frontiers | Frontiers in Political Science

TYPE Original Research
PUBLISHED 08 January 2024
DOI 10.3389/fpos.2023.1017285

OPEN ACCESS

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RECEIVED 11 August 2022
ACCEPTED 11 December 2023
PUBLISHED 08 January 2024

CITATION
Hallgrímsdóttir HK, Carpenter MJ, Brunet-Jailly E and Conrad M (2024) Cultural narrative, crisis, and contention in Iceland's bid to join the European Union, 2009–2015. *Front. Polit. Sci.* 5:1017285. doi: 10.3389/fpos.2023.1017285

Cultural narrative, crisis, and contention in Iceland's bid to join the European Union, 2009–2015

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In the wake of the 2008 global financial crisis, Iceland launched a bid to join the European Union. Joining the EU was presented domestically as a key to economic recovery and as a preventative measure against future economic distress. The bid itself was framed within a rapidly shifting political landscape, set against a backdrop of spreading economic malaise across Europe, accompanied by economic bailout plans and austerity measures. Several aspects of the bid's ultimate failure demonstrate the importance of identities and narratives around national independence and European integration. Most saliently, widespread perceptions about what it would mean to join the EU, particularly around sensitive notions of sovereignty, proved insurmountable to the more economistic rationale of the pro-EU campaign. The Icelandic bid thus presents a distinct opportunity to drill down into the complex relationships between austerity economics, popular politics, and the European integration project, with significant policy implications. To better understand the emergence of the bid and its failure in sociopolitical terms we assess different conceptual frameworks, including functionalist, intergovernmentalist, and post-functionalist approaches and theoretical perspectives on crisis and contentious politics. We also include voices of Icelandic citizens from civil society and government collected in research interviews between 2012 and 2018. Overall, our comparative theoretical approach and original case data sharpen an emphasis in the social sciences and policy research on the importance of cultural narrative and identity as key determinants of EU integration.

KEYWORDS

Euroskepticism, Iceland, narrative, identity, culture, nationalism, crisis

Introduction

In 2008, before the worst global financial crisis since the Great Depression swept across much of the world, conditions were already set in Iceland for one of the most dramatic economic crashes in modern history (Aliber and Zoega, 2011; Johnsen, 2014). Failures in the United States subprime mortgage market in late 2007 triggered a series of bank failures, leading to a crisis that spread through the global financial market, giving rise to deep recessions across many OECD countries. One of the first and worst affected was Iceland, where the entire banking system, already recklessly over-extended after a series of privatizations, collapsed over

a period of two weeks in October 2008, taking much of the economy with it. In the aftermath, a briefly surgent Icelandic bid for European Union accession floundered under domestic opposition and competing narratives, framed in stark cultural, nationalist, and political-economic terms. Drawing on interview data with elected representatives, activists, and public figures, this paper demonstrates the interplay of identity, political economy, and popular politics in the Icelandic European integration project. We situate our findings within the literature on European integration and relevant debates about the role of crisis and the importance of economic and cultural factors. Our interviews and analyses affirm trends in the academic literatures on European integration relating to governance, social movements, and culture. Our contribution is to bring together these research areas in a comparative framework that advances a policy-relevant approach sensitive to competing causal factors with a particular emphasis on the vital role of cultural narrative.

Much has been written on the economics of the 2008 global financial crisis and the global downturn that followed (Crotty, 2009; Rose and Spiegel, 2011; Stockhammer, 2015; Stiglitz, 2016). There has been comparatively less focus on the cultural and political impacts of these events, both as part of the immediate aftermath of the 2008 financial meltdown as well as in the longer term although it is clear that these have been significant (Peck et al., 2010; Kriesi, 2012; Fominaya and Cox, 2013; Serricchio et al., 2013). Many countries saw a resurgence of nationalist politics, including both ultra-rightwing parties as well as the mainstreaming of populist nationalist ideas within established parties (Melzer and Serafin, 2013; Vasilopoulou and Halikiopoulou, 2015). In Europe especially, political and social activists from both the right and left parlayed the financial crisis and the policy responses to it into a narrative that rendered mainstream macro-economics, as well as liberal democracy itself, morally and intellectually bankrupt (Fukuyama, 2012; Serricchio et al., 2013). The Brexit referendum results, the rhetoric used by the far-right and far-left candidates in the French presidential elections, alongside the waning influence of social-democratic ideals in nations on the periphery of Europe, such as Turkey, point more specifically to an emerging normative crisis with regards to the European integration project (Bruszt, 2015). The extent to which these normative challenges to European integration are related to economic changes and tensions is thus an important empirical question and one with significant policy implications (Serricchio et al., 2013; Kuhn and Stoeckel, 2014; Lefkofridi and Schmitter, 2014).

Iceland's accession bid was launched in the immediate wake of the 2008 financial crisis and failed against the backdrop of rising nationalist rhetoric domestically and wider economic and political malaise in Europe. While the majority of Icelanders historically favored joining the EU, and the move itself was presented by pro-EU campaigners as a practical measure to ensure future economic stability and prosperity, the accession debate was primarily shaped and derailed by cultural sentiments around national identity and political and economic independence. Thus, the Icelandic EU accession bid provides an important opportunity to gain insight into a complex political economy of integration in post-financial crisis Europe, taking into account the influences of crisis, contentious politics, and cultural identity.

We argue that the Icelandic case provides insight into the broader literature on European integration in three important ways: first, by highlighting the importance and unpredictability of factors external to the EU; second, by pointing to the destabilizing and disintegrative effect of the financial crisis; and third, by bringing attention to the role of national identity construction in the context of debates about European integration. In this case, cultural narratives around Icelandic identity proved decisive, withstanding countervailing pressures of economic crisis and contentious politics. We conclude, therefore, that political identities and narratives at the national level warrant more attention in theoretical and empirical treatments of European integration and in governance and policymaking.

Following this introduction and a summary of our methodology, this paper has three main sections. First, we offer an overview of key debates that have animated scholarly and policy understandings of why countries collaborated in European integration. Then, we discuss Iceland's financial crisis as an economic as well as political and social phenomenon, including, first, how it unfolded in the context of the country's financial crisis; second, how the crisis prompted a surge in civic engagement and dramatic political change; and third, how the bid for European accession failed to coalesce in the face of popular narratives around national identity. Primary data from interview respondents is shared in this latter section. Finally, the paper concludes with a discussion that addresses three central questions: What do these findings suggest about different approaches to European integration? How should crises be understood in terms of their impact on politics and economics? Where should the attention of researchers and policymakers be directed? The answers, we argue throughout, have in common a recognition of the need to take popular nationalist narratives more seriously, by listening to their "stories" and thinking through the implications for scholarship on European integration.

