The Response of Nordic Economic Co-operation to the
Question of the first EEC/EC Enlargement 1961-73 with
special reference to the NORDEK Negotiations 1968-70

Lasse Sonne
University of Helsinki
Department of Social Science History, Economic History
P.O. Box 54
FIN-00014 University of Helsinki
E-mail: lasse@sonne.ws

ABSTRACT

By using the NORDEK negotiations 1968-70 as an example this paper emphasises that the
main goal with Nordic economic co-operation was to promote general welfare through
economic growth which was to be achieved through economic integration and common
industrial, trade and other policies. A problem for the small Nordic economies was however
their dependence on the surrounding world, not least the markets in the EEC/EC. This paper
nevertheless argues that the internal Nordic wish to obtain economic growth and welfare was
more dominant than the influence from the external environment, in this case the EEC/EC.
The response of Nordic economic co-operation to the question of the first EEC/EC
enlargement 1961-73 was therefore first and foremost a continuation of the economic co-
operation between the Nordic states since at least the 1940s where e.g. the Nordic customs
union negotiations were initiated despite the Nordic states at the same time considered their
interests in the EEC/EC and the Western European markets in general. Seen from the point of
view that the NORDEK Plan was a result of the Nordic governments’ economic and strategic
rational choices in international economic co-operation and integration, it was an oddity that
the prepared NORDEK treaty was never signed but also that the Nordic countries did not co-
ordinate their affiliations to the EC in 1973.
Introduction

The purpose with this paper is to answer the question of how the Nordic countries in common did response to the question of the first EEC/EC enlargement 1961-73 through Nordic economic co-operation. The culmination for Nordic economic co-operation during the years 1961-73 was the NORDEK negotiations 1968-70 where Denmark, Finland, Norway and Sweden negotiated about expanding the economic co-operation and integration between them but where Iceland decided not to participate. The first part of the paper consists of a presentation and discussion of the most important theories regarding Nordic economic co-operation and integration which will lead to the creation of a context from which the response of Nordic economic co-operation to the question of the first EEC/EC enlargement can be understood. The second part consists of empirical results and conclusions from the work with my doctoral dissertation which is expected to be published later this year. The empirical results are mainly a result of research carried through in the four governments’ archives of Denmark, Finland, Norway and Sweden.

Theorising Nordic economic co-operation and integration

In contrast to the European case the Nordic theoretical debate about the decision-making process leading to Nordic economic co-operation and integration has not been systematically developed for many years. The Nordic theoretical development took place in the same period after the Second World War as the neofunctionalists and the institutional approach dominated the European integration theories. It is therefore not a surprise that also the Nordic theory formation has been influenced by for example the spill-over theory developed by the institutionalists. As a consequence of the lacking supranational institutions in the Nordic case, the theorists developed another theory for understanding the Nordic process. The result became the so-called pragmatic Nordic model of co-operation and integration combined with ideological Nordism on one hand and the Nordic societies’ similarities on the other considered as the most important components (Deutsch 1962, Etzioni 1965, Andrén 1967 and 1970).
Even so the concept of integration is universal and the economic rational reasons for starting an integration process in Europe and Norden could be the same, this seems not to be the case when one goes over the Nordic theories. In the Nordic case the German social and political scientist Karl W. Deutsch, the Israeli-American sociologist Amitai Etzioni and the Swedish political scientist Nils Andrén have developed the predominant theories on the topic.

In *Political Community and the North Atlantic Area* from 1957 Deutsch operates with two different kinds of communities: the amalgamated political community where supranational institutions play a major role and the pluralistic community where a common centre for decision-making does not exist. The Nordic system is mainly based on a feeling of solidarity and not for example on a common economic or political goal. According to Deutsch, integration can be both something static and a process. It the Nordic case, integration should mainly be understood as something static (Deutsch 1957).

Etzioni developed a theory for the Nordic integration system in *Political Unification* from 1965. He calls the Nordic system a “Nordic Associational Web”. The main element in his theory is that the Nordic societies have big similarities within most areas why the preconditions for creating integration should be good. Besides, they share a common ideology of co-operation. In spite of this, it was not possible for the Nordic states to develop a system of integration like in the EEC. Etzioni’s answer to this dilemma is that the Nordic states did not establish strong common institutions that could have created the necessary spill-over effect (Etzioni 1965).

