

LIECHTENSTEIN-INSTITUT

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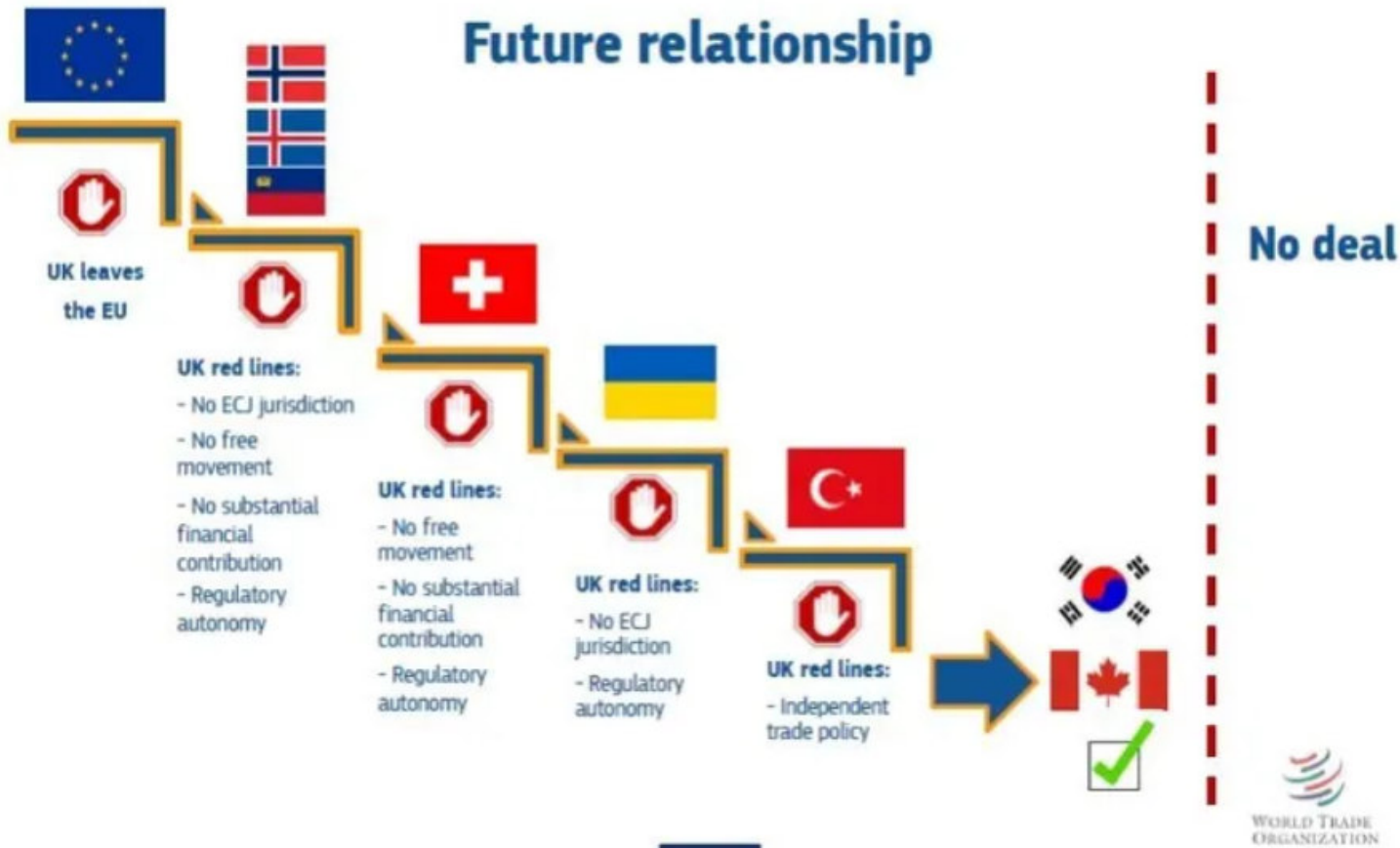
# **External Differentiated Integration – Focus on European Economic Area (EEA)**

