Differentiated Integration and EU Outsiders: A Norwegian View

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Abstract

A non-EU state and member of the European Economic Area (EEA) since 1994, Norway enjoys a unique legal, political and practical relationship with the EU. This policy paper discusses what the EU’s increased openness to differentiation in association models and decision-making procedures could mean for a highly integrated third country like Norway, especially within foreign, security and defence policy. Based on interviews conducted in 2020 and 2021, we highlight three observations: First, Norway’s current association model – the EEA agreement plus some 70 bilateral agreements – is generally seen to have served Norwegian interests well, although both Europhile and EU-sceptic interviewees see EU-Norway relations as asymmetric. Second, the EU’s openness to differentiated solutions is generally welcomed, and considered to give Norway opportunities and leeway. Finally, Norwegian EU membership is unlikely to happen in the foreseeable future. Reasons include well-functioning association agreements, two negative votes on EU membership, and the continued and growing strength of EU-sceptic political parties in the Norwegian Parliament.
Executive summary

This policy paper takes stock of Norway–EU relations in view of the EU's approach to differentiated integration, as a way of taking EU integration further despite some member states’ lack of support for further deepening or broadening of the cooperation. What does the EU's proposed openness to differentiation across policy areas, and to tailored association models for non-member states, mean for highly integrated third countries like Norway?

Drawing on interviews with Norwegian government officials, parliamentarians, civil servants, and NGO and business corporate representatives conducted between December 2020 and January 2021, we proceed in three steps. First, we paint the general picture of how Norway–EU relations are structured, and how Norwegian government representatives, politicians and bureaucrats generally perceive their current state. Second, we move on to Norwegian views on the EU's role as a global actor in the foreign policy and security domain, before we zoom in on foreign, security and defence policy. In this section, we also look at other multilateral cooperation structures in which Norway takes part – namely NATO and Nordic defence cooperation, but also at the role of informal, ad hoc cooperation constellations. Finally, we conclude with some reflections on the future of the EU–Norway relationship, in light of current processes of and debates on differentiated integration.

Three findings can be highlighted based our interview data. First, Norway's current association model – the EEA agreement plus some 70 bilateral agreements – is generally seen to have served Norwegian interests well, although both Europhile and EU-sceptic interviewees describe EU–Norway relations as asymmetric. Second, the EU's openness to differentiated solutions is generally welcomed, and considered to give Norway opportunities and leeway. Finally, Norwegian EU membership is unlikely to happen in the foreseeable future. Reasons include well-functioning association agreements, two negative votes on EU membership, and the continued and growing strength of EU-sceptic political parties in the Norwegian Parliament. We conclude by asking how increased openness to differentiated integration, on the EU's part, could strengthen Norway–EU relations in the future. Here, two possible scenarios can be put forward.

On the one hand, differentiated integration could allow for more differentiation between different third countries, rather than treating them as one group. Norway, Iceland and Lichtenstein undoubtedly represent fewer political headaches to European integration, or to the EU agenda, than other third countries. More tailored-made association models, which take states’ specific concerns into account, could improve the framework for the EFTA countries’ cooperation with the EU. Further, more flexibility in association models could allow for better third-country representation in EU institutions and processes. This could provide better insights into the EU decision-shaping process, as well as improved information flows between the EU and third countries.

On the other hand, if differentiated integration renders the EU more effective, full membership would perhaps also become more attractive to third countries like Norway, which currently might see themselves as “objects” of integration, rather than subjects participating in shaping EU decisions. In the case of Norway, a limited appetite for becoming more closely integrated with the EU also resides in the image of a Union that
is challenged at its core. This arguably goes for the EU’s role as a normative power (i.e., anti-democratic governments and sentiments), an economic power (i.e., geo-economics and the competition from China, cf. European Commission 2021) and a foreign and security policy actor (i.e., vis-à-vis the ongoing crisis in Ukraine and the 2021 exit from Afghanistan).

While these recommendations stem from what might be seen as favourable to third countries and to Norway’s concerns in particular, a key question remains, of course, how much the EU is willing and capable of “giving” as part of differentiated integration, while retaining its integrity and continuing the process of European integration.

