The British-Irish Council: Nordic Lessons for the Council of the Isles

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The British-Irish Council
Nordic lessons for the Council of the Isles

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Executive Summary

The British-Irish Council, known as the Council of the Isles, emerged as a late entry in the Belfast Agreement. It was put in at the request of the Unionists, who looked to the model of the Nordic Council, a successful example of cooperation between neighbouring countries and their dependent territories. This study examines the history and achievements of the Nordic Council to see what lessons can be learnt for the British-Irish Council.
The Nordic Council was created in 1952 as a body of parliamentarians from four Nordic countries (Denmark, Norway, Sweden, and Iceland); joined by Finland in 1955; and by three autonomous regions (Aland Islands, Greenland and the Faroe Islands) in 1970 and 1984. The British-Irish Council is to comprise representatives of two sovereign states (the Republic of Ireland and the UK), three devolved governments (Northern Ireland, Scotland and Wales) and three Crown dependencies (the bailiwicks of Guernsey and Jersey, and the Isle of Man). It is to be an intergovernmental rather than an inter-parliamentary body.
The nearest equivalent to the British-Irish Council as an intergovernmental body is the Nordic Council of Ministers, established in 1971. The Nordic Council is an inter-parliamentary body. Any parliamentary equivalent in the British-Irish context would need to build on the work of the British-Irish Inter-Parliamentary Body, which has been meeting since 1990. There are significant differences in the British-Irish starting point compared with the Nordic Council :

- Six of the members of the British-Irish Council will be dependent territories of the UK. In
the Nordic Council the balance is reversed, with five sovereign states instead of just two, and three dependent territories.
- The members of the Nordic Council wished to cooperate and have developed institutions,
bottom up, for that purpose. The British-Irish Council is more top down. The dependent territories were not consulted: it was imposed upon them.
- The British-Irish Council risks being dominated by the UK. In the Nordic Council there is
much nearer equivalence in size between the major partners.
- The inter-parliamentary body in the Nordic Council is still the primary body and the source
of most initiatives.
- The Nordic countries share a close political ideology and a common religious background.
There is less congruence between the political parties in Great Britain and Ireland, North and South; and a greater religious divide.
To be effective the British-Irish Council needs

- a clear role, separate from that of the North-South Ministerial Council, the British-Irish
Intergovernmental Conference, and the Joint Ministerial Committee on Devolution
- a strong inter-parliamentary body, attended also by government representatives, to listen to
the debates and to be questioned on government policies
- an independent secretariat, not supplied by any of the member governments
- a budget not excessively dependent on the UK government.
The British-Irish Council needs to plan from the start for possible enlargement from a body with eight members to a body with around 15, to include the English regions. As it stands it will regions. b ScotlTc 2.

Part One Neighbourly Cooperation

The British-Irish Council
Michael Collins noted, in 1920, that it would be natural for the nations on the British-Irish archipelago to co-operate "in a free association on matters which would be naturally the common concern of nations living so closely togetheru' . The British-Irish Council - or the Council of the Isles - to be established under Strand Three in the Belfast Agreement is envisaged to do exactly this: "to promote the harmonious and mutually beneficial development of the totality of relationships among the people of these islandsv2. The members of the council are to be the UK, the Irish Republic, Northern Ireland, Wales, Scotland, the Channel Islands, the Isle of Man, and in time the English regions (if they are granted devolved powers).3

There is no shortage of ambitious regional organisations aimed at encouraging transregional co-operation. The Baltic Conference, the North Sea Commission, the European Danube Commission, NAFTA, MERCOSUR, APEC and ASEAN are but a few examples of organisations established to facilitate low-level political co-operation4. Yet it is difficult to compare these organisations with the British-Irish Council as they are exclusively composed of sovereign states.

What distinguishes the British-Irish Council from almost all regional organisations is that the members comprise a mix of sovereign states (the Republic of Ireland and the UK), crown' dependencies (Isle of Man and the Channel Islands), and areas with varying degrees of devolved power (Scotland, Wales and Northern Ireland). The organisation which is most comparable in this respect is the Nordic Council of Ministers and the Nordic Council. It is therefore natural to use the Nordic experience in an attempt to understand the likely development of the Council of the Isles.

