
The 1995 enlargement of the European Union

The accession of
Finland and Sweden



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The 1995 enlargement of the European Union:

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Summary

This year, Finland and Sweden celebrate the 20th anniversary of their accession to the European Union, as does Austria. This study is an examination of the events that surrounded this enlargement from the specific viewpoint of the first two countries, both Nordic states. The examination takes into account the relevant pressures and geopolitical and economic dynamics that shaped the conditions for the accession.

As the continent settled from the turmoil of the Second World War, important institutional formations developed. Relevant to this analysis was the Nordic Council, the European Economic Community, the European Free Trade Area that constituted the relationship between these institutions, and the rise of the USSR as a world power.

Initially the countries of the Nordic Council were wary of the EEC. Scandinavian social democracy was distinct from the Western European welfare model. The Nordic countries felt their policies of full employment, equality and solidarity were incompatible with the liberal economics of the EEC, with its high interest rates and deregulation of the market place. The Nordic countries saw EFTA as a way to cooperate economically with the EEC while maintaining political distinction and national sovereignty.

Finland and Sweden's neutralities were also an issue. Soviet Russia bound Finland to having close relations with it after the World War period, considering the extensive land-border between the two countries. This relationship left Finland to explore awkwardly its relationships with the other Nordic countries, as well as with West Europe. Sweden based their neutrality on a historic position and in identifying as a Nordic geopolitical balancer and stabiliser.

However, two key developments altered the relationship between Finland and Sweden, and the EEC. Economic crisis reignited the Community's integration process, resulting in plans for the Single Economic Area. Due to their own economic problems, Finland and Sweden feared isolation from their key markets in Europe if the internal market was to exclude non-members. Following this development was the deterioration of the USSR. This redefined the context in terms of both Scandinavian neutrality and European security, and by 1992 the European Community, Finland and Sweden were ready to negotiate terms for accession to the Union.

Throughout the lead-up to the 1995 enlargement, the European Parliament, through debates, commentary and resolutions, highlighted the importance of the accession of the Nordic countries to the European Union, in light of the dramatic events in the late 1980s, and the need to maintain continental stability. Through the negotiations, the issues of political openness, the democratic deficits, and legislative standards, were highlighted by the European Parliament, and in particular, how the inclusion of Finland and Sweden would improve the Union in terms of such matters.

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LIST OF ABBREVIATIONS AND ACRONYMS

CAP	Common Agriculture Policy
CEEC	Central and East European Countries
CFP	Common Fisheries Policy
CFSP	Common Foreign and Security Policy
DNA	The Norwegian Labour Party
EC	European Community
ECU	European Currency Unit
EEA	European Economic Area
EEC	European Economic Community
EFTA	European Free Trade Association
EMU	Economic and Monetary Union
EU	European Union
EURATOM	European Atomic Energy Community
HAEP	Historical Archives of the European Parliament
NATO	North Atlantic Treaty Organisation
OJ	Official Journal of the European Communities
QMV	Qualified Majority Voting
SAP	The Social Democratic Party of Sweden
SEA	Single Economic Area
SME	Social Democrats Against the EU (Norway)
TEU	Treaty on European Union
USSR	Union of Soviet Socialist Republics
WEU	Western European Union

INTRODUCTION

This paper is an account of the accession of Finland and Sweden to the European Union (EU) in 1995. It focuses primarily on the membership negotiations of each country, but also looks at Norway, which applied to the EU at the same time, though failed to ratify the accession treaty by national referendum. The remainder of this section provides a brief overview of the topic, beginning with a look at the early relationship between the Nordic countries and the European Economic Community (EEC). The paper is then structured according to this overview: Chapter I looks at the lead-up to negotiations; Chapter II begins with a general comment on the negotiations before taking an individual look at Finland, Sweden, and then Norway; Chapter III deals with the impact of the enlargement, both on the EU and the accession countries.

I – The Nordic Council and European Free Trade Association (1952-1980)

Established in the wake of the Second World War, the Nordic Council was a forum for cooperation between Denmark, Finland, Iceland, Norway and Sweden.¹ Between 1952 and 1958 the Council put in place a common labour market, opening up mutual borders to the free movement of people. The Nordic Council went as far as attempting to implement a common defence agreement. However, it fell through after Denmark, Iceland and Norway joined the North Atlantic Treaty Organisation (NATO). A single market also failed due to the establishment of European Free Trade Association (EFTA) in 1959, and by 1961 some of the Council's members were looking toward joining the European Economic Community.²

Denmark did join the EEC in 1973. Norway would have followed Denmark but a national referendum rejected the treaty. For Finland and Sweden, however, the prospect of accession to the EEC was a little less straightforward due to another occurrence in the wake of the Second World War: the Cold War between the NATO alliance and the Soviet Union. It prompted issues of neutrality for both countries as becoming a member of the EEC could have been construed as

¹ Norden.org, *About Co-operation: Before 1952* [online], available: <http://www.norden.org/en/om-samarbejdet-1/the-history-of-nordic-co-operation/before-1952> [accessed 16.6.2015].

² Norden.org, *About Co-operation: 1953-1971* [online], available: <http://www.norden.org/en/om-samarbejdet-1/the-history-of-nordic-co-operation/195320131971> [accessed 16.6.2015].

contravening neutrality considering the Community's close ties with NATO, and may have been seen as entering a military alliance.³

II – The Single Economic Area and European Economic Area (1980-1990)

However, economic downturn in the 1980s led to institutional shifts within the EEC. In an attempt to encourage trade and investment, the Single Economic Area (SEA) was proposed.⁴ Despite being members of EFTA, export industries in Finland, Norway and Sweden were concerned about being isolated from their largest trading partners in the EEC. By the end of the 1980s the Cold War was over, thus reducing the issue of neutrality to applying for membership to the Community. Meanwhile, as the EEC wished to focus on deepening, and achieving the Single Market by 1992, it did not wish to widen by accepting applicants for membership, and instead proposed the European Economic Area (EEA).

Designed as an organisation that included its members in the EEC's single market, the EEA did not include political or organisational influence. This was to be a temporary status, while parties awaited further integration. However, due to the collapse of Soviet influence in East Europe, and the impending formation of the European Union, Europe was going through a momentous change during the early 1990s. As issues of neutrality diminished, and the need for influence on EFTA/EEA issues grew, Finland and Sweden moved toward applying for full membership. The European Community (EC) became more open to this as the possibly unstable Central and Eastern European Countries (CEEC) presented new opportunities, responsibilities, and geopolitical concerns.

III – Continental shift and the negotiations (1990s)

By 1992, both Finland and Sweden, along with Norway and Austria, had applied for full membership. The negotiations were swift, though there were some important issues. Primarily these concerned Nordic particularities. Considering their own social democratic societies, Finland, Norway and Sweden were suspicious of what they deemed to be a neoliberal slant in EC policy. This

³ Norden.org, *About Co-operation: The Helsinki Treaty* [online], available: <http://www.norden.org/en/om-samarbejdet-1/nordic-agreements/treaties-and-agreements/basic-agreement/the-helsinki-treaty> [accessed 16.6.2015].

⁴ See Bache, I. and George, S., *Politics in the European Union*, 2nd ed., Oxford University Press, 2006, pp. 158-163 and 543-553.

entailed concerns over political openness, welfare distribution, and environmental and health standards.

Finland felt it was better to be in the EC than outside it, though there would be some sectors that would lose out.⁵ Despite its social democratic society, and fears over its agriculture subsidies, welfare system and industrial flexibility, Finland had a strong West European identity, possibly as a reaction to its relationship with Russia during the Cold War.⁶ Joining the EEA was an attempt to make up for the loss of its Eastern markets, but the EC proved a strong lure altogether, and accepting the Common Foreign and Security Policy (CFSP) was not a problem in the end. The EC and Finland found the Common Agriculture Policy (CAP) less easy to negotiate, though a settlement was finally agreed.

For Sweden, remaining outside the EC was to possess less influence, despite being generally more suspicious over full membership than Finland. Its sheltered sector would lose out, but those in the export economy would gain, and drove the move for membership application.⁷ Even the left in Sweden was divided. The political parties were concerned over the market/security focus of the EC, while the sectors mentioned above split the trade unions.⁸ Women stood to lose out also, as the nature of Sweden's social democracy, thought to be the root to one of the most equal societies in the world, made care to meet the needs of the social and reproductive sectors of society, and it was feared that membership would diminish this arrangement.⁹

Norway was a degree more reluctant again. Having been through the application process previously, and with the party in government taking a dip in popularity after that application¹⁰, the need to combat unemployment and to stay economically relevant in the face of change prompted Norway to apply

⁵ Alho, K. and Widgren, M., 'Finland: Economics and Politics of EU Accession', *The World Economy*, Vol. 17, No 5, 1994, pp. 701-709.

⁶ Arter, D., 'The EU Referendum in Finland on 16 October 1994: A Vote for the West, not for Maastricht', *Journal of Common Market Studies*, Vol. 33, No 3, 1995, pp. 361-387.

⁷ Moses, J. W. and Janssen, A. T., 'Nordic Accession: An Analysis of the EU Referendums', in Eichengreen, B. and Frieden, J. (eds.), *Forging an Integrated Europe*, University of Michigan Press, 1998, pp. 211-246.

⁸ Aylott, N., 'Between Europe and Unity: The Case of the Swedish Social Democrats', *West European Politics*, Vol. 20, No 2, 1997, pp. 119-136.

⁹ Laatikainen, K. V., 'Gendered Integration? A Feminist Analysis of Nordic Membership in the European Union', paper presented at Archive of European Integration, University of Pittsburgh, European Union Studies Association Biennial Conference, 4 May 1995.