Andrén has developed the most dominating arguments to the theoretical discussion about the Nordic economic co-operation and integration. Andrén understands Nordic economic co-operation and integration from a combination of ideological Nordism and pragmatism. According to Andrén, Nordic economic integration was pushed forward by an ideological base working for Nordic economic co-operation and integration supported by the Nordic Council. This dynamic force could meet limitations when it had to deal with conflicting interests between the Nordic states for example in connection with security and trade policy. The result was that Nordic economic co-operation became dominated by labour market policy and social questions. The limitations combined with an ideological wish to expand economic
integration developed the so-called pragmatic nature of Nordic economic co-operation. Unlike the continental European experiment, the Nordic did not have a bigger political ambition that continuously could push the economic integration forward but instead developed the economic co-operation and integration through so-called consultations between the governments and in particular between the states’ administrations.

The high number of examinations and reports from Nordic officials not resulting in political decisions is also a picture of the so-called pragmatic or ineffective character of the Nordic economic co-operation and integration system. Andrén used the expression “cobweb integration” or “beautiful weather integration”. With this kind Andrén meant co-operation and integration within smaller policy areas that could develop connections between governments, groups and individuals in the Nordic society. Another purpose was to co-ordinate the Nordic resources when it was for mutual use. The problem was that the states with this kind of co-operation and integration had not created a political “weather insurance”. They had not accepted any obligations that could threaten the states’ national interests and had not established supranational bodies (Andrén 1966, 1968, 1984).

The problem with explaining Nordic economic co-operation and integration is that when the European debate changed from the dominating neofunctionalist approach to hegemony of the intergovernmentalists, the Nordic debate stood still or did at least not develop as fast and in the same way. The lack of a new Nordic theory formation has caused a situation where it has become more and more common to assume that the reasons for Nordic economic co-operation and integration differ fundamentally from the reasons for European economic co-operation and integration.

Why should the mechanism in the Nordic process differ thoroughly from the mechanism in the European process despite the geopolitical argument is strong among European integration scholars? Should it, after all, not be possible to analyse Nordic economic co-operation and integration using some of the theoretical principles from e.g. the British historian Alan S. Milward and the American social scientist Andrew Moravcsik? The concepts of economic co-operation, integration and rationality are universal. If this means that it is possible to create economic growth and increased welfare through economic co-operation and integration in the
European case why should this not be the same in connection with Nordic economic co-operation and integration?

It is difficult to find theories explaining the Nordic economic co-operation and integration process from an economic and social historical approach. Another problem with finding this kind of theory is that the Nordic countries are not only Nordic but also European states. The Nordic economies are not only linked to the Nordic markets. They are also linked to the European markets and to the European economic integration process. It means that the theory searched for should be two-sided. It should not only explain the Nordic states’ interests in the European economic integration process but also explain why the Nordic states and their commercial life chose to co-operate and integrate within a Nordic context and not only to participate directly in the European economic integration process. The answers to this question are of course many and do also involve considerations such as security policy. It is however important to have in mind that the reasons searched for in this examination are not ideological or geopolitical reasons but mainly socioeconomic reasons.

Compared with countries like Germany and France, the Nordic states can be defined as small states. They have a relative high international trade measured per capita. The reason is that a way small countries can compete with bigger nations is by developing a specialised production. The result is that small countries usually concentrate on producing relative few products. At the same time, the small nations import many products in order to supplement the domestic production in order to maintain a living standard on the same level as in the big states. The less a country has of the world’s resources, the more important it is to establish trade connections with other countries. The problem for small states is that they are not capable of supplementing each other’s production completely through exchange of goods. There are however rather limited possibilities for how much the small countries are capable of covering each others’ consumption. The reason is that they because of their specialisation only produce relative few commodities while their needs are aimed at many different groups of commodities. The result is that small states are very dependent on international markets. In the case of the Nordic states, they became very dependent on markets outside the Nordic area. The internal trade between the Nordic countries has e.g. seldom represented more than 15-20 percent of the countries’ total trade.
The Danish historian Vibeke Sørensen has been involved in developing a theory in order to answer the question of why the Nordic states should choose to integrate within a Nordic context when their dependence on the international markets are so distinct. Sørensen belongs to the school of intergovernmentalism and was especially influenced by Milward’s integration theory. In contrast to Milward, her research was concentrated on the Nordic countries and especially on Denmark’s position in the two processes of Nordic and European economic integration.

