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The Sun Voyager (known in Icelandic as Sólfarið). Picture: Larissa Stünkel, KAS Nordic Countries

Iceland's EU Referendum: The Road to August 29

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Iceland will hold a referendum on 29 August 2026 on whether to resume EU accession negotiations. While current opinion polls suggest that support for reopening talks exceeds support for full EU membership, public opinion overall remains divided, with fisheries, Iceland's sovereignty, the introduction of the euro, and national security at the centre of the debate. The vote will determine whether Iceland continues pursuing EU membership, though any final accession agreement would require a second referendum.

Setting the Scene

Iceland's current coalition government, which took office at the end of 2024, made it one of its priorities to initiate a referendum on the resumption of EU accession talks. In early March 2026 the government submitted to parliament a draft resolution proposing to hold a national referendum on this question at the end of summer.¹

Opinion polls show that the Icelandic electorate is highly divided on the issue. Foreign Minister Þorgerður K. Gunnarsdóttir, leader of the pro-EU Liberal Reform Party, is nonetheless confident that a majority of Icelandic voters will say "yes" on 29 August to resuming accession negotiations with the EU.

The Social-Democratic Alliance of Prime Minister Kristrún Frostadóttir and the abovementioned Liberal Reform Party are the leading parties of the coalition government. They are the only two out of the six parties in the Althingi which consistently follow pro-EU policies. All the other parties currently represented in parliament, including the third government coalition party, the People's Party led by Inga Sæland, are all, in varying intensity, critical of the prospect of Iceland joining the EU.

Iceland made its first attempt at EU accession in the immediate aftermath of the financial crisis, between 2009 and 2013. The new government formed after elections that year, consisting of two Eurosceptic parties – the agrarian Progressive Party and the conservative Independence Party – shelved the project. According to the coalition agreement of the current three-party government, the planned referendum was to be held "in 2027 the latest" — making it rather unexpected when FM Gunnarsdóttir announced in January that the government would submit such a resolution proposal during the spring session of Althingi.

The first round of parliamentary debate began on 9 March 2026. The opposition, primarily the

Independence Party and the Centre Party (which is further to the right on the political spectrum than the IP), was determined to fight the government's plans at every turn — the debate ended up being the third longest on any parliamentary resolution since the Republic of Iceland was established in 1944. Once the draft was handed to the foreign affairs committee, opposition representatives made numerous proposals designed to delay the process and stir public distrust.²

The government majority pushed the reworked draft to a final parliamentary vote on 28 May — a critical deadline, as Icelandic law requires a referendum resolution to be passed at least three months before the vote takes place, making 29 May the last possible date for keeping the 29 August referendum date.

With the resolution passed, the formal campaign began. The No-campaign is led in part by the anti-EU movement *Heimssýn*, and the Yes-campaign by the pro-EU movement *Evrópuhreyfingin*.³ Political parties will participate on their own terms, as will various other domestic and potentially foreign actors. Countering unwelcome external influence on public opinion – especially on social media – will be one of the most challenging tasks for the authorities in the run-up to the vote.

A Decades-Old Debate

Public opinion on Icelandic EU membership has been measured consistently for decades, revealing a society split into three roughly equal groups: about a third firmly against joining, about a third strongly in favour, and a middle third with no strong opinion but tending toward opposition — largely due to concerns about losing control of Iceland's fisheries under the EU's Common Fisheries Policy.

¹ See the government's press release: <https://www.government.is/news/article/2026-03-06-Government-proposes-referendum-on-whether-to-return-to-accession-talks-with-the-EU-and-this-government-info-site-in-English>: <https://government.is/topics/foreign-affairs/iceland-in-europe/referendum/>

² Cf. data on the parliamentary debate on Althingi's website: <https://www.althingi.is/thingstorf/thingmalalistar-efir-thingum/ferill/157/516/?ltg=157&mnr=516> as well as this feature article published in the English-language periodical *The Reykjavik Grapevine*: <https://grapevine.is/mag/cover-feature/2026/05/08/fear-of-a-european-iceland-eu-referendum/>

³ *Ibid.*

Support for resuming accession negotiations has consistently polled higher than support for full membership. Spring 2026 polls illustrate this clearly:

- **Accession negotiations:** A Maskína poll⁴ showed that about 53% of those who took a position were in favor of continuing accession negotiations. Gallup⁵ measured 42% in favor of resuming negotiations, while 39% were opposed.
- **Full membership:** A Gallup poll showed that about 47% of respondents were opposed to membership, while 40% were in favour (54% opposed and 46% in favour among those who took a position). Maskína measured 46% opposed to full membership and 31% in favour. 13% were undecided. If only those who express an opinion in Maskína's poll are counted, 54 percent oppose Iceland's EU entry, while 46 percent are in favour.