Table 1 - The Nordic Countries and autonomous territories: key data

Denmark Constitutional monarchy Population: 5.2 million
Faroe Islands Autonomous territory under Denmark Population 43,000
Greenland Autonomous territory under Denmark Population: 55,000
Finland Republic (since 19 18) Population: 5 million
hand Islands Autonomous territory Population: 25,000
Iceland Republic (since 1940) Population 265,000
Norway Constitutional monarchy (since

The aim was initially to consult on practical matters. The reality has been that the Nordic schemes of co-operation have gradually grown to cover a range of different policy areas, described in Appendix D. These include culture, research, the environment, and - most recently - regional development, EU issues and the co-ordination of policies in international organisations. The Nordic Council now supervises the work of more than 40 specialised agencies, listed in Appendix E, and has agreed a growing body of legislation directly applicable to the citizens of the different countries.

Nordic co-operation did not start from scratch. A common culture, the (almost) identical languages, dominant Lutheran churches, strong trade union movements, and ties between the political parties were all conducive to further co-operation. Yet the Nordic region was not always a "security community" (as Karl W. Deutsch called the region)'.

shown in the budget, where the biggest joint programmes are to be found in the fields of education, culture and economic development:

Table 3 - Allocations of the budget to specific policy areas for 1995
(figures in millions of Danish kroner)
DDKm
Cultural affairs 142
Education 205
Environment 34
Fisheries 8
Citizens rights 6 1
Economy 128
Legislative Issues 6
Adjacent areas 5 1
Other activities 8 5

Total 720 (or iE65m)

Source: The Nordic Council of Ministers 1998

Part Two The Nordic Council and the Nordic Council of Ministers

The Nordic Council
The Nordic Council now consists of a parliamentary group with 16-20 representatives from each of the four larger countries (Denmark, Finland, Sweden and Norway), seven members from Iceland, and two representatives from each of the autonomous regions.
The Nordic Council sits in plenary session two full weeks every year. The members of the three Committees meet two to three times every year13.

Table 4 - Number of delegates from each of the members

Denmark: 16 (All members of Folketinget) (Pop: 5.2m)
Sweden: 20 (All members of Riksdagen, except ministers) (Pop: 8.7m)
Norway: 20 (Members of both chambers in Stortinget) (Pop: 4.3m).14
Finland: 18 (All members of Parliament) (Pop: 5.0m)
Faroe Is: 2 (All members of the LQgting) (Pop: 43k)
Greenland: 2 (All members of the Landsting) (Pop: 55k)
hand Is: 2 (Members of Landskabsstyrelsen) (Pop: 25k)
Iceland: 7 (Members of both chambers of Lagtinget) (Pop: 265k)

Source: The Helsinki Treaty, Art. 47.

The members are elected annually by the national parliaments. The composition of the delegations reflects the strength of the parties in the respective assemblies or parliaments. The Swedish Social Democrats who have, say, 35 per cent of the seats in the Riksdag thus represent 35 per cent of the Swedish delegation. The members of the delegation are elected by the respective party groups from among individuals who have a special interest in Nordic issues. The members represent a mix of back benchers and leading politicians. The presidents of the Nordic Council have often been former ministers, and the members of the Nordic Council often include prominent politicians with their career in front of them, like the Swedish and Norwegian leaders of the opposition, Carl Bildt and Torbjgrn Jagland. This makes the Nordic Council a powerful body which is difficult to ignore.

Governments also attend the meetings of the Nordic Council. Ministers can speak and contribute to the debate, and can be questioned by the ordinary members, but they cannot vote. Governments are generally represented by their Prime Ministers on the opening day of the plenary session, and thereafter by their Nordic Ministers. Ordinary members of all the delegations are entitled to vote, including those of the autonomous regions. Members of the Nordic Council sit in alphabetical order in the plenary sessions, so that an ordinary member from one country can sit next to the Prime Minister from another. Membership of the Council is no longer confined to politicians with a special interest in Nordic issues, and the recent inclusion of foreign and EU policies has led to an increased interest in representing one's country in the Nordic Council.