According to Sørensen, several economic motives existed for taking up the Nordic customs union negotiations in late 1940s and in the 1950s. In the case of Denmark, a customs union was seen as providing both larger markets for industrial expansion and a preferential trading arrangement that could compensate for the German economy. Sørensen argues that the economic motives for the Nordic common market in the 1950s were the same as those behind the Treaty of Rome and the Single European Act. It was a question of a search for economies of scale, improved competitiveness and technological development. Only the means and the methods by which these goals should be achieved were different (Sørensen 1991, 1993).

Sørensen also argued against the opinion that the Nordic states were too dependent on the Western European economy and that no possibilities existed for a country to follow its own interests. A country’s possibility to follow its national interests on the international level is, according to Sørensen, dependent on the country’s place in the international division of labour, the national economy’s openness towards the surrounding world and the organisation of the national political economy. These factors make the power resources available for the national political elite. It is often assumed that small open economies like the Nordic states are insufficient in order to guarantee economic and political independence. According to Sørensen, small countries are often considered vulnerable to the mutual economic dependence characterising the post-war period. A dominating opinion has been that small economies do not have any real alternative as regards their options to follow their national and international strategies. It has been common to assume that a small country’s only possibility is to adapt to the international market forces and the politics of the big states. According to Sørensen, this situation will, however, most often be the case for the small states. Still, the conclusion that
small open economies do not have any alternatives do not seem to be obvious in the Nordic case where the historical realities tell a different story and where alternatives in relation to the surrounding world actually have been central (Sørensen 1991).

The openness of the Nordic economies means that the industrial policy and the institutional frames have been oriented towards strengthening the dominating export sectors’ international competitiveness. It means that the international market forces have dictated prices and wages on the home market. The necessity of a constant adaptation in small open economies to the international market forces does, according to the German economist Peter J. Katzenstein, lead to a development of special institutional frames for the safeguarding of the political consensus (Katzenstein 1985). The reason is that compensation is needed for the dependence of the surrounding world. In the case of the Nordic countries, the openness has encouraged the development of a so-called democratic corporation model. It means that the development of the institutional frames is a result of a constant bargaining among interest groups enabled to facilitate the adjustment to international competition. An important component in this connection is to compensate the wage earners through the public budgets for the international market forces’ influence on the national economy. According to Sørensen, this approach emphasises that small economies in their national organisation actually have an alternative at their disposal to the automatic adaptation (Sørensen 1991).

As a result of the internal factors and the broad democratic mobilisation in the Nordic countries, the political consensus has especially become organised around the labour parties. It is therefore not a surprise that Sørensen stresses that the Nordic integration model to a large extent should be understood as a so-called Social Democratic model. A model developed with the purpose to establish an alternative to the socioeconomic model on the European Continent in particular and automatic adaptation to the international market forces in general (Sørensen 1991).

Though Sørensen does not refuse the role of economic growth and the manufacturing industry’s conditions to compete, her model focuses on that the Nordic model of economic co-operation and integration was mostly based on the principals of full employment and social welfare. Sørensen’s argument is that the wage earners’ demands were strongest. It
therefore dominated the development of the Nordic economic co-operation and integration to meet just their demands (Sørensen 1991, 1993).

Apart from Sørensen, it is difficult to find newer contributions that stress the wish to develop a competitive manufacturing industry and the Nordic states’ influence in international trade political negotiations as the most important reasons for why the Nordic economic co-operation plans were driven forward. In spite of this, it is however not reasonable to assume that these factors did not play an important role in for example the NORDEK case.

Though there is still a long way to go in order to develop a new theoretical approach for understanding Nordic economic co-operation and integration, the previous contributions give a good starting point in order to understand the nature of the Nordic case. It should be possible to understand Nordic economic co-operation and integration not only from the perception that the Nordic case is decisively different from the European case. If this is a right assumption, Nordic economic co-operation and integration was also mainly a question about achieving better opportunities to create economic growth and realise welfare goals. One can then discuss how the actors involved in for example the NORDEK negotiations wanted to reach these goals. It however seems reasonable to believe, on the background of the previous developed theories, that a way to for example improve the competitiveness on the international markets was to develop the industrial co-operation, the technological know-how and bring about economies of scale. Because the Nordic states were very dependent on access to the international markets, it also seems to be reasonable to believe that a customs union and a common Nordic trade policy could have improved the influence on the international arena in advantage of both their export and import interests. The Norwegian economist Thor Støre calls it Nordisk nytte (Nordic utility) (Støre 1968). Nordic utility is closely related to the idea that the Community of Europe should be Japan’s and USA’s biggest competitor in the global economy. A customs union could also have other goals such as developing a Nordic home market and be a training ground for the Nordic economies for further international competition.