**Introduction**

The United Kingdom’s exit from the European Union is among the factors that have spurred renewed interest in the EU’s relationship with third countries, including the question of the political room for manoeuvre embedded in existing association models. As a non-EU state and a member of the European Economic Area (EEA) since 1994, Norway has a unique legal, political and practical relationship with the EU. Norway has opted into EU cooperation also beyond the EEA agreement, including in the domains of justice and home affairs, and foreign, security and defence policy. This, along with the fact that Norway has been a net importer and compliant implementer of EU legislation, has earned the country a reputation as an “adaptive non-member” in the research literature on European integration (Kux and Sverdrup 2000, Hillion 2011).

While paying a high economic fee for its access to the internal market, Norway does not have a say in the EU’s decision-making bodies. It needs to adapt to the Union’s working methods and preferred practices for interaction within the EU as well as with third countries. In some areas, such as internal market policies and foreign policy, Norway enjoys more access than other third countries, combining access through the special EEA institutions with, for example, a routinised dialogue on foreign policy at the senior official level. In other policy areas, such as trade, agriculture and fisheries, Norway has had to find ways to promote its views and interests from the hallways of the EU (Græger 2002 and 2005, Haugevik 2017). What does the EU’s proposed openness to differentiation across policy areas, and to tailored association models for associated states, mean for highly integrated third countries like Norway? How does this affect Norway’s everyday practical relationship with the EU, and what influence does it have on the future role and attractiveness of the EU in Norwegian politics?

This policy paper takes stock of Norway–EU relations in view of the EU’s approach to differentiated integration, as a way of taking EU integration further despite some member states’ lack of support for further deepening or broadening of the cooperation (European Commission 2017).1 There is a rapidly growing body of academic...
literature on the drivers, processes and effects of differentiated integration within the EU (Lavenex and Križić 2019, Leruth and Lord 2015, Schimmelfennig et al. 2015, Schimmelfennig and Winzen 2019, Svendsen and Adler-Nissen 2019). However, less scholarly attention has been paid to how such developments impact on and are perceived by non-member states (but see e.g. Rieker 2021, Aydın-Düzgit et al. 2021).

Following the definition adopted in the EU IDEA project, we conceptualise differentiation here as “any modality of integration or cooperation that allows states (members and non-members) and sub-state entities to work together in non-homogeneous, flexible ways” (Lavenex and Križić 2019: 3). We thus assume a broad approach to differentiation, one which takes into account not only differences in states’ degree of formal integration with EU law (horizontal differentiation) and differentiation in policy-making procedures across policy domains (vertical differentiation), but also the role of non-state actors and informal coalitions in decision shaping. Our empirical analysis draws on structured interviews with altogether 15 Norwegian government officials, parliamentarians, civil servants, and NGO and business corporate representatives conducted between December 2020 and January 2021.  

We proceed in three steps. We begin by painting the general picture of how Norway–EU relations are structured, and how Norwegian government representatives, politicians and bureaucrats generally perceive their current state. Then we move on to Norwegian views on the EU’s role as a global actor in the foreign policy and security domain, before we zoom in on foreign, security and defence policy. In this latter section, we also look at other multilateral cooperation structures in which Norway takes part – namely NATO and Nordic defence cooperation structures, but also at the role of informal, ad hoc constellations of cooperating countries. We conclude with some reflections on the future of EU–Norway relationship, in light of current processes of and debates on differentiated integration.

1. Norway and the EU: The general state of affairs

Both academic work and policy documents generally portray EU–Norway relations as pragmatic and well-functioning (Aydin-Düzgit et al. 2021; Fossum and Vigrestad 2021). The EEA agreement and some 70 bilateral agreements are legal arrangements between formally equal parties – the EU and the three EFTA states Norway, Iceland and Liechtenstein. However, in interviews, both government officials and civil servants generally expressed that they saw Norway–EU relations as being symmetric on paper but asymmetric in practice (Interviews 1, 2, 4, 5, 6, 9, 15). The interviewees described this asymmetrical relationship as resulting from three factors: lack of

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2. We conducted 15 interviews on Microsoft Teams between December 2020 and January 2021. Interviewees received the questions in advance. After the interview, all were sent a written transcript which they could read through and suggest changes. All interviewees have given written consent to being cited anonymously in this policy paper.
formal representation, relative size and changes in the EU’s structural set-up.