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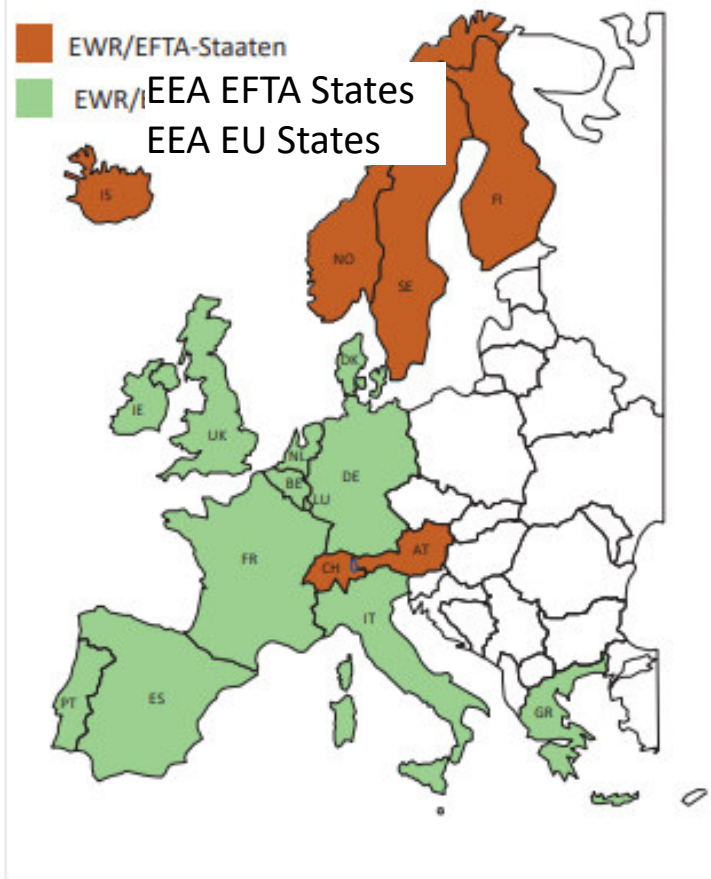
# Barnier's staircase – EEA most ambitious model of external DI (2017)



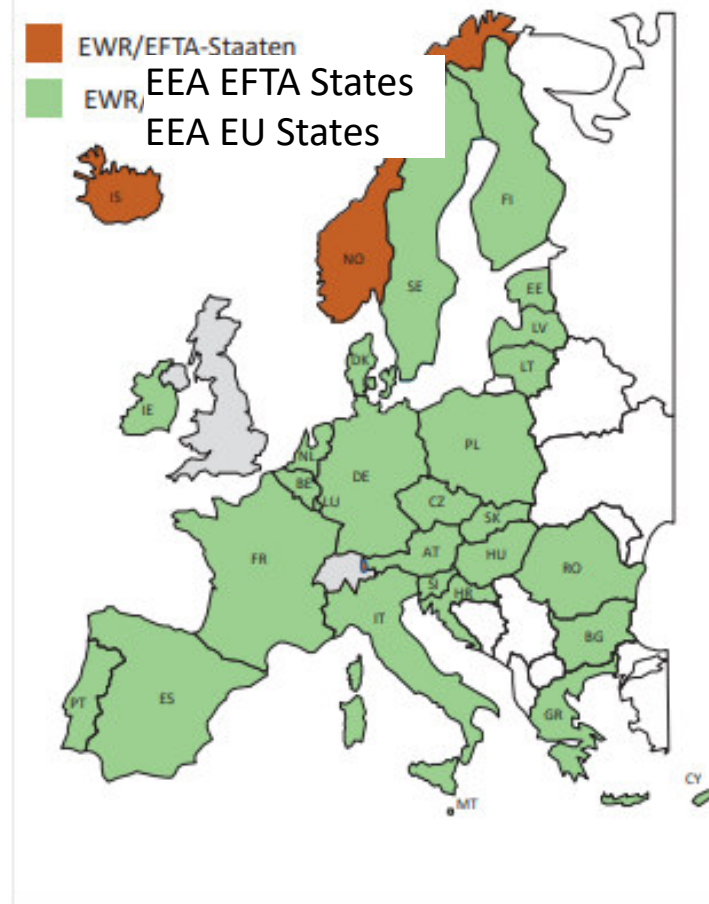
## Key points:

