NEW KIDS ON THE EUROPEAN BLOCK:
FINNISH AND SWEDISH ADAPTATION TO THE EUROPEAN UNION?

Jennifer Leigh Novack

Thesis submitted for the degree of PhD in International Relations

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ABSTRACT

New Kids on the European Block:
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This thesis examines Finnish and Swedish membership in the European Union since the two Nordic countries joined (along with Austria) in January 1995 to become "new kids on the European block." The author compares the strategies that national decision-makers have pursued in EU policy-making to assess the nature and extent of their adaptation to the European Union. This analysis relies on case studies of three policy areas: 1) Economic and Monetary Union (with a focus on the decision on whether or not to adopt the Euro in the first wave); 2) relations with non-EU neighbours in Northern Europe (with particular attention given to EU enlargement and the Northern Dimension Initiative); and 3) public access to documents. Although the thesis concentrates primarily on empirical analysis, it also provides a theoretical critique. The author argues that differences in the historical backgrounds, institutions, cultures, and identities of Finland and Sweden have led to differences in their approaches to the EU. The thesis presents a challenge to existing theoretical frameworks that leave little or no room for the four factors that are emphasised here, with particular attention given to the approaches of Andrew Moravcsik (1998) and Christine Ingebritsen (1998).

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my time in Sweden was my participation in the Swedish Network for European Research in Political Science, which included me in their meetings even when I was once again based in the UK. Through the network I was able to meet researchers (located throughout the country) who shared their own research with me and gave their comments on mine. At meetings in Gothenburg, Stockholm, Umeå, and Uppsala, I presented drafts of my research on which I received particularly useful comments, as the participants gave thorough attention to my writing and to providing me with constructive criticism.

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Abbreviations

AC	Arctic Council
AVF	(Swedish) Conservative Party (*Allmänna Valmansförfundet*)
BEAC	Barents Euro-Arctic Council
BEAR	Barents Euro-Arctic Region
BF	(Swedish) Farmers' Federation (*Bondeförbundet*)
C	(Swedish) Centre Party (*Centerpartiet*)
CAP	Common Agricultural Policy
CBSS	Council of the Baltic Sea States
CEECs	Central and Eastern European Countries
CFSP	Common Foreign and Security Policy
COARM	(Council of Ministers') Working Group on Conventional Arms Export
COREPER	Committee of Permanent Representatives
CP	Comparative Politics
CPP	Comparative Public Policy
DG	Directorate-General
EBRD	European Bank for Reconstruction and Development
EC	European Community
ECB	European Central Bank
ECJ	European Court of Justice
ECOFIN	Council of Financial and Economic Ministers
ECSC	European Coal and Steel Community
EEA	European Economic Area
EEC	European Economic Community
EFTA	European Free Trade Area
EMI	European Monetary Institute
EMU	Economic and Monetary Union
EP	European Parliament
ERM	Exchange Rate Mechanism
EU	European Union

FCMA	Treaty of Friendship, Cooperation and Mutual Assistance (*Sopimus ystävyydestä, yhteistoiminnasta ja keskinäisestä avunannosta Suomen tasavallan ja Sosialistisen Neuvostotasavaltain Liiton välillä*)
FF	(Swedish) Independent Liberal Party (*Frisinnade Folkpartiet*)
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
HI	Historical Institutionalism
HICI	History, Institutions, Culture, and Identity
IFI	International Financial Institution
IGC	Intergovernmental Conference
IKL	(Finnish) Patriotic People's Party (*Isänmaallinen Kansanliike*)
INTERREG	Inter Regional
IPE	International Political Economy
IR	International Relations
ISPA	Instrument for Structural Policies for Pre-Accession
KD	(Swedish) Christian Democratic Party (*Kristdemokraterna*)
KE	(Finnish) National Progressive Party (*Kansallinen Edistyspuolue*)
KESK	The Centre Party of Finland (*Suomen Keskusta*, or *Keskustapuolue* 1962-1987)
KOK	(Finnish) National Coalition Party (Conservative Party) (*Kansallinen Kokoomus*)
LRF	Federation of Swedish Farmers (*Lantbrukarnas Riksförbund*)
LKP	(Finnish) Liberal People's Party (*Liberaalinen Kansanpuolue*)
LO	(Swedish) Confederation of Trade Unions (*Landsorganisationen*)
LSP	(Swedish) Liberal Party (*Liberala Samlingspartiet*)
M	The (Swedish) Moderate Party (Conservative Party) (*Moderata Samlingspartiet*)
MEP	Member of the European Parliament
MFA	Ministry for Foreign Affairs
ML	(Finnish) Agrarian Party (*Maalaisliitto*)
MTK	The (Finnish) Central Union of Agricultural Producers and Forest Owners (*Maa-ja Metsätaloustuottajain Keskusliitto*)

