



**GROUPEMENT D'ÉTUDES ET DE RECHERCHES
NOTRE EUROPE**

President : Jacques Delors

THE EUROPEAN DEBATE IN SWEDEN

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Translated from the Swedish
by Frank Gabriel Perry

*Research and Policy Paper N° 12
December 2000*

STUDY AVAILABLE IN SWEDISH, FRENCH AND ENGLISH

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FOREWORD

As far as opinion in Europe is concerned, Sweden comes across as an enigma in that her much-admired model of participatory social democracy would seem to be enticing her towards a systematically peripheral position within the European Union. The expectations raised by Sweden's first presidency of the EU must therefore be a very particular mixture of hope – what will Sweden be able to offer us from its model of democracy and social relations? – and of curiosity – how do the Swedes envisage the role they are to play within the Union?

These are the questions Olof Petersson attempts so skilfully to answer within the limitations of the current Swedish debate. He begins by examining the paradoxes at its heart: a campaigning fervour for the single market and its enlargement combined with reluctance to accept a unifying system of regulation, a reluctance which runs entirely counter to the national model; placing the emphasis on democratic transparency while opting for the most opaque method of European governance: preferring intergovernmentalism to the method of community, and with marked doubts about the latter although it is the method better suited to the interests of a “small country”; a tradition of debating democratic issues in-depth...unless those issues are European.

These contradictions are, after all, as good as any other and each country in this Europe of ours cherishes contradictions of its own. Olof Petersson tries to locate their roots in the particular way Swedish democracy works with its character of a continuous movement back and forth between the general public and elected politicians. It has, nevertheless, failed to find a way of adapting to the questions posed by the integration of Sweden within the Union, and subsequently by EMU. The price has been traumatic and long-lasting. Without making any claims to summarise this fascinating analysis, there are three reflections I would like to draw forth:

- Swedish scepticism in relation to the consolidation of political union is eminently respectable: the country's concern to preserve her unrivalled history of participatory democracy and social cohesion deserves to be appreciated.
- The debate on membership of the EU, and of EMU, constitutes one of the rare failures of democracy “à la suédoise” in that it has exposed a gulf between the people and the political elites: this provides a subject for reflection on the deficit of *affectio societatis* currently on display throughout Europe.
- This failure has revealed the existence of a deeper crisis within the Swedish model which, faced with the challenge of globalisation, is seeking to find a renewed form of constitutional government. As is often the case, political Europe appears to be both the agency of revelation and the possible solution to a problem of which it is not the cause. It is up to us to grasp this chance.

What reading this report, which Notre Europe is proud to publish, seems to make clear is that the Swedish presidency of the Union provides an opportunity, both for Europe – which can draw the benefit of a level of satisfying democratic and social requirements unmatched anywhere else - and for Sweden, which may discover in the exercise of this responsibility, the prospect of putting behind it in a positive fashion the questions left dangling by “the permanent referendum”.

Jacques Delors

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1. THE PROGRAM FOR SWEDEN'S PRESIDENCY 2001

Enlargement of the European Union to include new member countries is being presented as the supreme challenge facing the Swedish presidency (*eu2001.se*). By introducing its draft program with the words “Enlargement of the EU is an historic challenge”, the Swedish government is voicing an almost unanimous opinion. The importance of rapidly widening the circle of member states to include candidate countries in Eastern and Central Europe is emphasised across the entire party political spectrum from left to right. Even parties that are critical of Swedish membership are in favour of enlargement of the European Union.

The attitude of the business world in Sweden can be summed up with two basic demands: free trade and enlargement. One of the issues discussed in the summer of 1999 when leading representatives of Swedish business gathered for a conference on continued European integration was whether business and politics were out of step. In one respect there are two entirely different visions at stake. The EU as envisaged by the business world is a single, free and open market, whereas for politicians it is the inter-nationalisation and migration of companies that constitute the problem. Politics at the international level has drawn the teeth of national politicians. The answer is political control at the supranational level. There is considerable enthusiasm for the EU in Swedish business, which is heavily export-oriented. Enlargement will open up new markets and the Baltic region may develop into one of Europe’s most dynamic and creative regions (*Företag och samhälle*, SNS, 2, 1999).

In addition to enlargement, employment and the environment will be the other areas of priority for the Swedish government. The government has highlighted the goal set at the summit in Lisbon 2000 of creating the most dynamic and competitive knowledge-based economy in the world with sustainable economic growth, more and better jobs and greater social cohesion. The government also underlines the considerable added value represented by EU cooperation in the context of safeguarding the environment and promoting sustainable development. This cooperation will be a key priority of the Swedish presidency, which will press for a strategy for sustainable growth capable of balancing environmental, economic and social aspects. The guidelines for a strategy of this kind on the basis of a proposal presented by the Commission will be discussed at the meeting of the European Council to be held in Gothenburg in June 2001.

The program for Sweden's presidency is also interesting as to what issues are left out or given lower priority. Of particular note is the absence of any committed plea for institutional reform although mention is made towards the end of the program of the desire for “an open, modern and effective Union”. On this point, the government is placing particular emphasis on the creation of a legal framework for ensuring public access to documents in the European Parliament, the Council and the Commission.

Silence is frequently an implicit argument for the status quo and there is no doubt that the Swedish government is sceptical of any idea of creating a constitutional, federal framework for the European Union. Federalism was openly rejected in a speech by the country’s prime minister. “I do not believe in a federal EU. While a European federation, with a president,

government and a proper constitution might well improve accountability, the price would be high. The distance between voters and their representatives would become even greater.” In the same speech Göran Persson clearly argued instead in favour of intergovernmentalism as the model for European cooperation and consequentially he called for the strengthening of the Council and the weakening of the Commission. “What we therefore advocate is that the Council be given a more powerful role. This body is the best and closest link to the public in the member countries, as it is here that the national governments are represented. Ultimately the actions of the Council are based on the political mandates issued by voters in the national elections. In the longer term the functions of the Council Secretariat and the Commission may perhaps be amalgamated. This would help to improve accountability” (Speech on the EU to Klubb Norden, October 5 2000).

If logical argument and internal coherence are the criteria by which good governance is assessed, the position of the Swedish government must raise several issues.

It is surprising that the top priority given to enlargement is not coupled with powerful arguments in favour of institutional reform. The author of this report formed part of a research group which was sharply critical of the government on this point: “The actions of the Swedish government on these issues have been characterised hitherto by passivity and inconsistency. Although Sweden has made enlargement and free trade a priority, which must be commended, the government actively opposes increased supranationalism and shows no interest in reform of the institutions of the EU. Our previous discussion made clear that this does not add up. In order to guarantee enlargement and free trade, what is needed is a carefully prepared vision of the institutions and working of the Union of the future. The government’s failure to take the constitutional initiative bodes ill for the Swedish presidency of the EU during the first half of 2001” (Lindbeck et al. 2000, Petersson 2000).

A further contradiction in the government’s position arises when advocating both intergovernmentalism and transparency. Intergovernmentalism, in its purest form, is identical with the negotiations behind closed doors of traditional diplomacy. A fundamental tension exists between the secretiveness of diplomacy and the transparency of democracy. The Swedish government has failed to provide a satisfactory answer to the problem of combining diplomacy with democracy.

Moreover, more than one observer has been struck by the circumstance that the representative of a small country argues in favour of the intergovernmental model which is usually championed by the large countries and that the Swedish government raises objections against the institutions originally designed to give a greater voice to the smaller member states.

2. THE DEBATE AMONG THE POLITICAL PARTIES

Characterising the debate on Europe in a particular country naturally gives rise to a number of methodological problems. The selection of source material may have a decisive effect on the conclusions reached. In the case of Sweden, the problems are, however, slightly more easily dealt with due primarily to the absence of any wide-ranging and comprehensive debate that might prove difficult both to survey and to summarise. While this assessment applies to European issues, it may also be extended to other areas of social life. Sweden has relatively few independent think tanks and intellectuals. The character of the current debate is determined to a considerable extent by the political parties and special interest groups.

The political parties have a distinctive profile in Swedish public life. While the existence of political parties is far from an original feature of a parliamentary system, Sweden stands out from a comparative perspective as an extremely party-centred democracy. This does not mean that the status of the parties remains unchallenged in popular opinion. Available data would indicate on the contrary that the parties are losing members and popular trust. Nevertheless the parties remain entirely dominant in relation to political decisions, recruitment to political positions and the agenda of the public debate. The question is how the parties have dealt with the task of prosecuting an active and stimulating European debate.

