

## The European Free Trade Association (EFTA) and the study of international organisations from a historical perspective

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The possibility of 'Brexit', the impact of the 2007-08 global financial crash on the European Union (EU), and the broader political, economic, moral and democratic crisis that this exposed, have all served to reignite Europe-wide debate over the types and degree of integration pursued by European states.<sup>1</sup> EU integration is of course already highly fragmented; opt-outs, enhanced cooperation and differentiated integration are key components of the post-Maastricht era.<sup>2</sup> Amid the current crisis, some have advocated a more tightly integrated pan-European political union and the greater centralisation of EU institutions in order to re-establish trust in and accountability of the EU.<sup>3</sup> Others by contrast favour a decisive pivot away from the current system towards a softer form of economic cooperation, with models pursued by countries such as Norway and Switzerland having received particular attention in those EU members sceptical of 'more Europe'.<sup>4</sup> The emergence in 2010 of the Northern Future Forum – an informal group joining the Britain and Nordic countries with the new Baltic EU member states – further demonstrates that peripheral conceptualisations of European integration constructed on a smaller, sub-regional basis outside the framework of the EU still carries political and societal

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<sup>1</sup> On this point more widely see S. Berglund, J. Erkman, H. Vogt and F. H. Aarebrot, *The Making of the European Union: Foundations, Institutions and Future* (Cheltenham: Edward Elgar, 2006); J. Hayward (ed.), *The Crisis of Representation in Europe* (London: Frank Cass, 1995).

<sup>2</sup> On the different forms of integration see among others R. Alder-Nissen, *Opting Out of the European Union: Diplomacy, Sovereignty and European Integration* (Cambridge: CUP, 2014); S. Blockmans (ed.), *Differentiated Integration in the EU: From the inside looking out* (Brussels: Centre for European Policy Studies, 2014); F. Chaltiel, 'Le traité d'Amsterdam et la coopération renforcée', *Revue du Marché Commun et de l'Union Européenne*, no. 418 (1998), pp. 289–93; L. Crivat, *Mythes et réalités de l'intégration différenciée dans l'Union européenne* (Geneva: Inst. Européen de l'Univ. de Genève, 1997); K. Dyson and A. Sepos (eds.), *Which Europe? The Politics of Differentiated Integration* (Basingstoke: Palgrave Macmillan, 2010); T. Fischer and N. Schley, *Europa föderal organisieren. Ein neues Kompetenz- und Vertragsgefüge für die Europäischen Union* (Bonn: Europa-Union, 1999); D. Luffen, B. Rittberger and F. Schimmelfennig, *Differentiated Integration: Explaining Variation in the European Union* (Basingstoke: Palgrave Macmillan, 2012); G. Majone, 'Rethinking European integration after the debt crisis', UCL Working Paper no. 3 (June 2012); F. W. Scharpf, *Regieren in Europa: Effektiv und demokratisch* (Frankfurt: Campus, 1999); L. Tindemans, 'Dreams come true, gradually: The Tindemans Report a quarter of a century later', in M. Westlake (ed.), *The European Union Beyond Amsterdam* (London: Routledge, 1998).;

<sup>3</sup> V. Reding, 'A Vision for Post-Crisis Europe: Towards a Political Union' (February 2012), accessed at [http://ec.europa.eu/commission\\_2010-2014/reding/pdf/20\\_en.pdf](http://ec.europa.eu/commission_2010-2014/reding/pdf/20_en.pdf).

<sup>4</sup> C. Archer, *Norway Outside the European Union: Norway and European integration from 1994 to 2004* (Abingdon: Routledge, 2005); N. Aylott, T. Bergman and M. Blomgren, *Political Parties in Multi-Level Polities: The Nordic Countries Compared* (Basingstoke: Palgrave Macmillan, 2013); K. A. Eliassen and N. Sitter, 'Ever Closer Cooperation? The Limits of the "Norwegian Method" of European Integration', *Scandinavian Political Studies*, vol. 26, no. 2 (2003), pp. 125–44; M. Vahl and N. Grolimund, *Integration without Membership: Switzerland's Bilateral Agreements with the European Union* (Brussels: Centre for European Policy Studies, 2006). On the impact of current EU members see for instance 'The future of the European Union: UK Government policy', House of Commons Foreign Affairs Select Committee Report, Cmd. 201314 (May 2013), chapter 5; D. Buchan, 'Outsiders on the inside: Swiss and Norwegian lessons for the UK', Centre for European Reform Report (September 2012).

support.<sup>5</sup> There is now a real chance that the trend towards intra-regional integration will grow more pronounced, that the EU's component parts will become ever more fractious and that the political, territorial, social and economic cohesion of the EU will be steadily undermined.