NATO	North Atlantic Treaty Organization
NC	Nordic Council
NCM	Nordic Council of Ministers
ND	Northern Dimension
NDI	Northern Dimension Initiative
NEFCO	Nordic Environment Finance Cooperation
NEI	(United States') Northern European Initiative
NIB	Nordic Investment Bank
NOPF	Nordic Project Fund
NUORS	Young Finns Party (*Nuorsuomalaiset*)
OECD	Organisation for Economic Cooperation and Development
OSCE	Organisation for Security and Cooperation in Europe
PHARE	Poland, Hungary: Assistance for Economic Restructuring (*Pologne, Hongrie: Assistance à la Reconstruction Économique*)
PR	Permanent Representation
PS	(Finnish) Ordinary Finns (Party) (*Perussuomalaiset*)
SACO	The Swedish Confederation of Professional Associations (*Sveriges Akademikers Centralorganisation*)
SAF	Swedish Employer's Association (*Svenska Arbetsgivareförening*)
SAK	Finnish Federation of Trade Unions (*Suomen Ammattiliittojen Keskusjärjestö*)
SAP	(Swedish) Social Democratic Party (*Socialdemokratiska Arbetarepartiet*)
SAPARD	Special Accession Programme for Agriculture and Rural Development
SD or SDP	Finnish Social Democratic Party (*Suomen Sosiaalidemokraattinen Puolue*)
SFP	(Finnish) Swedish People's Party (*Svenska Folkpartiet*)
SKDL	Finnish People's Democratic League (*Suomen Kansan Demokraattinen Liitto*)
SKL	Finnish Christian League (*Suomen Kristillinen Liitto*)
SKP	Finnish Communist Party (*Suomen Kommunistinen Puolue*) or Swedish Communist Party (*Sveriges Kommunistiska Parti*)
SKYP	Finnish People's Unity Party (*Suomen Kansan Yhtenäisyyspuolue*)

SMP	Finnish Rural Party (*Suomen Maaseudun Puolue*)
SUOMAL	Finnish Party (*Suomalainen Puolue*)
TACIS	Technical Assistance for the Commonwealth of Independent States
TCO	The Swedish Confederation of Professional Employees (*Tjänstemännens Centralorganisation*)
TEU	Treaty on European Union (Maastricht Treaty)
UK	United Kingdom
UN	United Nations
US or USA	United States of America
USSR	Union of Soviet Socialist Republics
V	(Swedish) Left Party (*Vänsterpartiet*)
VAS	(Finnish) Left Wing Alliance (*Vasemmistoliitto*)
VIHR	(Finnish) Green League (*Vihreäliitto*)
WEU	Western European Union
WTO	World Trade Organization

SECTION I: THE BACKDROP

Chapter One: Introduction[1]

On the first day of January 1995 something happened that had never taken place before. On that day (or actually on the following day since the first was a holiday) Finns and Swedes (as well as Austrians) began to assume their positions in the institutions of the European Union (EU) as full members.[2] There were, for instance, Finns and Swedes who, for the first time, had the opportunity to have a voice in the Council of Ministers, the European Parliament (EP), and the European Court of Justice (ECJ). Finns and Swedes filled the bureaucracy of the European Commission, and Erkki Liikanen and Anita Gradin assumed their positions as the first Commissioners from Finland and Sweden respectively. In addition, Finnish and Swedish leaders had the opportunity to represent their countries at upcoming European Council summits.