External observers long considered the culture of debate within Swedish politics to be an ideal model. Sweden was known for the thoroughness with which information even on complex questions was acquired and mediated. The outside world was impressed by the deeply rooted tradition of popular adult education and the broad range of study circles that were on offer. Sweden's capacity to create and maintain a conciliatory climate of debate even on issues which powerfully engaged the thoughts and feelings of the citizens gave rise to astonishment and admiration. Objectivity, consensus and a willingness to compromise developed into the almost mystical formula seen as underpinning the ideal model of Swedish democracy. However, it is apparent that Sweden has great problems in developing its national culture of debate so that it also encompasses a European debate characterised by reciprocity, objectivity and continuity. There are, therefore, good reasons to state that Sweden, as a member state, suffers from a democratic deficit in its attempts to discuss European issues with its citizens. The question is whether a properly functioning European public sphere exists in Sweden. The answer has to be in the negative (Pettersson et al. 1999).

The positions taken by the political parties on the European issue have remained relatively unchanged since the debate which preceded the 1994 referendum on Swedish membership of the EU. Two of the seven parties represented in parliament, the Left Party (*Vänsterpartiet*) and the Greens (*Miljöpartiet de Gröna*), have opposed Swedish membership from the outset and actively campaign for Sweden to leave the Union. While both the Social Democrats (*Socialdemokraterna*) and the Centre Party (*Centerpartiet*) suffer from powerful internal splits, they are in favour of Swedish membership as long as the emphasis is on intergovernmental cooperation on particular issues. The Conservatives (*Moderata samlingspartiet*) and the Christian Democrats (*Kristdemokraterna*) are in favour of the EU although they voice concerns that the free market may be curbed by political control and

bureaucratic regulation from Brussels. The Liberals (*Folkpartiet*) are the only political party advocating a development of the EU towards greater federalism.

The standpoints of the political parties represent the main positions in Sweden's European debate.

In the view of the *Left Party*, "the EU is in the process of being transformed into a superstate, which would be subordinate to the power of capital and which would assume more and more of the decision-making powers and democracy of the member countries. Neither the EU nor EMU is capable of finding solutions to the fundamental problems of unemployment, the divisions between social classes and the weakening of democracy which affect the member states. Large parts of what was once Eastern Europe are now dominated by a brutal form of capitalism which has resulted in an economic and social crisis. Certain countries suffer from defective democracy and serious conflicts - in some instances of a military nature. The Left Party is in favour of a totally different form of European cooperation encompassing the whole of Europe. We do not believe this can be achieved within today's EU which is proceeding in an all too obvious direction. The EU is gradually assuming the constitution of a superstate and the aim is to form a federation based on capital, elite rule and market fundamentalism." The aims of the Left Party are "that Sweden should secede from the Union. Treaty amendments which would significantly increase the powers of the EU must be preceded by new referendums. A no-vote to amendments of this kind would invite a reappraisal of EU-membership. The Left Party's declared policy that Sweden should secede from the Union could then be implemented after a referendum." The Left Party is also against Swedish membership of EMU and calls for a referendum on the issue. The party aims instead to improve inter-governmental and trade union cooperation.

The *Greens* are opposed in principle to Swedish membership of the EU. "The structure and aims of the European Union are in conflict with our fundamental values. The hallmarks of the EU include bureaucratic and centralised management, ambitious growth plans that clash with environmental interests and the declared aim of developing a federal state with its own military forces and clearly demarcated barriers against the surrounding world. The EU makes decentralisation, ecological balance and global solidarity more difficult and may increase international conflicts by contributing to the power struggle among the blocs of the great powers. EMU involves greater centralised rule without democratic control and would obstruct a socially and ecologically oriented economic policy." The Greens oppose Swedish membership of EMU and campaign for Sweden to secede from the Union.

In their manifesto, the *Social Democrats* write that "European cooperation suffers from inadequacies and shortcomings of its own. It can prove clumsy and appears to be bureaucratic. But thanks to European integration, it has been possible to maintain peace between countries who previously were bitter enemies, a free and common market encompassing fifteen countries has been created, a common currency for close to 300 million people established and previously impoverished regions and countries developed while democracy has been entrenched through joint efforts to promote solidarity and the spirit of community." The declared aim of the Social Democrats is to create "a Europe of the wage-earners" and they note that "Social Democrats form part of the government in thirteen of the fifteen member countries". The Social Democrats do not entirely reject supranational decision-making; it depends on which issue is under discussion. Environmental policy serves

to exemplify an area in which supranationalism is justified. “Environmental pollution concerns not only the country where the pollution originates but all the other countries which have been affected. A common supranational body of legislation is required to make it possible for countries affected by pollution originating in other countries to bring influence to bear on the latter.” Issues involving welfare and taxation should be decided at national level. “In areas such as employment and equal opportunities, the solution we prefer is that the EU decides on what goals should be set and how they should be assessed, while the member countries decide for themselves how the goals are to be achieved.”

The *Centre Party* considers that “the EU has an important role to play in supporting and stimulating contacts across borders. Associational life, the voluntary organisations, social movements and ideological organisations together with the municipalities and the regions should be encouraged to serve as sources of energy for European cooperation between members of the public.” “The EU should devote itself to those issues best dealt with by more than one country and make decisions on matters which cannot be resolved by member states acting on their own.” The Centre Party also calls for “a clearer definition and demarcation of the EU’s powers and its decision-making procedures than has obtained until now and for a more detailed description of its responsibilities. Regulation in the form of a catalogue of the EU’s areas of authority would help provide it with a more clearly defined structure.” The party’s fundamental position in relation to the EU is positive: “The founding principle of the EU, to promote democracy, welfare and stability through greater integration, is a historic contribution to a peaceful social order based on cooperation.” The Centre Party is against Swedish participation in the third stage of EMU. The party argues that “EMU is one of the most obvious supranational projects of the EU, which will result in less economic influence and a reduction in the economic flexibility of the member states. A common monetary policy will probably bring about a common fiscal policy.”

The *Christian Democrats* support Swedish membership of the EU. The party places particular emphasis on the fact that through membership of the European People’s Party, the Swedish Christian Democrats will be able to influence developments within the EU. The party considers that “Sweden’s commitment to participation in European cooperation is seen in other countries at best as uncertain or at worst as half-hearted and inconsistent. We are considered in a variety of contexts to be unwilling Europeans who are in doubt as to what cooperation is capable of achieving without making major inroads on national integrity.” The party wishes to see a different direction to Swedish policy on Europe. “As Christian Democrats, we consider that Sweden can and should be at the head of a comprehensive program of reform of the EU. In order for EU-cooperation to have greater significance for the everyday lives of individuals, more politicians with a positive commitment to the EU are required who can focus attention on issues which are important to the public. Forceful measures need to be taken against the misuse of common resources, too much bureaucracy and application procedures for economic funding and support grants. More clearly demarcated boundaries are also required between the issues the EU should decide and those the member states should be responsible for.” The Christian Democrats advocate clearer delimitation of the areas of authority of the EU and a more precise definition of the principle of subsidiarity. The party is internally split on the issue of EMU and postponed taking a position until January 2000. An extraordinary national conference of the party decided in favour of EMU by 209 votes to 68.

Ever since the issue of Europe first figured in the Swedish debate four decades ago, the *Conservatives* have been in favour of Swedish membership. Throughout his time as chairman of the Conservative party and his years in office as prime minister, Carl Bildt was a staunch proponent of Swedish participation in the European Union. Free trade is a key argument. "At the heart of the entire European peace project is the understanding that trade and economic cooperation serve to link countries and individuals more closely together." The Conservatives consider that eastward expansion should be made a priority. "Enlargement is one of the key issues of today's debate. Membership of the Union is open to those peoples who share the values of the Union. Bringing the applicant countries into the Union, our neighbour states in the Baltic region in particular, is a key task for the future. It is the historic task of our generation to unite the whole of Europe." The party is also in favour of Swedish participation in EMU: "Monetary union is a positive step, which could contribute to increased growth and greater prosperity in Sweden and in the rest of Europe. The advantages are many. Increased trade and improved competitiveness, lower costs for currency exchange and its administration, decreased risk of exchange rate problems, lower and more stable inflation, lower interest rates, which promote higher levels of investment and the fact that the euro will become an international currency."