First, Norway is not an EU member and therefore lacks voting powers and formal representation in the EU decision-making bodies. Nearly all our interviewees pointed to Norway’s general lack of influence on EU decisions, including in the decision-shaping phase, but also access in general. However, most stressed that this does not mean that the country is without a say. Government officials, parliamentarians and civil servants reported that EU officials and politicians meet them with respect and in a welcoming manner, and they generally felt that Norwegian concerns are listened to in Brussels.

Many described EU–Norway relations as marked by a pragmatic approach on both sides and where practical concerns usually trump ideological differences. In interviews, several officials stressed this is an asset. Yet in more EU-sceptic circles, such pragmatic approaches are sometimes seen as inconsistent with Norway’s “no” to EU membership in the 1994 referendum (because present-day cooperation through the EEA agreement in some ways is more comprehensive than foreseen in 1994). The impression is that the agreement sometimes is “stretched” beyond the negative vote. Some interviewees suggested that the expansion of EU–Norway relations into ever more policy areas, along with the deepening of integration in existing EEA policy areas and the general complexity of EU politics and processes, is weakening Norway’s sovereignty.

Along the same lines, more EU-sceptic interviewees also expressed that Norwegian governments in the past two decades have not fully exploited the potential for political influence that the EEA agreement actually opens up (see also Haugevik and Græger 2017). Some also pointed to the reluctance towards the use of the so-called reservation right against EU legislation and initiatives (Interviews 3, 12, 14). Since September 2021, we find this view represented in the Norwegian government as well, as Jonas Gahr Støre’s government is a minority coalition with the Labour Party as the lead party and the EU-sceptic Centre Party as support party.4

A second factor generating asymmetry in the EU–Norway relationship is, according to interviewees, the fact that the EU is a bloc of 27 countries and Norway is small state and EEA member, joining from the EFTA side together with Iceland and Luxembourg. This asymmetry reflects not only population size (5 vs. 450 million citizens), but also economic resources and global political and diplomatic power. Moreover, the EU is often spearheaded internationally by big powers (France, Germany, Poland and until recently, the UK). In this optic, one respondent stressed, the advantage of having a predictable legal framework (the EEA agreement), rather than having to rely on officials’ and politicians’ ability to negotiate ad hoc, should not be underestimated.

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3 The EEA agreement is based on unanimity, which means that all parties to the agreement and the EU must agree to add new EU legislation to the agreement. According to article 102, one or more of the EEA/EFTA members may decline new legislation with reference to the reservation right.

4 The government platform makes it clear that the EEA agreement stays firm, and the government will not apply for EU membership. However, the government will “review and actively exploit” the political room for manoeuvre already present in the EEA agreement (Norwegian Labour Party and Centre Party 2021).
Third, several interviewees stressed that Norway’s current framework for participating in the EU is marked by insufficient representation in and access to many of the EU informal decision-shaping processes preceding decisions, which is a major disadvantage. Many interviewees also noted that the EEA agreement was designed at a time when the EU was pillar based and sector oriented, and reflects the political priorities of the 1990s and not of today (Interviews 10, 13). Furthermore, the EU operates in a much more integrated way than under the pillar structure (e.g., where energy and climate concerns are more tightly interlinked than before), leaving less room for Norway to influence important decisions than earlier. Furthermore, deeper integration in a policy area generally means more asymmetry for the EEA members (Interviews, 13, 15). While interaction with the EU usually takes place in a harmonious atmosphere marked by mutual understanding, government representatives and civil servants reported that they are often not that involved in decision-shaping processes either in areas covered by the EEA agreement or in areas where Norway has bilateral agreements or specific national interests. Indeed, Norwegian representatives are often allowed into the process only in its late stages, leaving them less influential than colleagues from EU member states. Most interviewees, regardless of party-political affiliation, nonetheless expressed that Norway’s current association model overall works fairly well.