'~elsinfovsaftalet (The Helsinki Treaty), Art. 47.
l4 It will be noted that Norway has more members of the Nordic Council than Denmark, although Denmark is a larger country in terms of population. This is because the Danish delegation originally included the members of the Faroes and Greenland. Norway has been allowed to remain overrepresented, and Denmark has never sought to redress the balance.

The day-to-day business in the Nordic Council is conducted by the presidency. The presidency is a body of between ten and twelve representatives elected proportionally from among the political groups represented in the Council. The Chairman (Pr~sident) of the Council must be a representative from the country - or autonomous region - which hosts the next ordinary session. The presidency thus rotates between the members , i.e. the hand Islands thus chair the Nordic Council every eighth year.

That the autonomous regions regularly hold the presidency is an effective way of raising greater common understanding of the issues which concern them. This was vividly illustrated under the presidency of the hand representative Oluf SalmCn, when the concerns of the autonomous regions took centre stage in the day-to-day work of the presidency.

The presidency can - between the sessions - call meetings with the Nordic Council of Ministers, or their representatives in the NSK (the Committee of Permanent Representatives). The work of the presidency is thus co-ordinated with the executive body. Most meeting between the two bodies concern procedural issues, and conflicts are rare.

The 1995 Changes: Stronger Committees and Party

after 1995 is that more proposals now are adopted, and an increasing number of proposals are initiated by the committees (though often in consultation with the Council of Ministers).

It might be thought that the reduction in the number of committees suggests a withering of the Nordic Council. The committees for the environment, culture and budgetary affairs have been abolished, and these different areas are now co-ordinated by a single committee, namely the Nordic Committee. Yet it is generally the view that the reform has strengthened the Nordic It has helped to ensure greater co-operation across the different subject areas, and
has expanded the range of policy issues debated by the Council, as these now include co-ordination of foreign and EU policies as well as lower level co-operation.

The reform of the committee system has not led to a reduction in the number of recommendations. The number has, if anything, increased, and they have concerned weightier policy areas. The increased activities of the Nordic Council have been particularly notable in the Adjacent Areas Committee which has initiated programmes for environmental regeneration in Eastern Europe. The most notable of the results is the Nordic Environment Finance Corporation Scheme, which promotes investments which can further Nordic environmental

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This does not imply that the countries are equals. As we have seen, the autonomous territories have no formal right of veto in the Council of Ministers. Denmark and Sweden (the two largest members) have special interests in the Baltic region, and this clearly has an effect upon the priorities of the Council. Yet the general picture is that the countries - and the autonomous territories - have an almost equal influence de facto although not de jure.

The Agenda at Meetings of the Nordic Council of Ministers
As cooperation has gradually grown so has the budget of the Nordic Council and the size of the secretariat. There are 80 civil servants employed at the joint secretariat of the Nordic Council and the Nordic Council of Ministers. The secretariat administers a budget of around 700 million DDK (roughly £60 million)26. The general secretary is entitled to attend the meetings of the Council of Ministers, but generally performs a non-political role.

The Council of Ministers meets in 17 different ministerial groups. Some of the specialist groups meet less frequently than their counterparts in the EU Council of Ministers, and others more so. Most of the groups meet between two to four times every year. The main group comprising the Ministers of Nordic Affairs meets four times every year, to discuss a range of common issues. This might be illustrated by the agenda from the most recent session in Marstrand in Sweden. Among the issues discussed were:
Budget for 1999
A progress report on the current presidency
A common policy on refugees
Issues concerning taxation
A common strategy for scientific research
Recommendations from the Nordic Council.

NSK: a Nordic COREPER?
The day-to-day business of the Nordic Council of Ministers is left to permanent secretaries of the Nordic departments in the member countries. The council of these permanent secretaries is
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What the Nordic Model Can and Cannot Do
There has been no shortage of proposals for more ambitious schemes of co-operation among the Nordic countries; plans for defence alliances, an internal market, monetary union. Yet as Appendix D records, these proposals have all failed. The Nordic countries prefer a pragmatic, step-by-step approach to cooperation. Geir Haarde, a former Icelandic president of the Nordic Council, put it this way: "The Nordic peoples are generally sceptical of supranational co-operation and prefer issues to be dealt with by their respective parliaments. Norway, Finland and Iceland are young countries which have been independent for less than 100 years. None of these countries are interested in re-entering a union with the states which used to rule them. Yet the governments in all the countries realise that they are all too small to handle the problems alone. They have therefore reached agreement about the practical issues. That is the issues which are uncontr~versial"~~.