Such debates have crystallised attention on historical experiments with alternative intergovernmental models of European integration, the most notable of which is the European Free Trade Association (EFTA), currently comprising Iceland, Liechtenstein, Norway and Switzerland. And yet, for an organisation that has existed for nearly 60 years, the development of EFTA has attracted conspicuously little historical attention.<sup>6</sup> To some extent, this reflects the fact that the primary motivation for a trade arrangement between EFTA's seven original members – Austria, Britain, Denmark, Norway, Portugal, Sweden and Switzerland – was itself a reaction against the creation of the early EU. Historians of both the integration process and the evolution of national government attitudes towards 'Europe' have therefore tended to concentrate on the perceived 'success story' of the early EU and not EFTA as an apparent 'second best'. But it is also an indication that historians have often taken European integration history to be synonymous with EU history. In such analysis, attention is only given to the fact that no sooner had the original seven EFTA member states signed the Stockholm Treaty on 4 January 1960 establishing EFTA and by July 1961 expanded to include Finland than it was clear that the early EU would dwarf EFTA in terms of both membership and scope of integration. By implication, EFTA is characterised as little more than a passive and insignificant actor in European politics, a mere waiting room for countries unwilling or unable to join its larger, more integrated and arguably more powerful neighbour.

We consequently know little about how and why EFTA developed in the way it did, how and why its institutional and policy-making structure change and was allowed to change, that various components of EFTA and the role each played internally and in the integration process more generally, or the lessons all these aspects could carry for the present-day debates about the EU. Such a situation is clearly unsatisfactory. After all, as the European Commission-funded European History Network points out, analysing other scenarios of European integration from a historical perspective can in fact provide insights into long-held 'outsider' views of 'core Europe' integration that are paramount to better understanding the societal, political, ideational and institutional roots of current EU crises. They can also raise awareness among European citizens of the wider context in which the modern EU has been built, leading to a more informed, involved and engaged public.<sup>7</sup> In this vein, scholars have recently probed the evolution of a number of different organisations, notably the Council of Europe.<sup>8</sup> The topic has also provided

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<sup>5</sup> J. Crabtree, 'Downing Street's Viking invasion', *Financial Times*, 13 January 2011.

<sup>6</sup> For exceptions in a historical viewpoint see for example Wolfram Kaiser, 'A better Europe? EFTA, the EFTA secretariat and the European identities of the "outer Seven", 1958-72', in Marie-Thérèse Bitsch, Wilfried Loth and Raymond Poidevin (eds.), *Institutions européennes et l'identité européenne* (Brussels 1998), 165-184; Wolfram Kaiser, 'Culturally embedded and path-dependent: Peripheral alternatives to ECSC/EEC "core Europe" since 1945', *Journal of European Integration History*, 7, 2 (2001), 11-26; Helen Wallace (ed.), *The Wider Western Europe: Reshaping the EC/EFTA Relationship* (London: Pinter Publishers, 1991); and n. 13 below.

<sup>7</sup> A. K. Osaacs and G. Halfdanarson, 'European Integration and European Union History', CLIOHORLD Report, no. 5 (2011).

<sup>8</sup> M. Bond, *The Council of Europe: Structure, History and Issues in European Politics* (London: Routledge, 2012); T. Kleinsorge (ed.), *Council of Europe* (Alphen aan den Rijn, NL: Kluwer Law International, 2010); B. Wassenberg, *Histoire du Conseil de l'Europe* (Strasbourg: Council of Europe, 2013).

the theme for several European-level conferences.<sup>9</sup> Such research reflects renewed interest among scholars eager to trace the history of international governmental organisations (IGOs) more generally.<sup>10</sup>

