



Country Issue: Sweden



The Relaunch of Europe

Mapping Member States' Reform Interests

Europa

ip Institut für
Europäische Politik

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Institut für Europäische Politik (Institute for European Politics, IEP) is one of the leading foreign and European policy research centres in the Federal Republic of Germany dedicated to the study of European integration.

Further information on the project can be found here:

www.relaunch-europe.eu

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THE RELAUNCH OF EUROPE

MAPPING MEMBER STATES' REFORM INTERESTS

The Relaunch of Europe. Mapping Member States' Reform Interests (RelaunchEU) is a project conducted by the Institut für Europäische Politik (IEP) on behalf of the Friedrich-Ebert-Stiftung (FES) that surveys the implementation prospects for twelve concrete reform proposals. It covers the policy areas of Social Union, Economic and Monetary Union and Defence Union as well as asylum and migration policy and the EU's institutional set-up. Furthermore, it analyses the support for flexible integration and the positioning towards the five scenarios presented in the European Commission's »White Paper on the Future of Europe« of spring 2017. It covers the positions of national governments and of relevant progressive political parties, which received a minimum share of 5 % of the votes in the previous European or national elections.¹

The study follows two main objectives: (1) It demonstrates the scope of action for prompt reforms of the EU in the selected policy areas while also taking into account which member states would, under certain conditions, be willing to implement the specific proposals. (2) It empirically determines which member states could belong to an avant-garde group willing to deepen integration.

Researchers from think tanks and research institutions in the member states of the EU-27 compiled information to determine the position of governments and progressive political parties towards the twelve reform proposals. This qualitative analysis reflects the country experts' views and is based on documents such as coalition agreements, government or party programmes, position papers, press releases, interviews, op-ed pieces, and official documents. It presents a snapshot of the discussions within the governments and parties. In order to keep the country issues short, internal debates and deviating opinions cannot be covered in detail. Positions are subject to change, especially following elections and the formation of new governments. The snapshot was taken at the end of September 2017. More recent developments could not be included. Notable exceptions are the country issues of Austria and Germany, which were updated following the latest coalition negotiations.

The study's results are published in English on the website www.relaunch-europe.eu. It presents maps for every actor and reform proposal, 27 country issues and an analytical paper. The paper compares the positions of all actors in all member states of the EU-27 on the twelve concrete reform proposals and presents five flagship-projects, which bear the chance for a relaunch of Europe.

¹ If a party fulfills this criterion, but is not a relevant actor in the national public debate anymore, it was deleted from the sample based on the judgement of the projects' country expert.

SWEDEN

The Swedish elections in 2014 resulted in a hung parliament. The progressive Swedish Social Democratic Party (*Sveriges socialdemokratiska arbetareparti*, SAP) received the largest

share of the votes with 31.01 % and subsequently formed a minority government with the Green Party (*Miljöpartiet de gröna*, MP) which received 6.9 % of the votes.

Support of the Swedish Government and the SAP for Deepening EU Integration

	GOV	SAP
Social Union		
Upward Convergence of National Social Security Schemes	support under conditions	support under conditions
European Coordination of National Minimum Wages	against	against
New Balance between Social Rights and Internal Market Freedoms	support	support
European Economic and Monetary Union		
Fighting Tax Fraud and Tax Evasion on a European Level	support	neutral
Fiscal Capacity for the Euro Zone	against	neutral
Mutualisation of Public Debts	against	neutral
European Defence Union		
Extending EU Military Planning Capabilities	support	neutral
EU Army	against	against
Asylum and Migration		
Pure Quota System for the Relocation of Asylum Seekers	support	support
Extending Competences of the European Border and Coast Guard Agency (EBCG)	neutral	neutral
Polity		
Increased Democratic Accountability of the Economic Governance of the Euro Zone	neutral	neutral
European Citizens' Initiative	neutral	neutral
White Paper Process		
The White Paper on the Future of Europe	neutral	neutral
Flexible Integration	support under conditions	neutral
Preferred Reform Instruments	within Treaties	neutral

Legend



GOV National Government
SAP Swedish Social Democratic Party

- 1 – Scenario 1: »Carrying on«
- 2 – Scenario 2: »Nothing but the single market«
- 3 – Scenario 3: »Those who want more do more«
- 4 – Scenario 4: »Doing less more efficiently«
- 5 – Scenario 5: »Doing much more together«