The Nordic schemes of co-operation have focused on relatively low profile issues, and been unsuccessful when they have attempted to reach agreement on more controversial matters (e.g. nuclear power), or when they have contemplated more wide-ranging schemes of co-operation. The Nordic schemes of co-operation are rarely discussed by the general public, nor are the activities of the Nordic Council widely reported by the media. (An opinion survey conducted in the Nordic region in 1983 showed that while 83 per cent of respondents had heard of the Nordic Council, only 16 per cent spontaneously referred to it as an example of Nordic co-operation, and only 20 per cent had a reasonably accurate conception of what kind of organisation the Council ' is).

The success of the Nordic Council is not simply the result of specific institutions. Cultural ties clearly play a role, and in particular the common political and religious culture. Lutheran Protestantism exerts - in spite of secularisation - a dominant influence upon the Nordic countries, and all the countries (with Iceland as a possible exception) have been dominated by social democrat political ideologyg0. This shared ideology has made it easier to reach agreements on issues like labour market legislation, and

This track record is remarkably similar to that of

The differences are:
Six of the members of the British-Irish Council will be dependent territories of the UK. In the Nordic Council the balance is reversed, with five sovereign states instead of just two, and three dependent territories.
The members of the Nordic Council wished to cooperate and have developed institutions, bottom up, for that purpose. The British-Irish Council is more top down. In particular the dependent territories were not consulted: it was imposed upon them.
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British-Irish Council risks being dominated British-Irish Counci5 162. the will wi417.0107.7Counce

In addition as part of the devolution settlement in the UK there is to be a Joint Ministerial Committee

In sum, there will be three competing inter-governmental fora: North-South, East-West and intra-UK. The British-Irish Council overlaps with them all, and may find it difficult at least in its early days to identify issues of substance to discuss which have not been extensively discussed elsewhere. The qualification 'in its early days' perhaps needs underlining. This is a body which has not yet met, and will not meet with its full participants until summerlautumn 1999. Although it has a particular origin in the complexities of the Northern Ireland peace process, it may over time develop a life and functions quite independent of that originating Irish context. It could over time become a significant institution, a real 'Council of the Isles'; or it may fall away, as one piece of machinery too many in an overcrowded intergovernmental field.

To the extent that the British-Irish Council does find a substantive and useful role, there is another problem to do with representation. The Council contains representatives of the so-called 'Celtic fringe' - the Irish, Northern Irish, Scots, Welsh, Manx and Channel

Secretariat and Budget
The Belfast Agreement provides that "A secretariat for the BIC will be provided by the British and Irish governments in coordination with the officials of each of the other members". At the British end an official in the Constitution Secretariat of the Cabinet Office has already been appointed as the British joint secretary. While initially it is understandable for the government to wish to service the new body from within existing structures, if the body is to become effective it will need its own independent secretariat. That is the experience of the Nordic Council, which has an independent secretariat which jointly serves the Nordic Council and the Council of Ministers. It would also help to reduce the risk that the British-Irish Council might effectively become a bi-governmental body, whose agenda will be set by the British and Irish governments acting through their respective secretaries. An argument against is the need to avoid overlap and duplication, given the risk of the same agenda items surfacing in the North-South Ministerial Council and the British-Irish Intergovernmental Conference. The latter body is to be supported by officials of the British and Irish governments, including by a "standing joint Secretariat of officials dealing with non-devolved Northern Ireland

Appendix A

The British Irish Council (From the Belfast Agreement, Strand Three)

1. A British Irish Council (BIC) will be established under a new British-Irish Agreement to promote the harmonious and mutually beneficial development of the totality of the relationships among the peoples of these isles.

2. Membership of the BIC will comprise representatives of the British and Irish Governments, devolved institutions in Northern Ireland, Scotland and Wales, when established, and, if appropriate, elsewhere in the United Kingdom, together with representatives of the Isle of Man and the Channel Islands.