The lack of a more detailed history about EFTA becomes all the more problematic considering that EFTA has arguably grown to become far more than the runt of a varied European litter. The history of EFTA and its development is indeed fascinating, and has seen both its membership, institutional complexion and policymaking remit change dramatically. Although smaller now, EFTA emerged in the 1960s as the predominant 'other' in post-war European politics. Six former EFTA members – Austria, Britain, Denmark, Finland, Portugal, Sweden – are now EU states, and at various times hoped to establish a competing political (non-supranational) as well as an economic (strictly free trade) model to the then European Economic Community (EEC) and later the European Community (EC). In the 1960s and 1970s Spanish and Yugoslavian membership of EFTA was actively promoted by EFTA institutions as a 'neutral' solution to democratisation in the context of the Cold War. The Portugal Fund, set up in 1975, was similarly used as a tool to insist in the transition of Spain and Portugal to western European democracies. EFTA, in this sense, following the departure of Britain and Denmark to the EC in 1973 EFTA began adopting a much more overt political opinion on the international stage.

This more officious policymaking was matched internally, where the once feeble EFTA parliamentary group became in 1977 a semi-permanent Committee of Parliamentarians, which from 1981 sat alongside the European Parliament and since 1994 has been part of the EU-EFTA Joint Parliamentary Committee, an important symbol of the Parliamentary Committee as an almost equivalent to the EP within the EU. The European Economic Area (EEA) agreement, meanwhile, negotiated predominantly between the European Commission, the various EFTA states and the EFTA Secretariat, was a vital part of the EU's development in the 1980s and early 1990s, and still defines how Norway, Iceland and Liechtenstein access the single market today. This saw EFTA's own remit expand dramatically to adopt policy areas that match the EU's four freedoms (goods, services, persons and capital) and so-called flanking and horizontal policies such as postal services, energy, financial services, transport, social security, financial services, cultural affairs, education and training and public health to name but a few. A new supranational judicial body, the EFTA Court, now oversees implementation of these areas.<sup>11</sup> And throughout this, the Consultative Committee, which brings together trade unions and employer organisations from EFTA members, has increasingly become the main body coordinating EFTA attitudes to the single market, economic growth, jobs, migration, and social policy.<sup>12</sup> And in recent years, offering EFTA membership to Andorra, San Marino, Monaco, Morocco, Turkey and Israel has been mooted as a possible 'first step' for these states very much on the periphery of the continent to become part of the western institutional fold.

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<sup>9</sup> For instance, European Consortium for Political Research (ECPR) conference 'Different Forms of European Integration', July 2014.

<sup>10</sup> A. Acharya and A. I. Johnston (eds.), *Crafting Cooperation: Regional International Institutions in Comparative Perspective* (Cambridge: CUP, 2007).

<sup>11</sup> See Carl Baudenbacher, Per Tresselt and Thorgeir Orlygsson (eds.), *The EFTA Court: Ten Years On* (Oxford: Hart Publishing, 2005).

<sup>12</sup> On networks in IGOs, Lorenzo Mechi, Guia Migani and Francesco Pettrini (eds.), *Networks of Global Governance: International Organisations and European Integration in a Historical Perspective* (Newcastle: CSP, 2014).

Thus, tracing EFTA's development is more than a matter of simple historical erudition. Rather, a historical study of EFTA is in fact vital to elucidating how this system was created and how its institutions and structures developed, and therefore why crucial parts of it function in the way they do today. Such comprehension is necessary for those – whether at an academic, public and political level – wanting to analyse the place of EFTA in the context of possible EU disintegration and grasp more fully the possible implications of countries either reforming the EU into an EFTA-like organisation or possibly abandoning the EU altogether and (re-) joining EFTA.<sup>13</sup> As IGOs are becoming more important in world politics, EFTA also provides an essential case study for the larger problematic of how best to combine the national and intergovernmental levels and whether it is realistic to expect effective international institutions while preserving national sovereignty and interests.<sup>14</sup>

Admittedly EFTA has not been completely without scholarship. But the few studies that do focus on the Association suffer two interrelated drawbacks. First, their focus on short time spans precludes a diachronic perspective of EFTA policy-making. The literature tends to coalesce around either EFTA's formative years dominated by Britain's EEC membership bids<sup>15</sup> or the three-year negotiations leading to the 1992 signing of the EEA.<sup>16</sup> While this literature is useful for uncovering the minutiae of debates at certain key moments, it fails to trace continuity and change across time and means that large parts of EFTA's development during the 1970s and 1980s remain unknown. The only attempts to tackle this gap have come from EFTA itself in the form of two general official histories.<sup>17</sup> Yet precisely because these are co-authored volumes, each chapter focuses on a specific period and there is still no sustained analysis of EFTA's longer-term development.