- No bespoke agreement available for UK
- EU trying to be consistent in maintaining its principles
- EEA benchmark of all models for external differentiated integration (i. e. most ambitious model)

# Map of the EEA – 1992 and 2022



May 1992 when EEA Agreement was signed



EEA today

## Key points:

- Increasing asymmetry of power between EU and EFTA
- EEA not a training camp for EU membership
- Focus of EU politics shifted to the East
- Little EU interest in EFTA States may be beneficial for them



# Heterogenous preferences

## EEA EFTA States („wish“)

### *Institutions:*

no pooling of sovereignty;  
no delegation of decision-making authority

### *Scope:*

access to EU internal market

Policy-specific integration with permanent opt-outs

*Wish to participate in EU internal market;  
fear of being left out*

## EU („requirements“)

### *Institutions:*

autonomy of EU decision-making;  
integrity of EU legal order

### *Scope:*

indivisibility of the four freedoms; level playing field

Global approach to integration and balance of rights and obligations

*Extending EU internal market beyond EU*

### **Key points:**

- Desire for economic cooperation in view of the great economic interdependence
- Various domestic political hurdles to integration
- Ideological reservations about political integration – preserving sovereignty
- Challenge: Bringing together differences and commonalities



## Objectives of the EEA

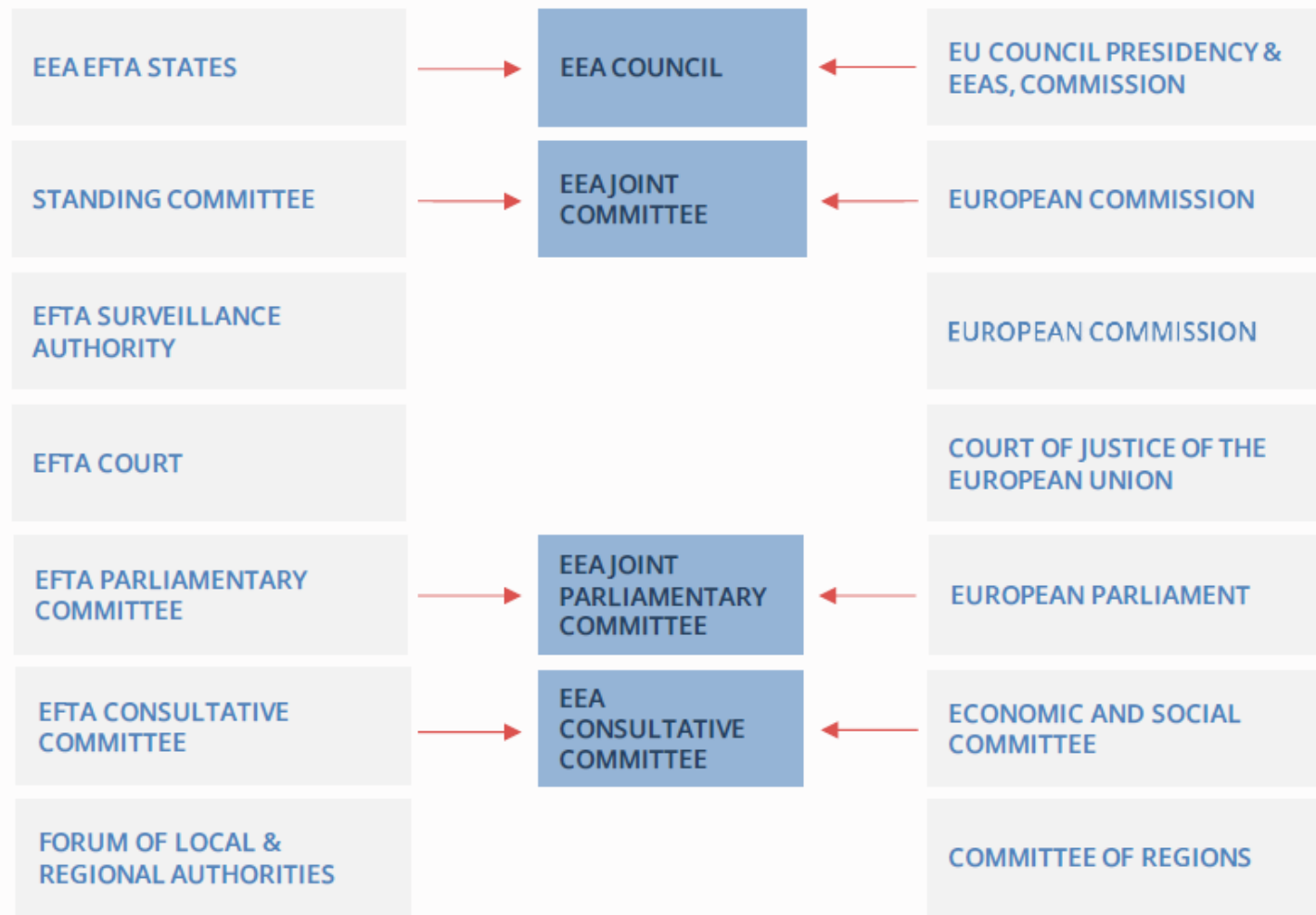
- EEA Agreement extends the EU's internal market to the EEA EFTA states
- “... establishing a dynamic and homogenous European Economic Area, based on common rules and equal conditions of competition and providing for the adequate means of enforcement at the judicial level, and achieved on the basis of equality and reciprocity and of an overall balance of benefits, rights and obligations for the Contracting Parties.”



# The two pillar structure of the EEA

## Key points:

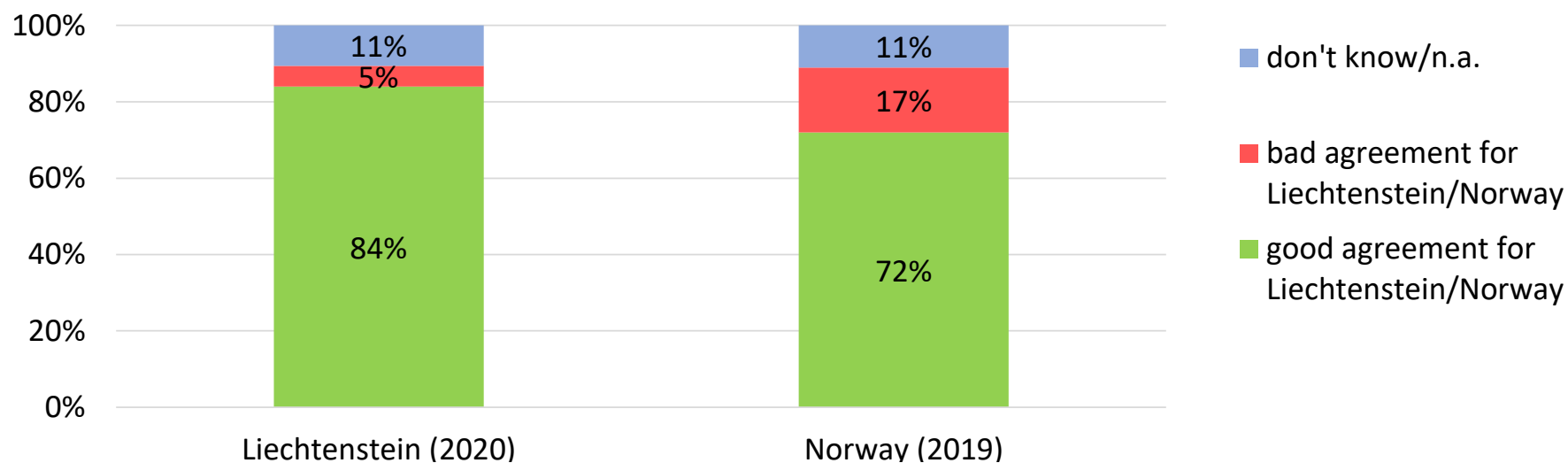
- Complex institutional framework in order to ensure homogeneity
- Different procedures with different levels of efficiency but also different consequences for the EFTA States' autonomy
- Institutional complexity creates new cases of differentiated integration
- Finding a balance of keeping autonomy and ensuring efficiency
- Challenge: Not one, but several blue prints; trend towards one-pillar model