Over 80 percent of the conservative Independence Party and the agrarian Progressive Party oppose membership, as do 90 percent of the supporters of the Centre Party. These three parties make up the opposition in the Althingi. As regards the government coalition parties, around 80 percent of the Social Democratic Alliance and the Liberal Reform Party support membership, and 49 percent of the voters of the People's Party. 32 percent of the supporters of the latter party oppose membership.

The referendum campaign will therefore focus on convincing the undecided middle. The government's framing offers the Yes-side a strategic advantage: this vote is not a direct decision on joining the EU, but rather on whether the government should get a mandate to finalise an accession treaty — which would then be put to a second, decisive referendum.

⁴ Cf. <https://www.icelandreview.com/news/opposition-to-eu-membership-grows-in-iceland-survey-finds/?srsltid=AfmBOoodMuocgS4Q-v9eernjBdlQHVCOLWEKYwQoWs2cYAw7grxCMnP>

⁵ Cf. <https://www.ruv.is/english/2026-04-08-more-oppose-eu-membership-than-joining-suggests-poll-472148>

For or Against?

A recurring argument from opponents is that "everybody knows already on which terms Iceland would be offered membership" — that accession would simply mean adopting all remaining EU laws and policies, including the Common Fisheries Policy, with no room for exemptions. The Yes-camp counters that no two accession treaties are identical and that flexibility for special arrangements is always possible, a position recently supported by senior EU leaders.⁶ In the accession talks 2009-2013 the fisheries chapter was never opened.

The continued control of the fisheries resource in Iceland's Exclusive Economic Zone is by most Icelanders considered to be the absolute key issue as regards Iceland's potential membership of the EU. The fishing industry is one of the key industries in Iceland, and directly employs around 7,500 people, or approx. 3.9% of the total workforce. The seafood industry contributed (in 2020) 8,1% to the GDP directly, and 25% if account is taken of the indirect effects of the ocean cluster (it has now been replaced by tourism). This share of GDP has now (in 2026) come down to some 17%, primarily because of the rapid growth of the tourism sector.⁷ It is, in fact, primarily distrust of the Common Fisheries Policy which has hitherto kept the whole fisheries-dependent north-west flank of Europe – Norway, Iceland, the Faroe Islands and Greenland – out of the EU.

The Euro is another central issue. Iceland's króna (ISK) is the smallest independent currency in Europe and has proven highly unstable and costly. Inflation currently sits consistently above 5%, the Central Bank's key interest rate stands at

⁶ As Iceland PM Kristrún Frostadóttir was on a visit to her Polish counterpart Donald Tusk, former President of the European Council, in February 2026, Tusk said in their joint press conference that "the EU must show smaller states more flexibility" and declared that he'd be happy to see Iceland join.

Costas Kadis, the EU fisheries Commissioner, told the Financial Times in late April 2026 that the bloc is open to granting Iceland exemptions on fisheries issues during accession negotiations. There is "clear room for manoeuvre" in this area. <https://www.ft.com/content/eea7f28b-2c4e-44b9-8c52-8723741b18a7>

⁷ Iceland Responsible Fisheries Infosheet, cf.: <https://www.responsiblefisheries.is/media/1/icelandic-fisheries-press-kit-mai-2021-enska.pdf>

7.75%, and mortgage rates exceed 10%. The króna is widely blamed for contributing to Iceland's high cost of living — consumer goods are currently as much as 84% more expensive in Iceland than the EU average, and a typical food basket costs 44% more than in other Nordic countries.⁸ Pro-EU campaigners also argue the króna discourages foreign direct investment and limits domestic competition. According to the results of a new expert report published at the end of May 2026, the cost of the ISK is “probably” higher than the benefits and with the Euro, the stability of the Icelandic economy would improve.⁹

Yet the króna still has its defenders. Some trade union leaders believe that the “flexibility” which comes with the ISK is more important than the greater stability expected with the Euro. Large fishing companies, which earn revenues and access financing in foreign currency while paying wages and domestic costs in ISK, benefit from the current arrangement. There is also a strand of national identity attached to having one's own currency — a sentiment once familiar to many current Eurozone members. Support for the Euro as a potential new currency replacing the ISK among the Icelandic public and business leaders has varied a lot¹⁰ through the decades of the Euro's existence, but the desire to be able to adopt the Euro as a much more stable currency was definitely the major factor leading to Iceland's first attempt at EU accession in 2009, in the immediate aftermath of the financial crisis.