3. The BIC will meet in different formats: at summit level, twice per year; in specific sectoral formats on a regular sular

Appendix B

British-Irish

Appendix B

will be borne by the Administration hosting each meeting of the Council or official working group thereof.

Meetings
9. The Council will meet in different formats. Two summit level meetings will be held per annum, at which participating Administrations will be represented at head of Government or senior Ministerial level. Specific sectoral formats could be held on a regular basis with each Administration represented by the appropriate Minister.

10. It is envisaged that the first meeting will take place in late Septemberlearly October 1998. A possible venue for the first meeting, could be London with subsequent meetings rotating throughout the participating Administrations. It is likely that meetings of the Council will be hosted and convened in rotation by various participating Administrations, with the convenor Administration chairing the relevant meeting.

11. It is envisaged that the Council may constitute working groups of officials to prepare the business of the Council and to carry out tasks remitted to them by the Council.

Modus Operandi
12. A draft Memorandum of Understanding to regulate the proceedings of the Council is beingi prepared. This will be an informal understanding and will not constitute a legally binding agreement. It is envisaged that the draft Memorandum of Understanding will be considered for adoption at the inaugural meeting of the Council.

13. In relation to decisions on common policies or common actions, including their means of implementation, the Council will operate by agreement of all members participating in such policies or actions. The Agreement specifies that the BIC will normally operate by consensus. The draft Memorandum of Understanding is expected to offer further definition of this form of consensual decision making.

14. The Council may agree common policies and common actions. However, individual Administrations may opt not to participate in such common policies and common actions. No decision of the Council may bind any participating Administration, but the proceedings of the Council will not be invalidated by the decision of any Administration not to participate in a particular activity.

15. It will be a matter for each Administration to determine which Minister(s) should represent it at different meetings of the Council and which officials should attend associated working groups.

16. In advance of each meeting of the Council, it is likely that the convenor Administration will
undertake the preparatory, work, such as: compiling the agenda of the meeting, having regard to
the inputs from the other Administrations; coordinating the preparation of reports for the
meeting; coordinating the work of the Joint Secretariat in support of the meeting.

Work Programme
17. The Cabinet Office in London has established an inter-Departmental planning group comprised
of officials from the NIO, the Foreign and Commonwealth Office, O 1.062 0 T16 0 Td (thed (ceedings)T

Appendix B
18. The text of the

Appendix C

European Union
rules

Free movement of
persons (subject
to certain
restrictions and

the holding of a
EU member state
passport)

EU nationals have

right of residence
in any member
state, subject to
notification to
authorities, and to
restrictions

imposed on public
order grounds or
for carriers of
certain diseases.
Non-workers
(students retired
etc.) may also
have to
demonstrate
independent
means

EU nationals may
be deported from
member state
back to their
home on, for
example, security
grounds

EU nationals can
vote and stand in
European and
local (but not
national) elections
in any member
state

Rights of Irish
Citizens in the
UK

Rights of UK
citizens in
Ireland

Exceptions for
Channel Islands
and Isle of Man

TRAVEL:
visiting

residence

deportation

Voting

there is a common travel area so people (and pets) may

Appendix C

JOBS:

lawyers

Appendix D

NORDIC CO-OPERATION

SUCCESSES AND DIFFICULTIES

by Vibeke Roosen,
Deputy to the Minister for Nordic Co-operation Ministry of Foreign Affairs Denmark

Paper presented to Constitution Unit seminar on the Nordic Council and the Council of the Isles held in London on 9 September 1998

Thank you for inviting me to address this distinguished audience today. I believe I speak on behalf of all the Nordic countries when expressing a heartfelt wish to be helpful in the Northern Ireland peace process in whatever form it may be needed. If there is something to be learnt from the Nordic experience we are only too happy to share it with you.

You have a discussion paper in front of you which provides a thorough outline of the institutional framework of Nordic co-operation, and you've just heard Mr. Anker Jorgensen giving an overview of the work and the results of the Nordic Council. So in my intervention I'm going to concentrate on the political aspects of Nordic co-operation - in particular seen from the intergovernmental side.

I intend to focus on the following: What is Nordic co-operation? Why do we have it? What results have we achieved? And how do we assess the future for Nordic co-operation.