Second, 'realist' state-centric accounts based solely on the archives of national governments ignore the full range of actors involved in the decision-making process inside EFTA.<sup>18</sup> Two significant advances in EU history have challenged this diplomatic perspective. The first is an institutional approach that places emphasis on governance at a European level. Historians have for instance recently demonstrated the greater prominence of EEC/EC institutions in European policy-making and the more complex dynamics that existed between the national and

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<sup>13</sup> On EU disintegration see G. Soros, *The Tragedy of the European Union: Disintegration or Revival?* (New York: Public Affairs, 2014).

<sup>14</sup> M. J. Rodrigues and E. Xiarchogiannopoulou (eds.), *The Eurozone Crisis and the Transformation of EU Governance: Internal and External Implications* (Farnham: Ashgate, 2014).

<sup>15</sup> V. Curzon, *Essentials of Economic Integration: Lessons of the EFTA Experience* (London: Macmillan, 1974); R. Maurhofer, 'Revisiting the Creation of EFTA: the British and Swiss Case', *JEIH*, 7/2 (2001), pp. 65–82; W. Kaiser, 'The successes and limits of industrial market integration: the European Free Trade Association, 1963-1969', in W. Loth (ed.), *Crises and Compromises: The European Project 1963-1969* (Baden-Baden: Nomos, 2001); M. af Malmberg and J. Laursen, 'The Creation of EFTA', in T. B. Olesen (ed.), *Interdependence versus Integration* (Odense: Odense Universitetsforlag, 1995).

<sup>16</sup> J. Jonsdottir, *Europeanization and the European Economic Area* (London: Routledge, 2013); T. Pedersen, *European Union and the EFTA Countries: Enlargement and Integration* (London: Pinter, 1994); H. Wallace, *The Wider Western Europe: Reshaping the EC/EFTA Relationship* (London: RIIA, 1991).

<sup>17</sup> K. Bryn and G. Einarsson (eds.), *EFTA 1960–2010: Elements of 50 Years of European History* (Reykjavik: University of Iceland Press, 2010); H. Tschäni and O. Tuusvuori (eds.), *Principles and Elements of Free Trade Relations: 40 Years of EFTA Experience* (Zurich: Verlag Rüegger, 2000).

<sup>18</sup> See n. 10. We use 'actors' as shorthand for a collection of organised like-minded individuals or bodies.

institutional dimensions.<sup>19</sup> The second, similarly informed by insights from the social sciences, is a transnational network approach. This traces the impact of informal network-type connections between societal actors (political parties, trade unions etc.) on the European integration process.<sup>20</sup> While both sets of scholarship provide necessary and welcome correctives to a purely state-centric perspective of writing European integration, there are potential problems in their separate application. Institutional approaches prioritise official structures and relations over informality and individuals; transnational network approaches identify the informal transfer of ideas to the European level but do not trace the impact on national government policy.

The problem is complicated further by the way international organisations like EFTA are viewed in relevant historical, IR and sociological scholarship as essentially incapacitated actors.<sup>21</sup> The emphasis in all the literature above is not on IGO as institutions themselves but the relationship between states within those institutions. They conform to what Ness and Brechin have argued as ‘an essentially naïve view of organizations as simple mechanical tools that act directly and precisely at the bidding of their creators’.<sup>22</sup> In this sense, IGOs are seen not as organisations in their own right, but as a mere part of the relationship between states. Consider the most of-quoted definition of IGOs, as a body created by a formal agreement between the governments of nation states; that include two or more states; and posses a permanent secretariat that sits alongside, interacts and is in turn influenced (or influences) the state.<sup>23</sup> The state still dominates.