¹⁰ Geyer, R. and Swank, D., 'Rejecting the European Union: Norwegian Social Democratic Opposition to the EU in the 1990s', *Party Politics*, Vol. 3, No 4, 1997, pp. 549-562.

once more.¹¹ Again, the application divided the country. The urban south and the right-wing were in favour of membership, while those in the less populated north who were afraid of losing out voted against. Also, Norway's economic makeup was distinct in that it had become a large oil and gas producer and there was concern over the sovereignty of the country's natural resources.¹²

As soon as mid 1994, the negotiations were complete and the treaties signed. The national referenda were to take place so that accession would occur on the 1st of January 1995. It has been argued that the votes were staged in a sequence of most likely first: Austria, then Finland, followed by the more sceptical Sweden, and finally the even more reluctant Norway.¹³ The logic was that the accession of the previous state would place pressure on the electorate in terms of increasing the fear of being left behind. A 'Yes' in Sweden did follow the referendum in Finland. However, Norway, not for the first time, voted 'No' to joining the EEC.

The negotiations of Austria, Finland, Norway and Sweden's membership into the Community coincided with the developments surrounding the Treaty on the European Union (TEU), and it was to the EU, including the details of the Maastricht Treaty, that they eventually signed. Between 1991 and 1995 the Single European Market, the TEU, and the EEA had all come into force, as well as the second phase of the Economic and Monetary Union (EMU). The European Union, as an institutional force, was fashioning itself for the new millennium and as the continental developments during the early 1990s played out, members of the CEEC wanted to be a part of it. The EU saw it as essential to continental stability and security, to incorporate the ex-Soviet states. Allowing the Nordic states membership beyond the EEA was seen as an important strategic move, both in terms of balancing budgets as well as the new geopolitics.¹⁴

IV – Enlargement and the European Parliament

Throughout the negotiations for the accession of Finland and Sweden, a number of long-running themes occurred during European Parliamentary debates and in resolutions. Concerns over the EC's 'democratic deficit' were

¹¹ Geyer, R., 'Traditional Norwegian Social Democracy and the Rejection of the EU: A Troublesome Victory', *Scandinavian Studies*, Vol. 69, No 3, 1997.

¹² Sogner, I. and Archer, C., 'Norway and Europe: 1972 and Now', *Journal of Common Market Studies*, Vol. 33, No 3, 1995, pp. 389-410.

¹³ Geyer, R. and Swank, D., 'Rejecting the European Union...', *op. cit.*, pp. 549-562.

¹⁴ Bache, I. and George, S., *Politics in the European Union*, *op. cit.*, p. 547.

frequently raised, highlighting that while reforms such as the SEA and TEU dealt somewhat with the issue, there remained much to do. The European Parliament also argued that giving it a greater role in the shaping of negotiations and final agreements would strengthen the democratic process in the EC.¹⁵

In light of the dramatic events in Europe in the early 1990s, resolutions made by the European Parliament urged the EC to act quickly and dynamically, and to take an open stance in talking to possible willing applicants left in the wake of the collapse of the Soviet Union.^{16, 17} However, the European Parliament also pointed out that such openness needed further institutional strengthening, particularly in terms of democracy and democratic controls. The resolutions expressed concerns over the issue of voting and the size of the European Commission, among other details. Through debates and resolutions, the European Parliament oversaw and welcomed many of the developments that occurred through the accession negotiations. However, many Members criticised that the EC only sought the assent of Parliament, rather than real and meaningful involvement.

It has been twenty years since the accession of Finland and Sweden. In those two decades much has happened that helped shape the path the EU now finds itself on, and Finland and Sweden, directly and indirectly, played an important role in those developments. From placing an emphasis on the EU's social and environmental standards, and institutional and democratic deficits, to looking at security and sustainability in new ways, their accession has added to and enriched the European Union.

¹⁵ European Parliament, Resolution on the role of the European Parliament in external policy within the framework of the Single European Act, OJ C 187, 18.7.1988, p. 234, para 1, 5-6, HAEP archives (PE2 AP RP/POLI.1984 A2-0086/88 0001).

¹⁶ European Parliament, Resolution on Community enlargement and relations with other European countries, OJ C 158, 17.6.91, p. 56, art. 7, HAEP archives (PE3 AP RP/POLI.1989 A3-0077/91 0001).

¹⁷ European Parliament, Political Affairs Committee, Report on Community enlargement and relations with other European countries. Rapporteur: Luis Planas Puchades, 26.3.1991, p. 9, para 1, doc. PE 141.136/fin., HAEP archives (PE3 AP RP/POLI.1989 A3-0077/91 0010).

CHAPTER I. THE NORDIC COUNTRIES AND THE EUROPEAN COMMUNITY

I – In the wake of the Second World War

In the half century between 1945 and 1995, the continent of Europe saw momentous socio-political change. Much of this was due to the institutional arrangements that developed in the wake of the Second World War. They developed in the need for greater security, and the hope that they could end the continent's violent and destructive history. The story of these institutions' development begins in cautious realpolitik and security necessity, moves through great economic pressures and adaptations, and culminates in ambitious and continent-wide socio-political transformations. This chapter describes the dynamics of these institutional developments and the external pressures that helped shape them and the lead-up to the accession of Finland and Sweden into the European Community.

In the years that immediately followed the Second World War, the Nordic countries of Denmark, Finland, Iceland, Norway and Sweden made attempts to form tighter union to meet their security concerns.¹⁸ However, divergent ideas of security resulted in Denmark, Iceland and Norway joining NATO, while Finland and Sweden remained neutral. Despite this, the Scandinavians created the Nordic Council in 1952, though Finland delayed joining for three years. During its first decade, the Council attempted to form a free-trade area and a customs union.¹⁹ Following this initial period, Scandinavian cooperation was instituted through the Helsinki treaty in 1962, in the hope of uniting the Nordic countries under common regulations.²⁰

Important institutional developments in the neighbouring regions also followed the War. These include Soviet Russia's position as one of the world's two superpowers; the formation of NATO – affecting Nordic cooperation as stated above; and greater cooperation between West European states and the eventual signing of the Treaty of Rome establishing the EEC. Finland's relationship with Russia in this period resulted in a particular neutrality, leaving them reluctant to become involved with the Nordic Council, causing some

¹⁸ Norden.org, *About Co-operation: Before 1952, op. cit.*

¹⁹ Norden.org, *About Co-operation: 1953-1971, op. cit.*

²⁰ Norden.org, *About Co-operation: The Helsinki Treaty, op. cit.*

setbacks. Moreover, relations with the EEC proved an attractive prospect, and in 1960 Denmark, Norway and Sweden joined the EFTA, followed by Finland in the following year. Denmark and Norway also lodged applications to the EEC at this time but they were blocked. They applied again in 1967, with negotiations beginning in 1970 and the accession of Denmark three years later. Norway rejected membership in a referendum, however.²¹

Despite attempts to form strong and relevant relations in the Nordic region, these external institutional developments continued to undermine the Nordic Council's initiative. Finland's relationship with Soviet Russia saw the country's imposed neutrality make it an awkward and reluctant partner in Nordic developments. Denmark, Iceland and Norway's NATO membership caused a sharp distinction in terms of Nordic cooperation regarding security and defence. The attraction of the EEC undermined the need for a Scandinavian free-trade area, and even resulted in Denmark's turning Westwards, rather than focusing on the North. The main institutional arrangement, however, to come from the years that followed the Second World War is EFTA, as it constituted Finland and Sweden's relationship with the EC for this period.

However, during the 1980s further external influences came to bear on this relationship. In response to the economic downturn at the time, and in the hope of reviving European integration, the newly appointed Delors Commission of 1985 put together a list of barriers to a European single market. By the end of 1985, the Commission agreed to proposals outlined by the list. This became the Single Economic Area, scheduled for implementation by 1992. Indeed, the Treaty of Rome had mentioned the common market in the 1960s, though European integration had flagged through the 1970s. However, buoyant economies in the United States and Japan in the 1980s prompted the EC to act in the hope of encouraging growth and investment. The EC saw the single market as a way of generating the necessary economic dynamism that would give Europe the edge it needed to compete in global markets.

II – From European Free Trade Association to the European Economic Area

Because of the focus on deepening European integration, and in the hope of completing the single internal market on time, the EC put widening on hold. However, export industries in EFTA countries were concerned about remaining

²¹ This section has much benefited from Bache, I. and George, S., *Politics in the European Union*, *op. cit.*, notably pp. 158-163, pp. 543-553 and p. 596.

relevant in a time of economic downturn and in the face of the SEA's proposed single market. Governments of the EFTA countries faced pressure to maintain their economies' access to European markets. A European single internal market would exclude those that sustained barriers to trade. EFTA countries outside the single market would suffer a loss of trade and investment, and some companies suggested they would relocate.

The threat of such a downward economic spiral prompted the suggestion of applying for membership to the EC by the EFTA countries. However, as previously stated, the EC focused on deepening at this time, and would not consider further widening. Instead, the Delors Commission proposed a new dimension to the relationship. This was the European Economic Area. It provided access to the single market but excluded involvement in any EC decision-making. This implied that EFTA countries joining the EEA would adopt all EC legislation despite having no influence in making them. The negotiations concluded in 1991 and the applicants signed the treaties the following year, thus issuing a new chapter to the relationship between Finland and Sweden, and the EC.

Another key development during this period was the collapse of the Soviet Union. The effective end of the Cold War redefined the issue of neutrality. For Finland and Sweden, this meant that EC membership had become less incompatible. Not only did this event diminish the issue of neutrality, but also, with the emergence of the CEEC as the USSR receded, the EC met with pressing security needs. Russia emerged from the event 'insecure' and 'aggressive'²² and the CEEC pressed the EC for closer ties and protection through NATO. While the focus on deeper integration with the SEA led to the proposal of the EEA for EFTA countries, these new challenges shifted the position on widening the Community once more.