Finland and Sweden were, as the title of this thesis indicates, "new kids on the European block." This meant not only that Finns and Swedes needed to learn how to navigate their way through the physical mazes of the buildings of the EU institutions. They also needed, at least to some extent, to adapt to the EU's decision-making processes by making changes to their pre-existing methods. The negotiators in the Permanent Representations (PRs), the national ministers who then joined the Council of Ministers, and other national representatives working in "Brussels" (as the EU collectively is often termed) required instructions from their national capitals about how to behave.

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[1] The author has presented or published pieces that rely in part on previous drafts of this PhD thesis. These include Novack (1998, 1999a, 1999b, 1999c, 2000a, 2000b, 2001), which are included in the bibliography. Furthermore, although the author's 1996 long essay for the MSc in European Studies provided background information on public access to documents in Sweden and the EU upon which this thesis could build, that essay does not constitute a part of this thesis. Rather, this thesis relies on original research.

[2] Although the concern here is with the EU, mention is made at times of its predecessors, the the European Community (EC) and the European Economic Community (EEC). For further information on the EU's development, see, for instance, Holland (1994), Stirk (1996), and Taylor (1996).

In Helsinki and Stockholm, policy-makers had to plan their strategies and formulate their national EU policies. All government ministries were affected, and significant national adaptations were required in order to ensure that Finns and Swedes were able to deal with their new responsibilities as EU members. There was EU legislation that Finland and Sweden had to transcribe and implement, at the same time that they obtained the opportunity to influence the development of new legislation. Although membership in the European Economic Area (EEA) had already required considerable national adaptation, full EU membership provided new responsibilities as well as, for the first time, a full voice in the EU's institutions.

During the time period on which this research focuses (from 1 January 1995 to 31 December 2000), Finland and Sweden were members (along with Austria) of the most recent cohort to join the European Union. This was a step that required not only the physical movement of many Finns and Swedes to Brussels but also adaptation in the Finnish and Swedish national institutions. In a sense, the two Nordic neighbours, with a history of neutrality, were not only new kids on the European block but also new kids on the European bloc, giving the title of this thesis a double meaning. Although formal security guarantees were not given to the new members (or, indeed, to any EU members) and the EU "bloc" was different in its nature from the blocs of the Cold War era, there were strong political bonds formed between the new members and their EU colleagues. In fact, the EU between 1995 and 2000 was increasing cooperation among its members in ways that suggested that it was becoming a bloc of increasingly allied countries, perhaps even in the sense of being a security club, providing at least "Soft" non-military if not "Hard" military-based security.[3] Although the EU was not a military grouping in the same way as the North Atlantic Treaty Organization (NATO) or even the Western European Union (WEU), actions such as the establishment of a Common Foreign and Security Policy (CFSP) suggested that it had at least taken a step along that path.

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[3] For more on "Hard" and "Soft" security, see Archer (2001). He also discusses the terms "hard" and "soft" security, which relate to the ease of achievement, and, indeed, the type of security provided by the EU might be termed "soft" as well as "Soft."

Constructing a Thesis

This PhD thesis centres on an analysis of Finnish and Swedish adaptation to the EU through a detailed analysis of the national formulation of EU policies in three different policy areas. Although the focus is on empirical case studies regarding policy formulation, the thesis also provides a theoretical critique of existing approaches to the study of national EU policy formulation.

The thesis is organised into three sections. The first section, entitled "The Backdrop," of which this chapter forms a part, consists of three chapters and sets the stage for the later two sections. This first chapter introduces the topic. After this discussion of the contents and structure of the thesis, it continues with a discussion of the use of the state as the primary unit of analysis, the selection of the particular countries and policy areas, and other methodological issues. The second chapter consists of a theoretical critique of existing theoretical literature as well as the presentation of a new approach to explaining the formulation of national EU policies. The third and final chapter of Section I provides an introduction to the two countries that are the focus of this study: Finland and Sweden.