There is some solace to be found in IR. Hurd for instance talks of IGO as instruments, arenas and actors.<sup>24</sup> If we accept the first two – IGOs as a vehicle or an instrument of states used to carry out certain tasks, and IGOs as arenas in which states comes together, argue and deliberate – the state still reigns supreme. But emphasis on IGOs as actors raises the prospect that they may have a separate, perhaps supporting but perhaps more forthright, role on the international state beyond that arranged by the nation state. The picture is muddled when non-state actors are involved – for instance in EFTA’s case, where trade unions and business groups were an integral part of the EFTA institutional setup with direct access to the EFTA secretariat and EFTA parliamentary group. This notion ties into the law literature, which focuses on IGOs as autonomous or semi-autonomous actors.<sup>25</sup> All of a sudden, an international organisation – be it the UN, EFTA, the IMF, WTO – could arguably related to the global political scene. Put another

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<sup>19</sup> M. J. Geary, *The Commission Seeking Influence, 1961-1973* (Basingstoke: Palgrave Macmillan, 2013); W. Loth (ed.), *La gouvernance supranationale dans la construction européenne* (Brussels: Bruylant, 2005); N. P. Ludlow, *The European Community and the Crises of the 1960s: Negotiating the Gaullist Challenge* (London: Routledge, 2006); A. Varsori (ed.), *Inside the European Community: Actors and Policies in European Integration, 1957-1972* (Baden-Baden: Nomos, 2006); L. Warlouzet, *Le choix de la CEE par la France: L’Europe économique en débat de Mendès France à de Gaulle* (Paris: CHEFF, 2011).

<sup>20</sup> See for instance M. Gehler, W Kaiser and B. Leucht (eds.), *Netzwerke im europäischen Mehrebenensystem. Vom 1945 bis zur Gegenwart* (Vienna: Böhlau Verlag, 2009); W. Kaiser and J.H. Meyer (eds.), *Societal actors in European integration* (Basingstoke: Palgrave Macmillan, 2013).

<sup>21</sup> On sociology and IGOs, Martin Kock and Stephan Stetter, ‘Sociological perspectives on international organizations and the construction of global political order – an introduction’, *Journal of International Organization Studies*, 4, 2 (2013), 4–13.

<sup>22</sup> Garl D. Ness and Steven R. Brechin, ‘Bridging the gap: International organizations and organizations’, *International Organization*, 42, 2 (1988), 257–73.

<sup>23</sup> See UIA, *Yearbook on International Organizations, 2009/2010* (München: K. G. Saur, 2009).

<sup>24</sup> Ian Hurd, ‘Theorizing international organizations: Choices and methods in the study of international organizations’, *Journal of International Organizations Studies*, 2, 2 (2011), 7–22.

<sup>25</sup> Richard Collins and Nigel D. White (eds.), *International Organizations and the Idea of Autonomy* (London: Routledge, 2011); Kenneth W. Abbot, Philipp Genschel, Duncan Snidal and Bernhard Zangl (eds.), *International Organizations and Orchestrators* (Cambridge: CUP, 2015).

way, the traditional idea of IGOs as nothing more than the sum of its parts – that is, as powerful as the states that form its membership – might be misleading.

There is however an almost complete lack of a ‘blueprint’ in the historical literature that can serve as a methodological model, a reference to help write the institutional history of an IGO like EFTA. How can we trace its history over the long-term without being submerged by archival material? How can we account for its longevity? What has the role been of the EFTA secretariat, the EFTA parliamentary committee and its various committees been? How can we account for the fact that EFTA adopted a much wider degree of competences as part of its remit, in what is meant to be a strictly free trade bloc? What has interaction between its institutions and its member states? Can we talk of EFTA, in terms of its institutions, being autonomous? Has it developed a semi-independent institutional culture, and what has the impact of this been? All put another way, what is the history of international organisations, and how can we hope to do this?

It is not the job of this paper to present any concrete answers to these questions. The author has conducted far too little research to offer anything approaching a comprehensive solution to the problems outlined. But what it will do is serve as a platform to discuss what we can learn from relevant disciplines beyond the strict history of European integration, in the hope that these might be integrated into an overarching model of IGO history. By way of conclusion, it suggests that the multi-level governance (MLG) approach often applied by political scientists to the EU may represent the best ‘blueprint’ for a study of an IGO like EFTA.<sup>26</sup> By using MLG as a conceptual tool to break down the structure of an institution, multi-level governance illuminates the various sources or arenas of political decision making, the interaction between them, and the influence they are able to exert both internally within the IGO and on the world around them, including other international organisations.

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<sup>26</sup> See L. Hooghe and G. Marks, *Multi-level Governance and European Integration* (Lanham, MD: Rowman & Littlefield, 2001).