Looking Back on Sweden’s ‘Twin Faces’: Reflections on Sweden and European Integration

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Introduction

In March 2005, Rutger Lindahl and Daniel Naurin saw the publication of their (now widely-cited) joint article entitled ‘Sweden: The Twin Faces of a Euro-Outsider’ in the prestigious peer-reviewed, Journal of European Integration (Lindahl and Naurin, 2005). In this article, the authors argued that Sweden, by 2005, some ten years after full accession, and a couple of years after the tumultuous public rejection of Swedish proposed membership of the euro in a referendum in 2003, had developed ‘twin faces’ as regards participation in European integration. Faced with a notable elite versus public divide on the issue of further European integration, in which the Swedish public was considerably more cautious, Lindahl and Naurin took up the issue, articulated by Johansson (2002) of Sweden being ‘an outsider, yet also on the inside’. In other words, pondering on Sweden as a ‘obstinate, half-hearted EU member positioned on the European periphery’ (Lindahl and Naurin, 2005: 66). Of course, this was not the first or indeed the last time that these issues have been considered (see, for example, Miles, 1997, 2000, 2001, 2005a), yet, in this author’s view, the article has notable merits to be worthy of revisiting now in 2011, after the country has completed over five more years of full EU membership.

This 2005 article in many ways epitomizes the sterling contribution that Rutger Lindahl has made to the study of Sweden and European integration. First of all, the article is explicit in outlining that Sweden’s overall positioning towards issues of European integration reflects a ‘two-level game’ (see Putnam,

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The authors specifically address: (i) the *internal*, domestic political game of establishing a ‘Swedish’ national position towards the EU in general (a challenging prospect for most Swedish governments faced with, at that time, highly EU-sceptical public opinion), and as regards Economic and Monetary Union (EMU) in particular, alongside: (ii) the *external* politics of positioning this Swedish ‘euro-outsider’ within the EU, 2 where Swedish governments want the country to be perceived by others as a good European following a ‘mixed’ policy portfolio, (Lindahl, 1996), and as a ‘selective supranationalist’ (Miles, 2001. 2005). In short, the ‘twin faces’ of Sweden’s *internal, largely euro-sceptical* political arena was not to be confused with Sweden’s primarily *pro-EU, yet anti-euro, external positioning* towards the EU (Lindahl and Naurin, 2005: 66).

Broadly, the argument of Lindahl and Naurin has two parts. First, they demonstrate considerable evidence to suggest that Swedish governments are indeed constrained by a sceptical Swedish public who remain wary of the implications of further European integration. Ultimately, on the question of Swedish participation in the euro, the Swedish political elite has suffered from intra and inter-political party division, which has meant that a consensus across the Swedish party system has remained elusive. In addition, when and where the issue of Swedish euro membership was raised, the elite were never able to convince a largely hostile public of the benefits of joining the euro. This explains Swedish policy to originally stay out of the third stage of EMU, and for remaining outside, after the ill-fated attempt of the (third) Persson government (2002-2006) to win a public referendum on the euro question in 2003.

Second, Lindahl and Naurin (2005: 80) refute the argument that, because of this, Sweden is acting as a ‘free rider’ in the external game. They suggest instead that Swedish governments are following two broad strategies: namely: (i) the *politics of low visibility* – whereby Swedish officials are engaged in ‘quiet networking and a “best in class” behavior in Brussels combined with a low degree of Europeanisation of the domestic political debate’ (Lindahl and Naurin, 2005: 67) as well as: (ii) a position of *conscious outsidership* as regards the euro, combined with a determined effort to be an ‘insider’ in EU decision-making at large. The outcome (intended or otherwise) of these strategies is that Sweden’s elite/public cleavage is, albeit to a limited extent, managed so that the question of Swedish euro-adoption is put on the back-burner by the elite for the time being; this duly facilitates the general process of a majority of Swedes coming to terms with the country’s EU membership status and consequently not opposing accession (Lindahl and Naurin, 2005: 67).

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1 This article was published in a dedicated special issue of the *Journal of European Integration*, (March 2005), introducing the concept of ‘euro-outsiders’ and the ‘politics of asymmetry’ with Lee Miles as guest special issue editor for that respective issue (see Miles, 2005b).
Returning to the ‘Twin Faces’

So where is Sweden today? And why then reflect upon an article written over five years ago in the context of Swedish politics in 2011? On one level, this seems a strange choice for Swedish contemporary politics continues to be in a major transition (see Miles, 2010b). There are some notable developments within Swedish contemporary politics today that differ from the picture that Lindahl and Naurin were immersed in some six years ago.

Since 2006, the country has been governed by a centre-right non-socialist Alliance for Sweden coalition, led by Moderate Party leader and Prime Minister, Fredrik Reinfeldt; rather than years of Social Democratic rule that was the familiar context in which the original 2005 article was written. As a rule of thumb, the Alliance has followed a pro-EU position, and completed a relatively successful, if somewhat forgetful, tenure holding the EU Council Presidency in 2009 (see Miles, 2010a). Sweden has also seen the emergence of the far-right, anti-immigration Sweden Democrats, as a parliamentary force since the 2010 General Election. To some extent, there remains a general disquiet that the results of the 2010 election indicate that talk of a ‘Swedish model’ is ‘nothing more than a comfortable set of terms of reference, or a narrative for use in public debate, that more describes a longing for the past than it does of contemporary Swedish politics’ (Miles, 2010b: 80).