The fundamental position adopted by the *Liberals* is also very much in favour of Swedish membership of the EU. "Our generation has been given a historic opportunity to create a Europe characterised by liberty, peace, democracy, economic growth and a better environment. The European Union is the most important instrument for achieving these aims." Like other Swedish parties, the Liberals attach a high priority to enlargement; the party considers that the most important task facing the EU is to allow in the new democracies in Eastern and Central Europe. On the question of the future structure of the EU, the point the Liberal Party emphasises is that "the EU, a union of democracies, must itself become more democratic. Transparency, oversight and public access should be the watchwords of the Union. The EU needs a constitution. The decision-making procedures of the EU must be made transparent." The Liberals would like to see a clearer demarcation of the respective areas of authority of the Union and the member states, as part of which they would be prepared to accept a greater measure of supra-nationalism within certain areas, such as foreign policy. According to the Liberals, the European Parliament should be given greater power: "A more prominent position for the parliament would make it easier for members of the public to demand accountability for the decisions that have been made." The party allies itself to the long-term aim of the European Liberals to put the parliament on an equal footing with the Council of Ministers on legislative matters with the ultimate aim of both bodies coming to be considered as the two parts of a bicameral parliament. From the outset the Liberals have been in favour of Swedish membership of EMU. Their arguments are not solely based on a narrow economic perspective; the party highlights the fact that EMU is also a political project.

Several of these party positions coincide with the views taken of the EU by the corresponding parties in other member countries. In Swedish politics, however, the issue of Europe has produced a pattern that differs in certain respects from those found other countries. First the absence of a committed body of opinion on the left in favour of a powerful measure of supra-nationalism may be observed. The only advocates of a federal EU are to be found within a non-Socialist party, the Liberals. The other peculiarity worth noting is the absence of a party on the right that opposes the EU. It is true that a right-wing populist party was represented in parliament for three years at the beginning of the 1990s, but it soon collapsed as a result of

internal disagreements and vanished from the political arena. There is currently no representation for a populist and nationalist body of opinion.

The strongest support for the EU in opinion in Sweden is to be found among the non-Socialist parties, whereas opposition to the EU is linked mainly to left-wing views and environmental concerns. In terms of opinion in relation to the EU, it is not only the parliamentary parties that can to a considerable extent be grouped along a spectrum from left to right. Interview surveys of the general public also demonstrate a significant correlation between left-right attitudes and views taken of the EU (Gilljam and Holmberg 1996). A number of commentators have chosen to see this link between left-wing ideology and opposition to the EU as embodying a form of welfare nationalism and isolationism (Goldmann 2000).

Indubitably Sweden's policy of neutrality during the Second World War still has a bearing on the attitude of Swedes to the surrounding world and thus to the EU. A thesis on the Swedish debate in relation to the possibility of closer ties to the European Communities in 1961-62 makes clear that such arguments were of great significance (Bergquist 1970). All the political actors were in agreement on the fundamentals of foreign policy, the policy of neutrality had axiomatic force and defined the perspective from which the common market was considered. Those who argued in favour of Swedish membership at the beginning of the 1960s set great store by the free trade arguments and emphasised their significance for Sweden's export industries. The idea of Swedish membership was defended with the argument that at that point the EEC was not a political organisation in any conventional sense; foreign and defence policy were presumed to lie outside the domain of the organisation's institutions. As a result there was no conflict between membership and a policy of neutrality for those in favour of the EU.

The analysis of the debate of the early 1960s also reveals the existence of certain underlying cultural and ideological tensions. One of the arguments put forward by those in favour of Swedish membership was that Sweden belonged to the same cultural sphere and was under an obligation to defend those same values against the surrounding world. Opponents of a Swedish accession pointed out that at that time the EEC only comprised one third of Europe. They also expressed a deep sense of estrangement from the political structures of the member countries. In the view of the opponents they were reactionary, Catholic and capitalist (Bergquist 1970).

In a master's thesis in political science, Göran von Sydow has analysed the ideas of the Swedish political parties on the issue of democracy in the EU (von Sydow 2000). His conclusions are critical in several respects. "In relation to the character of the EU, several of the parties remain tied to an interpretative scheme centred on the nation state, in which much of the complex nature of the structure and evolution of the EU is not apparent." The author questions the sustainability of the views the parties adopt in relation to their basis in reality. The party political debate frequently neglects the supranational elements within the EU and takes a static view of cooperation.

Göran von Sydow notes that there is a lack of public debate about the EU in Sweden and that the political parties seem to have different ideas about what changes they would like to see within the EU. While various ideas are put forward on the issue of democracy within the EU, the attitudes of the parties remain ambivalent in relation to future changes. The author also wonders whether the ideas are actually particularly well-developed. A confederal perspective mean that Sweden's relations with the EU are considered in terms of foreign policy and this neglects major aspects of the democracy problem of the EU. Much of the reasoning is aimed at legitimising the EU rather than finding solutions to the challenges of the future. Creative solutions within the framework of the political debate are what is currently lacking. The parties have, of course, a major responsibility for ensuring that this debate makes an impact, as Göran von Sydow concludes.

Labour market organisations have a considerable role to play in well-organised Sweden, particularly in relation to the formation of public opinion and the political decision-making process. Traditionally LO, the Swedish Trade Union Confederation, the largest of these organisations, has had close ties with the Social Democratic Party. The trade union movement has, however, been more muted in relation to membership of the EU and participation in EMU, the reason being that there are many opponents of the EU among their members.

Most trade unions declared themselves to be neutral in the campaign leading up to the 1994 referendum. Quite a few trade union leaders nevertheless took an active part in the EU-debate. A couple of weeks before the referendum, 16 of the 21 heads of LO's constituent unions published a joint proclamation in favour of Swedish membership. The president of LO also argued in favour of a yes-vote. Two of the trade union presidents within LO played an active role in the no-campaign.

The issue of Swedish participation in the third stage of EMU has also been the subject of debate within the trade union movement. Prior to the LO-Congress held in September 2000, 16 of the 18 member unions came out in support of Swedish participation in EMU; two unions said no. After a hard-fought debate, Congress voted for Sweden to become part of EMU, although there was no unanimity: 263 voted in favour, 143 against. The Confederation's executive council originally wanted LO to recommend that its members vote in favour of EMU in the event of a referendum. This proposal was voted down by Congress which passed a less tightly-worded resolution. Accession to EMU should take place on condition that wage-formation is stable and that a structural council including buffer funds has been introduced.

TCO, the Swedish Confederation of Professional Employees, has decided not to adopt a position in relation to EMU. The president of TCO is, however, very actively involved in the European debate and advocates a more committed Swedish involvement within EU and active participation in EMU.

In a joint declaration issued in November 2000, the three major trade union confederations set out their demands in the run-up to the Swedish presidency. In a written communication to the government, LO, TCO and SACO (the Swedish Confederation of Professional Associations),

recommended that the Swedish presidency should focus its energies on four areas of overriding priority: developing a social dimension, broadening and deepening the common employment policy, working for greater transparency in an enlarged EU and working to achieve gender equality. To these should be added a fifth area of priority, developing a European policy for the renewal of working life. The three organisations also pointed out that the main issues put forward by the trade union movement are on the agenda at the extra summit to be held in Stockholm in March 2001 on the follow-up to the Lisbon strategy for employment, economic reform and social cohesion.

3. THE PERMANENT REFERENDUM

Sweden's membership of the EU is based on the outcome of the 1994 referendum, when 52.3 per cent voted in favour and 46.8 per cent voted against; the remaining 0.9 per cent cast blank ballots. The relatively high turnout of 83.3 per cent and the comprehensive nature of the debate which preceded the vote ought to have conferred legitimacy on the referendum result. But the referendum was not to bring an end to the debate on whether or not Sweden should be a member of the EU. On the contrary, the positions taken and the arguments deployed continue to set their stamp on the European debate in Sweden. It is as though Sweden were undergoing a permanent referendum on the EU.

In contrast with the member countries on the Continent, which are characterised by relatively homogeneous core values concerning the process of European integration, a profound conflict of values sets Sweden apart on the issue of the EU (Petersson et al. 1999). Fundamental criteria such as non-alignment, neutrality, democracy, national self-determination and prosperity are all associated with the issue of membership of the EU. Opponents and supporters adopt radically opposed views on the possibility of turning these aspirations into reality through the EU. In contrast with objective conflicts, conflicts of value may be distinguished in general terms by the fact that they give rise to polarised conflict groups which are profoundly emotionally involved with their points of view. Value conflicts promote the evolution of a polarised structure of debate. For the most part such a climate of debate makes for lively discussion and a broad range of participants. Membership in the EU should therefore have led to the creation of a major, dynamic and polarised public sphere in Sweden that would live on after the referendum.

