

Small States Differentiated Integration

Iceland

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European Integration

Differentiated Integration

- Overview of Iceland's historic steps towards European integration
 - Joined EFTA 1970
 - Entered the EEA in 1994
 - Joined Schengen in 2001
 - EU application 2009
 - Application put on hold in 2013
- Economic, social and cultural integration
 - European integration has provided Iceland with access to larger markets, initially for fish, but increasingly for other aspects of the economy as well. The labour market has been driven by foreign workers, especially in the fishing, construction and tourism industries. Access to EU research funds (i.e. Erasmus+) has transformed Iceland's education and research environment.

European Integration

Differentiated Integration

- National administration and European affairs
 - The main responsibility for the EEA agreement lies with the Ministry for Foreign Affairs although each line Ministry is responsible for implementing relevant regulations
 - Directorate for External Trade and Economic Affairs
 - EEA Database launched in 2016
 - Iceland's Embassy in Brussels
 - The Icelandic delegation to the EFTA and EEA Parliamentary Committees
 - Steering group on the implementation of the EEA Agreement led by the Prime Minister's Office

European Integration

Differentiated Integration

- Decision shaping and policy making
 - The Foreign Affairs Committee in Althingi has main responsibility in overseeing EEA matters. Ministry for Foreign Affairs identifies and informs the Foreign Affairs Committee on which matters are of most importance for Iceland's interests every year.
 - Stakeholders and interest groups are invited to the table to give their opinion and voice concerns on these matters. This active and direct participation of stakeholders and interest groups was implemented in 2016.
 - Stakeholders have also lobbied MP's directly when EEA acts are being implemented in Icelandic law.
 - Municipalities, trade unions and other organizations are members of European bodies and have offices in Brussels. Iceland's embassy in Brussels actively safeguards national interests.

European Integration

National debates

- How is the national debate on European integration in your country
 - Historical EU scepticism – Domestically Iceland viewed as a small country that will not have any say at the EU level. Bilateral relations with countries seen as more beneficial than multilateral forums. Each step in the European integration seen as a threat towards Iceland's sovereignty.
 - What are the main topics discussed – for and against EU integration
 - Debate on EU membership is not in the political debate at the moment. Social democrats and the Reform party (liberals) are the only ones openly for EU membership – other parties are either against or for finalising the talks and putting the agreement under referendum.
 - Main topics for discussion are: fisheries and agriculture, monetary issues and foreign investments in Iceland.
 - Historically opinion polls show a majority against EU membership. This changed shortly after the economic crash. Currently 49% is against, 22% is undecided and 29% is for membership.

European Integration

Free movement

- Provide an overview of your country's position towards the four freedoms (goods, services, persons and capital)
 - The EEA agreement provides Iceland access to the single market and Iceland has taken up the four freedoms – with exemptions
 - Main focus is to provide access for Iceland's exports to EU markets
 - Fisheries and agriculture are exempt from the EEA agreement. Since the EEA is not a Customs Union Iceland can make bilateral Free Trade Agreements with any country.
 - Passport free travel and the chance to live and work in other EU countries is highly appreciated. The economic opportunities and economic benefits Iceland has enjoyed as well.

European Integration Conclusions

- Future trajectories

- Iceland's application to the EU was put on hold in 2013 and there are no plans to reopen negotiations. There is increasing debate within parliament and in society at large at the moment on whether the EEA agreement infringes too much on Iceland's sovereignty. However, status quo in Iceland's relations with the EU is most likely in the coming years as people realise that interests are too high with EEA agreement to jeopardize.