

# EU-27 WATCH



**No. 9**  
July 2010

ISSN 1610-6458

[www.EU-27Watch.org](http://www.EU-27Watch.org)

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## On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new *modus operandi* while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a **reporting period from December 2009 until May 2010**. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: [www.EU-27Watch.org](http://www.EU-27Watch.org).

The EU-27 Watch No. 9 receives significant funding from the **Otto Wolff-Foundation, Cologne**, in the framework of the *"Dialog Europa der Otto Wolff-Stiftung"*, and financial support from the **European Commission**. The European Commission is not responsible for any use that may be made of the information contained therein.



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**Iceland****EU discussion sidelined because of the Ice-save dispute – a country preparing itself for an intensive EU debate****Baldur Thorhallsson\***

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In February, the European Commission recommended that negotiations for accession to the EU should be opened with Iceland – only seven months after Iceland submitted its application. The Icelandic government welcomed the opinion's conclusion that Iceland is well prepared to assume the obligations of membership in most areas, in particular the policy fields covered by the European Economic Area (EEA).<sup>1</sup> The ruling Social Democratic Alliance (SDA) also appreciated the opinion recommendations that Iceland needs to make serious efforts to align its legislation with the *acquis* and/or to implement and enforce it effectively in order to fulfil the accession criteria in the following fields: fisheries; agriculture and rural development; the environment; free movement of capital; financial services; the customs union; taxation; statistics; food safety, veterinary and phytosanitary policy; regional policy and coordination of structural instruments; and financial control.<sup>2</sup> On the other hand, this advice was not well received by the Left Green Movement, the SDP's coalition partner in government, as well as the opposition parties and the fisheries' and farmers' lobby. All of them claimed that through EU membership Iceland would lose control of its most valuable resource, fisheries, and leave Iceland's agriculture in ruins.<sup>3</sup>

The government is split on the EU membership question, which has damaged the SDA's effort within the EU to press for a speedy opening of accession negotiations. Some ministers and Members of Parliament (MPs) of the Left Green Movement still question the EU application and are publicly fighting against membership – one of their MPs was recently appointed chairman of the anti-EU movement *Heimssýn*. That said, the government stands by the application and the upcoming negotiations for accession. All its ministers, except for the one responsible for agriculture and fisheries, are cooperating in an effort to smoothen the accession process.<sup>4</sup>

The opposition parties are also split on the question of EU membership, though anti-EU forces dominate them, at present. The leadership of the conservative Independence Party and the agrarian Progressive Party fight against membership, though the formal policy of the Progressives is to negotiate with the EU and make a decision on membership based on an accession treaty – both parties have a considerable number of Europeanists members, including Members of Parliament.<sup>5</sup>

The political discussion in Iceland has been dominated by the so-called *Icesave*<sup>6</sup> dispute between Iceland on the one hand and the Netherlands and the United Kingdom on the other. Hence, an intensive EU debate has not kicked off in the country. In January 2010, the United Kingdom, the Netherlands and the Nordic states yet again blocked Iceland's International Monetary Fund (IMF) assistance after the President of Iceland referred the *Ice-save* deal, which the government had negotiated with Britain and the Netherlands and the Icelandic parliament (the *Alþingi*) had narrowly approved, to referendum. The deal was rejected by 93 percent of voters.<sup>7</sup> Hence, the dispute has dragged on – though the IMF assistance was approved by its governing board in April 2010 – and has raised nationalistic feelings and sidelined discussions on the EU application. In the public debate, the EU and its member states have been blamed for the IMF blockage and for standing in the way of Iceland's economic recovery – despite the fact that the EU has on several occasions stated that the dispute is a bilateral matter of the states concerned.<sup>8</sup> Iceland has adopted the EU regulations on finances through its membership in the EEA, on which the British and Dutch claims are based, and has requested that the EU step in to settle the dispute without any success. Hence, the EU is seen as not being able to provide Iceland with economic and political shelter and, by many politicians and voters, as a bully standing by as larger states oppress a small, defenceless neighbour. Accordingly, the pro-European forces have had a difficult time making their case in an atmosphere of nationalism, where Icelanders generally feel that all of their closest neighbouring states, except for the Faroe Islands, have deserted them in a time of great need. One could argue that Icelanders have lost, in general, faith in international relations and in close cooperation with their neighbouring states.