A study of developments after the referendum makes clear, however, that such was not the case. Contradictory trends arose. On the one hand, the open and animated debate around the EU-issue, which pertained until the 1994 referendum, was closed off with the effect that the EU-question was turned into a non-issue during the electoral campaign of 1998. On the other, during the long period of silence the EU-issue retained its character of an emotionally draining conflict of values.

Even though the yes-side was victorious, the majority was so tiny that the outcome was not seen as bringing the conflict to a proper conclusion. Formally concluding a conflict of values without at the same time being able to bring it to a resolution creates a barrier to an ongoing discussion of the matter in public debate. An example of the polarised debate structure existing after the referendum was to be seen in the way the victorious yes-campaign was considered to be identical with the political establishment and all the resources at their disposal whereas the no-side, the underdogs, was identified with the general public and its lack of resources. The clash of values was also perpetuated as a split between those in favour and those against within the political parties, the Social Democrats in particular, as a confrontation between a pro-EU South of Sweden and an EU-hostile North, as an opposition between town and country and one between men and women. The high turnout was transformed after the result of the referendum into an ongoing source of emotional energy aimed at maintaining the polarised structure of EU-issues.

A conflict that is concluded but not resolved gives rise to hopes on the part of the losers that the battle is not entirely lost. It creates an ambivalent attitude to EU-membership. Sweden has therefore come to be seen as the reluctant European, the unwilling member. As a concluded but unresolved conflict, the EU-issue has continued to influence the political parties. Whereas parties with a clearly defined EU-friendly or EU-hostile attitude have benefited from the legacy of the referendum, parties with internal divisions have been seriously disadvantaged by its after-effects. This is most especially true of the Social Democrats who were unable to ignore the risk that the EU-issue would lead to further divisions within the party.

As an unresolved conflict, the referendum on EU-membership was also to have consequences in the years that followed. The election to the European parliament just over six months after the referendum turned into a repeat performance, the difference being that turnout was only 41.6 per cent; the turnout in the election for the European parliament in 1999 fell even further, to 38.8 per cent (Gilljam and Holmberg 1998).

To mark its unease at this trend, the government appointed a commission of inquiry, which included representatives of all the parliamentary parties, to analyse the falling level of an already low turnout. The commission presented four major explanatory theses. There is a lack of involvement in EU-issues; many members of the public consider the role of the European parliament to be unimportant, ill-defined and lacking in interest. A second factor is the politicisation of opposition to the EU ; the option not to vote has become a form of protest for a portion of the electorate. The low turnout can also be blamed on the lack of campaigning activity on the part of the parties in the run-up to the European election. Finally, the mass media also have a role to play; certain sections of the media such as the evening newspapers and commercial radio and television have had a negative effect on the turnout (SOU 2000:81).

What seems unusual when compared with Europe is that despite its recent accession to the EU, Sweden has retained the degree of polarisation which the referendum had created around the EU-issue in that three parties - the Social Democrats, the Christian Democrats and the Centre Party – were to campaign deploying different electoral lists, a yes-list and a no-list. As a result, the European elections of 1995 appeared even more complicated and alienating to many voters. The governing party elected to give priority to national viewpoints over its obligation as the representative of a member country to put forward common European interests. The European public sphere not only shrank in consequence but also took on a distinct national and partisan character.

Party political strategic considerations also left their mark on the decision on EMU taken by the Swedish parliament in 1997. The decision to remain outside EMU for the time being helped to shut down the European public sphere until the general elections of 1998. By adopting a wait-and-see attitude, the government was able to put this polarised clash of values on ice and avoid internal party dissension.

The conflict over the EU-issue was therefore shelved for three whole years. Remaining outside the EMU had the effect intended by the Social Democratic government of putting the EU-issue in the deep-freeze for the whole of the electoral campaign of 1998. The opportunity

of using the parliamentary elections as an opening through which to achieve a resolution of the value-conflict over EU-membership was not exploited.

Sweden missed its chance as a new member country to conduct an active EU-policy at the national level and so keep open the door to the European public sphere. Since the EU-issue was excluded from the electoral campaign of 1998, the democratic deficit suffered by Sweden increased further.

Annika Åhnberg, a Social Democrat and former agriculture minister, has expressed regret at the polarisation that has become locked in place around the EU-issue. "Why do we find it so difficult to conduct constructive debates?" she asks (Åhnberg 2000). "It would appear that the tactic on both sides is to frighten people into taking a position." Annika Åhnberg thinks that Swedes have been blinded by too many threatening images and makes the comparison with Finland which has chosen to go ahead with economic and political union while actively looking for opportunities to help cope with the new situation. "The discussion on Swedish membership of EMU is not a military campaign, the referendum is not a pitched battle." Åhnberg wants to see "people who can make up their minds and stand up for their views, while also having the capacity to listen, to seek out their opponent's best arguments and take them seriously."

Ever since Statistics Sweden started surveying Swedish opinion on the EU-issue in 1992, there has only been a single occasion on which there were more people in favour than against and that was the autumn of 1994 when the referendum was held. On every other occasion the opponents have been in the majority. In May 2000, 42.0 per cent were against Sweden's membership of the EU, while 38.6 per cent were in favour; the remaining 19.3 per cent had no opinion.

A considerable gulf still separates the elected representatives from popular opinion. The parties that are in favour of Swedish membership control a total of 83 per cent of the seats in parliament. According to data from the most recent surveys, however, less than 40 per cent of the general public are in favour of EU-membership.

Data on EU-opinion trends shows the significance of the mobilisation and formation of opinion which preceded the 1994 referendum. Only a concerted effort enabled the political establishment to convince the general public of the advantages of EU-membership. Interview surveys make clear that economic arguments played a foreground role for both yes- and no-voters. The yes-side stressed the advantages for exporting industries and growth. No-voters saw disadvantages in the high costs of membership. Ultimately it was the Social Democrats' arguments on employment, growth and welfare which succeeded in convincing a sufficient number of the party's own voters. The Social Democrats were nevertheless split on the EU-issue: half of the Social Democrats' supporters voted yes and half voted no (Gilljam and Holmberg 1996).

The pattern of argument which preceded the referendum is characteristic of the way the issue of Europe is discussed in Sweden. Material arguments which revolve around industry, agriculture, fiscal policy and the labour market occupy the foreground. Political arguments to do with the peace project, international cooperation, constitutionalism and visions of the future find it much harder to gain a hearing in a country which was not drawn into either of the two world wars and which is characterised by a down-to-earth, fact-based and pragmatic political culture.

The referendum of 1994 both confirmed and strengthened the cleavages that exist among the population. A research group at the Department of Government in the University of Gothenburg has analysed the differences of opinion within the general public in Sweden (Gilljam and Holmberg 1996).

Profession, level of education and foreign contacts play a major role. In the 1994 referendum, 62 percent of middle-class voters voted yes, while the proportion of yes-votes among working-class voters was 38 per cent. The proportion of yes-voters among those with higher education was considerably above the average. Having made a large number of journeys abroad also led to a higher probability of voting yes. The researchers interpret these correlations such that a No to the EU was based to some extent on lack of information and a fear of the unknown.

There is also a significant geographic dimension to EU-attitudes. Opposition is strong in Northern Sweden, while yes-voters are in a majority in the southern part of the country. A majority voted no in rural areas, while two thirds voted yes among the inhabitants of the major conurbations. The EU-issue reflects a centre-periphery dimension in Swedish political life (Lindahl 2000a).

Furthermore, differences exist in relation to age and gender. The proportion of yes-voters in the referendum was 46 per cent among women and 59 per cent among men. Subsequent opinion surveys show that the difference of opinion between women and men has remained as great. There was also a difference in the referendum in relation to age; younger people were more negative while older people were more positive to Swedish membership. In this particular respect, however, a shift would seem to have taken place. An opinion survey in the spring of 2000, based on ca. 7000 interviews, makes clear that opposition to the EU is currently most prevalent among older voters, while younger ones are more in favour (Statistics Sweden 2000).

Sweden stands out as the most negative member of the group of fifteen member states. The Eurobarometer of the European Commission shows that critical views are more prevalent in public opinion in Sweden than elsewhere. The opinion surveys are based on interviews with a nationally representative sample of the population; the most recent of these was carried out in April and May 2000 (Eurobarometer 53). It should be added, however, that the statistical method chosen affects the interpretation of the responses to some extent. The Commission's own summary is based on the simplification that only the proportion of those providing positive responses is taken into account; the disadvantage is that no difference is made

between respondents who are strongly negative and those who lack any view at all. While Sweden ends up way down the list on a comparison among member countries, she is placed even lower if the proportion who express negative views is also taken into account.

