup>th</sup> member state of the European Union. However if one looks at the involvement in fishery one cannot state this. Through the fact that those four criteria are only a selection of various informal criteria one cannot conclude that the country is the 28<sup>th</sup> member state of

the European Union or that the country is not the 28<sup>th</sup> member state of the European Union. It depends on the areas of interest.

Another conclusion which can be derived from the overall analysis is the fact that membership within the European Union is a fluid and variable concept. It is not clearly defined where the line between a non-member and a member state of the European Union needs to be drawn. Therefore the former mentioned three terms variable geometry/fuzzy borders, quasi-membership and flexible integration are becoming more and more relevant within the period of European integration.

By the end of this conclusion recommendations not only for further and future research can be given but also recommendations for countries which are in a similar position to the Kingdom of Norway.

Since the Kingdom of Norway is a very rich country when it comes to natural oil and gas reserves it would be interesting to analyse what would happen to the Kingdom of Norway if the country would become a member state of the European Union. It could be analysed what would change for the country especially in terms of energy resources.

In addition to that lessons can be drawn for other neighbouring countries which are in a similar position to the Kingdom of Norway. Switzerland is another extreme case in Europe which refuses to join the European Union. Since Switzerland is as Norway part of the EFTA and the EEA, the country is in quite the same situation as Norway. The EU's relationship with the Kingdom of Norway makes it clear that although the country is part of various EU programmes, the EEA and EFTA, is able to maintain its national sovereignty. It is possible and Norway is in this case a very good example, to cooperate with the European Union and take part in the internal market without being a full member state and without giving up its national sovereignty.

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