At the same time, the limits of the EEA were becoming apparent through the process of negotiations. EFTA countries saw EC membership as necessary after all and lodged applications for accession, despite the ongoing EEA negotiations. With the near completion of the single market and the terms of the Maastricht treaty on monetary union agreed by 1991, and facing the need for securing continental stability, the EC looked toward widening. The prospect of the CEEC joining the EC made the idea of the accession of the EFTA countries more appealing. Countries like Finland and Sweden would be net contributors

²² *Idem*, p. 551.

to the budget, thus helping to balance the deficit caused by taking on the CEEC. These wider institutional and geopolitical developments go at least some way to providing the context for the acceptance of the applications for accession, and the institutional consolidation of the relationship between the European Community and Finland and Sweden. The next chapter shall take a closer look at the details of the negotiations and the specifics of Finland, Sweden and Norway separately, as well as the European Parliament's involvement in these matters.

CHAPTER II. PARLIAMENT AND THE NEGOTIATIONS

I – Towards the Treaty on the European Union

1. A deeper or wider Europe?

During European Parliamentary debates between 1978 and 1984, EFTA presented to the EC an issue in terms of protectionist trade policies and market dumping. Niels Anker Kofoed of the Liberal Group, for example, argued in these debates that state aid by the Swedish government was causing overproduction, resulting in deflated prices for chipboard.²³ According to Ursula Schleicher of the European People's Party, these policies were undermining the free market principles of the Community and its trade agreements, raising the question in the European Parliament, and in the context of a deteriorating global economy, of what direction to take with EFTA in terms of cooperation.²⁴ In another Parliamentary debate during the mid-1980s, Marie-Jane Pruvot, a *rapporteur* for the Committee on External Economic relations, argued that EFTA countries should soon be considered for membership in order to strengthen the free market, and end protectionist barriers to trade.²⁵ In a report from April 1984, Gerd Walter for the Political Affairs Committee on relations between the EC and Europe's Northern countries stated that, while the relationships were excellent due to common interests and mutual dependence, Finland and Sweden's neutrality posed a problem to further cooperation, while informal negotiations were already underway with Norway.²⁶

However, as previously stated, with the coming of the Delors Commission the EC was more concerned with deeper, rather than wider integration, and put on hold talks of enlargement until the completion of the SEA in 1992. In the European Parliament, the debate focused on the need for a greater degree of

²³ European Parliament, *Debates of the European Parliament*, sitting of 20.1.1978, p. 222 (Kofoed), HAEP archives (PE0 AP DE/1977 DE19780120-02 9900).

²⁴ European Parliament, *Debates of the European Parliament*, No 1-294, 10.2.1983, pp. 237-238 (Schleicher), pp. 237-238, HAEP archives (PE1 AP DE/1982 DE19830210-09 9900).

²⁵ European Parliament, *Debates of the European Parliament*, No 1-313, 12.4.1984, p. 252 (Pruvot), HAEP archives (PE1 AP DE/1984 DE19840412-18 9900).

²⁶ European Parliament, Political Affairs Committee, Report on the European Community's relations with the countries of Northern Europe, part B, explanatory statement. Rapporteur: G. Walter, 9.4.1984, p. 2, para 2, doc. PE 88.971/B/fin., HAEP archives (PE1 AP RP/POLI.1979 A1-0057/84 0020).

democracy. In June 1988, Parliament passed a resolution listing a number of reforms necessary for resolving this issue. It stated that the SEA did not satisfy earlier demands in regards of democracy, and that there needed to be closer collaboration between the three institutions of the EC, with codecision for Parliament, and the scope to shape negotiations and agreements.²⁷ However, the European landscape had changed so dramatically in the early 1990s that in May 1991 the European Parliament had passed another resolution declaring that the EC should negotiate with all who were willing to join as soon as possible (though this did not exclude a call for the need for further democratisation before enlargement).^{28, 29} The urgency was due to the need perceived by those in Parliament to react immediately and dynamically to the new geopolitical situation in Europe at the time.

2. The new European context

After the dissolution of the Soviet Union, a report from May 1992 by Klaus Hänsch for the Committee on Institutional Affairs described the context in Europe as being radically new due to the collapse of Communism in the East. This new context required the EU to adapt and reconfigure in order to institute a Europe-wide order.³⁰ In May 1991, in a European Parliamentary debate, Planas Puchades, a *rapporteur* for the Political Affairs Committee, made the case that deepening and widening were not mutually exclusive and that the former was simply a precondition for the latter.³¹ However, this urge to enlarge as quickly as possible was far from consensual, and Fernand Herman of the European People's Party replied that haste without cautious progress was an attempt to dilute the Community and render it merely an intergovernmental institution.³²

²⁷ European Parliament, Resolution on the role of the European Parliament in external policy within the framework of the Single European Act, OJ C 187, 18.7.1988, p. 234, para 1, 5-6, HAEP archives (PE2 AP RP/POLI.1984 A2-0086/88 0001).

²⁸ European Parliament, Resolution on Community enlargement and relations with other European countries, OJ C 158, *op. cit.*, p. 56, art. 7.

²⁹ European Parliament, Political Affairs Committee, Report on Community enlargement and relations with other European countries. Rapporteur: Luis Planas Puchades, *op. cit.*, p. 9, para 1.

³⁰ European Parliament, Committee on Institutional Affairs, Report on the structure and strategy for the European Union with regard to its enlargement and the creation of a Europe-wide order. Rapporteur: Klaus Hänsch, 21.5.1995, p. 13, para I, doc. PE 152.242/fin., HAEP archives (PE3 AP RP/INST.1989 A3-0189/92 0010).

³¹ European Parliament, *Debates of the European Parliament*, No 3-405, 14.5.1991, p. 69 (Planas Puchades), HAEP archives (PE3 AP DE/1991 DE19910514-04 9900).

³² *Idem*, p. 76 (Herman).

As concerns the EEA, already in May 1989 the European Parliament had passed a resolution on the relationship between the EC and EFTA. The resolution primarily addressed the fears between the two groups concerning trade. On one hand, the EFTA countries were preoccupied with what effect on their economies the single market might have. On the other, the EC was concerned with EFTA protectionism and the restriction on the free movement of capital. The resolution highlighted the need to abolish technical barriers to trade and discrimination of origins of products if cooperation was to be furthered, and in expectation of application for membership to the EC by EFTA countries.³³ The solution, of course, would be found through the EEA. Addressing Parliament in 1990, Vice-President of the Commission Andriessen commented on the need for a more structured relationship between the EC and EFTA.³⁴ The EEA was recognised by the motions for resolution of the European Parliament as an important step in this regard, and would mean a greater Europe, as long as the Community rules, the *acquis communautaire*, were fully incorporated.^{35, 36, 37}

From the perspective of EFTA countries, however, the process was even less straightforward. Membership of EFTA was a comfortable situation, though its applicants recognised that it might not suffice considering the developments within the EC during the late 1980s. The issue of independence and sovereignty generated reluctance in terms of further integration, but fears over marginalisation prompted the possibility of application for membership, leading European Commission President Delors to propose the EEA. For Finland, due to its relationship with the USSR, there were limits to cooperation, as there were with EFTA initially. However, by 1989 Finland was willing to accept the *acquis* and enter into the EEA, dismantling non-tariff barriers, though it remained determined to maintain its own decision-making abilities. Due to their own neutrality, Sweden felt further integration would jeopardise their identity as a stabilising presence in Northern Europe. However, the fear of losing market-share, concerns made by industrialists, and the social element of

³³ European Parliament, Resolution on economic and trade relations between the EEC and EFTA member countries, OJ C 158, 26.6.1989, p. 510, para 12, HAEP archives (PE2 AP RP/RELA.1984 A2-0032/89 0001).

³⁴ European Parliament, *Debates of the European Parliament*, No 3-389, 4.4.1990, p. 162 (Andriessen), HAEP archives (PE3 AP DE/1990 DE19900404-06 0010).

³⁵ Aglietta, Boissière, Lannoye *et al.*, Motion for a resolution [...] on enlargement of the Community, 8.7.1993, p. 2, para 3 and 5, doc. PE 173.851, HAEP archives (PE3 AP PR B3-1020/93 0010).

³⁶ Bertens, Capucho, Cox *et al.*, Motion for a resolution [...] on enlargement, 8.2.1993, p. 2, para 4, doc. PE 170.212, HAEP archives (PE3 AP PR B3-0233/93 0010).

³⁷ Habsburg and Oomen-Ruijten, Motion for a resolution [...] on the prospects for enlargement of the European Union, 8.2.1993, para 2, doc. PE 170.219, HAEP archives (PE3 AP PR B3-0240/93 0010).

integration caused Sweden to seek solutions to the dilemma and saw the EEA as a step in the right direction.³⁸

3. The European Economic Area not enough

Caught between the socio-political and the economic factors, the acceptance of the EEA and the adoption of EC law and the *acquis* seems in the end to have been a reluctant move on the part of the Northern EFTA countries. A matter of necessity, or even damage limitation, EFTA countries felt the West was dragging them toward integration.³⁹ Indeed, social democratic governments were wary of losing achievements such as full employment and social equality at the hands of market deregulation and liberalisation of national economies, particularly in the face of the European Central Bank's low inflation, price stability, and restrictive monetary and fiscal policies.⁴⁰ Despite such concerns, the EFTA countries signed the EEA agreement in 1992 in the face of the EC's burgeoning single market. They accepted it as an improved free trade area, access to the single market, and a more structured relationship with the EC, while it excluded sensitive policy areas such as agriculture, fisheries, taxation and external relations. However, they also recognised the proposal's limitations during the negotiations. A real decision-making capacity for the EFTA countries would not be included, and while their economic considerations drove them toward limited integration, the socio-political concerns would eventually push them beyond the EEA.⁴¹

European Parliament debated the issue of the EEA not being enough in terms of cooperation between the EC and EFTA. In May 1991 Alexander Langer of the Green Group, argued, in opposition, without substantial amendments to the Planas report on Community enlargement, that the direction the EEA was taking European integration lacked the essential political dimension, and was effectively an economic and financial quarantine.⁴² In another Parliamentary

³⁸ Church, C., 'The Politics of Change: EFTA and the Nordic Countries' Responses to the EC in the Early 1990s', *Journal of Common Market Studies*, Vol. 28, No 4, 1990, pp. 401-430.