The country, like most others, had to withstand the cold winds of the 2008 financial crisis, which has duly changed the terms of reference in the political discourse in Sweden in recent years. This financial crisis, principally sparked in 2008 by the collapse in credit and confidence in the international banking sector, after unwise funding for US ‘sub-prime’ mortgages highlighted the poor credit and fragile loan policies of major international banks. The crisis, as we know, led to the collapse of, for example, US banking giant, Lehmann Brothers (September 2008), and major banks across Europe, especially in the UK; and a complete meltdown of the international financial system was only narrowly averted by the strong intervention of governments across the globe.

In the Swedish case, the Alliance government intervened, and, through national guarantees where private financial debt was guaranteed by, and potentially turned into the Swedish state’s sovereign debt, the banking sector was given considerable help. Nevertheless, it is also true to say that, after the experience of the banking crisis of the early 1990s that engulfed the country and led to the collapse of many Swedish banks, the exposure of Swedish banks, with the possible exception of Swedbank, to international mortgage and bad debt was significantly less than that elsewhere. Hence, Swedish banks were well-equipped to weather...
the storm and consequently, the Swedish economy has returned to some semblance of normality more quickly than in other parts of Europe.

Over time, Swedish public opinion, and nearly all of the mainstream political parties have also come to accept the premises of full membership status – witness the official change in the position of the Green Party in 2008 towards a pro-full membership position, and the softening of the Left Party’s anti-EU membership rhetoric as part of the evolving Red-Green electoral bloc opposition. Moreover, in general terms, the Swedish public has become more comfortable with the obligations of Swedish membership status over time. In short, there have been major changes within Swedish politics, and external crisis to deal with, since 2005. These changing conditions in Sweden may suggest that it is likely that Swedish elite strategies of the politics of low visibility and conscious outsidership may not be valid anymore.

Nevertheless, there is much to support the durability of Lindahl and Naurin’s assertions and the continuing academic value added of their work. If we return to their principal assertions, then all still have resonance today.

First, while it is true to say that, at least on the question of Swedish EU membership, the Swedish party system shows stronger evidence of a mainstream consensus, this is still far from resolute (Ekman, 2009). On the Swedish left, for example, the Left Party continues to maintain an anti-full membership official position, and, on the Swedish right, the attitudes of the new entrants, the Sweden Democrats, towards the EU is far from consistent. They oppose Swedish euro-entry and want to re-negotiate the terms of Swedish full membership.

In addition, the continuing concerns over the impact of EU legislation on Swedish collective agreements covering the regulation of the Swedish labour market, as highlighted by the decisions of the European Court of Justice (ECJ) in the Laval, Viking and Rüffert cases, ensure that there are still elements of anti-EU opposition across Swedish politics, and especially within the Social Democrats. Hence, although the Social Democrats may have ‘come home’ on the question of full membership status, there is still some internal party division regarding the official pro-EU membership position of the SAP.

Furthermore, when it comes to questions of further European integration, and especially the issue of Swedish future participation in the euro, then scepticism within and across Swedish political parties is more widespread. Within the governing four-party Alliance coalition, the Centre Party continues to maintain an anti-euro position, which contrasts to the more favourable attitudes found among the Moderates and Liberals. In addition, among the Swedish left, anti-euro opposition is found among the Social Democrats, and in the official party positions of the Left Party and the Greens. Hence, the propensity of the Swedish party system to handle questions of further European integration remains relatively weak.
Turning to public attitudes, then, at least according to public opinion polls, the Swedish population seems more content towards, and comfortable with, membership status (Holmberg, 2010a, 2010b). Regular opinion polls by Eurobarometer and SIFO now show relative, if not absolute majorities, of the Swedish people in favour of full membership status (see Holmberg, 2010a; 2010b; also Oscarsson and Holmberg, 2010). Nevertheless, when it comes to questions of European integration, and especially whether Sweden should participate in the euro, then opposition to joining remains relatively strong, with majorities against Swedish euro membership in 2010.

Second, the outcome is that, even the more supposedly pro-EU Reinfeldt Alliance government displayed a tendency towards a strategy of the politics of low visibility. Apart from its time in the run-up to, and during the holding of the EU Council Presidency, it is difficult to find many issues where the non-socialist government has actively sought to engage with the Swedish public on. Rather with continuing public concerns about the impact of the EU on the Swedish labour market, the Alliance government has tended to follow a largely defensive posture, and indeed, has continued with the policy of not actively seeking Swedish membership of the euro. Instead the government has stressed that the EU is part of the day-to-day business of government, and remained content to steer through ratification of the 2007 Lisbon Treaty with the minimum of fuss. The government, for example, resisted overtures from the Swedish left to link the ratification of the Lisbon Treaty with a re-negotiations of Swedish terms in light of the Laval and other legal judgments. As Laursen (2010: 187) comments, in its report to the parliament, the government emphasised how Sweden managed to preserve the most important reforms introduced in the prior, but ill-fated 2004 Constitutional Treaty.