In response to the question on whether Norway should seek further cooperation with the EU, government officials and civil servants generally expressed that (i) Norway already cooperates extensively with the EU in most areas, (ii) there are very few areas where Norway should not seek further cooperation with the EU and (iii) given the current Norwegian political landscape, a new debate about EU membership is unlikely. Cooperation should therefore be further developed within the current structure, they conclude (the EEA agreement supplemented by bilateral agreements) (Interviews, 1, 2, 4, 5). One interviewee stressed that the core of the internal market and the four freedoms should be “protected from differentiation” (Interview 5). Other interviewees also noted that in policy areas where Norway has "special" interests (e.g., policies on the High North and the Arctic, energy politics, fisheries), closer association with the EU will be difficult also given the Norwegian domestic political landscape.

Representatives from political parties in favour of EU membership and/or of the current EEA agreement generally voiced views similar to those of government representatives and civil servants concerning areas where Norway should cooperate more with the EU, and where national solutions were preferable (Interviews 7, 8, 11). Representatives from more EU-sceptic parties stressed that they too were in favour of cooperation with European partners and the EU on many areas (Interviews, 3, 12, 14). However, decision-making powers should generally not, as one interviewee put it, “be moved from Oslo to Brussels” (Interview 3). Norway’s sovereignty and autonomy should be safeguarded, and formal agreements with the EU should be bilateral and flexible – unlike the current EEA agreement, another interviewee pointed out (Interview 12).

On the question of whether/where Norway could profit from more cooperation with
only certain EU member states rather than with the EU27, both government officials and civil servants emphasised that Norway, to use one interviewee’s wording, “already does this all the time” (Interview 4). Such bi- and minilateralist cooperation initiatives were generally assessed as something positive, adding flexibility to EU dynamics rather than undermining EU unity, and were also seen to facilitate Norway’s ability to manoeuvre and access decision shaping. Nearly all our interviewees highlighted cooperation with the Nordic countries as particularly important for Norway, also in the EU context. Many also mentioned other geographically close countries in the Northern European region, and especially Germany, but also the Netherlands and the Baltics. Many regretted losing the UK as a traditionally close, “likeminded” great power inside the EU, but some stressed that the country would remain one of Norway’s closest bilateral partners in Europe on security and defence (e.g., interviews 7, 9). Some identified France as a country with which Norway should seek more cooperation and dialogue, although its visions and ambitions for European integration sometimes differ from Norway’s, especially concerning the EU’s role in security and defence (Interview 4, 9).

Both government officials and civil servants also highlighted case-by-case functional cooperation with selected EU member states as important. For example, Norway is seen to have some shared priorities with other “coastal” states, such as Portugal, on questions related to the “green shift” and “blue growth” (e.g., interviews 5, 7). Norway also invests in building relations with EU member states about to assume or holding the rotating EU presidency. When close allies such as the Nordic EU members and Germany are holding the presidency, Norwegian viewpoints are generally welcomed (Interview 9). At the same time, some interviewees reminded that Norway’s room for manoeuvre in seeking bi- and minilateralist coalitions is not enormous, because the number one priority for the EU27 will always be the EU – member states have priority over third countries. “We can get sympathy for Norwegian viewpoints inside the EU, but that does not necessarily mean that other states are willing to speak for us”, one interviewee explained (Interview 5). However, Norway’s decision to hold back funds under the EEA grants to Hungary and Poland was highlighted as one example where Norway had received valuable support from many EU member states (Interview 5).

While there are variations in the support for the EEA agreement, we also noted that none of our 15 interviewees saw Norwegian membership as a realistic scenario in the coming years, due to long-term political and popular resistance towards membership as well as the steady representation of EU-sceptic parties in the Norwegian parliament and in government coalitions in recent years. Many Europhilie interviewees noted that Norway benefits from the current model where third countries...
can "opt in" to areas of the EU cooperation beyond the internal market. Some EU-sceptic interviewees said they would like to see either the current EEA agreement being replaced by a more "flexible" arrangement, or Norway making more active use of the so-called "reservation right". However, as Norway is an integrated member of the Single Market, many Europhile interviewees also stressed the importance of protecting the integrity of the internal market and avoiding a separation of the four freedoms.

