

## **I predict that Icelanders probably will say no in a future referendum on EU membership, analyst Birgir T. Petursson says**

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**Iceland benefits from having its own seat at the negotiating table instead of being a member of the EU block, having to adopt the common policy instead of pursuing the country's own interest, Birgir T. Petursson, partner at GHP Legal in Reykjavik, says in an interview for Europe Gateway.**

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### **What result do you foresee in a future referendum on Iceland's EU accession?**

The most recent opinion poll was published a few days ago. Done by Capacent/Gallup in July, for an online magazine ([www.andriki.is](http://www.andriki.is)) The result showed a big change in attitudes. Asked whether people were supportive or against an Icelandic EU-membership, 17,1% said they were very supportive, 17,6% rather supportive, 19,3% said they were rather opposed, but 29,2% very opposed to it. 16,9% said they were not decided. If we only look at those who said either yes or no, 34,7% said yes, but 58,3% said no. While polls have showed that Icelanders have been interested in trying to negotiate a favourable accession agreement, they are very sceptical of an EU membership. Given how the relationship with the EU and some key member countries (especially the Netherlands and the UK) has developed over the recent weeks and months I predict that the negative tendencies will grow stronger and that Icelanders probably will say no in a future referendum.

### **What is your opinion about Iceland's perspective of joining the EU? Do you approve or oppose it? Why?**

I am opposed to it. The financial crisis in Iceland that was preceded by a currency crisis and followed by a financial crisis calls for a serious focus on domestic economic affairs, rebuilding and restructuring of the financial system, and heavy work on how to deal with household and corporate debt. Entering negotiations to join the EU at this point is totally misguided. Iceland is a member of EU's Common Market through the EEA Agreement, and I fail to see how trying to become a full member of the EU will bring additional benefits that will help us in our most important tasks ahead. At this point it is a waste of resources for our small nation. A waste of time, money and energy, especially given the negative attitudes. It might certainly be helpful for Iceland in the near future to adopt a different currency, and

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many EU-enthusiasts point to an EMU membership as vital for Iceland. But given the economic situation in Iceland I do not foresee Iceland fulfilling EMU's Maastricht criteria anyway for years to come. As many Europeans may have learned in recent months Iceland has been trying to negotiate with Netherlands and the UK (where the EU has played a significant part) how to deal with the collapse of the so-called Icesave deposit accounts set up in the Netherlands and the UK by a branch of an Icelandic bank. This has involved EU's flawed directive on Deposit Guarantee Schemes where in my opinion Icelandic taxpayers are being forced by those big EU-players to take the fall for the shortcomings of European banking regulation and surveillance. The liabilities will be way above what the Icelandic economy can bear. This experience has not been encouraging and reinforced my opinion of Iceland not joining in the near future.

### **Is it true that many people in Iceland are against the EU-membership because of Denmark and why?**

No not really. Iceland was a Danish colony for hundreds of years and became fully independent in 1944. So it is a young republic and many people hold dear the sovereignty of the country. That has less to do with Denmark than just the basic idea of full independence and sovereignty. The relationship with Denmark is quite good. Iceland has been looking closely at the EU debates in the Scandinavian member countries, and many notice the loss of sovereignty from the Scandinavian capitals to Brussels and it raises concern.

### **Is it by coincidence that Iceland chose to send its official application to join the EU, exactly during the Swedish EU Presidency but not earlier, and why: is it a sign for a Scandinavian solidarity?**

I do not think this is a coincidence, Many Icelanders felt this could be an advantage. The Swedish Prime Minister has though stressed that Iceland will not enjoy a preferential status because of the special ties between the Nordic countries. And in all reality it is difficult to see how this could really influence to a large extent to such a big question as Iceland's membership of a club of 27 countries.

### **In the new EU-Member States, Bulgaria in particular, the average people are aware that fish stocks and fishing quotas are an obstacle for Iceland's EU-accession. Still, in our part of the world, we do not fully understand the stakes. Could you please describe the issue in more detail? Why is it so important?**

Fisheries represent around 40% of product export in Iceland and is thus of a huge importance for the Icelandic economy. Iceland enjoys a 200 mile exclusive economic zone in the waters around Iceland. It was hard-fought to gain recognition of the 200 mile EEZ and meant a lot for the Icelandic economy. Icelanders view the power to legislate and control fully the marine resources within 200 miles as extremely important. In the Lisbon Treaty the EU is granted exclusive competence as legislator in the field of marine resource management, which is unacceptable for Iceland. EU fisheries are a mess, and

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the Common Fisheries Policy (or rather the fisheries politics within the EU) has been a complete failure with depleted fish stocks. Iceland has structured a property rights based fisheries management system, which has dramatically changed the economic efficiency of the industry and contributed to the sustainable management of the marine resources around Iceland. This success Iceland cannot risk and will probably never become an EU-member unless having a permanent exception from the CFP, which can prove a very difficult task. The issue of straddling fish-stocks (the ones that migrate in and out of Icelandic waters) is also at stake. This Iceland negotiates with the neighbouring coastal states and the EU block. Iceland benefits from having it's own seat at the negotiating table instead of being a member of the EU block, having to adopt the common policy instead of pursuing the country's own interest.

**Do you think that the so-called &ldquo;failed EU-membership&rdquo; of Bulgaria and Romania would influence in a negative way Iceland's application to join the EU: could this slow down significantly Iceland's bid?**

If there are negative attitudes towards further enlargement in general because of alleged failed enlargements in the past &ndash; of which I am no expert &ndash; it can surely affect Iceland's application process. What could facilitate Iceland's accession though, is the fact that Iceland has had access to the Common Market through the EEA Agreement, since 1994 and adopted a substantial part of the CM legislation. It is already a member of Schengen and participates in various EU programmes. This might put Iceland in a somewhat different position.

*By Diyan Atanasov, Europe Gateway*