

Much ado about Norway

Last week, Norway and its relationship with the EU was the talk of the town. David Cameron spoke out against any idea of an independent UK using Norway as a model for a future relationship with the EU. Specially selected Norwegian ministers were quoted by the BBC and some daily newspapers saying how much they recommended the UK staying in the EU and what a raw deal they had from Brussels. Supporters of UK independence lined up to say that they did not support the so-called “Norway Option” – indeed, a round-robin e-mail from the Aroon Banks-fronted leave.eu was quite adamant. **“We are not Norwegian”** proclaimed the banner headline and if you scrolled down, the text body began **“NO WAY TO THE NORWAY”** just to make sure everyone got the point.

You may think that all this fuss was much ado about nothing. Does anyone actually recommend Norway and its access of the EEA via EFTA as a model for an independent EU?

The answer, confusingly, is both yes and no. Nobody who advocates the Norway Option regards it as anything other than a stepping stone to get us out of the EU and the jurisdiction of the European Court of Justice within the two-year period specified under Article 50 of the Lisbon Treaty. It is not a final destination; rather a halfway house – an off-the-shelf, proven risk-free option that would get us through the exit door while allowing us the same full access to the Single Market which we currently enjoy as EU members. Its supporters, including some CIB Committee members, believe that it is the best way to reassure business, being unconvinced that the other options, like the so-called Swiss or WTO options offer a seamless transition to independence.

Virtually all informed advocates of independence, however, acknowledge that we could do better in the long term. The possibilities of a temporary brake on immigration from the EU

allowed under the EEA agreement falls a long way short of the desire of many for an end to free movement of people. Furthermore, Norway, Iceland and Liechtenstein are required to implement EU legislation marked "EEA-relevant" (although see below.) The percentage of the total acquis which comes into this category works out at barely 21%, according to Richard North (who contacted the EFTA Secretariat), far lower than the "approximately three-quarters" quoted in a 2012 Norwegian government report. However, 21% is still too many. Ideally, we do not want any laws forced upon us by a foreign power.

Yet for all its shortcomings, the "Norway Option" will see the UK on the road out of the EU and is still a far better deal than the associate membership status within the EU which David Cameron will seek to offer us at the end of his so-called renegotiations. As he will only ever make it sound a good deal by discounting this halfway house to full separation, he has had to resort to giving full rein to the various myths that have been doing the rounds. We must not fall for these lies. Associate membership status within the EU is a continuation of UK slavery to the EU Commission, the ECJ and its inevitable ever closer political union.

Here are a few home truths about the so-called "Norway Option":-

1. It is not "government by fax" (a phrase which is rather long in the tooth – who uses faxes now?)
2. Norway and other EEA/EFTA countries take part in a very thorough consultation process on EU regulation at the early stages where it most matters, even if they don't have a final vote.
3. Most trade regulation now is GLOBAL and since 1992 the EU has been LEGALLY BOUND to accept global standards. Our EU membership actually keeps us off the global regulatory bodies where Norway has a say and we don't. These are the

organisations which tell the EU what to do. Norway chairs the section of *Codex Alimentarius* which deals with fish and the EU has to do what that body decides.

4. Norway can also decide that a new Directive is unacceptable and simply decline to enforce it. It did so with the Third Postal Directive so Norway kept its publicly run Postal Service whilst our Royal Mail had to be privatised.- a possible selling point with Labour-inclined voters!

5. Norway is not jointly and severally liable for all the EU's debts. If an EU country or goes bust, many of the debts arising from its membership of the EU fall upon the remaining members, but not Norway. If an EU country defaults, like Greece, Ireland, Portugal, Spain, Italy, then some obligations for these debts will fall upon the UK, despite being outside the Eurozone. Norway will not pay a single Øre.

6. Norway is not subject to the Common Agricultural Policy, the Common Fisheries Policy, the Common Foreign Policy or many other pieces of EU legislation.

7. Norway is outside of the reach of the European Court of Justice, the EU's supreme court. The ECJ cannot fine it for non-implementation of EU Law.

8. Norway's annual contribution to help finance the single market and thus access it, amounts to a paltry £1.66 per year per head of population, a far cry from the £115 mistakenly claimed by Britain Stronger in Europe who, whether deliberately or accidentally, included the voluntary payments too. By comparison, we in the UK pay £150 per capita and the amount is rising.

9. The financial advantage Norway has enjoyed by remaining outside the European Union can best be illustrated by measuring the per capita Gross Domestic Product (GDP) – in other words, the total value of goods and services produced by a country divided by the number of inhabitants, which provides

a rough guide to average income in a given year. These two countries have much in common – similar climates, low population density, high state spending on welfare and strongly export-driven economies. Norway's main export is oil, whereas Sweden's is iron ore. The per capita GDP figures were broadly similar for the period 1980-1994, but from 1995 onwards, when Sweden joined the EU, the Norwegians started to become much richer than the Swedes. Indeed, by 2008, Norway's per capita GDP, at US\$ 94,815, was over 80% higher than Sweden's at US\$ 52,521. It is worth pointing out Norway was already a substantial exporter of oil in 1990, several years before Sweden joined the EU, and its oil production peaked in 2001, yet the per capita GDP differential with Sweden has continued to widen. It is hard to imagine that Sweden's decision to join the EU while Norway stayed out has not been a factor.

In summary, the "Norway Option" isn't a bad arrangement, if far from perfect. The bottom line is that Norway has retained independence outside the EU and flourished. It's hardly surprising, therefore, that a recent YouGov poll showed that Norway is even more anti-EU than we are in the UK. Whereas this poll showed the UK evenly divided between staying and leaving, only 17% of Norwegians wished to join the EU, with a whopping 68% opposed (the remaining 15% were either unsure or said they would not vote if a referendum was to be offered)

So why do some vociferous Norwegian politicians tell us what a bad deal they have? The answer is simple. They personally want their country to join the EU – a pretty forlorn hope judging by that poll. They know only too well that Brexit would finally kill their ambitions. When the UK leaves, convinced that life is better on the outside, EU membership would disappear permanently from the agenda for Norway. If we could swallow Cameron's "associate membership" fudge, maybe, so they think, Norway might be sneaked into the EU via this back door.

Therefore, whatever the pros and cons of the Norway Option as

a viable exit strategy, Brexit is not only essential for our own country; it would also benefit Norway by removing an irritating distraction for them.