On the issue of the view taken by the respondent of the country's membership of the European Union, 34 per cent of Swedes considered this was a good thing, while 38 per cent thought it was bad. Sweden is the only country in which the negative answers were greater than the positive. The average for the EU as a whole was 49 per cent positive and 14 per cent negative. Ireland, Luxembourg and the Netherlands had the greatest preponderance of positive responses. Great Britain and Austria ranked close to Sweden at the bottom of the table.

Another question concerned whether the respondent considered that his or her country had benefited from EU-membership. In Sweden 26 per cent considered that the country had benefited from membership while 56 per cent held the opposite view. No other country had such a negative balance of opinion. In the EU as a whole, 47 per cent consider that their country has benefited from membership, while those who consider that there has been no benefit from membership are in a minority of 32 per cent.

In response to a general question of what image the respondent has of the EU, 26 per cent indicated a positive image, while 43 per cent held a negative image. Sweden also stands out in this regard as the most EU-hostile country. The EU-average is 43 per cent positive and 18 per cent negative responses.

Finally a question was put as to whether EU-membership had more advantages for the respondent's country or more disadvantages. In Sweden 19 per cent responded more advantages, while 27 per cent replied more disadvantages; 46 per cent considered that the advantages and disadvantages were roughly the same. In the rest of the EU, membership is seen as bringing with it more advantages than disadvantages.

There is nothing, moreover, in the series of Eurobarometer surveys to suggest that any significant changes have taken place in Swedish EU-opinion since the country became a member in 1995. While the proportion who consider that EU-membership is a bad thing declined slightly for a few years, it started to rise again in the most recent survey. The majority of Swedes who consider that Sweden has not benefited from membership is of the same magnitude now as on accession to the EU.

It should, however, be pointed out that Swedish opinion is not generally dismissive of every project on the European agenda. The considerable level of support among Swedes for the enlargement of the EU is particularly noteworthy. On the question of which countries should be welcomed into the EU, 61 per cent of Swedes on average supported the 13 countries who are currently applying for membership. No other country demonstrated the same extensive level of support for enlargement.

This permits the drawing of the somewhat paradoxical conclusion that while Swedes have doubts about their own membership of the EU, they would like to see the candidate countries admitted to the Union.

4. SWEDEN AND EUROPE : WAIT AND SEE

Sweden's attitude in relation to participation in the third stage of Economic and Monetary Union has given rise to debate in both the legal and political arenas. Sweden's accession to the EU was based on the treaties and other legal acts then in force, including the Treaty of Maastricht. No formal derogation was made covering EMU, but a declaration of principle was issued by the Swedish side in the course of negotiations. The key sentence is as follows "A final Swedish decision in respect of the transition from the second to the third stage will be made in the light of continuing developments and in accordance with the rules of the Treaty." Despite the fact that Sweden fulfils the convergence criteria for participation in the third stage of EMU, Sweden's official position is that it is for Sweden to decide when the right time has come for the country to join. When the government reported to parliament on the Swedish negotiations in 1993, it was stated that "It is parliament which will ultimately decide matters in relation to the transition from the second to the third phase of EMU."

In the autumn of 1997, the Swedish parliament decided to remain outside EMU for the time being. When the government expanded on its reasons, it was apparent that several of the barriers to Swedish participation had fallen away (prop 1997/98:25). The country's economy had then reached sufficient strength and the lasting stability needed to be able to participate in the currency union. The practical preparations had also been put in place so as to make entry technically possible. Moreover, the reports from the bodies to which the matter had been submitted for consideration had made clear that opinion in business, the interest organisations and various authorities was positive. Only a small number of these bodies had come out against Swedish membership of EMU.

Despite these arguments in favour of participation, Sweden chose to say no. The definitive argument was "the lack of popular support". "Opinion surveys and many other indicators provide a clear picture of this state of affairs". The government also expanded on the conceivable explanations for the wait-and-see stance of the Swedish people. The negative mood toward the EU in the country may be the result of disappointed expectations. Budget cuts were also considered to have had an impact on the negative attitude to the currency union.

Nor is there any doubt that several leading representatives of the governing party are personally sceptical of the EMU-project. Göran Persson, the prime minister, has publicly avowed his doubts in relation to this decision because of the possibility, or the risk, as he sees it, of EMU developing into a federalist, supranational project.

Persson elaborated his thinking in a book published in 1997: "The growth and stability pact is that agreement under which countries which fail to manage their economic policy will be punished. The deficit may not in principle be greater than 3 per cent of BNP. Higher figures may be temporarily tolerated under the exceptional circumstance of a major recession. To complement the stability pact, a stability council will be set up, a body on which the finance ministers of the EMU countries will draw up guidelines for economic policy. This council will hold meetings prior to the meetings of the Ecofin-council and make decisions on major

issues to do with economic policy. I question whether it is appropriate and democratic to set up a body with such extensive decision-making powers which is beyond the jurisdiction of the national parliaments. When I ask my European colleagues what matters the stability council will decide, they become very vague on the whole. But it seems clear to me that the stability council is intended to be a body which will counter-balance the European Central Bank. I have tried to introduce the issue of supranationalism into the Swedish debate in various contexts but met with little response. In my view this is one of the most important issues on which we will have to make a decision in Sweden for the next few decades. I am torn between hope and doubt when it comes to the possibilities of implementing EMU without a supranational element. It may well be the case that it is possible to manage a monetary union without our freedom to design welfare policies being taken away as a result. But I am not convinced nor can I be certain. As long as I remain in doubt, I do not think I can recommend that the Swedish people say yes to such a project” (Persson 1997).

The prime minister is not alone among Swedish decision-makers in his doubts. While there is extensive support for Swedish membership of EMU in the business world, considerable scepticism prevails among academic economists. The euro-zone is not considered to meet the criteria for an optimal currency union and their judgement is that Sweden will find it more difficult to implement an economic policy capable of managing fluctuations in the market in the event of asymmetrical shocks. In addition, arguments apply of an economic-institutional nature; the homogenisation of European economies is considered likely to diminish institutional competitiveness (Lundgren et al. 1996).

Sweden’s future participation in EMU is in any case dependent on popular opinion. Both parliament and the government have promised to monitor and evaluate developments carefully. Before Sweden can become part of the currency union, the issue must be put to the people for their verdict. While the government bill stated that it is desirable that this verdict should take the form of a general election, the bill also opened the way for a referendum or an extraordinary election. Sweden’s position on a key political area has thus been tied to changes in public opinion, more specifically to opinion polls.

Interview surveys reveal that EMU-opinion is very divided. Between 25 and 30 per cent hold no view; the remainder has been divided relatively equally between proponents and opponents. According to most surveys, however, the no-side has had a definite lead. In May 2000, 42.0 per cent replied that they would vote against EMU and 32.6 per cent that they would vote in favour.

The arguments for and against EMU coincide to a very considerable extent with the debate about whether Sweden should be a member of the EU at all. There also seems to be a very significant correlation at the individual level. Of those in favour of EU-membership, 67.7 per cent are in favour of joining EMU. The proportion of those who are in favour of EMU among opponents of Swedish membership of the EU amounts to only 6.8 per cent (data from May 2000; Statistics Sweden 2000).

This means that attitudes to EMU divide the population in the same way as views on the EU. Resistance to EMU is particularly great among older voters, women, Northern Swedes, residents of rural areas, the less well-educated and workers. Conversely support for EMU is most extensive among younger voters, men, residents of southern Sweden, inhabitants of conurbations, the better educated and company directors and senior salaried employees.

An opinion survey in the spring of 2000 showed that the most prevalent argument in favour of EMU is that "it will be simpler to have the same currency, exports and imports will be made simpler". Another argument that is frequently put is that "we cannot remain outside EMU, otherwise we risk becoming isolated". The overriding argument against EMU was that "we will lose our autonomy in Sweden, the right to make decisions about our economy, supranationalism" (www.temo.se).

Even if the majority of Swedes today respond that they are against Swedish membership of EMU, they are also aware that the country may not be able to remain outside on a permanent basis. The picture of the future differs from the assessment of the current situation. Many people believe that sooner or later Sweden will join EMU.

The EMU-issue has exposed a growing lack of trust between the population and the political elite. Opinion surveys also make clear that many people have little confidence in the party leaders on the EMU-issue. One study showed that only 39 per cent were capable of indicating a party leader with the best attitude to the EMU-issue. As much as 54 per cent had no view on this issue. Only 11 per cent of Social Democrat voters who are against the EMU stated that they trusted their own party leader, Göran Persson (www.temo.se).

