

# ORAL STATEMENT

**BY THE MINISTER FOR FOREIGN AFFAIRS**

**ON THE EU MEMBERSHIP APPLICATION**

On 12 September 2013, 11 a.m. to 13 p.m.

## **Introduction**

Distinguished Speaker,

I have requested to make an oral statement to Althingi on the status of Iceland's membership application to the European Union.

In my view it is important to provide Althingi with a separate account of the steps taken by the government in recent weeks, in the light of new policy direction in this area.

The Foreign Affairs Committee has been informed separately during meetings over the summer. It is natural, however, to provide opportunity for discussion on the issue here in the parliament chamber as well.

## **Strengthening the partnership between Iceland and the EU**

Distinguished Speaker,

The government's vision on European issues is both positive and ambitious. Partnership with the EU should be as strong as possible. We want Iceland to be visible in that partnership, and on equivalent terms, and Iceland's interests should have significant impact during the shaping of the EU rules we adopt. Relations with the EU will be one of the priorities on my watch.

Let me make clear first of all, that relations between Iceland and the EU are solid as we have during the past years and decades succeeded in building a permanent framework for fruitful partnership in almost all areas, with cooperation through the European Economic Area as a dominant theme. We wish to lend more weight and visibility to our role in the partnership we already enjoy with the EU, expanding its activities further and into new areas.

I am determined to strengthen these relations to the extent possible, even if accession negotiations have come to a halt.

I have discussed our intention with regard to further cooperation with my counterparts within the EU, for instance during meetings with the enlargement commissioner and others. It is in the interest of Iceland and the EU to build further on the strong foundations already in place. In this way, I am, as always, convinced that there is room for improvement and certain that it will be possible for Iceland to sound

its voice even louder in this partnership. We shall make every effort to identify opportunities and take further advantage of them in order to benefit Icelandic interests.

Distinguished Speaker,

It is my wish that we pursue intense and visible lobbying within the European Economic Area and in connection with other agreements made with the EU. This would call for manpower and presence in Brussels. Proposals on my behalf to this effect are already on the drafting table. The will expressed by Althingi to this end, with reference to a parliamentary resolution adopted last spring, will also be put to the test.

I also have regard to strengthening the bilateral partnership and relations between Iceland and the EU. Our relationship with the Union invites strengthening such cooperation in areas outside the scope of the European Economic Area. As I have already brought up in conversation with the enlargement commissioner, I foresee increased cooperation in the area of fisheries, agriculture, energy, peace-keeping, development cooperation and Arctic matters, to name but a few urgent issues. Wherever we go, we find that there is great interest in bilateral cooperation with Iceland. This brings important opportunities.

## **The legitimacy of the EU membership application**

Now I would like to turn the attention to the very beginning of the accession process.

Many criticisms have been made from the start. There was lack of consensus on the membership application within the coalition at the time and that disagreement marked the beginning of the ensuing irresolution.

Applying for membership to the European Union was no small decision. In fact applying for membership to the EU was a major decision by Iceland, taken without necessary solidarity and conviction in place.

As time went by, its weak foundation became apparent. Most of the energy was spent on negotiations between and within the coalition parties, instead of material negotiations with the EU itself.

### **Accession process 2009–2013**

As a result, negotiations on many key issues in the process had not started yet at the end of the term of office.

I doubt whether it would have been possible to conclude negotiations on the largest interests related to the process on such a basis. The interests were simply too large relative to the circumstances of the application and the framework was inadequate.

Admittedly, most of the negotiation chapters were opened, some of which concerned important subjects. Many chapters were also preliminarily closed. When examined closely, however, the closed chapters more or less include areas where Iceland is already highly aligned with the EU and therefore obvious in advance that they would be relatively easy to conclude. Nor can it be ignored that the EU made use of this process to try and force negotiations on an unrelated issue – mackerel. That constitutes a blow way below the belt and I know that former foreign minister and honourable Member of Parliament Össur Skarphéðinsson and I share the same view on the issue.