Materials and methods

Our methodology combines theory with case study and expert interviews. Theoretically, we develop a comparative framework of analytical arguments that we argue supports our thesis. We review and evaluate secondary literature on competing approaches to international integration in the European context. This process is largely theory affirming, validating and building on those perspectives that have emphasized the importance of understanding and engaging with political cultural identity. Our case study focuses on Iceland's bid to join the EU between the years 2008 and 2014. We examine how narratives around the financial crisis played out as part of both pro- and anti-EU accession campaigns during the period. Our primary sources consist of interviews with Icelandic politicians, activists, and media personalities conducted in Iceland between 2012 and 2018; for confidentiality, respondent names have been replaced with number codes.

In total, 44 respondents participated in interviews conducted by authors on five separate occasions (summer 2012; summer 2013; summer 2014; winter 2017; summer 2018). Respondents were

primarily selected through purposive sampling, based on media and publicly available information on their involvement and/or knowledge of the financial crisis and the EU bid. Respondents were contacted through publicly listed contact information. Each respondent was also asked to provide names for the researchers to contact for more information (snowball sampling). The interviews were conducted through an open-ended interview guide and lasted between 30 min to an hour and a half. All but two interviews were conducted in English. The two interviews conducted in Icelandic were translated by the first author. A research assistant transcribed the interviews verbatim (for readability, some instances of stuttered repetition or partial words have been eliminated). The data was imported into a qualitative software analytical package (Dedoose) and analyzed for common themes. The 44 respondents are broadly representative of the range of the political and activist spectrum in Iceland, and includes activist and politicians from the main traditional political parties, as well as from the smaller parties.

What determines the European project?

Scholarship on European integration dates from the earliest iteration of the European community, the European Coal and Steel Community (Mitrany, 1943; Haas, 1958, 1961; Moravcsik, 1998; Wiener and Diez, 2009; Brunet-Jailly et al., 2023). The resultant literature has concerned itself with both empirical (how) and normative (why) questions of European integration, developed and promoted through two dominant theoretical perspectives on European integration: functionalism (Mitrany, 1943), neo-functionalism (Haas, 1958, 1961), and intergovernmentalism (Moravcsik, 1998). Recent iterations of this scholarship continue to underscore an institutionalist approach to Europeanization (Brunet-Jailly et al., 2023). The role of culture and identity in fostering European integration has been addressed by culturalist explanations, though these perspectives have generally been less dominant in the literature until more recently (Hooghe and Marks, 2009). Post-functionalism, although controversial (Schmitter, 2009; Moravcsik, 2018), points to the roles of identity construction in the debates about European integration, and in particular the politicization of European integration as it started in the mid-1980s. The questions related to whether the endogenous or exogenous nature of European politicization continues, however, to underscore the relevance of culture and identity in integration. Indeed, identity politics at the European level is not episodic (Schmitter, 2009, p. 212).

A relevant contradiction addressed throughout the literature has to do with tension between the benefits of European integration and its risks and costs, and how these tensions play out in negotiations around European accession. In particular, while economic integration brings with it shared markets, larger labor pools, and labor mobility, integration across policy domains also makes local decision-making dependent on a host of factors outside of their sphere of authority or responsibility, heightening complexity and contingency in the process (Lefkofridi and Schmitter, 2014). Similarly, the free movement of people for work and school fosters cosmopolitanism in terms of both citizenship identity and values; but place-based and nation-based identities still matter across Europe. As we discuss below, how and why these contradictions are resolved in favor (or not) of integration continues to be a matter of debate.

In this section, we focus on three questions related to integration that are of particular theoretical importance to our research. First, what is the locus of the drive toward European integration, or, how and by whom are integration processes triggered? Second, what historical and contemporary role do crises play in triggering European integration? And third, what are the roles of culture, identity and local claims-making, in creating conditions for European integration? These questions are explored through brief engagements with several analytical perspectives.

Neo-functionalist, intergovernmental, and post-functionalist debates

A prominent theme of the European integration literature has to do with identifying the *locus* of the drive toward integration. Here, two broad perspectives dominate the scholarship: first, that integration is primarily driven endogenously as a byproduct of expanding functional interdependence between member nations in particular in pan-European policy domains (Sweet and Sandholtz, 1997); second that integration emerges out of the decisions and preferences of state elites and decision-makers, calculating national interest (Moravcsik, 1993; Hooghe and Marks, 2009; Eigmüller, 2013; Brunet-Jailly et al., 2023). The first perspective is commonly identified as *functionalist and neo-functionalist* while the second perspective is found primarily in the *intergovernmentalist* literature on integration. More recently, *post-functionalism*, formulated by Hooghe and Marks (2009), goes beyond the functional or instrumental approach to integration and underscores the importance of the politicization of integration.

The initial post-war scholarship on European integration developed primarily from the older functionalist tradition that identified the functional interdependence between member nations as a driver of integration. Functionalism stresses the self-reinforcing nature of European integration—as integration deepened across member nations, so did the power and authority of the supra-national institutions that emerged through this process. The tendency was then further reinforced by policy spill-over that in turn creates pressure for integration in other areas.

Both neo-functionalist and intergovernmentalist perspectives made a key intervention into the tradition by attempting to address a more complex "why" question with regards to integration: what drivers, decisions, and motivations lead states to choose to pool their sovereignty through integration processes? For neo-functionalists, positive results in terms of integration in one area or policy domain would give rise to pressures for increased integration, or spillover, as pressures to expand the policy domain. Intergovernmentalism emphasized the role of state interests in pressing integration processes upward, in a two level game, whereby states interests were identified, and led to greater pan-European integration (Saurugger, 2013). Neofunctionalism expanded the sovereign sphere of the EU, while intergovernmentalism maintain states' control over the EU.

Contrary to functionalism, neo-functionalism and intergovernmentalism, post-functionalism suggests that politics matter and that integration has become politicized nationally across the European Union. This approach is sensitive to polarizing tensions, debates, and attitudes about European integration, also suggesting that new forms of identity politics particular to national citizenry are emerging across EU member states. In particular, economic and cultural winners and losers of integration may lead political discussions. For instance, according to Hooghe and Marks (2009, p. 9) the debate on integration has shifted from interest group/distributional logic to a mass arena/identity logic, which is supported by the focus and findings of this paper. Accordingly, more nationalist political agendas may require more opt-out options from European integration (Schimmelfennig and Winzen, 2019). Such a discussion is of particular interest to this paper that focuses on the particulars of Iceland's integration into the European Union.