The public opinion on EU membership has clearly been affected by the *Icesave* dispute. Since early 2009, the majority of voters have stated their opposition to membership in opinion polls – after a

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twelve-year period where nearly all polls indicated a majority in favour of membership.<sup>9</sup> The latest Capacent Iceland opinion poll, conducted in July 2010, indicated that 60 percent of voters were against EU membership, 26 percent were for it and 15 percent did not state an opinion.<sup>10</sup> These are exactly the same findings as in February 2010. That said, in February, Capacent also asked voters whether they were in favour of accession negotiation with the EU. 64 percent of voters were in favour of accession negotiations, 28 percent against it and 7 percent did not state an opinion. Accordingly, a majority of voters are still in favour of accession negotiations with the EU.<sup>11</sup>

The Icelandic anti-EU movement has gained momentum, set up camps in rural and coastal areas and dominated the debate in the media and on the Internet. The campaign is strongly supported by the fisheries' and farmers' associations, which have taken a rigid stand against EU membership and been vocal in the media. The anti-EU campaign is at present centred on three themes concerning EU membership. First, Iceland would lose its independence and sovereignty; second, Iceland would lose control over its most valuable national resource, fisheries; and third, Iceland's agriculture would be left devastated.<sup>12</sup>

The pro-European movement has reorganised itself and set up an association named Stronger Iceland – A Nation among Nations (Sterkara Ísland – Þjóð meðal þjóða). It draws on prominent figures, mainly from the greater Reykjavik (capital) area, the main employers' and employees' associations, and political parties – mostly Conservatives, Social Democrats and Progressives.<sup>13</sup> It is also noteworthy that a pro-European group, Independent Europeanists (Sjálfstæðir Evrópusinnar), has been created within the Independence Party, which draws on support from its vice-chairman and other party members. The Icelandic European Movement, established in 1995, is still in place and has provided backup for the creation of Stronger Iceland.<sup>14</sup>

The pro- and anti-EU movements have two noticeable features in common, i.e., they are run by men – women being noticeably absent – and are sponsored by economic sectors, which have been prominent in the EU debate in the past. The “Yes”-movement has been occupied by its reorganisation and not been active in the public debate, which was a deliberate decision, due to the dominance of the Icesave issue and the current strong nationalistic sentiment in the country. On the other hand, the “No”-movement has been working full force on its agenda.<sup>15</sup>

The Confederation of Icelandic Employers, a driving force for EU membership in other Nordic states, is not active in the EU debate – following a brief period of activity concerning an EU application and adoption of the Euro in 2007 and 2008. This is because of an outright split within it, where the powerful Federation of Icelandic Fishing Vessel Owners, the only major opponent of EU membership in the Confederation, is granted a blocking power on the EU question. The pro-European members such as the Federation of Icelandic Industries and the Federation of Trade and Services have remained relatively silent on the issue after a campaign for the EU application. They are bound to come back into the debate with full force closer to the referendum on membership. The labour movement has also been rather silent about EU affairs, though it is now, largely, united behind the pro-European cause after the anti-EU chairman and MPs of the Left Green Movement of the Federation of State and Municipal Employees stepped down.<sup>16</sup>

A noticeable feature of the Icelandic EU negotiation committee, including several individual negotiation teams, which are preparing the Icelandic negotiations' positions, is the presence of members of interest groups such as farmers' and fisheries' associations, labour movements and the opposition parties, and women and academics from different universities spread across the country. The appointment of the committee was well received in the country at large, it being led by the expertise of the central administration.<sup>17</sup>

There is considerable coverage on EU affairs in the two daily newspapers, despite the dominance of the Icesave issue. The most widely read paper, Fréttablaðið, is pro-European, its editor being a former chairman of the European Movement. The other newspaper, the conservative Morgunblaðið, is running a fierce campaign against EU membership under the editorial leadership of Davíð Oddsson (the former Prime Minister for 13 years, chairman of the Independence Party and director of the Central Bank), the most influential political figure in the country over the past twenty years.<sup>18</sup>

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<sup>1</sup> Website of the Icelandic Ministry for Foreign Affairs, available at: <http://www.utanrikisraduneyti.is/frettir/nr/5718> (last access: 12 July 2010).