Despite of that it is possible to understand the Nordic economic co-operation and integration from the same rational premises as for example European economic integration, there is still
missing an important component for completing a theoretical approach for a study of the Nordic response to the plans of the first EEC/EC enlargement. In spite of there exist rational reasons for economic co-operation and integration in the Nordic area it must be acknowledged that forces also work against the Nordic process.

In 1980 the Swedish historian Bo Stråth in an article in *Cooperation and Conflict* developed a new theory in order to understand the nature of Nordic economic co-operation and integration. According to Stråth, Nordic economic co-operation follows the external political conditions outside the Nordic area and especially in Europe. The dynamics in the Nordic economic co-operation and integration process and the limitations must be understood in a European context. It is not a result of internal forces in the Nordic area. To illustrate his point, Stråth argues that the initiative to begin the Nordic customs union negotiations in 1947-48 was a result of the Marshall-Plan because USA provided extra dollars to regional integration projects in Europe. Later in 1957-58, it was a result of the negotiations about establishing one big European free trade area that caused the reason for that the customs union negotiations were continued. In connection with NORDEK, it is Stråth’s opinion that the initiative was a result of the French President de Gaulle’s resistance against British membership of the EEC/EC in the 1960s (see Stråth 1980, Sørensen 1991).

The long-term economic factors meant that the Nordic economies had moved towards more and more dependence on Europe. It was Stråth’s opinion that the Nordic states after the Second World War became so dependent on the European market that the states’ own optional choices were limited. It meant that essential economic co-operation between the states in principle was impossible to develop (Stråth 1980).

Protests can and have been raised against Stråth’s research when he understands Europe as the centre and the Nordic area as the periphery adapting to European conditions. For example when he attacks Nordic economic co-operation and integration for being without internal values, he does not mention that the Marshall-Plan was not only a catalyst for Nordic economic co-operation and integration but also for the European integration process. In the same way, as is the case of Nordic economic co-operation, also European economic co-
operation is influenced by external developments and is not only a result of internal European factors.

In addition, it is a problem that Stråth only considers Nordic economic co-operation and integration in relation to Europe but not seems to consider that also the Nordic states with in particular their manufacturing industries developed dependence on export markets and needs for supplies outside Europe. An even more serious protest can be raised when Stråth only considers the dependence on the external world to have economic long-term effects hindering the Nordic economic co-operation and integration process from moving forward. Støre has for example suggested that Nordic dependence on the surrounding world does not necessarily undermine Nordic economic co-operation and integration. In contrast to Stråth, Støre argues that the more dependent the Nordic states become of the surrounding world, the more they trade and work together internally. According to Støre, the dependence on the surrounding world can cause centripetal and not only centrifugal forces meaning that the Nordic economies are pushed together. This was for example the case when the Nordic countries joined EFTA and the trade between the Nordic countries increased much more than the trade between the EFTA states in general (Støre 1968).

Stråth’s research opened, however, the discussion further about how Nordic economic co-operation should be understood. Stråth’s main contribution is that he suggests that the Nordic economies’ economic and political dependence on the surrounding world and the Nordic states’ participation in other international economic co-operation and integration systems can hinder Nordic economic co-operation and integration from developing. It also means that the dependence can be a reason for why the Nordic institutions never became as powerful as the institutions in the Community of Europe.

The conclusion after studying the theoretical debate about Nordic economic co-operation and integration is that an examination of the NORDEK negotiations should involve at least two dimensions in order to understand the project and the forces both pushing the NORDEK project forward but also hindering it from developing. The two dimensions are however each other’s paradoxes. In order to achieve better possibilities for obtaining economic growth and realise welfare goals, the Nordic states on one hand had interests in developing a common
Nordic trade policy and a customs union in order to achieve a better international bargaining position, to develop a Nordic home market from where a Nordic manufacturing industry could grow and in general use the Nordic level as a training ground for further international economic competition. On the other hand, economic dependence on the surrounding world and participation in other international economic co-operation and integration systems would cause limitations for the development of internal Nordic economic co-operation and integration why also the common Nordic institutional development would become limited. It is therefore assumable that the response of Nordic economic co-operation to the question of the first EEC/EC enlargement 1961-73 also took place within this context.