³⁹ Hamilton, C. B., 'The Nordic EFTA Countries and the European Community: Options for the 1990s', *Irish Studies in International Affairs*, Vol. 3, No 2, 1990, pp. 33-46.

⁴⁰ Bieler, A., 'The Struggle Over EU Enlargement: A Historical Materialist Analysis of European Integration', *Journal of European Public Policy*, Vol. 9, No 4, 2002, pp. 575-597.

⁴¹ Cameron, F., 'Keynote Article: The European Union and the Fourth Enlargement', *Journal of Common Market Studies*, Vol. 33, 1995, pp. 17-34.

⁴² European Parliament, *Debates of the European Parliament*, No 3-405, 14.5.1991, p. 73 (Langer), HAEP archives (PE3 AP DE/1991 DE19910514-04 9900).

debate in February 1992, Pierre Ceyrac of the European Right Group highlighted that the EEA was problematic from the outset and with the application for full membership by EFTA countries, the Economic Area should only be a transitional arrangement.⁴³ Indeed, in a resolution passed by the European Parliament in January 1993, it was stated that the EEA would be seen to facilitate membership of willing EFTA countries to the EU.⁴⁴ However, in a debate on this subject, James Moorhouse of the European Democrats Group questioned the very necessity and relevance of the EEA at all.⁴⁵

However, the EEA process did of course contribute to the accession process. In particular, it instigated the adoption by the EFTA countries of the *acquis communautaire*.⁴⁶ This covered: the free movement of goods, persons, capital and services; harmonised Community rules and standards on fair competition and taxation, among other things; common policies such as the Common Agricultural Policy, the Customs Union, and Development and Regional Policies; the Economic and Monetary Union; and the new Maastricht elements, the Common Foreign and Security Policy, Cooperation in the fields of Justice and Home Affairs, and Citizenship of the Union. Full membership negotiations began early in 1993 after the ratification of the Maastricht Treaty on European Union, meaning that new members would accede to the EU, rather than the EC they had applied to initially. The negotiations were set up for each country individually, but would be conducted in parallel with one another in order that agreement was achieved on time for accession in 1995.⁴⁷

4. Membership negotiations

The political preparation described in the previous section meant that much of the negotiations went smoothly. EEA members had already dealt with much of the Customs Union, though the applicants had to adapt tariffs in line with the

⁴³ European Parliament, *Debates of the European Parliament*, No 3-426, 21.1.1993, p. 273 (Ceyrac), HAEP archives (PE3 AP DE/1992 DE19930121-09 9900).

⁴⁴ European Parliament, Resolution on the structure and strategy for the European Union with regard to its enlargement and the creation of a Europe-wide order, OJ C 42, 15.2.1993, p. 126, para 5, HAEP archives (PE3 AP RP/INST.1989 A3-0189/92 0001).

⁴⁵ European Parliament, *Debates of the European Parliament*, No 3-414, 11.2.1992, p. 97 (Moorhouse), HAEP archives (PE3 AP DE/1991 DE19920211-10 9900).

⁴⁶ Granell, F., 'The European Union's Enlargement Negotiations with Austria, Finland, Norway and Sweden', *Journal of Common Market Studies*, Vol. 33, No 1, 1995, pp. 117-141.

⁴⁷ European Commission, *Negotiations on the Accession of Austria, Sweden, Finland and Norway to the European Union: Summary of the Results*, 1994.

Common Customs Tariff and accept a common commercial policy (thus ending EFTA membership). For the three Northern countries, their free trade agreements with the Baltic States of Estonia, Latvia and Lithuania were important and the EU agreed they could maintain them, as these states would soon apply to the EU also. The EU recognised the superior Health, Safety and Environmental standards in the EFTA countries, and so they received temporary derogations on these issues. Entering the single market implied price alignment, but as the EEA dealt only with industrial products, protectionist policies for agricultural products remained. Applicants were given a transition period, within which prices were to gradually lower as national aid was introduced instead. In order to sanction this structural aid, the EU devised regional category Objective 6 to recognise the difficult farming conditions of low population density, reduced daylight and harsh environments of a number of extreme Nordic areas. Due to the need to implement the CAP, prices would be adjusted immediately, compensation was to be paid, and the transition period would see aid gradually diminish.

Under Community law, the EU deemed the state monopoly Finland and Sweden held over the import and wholesale of alcohol illegal. However, these states were able to maintain their retail monopoly on alcohol to regulate its sale in consideration of the health and social issues in these countries, though they were to be careful not to discriminate against the origin of products from the rest of the EU. These considerations led to a request by the two states to regulate also the tax-free status of alcohol and tobacco products allowed to cross borders by travellers for personal use. The EU agreed a derogation restricting the quantity, though would review the case in 1997. In terms of fisheries, the introduction of the applicants to the Common Fisheries Policy meant it applied to Spain and Portugal six years ahead of schedule. The applicants agreed to contribute fully to the European budget and Development Fund. This meant that, despite compensation and aid packages, based on projections Sweden would be a net contributor, though Finland, initially, would not.

The European Parliament saw the application of Finland and Sweden to be very important. In a Parliamentary debate in February 1993, the economic and political importance of the EFTA enlargement was noted by Carlos Pimenta of the Liberal and Democratic Reform Group, who also highlighted the group's budgetary contributions, as well as being a signal that the EC was not an

exclusive club.⁴⁸ This view was reinforced in July 1993 when Parliament passed a resolution on enlargement, stating its mutual beneficence in terms of continental stability, and the contributions of the applicants in terms of open governance, democratic accountability, and social and environmental standards, as well as gender equality.⁴⁹ Again, these sentiments were echoed in motions for resolutions in July and November 1993. The former, proposed by the European People's Party, highlighted the importance to growth and employment,⁵⁰ while the latter, proposed by the Green Group, noted how the applicants may help diminish the democratic deficit.⁵¹ However, through the European Parliament, the notion that the EU must not become *à la carte* was also enforced. A motion for resolution by the European People's Party in February of 1993 stated firmly that the Union is not divisible, that to be a member is to share the same destiny.⁵² In January 1994 Parliament passed a resolution stating that the applicants must accept the *acquis communautaire* entirely, though it did welcome the improvements to these rules that the applicants represented.⁵³

The European Parliament also took the negotiations as an opportunity to press for further democratic reforms. A resolution passed in November 1993 outlined the need for institutional changes to accompany enlargement for the smooth operation of the EU, more dialogue between the Parliament and the Council and Commission, and the appointment of a committee of wise persons to assist in this. It was suggested the dialogue should consider improving the qualified majority voting system, revising how the Commission is composed and appointed, an automatic presidency rotation system, and a more flexible procedure for revising the Treaties. Thorough democratisation of the EU was also called for, particularly the extension of codecision for cases of cooperation

⁴⁸ European Parliament, *Debates of the European Parliament*, No 3-427, 10.2.1993, p. 143 (Pimenta), HAEP archives (PE3 AP DE/1992 DE19930210-03 9900).

⁴⁹ European Parliament, Resolution on enlargement, OJ C 255, 20.9.1993, p. 207, para 3, HAEP archives (PE3 AP PR B3-1017/93 0001).

⁵⁰ Jepsens, Habsburg, Penders *et al.*, Motion for a resolution [...] on the negotiations between the Community and Austria, Sweden, Norway and Finland on their accession to the European Union, 8.7.1993, p. 1, doc. PE 173.849, HAEP archives (PE3 AP PR B3-1018/93 0010).

⁵¹ Aglietta, Lannoye, Langer *et al.*, Motion for a resolution [...] on the state of the play as regards negotiations with Austria, Finland, Norway and Sweden, 11.11.1993, para 3-4, doc. PE 176.668, HAEP archives (PE3 AP PR B3-1561/93 0010).

⁵² Habsburg and Oomen-Ruijten, Motion for a resolution [...] on the prospects for enlargement of the European Union, 8.2.1993, para 2, doc. PE 170.219, HAEP archives (PE3 AP PR B3-0240/93 0010).

⁵³ European Parliament, Resolution on the environmental aspects of the enlargement of the Community to include Sweden, Austria, Finland and Norway, OJ C 44, 14.2.1994, p. 50, para F and 6, HAEP archives (PE3 AP RP/ENVI.1989 A3-0008/94 0001).

and consultation of the European Parliament and majority decision by the Council.⁵⁴ In a debate the following February, it was argued by John Iversen of the Green Group that the European Parliament should not hold the accession process hostage for more power, and should approve the agreements before the Parliamentary elections that June.⁵⁵ The counterargument, made by Thomas Spencer of the European People's Party, was that concern over Parliamentary power was hardly a power struggle, but a question of democracy.⁵⁶

II – Finland

1. A strong European identity

It was in Finland's economic interest to sign a free trade agreement with the EC and join EFTA, and the country benefited greatly from this. However, as the Community progressed toward completing the single market, greater EC integration became a necessity. Despite the EC proposing the EEA as a way to integrate economically with the Community, through their negotiations the political deficit became clear. The initial focus on economic integration was to maintain national sovereignty. However, membership of the EEA, providing access to the EC's single market, implied the adoption of most of the Community's laws. Only full members of the EC would gain influence over the shaping of these laws. Becoming a full member was to cede symbolic national sovereignty, but merely applying to the EEA was to cede real sovereignty in terms of national legislation. The third option was to apply to neither, maintaining symbolic and legislative sovereignty, but this too came at the cost of losing sovereignty due to the economic loss of access to the single European market. Hence, on the 18th of March 1992, as the EEA negotiations were still underway, Finland applied for membership of the EC.⁵⁷

However, membership to the EC, or, as of the ratification of the Maastricht treaty, the EU, implied changes for Finnish society. Being pegged to a common European currency would have been to risk high unemployment or inflation

⁵⁴ European Parliament, Resolution on the negotiations concerning enlargement of the Union to include Austria, Sweden, Finland and Norway, OJ C 329, 6.12.1993, p. 147, para 3-5, HAEP archives (PE3 AP PR B3-1553/93 0001).

