

Kwasniewski, Klaus

Article — Digitized Version
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Intereconomics

Suggested Citation: Kwasniewski, Klaus (1972) : Volatile EEC euphoria, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 07, Iss. 11, pp. 327-, <https://doi.org/10.1007/BF02929655>

This Version is available at:
<https://hdl.handle.net/10419/138722>

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Volatile EEC Euphoria

Europe heaved a sigh of relief when the positive response to the Danish referendum on EEC accession became known. The relief was not sufficient to counterbalance the shock a week earlier of the Norwegian rebuff, however, though it alleviated its effect. The EEC will now not be a Community of ten, but at any rate there will be nine members.

The EEC issue agitated Norway more than any other event of its recent history. The victorious opponents of EEC accession had not attached primary importance on the economic consequences of EEC membership; for in the economic field the Norwegian Government had, through tenacious negotiations in Brussels, secured highly satisfactory special arrangements which gave such endangered groups and industries as fishing and aluminium production real opportunities. What decided the referendum in the end were political and psychological aspects which had come to the fore. There was firstly the fear of the unknown which Norway was going to face if it joined the EEC; Brussels was thought to be too remote to comprehend the worries of northern Norway. Secondly some apprehension was felt lest Norway's national independence was to be a sacrificial offering on the altar of Europe.

Unequivocal support for entry into the EEC really came only from Norwegian industry and the trade unions. They both expected EEC membership to impart a decisive impetus to the export trade. Full membership in an enlarged EEC—which would have absorbed 52 p.c. of Norway's exports and used 60 p.c. of its shipping capacity—would have assured the country of steady economic growth and thereby created job security. With foreign trade accounting for 40 p.c. of the national product, Norway depends for its own prosperity more heavily on the foreign trade than do most countries in the world. Having rebuffed Europe, Norway must now be content with a trade agreement on the lines of those between the EEC and other residual EFTA states, which is bound to hamper Norwegian exports to the Community in signifi-

cant fields. It is estimated that, compared with full membership, Norway's GNP will suffer a shortfall of one p.c. a year.

That Norway stays outside the EEC is unlikely to impair the economic development of the future Community of nine countries because the country's economic potential is too small and its geographical position peripheral. It can even be argued that the Community has been released from a heavy mortgage which the Norwegian fishing problem would have been in coming years. That the repulse by Norway has shocked the European Governments is chiefly due to political reasons: A heavy blow has been struck at the idea of achieving the political unity of Europe via a European economic and monetary union.

By its veto the Norwegian population clearly demonstrated its political appraisal of a united Europe. Politicians in the member states saw in it yet another indication that the Community is not particularly popular with people. The EEC euphoria of the first few years has evaporated, a fact which was brought home to Pompidou by the outcome of his EEC referendum in April already. The Danish EEC referendum pointed the same way insofar as nearly 40 p.c. of all votes were cast against entry. And if there were a referendum in the old EEC member states, the outcome might be just the same.

That the EEC holds so little appeal must be attributed chiefly to the fact that people no longer clearly discern the immediate economic advantages of the merger and look with deep distrust on the cumbersome and no longer intelligible procedures by which the EEC arrives at decisions. The EEC can become more attractive only if in the economic sphere more regard is shown for stability and in the political sphere the population is allowed direct participation in the reaching of decisions. Neither of these aims can be achieved without direct European elections and strengthening of the EEC's institutions, its Parliament and the Commission.

Klaus Kwasniewski