Empirical results/conclusions

The results in this empirical examination are not documented with references. Please see references in my doctoral dissertation which is published this year. The sources used in the dissertation are in particular sources from the four governments’ archives in Denmark, Finland, Norway and Sweden. The material consists of joint reports published before and during the NORDEK negotiations but also of minutes from negotiations in the Civil Officials’ Committee and between the Nordic prime ministers. In addition has officials who played central roles in the negotiations been interviewed.

While it is common to only study the developments on the political level and the Nordic states’ actions from 1961-73 as a response to the political developments in the EEC/EC in connection with the decision to enlarge the EEC/EC, the changes in the Nordic economic structure from the early 1950s to the late 1960s actually were an important precondition for the effort the expand the Nordic economic co-operation and integration in the 1960s. It was thus also a crucial reason for why the NORDEK project was driven forward. In spite of there were considerable structural differences between the Nordic countries’ conditions of production, the differences were decreasing. From the 1950s to the late 1960s the trade between the countries increased remarkable and more than the trade between the Nordic countries and their trade partners outside the Nordic area. The increase was a result of the Nordic countries’ participation in EFTA where trade with manufactured goods was
liberalised. But the Nordic countries also traded more with each other because of a general development towards new industrialisation in the Nordic countries. There was e.g. a connection between the increasing trade between the Nordic countries and the countries’ increasing trade with manufactured goods. The economic-structural situation was thus considerable different when the Nordic countries began negotiating about NORDEK compared with the time of the Nordic customs negotiations in the 1940s and the 1950s. While the Nordic countries’ trade interests to some extent had been divergent in the 1950s, the interests developed towards convergence during the 1960s. Seen from a trade political point of view, the preconditions to begin negotiations about a Nordic customs union and a common Nordic trade political strategy looked good in 1968 and had therefore not necessarily anything to do with the plans to enlarge the EEC/EC.

NORDEK was however not only a result of that the process of economic-structural changes towards industrialisation and specialisation was driving Nordic economic co-operation and integration forward. The Nordic countries’ place in the European and further international division of labour played a role. The Nordic countries were in the 1960s trapped between the two market areas, the EEC/EC and EFTA. As a consequence of the blocked situation where France would not accept the United Kingdom as a member of the EEC/EC and the United Kingdom on the other hand would not participate in a further development of EFTA, a Nordic initiative began to develop on the political level. The initiative was especially considered after the experience of the common Nordic action when the Nordic states in GATT 1966-67 negotiated as a unit. The common action was important because it could be interpreted as an expression of that the Nordic countries’ trade political interests were being adapted to each other and that a basis for expanding the economic co-operation and integration between the countries also in connection with a closer trade political co-operation had moved closer. Officials who participated in the NORDEK negotiations and were interviewed for the dissertation confirmed that the experience with the common Nordic negotiations in GATT was an important contributory factor.

The NORDEK negotiations were not mainly a result of a Danish impulsive action on the flight to Oslo the day before the Nordic Council’s session in 1968 which is a well-known myth existing in connection with the NORDEK initiative. The NORDEK initiative is actually
comparable with a Swedish initiative in 1965 to expand the Nordic economic co-operation and integration. The negotiations were however first and foremost a result of a continuous work made by the Nordic Minister Committee for Economic Co-operation and the Nordic Economic Co-operation Committee since 1960 where examinations and negotiations about economic co-operation and integration had been carried through on a regular basis since EFTA was established. The Nordic customs union negotiations in the 1940s and the 1950s were also important because the NORDEK negotiations can be understood as a continuation of these negotiations. In spite of the establishment of EFTA and the plans to enlarge the EEC/EC in the 1960s, the Nordic customs union negotiations were in principle not broken off before 1970. The way the NORDEK negotiations were carried through can to a far extent also be described as a continuation of these negotiations. The organisation of the NORDEK negotiations had many similarities with how negotiations about economic co-operation and integration between the Nordic governments were organised before the NORDEK negotiations. The main difference was not the organisation but the amount of officials involved and areas at stake at the same time. Another difference was that the prime ministers and not only the co-operation ministers played a direct role in the NORDEK negotiations.

The main purpose with the NORDEK Plan was to increase the economic growth and welfare in the Nordic countries. The NORDEK Plan was comprehensive and complicated but is easier to understand if it is kept in mind that the plan was constructed to be a Nordic counterpart to the EC developed with inspiration from the Rome Treaty. Though the plan contained expansion of economic co-operation and integration within many areas, the two main areas were the plan for economic and industrial modernisation and the development of a common Nordic trade policy constructed on the basis of a customs union.