⁵⁵ European Parliament, *Debates of the European Parliament*, No 3-442, 9.2.1994, p. 145 (Iversen), HAEP archives (PE3 AP DE/1993 DE19940209-11 9900).

⁵⁶ *Idem*, p. 148 (Spencer).

⁵⁷ Alho, K. and Widgren, M., 'Finland: Economics and Politics of EU Accession', *op. cit.*, pp. 701-709.

levels due to high German interest rates and the inability to adjust national currency exchange rates. Industrial inflexibility that would arise from political union, too, was a risk in terms of protecting labour working in sunset industries, or from the need to set sector specific duties or tariffs that contravene the interests of other Member States. There were elements of national independence that corresponded with economic sovereignty, despite the fears, and there would be losers as well as winners.⁵⁸ However, Finland is distinct due to its relationship with Russia. In the period after the Second World War, a wary Finland developed a particular type of neutrality that necessitated a friendly bias toward the Soviet Union. This bias was the reason for Finland's delayed accession to both the Nordic Council and EFTA. This relationship continued until the collapse of the Soviet Union in 1991, and was perhaps a determinant in the popularity of joining the EU.⁵⁹

Indeed, the prospect of joining the EU was less socially divisive as it was in both Norway and Sweden. Export industries were in firm favour of joining the EU, as they feared facing protectionism if Finland were to remain only in the EEA. They argued that the country's welfare system depended on the wealth that membership would generate, as well as reducing risk for investors, creating greater general economic security. This was at a time of 18.5 per cent unemployment and heavy debts belonging to the state due to diminishing Soviet trade. The export industries held the view that sheltered sectors, those in agriculture and benefiting from state aid, needed to adapt regardless of membership, so were unconcerned with whatever losses they might incur. Many in Finland felt that they belonged to Europe, in particular the young. After the decades of close but tense relations with the Soviet Union, its collapse provided space for exploring that latent identity. This support was perhaps more so in favour of Europe, rather than the EU itself, and they remained wary of such issues as the democratic deficit, neutrality, however the new context redefined it, and the impacts of monetary union. This group also showed more concern than the export industries, for the changes faced by those in the agriculture sector. Despite these concerns, however, there remained higher

⁵⁸ Baldwin, E., 'Finland: Economics and Politics of EU Accession: A Comment', *The World Economy*, Vol. 17, No 5, pp. 711-714.

⁵⁹ Arter, D., 'The EU Referendum in Finland on 16 October 1994: A Vote for the West, not for Maastricht', *Journal of Common Market Studies*, Vol. 33, No 3, 1995, pp. 361-387.

support throughout the accession negotiations in Finland than was the case in Norway or Sweden.⁶⁰

2. Review of negotiations

Formal negotiations began in February 1993. There were many generalities, previously outlined, common to the Finnish negotiations and those of Norway and Sweden. These commonalities covered concerns regarding health, safety and environmental standards, and supporting the northern regions, as well as trade relations with the Baltic States. As also previously outlined, however, Finland was distinct in its geopolitical relationship with Russia. The EU recognised a continued instability concerning the ex-Soviet neighbour, thus placing special relevance on Finland's accession to the Union. Not only was this a strategic consideration, but also one in terms of furthering trade with Russia. Finland accepted the CFSP and was willing to contribute to the policy's development. As for the CAP, Finland was to compensate farmers for the sudden price alignment for a period of five years, gradually lowering the aid year by year, with the EU providing support until 1998. Farms in the more extreme regions would receive aid under the new Objective 6 criteria for structural funds, until a review in 1999. While Finland already abolished import and wholesale monopolies on alcohol under the EEA, they would change its retail policy so as not to discriminate against other Member State products.⁶¹

Finland's environmental concerns resulted in the amendment of EU regulations regarding wildlife, with the addition of the 'Boreal' region to the Union's list of special interest natural habitats. Sulphur content of fuel oil would remain at Finland's reduced level until October 1996. Finland was to regulate the number of secondary homes for non-residents in environmentally sensitive areas for a period of five years. The country was also to maintain national rules on the classification, packaging and labelling of dangerous substances such as cadmium and pesticides, for a four-year period, with a review and possible amendments of EU law during that time. Finland received a year to raise oil reserves to the Union's required level, and given two years to adopt EURATOM safety standards for those working with nuclear material. Beyond the

⁶⁰ *Idem.*

⁶¹ European Commission, *Finland: Negotiations for Accession to the European Union*, 1994.

environment, health and safety, Finland also received three years to bring customs tariffs in line with EU levels.⁶²

3. The role of the European Parliament

The European Parliament noted Finland's sensitive geopolitical situation. In a debate in February of 1974, as Finland was joining EFTA, Morten Helveg Petersen of the Liberal and Allies Group mentioned that the event was only made possible by the detente between the West and the Soviet Union, and that it should be understated, so as not to cause Finland undue tension with its neighbour to the East.⁶³ Indeed, in a motion for resolution put forward to Parliament by Gustave Pordea, Jean-Marie Le Pen, Olivier d'Ormesson, Francesco Petronio, Michel de Camaret, Jean-Marie Le Chevallier, Bernard Antony, Collinot, Chrysanthos Dimitriadis, Antonino Buttafuoco and Martine Lehideux in March of 1985, it was noted that this relationship between Finland and the Soviet Union was one of imposed cooperation that required the former to resist formal cooperation with the EC, and was the contemporary manifestation of a two century long history of Russian expansionism and interference, where Finland's sovereignty had been restricted in real terms.⁶⁴ A report by Gary Titley for the Committee on Foreign Affairs and Security recognised the Finnish application to the EU in 1992 in Europe's altered context, stating that it was a clear indication of the political changes in Europe since the collapse of the Soviet Union. The report also recognised the nature of Finland's particular neutrality, and the relations with Russia that had shaped it.⁶⁵

The report noted the recession Finland was suffering at the time, due to the loss of Soviet markets, and stated that the EU would provide an alternative. It recognised, however, that the EEA would not be enough to provide for Finland's needs, as only full membership to the Union could provide the capacity to shape decisions that affect directly members of the Economic Area. It also noted that the benefits were mutual, however. Due to Finland's high environmental standards, the report welcomed the 'upward harmonisation' of

⁶² *Idem.*

⁶³ European Parliament, *Debates of the European Parliament*, sitting of 14.2.1974, p. 263 (Petersen), HAEP archives (PE0 AP DE/1973 DE19740214-12 9900).

⁶⁴ Pordea, Le Pen, d'Ormesson *et al.*, Motion for a resolution [...] on Finland, 20.3.1985, p. 1, doc. PE 96.879, HAEP archives (PE2 AP PR B2-0053/85 0010).

⁶⁵ European Parliament, Committee on Foreign Affairs and Security, Report on Finland's application to join the European Union, part B, explanatory statement. Rapporteur: Gary Titley, 26.4.1994, p. 3, para 1-5, HAEP archives (PE3 AP RP/POLI.1992 A3-0298/94 0020).

EU law, and the positive affect those standards would have for the entire Union.⁶⁶ The resolution based on the report that Parliament passed enforced this, thus recognising the benefit of enlargement to the Union in political, economic, social, and cultural terms, and in providing greater continental stability. The resolution went on, then, to support the work done through the negotiations on achieving agreements on the previously outlined issues, and the full acceptance of the *acquis communautaire* by Finland.⁶⁷ The negotiations were completed in March 1994.

III – Sweden

1. A country divided

Concerning its relationship with the EC, and during the EEA negotiations, Sweden faced a dilemma similar to that of Finland. Issues of national sovereignty and independence of decision making strongly shaped the country's position on membership. It was feared that membership would only bring little influence, outweighed by obligations. Despite such concerns however, economic integration with the EU was felt to be a necessity in view of the trade relations that already existed. Swedish companies were already invested in the developing single market. This economic relationship resulted in an economic community (hence the EEA). Due to these spillover effects the economic relationship grew to the extent that political integration became necessary. At the time, the Swedish economy was in trouble and national debt was mounting. Indeed, during the national debate regarding accession it was argued that non-membership threatened inward investment, which was already declining with companies placing a firm foothold within the EC in the case that accession failed. Sweden was also heavily trade dependent with over 50 per cent of imports coming from the EC. These imports relied, in turn, on the country's exports that were also focused on the Community's market.⁶⁸

Sweden eventually sought membership to the EU, applying on the 1st of July 1991. As in Finland, the country faced extensive social change. Sweden's was a particular social democracy, with a high level of equality, and a social welfare system that focused on reproduction as well as production. The national

⁶⁶ *Idem*.

⁶⁷ European Parliament, Resolution on Finland's application to join the European Union, OJ C 205, 25.7.1994, p. 407, para 2-7, HAEP archives (PE3 AP RP/POLI.1992 A3-0298/94 0001).