On sovereignty, opponents argue that joining the EU “superstate” would mean sacrificing Iceland's most precious asset. The pro-EU response is that Iceland already surrenders de-facto considerable sovereignty through the EEA Agreement, absorbing a constant flow of EU legislation with

no seat at the table. Full membership would give Iceland a genuine voice in shaping European rules — a net gain in sovereignty compared to the status quo.

A Changed Security Environment

Perhaps the most powerful new argument in favour of resuming accession talks is the transformed international security landscape. While Icelanders have traditionally seen NATO membership as the cornerstone of national security, developments since Russia's full-scale invasion of Ukraine in 2022 and Donald Trump's second term in office have forced a thorough reassessment — as these developments have across Europe. According to a survey conducted by polling company Maskína in February 2026 — shortly after the conflict between the Trump administration and the governments of Greenland and Denmark dominated the news — 40% of respondents said they would describe the US, under the current circumstances, as an adversary, 32% as an ally. 28% took no position or did not want to answer the question.¹¹ However, 71% of respondents in a Gallup poll from April 2025 claimed they supported Iceland's membership of NATO, only 12% were opposed.¹² Also, Foreign Minister Gunnarsdóttir has repeatedly stressed that the US remains Iceland's most important ally and that the bilateral defence agreement with the US “stands firm”.¹³

The EU's growing role in security and defence has not gone unnoticed in Reykjavík. Iceland recently signed an agreement on a security and defence partnership with the EU, following similar bilateral agreements with Germany, Finland, and Canada and other neighbouring states.¹⁴ However, such cooperation agreements fall well short of the mutual obligations embedded in the EU's Mutual Assistance Clause (Art. 42(7) TFEU)

⁸ Cf. analysis made by economists of the trade union Viska, published on 21 May 2026 (<https://www.viska.is/um-visku/i-frettir/island-ordid-84percent-dyrara-en-evropa-og-aldrei-verid-eins-dyrt>)

⁹ Direct link to the executive summary of the report in English: <https://www.stjornarradid.is/library/02-Rit--skyrslur-og-skrar/Sk%3%bdrsla%20um%20valkosti%20c%3%8dslands%20c%3%ad%20gjaldmi%3%b0lam%3%a1lum%20-%20001.pdf>

¹⁰ Cf. *inter alia* the Iceland Federation of Trade's regular measurements of the Federation's members' opinions on the sustainability of the ISK as Iceland's future currency and support for the adoption of the Euro instead: <https://atvinnurekendur.is/studningur-vid-esb-vidraedur-snarminnkar/>

¹¹ Cf. <https://www.ruv.is/english/2026-02-19-more-icelanders-see-usa-as-adversary-than-ally-gallup-suggests-survey-467415>

¹² Cf. <https://www.gallup.is/frettir/vidhorf-til-adildar-ad-esb-og-nato/>

¹³ Cf. <https://heimildin.is/grein/25928/varnarsamningur-vid-bandarikinn-stendur-ohaggadur/>

¹⁴ See press release from 18 March 2026, https://www.eeas.europa.eu/eeas/eu-iceland-joint-press-release-signature-security-and-defence-partnership_en



and the EU's solidarity clause (Article 222 TFEU). Only full membership would grant Iceland the benefits of these arrangements — commitments that have taken on new value now that the current US administration has cast doubt on its commitment to NATO's Article 5 on collective defence.

Foreign Minister Gunnarsdóttir has also highlighted the economic security dimension, particularly for an island nation in an era of global trade tensions:

"There is an international tariff war raging in a totally changed world and it is a logical question for Iceland whether we want to stand alone in that war or whether we should stand together with our partners and democratic nations, to which most of our exports go."¹⁵

Once the votes are counted at the end of August, Iceland will know whether it continues down the path toward EU membership — or steps back from it once more.

¹⁵ Interview with Þorgerður K. Gunnarsdóttir in the Icelandic weekly *Heimildin* 1 April 2026.



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