As was the case in relation to the general attitude to Sweden's membership of the EU, the EMU-issue has also led to deep divisions in some of the parties. The Social Democrats, the Centre Party and the Christian Democrats are the most internally divided; the proportion of those in favour and those against is roughly the same. However, among the opponents, the Left Party and the Greens, internal party opinion is more homogeneous; the vast majority of the supporters of these parties are against. Similarly, a relatively large majority are in favour of EMU among the supporters of the Liberal and Conservative parties. The degree of internal division does not seem to have altered to any considerable extent in recent years (Lindahl 2000b).

The doubts and divisions within the country's largest party led to the Social Democrats calling a special party congress in March 2000. The outcome of the congress was a decision in favour of EMU and to say yes to a referendum. The view put forward by the congress was "that a properly functioning currency union would constitute a democratic counterbalance to the growing strength of the global market. Achieving such a balance would also provide scope for a small country to conduct an active economic policy. As Social Democrats, we want Sweden to become part of economic and monetary union in order to promote welfare and labour in the long term."

The Social Democratic party congress laid down two principal goals which must be achieved before a decision can be made on a date for Swedish membership. First: "There must be scope for a policy capable of counteracting recessions." Second: "Wage-rises in Sweden must be in step with the rest of the EU". In response to a proposal from Mikael Damberg, the chairman of the Social Democratic Youth League, which received the backing of Anna Lindh, the foreign secretary and representative of the party's national executive, the congress approved an addendum to the resolution which resulted in the following wording: "In order to ensure popular support for Swedish membership of the third phase of EMU, the issue will be subject to a referendum when the Swedish people will have the final say."

In her introductory address under the heading "An Open Country in a Global World", foreign minister Lindh said that we have to say yes to EMU for several reasons. The first argument was welfare: "we will gain the security of sharing a currency with 300 million other Europeans. This will make it possible for us to conduct an active fiscal policy and a policy that ensures social welfare even in times of crisis – without speculators being able to push up interest rates." A second key argument was employment: "EMU will provide lower interest rates and facilitate trade and investment." The foreign minister also emphasised European cooperation. "If we take part in a whole-hearted fashion, we will gain greater influence." "If we say yes, everyday life will not change very dramatically. But we will be more secure."

By 234 votes to 113, the congress rejected a proposal from the party's EMU-opponents to stand by the decision of the 1997 party congress on EMU to rule out Swedish membership of the currency union during the third stage. The outcome of the special party congress in 2000 was that the position of the Social Democratic Party on EMU changed in effect from "No now" to "Yes later". In October 2000, the national executive of the Social Democratic Youth League issued a recommendation to say yes to EMU to its congress to be held in 2001.

With reference to the uncertainty of the general public on EMU and the need for more information, the government decided to provide financial support for voluntary organisations with a role in forming opinion. Certain adult education associations and centres were allotted funds by the government to promote popular education on EMU. Ten different organisations received funding. The program was started in autumn 1999 and included seminars, debates, study circles and exhibitions. Books, fact sheets and audio-visual material on EMU are available to order.

In October 2000 the government appointed a commission of inquiry whose brief was to analyse macro-economic stabilisation policy in Sweden in the event of EMU membership. The commission is directed in particular to study the role of fiscal policy, to analyse the need for new instruments of economic policy and for other institutional changes which could serve to promote an effective stabilisation policy. In addition, the experience of other European member states in pursuing stabilisation policies within the monetary union will be assessed. The commission is also to examine the need for further buffers in public finances, in addition to those already stipulated in the budget targets and what can be done to increase flexibility on wage-costs in real terms. In this context the inquiry is to analyse the need to introduce special "buffer funds" and what consequences such an introduction might have. The chairman of the commission is Ambassador Bengt K. Å. Johansson and five economists make up the other

members. The final date for the presentation to the government of the report by the commission of inquiry has been set for December 31 2001.

The Swedish mass media followed the Danish referendum on EMU in September 2000 very closely. According to a commonly held preconception, the effect of the outcome on Swedish opinion would be asymmetrical. A Danish “No” would probably strengthen opposition to EMU in Sweden. On the other hand, Danish membership of EMU was scarcely likely to have any great effect on the state of Swedish opinion, since Sweden was already faced with a situation in which Finland, one of its close neighbours, was part of the Euro-zone. These speculations were confirmed to the extent that the Danish majority against EMU was followed by a change in opinion in Sweden in a negative direction. One opinion poll reported that the proportion of EMU-opponents in Sweden had risen to a significant extent in the weeks immediately following the Danish referendum. In mid-October 2000, 30 per cent of Swedes would vote yes in a referendum on EMU and 52 per cent would vote no; the remaining 18 per cent were in doubt and did not know how they would vote (*www.temo.se*). A different opinion poll reported similar findings from the final week in October: 31 per cent were in favour of EMU, 56 per cent against and 13 per cent held no view (*www.demoskop.se*).

5. OPINION FORMATION WITH STATE SUPPORT

The official commissions of inquiry serve an important role in the political decision-making process in Sweden. One of the reasons why this system of public inquiries has acquired such importance is the particular manner in which the highest organs of the state are organised in Sweden, involving a strict distinction between government ministries and the administrative agencies. In organisational terms, the administrative agencies are autonomous; they are not part of the government ministries. The ministries provide a staff organisation for the government with a relatively limited number of employees. Many of the tasks involved in preparing for political decisions have therefore to be allocated to special bodies. This is the purpose for which an institutionalised system of government-appointed commissions of inquiry exists. It is the government which establishes the terms of reference of the various commissions and appoints their members, although it is common practice for many of the commissions to invite representatives of other parties to become members. Frequently civil servants, experts and representatives of interest groups will also take part in the inquiries. The reports of the commissions are published in a special series (SOU, Statens offentliga utredningar) which are sent for consideration and comment to the agencies concerned, the municipalities, interest groups and academic institutions. The reports are frequently the subject of discussion in the media and often provide the evidentiary basis for government legislation and parliamentary debate.

It was during the heyday of the Swedish model in particular that the commissions of inquiry played a key role in the decision-making process. Many of the major reforms to the welfare state were planned in the deliberations of these commissions, which also served as an arena in which negotiation, compromise and consensus-building could take place. When the real decisions were being made within the commissions, parliament found itself marginalised. In recent years the public inquiries have, broadly speaking, diminished in importance. The Swedish form of corporatism that was based on the power of the interest organisations has grown weaker and parliament has regained some of its significance. Rapidly changing conditions in the surrounding world and the increased need for rapid decision-making have meant that the major commissions of inquiry with their protracted deliberations have become increasingly rare.

The system of public commissions of inquiry has not, however, lost all importance. They proved particularly useful when preparing for Swedish membership of the European Union and for implementing the changes this entailed. A description of the European debate in Sweden would be incomplete without mention of the range of commissions which have played a major role in setting the public agenda. A survey of the most important of these commissions of inquiry on the EU-issue reflects the philosophy, the viewpoints and the arguments of Swedish debate.

The Constitutional Commission Prior to the EC (1991-1993) was chaired by Olof Ruin, a professor of political science although the rest of its members were politicians representing all the parliamentary parties. Their instructions were to study which amendments to the constitution would be on the agenda in the event of Swedish membership of the EC. The members of the commission were assisted by legal experts and by specialists in political

science. The commission proposed a new constitutional article which would recognise the obligations entailed in Sweden's accession to the EU and stipulate that these were not subordinate to the other prescriptions in constitutional and ordinary legislation. The proposal to recognise the supremacy of the EU over Swedish law proved too hard to swallow, however, and parliament decided after intense debate to limit constitutional amendments to a minimum. A vital question on a matter of major public interest concerning the relation of EC-law to Swedish law has consequently remained unanswered.

The Commission on Public Administration and the EC (1992-1993) was asked to analyse how the administrative authorities would be affected by EC-membership. The chairman of the inquiry, a senior civil servant in the Cabinet Office concluded that Swedish membership would result in increased demands on resources and coordination but could find no reason to question the fundamental premises of the Swedish system of administration.

The Commissions of Inquiry into the Consequences of EU-Membership (1993-1994) were made up of a whole series of reports with various appendices and expert opinions. The government appointed various groups of academics and experts to investigate what changes would occur to Swedish society if Sweden became a member of the EC/EU. The subjects investigated by the inquiries included public finance, welfare, women, sovereignty and local self-government. The reports attracted a great deal of attention and summaries in popularised form gained wide distribution. The analyses of the current state of affairs and the predictions for the future contained in the reports were to shape to a considerable extent the debate which led up to the referendum in the autumn of 1994.