The functionalist and intergovernmental literatures highlight three relevant claims: first, that cultural integration comes about as a result of economic integration; second, integration is presumed to be primarily driven by elites, or outside the agency of most of the population; third, that citizen interests are more transparent to cultural and identity politics, which in turn tend to run counter to integration as illustrated in debates about democratic deficits (Hurrelmann, 2014; Hurrelmann et al., 2015). Post-functionalism underscores how integration is driven by identity politics at the national level. Atypically, as we discuss below, in Iceland, EU integration has benefited from more popular support than elite support. Even though it proved insufficient in the end, it underscores the role of identity politics at the popular or mass level as decisive to Iceland's unsuccessful bid to full European membership, as detailed below.

Crisis as a catalyst of European dis/integration

The question of how crisis might be a driver or an impediment to European integration has a long history in theoretical and empirical research. Public crises—whether of war, finance, displacement, or disease, for example—can have a massive impact on both integrative and disintegrative processes. On the one hand, crises have long been identified as catalysts of integration. Functionalist and neo-functionalist perspectives view the European project itself as fundamentally triggered by the economic and political crisis of the Second World War (Dinan, 2004). In addition, initial steps toward integration triggered further, smaller economic and political crises, that were then solved through policy spillover and further integration, through for instance policy parallelism or economic and political unification. When faced with the financial crisis over a decade ago, member states used EU institutions and resources to regain control over market fluctuation. The Euro survived and the European Central Bank mandate expanded (Lefkofridi and Schmitter, 2014). From this perspective, crises have been and remain key drivers of advancing the European integration process (Bauer and Becker, 2014; Becker et al., 2016; Savage and Verdun, 2016).

At the same time, crises can fuel disintegration. Even as the 2008 debt crisis triggered cooperation and centralization in financial regulation, it also set in motion forces of disintegration, including as a consequence of the union's imposition of harsh austerity measures. The very programs purported to have helped resolve the financial crisis exacerbated economic hardship for poor and working classes, especially but not limited to the less affluent Mediterranean countries, propelling Euroscepticism and undermining confidence in institutions generally (Vaughan-Whitehead, 2011; Lefkofridi and Schmitter, 2014; Stockhammer, 2015). The dual integrative/disintegrative potentiality became increasingly apparent as crises mounted, in what has sometimes been called Europe's "polycrisis" (Zeitlin et al., 2019). The migrant challenges that peaked in 2015 and 2016 and the COVID-19 pandemic that began in 2020 each also set in motion new integrative measures even as they strained economies, reasserted borders, and fueled Euroscepticism. Brexit in 2016 is a major example of crisis-fueled disintegration, when the UK set in motion its breakup with the EU following a reactionary campaign largely focused on conservative British national identity in opposition to the EU and its economic and immigration policies (Menon and Salter, 2016). Another example of the disintegrative effects of crisis is the rollback of the EU's norm of open borders internal to the union, long formalized under the Schengen Agreement, in which member-state signatories eliminated border controls between themselves. The discriminatory closure of these same borders to irregular migrants and asylum seekers, who were legally confined to the first European country of arrival per the terms the EU's Dublin Agreement, became conspicuous amidst the migration crisis of the last decade. Then, in the spring of 2020, Schengen was suspended for almost everybody, as borders all over the world closed in an effort to slow the spread of the novel coronavirus pandemic (Delmas and Goeury, 2020). This policy outcome would have been unthinkable but for the immense political opportunity posed by the crisis.

Yet dire incentives do not automatically translate into political force. They must be coopted by politics, aligned with the message or authority of a political movement or establishment. For over a decade, for example, rightwing framings of identity and narrative have more effectively capitalized on the turbulence of contemporary crisis than leftwing movements, partly because the right has embraced narratives around economic precarity and national sovereignty, discursive domains that are more conducive to mobilization against the current crisis-afflicted neoliberal establishment (Conrad, 2020; Hallgrimsdottir et al., 2020). The liberal left, on the other hand, confronting the same set of challenges, could have advanced economic critique or national framings, and sometimes did, but more often opted instead for international and global registers, maintaining confidence in the progress and growth of economies and organizations, essentially vouching for the integrity of the status-quo; overall, their agendas have caught less political traction than the right's (Hobolt and De Vries, 2016; Schmidtke, 2020).

This is not to suggest that there is a single or necessary political response to a crisis. The range of available policy options are socially constructed over time. A major difference between the recent European responses to the polycrisis and those that followed the devastation of the Second World War is the shift away

from Keynesian economics and social democratic dispositions and toward Austrian School and austerity economics, constituting a significant paradigm shift (Klein, 2007; Lefkofridi and Schmitter, 2014). To the extent that there have been coordinated policy responses to the crisis, these have largely been driven by an austerity agenda (Karanikolos et al., 2013); interestingly Iceland has been understood as an exception to this pattern, largely rejecting austerity measures. All of this is to emphasize that when crisis hits, as it did for Iceland in 2008, its impact on dis/integration politics cannot be taken for granted.

Outside of the integration literature, it is worth noting that crises also play a key role in epistemologies of social change, for instance, as contingent events, that is, events that alter path-dependent patterns of historical change (Pierson, 2000). More concretely, often in public policy literature, crises are often conceptualized as "external shocks" that shift policy solutions from incremental to substantive (Jenkins-Smith and Sabatier, 1999; Klein, 2007; Nohrstedt and Weible, 2010).

The key point is that the link between crises and dis/integration is powerful but variable, socially constructed, its meanings up for grabs. Ultimately, the impact of a crisis depends on the battle of ideas in the political arena as much or more than objective or technocratic problem solving (indeed, applying objective or technocratic problem solving at the level of society or history is itself a kind of identity and narrative). This suggests moreover that there is no endogenous mechanism by which a crisis might be expected to trigger integrative reactions. Rather, if crisis is to trigger further or deeper integration, it will need to be explicitly made by policy actors, and operating at the level of mass political identity and narrative.

Culture, identity, and local claims-making

The role of cultural politics in fostering European integration is the focus of *culturalist* explanations. "*If I had to do it all over again, I would start with culture,*" is often wrongly attributed to Jean Monnet (Juncker and Navracsics, 2017); this quote however captures a conundrum at the heart of the cultural perspective, which is that despite the recognized relevance of culture to fostering integrative processes, European institutions have little direct power with regard to cultural diffusion and dissemination.

The role of culture and identity in integration processes is complex. On the one hand, there is an almost axiomatic assumption that national identity affiliations run counter to support for European integration (Carey, 2002; McLaren, 2004). On the other hand, other research has pointed to the fact that pan-European identities can and do exist in parallel and in tandem with national identities, just as sub-national identities can coexist with national identities. As the EU has extended its reach to the east, there is evidence of an existence of a "European cultural zone" that has helped transcend the historical east-west divide (Laitin, 2002). Others have found that while there is a tension between national identity and support for European integration, it plays an insignificant role in explaining individual-level opposition to the EU (McLaren, 2004). In some cases, European national identities are embedded within pan-European or supra-national European identities (Banchoff, 1999). Additionally, the extent to which pan-European affiliations are in tension with national affiliations is sensitive to age as well as socio-economic status, as evidenced by the demographic distribution of the recent Brexit vote. Finally, the relationship between positions on EU integration and political ideologies is complex and historically variegated, as evidenced by shifting positions on the EU project from political parties on both the left and right (Vachudova and Hooghe, 2009).