⁶⁸ Moses, J. W. and Jenssen, A. T., 'Nordic Accession: An Analysis of the EU Referendums', *op. cit.*

debate over membership divided Swedish society deeply, including unions and left-wing parties. Only half of the supporters of the Social Democratic Party (SAP) supported accession, despite having been the party that lodged the application (and lost government some months afterwards). This left the leadership of the SAP in difficulty regarding the national election to regain government, which was to take place a few months before the EU referendum was scheduled. The Party had to present a neutral face, while attempting to generate support for EU membership throughout the ranks despite the split. That the SAP was decidedly against membership prior to the fall of the Berlin wall might explain this schism within the party. However, as previously outlined, Sweden was in economic trouble and in 1990, the SAP put together a recovery package that included applying for EC membership.⁶⁹

This sudden shift in policy came only a couple of years after an election campaign that championed Sweden's unique social democracy in contrast to the EC's welfare system.⁷⁰ These dynamics within the SAP reflect the deep divide within Swedish society and the scepticism many held for EU membership, and the contrast between social policies and their implications. Membership might have posed a risk to Sweden's solidarity welfare system. The SAP presented the capitalist nature of the EC as being incompatible in this respect.⁷¹ This aspect in particular may be seen as a determinant for the strong opposition to membership by Sweden's female voters. European welfare states tend to insure against public production. What made Sweden's welfare system so unique was that it focused also on social reproduction and was universal rather than contributory. Such policies afford female members of society a greater public presence but Swedish voters feared the apparent lag in social policy, where Brussels seemed to push forward with monetary union thus diminishing the other's importance. In respect to monetary union, Swedish citizens were also cautious over its effect on support mechanisms for its welfare system. They saw this development as the potential collapse of the solidarity that underpinned the country's society.⁷² These issues accounted for the deep divide in Swedish society through the negotiations for EU membership.

⁶⁹ Aylott, N., 'Between Europe and Unity: The Case of the Swedish Social Democrats', *op. cit.*

⁷⁰ *Idem.*

⁷¹ Miles, L., 'Sweden in the European Union: Changing Expectations?', *Journal of European Integration*, Vol. 23, No 4, 2001, pp. 303-333.

⁷² Laatikainen, K. V., 'Gendered Integration? A Feminist Analysis of Nordic Membership in the European Union', *op. cit.*

2. Review of negotiations

The negotiations for membership officially began on the 1st of February of 1993. As in Finland's case, the Swedish negotiations, though held separately, possessed many commonalities general to the other Nordic countries. Sweden was able to maintain higher levels of health and environmental standards, where existing, for a period of four years. These included the classification and labelling of dangerous substances, as previously mentioned in the Finnish profile. Through the negotiations, the Commission assured Sweden that the Maastricht Treaty's Social Protocol would not affect Sweden's system of collective agreement between social partners. The alcohol monopoly that existed in Sweden was resolved as it was in Finland's case. This applied also to the tax on alcoholic and tobacco products crossing into Sweden with travellers. Sweden's extreme regions came under the new Objective 6 category for structural aid. This included 5 per cent of the country's population. Sweden announced it was fully committed to implementing prices under the CAP immediately upon accession to the Union, though prices for agricultural products in Sweden had already aligned with, or were lower, EC standards due to previous initiatives.⁷³

The EU based Sweden's fish quotas on numbers for the period from 1989 to 1993, and the country was to have access to EU waters, until the permit system was established. Sweden agreed to apply the common commercial policy, the common customs tariff, the Community customs code, and its provisions immediately. Sweden would terminate the free trade agreement with the Baltic States. However, as previously mentioned, if the Baltic States had not yet established a free trade agreement with the EU by the time of Swedish accession, their products would be free to enter the Swedish market as had been the case. Sweden had an open-ended derogation for the sale of snus, a moist tobacco product banned in the EC. The issue of second homes for non-residents was resolved as it was in Finland's case, with a five-year period to continue regulating the market. During negotiations, Sweden unilaterally declared its commitment to open and transparent governments, whereby citizens had access to state documents. This prompted a reaction by the EU that stated it trusted that Sweden would fully comply with Union law on this issue. Negotiations concluded on the 1st of March, 1994.⁷⁴

⁷³ European Commission, *Sweden Enlargement Negotiations: Summary Result*, 1994.

⁷⁴ *Idem*.

3. The role of the European Parliament

The European Parliament passed a resolution concerning the concluded negotiations in May 1994. The resolution conveyed the belief that Parliament held in respect to the contribution Sweden would make to the European Union, and that its accession was of great historical importance. It stated that the enlargement would further stabilise the continent, consolidate the EU's economic role, increase social, environmental and consumer protection awareness, and support the reconstruction of the CEEC. Parliament also acknowledged the geopolitical rebalancing the accession of the Nordic countries presented, and stated that this must not disrupt cohesion, or impede the Union's overall interests. The resolution stated that Sweden's swift accession would help boost economic recovery and generate employment and trade, while reinforcing principles of democracy, peace and security, as well as contributing to the upward harmonisation of policies on environmental protection. The resolution also noted that Sweden would be a net budgetary contributor. The European Parliament took this chance to welcome the agreements made through the negotiations, including those concerning snus, the CAP, alcohol monopolies, and the regional policies and the new Objective 6.⁷⁵

A preceding Parliamentary report from January 1994 by Thomas Spencer, for the Committee on External Economic Relations, echoed many of these sentiments. However, the report went deeper into the Swedish context, while also stating that the European Parliament ought to have a greater degree of involvement in such negotiations, beyond simply assenting to the treaty after it has been finalised. As well as noting the mutual benefits of the accession, this report also claimed that, due to the tradition of neutrality, Sweden's role in the future of Europe would be a healing one. In the report, the Committee stated the belief that Sweden's ready involvement in the CFSP would be an important one. Another important particularity acknowledged in the report was the emphasis in Sweden for full employment through a labour market policy of retraining and relocation. The report also acknowledged Sweden's work towards linking with the European Monetary System and the coupling of the Krona with the ECU, but noted the rise in unemployment since then. However,

⁷⁵ European Parliament, Resolution on Sweden's application to join the European Union, OJ C 205, 25.7.1994, pp. 410-411, HAEP archives (PE3 AP RP/POLI.1992 A3-0304/94 0001).

the rate was still below the EU average, and key to maintaining this was exporting to the European market, and involvement in the political dimension that shaped that market's laws. Hence, the European Parliament welcomed Sweden's accession.⁷⁶

IV – Norway

1. A party divided

Norway's relationship with the European Community has been a complicated one. While this paper focuses on the accession of Finland and Sweden to the EU, it cannot ignore that their Nordic neighbour had also applied for membership. However, not for the first time, Norway failed to ratify the accession treaty due to its rejection by popular referendum.⁷⁷ At state level Norway has held close relations with the EC in being an associate member of the Western European Union, a member of NATO, thus sharing with the EC its security concerns and approach, and having previously applied for and negotiated full membership in the early 1970s.⁷⁸ Norway also joined EFTA and then the EEA in 1994.⁷⁹ With two rounds of negotiations for membership, access to the single market, and a military allegiance, it would appear that Norway's full membership was inevitable. However, as both accession treaties were rejected by slim majorities in popular referenda, Norwegian society appears strongly divided on this topic.

Norway's Labour Party (DNA) has been a dominant national political force since the end of the Second World War. Initially, due to issues of sovereignty and caution over liberal economics, its governments were not in favour of developments such as the European Coal and Steel Community, or the EEC that followed. However, a shift in Norway's stance toward the EC occurred when Denmark, Ireland and the UK made their initial bid for membership during the 1960s. Divergence on the matter within Norway was immediate, with the birth of an opposition movement made up of those in farming, fisheries, northern and rural areas, and the left-wing. Indeed the DNA itself was highly split over

⁷⁶ European Parliament, Committee on External Economic Relations, Report on the economic and trade aspects of Sweden's application for EC membership. Rapporteur: Thomas N. B. Spencer, 25.1.1994, p. 6, para 1-5, and pp. 7-6, doc. PE 206.896/fin., HAEP archives (PE3 AP RP/RELA.1989 A3-0025/94 0010).

⁷⁷ Bache, I. and George, S., *Politics in the European Union*, *op. cit.*, p. 140.

⁷⁸ Sogner, I. and Archer, C., 'Norway and Europe: 1972 and Now', *op. cit.*

⁷⁹ Bache, I. and George, S., *Politics in the European Union*, *op. cit.*, p. 173 and 498.

membership, with only 58 per cent of the party in support at the referendum in 1972. Again in the 1980s, and due to increasing pressures from globalisation and the inability to manage a national economy in an independent manner, the Norwegian government began looking at closer ties with the EC (resulting in the EEA negotiations). Despite the recession in the mid 1980s due to the economy's dependence on oil and the commodity's sharp price drop, the opposition movement rose again quickly.⁸⁰

This time it resulted in a split within the Party itself, with the formation of the group known as the Social Democrats against the EU (SME) campaigning in opposition to the party's leadership. The SME was supported largely by those over 45 years of age, blue collar, primary sector and union member workers, and mostly coming from rural areas and from the northern regions. The SME also consisted of the left-wing of the DNA, and was in stark contrast to the modernising element of the party that rose to leadership in the mid 1980s. This schism in Norwegian society between the state and its people primarily concerned the perception that the EU posed a threat to democracy and sovereignty. Concerns also included economic issues such as neoliberal policies and the reduced capability to regulate the national economy independently. Threats to the environment were also a stated concern, as was foreign policy, resource (oil and gas) management, and agricultural issues. While the opposition movement forced the DNA to scale back their support for membership, the Party voted to support the application in 1992. Once again the complicated relationship between the Norwegian government, the European Community, and the Norwegian people took its course, with formal negotiations for membership taking place from the 5th of April, 1993, and the defeat of the accession treaty by referendum on the 28th of November, 1994.⁸¹