SOCIAL UNION

The government listed fair working conditions and a strengthened social Europe as a top priority for its EU policy. It supports closer coordination with regard to an **upward convergence of national social security systems** as long as this encourages the free movement of labour and protects the social rights of migrants. However, national competences for social security systems and collective bargaining autonomy need to be respected. The government is therefore against a common EU-wide social security system. Coordination should lead to a sensible balance between individual protection and a fair distribution of costs and responsibilities between member states. The government works towards a reform of directives dealing with social security coordination to increase worker protection. Beyond this, it supports the establishment of EU standards in a variety of social areas, including working conditions, skill development, parental leave and an increased participation of women in the labour market. As a non-member of the euro zone, it is essential for Sweden that these standards apply all over Europe. Likewise, the SAP favours common minimum rules for the protection of workers, but does not give any further details. The SAP-led government is committed to securing a high degree of social protection for all employees in the EU and works to avoid a race to the bottom in terms of wage dumping or working conditions. However, decisions concerning wages and working conditions are solely a matter of collective bargaining between the social partners in Sweden. They are not set by law. Therefore, the government is opposed to a **European coordination of national minimum wages** as this would constitute a threat to the Swedish model of labour relations. There is no domestic pressure for the introduction of minimum wages. The Swedish model has been in conflict with EU law, most famously in the Laval case, where the European Court of Justice ruled that Swedish unions cannot engage in industrial action against a Latvian company that refused to sign a Swedish collective agreement. The current Swedish government supports the position that collective agreements in a member state should also apply to posted workers, following the principle of equal pay for equal work. The SAP has not issued an opinion on the matter beyond that. Consequently, the government and SAP are strong proponents of a **new balance between social rights and internal market freedoms** with strong social rights following the principle of equal pay for equal work, including measures against wage dumping and worsening working conditions. The government takes a pragmatic view on a social protocol, viewing it as being impracticable in the near future, but supports the Commission's initiative for a pillar of social rights. SAP emphasises that competition on the internal market should not be based on wages and working conditions. Thus, it adopted political guidelines in 2017 that call for a social protocol to ensure equal pay and conditions for equal work in accordance with the rules and agreements in the country of employment. It also wants the EU to defend »the human rights to safe workplaces and union organisation«.

EUROPEAN ECONOMIC AND MONETARY UNION

Generally, the SAP-led government is in favour of international collaboration, especially within the G20 and the OECD. It is not opposed to **fighting tax fraud and tax evasion on a European level**. However, its stance is pragmatic. There are concerns that the pursuit of harmonised rules is an unpromising and risky project that could impact Sweden's generous rules on tax offsets for companies. Furthermore, the government highlights the importance of national competences for tax issues. Nevertheless, it supports an EU black list of »uncooperative countries«, including appropriate sanctions, as well as EU efforts against VAT fraud and Eurofisc, the EU warning system against VAT fraud. On the topic of a **fiscal capacity for the euro zone**, the government opposes any steps towards a European federalisation such as a European unemployment insurance, doubting its effectiveness and democratic legitimacy. Sweden does not intend to join either the euro zone or the Banking Union, but expresses great interest in the stability and functioning of the euro zone. As long as measures are budget-neutral, it will support public investment using EU funds provided that they are open to all member states to prevent a bifurcation between euro zone members and non-members. Sweden is one of the few EU member states that has never been subject to an excessive deficit procedure. Sweden strongly supports a strict interpretation of the Stability and Growth Pact (SGP) and is critical towards any fiscal transfers. All EU member states should undergo structural reforms to increase growth, competitiveness and trust in the marketplace and must protect the credibility of the SGP. Beyond this, there is virtually no discussion in Sweden about concrete reform proposals towards a **mutualisation of public debts**.

EUROPEAN DEFENCE UNION

Against the backdrop of increased concerns about Russian aggression, discussions about defence capacities have gathered momentum in Sweden. Despite its officially neutral status, a possible NATO membership has recently been discussed, although it does not have majority support. With regard to the EU level, the government supports the **extension of EU military planning capabilities**. However, defence policy and cooperation have to remain national competence and Sweden's neutral status may not be affected. This also applies to closer cooperation between the EU and NATO, which is generally supported by the government. It is also supportive of the EU's civil and military crisis response capacities and endorses stepping up planning and commanding structures for EU military training missions, as exercised by the recently established Military Planning and Conduct Capability (MPCC). SAP is a strong proponent of the country's neutral status and opposes NATO membership. Despite its support for military cooperation within the EU, the party has not developed an official stance regarding the extension of European military

planning capabilities or an EU army. In addition, the Swedish government, too, remains attached to Sweden's neutral status and is opposed to the establishment of an **EU army**. According to the Swedish government, deploying military capacities must remain a national competence.