What is clearer from this literature, however, is that regardless of whether integration projects are driven by political and business elites, successful integration requires citizen buy-in, and that buy-in requires addressing local and national cultural and identity issues (McLaren, 2002; Risse, 2004; Shore, 2013). Citizen support hinges on a combination of public attitudes, populist movements, and culturally rooted claims-making. This is particularly true when it comes to understanding the politics of accession bids, such as the one that is the focus of this paper. Debates involving culture and identity can feel more salient and vital to citizens than economistic rationales (Hooghe and Marks, 2009; de Vreese et al., 2012; De Wilde and Trenz, 2012). Citizen support is thus a necessary condition of a successful integration project, as well as favorable preferences and interests of governmental actors. To emphasize this point, we argue below that narrative contestation over the meaning of European accession was a key factor in the failure of the Icelandic bid to join the EU, a failure that resulted not from a lack of economic rationale but from lack of resonant framing.

Results: what determined the rise and fall of Iceland's EU bid

In this section, we first briefly outline of the financial crisis in Iceland and how the bid to join the EU emerged and failed within that context. Then, we spotlight the lens of popular politics as a mode of political change, drawing on secondary sources and interview data. Finally, and most extensively, we examine the decisive role of national identity narratives as drivers of integration efforts, relying primarily on our interview sources.

Overview of Iceland's EU bid and political aftermath

The financial crisis is the proper context to understand the rise and fall of Iceland's bid to join the EU. In per capita terms, Iceland's economic collapse in early October of 2008 was the deepest and swiftest in modern times (Aliber and Zoega, 2011; Johnsen, 2014). While the warning signs of a significant credit bubble and overleveraging of debt in Iceland were clear by mid 2007, the failures of lenders in the United States, as well as the United Kingdom and Germany, triggered runs on the assets of two Icelandic banks, Kaupthing and Landsbanki, which had established foreign retail deposit accounts in the UK and the Netherlands (Benediktsdottir et al., 2011, 2017). Of particular importance here is that the financial crisis impacted regular Icelandic citizens almost immediately (Hallgrímsdóttir and Brunet-Jailly, 2016). This was in large part due to a particular feature of the Icelandic banking system

in which banking deposits and loans have historically been indexed to inflation. During the financial boom, banks began to offer currency-indexed loans to individual householders that capitalized on the strength of Iceland's currency, the krona; however, when the krona collapsed, virtually overnight individual debt levels spiked, often in excess of 100 percent of assets for many Icelanders. With the banking system's sudden collapse, the krona significantly depreciated, and the economy contracted into a deep recession, spiking unemployment. Government bailouts were required but insufficient, as the country turned desperately to financial aid from international lenders.

Iceland's EU bid was rendered more complex by a constellation of factors associated with the real politik of the financial crisis, Iceland's preexisting relationship with the EU, and historical tensions and challenges around how EU membership played out in Icelandic party politics. Iceland has the distinction of being the only European country in which the political establishment and ruling parties have traditionally shown more Euroskepticism than the public (Thorhallsson, 2002; Thorhallsson and Rebhan, 2011). While a majority of the electorate supported joining the union, at least up to 2008, long-standing intersections between the political system and the primary economic sectors of fishing and agriculture were among the historical barriers to a policy of integration. Euroskepticism was rooted in the leadership establishments across the political spectrum, from the established right-wing parties, Independence (*Sjálfstæðisflokkurinn*) and Progressive (*Framsóknarflokkurinn*), to the Left-Green Movement (*Vinstrihreyfingin–grænt framboð*) (Thorhallsson, 2002; Thorhallsson and Rebhan, 2011). The shock of the 2008 financial crisis did not significantly shift these longstanding aversions to joining the EU, although it did momentarily open an opportunity for political change.

The unprecedented economic volatility and historic crash lent credence to the argument for anchoring Iceland's relatively small and insular economy to the much larger and seemingly more stable European economy. This was not an uncommon view among the political opposition and the people in the streets, calling for political, constitutional, and economic change. Widespread and mostly peaceful protest resulted in the resignation of the government in January 2009 and the subsequent election in April of Iceland's first ever left-wing majority coalition (Önnudóttir et al., 2017). In addition, representatives from several new parties, including parties focused on constitutional and democratic reform, were elected to parliament. With public backing and a political mandate, the new government instigated almost immediately the nation's first bid for EU-accession in July of 2009, and formal accession negotiations began in July of 2010.

However, public support for joining the EU quickly dipped amidst a rising tone of nationalist discourse, and weary government officials dragged their feet. The opportunity window seemed to close when the left-wing political coalition was defeated in the elections of 2013, during a campaign in which relationships between Iceland and the EU played a strong role (Hallgrímsdóttir and Brunet-Jailly, 2015, 2016). A right-wing coalition was elected, returning politicians to power from two parties that had previously been disgraced, the Independence Party (*Sjálfstæðisflokkurinn*) and the Progressive Party (*Framsóknarflokkurinn*). Buoyed by escalating nationalist rhetoric, the new government promptly suspended the EU-bid and dissolved the accession committees, even though the unilateral move was contrary to the winning parties' own campaign platforms[1] and unconstitutional, since the bid had been initiated by an act of parliament. A proposed bill to withdraw formally from negotiations was tabled in February 2014, leading to significant protest and a petition of almost 54,000 signatures calling for a referendum. The bill was placed on hold and as of the time of the writing of this paper, no referendum has been called and no official withdrawal motion has begun.

The crisis also prompted widespread conversations about the range of political and social factors that created the conditions for Iceland's economic collapse. These conversations weighed both domestic factors (such as financial regulations, governance, and constitutional matters) as well as matters relating to Iceland's relationships with its Nordic neighbors, Europe, and its role in the global economy. Icelanders were faced with resolving questions of public liability for debt that was incurred because of the actions of privatized banks (Hallgrímsdóttir and Brunet-Jailly, 2015, 2016; Benediktsdottir et al., 2017). Public debates weighed the nature of financial assistance and the conditions under which financial assistance should be sought, and whether the krona was sustainable as a currency. There was also considerable discussion about individual liability (which in the end did result in several members of the financial sector serving jail-time) as well as whether the causes of the crash were deficits in the constitution and democratic infrastructure of the nation. In February 2018, Fréttablaðið (a mainstream Icelandic newspaper) published data on the legal implications of the crash. As a result of the 2008 crisis, there were 202 cases heard by the courts, resulting so far in a cumulative 96 years of jail for 36 people (six cases were still in front of the courts, so there was an expectation that this number would increase) (Jónsson, 2018).