The Commission of Inquiry into the Law on Accession to the EC (1993-1994) put forward proposals for the legislation on accession which parliament subsequently passed and which was to provide formal confirmation of Sweden's membership of the EU. During the deliberations of the commission, the chairman, a senior civil servant who had previously been a government minister, held consultations with the political parties represented in parliament.

The EU 96 Commission (1994-1996) was set up by the government to stimulate debate in Sweden during the intergovernmental conference which lead up to the Treaty of Amsterdam. The inquiry published a series of reports on various aspects of the treaty amendments then under discussion. The subjects dealt with by the reports included transparency, human rights, gender equality, flexible integration, defence and enlargement. The inquiry also took it upon itself to stimulate debate by holding conferences and seminars and by publishing leaflets.

The Calmfors Commission (1995-1996) was made up of a group of social scientists and was named after its chairman, Lars Calmfors, an economist at the University of Stockholm. The commission was instructed to analyse the consequences of Swedish participation in the third stage of EMU, economic and monetary union. A number of experts, Swedish and foreign, wrote special reports which were published as appendices to the main report of the inquiry. The conclusion arrived at by the inquiry in relation to both the economic and political arguments was that the factors that told against Swedish participation weighed more heavily than those that spoke in favour. The risk that macro-economic shocks would lead to major

perturbations in production and employment, which could no longer be counteracted by an independent monetary and exchange rate policy formed the most powerful argument against Swedish membership of the currency union. The arguments put forward by the inquiry had a major impact on the debate and set the stage for parliament's decision to remain outside EMU for the time being.

The Commission of Inquiry into the Enlargement of the EU (1997). This commission, which was also made up of experts, issued seven reports examining the consequences of EU-enlargement from various perspectives. The aim was to contribute to the public debate by providing assessments of the consequences in respect of agricultural policy, security policy, economics, regional and structural policy, the environment, the mobility of labour and domestic and legal cooperation.

The Democracy Commission (1997-2000) was not primarily concerned with examining the EU, the commission was to devote what was in relative terms a considerable amount of attention to the EU in its discussion on the general situation of democracy. This commission, which was composed of members of parliament, published a vast number of essays and research reports. Some of these dealt in particular with democratic aspects of the European Union. The final report of the inquiry also contained an extensive discussion on the EU, in which the political parties were provided with an opportunity to develop their various perspectives on the EU's democracy problem. The inquiry also proposed that the government set up a new commission of inquiry with the task of developing Sweden's position in relation to strengthening democracy in the future policy and organisation of the EU.

Among the commissions of inquiry currently deliberating on matters connected with the EU, particular mention should be made of the inquiry referred to above on the macro-economic consequences for Swedish stabilisation policy in the event of participation in EMU, which is to deliver its final report during 2001.

Taken as a whole, these public inquiries have had enormous significance for opinion formation on European issues. Private and independent think tanks play a relatively marginal role; it is the government-appointed commissions of inquiry which dominate the formation of opinion. The risks are obvious; pluralism may suffer as a result and the government is in a position to exploit its power to determine the direction and composition of the commissions. However, it would be difficult to maintain that the commissions of inquiry on the EU-issue have served as propaganda instruments for the government. On the contrary, the majority of these commissions have either been made up of experts or consisted of representatives drawn from all the political parties.

The great advantage of the system of public inquiries is that it has continued to contribute comprehensive and easily accessible material to the Swedish debate; material which contains a vast quantity of facts and an extensive account of arguments and counter-arguments. Those Swedes who have chosen to inform themselves on the various aspects of European integration have had available to them a mine of information, frequently of high quality. Through the system under which the reports of these inquiries are circulated to the bodies concerned for

consideration, the commissions have also succeeded in forcing various administrative agencies and organisations to adopt a position in relation to the various problems brought to the fore by European integration and Swedish membership. The government has made no secret of the fact that an important aim of these commissions of inquiry is to stimulate public debate.

In consequence, the picture presented by the European debate in Sweden is full of contradictions. The debate among the political parties and in the mass media is often conducted using stereotyped arguments for and against the EU and with images drawn from an unending series of limp repeats of the stand-points of the referendum. This makes the contrast with the depth of knowledge and the wealth of nuance frequently to be found in the reports of the commissions of inquiry all the more striking.

6. DEMOCRACY AND INSTITUTIONAL REFORM

With the expansion of the European Union in terms of the number of its members, the scope of its operations and the powers it wields, the arguments for constitutional reform grow ever stronger. This is not to claim that there is an overall consensus on the need for a revision of the treaties. The political parties opposed to the EU would prefer to see Sweden secede from the Union rather than contribute to the improvement of its institutional structure. Those, like the Swedish government, who view the Union primarily as a forum for intergovernmental cooperation are also less inclined to work for constitutional reform.

However, powerful voices are now arguing for a comprehensive constitutional reform aimed at creating a clearer and more accountable system. One could argue that the current treaties and existing community law already form a *de facto* constitution. The first task would then be to rewrite these rules into a single constitutional document. The consolidated versions of treaties drawn up in preparation for the Treaty of Amsterdam could be seen as a first step. A research team at the European University Institute in Florence has put forward a different solution. Another report, presented in October 1999 by Jean-Luc Dehaene, Richard von Weizsäcker and David Simon, highlighted the option of distinguishing between a Basic Treaty and more specific texts that would cover particular issues and related areas. On the basis of an idea put forward by Olivier Duhamel, the European Parliament recently proposed a procedure to convert the treaties into a constitution; this scheme would include a Constitutional Convention.

One option would be to create an integral constitution without altering the material content of the treaties. However, this alternative seems much less likely now in the light of the events of the past year. Joschka Fischer's speech in May triggered the discussion of a wide-ranging reform of the Union's decision-making structures. One of the key points of his speech was that European federalism need not mean the death of the nation-state. Powerful and democratically accountable institutions at the supranational level could very well be combined with viable democratic structures at the level of the nation-state, as well as at regional and local levels. Modern democracy has to be based on multilevel governance.

Thus far there have been relatively few Swedish contributions to this vital debate on the future of European institutions. Discussion in Sweden on the subject of a European constitution has been far from animated. There have, however, been several attempts to stimulate debate, including – by way of example - the SNS Economic Policy Group, a research group of which the author was a member. Under the chairmanship of the economist Assar Lindbeck, the group proposed a number of institutional reforms aimed at improving the division of responsibilities, scrutiny, transparency and accountability (Lindbeck et al. 2000). The group put forward the following proposals for reform in relation to the European Union:

Creating a Constitution for the EU. A constitution should be drawn up to include a concisely-worded basic treaty stipulating the rights of citizens and the institutional framework of the EU. The aim is to create a more regular hierarchy of laws to replace the diverse collection of

treaties, directives, regulations and other legal documents that are so hard to grasp and which make it so difficult for the citizen to understand how the EU operates.

Providing the EU with a Dual Structure of Authority. A number of policy areas, which would be obligatory for all EU-members, should be made to serve as a common foundation with a considerable element of supranational decision-making. Intergovernmental cooperation on a voluntary basis should also be permitted between groups of EU countries in other areas of policy, in the form of “open partnerships”. The aim of this reform is to satisfy demands for stable cooperation in the EU’s core area of policy while permitting experimentation and initiatives in other areas. (Torsten Persson, one of the authors of these proposals, also contributed to the report by the CEPR on flexible integration; Dewatripoint 1995.)

Strengthening the European Parliament. Parliament should be given increased powers in order to narrow the gap between decision-makers and the public. Parliament’s decision-making powers along with those of the Council of Ministers should be extended to cover wider areas within the EU’s basic treaty. An electoral system common to all the EU-countries should be created with proportionality at the EU level to promote the development of pan-European parties. Here, the aim is to create legislative institutions within a bicameral system, with the Council of Ministers serving as the Senate and what is now the European Parliament forming the House of Representatives.

Transforming the EU Commission into a Government. A sharper boundary should be drawn between the government and the administration. The role of the Commission should be redefined as an executive authority that is politically accountable. Either Parliament should have the power to replace individual members of the Commission (the parliamentary model), or the citizens of Europe should directly elect the chairperson of the Commission (the presidential model). The aim of this reform is to reduce the “democratic deficit” by creating effective mechanisms for holding policy-makers accountable.

Weakening National Representation on the Board of the European Central Bank (ECB). The number of heads of central banks on the ECB Governing Council should be reduced by a system of rotating mandates. The European Parliament’s power over appointments to the Executive Board should be increased.