With the backdrop having been provided in the first section, the second (given the name "The Empirical Evidence") consists of the empirical case studies that lie at the heart of the thesis. These studies focus on three very different policy areas, with one chapter devoted to each policy area. The areas are, in the order of presentation: Economic and Monetary Union (EMU), relations with non-EU Northern European neighbours, and public access to documents. Chapters four, five, and six consist of an analysis of Finnish and Swedish policy formulation in the three policy areas. These examinations are intended to provide the evidence necessary for conclusions to be made about the extent and nature of Finnish and Swedish adaptation to the EU from a comparative perspective. As is discussed later in the current chapter, each policy area has been selected to provide a different perspective on Finnish and Swedish adaptation to the European Union.

Together they give a good overview of how Finnish and Swedish EU policies developed between 1995 and 2000.

The final section, given the name "What It All Means," consists of one concluding chapter. Here, the empirical data presented in the three preceding chapters is reconsidered as a coherent whole, along with the theoretical material from the second chapter and the background information about Finland and Sweden presented in the third chapter. The empirical and theoretical consequences are elaborated, and an evaluation is made of the nature and extent of Finnish and Swedish adaptation to the EU.

The Continuing Relevance of the State?

In fact, this focus throughout the thesis on two states as the primary actors may be one of the most striking aspects of the approach used here. The decision to concentrate on states as actors may appear strange at a time when, as Alan S. Milward (2000: 1) points out, "[i]t is now commonly argued" that the nation-state "has had its day," especially in Western Europe. Even Milward (2000: 1) (himself an advocate of the continuing importance of the nation-state) asserts, discussion about European unification "has been accompanied by real changes in political structures, whose proclaimed purpose has been to bring that unity nearer." Indeed, he explains, "Changes have occurred since 1945 which give citizens of European countries real cause to ask whether national government, which has so long shaped the basic organizational framework within which they live, will continue to do so" (Milward 2000: 1).

In the final years of the twentieth century, competence was continuing to be transferred from the governments and parliaments of the member states to the EU, and even interest groups were increasingly working at the EU level and transnationally. In the final years of the twentieth century, power was increasingly moving from the national capitals to Brussels at the same time that subnational and transnational regions were assuming an increasing role in the European and international arenas. Even in the EU itself, there was an acknowledgement of the

role of regions through the structural funds, which were based on regions, as well as, of course, the Committee of the Regions. Scholars such as Liesbet Hooghe and Gary Marks (1997: 38) were arguing for a "multilevel governance" model rather than a "state-centric" one for studying the European Union. In fact, theories, such as those from Comparative Politics (CP) and Comparative Public Policy (CPP), that were once applied to states were, in the latter part of the twentieth century, being applied to the EU, which was viewed as increasingly state-like (Hix 1998: 70).

One may rightly argue that the EU was becoming increasingly state-like between 1995 and 2000, the time period on which this study concentrates, and that subnational and transnational actors were becoming increasingly important. There were, however, still a vital position and role for the individual EU member states. In fact, Milward (2000: 3) argues that "without the process of integration the west European nation-state might well not have retained the allegiance and support of its citizens in the way that it has." Indeed, the fifteen member states of the EU were all members in their own right. For instance, tiny Luxembourg was a full member with its own Commissioner, whereas Catalonia and Scotland, both considerably larger in both land area and population, were only members through Spain and the United Kingdom (UK) and did not have their own Commissioners. Although voting in the Council of Ministers was weighted based on population, the ministers were representatives from the national level and voted on behalf of their states as a whole. The Presidency of the Council was held by each member state in turn for six months. Here again, Luxembourg received privileges and responsibilities not afforded to Catalonia and Scotland. Furthermore, the European Council was comprised of representatives of the member states at the national level.