From the outset, the EU bid was complicated by the controversial Icesave dispute, which played into sovereigntist national narratives (Hallgrímsdóttir and Brunet-Jailly, 2015, 2016). The public opposed parliament's apparent acquiescence to Britain and the Netherlands by agreeing to repay those countries' losses that had been incurred as a result of the international activities of Icelandic companies in the lead up to the financial meltdown. The collapse of two subsidiaries of Icelandic banks in the UK and the Netherlands had resulted in a run on the savings of British and Dutch account-holders, with the British government going so far in response as invoking its anti-terrorist legislation in an effort to freeze the vanishing assets of its depositors. While the lost deposits were reimbursed to account-holders through deposit-insurance programs in the Netherlands and the UK, these two countries demanded reimbursement from the Icelandic government. The so-called Icesave bills of 2009 and 2010 were regarded as bailing

1 The joint coalition policy of the Independence Party (IP) and Progressive Party (PP) is available at http://www.framsokn.is/articles/af-esb-ipa-og-thjodaratkvaedagreidslu/. The party platform of the IP, in which it is also promised EU-accession negotiations would continue until public referendum, is available at http://www.xd.is/media/kosningar-2013/XD-stefnuskra.pdf. Both parties had been against EU-accession prior to the 2013 campaign.

out foreign countries for the corruption of private multinational corporations in a context of systemic failure for which the Icelandic public felt it bore no responsibility. Worse, international lenders threatened to block financial aid until the Icesave dispute was resolved in favor of the foreign claimants. The demands of the British and Dutch governments were perceived as offensive and threatening to Icelanders, reinforcing nativist identities, stirring up nationalist sentiments, and undercutting public support for joining the EU. This is another example of external factors influencing the domestic politics of European integration.

Politics in Iceland continued until recently to be relatively tumultuous, even 10 years after the initial crisis. A new election was called in the fall of 2016 after the Prime Minister resigned in the wake of a scandal (known as the Panama papers scandal for the international origins of the leak) which revealed that his family had been sheltering fortunes offshore. The resultant vote was split between traditional parties on the right and the left and a number of smaller parties. After 3 months of talks, a coalition between one of the traditional right-wing parties, the Independence Party (*Sjálfstæðisflokkurinn*), was formed with two new parties, the center-right Reform (*Viðreisn*) and the centrist Bright Future (Björt framtíð). The future of the EU accession bid was a key sticking point in the 2016 government negotiations. However, this government collapsed less than a year later following a scandal involving the father of then Prime Minister Bjarni Benediktsson. New elections were held in 2017 and a new government was formed consisting of a coalition between the Left-Green Movement (*Vinstrihreyfingin–grænt framboð*), the Independence Party, and the Progressive Party.

In the 2017 elections, domestic issues took more precedence over EU accession and in the end none of the three governing parties were strongly in favor of reopening or reinvigorating Iceland's bid to join the EU. At the same time, public opinion polls showed that while attitudes toward accession were split (and that support for joining the EU waned considerably since 2009), many Icelanders wished to see the question of resuming the accession talks put to a referendum (Iceland Monitor, 2015). For many years, EU membership stood at the periphery of domestic politics in Iceland, but with the financial crisis, it became, between 2009 and 2016, a central and divisive topic among Icelanders and their elected officials. Technically, the accession bid is still open, even though the EU closed its office in Iceland in the summer of 2015 and withdrew funding from the groups tasked with promoting and publicizing EU accession. The last election was held on September 25, 2021 and at the time EU membership was not part of the discussion. Since 2013 polls showed that about 60% of Icelanders opposed joining the EU. This changed in 2022 when polls pointed to a renewed support for EU accession (Indriðason, 2023).

Increased civic engagement (popular politics)

The context in which Iceland opened up its accession talks was not just marked by economic and governmental turbulence. It was also a period of exceptionally high-level of citizen engagement in politics. This participation was both institutional, or "politics as usual" (e.g., the ballot box) and also contentious, or popular. Contentious politics, or popular politics, generally refers to social movements or protest movements, that is, civic conduct not confined to established institutional channels; for example, networking on alternative media platforms, organizing community-based institutions, and undertaking actions such as demonstrations, strikes, walkouts, boycotts, and civil disobedience (Tarrow, 2011; Tully, 2014; Castells, 2015; Schock, 2015). Unconventional politics in this sense has been widely studied under the rubric of civil resistance for the mechanisms by which it can generate substantial social and political change. The effectiveness of protest movements is often correlated with the size of the movement, the number of participants and supporters relative to the larger population. This analytical frame offers insights into the politics around Iceland's EU bid.

In January 2009, public outrage and political demonstrations escalated until thousands of people were in the streets, outside the parliament building, demanding the resignation of the government, snap elections, and constitutional reform. The so-called "pots-and-pans revolution" or "kitchenware revolution" was the largest protest movement in Icelandic memory (Hallgrímsdóttir and Brunet-Jailly, 2015; Önnudóttir, 2016). Approximately 10,000 people demonstrated at its height, "an impressive number considering Iceland's total population of 320,000."[2] That translates into one in 32 people participating, or 3.2 percent of the population. Large-N studies into movements around the world have found that when participation rates reach 3.5 percent of a given population, even in conflict-prone conditions and against authoritarian regimes, campaigns virtually always achieved their stated goals (Chenoweth, 2017). In the short term, the pots-and-pans revolution achieved its specific demands: the government stepped down, new elections were held, and a democratic process of constitutional reform was begun. The power of the movement was not fundamentally institutional or derived from the state, but inherent in the collective action of large numbers of people, acting with the support of wide segments of the population. This contributed to the social pressure or leverage that pushed the political class into motion, launching domestic reform as well as the bid to join the EU—even if these would stall and flounder in the coming months and years.

Heightened civic engagement in the early period is illustrated by one of our interview respondents who identified as politically passive until the crisis spurred him to become an activist and then a politician. He recounted to us:

> I got involved following the crisis. So I had no history within the Left-Green before that [. . .] a lot of us lost our jobs, so I found myself less occupied than previously and took part in the protests and wanted to somehow–I mean we have this–ah, situation in the country was really different from before.

2 Global Nonviolent Action Database. *Icelanders overthrow top power holders responsible for economic crisis (Kitchenware Revolution), 2008-9*. Available online at: https://nvdatabase.swarthmore.edu/content/icelanders-overthrow-top-power-holders-responsible-economic-crisis-kitchenware-revolution-20.

> You have this movement for some sort of change and going out to protest was part of belonging to that (interview respondent, #A005, May 2018).