What is Nordic co-operation?
Nordic co-operation takes place within the formal institutions of the Nordic Council and the Nordic Council of Ministers, but Nordic co-operation as such unfolds itself informally in many more areas, both at the grassroots level between

Appendix D

The Nordic Council of Ministers is responsible also for approximately 4-esponsible

Appendix D

The Scandinavism

Appendix D

post-war period. The Nordic countries have had to subordinate their aims of Nordic regional co-operation and integration to the need of balancing between the great powers and their interests in the West European integration schemes.

Another interesting feature of the Nordic co-operation is that the

Appendix D

problems, advancing step by step and accepting gladly every conquest, no matter how small. Ideas of federalism or political union are not the order of the day on the Nordic agenda.

The informality of the relationship between the Nordic countries and the bottom-up approach has led to a slow institutionalisation of the co-operation. The Nordic Council of Ministers was established nearly 20 years after the Nordic Council, reflecting the fact that Nordic co-operation has started - and still is very strong - at the grassroots level. In accordance with this line of thought it is only natural, that the first institution to be created should be the body of the peoples' representatives !

Are these factors a reason for or a consequence of the Nordic co-operation? Perhaps both. There is no doubt that it is easy and natural to co-operate with countries whom you look upon as friends. Itrate

that co-operation-183(nisters- as a 2creds. 7 is

Appendix D

operation, in the sense that the Nordic co-operation becomes complementary - and not an alternative - to the European co-operation. Nordic co-operation will increasingly happen within the framework of the EU and EEA where it will undergo fundamental change with regard to its agenda, participants and conditions of work.

It is still too early to say what will happen with the Nordic co-operation in a longer perspective. However, the reforms which have taken place within the institutionalised structure of Nordic co-operation have shown a political will not to let the Nordic co-operation wither away. Many resources have been channelled towards co-operation in the adjacent areas. We have opened Nordic information centres in each of the Baltic countries, as well as in St. Petersburg. And the Nordic Council is exerting pressure for an increase in the budget for this part of our co-operation.

Within the EU, the Nordic countries have co-operated most successfully in areas of shared interests. And we have succeeded in putting Nordic fingerprints on the Amsterdam treaty with regard to employment, environment and openness. In the process of EU enlargement, Denmark and Sweden co-operated perfectly, whereas Finland went in another direction. However, all three countries now seem determined to build upon the results in a co-ordinated way.

It may be argued that with a EU consisting of 26 countries, a Nordic co-operation which has already proved itself for 50 years will be well suited to further Nordic values in the 21St century.. Our shared cultural background - or national identity - makes us see eye to eye on many issues. And this is what we are now trying to build upon in a more strategic way.

In the case of Denmark, our geography and the present infrastructure investments (the Oresund-bridge) in this region will probably mean that our co-operation will most likely be intensified with the southern part of Sweden and Finland, as well as with the Baltic countries, Poland and Germany, all neighbouring countries in the Baltic Sea area and future co-operation partners in the EU.

In the commercial sector there is a growing interest in the Northern region. The Nordic countries are increasingly regarded as the "home market" for Nordic exports. And, under the present Swedish presidency, we are actively pursuing an agenda to eliminate outstanding barriers to trade in the Nordic area. Politically and commercially the view is held that internationalism starts with our neighbours in the other Nordic countries. Our common cultural background eliminates any fear of borders or "foreigners". There may be rivalry and competition between us, but no fear. And, for exporters, the other Nordic countries are easy practice fields before taking steps to engage themselves elsewhere on the European continent or overseas. We are also at present seeing quite a few strategic mergers between Nordic banks and industries, helping them become in competitive shape elsewhere.

Within the EU, Finland has now launched the idea of a "Northern Dimension" . The North is on the map of Europe, but we may have to make further changes in order to be fully prepared for the challenges ahead. In the future we may see a

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lot more of regional co-operation, complementing the institutionalised forms of international co-operation.

Nordic co-operation is based upon a mixture of shared values and shared interests. There are however, built in conflicts. We should not forget that, basically, each country will act according to its own interest, even though Nordic solidarity sets certain limits as to what one country can do towards another. It would, no doubt, be hard to imagine anyone talung the responsibility of openly arguing for a dismantling of the Nordic co-operation.