This diagram illustrates the management of the EEA Agreement. The left pillar shows the EFTA States and their institutions, while the right pillar shows the EU side. The joint EEA bodies are in the middle.



# Assessment of the EEA Agreement in Liechtenstein and Norway



## Key points:

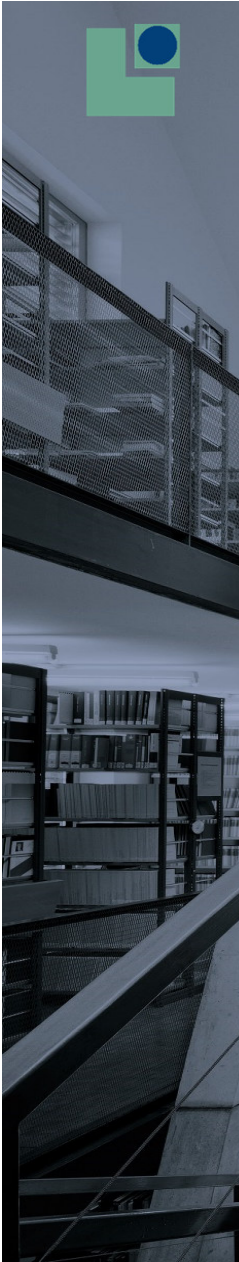
- High and stable support for the EEA in Liechtenstein
- Mostly high support rates for the EEA in Norway and Iceland but less stable than in Liechtenstein
  - Support for EEA remains vague - lowest common denominator
- Euroscepticism in Liechtenstein and Iceland mainly bearded by right wing parties – in Norway also left-wing parties
  - But classification gets more and more irrelevant
- → Should the EEA be more politicised to increase the knowledge about the EEA?

Note: LIE: CAWI survey, February 2020, N=869; NOR: NUPI/Sentio CATI survey, January 2019, N=1000



# Conclusions

- Maintaining autonomy while ensuring effectiveness (homogeneity) and procedural efficiency as the main patterns of institutional integration
  - The higher the integration, the more important are efficient procedures.
  - Institutions are a necessary but not a sufficient condition of effective external differentiated integration.
  - Various challenges to democratic legitimacy of external differentiated integration
- Keeping pace with the dynamics of EU legal developments as a continuous challenge
  - Extent of integration of EEA EFTA States has (slightly) increased over time.
  - Demand for opt-outs is higher for EEA EFTA States than for the EU States.
  - Supply of opt-outs is higher for the EEA EFTA States than for the EU States.
  - Informal DI as a new type of DI due to institutional complexity
- The empirical research on the EEA ...
  - ... confirms the importance of the EU principles in order to avoid centrifugal effects.
  - ... shows that there is also a risk of fragmentation within the legal relations of EU and non-member states.
  - ... shows that it is possible to establish a homogenous and dynamic economic area between non-member states and member states.





**Thank you very much for your attention.**