Increasing Transparency in the EU’s Decision-Making Process. The principle of public access to official documents, including the freedom for a civil servant to act as an informant, should apply throughout the EU. Council meetings behind closed doors should be replaced by open meetings of the senate.

Improving the Scrutiny of EU Administrative Bodies. Internal monitoring on the part of executive authorities needs to be improved. The European Parliament must be given greater responsibility for the political scrutiny of the EU’s operations which will entail increased resources for monitoring and investigation. While the Court of Auditors has an important role

to play as an independent body carrying out scrutiny on behalf of European citizens, the mechanisms for imposing sanctions need to be strengthened.

These proposals put forward by a group of researchers may be compared with another contribution to the debate, which was published a few weeks later. The Democracy Commission, one of a series of public commissions of inquiry, published a report on the state of democracy in Sweden (SOU 2000:1). Representatives of the political parties were unable to reach agreement in the section dealing with the European Union. The majority, in which the Social Democrats were the dominant force, sees the EU as “a form of cooperation between states which choose to solve problems of common interest by working together”. In the view of the majority, the fundamental problem is that “power within the EU is exercised at a level that is not identical with the level at which accountability exists”, which is considered to be in conflict with the ideals of democracy. The task is to solve the problem “by a supranational decision-making process within common institutions made up of sovereign states”. “The efforts to entrench democracy within the EU may well become a challenge of the greatest importance not only for popular government but also for our chances for peace, freedom and prosperity during the twenty-first century.” The majority on the Democracy Commission also put forward a number of guidelines for Swedish policy in relation to the reform of the EU:

Reform of the Treaties. In the view of the Commission, there is good cause to make fresh attempts at simplifying the wording of the Treaties.

Reform of the Regulatory System. “A systematic survey of the regulatory system that has developed within the EU with the aim of establishing what measures can be delegated to the decision-making authority of the nation-states” would also be a good idea. On this point, the Commission draws attention to the fact that a revision of this kind has already been proposed by Great Britain.

Public Access in the EU. The Democracy Commission considers that the provisions of Swedish legislation establish the minimum standard for transparency within the EU. “As a matter of principle, confidentiality should not apply to relations between the member states of the EU. Nor should confidentiality apply between the institutions of the EU and a member state concerning the internal affairs of the EU.”

Democratising Partnerships. The Democracy Commission also discusses partnerships between national, regional and local government bodies and representatives of individual business interests, companies and interest organisations. These bodies “rarely satisfy the requirements of democracy in terms of decision-making, scrutiny, participation, influence and accountability” and the Democracy Commission advocates reforms to strengthen democratic procedures.

Clearer Definition of Delegation. According to “the Swedish view of the meaning of EU-membership”, certain powers in the EU have been delegated by Sweden’s parliament. “This

establishes the requirement that the delegation involved is limited in scope, that effective methods of control exist in those situations in which the delegated exercise of authority occurs and that the delegation may be revoked.”

Increasing the Presence of Political Parties. In the view of the Democracy Commission, Sweden’s political parties have not been particularly successful at creating enlightened opinion among members of the public. The status of the opposition parties has been weakened as a result of Swedish membership of the EU.

Strengthening European Identity. “European integration does not only apply to member states, but also to citizens. The various organisations of civil society together with the media have a major role to play in working to develop a European identity, a European *demos*.”

There was, however, no prevailing consensus on these views on democracy within the EU. Representatives of the Left Party and the Greens considered that the report presented “an erroneous picture” of the EU “in which much was glossed over”. Instead of “pretending that EU-cooperation is strictly intergovernmental”, the Commission should have highlighted “the ambition to establish a superstate” and repudiated it.

From the opposite side of the argument, the representative of the Liberals expressed reservations concerning the wording on the EU. “It is *in Sweden* that a problem of democratic legitimacy exists in relation to the EU, since the lack of a more comprehensive EU-debate is so striking. We have not yet moved on from the Yes- or No-attitudes of the referendum.” Enlargement of the EU will necessitate reforms of the institutions according to the views of the Liberal member, whose proposals included increasing the powers of the European parliament.

The democratic aspects have always played a prominent role in the debate on Europe in Sweden (Jacobsson 1997). Despite the polarisation on the issue of whether Sweden should have become a member of the EU, there is a broad degree of consensus on certain fundamental issues. Transparency, equality and popular support are the values cherished by all political camps. The debate has highlighted the conflict between the egalitarian foundations of Swedish political culture and the more elitist and hierarchical traditions which characterise a good number of other European countries. One of the undercurrents in Swedish debate is an anxiety that Sweden will have to renounce the fundamental requirements of democracy, in which case membership in the EU would result in a loss of democracy. The criticism of the shortcomings of the EU-project in terms of popular legitimacy, which became increasingly forceful in relation to the ratification of the Treaty of Maastricht, has had an especially powerful impact on Sweden.

There is no doubt that there are still major tasks ahead in relation to reforming the institutions and workings of the EU so as to achieve greater transparency and popular support. What Sweden has to offer this process remains ambiguous however. When Sweden became a member of the EU, the key concept was “adaptation”. Sweden was obliged to satisfy the

conditions of *l'acquis communautaire*, and change its system of rules and regulations in a range of different areas. There is nevertheless a tacit presumption within the Swedish debate that, in the area of democratic reform, circumstances should be the other way round. It is no longer Sweden that has to adapt to the EU, but the EU which has to adapt to Sweden.

7. THE HISTORICAL ROOTS OF SWEDISH SILENCE

Attempts to initiate a debate on the constitution of Europe have met with little success in Sweden. Even though the situation may not be radically different in other member states, there are some specific reasons why public opinion and political decision-makers in Sweden hesitate to discuss constitutional issues. To understand this silence one has to step back into Swedish history.

A comparison of Swedish history with developments in our European neighbours exposes certain distinctive Swedish characteristics. Several important factors which have determined the fate of European countries are missing or barely present in the Swedish case. Sweden never had a powerful feudal structure and the periods of absolute monarchy were brief. Nor did federalism ever develop; the regions of Sweden are still relatively weak. Cities were small and insignificant until relatively recent times; urban and liberal influences were consequently less important and appeared late. Sweden has not been through revolutions or civil war. For almost two centuries, the country has been spared the horrors of war and no foreign occupation has left scars on the national psyche.

It is historical non-events which help to explain why Sweden did not develop counter-reactions such as national pride, a sense of historical destiny, and strong institutions to defend individual rights. The state has largely been seen as benevolent. These circumstances made a particularly clear impression on me in the course of the discussions held by a group of European scholars, of which I was a member. To quote from the conclusions of the SNS Democratic Audit of Sweden (Pettersson et al. 1999) :

“In European terms, Sweden appears to be a constitutionally underdeveloped country. Sweden constituted a form of *Gesetzesstaat* but because its monarchy was less repressive was never forced to develop a more extensive *Rechtsstaat*. Among the challenges Sweden currently faces is the need to respond to the Continental system for the legal protection of rights. Constitutional government means that the rights of citizens are safeguarded by independent institutions.”

“Sweden is out of step with constitutional developments in Europe. There are historical reasons for the fact that the country is lagging behind. Mass democracy was introduced in Sweden without revolutions or other cata-strophic breaks with the past. Popular government was introduced within the framework of old institutions. Only now, and partly under the pressure of European integration, is Sweden being forced to take a stand in relation to the problems of principle of constitutional democracy.”

What was once praised as the Swedish model of political decision-making was a system of corporatist government based on the participation of interest groups, bargaining, pragmatism, and consensus. Although the Swedish model has been weakened, some of these features continue to colour Swedish political life . However, such praise would currently be more muted than during the heyday of the model a few decades ago. Corporatism turned out to be

too rigid a model of decision-making, best suited for periods of economic growth and public sector expansion. The pragmatic approach (“everything is negotiable”) can be seen as the opposite of accountable and constitutional government. The avoidance of conflict is the flip-side of consensus-building.

My fear is that the Swedish government is now trying to apply the old Swedish model to the new European Union. Sweden’s prime minister is happy as long as he is guaranteed direct and informal access to his colleagues among the other heads of government of the member-states. The question is whether the citizens will be satisfied with delegating power along the chain of inter-governmental decision-making. In my view, the quest for transparency and accountable government will force us, sooner or later, to develop a constitution for Europe. With her traditions of local government, public participation, equal rights, gender equality and freedom of information, Sweden is in a position to make an important contribution to the European debate. And yet until now Europe’s constitutional commentators have had to listen to the silent Swede.

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