## **Developments within the EU – response to economic crisis**

Distinguished Speaker,

This journey commenced during uncertain times in Iceland – our position was not strong.

Uncertainty not only prevailed in Iceland but also within the European Union, which faced a sharp economic crisis but fortunately seems to be moving towards recovery in small steps.

The future of the euro area has also been shrouded in uncertainty – will it survive or not?

Iceland has a vested interest in a stable and economically strong Europe and we would rejoice were the euro and the EU to overcome difficulties and come out standing.

On the other hand certain responses to the economic crisis indicate that cooperation is deepening within the EU, calling for greater transfer of powers from the Member States to Brussels. The history of European integration in recent decades teaches us exactly that all kinds of economic crises, which surface at regular intervals, usually result in unforeseen political integration at the expense of democracy. This runs counter to dominant views here in Iceland as well as within some of the EU Member States.

A secure future for the euro still seems somewhat out of reach. Under such circumstances continuing the accession process would be irresponsible.

## **The position of the coalition parties**

Distinguished Speaker,

The position of both coalition parties is clear. They are opposed to membership of the European Union. National meetings of both parties adopted resolutions to the effect that the process would not continue without prior referendum on the issue. People may rest assured that negotiations will not resume without prior referendum.

Therefore, it should not have come as a surprise that the parties decided to halt negotiations. At the same time, a decision was made to have an expert review conducted of the status of the negotiations and future developments within the EU. The latter is particularly significant in the light of evidence of greater political integration at Union level as well as economic uncertainty.

## **Measures by the new government**

All measures taken by the government have been in line with this clear policy, which received voter support in the elections this spring.

We have acted decisively.

My first task abroad was to meet with the European Commissioner for Enlargement at the beginning of June. Shortly afterwards the Prime Minister met with the President of the European Council and the President of the European Commission. I might also add that last week I had an informal discussion with the enlargement commissioner during a meeting of the Nordic and Baltic foreign ministers.

During these conversations we have explained to our counterparts in the EU that negotiations have come to a real halt and that this decision must be taken seriously. We have disbanded the negotiation committee and negotiation groups; no further intergovernmental conferences will be held in this context; the EU has decided not to commence any new IPA projects, etc.

No damage has been done, the membership application has not been withdrawn – no negotiations have broken off.

This is how the issue has been undertaken; while maintaining good relations with our counterparts as any response by the EU bears evidence to the fact that the Union is in full understanding of our decision to halt the accession process.



## **Continuation of the issue**

Distinguished Speaker,

This shows that the government has decisively pursued its policy. This is in accordance with resolutions adopted by the parties who won a decisive election victory this spring.

Moreover, discussions are on-going with an independent university institution, The Institute of Economic Studies at the University of Iceland to be exact, regarding the expert review, previously announced. The Institute of Economic Studies will without a doubt consult and seek information far and wide, both domestically and outside the country, while drawing up its report. This report will then be submitted to parliament and discussed and brought to the knowledge of the public.

It is premature at this point to ponder the future of the accession process until the report has been released but factual and rational debate will without doubt take place in parliament on its findings, which I look forward to.

## **Final Comments**

Distinguished Speaker,

In conclusion.

I respect the views of those who believe that Iceland's interests are best served inside the European Union. However, the government is simply not in unison with those views and this is where we disagree.

I believe that in an issue as vast as this, wide support and power of unity is a complete prerequisite. This has been lacking from the very beginning. Embarking on membership negotiations in order to join an alliance of states, which to a degree would require fundamental changes to our constitutional organisation, demands substantial parliamentary backing and considerable national support in advance. The current government is against membership and there are strong indications that the same applies to the nation.

Distinguished Speaker,

The government is unanimous on this issue. The process has come to a halt, nothing has been broken off and we want to enhance relations and strengthen our bond with the EU without future membership.