There were different opinions as to whether enhanced possibilities for differentiated integration would be beneficial to Norway as an EU outsider. In general, both EU-sceptic and Europhile interviewees expressed a positive attitude towards differentiated integration, albeit for different reasons. Europhile interviewees saw differentiation as a tool that could provide Norway with more options for participation in and association with interesting and important EU policies and projects, and where the EU is leading. More EU-sceptic interviewees rather saw opportunities for opting out of cooperation they considered not to be in Norway's interest. In both cases, positions could be seen to reflect a pragmatic view on Norway's EU relationship, given the political situation at home, where EU membership is not an option in the foreseeable future.

With regard to the future of the EEA agreement, interviewees across the political spectrum seemed to agree that differentiated integration would be acceptable to the extent that it does not water down the agreement or lead to a separation of the four freedoms. On the question of the potential effects of Brexit on Norway's future relationship with the EU, several interviewees emphasised that the key priority for Norway post-Brexit has been to work to preserve the integrity of the internal market (Interviews 1, 2). Neither government officials nor civil servants saw any immediate, direct impact on Norway's relationship with the EU, or on the EEA agreement. However, many observed that Brexit has already indirectly affected Norway–EU relations. First, the UK's withdrawal has changed EU dynamics. The UK has been a strong and visible player within the EU. In several policy areas, the country has been considered a "likeminded" ally for Norway. Some interviewees expressed concern that the EU would develop in a different direction with the UK on the outside, and with especially France aiming for a more active leadership role (Interview 7, 14, 15).

Second, there were some concerns, also based on observations from the Brexit negotiations, that non-members/third countries increasingly will be "lumped together" post-Brexit. Some civil servants observed that since the Brexit negotiations began, there is an increased tendency for Norway to be categorised as a "third country", and some clarifications take longer than they used to. Finally, several interviewees observed that Brexit has already impacted on the domestic debate about the nature of Norway's relations with the EU (e.g., Interviews 1, 10, 11). The more EU-sceptic voices in the Norwegian parliament, and increasingly in the trade unions, have seen Brexit as an opportunity to revisit the EEA agreement and make the case for other association models. Europhile interviewees argued, however, that Norway's current model is better for Norway than the one the UK has negotiated for itself, and this is

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6 The Norwegian government, especially promoted by junior coalition partner the Centre Party, will appoint a commission that will review these and other aspects of the EEA agreement.
Predictably, interviews with parliamentarians representing more EU-positive parties brought up many of the same points. These interviewees generally highlighted negative consequences of Brexit, the importance of maintaining strong ties with the EU and warnings against opening up a debate about the EEA agreement (Interviews 7, 8, 11). More EU-sceptic interviewees also recognised possible negative consequences of Brexit for Norway–EU relations; however, they also saw opportunities for reassessing (and potentially renegotiating or leaving) the EEA agreement (Interviews 3, 12, 14).

2. Norway–EU relations within the areas of foreign, security and defence policy

Within the domain of security and defence and within foreign policy, interviewees noted that the full potential of Norway–EU relations has not been realised and remains somewhat underdeveloped. In the first years following the adoption of the Common Foreign and Security Policy and the Common Security and Defence Policy, this was more a reflection of a lack of political will or interest on the EU side, than on the Norwegian side. As time passed by without the EU developing into the security actor that it set out to become in the late 1990s, pragmatism as well as frustration gradually replaced Norway's initial wish to take part in the EU's security and defence policy (Græger 2005). Furthermore, despite many challenges, the interventions following both 9/11 and the Arab Spring seemed rather to confirm the relevance of NATO and transatlantic allies for Norway.

In the present Norwegian political discourse, views differ regarding the extent to which the EU is an important actor on the global scene. While the EU is routinely mentioned in political debates, policy documents and speeches on foreign, security and defence policy, an overall takeaway from our interviews is that the EU continues to have low credibility as a foreign, security and defence actor, and therefore receives limited attention relative to NATO and other multilateral arrangements.

Both Europhile and EU-sceptic interviewees nevertheless described the EU as a strong global actor regarding the development of global standards and regulations, although more EU-sceptic interviewees claimed that Norway often ends up importing laws and regulations that seem irrelevant for a Norwegian context, or that have unintended negative consequences (Interviews 3, 12, 14). Many interviewees highlighted the EU as an important global player in promoting international norms and values (e.g., human rights) and multilateralism. Most interviewees, including from more EU-sceptic political parties, also emphasised the EU's importance as a partner in promoting global climate politics.