There was an acknowledgement by many scholars, including those studying the EU, of the continued importance of the state as an actor. Swedish researcher Bengt Jacobsson (1999: 120-123) argues that internationalisation and Europeanisation have paradoxically strengthened national actors. He asserts that this process takes place through exchanges with other actors in the European and international arenas; individual states attempt to create a unified position that they

can present to the outside world, including the European Union. Swedes Magnus Ekengren and Bengt Sundelius (1998: 142) also note this effect of EU membership on its member states. They argue, for instance, that since Sweden became an EU member "Swedish officials in CFSP have had to make their positions more concrete" and "have had to formulate positions in international controversies, where Sweden traditionally did not articulate an official view" (Ekengren and Sundelius 1998: 142). Finnish political scientists Tapio Raunio and Matti Wiberg (2001: 73) assert, "The central role of civil servants at all stages of EU decision-making creates pressures for policy coordination, at least on key national questions." In a publication from the Finnish Ministry for Foreign Affairs, Niilo Jääskinen (1997: 50) explains, "[F]or the protection of national interests of the member state, it is vital that its conduct in the EU decision-making process is both co-ordinated and efficient. On all levels and all stages of decision-making it must have a consistent and uniform negotiating position. It is very damaging to the influence of a member state not to have a clear position at the time when the substantive content of the act is decided, a time which for several issues may be quite early in the preparatory process. Similarly damaging is to have its different representatives present different positions on the same matter."

Along a similar line, Swedish political scientist Karl Magnus Johansson (1999b: 15) argues that EU membership has made it more difficult to identify individual actors within the member states. In other words, attributing a policy decision to a particular individual or group has been more difficult, and it may not be practical to focus on a level lower than the state. Writing about states in general, Alexander Wendt (1999: 221) points out that, although "concrete individuals play an essential role in state action, instantiating and carrying it forward," "state action is no more reducible to those individuals than their action is reducible to the neurons in the brain." According to EU-researcher Andrew Moravcsik (1998: 22), "[T]he primary political instrument by which individuals and groups in civil society seek to influence international negotiations is the nation-state, which acts externally as a unitary and rational actor on behalf of its constituents." There is thus a considerable group of scholars who recognise the continuing relevance of the state, including in (and in some cases especially in) the context of the European Union during the 1990s.

The focus on the state as the main unit of analysis does not, however, ignore the existence of actors on other levels. For instance, Moravcsik (1998: 22) (who uses the state as his main unit of analysis) points out that he does "not assume states are unitary in their internal politics." Certain individuals, such as Prime Ministers or cabinet members, or groups, such as political parties or trade unions, may have a role in shaping national positions. Their influence, however, may not always be possible to identify and may vary between policy areas. In no policy area is the national position of an EU member state solely the decision of any one individual or even any one political party. Furthermore, even when states seem to lose their influence or even their sovereignty by transferring competence from the national to the EU level, the issue is not always straightforward. For instance, Moravcsik (1998), like Milward (2000), sees states as willing participants in the integration process, sacrificing their national sovereignty when it is regarded as in their interest to do so. Choosing to pool sovereignty can thus be seen as increasing it, rather than as a zero-sum game.[4]

Theory and Research Design

The concern here is with the extent and nature of Finnish and Swedish adaptation to the European Union. Although the term "adaptation" is discussed and defined in more detail in the next chapter, it is worth making a brief comment on it here. While the existing body of literature on adaptation theory is addressed, the term's definition for the purpose of this thesis is more basic than that used by scholars such as James Rosenau (1981) and Nikolaj Petersen (1998), whose work is considered in the following chapter. Adaptation is taken here to mean a change made by national policy-makers as a result of their membership in the European Union, often moving national policies and policy-making closer to that found in the EU itself and/or in the majority of the other EU member states. As is discussed in chapter two, however, adaptation is not a one-sided process; rather, the EU adapts to new member states at the same time that new member states adapt to the

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[4] It should, however, be noted that the definition of the term "sovereignty" is itself controversial, particularly in relation to EU member states.

EU, and the two processes are mutually reinforcing. Despite this acknowledgement, the focus here is on the adaptation of the new member states rather than of the EU itself. There is, nevertheless, mention of the EU's responses and adaptation at times, such as the inclusion of a publicity principle guaranteeing access to information in the Treaty of Amsterdam.