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- <sup>2</sup> European Commission: Communication from the Commission to the European Parliament and the Council. Commission Opinion on Iceland's application for membership of the European Union, COM (2010) 62, available at: [http://ec.europa.eu/enlargement/pdf/key\\_documents/2010/is\\_opinion\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2010/is_opinion_en.pdf) (last access: 16 June 2010).
- <sup>3</sup> Web medium Eyjan, 11 July 2009, available at: <http://eyjan.is/2009/07/11/raett-um-adildarumsokn-islands-ad-esb-a-althingi-i-allan-dag-meirihluti-thingheims-styjdur-umsoknina/> (last access: 12 July 2010).
- <sup>4</sup> Morgunblaðið, 9 April 2010, available at: [http://mbl.is/mm/frettir/innlent/2010/04/09/furdar\\_sig\\_a\\_fundargerð/](http://mbl.is/mm/frettir/innlent/2010/04/09/furdar_sig_a_fundargerð/) (last access: 12 July 2010); Web medium Smugan, 28 July 2009, available at: <http://www.smugan.is/pistlar/adsendar-greinar/nr/2224> (last access: 12 July 2010).
- <sup>5</sup> Web medium Pressan, 25 June 2010, available at: <http://www.pressan.is/pressupennar/LesaOlafArnarson/sjaelfstaedisflokkurinn-er-klofinn-getur-bjarni-sameinad-a-ny> (last access: 12 July 2010); the official website of the Progressive Party, available at: <http://www.framsokn.is/Forsida/Malefni> (last access: 12 July 2010).
- <sup>6</sup> The dispute is centred on the payment conditions of Iceland on the money Britain and the Netherlands provided account holders in the Icelandic bank, Landsbanki, which offered online savings accounts under the Ice-save brand in those states. Landsbankinn was placed into receivership by the Icelandic government early in October 2008.
- <sup>7</sup> Results of the referendum from the National Electoral Commission of Iceland, available at: <http://www.landskjoir.is/landkjoirstjorn/frettir-tilkynningar/nr/61> (last access: 16 June 2010).
- <sup>8</sup> Letter from IMF Managing Director, Dominique Strauss-Kahn on the Icesave dispute, available at: <http://www.imf.org/external/np/vc/2009/111209.htm> (last access: 12 July 2010); EU Observer, available at: <http://euobserver.com/9/29548> (last access: 12 July 2010).
- <sup>9</sup> Baldur Thorhallsson: The Sceptical Political Elite versus the Pro-European Public: The Case of Iceland, in Scandinavian Studies, 2002, 74 (3), p. 349-378; Opinion polls conducted by Capacent Gallup for The Federation of Icelandic Industries, available at: <http://www.si.is/malaflokkar/althjodlegt-samstarf/evropumal/skodanakannanir/> (last access: 16 June 2010).
- <sup>10</sup> Capacent Iceland. Þjóðarpúls Gallup, July 2010.
- <sup>11</sup> The Federation of Icelandic Industries, opinion polls: development of attitudes, conducted in March 2010 by Capacent Gallup Iceland, available at: [http://www.si.is/media/althjodlegt-samstarf/almenningur\\_2010-02.pdf](http://www.si.is/media/althjodlegt-samstarf/almenningur_2010-02.pdf) (last access: 12 July 2010).
- <sup>12</sup> Website of the anti-EU movement, Heimssýn, available at: <http://heimssyn.is/> (last access: 16 June 2010).
- <sup>13</sup> Website of the pro-EU movement, Sterkara Ísland, available at: <http://www.sterkaraisland.is/> (last access: 16 June 2010).
- <sup>14</sup> Website of the Icelandic European Movement, available at: <http://www.evropa.is/> (last access: 16 June 2010).
- <sup>15</sup> For example see: <http://heimssyn.is> (last access: 12 July 2010), <http://evropuvaktin.is> (last access: 12 July 2010).
- <sup>16</sup> For example see: [http://www.asi.is/desktopdefault.aspx/tabid-63/102\\_read-614/](http://www.asi.is/desktopdefault.aspx/tabid-63/102_read-614/) (last access: 12 July 2010), <http://www.bsrb.is/malefni/island-og-esb/> (last access: 12 July 2010).
- <sup>17</sup> List of members of the Icelandic Negotiation Committee, website of the Ministry for Foreign Affairs, available at: <http://europe.mfa.is/sidemenu/negotiation-committee/> (last access: 5 July 2010).
- <sup>18</sup> For example: Langt til seilst, 21 June, Leiðari Morgunblaðsins, 8 July 2010; Réttarfar í hnotskurn, 29 June 2010, Báðir geti unað við sjávarútvegssamning, Fréttablaðið, 8 July 2010, available at: <http://www.visir.is/article/2010515725231> (last access: 12 July 2010); Gjaldeyrishöftin: CCP óskar eftir stöðugleika, available at: <http://www.visir.is/article/2010814416482> (last access: 12 July 2010).

## Questionnaire for EU-27 Watch, No. 9

Reporting period December 2009 until May 2010 – Deadline for country reports 21 May

**All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!**

### 1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

### 2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

### 3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

### 4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

### 5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?