There was also general agreement across the categories of interviewees that the EU has not realised its potential as a global actor in the past decade. The main reasons given are growing internal disagreement between EU members, lack of resources
dedicated to security and defence, the failure to address the refugee crisis, and a growing gap between EU decision-makers and citizens. Some interviewees observed that the Union is a weaker international actor today, reducing its attractiveness as a partner for Norway. Similarly, interviewees generally portrayed the EU as an economic superpower but a “Lilliputian” in security and military affairs, especially in the current geopolitical landscape. Hence, within security and defence, NATO remains Norway’s preferred partner. That said, civil servants, NGO and business representatives we interviewed observed that the EU nevertheless contributes to shaping Norway’s positions, also within foreign policy and security policy (Interviews 4, 5, 6, 9, 10, 13, 15).

All interviewees expressed that the EU is an important partner in those areas where the Union and Norway share foreign and security policy interests. Both government officials and civil servants generally expressed that Norway should cooperate with the EU in areas where Norway as a small state would benefit from having a stronger actor voicing important issues in a global context (Interviews 1, 2, 4, 5, 6, 9, 15). Government officials (Interviews 1, 2) especially mentioned the handling of relations with China but also Russia. Also EU-sceptic representatives saw the EU as a sometimes important and strong global partner, for example in the handling of powerful international corporations, such as the vaccine industry and regulating large international corporations like Microsoft, and potentially also in promoting joint action to stop climate change (Interviews 3, 12, 14). Several interviewees also highlighted climate policy as an area where Norway should seek joint solutions with the EU to the extent possible. Some representatives from more EU-sceptic political parties nevertheless expressed that the growing gap between people and decision-makers in the EU alongside the complexity of the EU machinery is reducing its legitimacy among citizens and its ability to take on a global role (Interviews 3, 12).

Turning to the more specific EU–Norway relations within foreign policy, but especially security and defence policy, many interviewees described these as marked by (i) lack of or limited access to decision-making and decision-shaping processes, and (ii) limited participation in missions and operational activities. The latter is partly due to Norway’s status as a third country, and partly due to national scepticism towards such participation. Norway has some formal meeting points with the EU (e.g., a biannual dialogue on foreign policy, meeting between the Norwegian foreign minister and HRVP, and every sixth month with the Secretary General of EEAS, as well as informal encounters at several levels), but enjoys no formal competence in this area. The areas of foreign policy, security and defence are not part of the EEA agreement. Instead, Norway participates in the framework of specific agreements with the EU and may participate in EU-led operations (agreement from 2004) and in the EU Battle Group concept (from 2006), although the latter has not been very useful and is now a bit outdated.

According to several interviewees, due to few formal contact and meeting points with the EU, Norway seeks pragmatic solutions and informal and practical cooperation. That said, most interviewees also stressed that cooperation with the EU should not replace or weaken allied cooperation or lead to competition with or duplication of NATO, both for reasons of security as well as ideological and economic reasons.
Civil servants emphasised that the dialogue with the EU is good but generally wished for Norway to be more proactive towards EU officials, i.e., to deploy personnel and equipment to EU operations and exploit the opportunities offered by Norway's future participation in PESCO projects (Interviews 6, 9). Some civil servants also highlighted that Norway should cultivate and better exploit the comparative advantages of the EU and NATO, and where the former has much to offer within broader security issues, civilian crisis management, cyber security and organised crime (Interviews 9, 15). Civil servants also welcomed Norway’s decision to participate in the European Defence Fund (EDF), which they thought important for granting the Norwegian defence industry access to an important European market (Interviews 4, 6, 9). One NGO representative also stressed the importance of industrial cooperation opportunities for Norwegian companies, offered by Norway’s participation in the EDF (Interview 10).

Representatives from more EU-sceptic parties have generally opposed Norway’s participation in EU initiatives within security and defence, including in PESCO and EU-led operations, either for ideological-political reasons and/or with reference to Norway’s NATO membership, or to the UN (Interviews 3, 12, 14). A parliamentary majority, which also included more EU-sceptical forces, supported Norway’s participation in the EDF, against the government’s initial recommendation, as part of the parliamentary negotiations related to (and adoption of) the government’s long-term plan for the defence sector (2021–2024) (Norwegian Ministry of Defence 2020). Some parliamentarians emphasised the importance of assuring that Norwegian companies can compete on equal terms for contracts within defence procurement (Interviews 7, 11).

