

Iceland and the EU: Europeanization as an unintended consequence of the EEA Agreement?

Bókarhöfundur: **Jóhanna Jónsdóttir.**

Bókarheiti: **Europeanization and the European Economic Area: Iceland's Participation in the EU's Policy Process.**

Gagnrýnandi: **Dr. Maximilian Conrad**, Faculty of Political Science, University of Iceland.

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Í umsögn gagnrýnanda kemur meðal annars eftirfarandi fram:

„Drawing on unique material, the book presents an empirically rich and theoretically relevant contribution not just to issues regarding the role of small states within or outside the union, but also allows for broader conclusions regarding the institutional logics that explain political action in the context of European integration. In the Icelandic context, its relevance stems mainly from the fact that it asks a somewhat different question: it is not interested in the potential role that Iceland may have as a full member of the EU, but instead analyzes the channels for influence that are available already today to *non-members* such as the three EEA/EFTA countries Iceland, Norway and Liechtenstein.“

Iceland's opportunities to have any real impact on the decisions made in the European Union (EU) continue to be one of the most hotly debated topics in relation to the country's application for EU membership. Although it is far from certain whether the currently halted accession negotiations will even be concluded, Jóhanna Jónsdóttir's recently published book *Europeanization and the European Economic Area: Iceland's Participation in the EU's Policy Process* comes as a topical and highly welcome scholarly contribution to this debate. Drawing on unique material, the book presents an empirically rich and theoretically relevant contribution not just to issues regarding the role of small states



within or outside the union, but also allows for broader conclusions regarding the institutional logics that explain political action in the context of European integration. In the Icelandic context, its relevance stems mainly from the fact that it asks a somewhat different question: it is not interested in the potential role that Iceland may have as a full member of the EU, but instead analyzes the channels for influence that are available already today to *non-members* such as the three EEA/EFTA countries Iceland, Norway and Liechtenstein. As a party to the European Economic Area (EEA) Agreement, Iceland not only has access to, but also has to adopt all legislation pertaining to the EU's internal market.

Iceland's chances of influencing EU legislation despite its status as a non-member are analyzed in a series of four case studies on legislative acts that have been perceived as particularly controversial and whose "EEA relevance" has been questioned in Iceland: the EU's "Electricity Directive", the "Citizenship" or "Free Movement Directive", the "Emissions Trading Scheme", and the "Food Law package". As the author correctly points out, these are to some extent exceptional cases, as the transposition of EU legislation into national law in most cases proceeds smoothly. On the other hand, these are precisely the kind of cases that should raise interest because they can provide a test for the opportunities for influence in cases which do not suit the Icelandic government's policy preferences. Maybe more importantly, these cases illustrate the channels of influence that are available to states which are not EU members, but which are nonetheless closely integrated via the EEA Agreement. These cases are therefore also of high educational value in the sense that they illustrate the institutional relationships between the various EU and EFTA bodies in these areas.

The book primarily draws on two well-chosen theoretical traditions, namely Europeanization and historical institutionalism. The literature on Europeanization can be described as one of the more recent developments in the field of European integration theory. The concept initially emerged as a way of gauging the extent to which European-level developments have an impact on politics, polity and policy at the level of the nation state. The concept has however been broadened significantly since it first emerged, now also incorporating a bottom-up perspective, based on the observation that Europeanization, far from being a one-way street, should also be understood as member state governments using the European institutions to promote their policy preferences at the supranational level. This bottom-up perspective – consistently referred to in the book as "uploading" – is certainly tremendously interesting from the perspective of small non-member states which have only very limited formal access to the EU's formal legislative process. The findings of the book in this regard are possibly not extremely surprising, showing that in the four cases analyzed, Iceland has had only relatively limited success in "uploading" its preferences to the EU level. Iceland's success has to a large extent been limited to the top-down (or "downloading") side of Europeanization, which somewhat provocatively could also be described as limiting the damage of less-favored EU legislation. Strategies to this end include disputing the EEA relevance of a given act, or to argue for exemptions from legislation on the basis of the peripheral location of Iceland

in relation to the European continent. Of course, Iceland also has the same opportunity as Norway and Liechtenstein do to veto EEA-relevant legislation, which would however come at the expense of risking the suspension of the relevant parts of the EEA Agreement – a price that would clearly be too high to pay for countries heavily dependent on access to the internal market. Limiting the damage of “downloading” can however also be achieved by poor implementation, that is by simply not doing enough to achieve the goals spelled out in EU directives. In this case, one could nonetheless wonder whether this can in fact be considered a way of exerting influence in the EU legislative process.

From a theoretical perspective, the book is arguably even more intriguing because of the way that it embeds the Europeanization perspective in a broader framework drawing on historical institutionalism. The book does much more than merely analyzing the way European integration influences Iceland (and vice versa), but also delves into the continued rationale of institutional arrangements such as the EEA Agreement. The arguments made in this regard are a bit less convincing, in large part because the author does not adequately address the recent development of Iceland's obligations under the EEA Agreement as a puzzle that is difficult to understand using *purely* rationalist accounts. Considering the scope of the legislation that Iceland has had to transpose and implement – against the backdrop of claims that its EEA relevance is questionable –, the continued existence of the EEA Agreement could also be portrayed as a puzzle: why is Iceland so deeply integrated into the EU without being a full member and having a formal role and weight in the legislative process? The answer given in the book is more or less an expression of rational choice institutionalism: as export economy, Iceland is dependent on access to the internal market. One could however argue that historical institutionalism arguably has much more to offer than what is explicitly mentioned here. From the vantage point of historical institutionalism, the EEA Agreement comes across as a work in progress that at least from the perspectives of non-member states has progressed in unforeseen and quite possibly also unforeseeable ways. This allows us to understand the controversy around the extent to which some of the legislative acts discussed in the book are *relevant to the internal market* and should therefore apply to Iceland or not. The author does not make use of two of the interrelated key concepts of historical institutionalism that are relevant in this context, namely path dependency and unintended consequences of initial institutional and/or policy choices: at the time when it was created, the EEA Agreement was a perfectly rational way of gaining access to the internal market without any of the politically sensitive implications of full EU membership. Since then, the scope of what is “EEA-relevant” has however widened considerably – a useful illustration not only of how initial choices such as participation in the internal market sometimes produce unintended consequences, but also of the path dependency of such choices: legislation such as the Citizenship Directive have to be accepted precisely because of there is no viable alternative to participation in the internal market.

The findings of the book have to be seen in this light: the gradual extension of the scope of EEA-relevant EU legislation described in the book is much more than a

useful illustration of some of the key dynamics of historical institutionalism. Also the political implications of such developments have to be carefully considered: given that internal-market legislation has spilled over into apparently sensitive areas such as the ones analyzed in the book, the question presents itself at what point such unintended consequences call for a reconsideration of whether Iceland's partial participation in European integration via the EEA Agreement can fully provide for Iceland's economic and political interests.