ASYLUM AND MIGRATION

Sweden has been one of the member states with the largest number of refugees accepted in relation to their population and contributes a large share of operational and humanitarian aid. Thus, the government and SAP call upon the other member states to share the responsibility. They strongly support the introduction of a **pure quota system for the relocation of asylum seekers**. Member states which do not comply should be sanctioned, e.g. through cuts of allocated structural funds. Although the government would prefer to have a mandatory relocation mechanism as part of a reform of the Dublin directive, it is open to compromise. Thus, a reform of the Common European Asylum System (CEAS) should include an automatic shift from regular Dublin procedures to a relocation mechanism and more legal ways to seek asylum within the EU. Furthermore, the government advocates a strengthening of the European Asylum Support Office's (EASO) capacities as long as it does not duplicate functions of the UNHCR or the International Organization for Migration. However, since 2015, public opposition towards Sweden's generous asylum policies has been growing, leading the government to initiate distinct reforms: a change of the previously granted permanent residency status for approved asylum seekers to a temporary status as well as the temporary reintroduction of border controls on the border to Denmark. The government emphasises the need for better protection of the EU's external borders and supports **extending competences of the European Border and Coast Guard Agency (EBCG)**. However, border control must remain national competence. Deployed border guards should operate under the command of national authorities and only in exceptional cases against the will of a member state, if the member state fails to build up its own capacities. In that case, the decision process should be taken at intergovernmental level. Beyond this, the government's stance is not very detailed, and the SAP has not issued an independent opinion.

POLITY

Since Sweden is not a member of the euro zone, neither the government nor the SAP have a specific position on **increased democratic accountability of the economic governance of the euro zone**, beyond a general interest in its stability and functioning. It is open to discussing common concerns and to allowing all willing member states to participate in newly adopted measures. Neither the Swedish government nor SAP have published an opinion on the reform of the **European Citizens' Initiative (ECI)**.

WHITE PAPER PROCESS

In Sweden, the debates on the **»White Paper on the Future of Europe«** are focussed only on concrete proposals in the Commission's reflection papers. The government's priorities in EU affairs are social rights balancing free movement, a more effective migration and asylum policy and measures against climate change. Generally, the government's approach to EU affairs can be characterised as pragmatic and sceptical towards more centralisation. While the EU is regarded as a necessary actor in meeting global challenges, the government is averse to large reform efforts, particularly if they would involve treaty change. Cooperation should happen in fields where there is concrete added value. The concept of **flexible integration** finds some support from the government, although with reservations. While Sweden does not participate in all areas of EU cooperation, it has repeatedly stressed that areas of differentiated integration should remain open to all member states and decisions that affect all member states should also be discussed and decided upon by all member states. The SAP-led government regards treaty change as highly unrealistic and prefers to advance reforms within the scope of the existing treaties.

Legend

Actors Covered by the Study in each EU Member State

- *National Government*: including its members from one or more political parties, the Head of State or Government, relevant executive ministers and administration.
- *Progressive Parties*: They include all parties that are represented either in the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament (S&D) or that are members of the Party of European Socialists (PES) and have gained a minimum share of 5 % of the votes in the last national or European elections. They also include La République en Marche (REM) in France.

Concrete Reform Options in Different Policy Areas

Social Union

1. *Upward Convergence of National Social Security Schemes* to provide Europe-wide protection against social risks and to ensure a decent standard of living for EU citizens.
2. *European Coordination of National Minimum Wages* to ensure a decent income within the EU to prevent in-work poverty, to promote social convergence and to avoid social dumping across the EU.
3. *New Balance of Social Rights and Internal Market Freedoms* to compensate the current precedence of internal market freedoms over national social rights.

European Economic and Monetary Union

4. *Fighting Tax Fraud and Tax Evasion on a European Level* for a fair allocation of tax burdens among natural and judicial persons.
5. *Fiscal Capacity for the Euro Zone* to provide stabilisation against economic shocks through public expenditure in the euro zone.
6. *Mutualisation of Public Debts* to tackle the problem of a sharp increase in public debts in some member states as a result of the euro zone crisis.

European Defence Union

7. *Extending EU Military Planning Capabilities* also for executive military missions and operations.
8. *EU Army* establishing a permanent multinational military force under European command.

Asylum and Migration

9. *Pure Quota System for the Relocation of Asylum Seekers* which would replace the Dublin system.
10. *More Competences for the European Border and Coast Guard Agency (EBCG)* expanding the current EBCG tasks in terms of »shared responsibility« between the EBCG and national authorities.

Polity

11. *Increase Democratic Accountability of the Economic Governance of the Euro Zone* to make its institutions more responsive to EU citizens.
12. *European Citizens' Initiative (ECI)*: revision of the ECI regulation to make the instrument more citizen-friendly and effective in order to strengthen the participative democracy in the EU.

White Paper Process

13. *The White Paper on the Future of Europe* by the European Commission presents five possible scenarios for the future course of European integration.
14. *Flexible Integration*: limiting the application of certain rules to certain EU member states.
15. *Preferred Reform Instrument*: Treaty reform, reforms inside or outside the Treaties.

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