Discussions of Norway’s relations with the EU in the field of security and defence often bring up its relations with the other Nordic countries – Denmark, Finland, Iceland and Sweden. This cooperation is mainly organised in the Nordic Defence Cooperation (NORDEFCO), initiated in 2009 and furthered after the Russian annexation of Crimea in 2014. Regarding Nordic cooperation, many interviewees generally described NORDEFCO as (i) an important arena for dialogue and discussion with Nordic colleagues, (ii) a framework for small-scale operational cooperation, such as joint exercises, defence planning, equipment and mobility, and (iii) a supplement to NATO (and the EU). Specifically, civil servants underlined that NORDEFCO, which includes
three EU countries, provides Norway with access to valuable informal information about PESCO and other EU initiatives, and hence strengthens Norway’s relations with the EU in this policy area (Interviews 6, 9). One civil servant also underlined how Nordic cooperation could be an informal framework for cooperation with other important allies within other frameworks, such as with the UK in the Joint Expeditionary Force (Interview 15). All parliamentarians, with the possible exception of one party representative (Interview 14), agreed that Nordic cooperation within this area is a supplement and cannot and should not replace NATO and transatlantic cooperation.

In sum, views differ with regard to whether status quo or more differentiated integration is preferable to Norway. Within the area of foreign, security and defence policy, all interviewees agreed that NATO is Norway’s first priority and that both the EU and Nordic cooperation are – more or less – useful and desirable supplements. For Norway, status quo means that differentiated integration exists as an option for third countries’ participation, and is generally seen as a positive development. Several interviewees would like to see a stronger NORDEFCO but did not consider Nordic cooperation in this area directly related to differentiated integration.

All interviewees recognised that differentiation could be a useful tool for allowing willing and able EU member states and to some extent third countries to cooperate more closely on foreign, security and defence policy issues. In general, Europhilic interviewees were more in favour of differentiation than EU-sceptics. However, interviewees in both categories were concerned that a stronger EU actor within security and defence on the global scene would add pressure on already stretched European military resources, because the same resources are allocated to NATO, and could potentially reduce NATO’s relevance. Regarding practical defence cooperation (training, exercises, etc.) and procurement, interviewees across the political spectrum shared the view that Norway could benefit from cooperating more with the EU if in the country’s national interest and, especially, if favourable for the Norwegian defence industry, and provided that it does not take place at the expense of Norway’s cooperation with NATO.

3. Conclusion and recommendations

This policy paper has addressed how differentiated integration has affected or may affect Norway–EU relations in general, and specifically in the realm of foreign policy, and within security and defence. While the EU is more open to differentiation within these policy areas, and despite being a highly integrated third country in the areas falling under the EEA agreement and Schengen, Norway’s everyday practical relationship with the EU within foreign, security and defence policy remains limited. Several interviewees identified security and defence as a policy area where Norway could – and should – cooperate closely with the EU, provided such cooperation does

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9 For a recent comparison of four Nordic states’ partnership choices and approaches to Nordic cooperation, see Haugevik et al. (2022).
not take place at the expense of NATO and on the premise that NATO’s role as the number one security organisation in Europe is safeguarded (e.g., interviews 4, 5, 11).

The interview data also indicate that differentiated integration has had limited influence on Norwegian political views on the role and attractiveness of the EU in general, and within foreign policy – possibly with the exception of climate policy – and security and defence policy in particular. Norway has been invited to participate in European initiatives of recent years (European Defence Fund, EDF; European Defence Agency, EDA, etc.) and has done so with some success (EDA) and against some degree of domestic critique (EDF). Furthermore, Norway has generally aligned with EU foreign policy positions, especially in areas where the Union and Norway share interests (e.g., development, humanitarian aid). Within security and defence, however, the EU is not seen as an actor with the capacity to deliver either effective problem solving or the protection provided by NATO and the USA. Nor has the EU been able to influence non-European great powers’ positioning, hegemonic repression or influence in the High North or in Ukraine. As a result, the EU is not considered to have the same authority, impact or influence that is offered by Norway’s allies in NATO. Instead, interviews reflected the view that the EU should focus on developing its comparative advantage as a security actor with a broader set of tools and measures (e.g., economic tools).