This example also illustrates that formal and informal politics are not mutually exclusive and the line between them can be traversed; coalitions can be formed. Increased citizen engagement around the crisis can also be measured by the rise of new parties and the proliferation of new political candidates. Indeed, the coming elections brought a new cohort to parliament, along with a wide range of new parties. Notably, over a dozen independent candidates initially ran in the presidential elections of 2012 and it was the formation of new parties that ended the traditional hold on power of the "quad-party" (*Fjórflokkurinn*)—the four parties that had alternated in government since independence: the Independence Party (*Sjálfstæðisflokkurinn)*, Progressive Party (*Framsóknarflokkurinn*), the Social Democratic Alliance (*Samfylkingin–jafnaðarflokkur Íslands*), and the Left-Greens (*Vinstrihreyfingin–grænt framboð*). According to one newcomer to politics who became prominent in a new political party that won enough seats in 2013 to play the role of de facto power broker in the new government, it was a "big surprise to most [and] at that point, overnight, I became a professional politician, and, the only thing we knew was that we wanted to break things up" (interview respondent, #D008, December 2017). Asked to identify new parties riding the populist wave, another elected parliamentarian laughed off the question: "There are so many I don't know the names of all of them [. . .] there are like 16 parties running in Reykjavik" (interview respondent, #B006, May 2018). Another politician characterized the moment: "I think there was a huge gap in the Icelandic political map so to speak" (interview respondent, #C007, May 2018).

The opportunity to advance popular pro-EU arguments arose not only for the sake of change, with fresh faces entering politics in a groundswell of civic participation. The new political class represented a longstanding Icelandic affinity for European society, an identification with its values and ideas (if not always its historical imperialist tendencies). More importantly, for translating into political rhetoric and policy rubric, the pro-EU campaign came with an argument of economic incentive. In the early stages of the global financial meltdown, in late 2008 and into 2009, Iceland's crisis seemed to stand out among European countries, and its non-membership in the EU suddenly became conspicuous. For many Icelanders at the time, therefore, especially among centrist liberals, deepening economic ties to the continent seemed a promising way to stabilize their "small country" (interview respondent, #D008, December 2017) from the rough waters of global finance. Adopting the euro as currency seemed to offer insurance against the kind of turbulence recently endured by the krona. This was prominent among the arguments the new government used to formally launch the EU bid in 2009. However, the opportunity to point to the EU as a bastion of economic stability was short lived, as member states of the union were themselves soon embroiled in similar crises, and, it turned out, Iceland's non-membership and independent currency "may actually have helped" the country weather the financial storms (Kristjansdottir and Oskarsdottir, 2020, p. 20).

The period of economic crisis generated political opportunities for popular movements to influence government and policy, creating space for EU ascension to rise on the agenda. However, amidst competing factors and shifting conditions, the momentum for Iceland finally joining the EU was ultimately stifled by a confluence of narratives around Icelandic national identity.

National identity narratives

A primary obstacle to a successful EU bid arose from a popular identity of independence and a sense that joining the EU would mean a loss of sovereignty. Prevailing economistic arguments missed the mark by not addressing the values associated with remaining outside the EU. Building a counter movement based on Iceland's existing role within and dependence on the international community proved especially difficult when most Icelandic expressions of identity and retellings of history (i.e., its fight for independence; the cod wars; opposition to US military bases) tended to downplay or disparage the international context (Avery et al., 2011). The core challenge the integrationists failed to overcome was countering widespread perceptions that EU membership would curtail Icelandic sovereignty around currency, fishing, and agriculture.

The krona and the euro became signifiers of competing and even mutually exclusive identities, the self and an other: the krona signified Icelandic identity (local, independent) while the euro stood in for a threat to sovereignty (foreign, continental, technocratic, neoliberal). According to one interviewee, "we [Icelanders] don't talk about peace and democracy and belonging to the Europe. What is key is the euro vs. the Icelandic krona as a symbol of the Icelandic nation" (Respondent Interview, #E009, 2015).

Similarly, natural resources became potent symbols of the Icelandic nation. Icelanders recognized their vital dependence on natural resources, especially the fisheries and agricultural sectors, and feared losing control to the EU's common fishing and agriculture policies, the CFP and CAP. To an extent, these fears were nurtured by the fisheries and farming lobbies. "The fisheries own the resources and the politics of this country. Iceland has a resource economy. . . the same auspices of any resource economy. But these elements, tourism, agriculture and fisheries, they have had a great political impact on EU-membership in recent years" (Respondent interview, #F0010, August 2013).

For some Icelanders, sovereigntist concerns were rooted in conservatism and national identity as well as domestic business interests. For example, a representative of the Icelandic Farmers Association (*Bændasamtök Íslands*) explained the reticence around joining the EU:

> Well, I think the main focus, or the main idea or ideology is around sovereignty. And that's what—like Brexit supporters in Britain talk about. They don't—they want their sovereignty back. So, the—to protect the sovereignty of Iceland is like the core thing (interview respondent, #G0011, May 2018).

There is a populist anti-internationalist strain to the Icelandic opposition to EU membership. The same individual adds,

> Yea, well, let's just say that these issues on sovereignty, it's issues on—and that relates to, like, common agriculture policy, common fisheries policy, even common—the monetary policy that is part of the EU membership discussion in Iceland. That it's beneficial to be part of the (EU) monetary system—which we think is a really bad idea—and when we are writing blogs or articles in newspapers that these are the core issues that are like, highest on the agenda (interview respondent, #G0011, May 2018).

Sovereigntist concerns were also common on the left of the political spectrum. According to one member of the Left-Green Movement (*Vinstrihreyfingin–grænt framboð)*, "one thing I think we have been doing well is the sustainable fishing part. So we would lose control of that if we would join the EU" (interview respondent, #H0012, May 2018). Icelanders prided themselves on their environmentally responsible resource management, and joining the EU was seen as a threat to those practices. According to another,

> the interests that are probably the basis of this anti-EU (sentiment) originally are fisheries and actually—and agriculture. So maintaining control of these is something that the Left-Greens value highly (interview respondent, #A005, May 2018).

From this perspective, the Left-Green Movement may be understood as a case of "green nationalism" (Conversi and Hau, 2021; Posocco and Watson, 2022) for grounding its environmental politics in national rather than international or global frameworks. Iceland's ambivalence to technical arguments about EU integration is therefore presupposed in the country's sense of unique ecology and its potential to offer distinctly Icelandic solutions to global climate change; for example, through forestation of its relatively vast unpopulated terrain to offset atmospheric carbon accumulation (Jóhannesson, 2005). From this perspective, international or universalist paradigms are not necessarily better suited to the global challenges of climate change than nationalist orientations that privilege local control over local solutions.