Furthermore, this study is about more than simply adaptation. Rather, there is also an attempt to understand why similar states adapt to similar situations in different ways at the same time. Thus, in addition to examining adaptation theory, the following chapter also includes an analysis of existing studies that concentrate on the role of history, institutions, culture, and identity (HICI), which are considered to be central explanatory factors here. Competing theoretical approaches are critiqued, and a particular challenge is mounted against Moravcsik's (1998: 6) argument for the "primacy of economic interests" as explanatory factors as well as Christine Ingebritsen's (1998) argument for a sectoral approach. Instead, a strong argument is presented for the need to consider factors, particularly HICI, which are frequently relegated to the background or ignored.

For this study, an important element is the comparative approach. Rather than examining one country or one policy area, two countries and three policy areas are analysed. The research design that has been employed for this study is a most similar systems approach, also known as a study of concomitant variation; in line with this research design, two countries with much in common have been selected for comparison. As Adam Przeworski and Henry Teune (1970: 33) explain, with a most similar systems approach, "[c]ommon systemic characteristics are conceived of as 'controlled for,' whereas intersystemic differences are viewed as explanatory variables. The number of common characteristics sought is maximal and the number of not shared characteristics sought, minimal." With this research design, "[i]t is anticipated that if some important differences are found among these otherwise similar countries, then the number of factors attributable to these differences will be sufficiently small to warrant explanation in terms of those differences alone" (Przeworski and Teune 1970: 32). They actually suggest Finland and Sweden as examples of countries that might be suitable for a most similar systems study: "A difference in the intensity of political partisanship

between Sweden and Finland can be attributed to a smaller number of intersystem differences than between Sweden and Japan" (Przeworski and Teune 1970: 32).

Several existing studies of Nordic politics have relied on such a research design. A most similar systems approach was behind Ingebritsen's (1998) study of the Nordic countries and European integration. She explains, "I was guided in collecting data by the 'most similar' case design: here was a group of small, export-dependent states, all confronting changes in international politics. Because of the compatibility of Danish, Finnish, Icelandic, Norwegian, and Swedish political systems, the Nordic subregion provides an ideal context for testing alternative hypotheses" (Ingebritsen 1998: x). David Arter (1999: 5) also writes of the suitability of the Nordic countries for comparison: "Small states, linked by geography, a shared history and common linguistic bonds, the Nordic states readily lend themselves to comparative analysis." Ingemar Dörfer (1997) also focuses on the Nordic region. He concentrates on a comparison of Finland and Sweden, a decision he justifies by noting that both countries are "newcomers to European security policy" and "have changed the most since the end of the cold war" (Dörfer 1997: 14).

Indeed, of all the Nordic countries, Finland and Sweden are particularly suited for such a comparison. While Ingebritsen (1998) argues that all five Nordic countries are sufficiently similar for such an approach, Finland and Sweden form an even more homogeneous combination. In fact, throughout her analysis, Ingebritsen (1998) groups Finland and Sweden together and sees no significant differences between them. They alone of the Nordic countries joined the European Union on 1 January 1995. (Denmark was already a member, whereas Iceland and Norway remained outside the EU). Finland and Sweden were also the only Nordic countries that were not NATO members between 1995 and 2000. Their economic structures were also similar, with the forestry and telecommunications industries particularly important in both Finland and Sweden. There were also significant historical similarities, as both were part of the same country for many centuries. As a result of their common history, their institutions had much in common, both in terms of physical institutions and institutionalised practices. Their cultures, including their political cultures, and even their identities had similar features,

including a common Nordic culture and identity. These similarities are discussed in far more detail in chapter three, where the suitability of these countries for a most similar systems research design is substantiated.

The differences between the two countries are also examined in the third chapter, since, according to a most similar systems approach, it is these differences that are potential explanatory factors for differences in their adaptation (or lack thereof) to the EU. The focus is on distinguishing features of their histories, institutions, cultures, and identities, which are regarded as the most significant independent variables that may explain the different manifestations of the dependent variable (the nature and extent of adaptation in the national formulation of their EU policies) in Finland and Sweden.

A most similar systems approach stands in contrast to a most different systems approach, which is actually the research design preferred by Przeworski and Teune (1970). A most different systems approach analyses the same issues in different systems. For instance, "[i]f rates of suicide are the same among the Zuni, the Swedes, and the Russians, those factors that distinguish these three societies are irrelevant for the explanation of suicide. If education is positively related to attitudes of internationalism in India, Ireland, and Italy, the differences among these countries are unimportant in explaining internationalist attitudes. Whereas studies of concomitant variation require positive identification of relevant systemic factors, the 'most different systems' design centers on eliminating irrelevant systemic factors" (Przeworski and Teune 1970: 35).