The purpose with economic and industrial modernisation was to transfer resources from the primary industries such as agriculture and fisheries which were not able to compete on free international markets to manufacturing industries capable of competing. The strategy was to increase the Nordic economies’ competitiveness on a freer world market through more advanced technology, economies of scale and a larger home market to expand from. Not surprisingly there therefore existed an alliance between the manufacturing industries and the trade unions mainly supporting the modernisation plan while the agricultural organisations
were against except from the agriculture in Norway which saw NORDEK as a possible alternative to Norwegian membership of the EC. The common trade policy should be developed in order to get a stronger position in international negotiations like in GATT. The liberalisation of the world market caused problems for small states like the Nordic if they did not co-operate like e.g. the states co-operating in the EEC/EC. The customs union and the trade policy in the NORDEK Plan was thus a result of a Nordic wish to become more powerful externally. Despite the customs union was also planned to be an instrument which should be used to urge the industrial modernisation, the manufacturing industries in Denmark and Norway were not interested in developing a common Nordic trade policy and a customs union because they wanted memberships of the EC. The Finnish and Swedish manufacturing industries were on the other hand together with the Nordic trade unions a driving force in this connection as well.

The NORDEK Plan was not meant to be an alternative to the European economic integration process, neither economically nor institutionally. In the same way, the NORDEK Plan was not meant to be an alternative to the efforts to liberalise trade and capital movements further internationally. The NORDEK Plan was a preparation for international competition. The Community of Europe represented the biggest market from which the Nordic states profited from trade. The Nordic countries could not follow their economic growth and welfare goals without having access to this market. The difference was however that while NORDEK also represented an economic and industrial modernisation project for the Nordic states like the EEC/EC probably represented a modernisation project for e.g. France, the Community of Europe was mainly a question of a market for the Nordic states. The actors (the governments) constructing the NORDEK Plan were very aware of that future economic growth and increased welfare would imply participation in the European economic integration process and in the international efforts in general to remove obstacles for free mobility of exports and imports of goods, labour, knowledge and capital. The NORDEK Plan was therefore not constructed to be in contrast to these superior goals.

The results of the empirical research supports the theories explaining the economic co-operation and integration process between independent states as a result of socioeconomic goals emphasised by e.g. the Hungarian-American economist Bela Balassa, Andrew
Moravcsik and Alan S. Milward. When these theories are used on the case of NORDEK, they predict that Nordic economic co-operation and integration, in this particular connection the NORDEK Plan, should be understood as a result of the Nordic governments’ economic and strategic rational choices in international economic co-operation and integration. The results also support the rationality in Nordic economic co-operation and integration emphasised by Nordic economists such as the Norwegians Knut Getz Wold and Per Kleppe and the Finn Erik Törnqvist.

Moravcsik uses a three-step model to explain why and how European economic co-operation and integration develops. The model also seems to fit in the Nordic case. Still, the case of NORDEK is a little different because the external environment however had a considerable impact on the NORDEK negotiations in spite of the governments in principle succeeded with controlling the centrifugal forces. Like in all regional economic co-operation and integration systems, the process is not linear but a result of a paradox between two competing forces. One force is the centripetal force consisting of interests in developing Nordic economic co-operation and integration. The other is the centrifugal force consisting of interests splitting the system apart. Both the centripetal and centrifugal forces are dynamic forces why their strength and weakness changes over time. In spite of the word process is central in order to understand why the NORDEK negotiations were initiated and pushed forward, the specific historical time however played a role as well. The so-called “open window” which is used in order to explain when it is possible to succeed with a Nordic initiative can be interpreted as a specific historical time where the centrifugal forces are weak and the centripetal forces are strong. This was actually the case when the NORDEK negotiations were initiated in 1968. The case of the NORDEK negotiations is therefore also a good example of that it can be useful to use a method based on a combination of general socioeconomic theory and historical specificity in order to understand the process of Nordic economic co-operation and integration.

