



ULKOPOLIITTINEN INSTITUUTTI
UTRIKESPOLITISKA INSTITUTET
THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

Finland – the most ‘European’ Nordic country?

Scotland after Brexit – Lessons from the Nordics, 29 October 2016,
Edinburgh

Tuomas Iso-Markku

Research fellow

Finnish Institute of International Affairs (Helsinki, Finland)



Finland – the most ‘European’ Nordic country?

1. In what ways and to what extent does Finland differ from the other Nordic countries in terms of its relationship with the EU?
2. What are the main reasons that led Finland to take a more favourable stance on integration than its Nordic partners?
3. In what ways and to what extent has Finland’s position on EU integration changed in recent years? (Will Finland continue to be the most ‘European’ Nordic country?)



Nordic countries and European integration



-Denmark, Norway and Sweden among the founding members of EFTA in 1959, Finland signed an association agreement in 1961

-Denmark followed the UK to the European Communities (EC) in 1973, Finland, Iceland, Norway and Sweden all signed free trade agreements with the EC/EEC

-Until the end of the Cold War, Finland and Sweden pursued a policy of neutrality, which put strict limits to their participation in the integration process



Nordic countries and NATO



-Denmark, Iceland and Norway were among the founding members of NATO

-During the Cold War years, Finland and Sweden pursued a policy of neutrality.

-After the Cold War, Finland and Sweden have strengthened their ties to NATO (currently under the umbrella of an 'enhanced partnership'), but remain outside the alliance

-There is an ongoing debate about the possibility of membership



Nordic countries and the EU



EU members: Denmark (1973),
Finland (1995), Sweden (1995)

Denmark has 'opt-outs' related to the EMU, defence policy, justice and home affairs, EU citizenship

Sweden rejected participation in the eurozone in a referendum in 2003

Finland is the only Nordic state within the eurozone

--

Norway and Iceland are members of the Schengen Area; Norway has contributed to the CSDP



Finland – the most ‘European’ Nordic country?

Reasons for/arguments used in favour of EU membership in Finland

-Sweden’s decision to apply

-Economic concerns (collapse of trade with the Soviet Union, heavy recession at home)

-Possibility to exert influence (shaping the rules of the Single Market)

-Security policy concerns (instability in the former Soviet Union → EU as a stabilising force and protector against potential threats)

-Identity issues (confirmation of Finland’s ‘Western’ identity)



Finland – the most ‘European’ Nordic country?

Arguments used against EU membership in Finland (Raunio and Tiilikainen 2003)

- Finland would lose its independence**
- Finland would lack influence in the EU** (Finland as a small state with limited power)
- Membership would be incompatible with neutrality**
- Membership would have negative consequences for the Finnish agricultural sector**
- Membership would threaten Finland’s high levels of social, political and gender equality**



Finland – the most ‘European’ Nordic country?

-Almost universal support for EU membership within Finland’s political and economic elite

-General public and political parties more divided

In the end: the three major parties and one smaller party in favour, two without a formal position and two minor ones against

-One of the most coherent opposition groups formed by the Finnish farmers

-National EU referendum: 56.9 percent in favour, 43.1 against (rough centre/periphery divide)



Finland – the most ‘European’ Nordic country?

- After Finland joined the EU, the divides caused by the referendum receded into the background
- A broad five-party government coalition including parties from across Finland’s political spectrum (‘rainbow coalition’) was established and governed between 1995 and 2003
- As part of this coalition, even the more hesitant parties (Left Alliance, Green League) committed themselves to the goal of taking Finland into the ‘core’ of the EU → broad EU policy consensus
- This included support for Finland’s participation in the third phase of the EMU, i.e. for joining the eurozone



Finland – the most ‘European’ Nordic country?

- Unlike in Denmark and Sweden, no referendum on joining the euro was organised, although the issue proved divisive within the electorate and was heatedly debated in the Parliament
- The government emphasised that Finland had agreed to participate in the EMU already in its accession negotiations/agreement
- The Finnish Parliament decided on the matter by simple majority



Finland – the most ‘European’ Nordic country?

- Consensual political culture** → broad EU policy consensus
- The idea that Finland as a **small member state** would do better when presenting a unified stance on EU issues (inclusive system of coordinating EU policy)
- The conviction that Finland as a **small member state** has to be a constructive player within the EU
- The view that a **small member state** is best protected by strong rules and institutions (support for the Community method)
- The importance of the EU in terms of economy and security policy (military non-alliance, independent defence and EU membership as basic pillars of Finnish security and defence policy)



Finland – the most ‘European’ Nordic country?

- Euro-sceptic views voiced by individual figures within the existing parties
 - EU/EU policy not as a dividing factor between the parties
 - No successful Euro-sceptic party
- EU issues at the margins of electoral debates
- Low levels of public support for the EU compared to other member states, but a high share of citizens with a neutral view (→ latent support for integration)



Finland – the most ‘European’ Nordic country?

- Since the late 2000s, EU issues have become more contested
 - Resulted from a general feeling of a lack of alternatives (very few differences between the major parties, also in terms of their EU policy)
 - the emergence of the Eurosceptic and nationalistic Finns Party as a challenger
- The eurozone crisis and the bailouts as a catalyst for more Eurosceptic views → major success of the Finns Party in the parl. election in 2011
 - The Eurosceptic challenge compelling the other parties and even Finland’s traditionally pro-European elites to take more cautious positions, most notably in the area of economic and fiscal policy
 - Finland as an ‘austerity hawk’ and a ‘hardliner’
- Finland as a more difficult negotiation partner (‘angry birds EU policy’)



Finland – the most ‘European’ Nordic country?

-However, the same factors that initially contributed to Finland’s pro-European course have softened the impact of the Eurosceptic challenge

-Consensual political culture: The Finns Party was included in the national government after the 2015 national parliamentary election
→ the Finns Party has had to moderate its views and compromise

-Finland as a small member state: The basic rationale behind the Finnish EU membership has remained the same

-The EU as a crucial part of Finnish security and defence policy:
The Ukraine crisis and the ongoing political tensions between the EU and Russia have underlined the importance of the EU for Finnish security policy



Finland – the most ‘European’ Nordic country?

- Finland has become a more reserved member state, but is strongly in favour of deepening of the single market and enhancing European defence cooperation
 - Brexit as a challenge:
 - loss of an ally in questions of trade policy
 - unpredictability of the dynamics set in motion by the process
 - The EU of the future and Finland’s place therein?