2. Review of negotiations

The negotiations themselves were very much in the same vein as those of the other two Nordic countries. The parties felt through the negotiations that the new Maastricht Treaty reflected the shared values between the EU and Norway, and that the partnership would be mutually reinforcing. Issues followed Finland and Sweden's in terms of regional concerns (resolved with the new Objective 6), agricultural concerns (with Norway agreeing to accommodate the CAP during a transitional period of decreasing national aid), health, safety and

⁸⁰ Geyer, R. and Swank, D., 'Rejecting the European Union...', *op. cit.*

⁸¹ Sogner, I. and Archer, C., 'Norway and Europe: 1972 and Now', *op. cit.*

environment standards, the alcohol monopolies, and taxation issues. The fisheries issue was one that stood apart from the others in the negotiations with Norway. Norway had an already well-developed and effective fisheries policy, and it was a matter of combining it with the Common Fisheries Policy (CFP). However, the EU also had to deal with internal issues concerning restricted access to waters for Iberian members. The EU could not give preferential treatment to Norway upon accession but the CFP was yet to be fully established. Until the EU had established and implemented the CFP, it would treat Norway in an equivalent manner to Portugal and Spain. Also specific for Norway were negotiations over energy due to its offshore gas and oil. Norway was assured of its national sovereignty over these resources.⁸²

3. The role of the European Parliament

The European Parliament noted the close relationship between Norway and the EC with a resolution passed by Parliament in April 1984, stating that Norway was an important partner and closer ties were desirable.⁸³ A Parliamentary report from April 1994 by Marie Jepsen, for the Committee on Foreign Affairs and Security, outlined the interdependence between the EC and Norway, that both negotiation parties were intertwined politically and economically, and that the Norwegian government believed non-membership would result in political marginalisation.⁸⁴ A resolution based on the report and passed by the European Parliament in May 1994, echoed the sentiments that Norway would have a positive political, economic, strategic, social and cultural effect on the EU, and that the country's high health, safety and environmental standards would add to the upward harmonisation of Union policies and regulations.⁸⁵ The resolution also noted the close political relationship, and that as an associate member of the WEU Norway was already on board with the

⁸² European Commission, *Norway Negotiations for Accession to the European Union: An Overview of Results*, 1994.

⁸³ European Parliament, Resolution on the European Community's relations with the countries of northern Europe, OJ C 127, 14.5.1984, pp. 103-104, para 1, 7-10 and 13, HAEP archives (PE1 AP RP/POLI.1979 A1-0057/84 0001).

⁸⁴ European Parliament, Committee on Foreign Affairs and Security, Report on the Norway's application for membership of the European Communities, part B, explanatory statement. Rapporteur: Marie Jepsen, 26.4.1994, pp. 5-6, para IV, 15-16, doc. PE206496/fin/B, HAEP archives (PE3 AP RP/POLI.1992 A3-0280/94 0020).

⁸⁵ European Parliament, Resolution Norway's application for membership of the European Union, OJ C 205, 25.7.1994, pp. 401-402, para A-C, 3 and 8, HAEP archives (PE3 AP RP/POLI.1992 A3-0280/94 0001).

CFSP. Finally, it stated that accession would contribute to the stability of the continent, further enhancing the geopolitical balance of the Union.

4. Sovereignty and international interdependence

As previously mentioned, Norway was not to accede to the EU but remained in the EEA. Before the accession talks, the EFTA countries saw the EEA as unavoidable considering the need for access to the EC's single market. After the failure to ratify the accession treaty, some in Norway may have seen the EEA as the lesser of two evils. Avoiding membership, while staying in the EEA was to maintain access to that market, while minimising any loss of sovereignty. However, it may be argued that this arrangement, in fact, reduces Norway's sovereignty. Belonging to the EEA means adopting much of the *acquis communautaire* regardless of being a full member or not. Not being a full member means having no say in the shaping of the *acquis*. For Norway, having rejected membership for the second time, this translated as having to adopt legislation that it had absolutely no influence or decision-making powers over. Considering Norway founded its initial stance to the very idea of the EEC on a strong need for self-rule, their current arrangement seems contrary to this vision.^{86, 87}

The sovereignty of the modern nation state erodes not from involvement in international organisations but from competition for capital in a globalising marketplace and from environmental and security challenges that are transnational in scope. In this sense, partaking in the institutions of the EU that shape European legislation may in fact strengthen sovereignty. The recognition by Norway's governments of eroding *de facto* sovereignty and the loss of control over its own agenda as it attempted to maintain market relevance accounts for the split between the DNA leadership and elements of Norwegian society that opposed membership, and for the creation of the SME group. Finally, the divide between citizens from the North who largely work in the primary sector and firms in the south which are more export-orientated was a crucial element.

⁸⁶ Eriksen, E. O., 'Democracy Lost: The EEA Agreement and Norway's Democratic Deficit', ARENA Working Paper [online], Centre for European Studies, 2008, available: https://www.sv.uio.no/arena/english/research/publications/arena-publications/workingpapers/workingpapers2008/wp08_21.pdf [accessed 17.6.2015].

⁸⁷ Egeberg, M. and Trondal, J., 'Differentiated Integration in Europe: The Case of EEA Country, Norway', *Journal of Common Market Studies*, Vol. 37, No 1, 1999, pp. 133-142.

CHAPTER III. THE AFTERMATH

I – Institutional change

On the 1st of March 1994, the accession negotiations of Finland and Sweden ended, with Norway's concluding on the 5th of April of the same year. On the 4th of May, 1994, the European Parliament gave its assent to the accession of all three Nordic countries, as well as Austria, to the European Union.^{88 89 90} The enlargement was to add 74 seats in total to the Parliament, with Austria having 21, Finland 16, Norway 19, and Sweden 22. Austria and Sweden were to have four votes each in the Council, while Finland and Norway were to have three each. The Commission was to be increased by 4, with each new member allowed one designate. The accession countries were to designate one judge each to the Court of Justice also.⁹¹ However, only Finland and Sweden acceded to the EU on the 1st of January 1995.

The impact of accession was subtle. Due to EFTA and the EEA process, trade between the Nordic countries and the EC had already grown significantly.⁹² Indeed, Norway fared better than Finland and Sweden initially in terms of their economy after the enlargement.⁹³ As for the single currency, while Finland adopted it, Sweden decided to postpone monetary union. Though this should not be seen as an anti-EU stance, scepticism among the Swedish people still remains.⁹⁴ In Norway it was hoped that through the EEA the idea of the EU would eventually become acceptable, but since their application was

⁸⁸ European Parliament, Legislative resolution on the application by the Republic of Finland to become a member of the European Union, OJ C 205, 25.7.1994, p. 153, para 1, HAEP archives (PE3 AP RP/POLI.1992 A3-0346/94 0001).

⁸⁹ European Parliament, Legislative resolution on the application by the Kingdom of Sweden to become a member of the European Union, OJ C 205, 25.7.1994, p. 154, para 1, HAEP archives (PE3 AP RP/POLI.1992 A3-0343/94 0001).

⁹⁰ European Parliament, Legislative resolution on the application by the Kingdom of Norway to become a member of the European Union, OJ C 205, 25.7.1994, p. 152, para 1, HAEP archives (PE3 AP RP/POLI.1992 A3-0345/94 0001).

⁹¹ European Commission, *Negotiations on the Accession of Austria, Sweden, Finland and Norway to the European Union: Summary of the Results*, *op. cit.*

⁹² Bache, I. and George, S., *Politics in the European Union*, *op. cit.*, p. 547.

⁹³ Geyer, R., 'Traditional Norwegian Social Democracy and the Rejection of the EU...', *op. cit.*

⁹⁴ Jonung, L., 'To Be or Not to Be in the Euro? Benefits and Costs of Monetary Unification as Perceived by Voters in the Swedish Euro Referendum 2003', Economic Papers No. 205, European Commission, Directorate-General for Economic and Financial Affairs, 2004.

prompted somewhat prematurely by Sweden's, and it was rejected in the referendum, Norway must now accept the obligations of EU legislation while possessing no influence to shape it.⁹⁵

While the applicant states were expected to take on fully the *acquis communautaire* and comply with the TEU, their accession process did highlight a number of institutional issues that illustrated the need for deepening in tandem with widening. Enlargement beyond 12 members would complicate the decision-making process. Due to the prospect of further 'small' countries joining the Community, the weighting of votes in the Council of Ministers meant that, in terms of population, a majority could be outvoted. Qualified Majority Voting (QMV) and the size of the Commission also had to be dealt with.⁹⁶ Throughout the negotiations the European Parliament noted on numerous occasions that, due to the higher environmental standards in Scandinavia, the EU ought to harmonise 'upwards', and raise its own standards in this respect.^{97, 98, 99} In order to address the special needs of Arctic regions a new category for providing regional aid, Objective 6, was created.¹⁰⁰

II – The Northern Dimension

The strategic importance of Northern Europe was already outlined in a report by Luis Guillermo Perinat Elio for the Political Affairs Committee in November 1988. The context, of course, was radically different from the situation a decade later when the Northern Dimension policy agenda was launched. However, the report outlined the EC's and the European Parliament's recognition of the region's strategic importance. At the time Russia was building up its nuclear armaments on the Kola Peninsula in the North West of the country. During the Cold War it had also increased the presence of its navy dramatically. As its Baltic and Black Sea fleets had restricted access in the eventuality of an overt war the Barents Sea fleet would ensure Russian access to the North Sea and the North

⁹⁵ Sogner, I. and Archer, C., 'Norway and Europe: 1972 and Now', *op. cit.*

⁹⁶ Bache, I. and George, S., *Politics in the European Union*, *op. cit.*, p. 548.

⁹⁷ European Parliament, Resolution on Finland's application to join the European Union, OJ C 205, 25.7.1994, p. 408, para 21, HAEP archives (PE3 AP RP/POLI.1992 A3-0298/94 0001).