In conclusion, there is not much evidence that the Nordic co-operation is about to wither away. On the contrary, we seem to be on the track for its revitalisation or perhaps transformation. The coming years will show in which direction it is going to go.

On a final note, just a few words as to what the Nordic experience might offer other people outside the Nordic region:
I believe that the most important aspect of the Nordic co-operation is that it provides a framework for members of government, parliamentarians and civil servants from the Nordic countries to meet and discuss any matter on their minds.

There is an agenda, of course, but the relaxed atmosphere, the possibility to be together in a social setting which is normally offered, provides ample opportunity to discuss matters in a friendly, informal way. Furthermore, it facilitates spontaneous contacts on the phone in between meetings, as necessary.

We may not agree or reach solutions - but the mere fact that we can be together, talk, and in this way become aware of our differences and potential conflicts, is a means to dismantle what might otherwise have become unpleasant surprises.

Appendix E

40 Institutions supported by the Nordic Council

The Nordic Council of Ministers maintain currently some 40 institutions at various locations in Norden. The work of most of these institutions is focused on culture and education. The list below presents the English name of the institutions and lists the main activities of the respective institutions (and their budgets where availab~e)~~. Theyear of the establishment of the institution is in parantheses).

Theatre and Dance in the Nordic Countries (1978)
Obiective: as an extension to work formerly carried out by the

Appendix E

Nordic Institute for Advanced Training in Occuvational Health (Not available) Objective: Arranges courses for specialists in occupational health
Budget: Not available.

Nordic Council on Medicines (1976)
Objectives: Serves as the Nordic countries' co-operation organisation in the field medical sciences.
Budget: & 1.000.000.

Nordic School of Public Health (1987)
Objective: Co-ordinates advanced training for health professionals and health researchers in the Nordic countries.
Budget: £2.500.000

Scandinavian Institute of Dental Materials (1 993)
Objective: to ensure that medical-technical products used in dental care in the Nordic Countries comply with the relevant EU directives
Budget: & 1.500.000.

Nordic Council for Alcohol and Drug Research (1972)
Ob_iective: Studies the social causes of alcohol and drug abuse.
Budget: £3.000.000

Nordic Council on Disability (Not available)
Objective: Promotes Nordic co-operation on disability issues with the aim of promoting the rights of individuals with severe disabilities.
Budget: & 2.500.000

Nordic Staff Training- Centre for Deaf-Blind Services (Not available)
Objective: Supports national measures adopted for the personal development of all those who work with blind-deaf children and young people.
Budget: £ 100.000.

The Nordic Committee on Narcotic Drugs (1978)
Objective: to serve as an interdisciplinary and inter-sectoral co-operation body with a view to monitoring developments in the abuse of narcotics and to co-ordinate an initiate co-operation which can limit the availability of narcotic drugs
Budget: Not available.

The Nordic Education Programme for Social Service Development (1955)
Objective: to serve as a joint Nordic institution for education and training for social-workers and related staff in the Nordic countries.
Budget: £1.300.000.

Nordic Fund for Technology and Industrial Development (Not available)
Objective: to stimulate technological development and innovation in industry in the Appendix E
Nordic region.
Budget: £6.500.000.

NORDTEST (Not available)
Objective: to promote and co-ordinate Nordic co-operation on testing and control in the fields of construction, fire-fighting, acoustics an mechanical engineering.
Budget: £2.300.000

Appendix E

Nordic Institute for Regional Policy Research (1 97 1)
Objective: to co-ordinate Nordic co-operation on regional research and to promote the exchange and dissemination of information on regional policy research.
Budget: Not available.

The Nordic Gene Bank (1992)
Objective: to preserve and document the genetic variation of all agricultural and

Appendix F

Three Areas of Nordic Co-operation
The following three case studies cover the most commonly discussed areas of co-operation, namely economic development, environmental issues, and common labour market policies.

F1: Nordic Investment Bank
A concern for industrial development and regeneration of less affluent areas is a major problem facing many western governments. The Nordic governments have sought to solve the problem of regional development through the establishment of a common investment bank.