Coupled to this concern for environmental conservation, the left also harbored a distrust of unaccountable markets and corporations, especially with "the EU being this neo-liberal project" (interview respondent, #A005, May 2018);

> we are against us joining the European Union very different—with different arguments than the conservative center party, because we would actually see it as, ah, as a too capitalistic union that not be so much for, yea, the benefit (of) the people's welfare (interview respondent, #H0012, May 2018).

Though from different directions, the left and the right converged on sovereigntist skeptical dispositions toward the EU. While the conservative attitudes mapped onto perceived national interests of economy and political independence, the other end of the spectrum identified nationalist frames with environmentalism and social welfare in their opposition to EU membership.

They also shared a deepening mistrust of elite politicians and institutions, viewed as out of touch with real-life concerns and insensitive to widening democratic deficits. Those making arguments for joining the EU were often construed as "the university people" (interview respondent, activist, member of radical left-wing party, July–August 2012). Moreover, it was apparent to much of the Icelandic public that the EU's credibility, perhaps even viability, was increasingly called into question. If a primary argument of the pro-EU camp was to stabilize Iceland's economy, economic news out of Europe in the months and years after Iceland's crash did not instill confidence. As one respondent put it, "stability was an important argument, but the Greek crisis has changed all this" (interview respondent, #G0013, 2015). There was a sense that the EU was a sinking ship: "Iceland has no business in the EU, which is itself dissolving" (Vilhjalmsson, 2016).

Thus, the major division in Icelandic society and politics on this issue was not between left and right, but between the establishment and the people, or between the few and the many, or the old and the new:

> not necessary left–right but rather a conflict of, shall we say, power or influence between the powers (…) the traditional places of power in the financial world but also politically within political parties that are—that are in many ways quite closed off in certain fraction of societies (…) on one hand and on the other hand, a more participatory and open political system (interview respondent, #D008, December 2017).

The disillusionment with large institutional authority partially explains the seeming disconnect between the concerns of much of the public about losing sovereignty and actual economic and political realities. At least according to the pro-EU technocrats, public fears were based more on emotion and cultural identity than on economic and political facts. Some who backed the bid noted that EU environmental protections were among the most rigorous in the world, and that sovereigntist concerns more generally were unfounded, given that specific questions of control and management would be subject to negotiation prior to any signing, just as other EU countries conditioned their membership on asserting sovereignty over specific sectors of their economies.

This begs the question, which we put to our respondents, including a centrist liberal politician and pro-EU campaigner:

> (Authors): From your explanation, where does the resistance to joining the European Union come from?
>
> (Respondent): Good question (chuckles). I think it's mostly because of misleading information (…) we have a lot of people looking toward European Union as a undemocratic union. That's an opinion I've heard a lot. People look, or choose not to look at the fact that we have to implement all the regulations of the European Union regarding the four freedoms (of the European Single Market). We are not saying whatsoever about these regulations so we are in, right now, we are more undemocratic relationship with the European Union than we would be if we were a part of the union (interview respondent, #C007, May 2018).

The interviewee is referring to Iceland's partial or "arm's length" integration with the EU, which left it bereft of say over EU policy; whereas acceding to the EU would at least provide a vote. He is expressing the view that, ironically, those who resist EU integration by appeal to democratic deficit condemn Iceland to a less democratic Europe.

This is reflected in a major report[3] on the accession bid, which pointed to Iceland's current and ongoing "democratic deficit" as member of the European Economic Area (EEA). As a non-EU state, Iceland has no vote or capacity to shape any of the policy decisions (cultural, trade or security) that are made by the European Union; without membership, "the price [...] in terms of democracy and legitimacy, from remaining outside the EU, has gone up" (Institute of International Affairs, 2014, p. 10). The report explains that Iceland's choice does

> not involve choosing between standing completely outside the EU or participating 100 percent in its operations; the choice is rather between maintaining the current position, wherein Iceland takes part in two thirds of what the EU does—without any say in decision making—and full participation, with all the rights and duties this entails (Institute of International Affairs, 2014, p. 10).

The arm's-length integration with European institutions translated into hands-off policy influence.

Another interviewee, responding to the same question about the source of Euroskepticism, explains that the Icelandic public could not know what the terms of joining would be because they had not yet initiated negotiations over those terms:

> Right, so, first of all, we've been lied to for, like, 20, 30 years about what the European Union really is. We've had misleading information on what that means for our agriculture and fisheries and lots of other things. So to begin with, we need the proper information, what it actually means. And the only way to get that is to actually go through the steps, opening the chapters and all of that. At which point, we can actually vote on it and that's where basically, our involvement ends. Making sure that the information is available for people to take an informed decision and this is something that we—we can't see the information now so we can't decide in, ah, in a sense which the better choice for people (...) If the information comes out in a sense that it opposes our philosophy of doing things, then we probably advise against it.

The respondent is deferring to the logic of practical, not ideological, decision making, yet lamenting that practical considerations could not be known or assessed until the process was initiated. Asked for examples about what issues and options might be on the negotiating table, the respondent goes on:

> The fisheries for example, they keep telling us that we'll lose control over our—over our resources which just can't be true according to any—all of the other European countries. There's definitely—there's definitely that oversight from European Union offices and institutions, but I mean not—they couldn't just come in and do whatever they wanted. That's not how it works in any other country (interview respondent, #H0014, May 2018).

Again, Iceland could enter negotiations over its core principles, and if unsatisfied with the results, walk away prior to signing. The 2014 report also detailed anticipated negotiation hurdles, and the ways to overcome them, such as the Common Fisheries Policy which could be restricted from foreign investment and defined as a "special management zone."

In short, the integration movement faced an uphill battle against entrenched public ideas about the EU and domestic sovereignty. As one respondent summarized, "if we were to get to the point where the country could vote on accession in the referendum, I'm not sure that a big percentage of the population would base it on pure facts" (interview respondent, #A005, May 2018).

This section has demonstrated that despite a political opportunity to advance the integrationist agenda, narrative challenges and unfavorable framing kept the EU bid from getting off the ground. Thus, the conditions in which the EU accession bid unfolded were far from simple. However, it is clear that, fundamentally, political party preference and orientation toward EU accession did not fundamentally shift as a result of the crisis. More specifically, we have argued that the crisis opened space for contentious politics to challenge the historical anti-EU argument that Iceland could remain economically resilient and competitive without the shelter of the EU institutional framework. However, this crisis-driven opportunity was insufficient to overcome the hegemonic narratives surrounding Icelandic national independence. Rather than create new arguments *for* accession, the fundamental impact of the crisis was to temporarily weaken arguments against accession, and that lasted only as long as the EU seemed set to weather the financial storm.