The Nordic states were defined as small states. They were e.g. not capable of changing the supremacy of the foreign policy factors in the Cold War controlled by the two superpowers: the Soviet Union and the USA. Therefore, the NORDEK Plan could not contain a foreign policy objective but also made obstacles for the states to in common follow their economic interests on the Western European and further international markets. The results in this
examination however point in the direction that the small Nordic states not necessarily had to adapt to bigger states but actually had the option to follow their own national strategy in international economic co-operation and integration like it has been emphasised by Vibeke Sørensen. The discussion about the external and internal factors’ influence is however central in the question of Nordic economic co-operation and integration. In particular Bo Stråth emphasises the short-term external factors’ influence such as external political developments while Sørensen stresses the internal factors such as the demand for welfare and economic growth. The question in this connection related to the NORDEK negotiations is thus if the negotiations were initiated because of de Gaulle’s second veto against British membership of the EC in 1967? The answer of this question is both yes and no. Yes, because the concrete initiative was developed by the Danish government as a preparation for a situation where de Gaulle would come with a second veto but no because the NORDEK Plan was not only developed after 1967. The plan actually consisted of many parts which were developed many years before de Gaulle’s second veto.

The point of departure in this examination was that Nordic economic co-operation and integration can be understood by using the same premises as have been used in order to understand the European economic co-operation integration process. On the basis of the empirical study it can actually be concluded that it is possible to understand the NORDEK negotiations by using the premises from especially the school of intergovernmentalism. The idea of Scandinavism or Nordism played a role and was represented in the NORDEK negotiations but the empirical examination has showed that the idea was not decisive. A strong belief in the Nordic idea as a driving force must somehow imply belief in the influence of the Norden associations and in particular the Nordic Council. The Norden associations’ influence on the NORDEK negotiations was extremely limited seen from the governments’ point of view. The Nordic Council played an active role and tried to influence on the course of the negotiations but the council had no direct power. The Nordic governments maintained in principle full control over the negotiations from the beginning to the end. They only used the Nordic Council as a forum.

The empirical examination of the NORDEK negotiations can not support the theory of pragmatic integration or “Cobweb integration” by Etzioni and Andrén which refers to
economic co-operation and integration based on a combination of ideological Nordism and pragmatism. Even so that Nordism can have influenced some of the negotiators involved in the NORDEK negotiations, economic rationality was the most important driving force. The NORDEK treaty furthermore reminded of the Treaty of Rome which is in conflict with the theory of pragmatism. Another problem is that the theory of pragmatism argues that the Nordic countries will only co-ordinate their resources when it is for mutual use. The examination clearly showed that NORDEK was not only a question of co-operation but also a question of conflict between the states and their industries.

The idea of a special Nordic pragmatic economic co-operation and integration model seems attractive by first sight not least because the NORDEK treaty was never ratified. The problem is, however, that the case of NORDEK shows that there actually existed a political ambition which wanted to realise an overall solution. Seen over a longer historical period, it can be claimed that the pragmatic co-operation and integration theory was right to some extent in connection with the so-called low policy integration, i.e. transport, common labour market, social security etc. On the other hand, it is difficult to imagine that also the low policy areas were integrated only from the basis of pragmatism and that conflicts did not exist in this connection. A problem with previous research is the lack of analyses which map out the conflicts. It is for example not difficult to imagine interests in the Nordic area which were against co-ordination of the social security in the countries. Another thing is that the Nordic economic co-operation actually developed institutions like the Nordic Council of Ministers and in particular the Nordic Investment Bank which was an institution Denmark and Sweden were sceptical towards from the beginning why it took about twenty years to have it established.

Seen in a historical perspective the results from the examination about the NORDEK negotiations 1968-70 are in conflict with e.g. the research results from the case of the customs union negotiations in the 1940s and the 1950s. The main reason is that Stråth chose a different research method based on the Austrian philosopher Karl R. Popper’s falsification method when he carried through his research. Another reason can however also be that the economic structures actually changed between the late 1950s and the late 1960s which resulted in that the governments’ and the manufacturing industries’ economic interests in Nordic economic
co-operation and integration were bigger in the late 1960s than in the 1940s and the 1950s. Even in this case there would however still be a problem with explaining the continuity in Nordic economic co-operation and integration. Recent research carried through by e.g. the Norwegian historian Hans Otto Frøland and the Danish historian Johnny Laursen together with the governments’ reports from the customs union negotiations in the 1940s and the 1950s however show that the governments actually had economic interests in developing a Nordic customs union and that the customs union like it was the case of NORDEK also was a question of broader economic and industrial modernisation. The problem with Stråth’s method is that he mainly focuses on the discontinuity in the Nordic economic co-operation and integration process. He does not take the long-term economic and structural developments into account. If Stråth’s method had been constructed with the purpose to find converging economic interests in the Nordic countries, his result would have been completely different. In the case of NORDEK, sources from the governments show that the governments’ purpose with the NORDEK Plan was to bring about welfare through e.g. increased competitiveness and a common trade policy. The economic and political interests supporting the NORDEK Plan were furthermore comprehensive in spite of there existed resistance as well. Still, it must be estimated that Popper’s falsification method would not be a valuable method to use in the case of NORDEK.