The Nordic Investment Bank (NIB), which has its head office in Helsinki, was established in 1976, with the aim of channeling international capital to the Nordic countries. The NIB'S primary goal is to grant loans and issue guarantees on commercial banking terms for investment projects which can serve Nordic interests, in the Nordic countries as well as outside. The "Nordic Interest Criterion" is in practice met when firms from two or more Nordic countries are involved in a project. These projects cover a wide range, from financing for new production plants to mergers and takeovers.

But the NIB can also participate in the financing of environmental investments, energy projects, infrastructure investments and investment in research and development related to projects which involve at least one Nordic country. The NIB emphasises that its role is non-commercial (i.e. NIB does not pose a threat to commercial banks). It rather serves as a neutral partner which provide supplementary funding, especially in isolated regions.

Although the bank charges the market rate of interest, its loans often run for a longer period. This can be 10-15 years, while the maximum period for commercial bank loans is 5 years. While most of its customers are large and medium-sized firms, municipalities also use the banks services, and the NIB has occasionally funded projects with Nordic involvement in other countries.

The NIB has invested in infrastructure projects, e.g. by providing loans for the building of a new 40 miles long railway line linking Stockholm and Arlanda Airport. The NIB also provides financing for the "Via Baltica", a motorway which runs through the Baltic states. Moreover the NIB has provided investment funding for projects devised to protect and improve the environment. In 1994, one third of the bank's new loans in the Nordic region were granted to environment-related projects, e.g. industrial purification plants and municipal power and heating plants.

Pollution does not recognise national borders. Many of the pollutants which cause acidification in the Nordic forest and lakes originate in countries in Central and Eastern Europe. The Nordic Council of Ministers have taken the initiative to a proposal for new loans schemes which will provide ECU 100 m for environmental investment in the areas adjacent to the Nordic countries. This programme is carried out by NEFCO (See appendix E).

The NIB also grants investment loans for projects which can serve Nordic interests in credit-worthy developing countries, mainly in Asia. China is the biggest borrower, followed by Turkey and Thailand.

Appendix F

F2: Common environmental policies44
Environmental issues were incorporated in Nordic co-operation in the early 1970s when the Nordic Council of Ministers reached agreement on the Nordic Convention on the Protection of the Environment (~iljosk~ddskonventionen)~~.

One of its clauses states that a Nordic country has the right to express its opinion on the establishment in any other Nordic country of an enterprise which poses a threat to the environment. This clause has been applied on several occasions by Norway, when objecting to the storage of oil in laid-up tankers on the west coast of Sweden, while Sweden has questioned Danish decisions to expand power stations in the Copenhagen region. The Danes have in turn criticised Sweden's reliance on nuclear energy, and the Swedish government's decision to build a nuclear power-plant less than ten miles from Copenhagen. The Norwegians have supported these objections, but to little avail. Nuclear energy is economically too important for the Swedes, and the government in Stockholm has failed to act on the recommendations of the other governments. It, would, however, be erroneous to conclude that the common environmental policies have been without political effect. The countries have reached several agreements on smaller environmental issues, such as recycling of waste. Some of these agreements reach beyond those passed by the EEC and the EU~~.

But co-operation is usually proactive rather than reactive. The driving force behind this

co-operation has been the common attitude to environmental issues in the Nordic '
countries, where concern for the environment is one of the most salient issues. Nordic initiatives in international forums are fueled by a universal support environmental measures, and by the leading parties' (especially Social Democrats) commitment to green policies. Joint reports on the environment by institutions under the Nordic Council of Ministers often arem the basis of national and of international decisions. This approach to environmental issues enables the countries to gain further knowledge, while achieving greater efficiency in the utilisation of human and economic resources.

The programme A Nordic Strategy for the Environment was adopted in April 1994~~. One of the core elements of the Strategy is agreement on socioeconomic development adopted to environmental requirements, with the emphasis on prevention of environmental problems, via appropriate planning procedures and the sustainable utilisation of resources, which will involve changes in the patterns of production and consumption. The

Appendix F

projects in progress are the building of a plant to produce water-purification agents in Poland, the development of waste treatment in the Czech Republic, the production of electrodes for purification of

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