Conclusions

The 2008 financial crisis reinvigorated Icelandic debates about European accession and gave new life to nationalist, sovereigntist, and identity-based understandings of global economic relations. While Icelanders largely identify as European and enjoyed close trade and cultural relations with Europe, fostered to a great extent by Iceland's membership in the European Economic Area, there had been little appetite for EU membership, particularly among political elites, prior to the financial crisis (Thorhallsson, 2002; Thorhallsson and Rebhan, 2011). Moreover, European accession debates played out against a backdrop of ongoing recession in Europe. Thus the political context for the Icelandic campaign included successive economic bailouts of several EU member nations. The fiscal austerity that came as a condition of these bailouts often highlighted how economic salvation came at the cost of sovereign control over domestic economic policy (Kuhn and

3 A 2014 report commissioned by the Icelandic Confederation of Labor, the Confederation of Icelandic Employers, the Icelandic Federation of Trade, and the Icelandic Chamber of Commerce entitled "Iceland's Accession Negotiations," May 12 2014. Complete report in Icelandic https://www.academia.edu/attachments/33482253/download_file?st=MTYxNTcwOTQ0Niw3MC42Ni4xOTAuMTg1LDQxNTkxNjI3&s=work_strip.

Stoeckel, 2014). In addition, the EU accession debate in Iceland was strongly colored by its intersection with a parallel dispute between Iceland and the UK and Holland over the repayment of funds lost after the collapse of two privately owned Icelandic banks; this dispute fueled sovereigntist and nationalist debates in Iceland vis-à-vis its relations to the rest of Europe.

Iceland presents an important case study of the impact of the financial crisis on European integration debates for several reasons. To begin with, it suggests that functionalist/neofunctionalist and intergovernmentalist understandings of European integration, which have been dominant in social sciences, are partial at best. Whether integration is seen as an iterative process emulating and building on prior examples of effective coordination or as an outcome of state actors ceding sovereignty in narrow domains to advance other national interests, integration is construed as a function of top-down politics. These perspectives minimize or exclude the citizenry at large from analysis of the drivers of change. Bottom-up politics and politics outside of formal institutions have little place in neo-functionalist and intergovernmentalist perspectives. Our data, however, sustains post-functionalist analysis of European integration. It helps us point to the particular importance of national identity politics in Iceland's bid for accession, specifically to the importance of endogenous factors, in Iceland's case the importance of sovereigntist claims, whether grounded in political and economic narratives of national independence or in the country's distinct environmental identity.

Additionally, our findings suggest that the relation between crises and political outcomes cannot be pinned down. But in the case of Iceland, the crisis led to a push to deepen EU integration that was rebuffed in favor of a re-assertion of national independence narratives. This illustrates disintegrative and destabilizing effects of crisis, and that culture and identity can be fundamental to dis/integration. Yet in other European countries during the same period, popular opposition was unable to stave off austerity responses to crisis. Subsequently, resurgent nationalism and the return of borders have been the dominant reflexes to subsequent crises, from the increase of refugee arrivals during 2015 and 2016 to the onset of global pandemic in 2020. These crisis responses sharply contrast with, say, those that followed the crisis of World War II, which led neither to neoliberal austerity nor nativist sentiments but rather to increased impetus for integration and large-scale coordination. Crises, therefore, remain complex variables that elude general theorization, especially as their roots lay outside of sociopolitical systems grappling with them. For their indeterminate yet decisive impact on the politics of dis/integration, crises have been called "the key narrative device of our time" (Hallgrimsdottir et al., 2020, p. 7).

This is where popular politics and culturalist approaches become useful lenses for decoding the prospects and outcomes of integration projects, and both share an emphasis on the importance of framing. Concerning popular politics, social movement and civil resistance theories recognize the importance of persuasive protest, of linking movement grievances and goals with resonant public values in order to build support (Sharp, 1973; McAdam et al., 1996). The research literatures on popular politics are robust but have until recently been underappreciated in institutional studies and policy work. Social movements have been on the rise around the world. Research has shown that civil resistance can be effective even against highly oppressive and unjust regimes (Chenoweth and Stephan, 2011). European policymakers should anticipate that grassroots mobilization will impact domestic and international agendas. In the case of Iceland, an unprecedented protest movement favored EU membership though failed to overcome national narratives predisposed to independence.

One of the lessons here has to do with the strategic failures of Iceland's pro-EU campaign in neglecting the importance of identity and narrative. In terms of cultural vs. functionalist and neo-functionalist understandings of the drivers of EU integration, Iceland's EU accession narratives can be seen as a case of *political/cultural functional integration* rather than economic and intergovernmental integration. From this perspective, the pro-EU campaign failed because it did not address perceptions about sovereignty. The briefly ascendent integrationist project lost support as it diverged from politicized national sentiments. In this sense, framing was crucial, and policy initiatives and protest movements alike proved insufficient without the animating force of a politicized people's story. More resonant framing need not depend on resorting to conservative nationalism or strictly political sovereignty. The Green-Left Movement indicated alternative nationalist framing based in part on ecological pluralism and Iceland's unique relation and potential solutions to the challenges of global climate change. Likewise, sovereignty continues to be an adaptable and extendable frame, not limited to political or economic sovereignty but extending into ecological and green sovereignty. These narrative and identity frames are often overlooked in technocratic and economistic rationales.

In conclusion, the Icelandic case provides insight into the broader literature on European integration in at least three ways: first, by highlighting the importance of factors external to the European Union political and bureaucratic apparatus to integration processes; second, by pointing to the destabilizing and disintegrative effect of the financial crisis on the European normative project; and third and most importantly, through a focus on the contentious roles of cultural identity and nationalist narratives. In our view, the interplay of these factors warrants greater weight in policy circles and more theoretical and empirical study in order to understand the current pressures for and against the European project.

Data availability statement

The raw data supporting the conclusions of this article will be made available by the authors, without undue reservation.

Ethics statement

The studies involving humans were approved by University of Victoria Human Research Ethics (HRE). The studies were conducted in accordance with the local legislation and institutional requirements. The participants provided their written informed consent to participate in this study.

Author contributions

HH and EB-J conducted interviews, arranged transcription, and compiled interview data. HH, EB-J, and MC (and later MJC) conceptualized paper. HH, EB-J, and MC wrote most of first draft. MJC completed and revised paper in correspondence primarily with HH (and secondarily with EB-J and MC). All authors contributed to the article and approved the submitted version.

Funding

This research was supported by the Social Sciences and Humanities Research Council of Canada (SSHRC), including Insight Grant 435-2016-0642 awarded to HH (2016–2021), Insight Grant 430-2012-0082 awarded to EB-J (2012–2014), and Insight Grant 611-2021-0015 awarded to MJC (2021–2023).

Conflict of interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

The reviewer TG declared a shared affiliation with the author MC to the handling editor at the time of the review.

Publisher's note

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