The reason for that the NORDEK treaty was not signed was not directly connected to the content of the NORDEK Plan. There were a considerable political majority in the parliaments in Denmark, Norway and Sweden wanting the NORDEK treaty signed and ratified consisting of in particular the social democratic parties, the liberal parties and the conservative party in Sweden. Furthermore was the Norwegian Prime Minister Per Borten’s Centre Party positive. The decision to sign the NORDEK treaty was in principle taken in Denmark, Norway and Sweden before the Finnish government decided not to sign. In Finland the prospect of having the treaty signed and ratified actually also looked good. There was a majority in the Finnish parliament consisting of mainly social democrats, liberals and conservatives wanting the treaty to be signed.

Though the negotiators were focussing on developing an economic co-operation and integration plan, they were however working under the supremacy of foreign policy factors
under which they had to act. Denmark, Finland, Norway and Sweden did not share the same foreign policy in the 1960s where the Cold War also limited how far economic co-operation and integration could be developed between the countries. The problem was however not the Nordic project in itself but if the project was connected to the EC which by the Soviet Union was considered to be a NATO-dominated union. When the NORDEK negotiations began in 1968, the possibilities for a positive result were good in spite of the Soviet Union in general was suspicious of Nordic co-operation. France hindered the enlargement of the EEC/EC with new member states and the Cold War was in general characterised by détente. The tensed situation in the Cold War after the Warsaw Pact’s invasion in Czechoslovakia in August 1968 and the French President de Gaulle’s resignation in April 1969 changed the situation. Already in December 1969, the EC states at the Hague decided to begin negotiations with applying states (The final decision was however only taken in June 1970 when the EC Council made the decision. The accession negotiations began on June 30, 1970). The developments in the external environment did nevertheless not result in a breaking off of the NORDEK negotiations. There was only a discontinuation in the negotiations in December 1969 and the beginning of January 1970 after which the Finns decided to continue. What happened in the turbulent months of December 1969 and early January 1970 was that the negotiators actually succeeded with controlling the centrifugal forces which were released in connection with the EC’s decision to open for new members and the new tension in the Cold War.

The Finnish decision not to sign the NORDEK treaty was a question of politics and not a result of lacking economic interests for Finland in the NORDEK Plan. Though it can be difficult to understand the rationality behind the non-ratification, there however existed economic and political interests in both Finland and in Finland’s external environment which were happy to see the NORDEK Plan go down. The Finnish Communists were mainly against for ideological reasons while the supporters of Kekkonen’s foreign policy, especially the so-called K-linja, were worried about that a common Nordic trade policy would affect Finland’s foreign policy. Another dimension was the economic and industrial modernisation aspects in the NORDEK Plan because it could raise problems for the Finnish agriculture where the Centre Party had its base of support. A separate agreement between Finland and the EC could hinder Finland from being drawn into a common Nordic agricultural policy and thus give Finland the possibility to continue protecting the agriculture against international competition.
The result of the general election in Finland on 15 and 16 March 1970 probably also played a role. Still, Kekkonen had the power to make sure the NORDEK treaty had been signed if he had wanted to (see the paper by Suvi Kansikas for a further elaboration of this question).

The response of Nordic economic co-operation to the question of the first EEC/EC enlargement can probably best be described as an attempt for a common Nordic preparation for future competition on one free Western European market. The tricky question is however how much the Nordic action was a response to the plans of the first EEC/EC enlargement and how much the action was a continuation of the Nordic economic co-operation and integration process going on since at least the 1940s in connection with e.g. the Nordic customs union negotiations. The possible answers of this question leads directly back to two of the fundamental disagreements in the theoretical debate about Nordic economic co-operation. This paper has however argued that the internal Nordic wish to obtain economic growth and welfare was more dominant than the influence from the external environment, in this case the EEC/EC. The response of Nordic economic co-operation to the question of the first EEC/EC enlargement 1961-73 was thus first and foremost to continue the economic co-operation between the Nordic states while of course the states at the same time considered their interests regarding the developments in the EEC/EC. Seen from this point of view, the failure to bring the NORDEK treaty safely to land seems like an oddity which is also the case of the Danish membership of the EC in 1973 without the other Nordic countries.