⁹⁸ European Parliament, Resolution on Sweden's application to join the European Union, OJ C 205, 25.7.1994, p. 411, para 4, HAEP archives (PE3 AP RP/POLI.1992 A3-0304/94 0001).

⁹⁹ European Parliament, Resolution on Norway's application for membership of the European Union, OJ C 205, 25.7.1994, pp. 402, para 3, HAEP archives (PE3 AP RP/POLI.1992 A3-0280/94 0001).

¹⁰⁰ European Commission, *Negotiations on the Accession of Austria, Sweden, Finland and Norway to the European Union: Summary of the Results*, *op. cit.*

Atlantic, both of which were also vital to West Europe's defence and trade.¹⁰¹ The report led to a resolution, passed by the European Parliament in January 1989, which outlined the importance of Northern Europe to the EC's security planning. It conveyed concerns over the build-up of Russian nuclear weapons in the region and the need to maintain freedom of navigation in the region's waterways. The resolution stressed that military presence in the region should be reduced, navigation should be safeguarded, the environment should be conserved, and that there should be cooperation in exploiting the region's economic resources.¹⁰²

This strategic importance increased following the 1995 enlargement and the northern shift in the EU's 'centre of gravity'. Not only did this entail the necessary regional developmental adjustments noted above, but in light of Russia's recovery at the turn of the millennium, the EU had an extensive security border to consider. In order to tackle the issues that surrounded the new shape of the EU, a Northern Dimension policy agenda was proposed and developed. The Finnish government first mooted the policy in 1997 as an action plan for regional cooperation that incorporated all relevant parties as equal partners. This included the EU, Iceland and Norway, and Russia. The Finnish conception initially envisioned a learning-by-doing process of cooperation that might redefine regional identities. In particular, the initiative might have helped scale down East-West antagonism and allow an inclusive Northern focus to develop. However, the EU had a more narrow conception, causing Russia to be sceptical when the policy was officially launched in 1998. Although the policy's 2007 re-launch recognised the need for greater inclusion and equality among partners, this took ten years to be achieved. At the time of the initial Northern Dimension Action Plan, Russia had viewed the initiative simply as a resource grab by the EU.^{103, 104}

¹⁰¹ European Parliament, Political Affairs Committee, Report on the importance of Northern Europe to European security. Rapporteur: L. G. Perinat Elio, 9.11.1986, p. 11-18, doc. PE 121.170/fin., HAEP archives (PE2 AP RP/POLI.1984 A2-0256/88 0010).

¹⁰² European Parliament, Resolution on the importance of Northern Europe to European security, OJ C 47, 27.2.1989, pp. 32-33, para A, E, I and 1, HAEP archives (PE2 AP RP/POLI.1984 A2-0256/88 0001).

¹⁰³ Aalto, P., Dalby, S., Harle, V., 'The Critical Geopolitics of Northern Europe: Identity Politics Unlimited', *Geopolitics*, Vol. 8, No 1, 2003, pp. 1-19.

¹⁰⁴ Aalto, P., Blakkisrud, H., Smith, H. (eds.), 'Energising the New Northern Dimension', Policy Paper [online], Tampere, Jean Monnet Centre, 2008, available: http://www.uta.fi/jkk/jmc/expertise/index/Energising_the_new_northern_dimension.pdf [accessed 19.6.2015].

After the Cold War, Finland sought a new direction. Once acceding to the EU, Finland proposed the Northern Dimension policy agenda to redefine external relations and security issues through transnational cooperation.¹⁰⁵ The border between Finland and Russia was heavily securitised and, with Finland declining to sign the Ottawa Treaty, there existed an area within the EU with a large amount of landmines. The Finnish government saw that by fusing traditional security with environmental security, the border could become a bridge, thus freeing the country from Cold War politics.¹⁰⁶ This approach was based on building trust between parties and overcoming old antagonisms. Finland sought to do this through working on regional infrastructure, health and social wellbeing, and in particular, environmental problems. The policy aimed also at attracting investment into the region, with joint research teams, and public-private initiatives.¹⁰⁷

In 2003, the European Parliament discussed the Second Northern Dimension Action Plan. In a motion for resolution by Ilkka Suominen and Arie Oostlander, for the European People's Party, the importance of the plan was emphasised. The motion called for priority to be given to market integration, the development of modern infrastructure for energy supply to Europe, and to strengthening economic relations with Russia. It also called for exploiting the region's human capital through the promotion of scientific research and developing further the area's public health. The motion highlighted the need to tackle environmental threats with investment projects to deal with pollution and nuclear waste, as well as border management for fighting crime through cooperation with Russia. It proposed to promote socio-economic development, as well as cooperation over the Arctic considering the effects of climate change.¹⁰⁸ Another motion, by Esko Seppänen and Jonas Sjöstedt for the European United Left and Nordic Green Left, touched on similar issues, but emphasised the lack of funds in the EU budget for the Action Plan, the need to develop infrastructure in a way that sustained the region's environment, cooperation in funding such environmental protection, and the necessity that

¹⁰⁵ Gebhard, C., 'Soft Competition: Finland, Sweden and the Northern Dimension of the European Union', *Scandinavian Political Studies*, Vol. 36, No 4, 2013, pp. 365-390.

¹⁰⁶ Laitinen, K., 'Geopolitics of the Northern Dimension: A Critical View on Security Borders', *Geopolitics*, Vol. 8, No 1, 2003, pp. 20-44.

¹⁰⁷ Aalto, P., Blakkisrud, H., Smith, H. (eds.), 'Energising the New Northern Dimension', Policy Paper [online], *op. cit.*

¹⁰⁸ Suominen, I., and Oostlander, A., Motion for a resolution [...] on the Northern Dimension — New Action Plan 2004-2006, 9.1.2003, pp. 3-4, para 3-9, doc. PE 326.551, HAEP archives (PE5 AP PR B5-0035/2003 0010).

financial resources should go toward importing Russian gas, rather than nuclear energy.¹⁰⁹ Accordingly, the resolution passed by the European Parliament in November 2003 outlined six priorities: 1) the economy, business and infrastructure; 2) human resources, education, research, and health and social issues; 3) energy cooperation; 4) environmental issues as well as nuclear safety and care for natural resources; 5) cross-border cooperation and regional development; 6) justice and home affairs. The resolution declared its dismay on the emphasis on gas, rather than renewable sources of energy. It recognised a 'special role' for North West Russia in the Northern Dimension, but also the need to involve the United States and Canada.¹¹⁰

¹⁰⁹ Seppänen, E., and Sjöstedt, J., Motion for a resolution [...] on Northern Dimension, 9.1.2003, p. 3, para 3-4, 6 and 8, doc. PE 326.544, HAEP archives (PE5 AP PR B5-0028/2003 0010).

¹¹⁰ European Parliament, Resolution on the Northern dimension, OJ C 87 E, 7.4.2004, pp. 516-517, para 4, 6 and 12, HAEP archives (PE5 AP PR B5-0472/2003 0001).

CONCLUSION

This paper provides an analysis of the relationship between the Nordic countries of Finland, Sweden and Norway and the European Community/Union since the end of the Second World War. It focuses on Finland and Sweden's 1995 accession to the European Union, taking into account geopolitical and economic factors. The paper sheds light on the complicated political spectrum within each country which shaped their positions relative to the European Union. The definition and political representation of European interests, notably in the debates, and decisions of the European Parliament on these matters, are given particular attention.

While for many Europeans Finland and Sweden's membership is natural and taken for granted, looking carefully at the history of the lead-up to the 1995 enlargement confirms that the Nordic countries' accession to the EU was far from inevitable. Indeed, the factors that shaped the road to accession were often disparate and unpredictable resulting sometimes in political uncertainty about the inclusion of the Nordic countries. Initially, Finland and Sweden were sceptical of the political and economic model of the European Community. However, considering the necessity of trade with their neighbours, closer economic cooperation was eventually embodied in EFTA. This arrangement allowed Finland and Sweden to maintain their national sovereignty, independence of decision-making, and neutrality during the Cold War, as well as their social democratic welfare system.

However, economic downturn, leading to the SEA and Europe's single market, prompted the Nordic countries toward closer cooperation. Discussions for a new Economic Area began. The EEA, as it became known, would allow the Nordic countries to remain politically and militarily distinct, and the EC to focus on completion of the SEA, while both parties could benefit economically from greater freedom of the market. During the negotiations, it became apparent that the EEA resulted in its members taking on EC legislation, despite failing to include any political influence on the shaping of those laws. This was an important reason behind Finland and Sweden's eventual application for full membership. In the context of the subsequent collapse of the Soviet Union and the opening up of a fragile security situation in the east, the EC was better prepared to accept the Nordic applications. Accession also coincided with the evolution of the Community to the European Union and the introduction of the Euro.

Throughout, the European Parliament was supportive of Nordic accession, often highlighting the benefits mutual to both parties. In the Parliament, the strategic importance of the region was recognised in terms of the Cold War context as well as after the collapse of the Soviet Union. In its debates and resolutions, the European Parliament underlined the economic and geopolitical stability which a greater, more inclusive Union would provide, and how important it was that Finland and Sweden became integral elements of the EU's further evolution. The European Parliament recognised Finland and Sweden's higher standards of health, safety and environmental regulation, and expressed its expectation that they would contribute to improving existing EU legislation and policy-making.

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This year, Finland and Sweden, like Austria, celebrate the twentieth anniversary of their accession to the European Union. This historical study focuses specifically on the entry into the Union of the first two countries. Distinct economic and social policies, as well as issues of neutrality during the Cold War, had kept the two Nordic countries from developing closer relations with the European Community. However, economic and geopolitical changes allowed this situation to evolve into a deeper and mutually beneficial relationship.

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