Nor indeed, did the governing parties, or any of the major political parties, raise questions of European integration as major election issues during the 2010 general election campaigns. For the most part, issues of European integration were largely notable by their absence, perhaps indicating that party leaderships are still, implicitly, using what Aylott (1999) once called ‘compartmentalisation strategies’ to keep EU issues detached from the mainstream domestic politics. Thus, the Swedish governing elite continues to manage questions of European integration largely through the politics of low visibility. The assertions of Lindahl and Naurin in 2005, at least as to the internal political game of managing European integration questions within the realms of Swedish domestic politics, remain valid even in 2011. In sum, domestic issues remain important (Miles, 2006).

Third, it can also be suggested that the two governments of Fredrik Reinfeldt (2006-10; 2010- ) have continued to follow a path akin to conscious outsidership. Of course, in terms of the Europeanisation of Swedish government, things are well advanced (Persson, 2007); and as the Swedish 2009 Presidency showed, the Swedish elite have become rather skilled at handling questions of
European integration (Miles, 2010a). Examples, such as, the championing of an EU Baltic Sea Strategy, the Stockholm Programme and promoting ‘civilian crisis management roles’ in the CFSP are all cases in point (see Langdal and von Sydow, 2009; Miles, 2010a).

Above all, the continually impressive studies by Lindahl and Naurin, in 2003 (see Lindahl and Naurin, 2003), 2006 and 2009, of the extent of cooperation among national officials, further reinforces their argument that Swedish policy-makers are thought of with high regard among EU circles. As Naurin and Lindahl (2010) put it, Sweden, as one of three euro-outsiders, enjoys substantial amounts of, what they call, ‘network capital’. Swedish policy-makers have a consistent and wide set of potential cooperation partners that facilitate information gathering and coalition formation during EU negotiations. In fact, Sweden appears fourth on the combined lists of those countries that policy-makers from other states prefer to work with in all three years when their surveys were conducted (2003, 2006, 2009) – (see Naurin and Lindahl, 2010).

In short then, Swedish policy-makers continue to follow, and have been largely successful when pursuing, the strategy of ‘quiet networking’ and demonstrating one of the best-in-class behaviour, (as proposed in the original article of Lindahl and Naurin in 2005). Swedish policy-makers are far from being ‘free riders’ in the EU and ‘are in fact, doing well in the informal networking’ of the EU Council (see Naurin and Lindahl, 2010) and the EU more generally (see Miles 2010c).

In the monetary policy field, the Reinfeldt government has been rather active. Although firm in insisting that Swedish participation in the euro is not in the offing, now or in the near future, the Reinfeldt government committed Sweden to an active role in defending the euro during the difficult economic times for the euro-zone in 2010. Sweden has supported the weaker Eurozone members, such as Ireland, both through EU financial commitments, and in offering bilateral help to notably Ireland as part of the ‘bail out’ of the Irish economy in late 2010. Yet, at no point has the non-socialist government sought to re-engage in discussions, either abroad or at home, on prospective Swedish full participation in the euro. If anything, the problems with the euro-zone have led to a hardening of public opinion against Swedish euro-entry in 2010. The Reinfeldt government has continued to present Sweden as friendly, conscious outsider, willing to help to defend European monetary and economic stability, but from outside the eurozone. To all intents and purposes then, and as Laursen (2010: 193) rather nicely puts it, the Swedish political elite today continue to balance ‘between skepticism and adaptation’ and there remains a ‘two-level game nature’ to Swedish handling of EU questions, particularly as regards to the euro.
Concluding Reflections

Today, in 2011, there is substantial evidence to suggest that Sweden’s position outside the euro does not imply that the country is ‘out in the cold’ (Naurin and Lindahl, 2010). Or as this author would contend, Sweden is ‘fused’ into the European Union, with Swedish policy-makers acting as ‘unofficial fusionists’ (Miles, 2005a: 307-308).

Sweden seems content to have ‘twin faces’ – in exerting influence in the EU as an active EU member state and playing a good external game at the EU level, while remaining outside the euro, and managing the sometimes exacting internal national political game given the domestic complexities associated with Swedish views towards European integration. When looking at Sweden’s twin faces, it is striking how clearly they look back at you even today. Nevertheless, how they are operationalised in terms of the ‘Europe in Sweden’ (i.e. how the Swedish political handles questions of European integration) and ‘Sweden in Europe’ (i.e. Swedish political influence in the EU setting) needs careful analysis. In this regard, the work of Rutger Lindahl, in conjunction with Daniel Naurin, with their emphases on quiet networking and conscious outsidership, has considerable academic value-added for the political science scholarly community and those interested in Sweden’s complex relationship with the European Union even today. Long may this continue; it is living testimony to the academic integrity and lasting contribution of Rutger Lindahl.
References


