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# Introduction to the EEA Agreement

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# EFTA's quest for European Integration

- 1952 European Coal and Steel Community
- 1957 Treaty of Rome (EEC)
- **1960 European Free Trade Association (EFTA)**  
Austria, Denmark, Norway, Portugal, Sweden, Switzerland, United Kingdom; Finland (associated 1961, full member 1986), Iceland (1970), Liechtenstein (originally represented by CH, full member in 1991)
- 1973 Denmark and the UK leave EFTA for the EC
- **1973 EFTA-EU bilateral free trade agreements**
- 1986 Portugal leaves EFTA for the EC
- 1987 EC Single European Act
- **1994 European Economic Area**
- 1995 Austria, Finland and Sweden leave EFTA for the EU
- **1999 Swiss-EU bilateral agreements**
- 1995 Schengen Agreement
- **2001 EFTA countries part of Schengen**



# The Challenges of the 1980s

- Decline in European economic growth in the 1970s
- US and Japanese dominance in the global economy
- Numerous physical, technical and fiscal barriers to trade
- Failure to meet the objectives of the «four freedoms»

## The EC response: How to complete the Internal Market

- Commission White Paper : Completing the Internal Market by the end of 1992
- Strengthening the four freedoms and supporting policies
- Decisions by qualified majority voting
- The Single European Act (1987)



# The Birth of the EEA

- 1984 - First EFTA-EU Ministerial meeting, Luxembourg  
Declaration on a dynamic "European Economic Space"
  - 1989 - Commission President Delors offers the EFTA countries «a new, more structured partnership»
  - 1989 - Fall of the Berlin Wall
  - 1992 - EEA negotiations finalized (signature)
  - 1992 - 94 The EFTA members Austria, Finland, Norway and Sweden negotiate membership in the EU
  - 1992 - Switzerland rejects the EEA Agreement in referendum
  - 1994 - Entry into force of the EEA Agreement
  - 1995 - Austria, Finland and Sweden join the EU
- Remaining EEA EFTA States: Iceland, Liechtenstein, Norway



# Objectives and principles of the EEA

- “... 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, ...”
- Which means: Extending the internal market to the participating EFTA States
- Legal homogeneity
- Incorporation of all relevant legislation – at the conclusion of the Agreement and by the establishment of an institutional set-up for incorporation of new legislation
- Institutional set-up for surveillance and judicial litigation



# The challenge: Reconciling two different models of cooperation

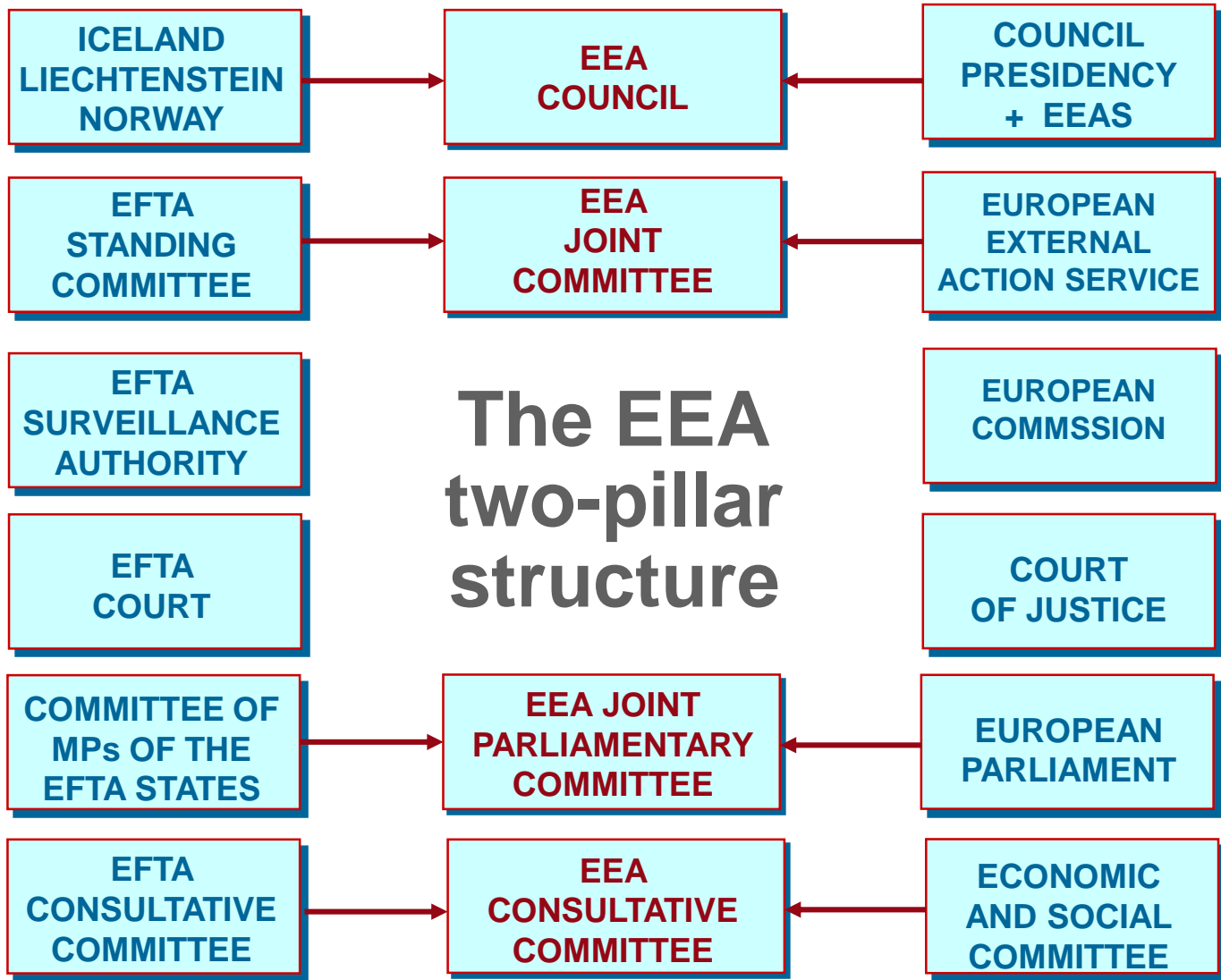
## The EU model

- Supranationality: transfer of competence and sovereignty
- Institutions with defined roles in the decision-making processes: Commission – European Parliament – Council
- Important concern: Preserving decision-making autonomy of the EU

## The EFTA model

- Intergovernmental cooperation: No transfer of competence, no “common policies”
- Decisions taken by consensus between the Governments
- Important concern: Preserving sovereignty

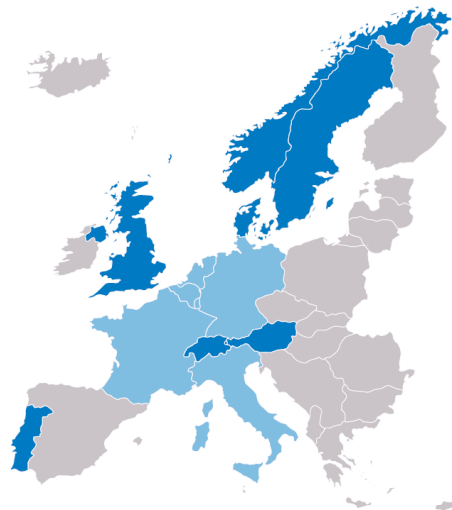




# The EEA two-pillar structure



## EFTA and the EU 1960



EFTA

EU

## EFTA and the EU 2017

