

## 'Denmark's imminent entry into the Common Market' from Europe en formation

**Caption:** In June 1972, the monthly publication L'Europe en formation examines the reticence which is appearing in Denmark with regard to the country's planned accession to the European Economic Community (EEC).

**Source:** L'Europe en formation. Revue mensuelle des questions européennes et internationales. dir. de publ. Marc, Alexandre. Juin 1972, n° 147; 13e année. Nice: Presses d'Europe. "Le Danemark devant le Marché commun", auteur: Bjøl, Erling, p. 2-4; 20.

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## Denmark's imminent entry into the Common Market

On the threshold of entering the Common Market, Denmark, in its hesitation and doubt, resembles its famous son Prince Hamlet, with his dread of 'the undiscovered country' that 'puzzles the will'. The hesitation has increased in the ten years since Denmark, concurrently with the United Kingdom, submitted its application for accession to the European Community.

There are a number of reasons. Firstly, Denmark has changed fundamentally. During the 1960s, rapid industrialisation caused agriculture's role to shrink. Whilst farming accounted for 45 % of exports in 1960, by 1970 it represented only 20 %. Yet it was, and it continues to be, agriculture rather than any other branch of production that perceived the greatest benefits to be acquired with Common Market membership.

Secondly, the industrialisation of the 1960s and the consequent improvement in living standards have seemingly given the lie to the prophets of doom who predicted a decade ago that failure to join the EEC would be disastrous for Denmark. At 3 160 dollars, as against 3 040 in Germany and 2 920 in France (OECD figures for 1970), per capita GNP is higher in Denmark than in any EEC country.

Thirdly, an important factor in the increased prosperity of the 1960s was close cooperation with Sweden, which was the largest export market for Danish industry and provided Denmark with a significant part of the capital that has allowed it to industrialise. Yet Sweden, because of its neutrality, has to remain outside the Common Market. Could Denmark's entry not bring damaging consequences for the national economy as a result?

The opponents of Danish membership of the EEC are armed with a series of weighty arguments.

### **Economics and emotions**

The counter-arguments are roughly as follows:

Whilst it is true that industry's share of Denmark's production and exports has increased, agriculture still remains an important source of foreign currency because agricultural production involves a lower level of processing of imported products than is the case in industry. Calculations by economic experts indicate that EEC membership will bring additional foreign currency earnings of some 1.5 thousand million Danish crowns annually (just over one thousand million francs). If Denmark remains outside the Common Market, it must expect a fall in exports that could double the current budget deficit of 3.5 thousand million crowns. Saying 'no' will thus lead to a serious economic crisis, compounded by the short-term nature of much of Denmark's foreign debt.

The potential agricultural markets will be eroded still further if Denmark decides against joining the Common Market and the United Kingdom becomes a member, since the latter remains the largest purchaser of Danish dairy produce. In addition to the problem of agricultural markets, increasing difficulties could also be expected in securing the foreign investment on which Danish industry has depended heavily for financing.

As regards Sweden, which, to a certain extent, was the motor of Danish development in the 1960s, it may be assumed, first of all, that the Swedish agreement with the EEC will allow Danish industrial exports to continue. Moreover, there are already some signs that Danish membership of the EEC will allow Denmark to benefit from an influx of capital from Swedish companies wishing to establish and develop subsidiaries within the Community. Recent years have seen an intensification of the capital flow out of Sweden. This partly explains the problems that have beset the 'Swedish model' since 1968.

There are other factors related to Swedish internal development issues. Taken together, they will make it impossible for Sweden to continue its role as the motor of the Danish economy in the 1970s, as it was in the 1960s, if Denmark decides against joining the EEC.

This purely economic Danish debate on the EEC is reinforced by a number of emotional arguments strongly resembling attitudes in the other Protestant countries seeking membership, namely the United Kingdom and Norway. It is claimed that the Community, with its bureaucracy and its more authoritarian traditions resulting from the influence of the continental Europe countries, will undermine Danish democracy. It is even stated that the welfare system will suffer as a result of membership, that land prices will rise, that rural areas will be bought up and overpopulated by Germans and that the country will be invaded by foreign labour and southern European pensioners attracted by the higher social benefits available in Denmark.

[...]

And so the discussion goes on. It is certainly the most lively foreign policy debate that Denmark has experienced since it joined NATO in 1949. It will also have more significant practical consequences. The decision to join NATO was adopted by the Danish Parliament in just a few weeks, with the broader public debate taking place only after the decision had been taken. The question of whether to join the EEC, on the other hand, is to be put to a public referendum scheduled for 2 October, whose outcome will be binding.

Denmark already has a certain amount of experience in holding referendums on foreign policy issues. A referendum was held on the sale of the Danish West Indies to the United States of America in 1916. But this was the first time that a foreign policy decision of such broad scope has been put directly to the electorate. Referendums are held pursuant to Section 20 of the 1953 Constitution, according to which the renunciation of sovereignty to international organisations can be ratified only by a five-sixths majority in Parliament, or a referendum. However, a bill adopted by Parliament by means of a simple majority can be rejected by referendum only if there is a majority vote by at least 30 % of the electorate.

Opinion polls to date indicate that at least 30 % of the electorate have decided to vote against joining the EEC. However, it has also emerged that, to date, a still greater percentage is prepared to vote in favour. The spectre of Hamlet has re-emerged in the doubts shown by the very large proportion of voters answering 'don't know', whose numbers have failed to decline systematically.

On the basis of the opinion polls, the electorate can be expected to vote 'yes' on 2 October, especially since the overwhelming majority in Parliament, although not quite five-sixths (142 out of 179) favour joining the EEC. The opponents are to be found in the left-wing Socialist Party (Socialistisk Folkeparti) and some Social Democrat and radical groups.

Clearly, though, the result of the Norwegian referendum, due to be held one week earlier, will have some impact on the Danish outcome. Opposition to the EEC is much stronger in Norway than in Denmark, particularly since Norway's farmers, unlike their Danish counterparts, are against joining. To date, Norwegian polls have indicated that a majority opposes ratification. It is true that the Norwegian referendum is merely consultative, not binding as is Denmark's. However, in reality it will be decisive, since a number of Members of Parliament will base their position on its result. Hence, it will be difficult to secure the three-quarters majority required for ratification if the 'no' lobby wins the day at the referendum.

[...]

Erling Bjøl