We also asked our interviewees how they see future Norway–EU relations in view of enhanced differentiated integration. None of our interviewees envisioned that Norway will become a member of the EU in the foreseeable future. Most of our interviewees instead observed that the EEA agreement has served Norwegian interests well, and predicted that the current model – EEA plus bilateral agreements – will remain in place also in the next decade, mainly for pragmatic reasons and given the current political landscape in Norway. Neither government nor civil servants saw any immediate, direct impact of Brexit on Norway’s relations with the EU, though some indirect effects are observable.

While NATO and a close relationship with the USA were seen as key to Norway’s security and integrity also in the future, some civil servants and NGO and business corporate representatives noted that future global power developments could impact on how Norway positions itself in relation to the EU, also within the security domain (Interviews 10, 13). The roles of the United States and China were particularly mentioned, including how future political and anti-democratic developments within the USA might affect its willingness to commit to the transatlantic alliance as well as what Europe’s response to such developments would be.

Given that Norway is unlikely to become an EU member in the near future, how could differentiated integration strengthen Norway–EU relations?

On the one hand, differentiated integration could allow for more differentiation between different third countries, rather than treating them as one group. Norway, Iceland and Lichtenstein undoubtedly represent fewer political headaches to European integration, or to the EU agenda, than other third countries. More tailored-made association models, which take states’ specific concerns into account, could
improve the framework for the EFTA countries’ cooperation with the EU. Further, more flexibility in association models could allow for better third-country representation in EU institutions and processes. This could provide better insights into the EU decision-shaping process, as well as improved information flows between the EU and third countries.

On the other hand, if differentiated integration renders the EU more effective, full membership would perhaps also become more attractive to third countries like Norway, which may currently see themselves as “objects” of integration, rather than subjects participating in shaping EU decisions. In the case of Norway, a limited appetite for becoming more closely integrated with the EU also resides in the image of a Union that is challenged at its core. This arguably goes for the EU’s role as a normative power (i.e., anti-democratic governments and sentiments), an economic power (i.e., geo-economics and the competition from China, cf. European Commission 2021), and a foreign and security policy actor (i.e., vis-à-vis the crisis in Ukraine and the exit from Afghanistan).

While these recommendations stem from what might be seen as favourable to third countries and to Norway’s concerns in particular, a key question remains, of course, how much the EU is willing and capable of “giving” as part of differentiated integration, while retaining its integrity and continuing the process of European integration.
References


Fossum, John Erik and Joachim Vigrestad (2021), "Is the Grass Greener on the Other Side? Norwegians' Assessments of Brexit", in Politics and Governance, Vol. 9, No. 1, p. 79-89, https://doi.org/10.17645/pag.v9i1.3713


Differentiation has become the new normal in the European Union (EU) and one of the most crucial matters in defining its future. A certain degree of differentiation has always been part of the European integration project since its early days. The Eurozone and the Schengen area have further consolidated this trend into long-term projects of differentiated integration among EU Member States.

A number of unprecedented internal and external challenges to the EU, however, including the financial and economic crisis, the migration phenomenon, renewed geopolitical tensions and Brexit, have reinforced today the belief that more flexibility is needed within the complex EU machinery. A Permanent Structured Cooperation, for example, has been launched in the field of defence, enabling groups of willing and able Member States to join forces through new, flexible arrangements. Differentiation could offer a way forward also in many other key policy fields within the Union, where uniformity is undesirable or unattainable, as well as in the design of EU external action within an increasingly unstable global environment, offering manifold models of cooperation between the EU and candidate countries, potential accession countries and associated third countries.

EU IDEA’s key goal is to address whether, how much and what form of differentiation is not only compatible with, but is also conducive to a more effective, cohesive and democratic EU. The basic claim of the project is that differentiation is not only necessary to address current challenges more effectively, by making the Union more resilient and responsive to citizens. Differentiation is also desirable as long as such flexibility is compatible with the core principles of the EU’s constitutionalism and identity, sustainable in terms of governance, and acceptable to EU citizens, Member States and affected third partners.