Because all EU member states share many common features, however, a most different systems research design would not be as appropriate for a study of national adaptation to the EU. A study concentrating on new member states using a most different systems method would be particularly difficult to justify because (at least during the twentieth century) member states tended to join the EU as part of a cohort of similar states. For example, Finland and Sweden joined the EU at the same time as Austria, which, despite having less in common with its Nordic colleagues than they shared with each other, was nonetheless similar to Finland and Sweden in many ways. For instance, all three were relatively wealthy

industrialised countries and European Free Trade Association (EFTA) members
that had strong traditions of neutrality during the Cold War. Fellow applicant
Norway (which also negotiated to join the EU in 1995 along with the other three
but declined to do so because of the result of a public referendum) also had much
in common with Finland and Sweden as well as Austria (despite the obvious
difference that Norway, unlike the other three, was a NATO member).

Although the approaches that are employed for most similar systems and most
different systems research designs clearly differ, there are nevertheless similarities
between the two techniques. According to Przeworski and Teune (1970: 39),
"Both of these strategies are based on some expectations about social reality. The
most similar systems design is based on a belief that a number of theoretically
significant differences can be used in explanation. The alternative design, which
seeks maximal heterogeneity in the sample of systems, is based on a belief that in
spite of intersystemic differentiation, the populations will differ with regard to
only a limited number of variables or relationships." Following this logic, "On the
one hand, if it turns out that Swedes, Finns, Norwegians, and Danes are alike in all
of the examined aspects of their social behaviour, then the study of these countries
will not permit the identification of the systemic factors relevant for a particular
kind of behaviour. If, on the other hand, Americans, Indians, Chileans, and
Japanese show no common patterns of behaviour, a study of these countries will
end up with four separate sets of statements contributing equally little to general
theory" (Przeworski and Teune 1970: 39). As has already been suggested, Finland
and Sweden, despite their differences, clearly fall into the category of similar
states.

Because of the use of a most similar systems research design, the task of this
thesis is in a sense threefold. First, the similarities between the two countries must
be demonstrated in order to justify a most similar systems design. Then, the
differences between the two countries must be determined. Finally, the
significance of these differences needs to be evaluated for each policy area and
their implications for adaptation assessed. Chapters three through six are
structured around this tripartite method of analysis, although the main interest is

clearly in the significance of the differences; however, an understanding of both the similarities and the differences is necessary for this analysis to be possible.

In line with a most similar systems research design, the case studies all relate to areas where there has been great similarity between the Finnish and Swedish approaches and situations prior to 1995. For instance, in terms of EMU, the two countries had similar economic structures and were both presented with the possibility of adopting the Euro at the same time. With relations with non-EU Northern European neighbours, both countries had a strong interest in and experience with cooperation in the Northern European area as well as the desire to assist the three Baltic states (Estonia, Latvia, and Lithuania) with obtaining EU membership. With access to documents, both countries had a long history of providing for such access and were eager to continue their national traditions and increase openness at the EU level.

Other possible policy areas were excluded because of the lack of similarity in the Finnish and Swedish situations when the period of this study commenced in January 1995. For instance, an issue such as agriculture would have been less conducive to a most similar systems approach because Sweden reformed its agricultural policy just before it joined the EU, whereas Finland had not recently taken such actions. Thus, when the two countries became EU members, Swedish farmers supported a return to the policies of the EU's Common Agricultural Policy (CAP, which resembled the policy that Sweden had recently decided to abolish), whereas Finnish farmers preferred the existing Finnish policies to the CAP.

The policy areas were also selected because they were all areas in which significant concrete action was taken at the EU level between 1995 and 2000. For instance, in the area of EMU the decisions were made about which countries would participate in the first wave of EMU's third stage and adopt the European single currency, the Euro. This third stage of EMU then commenced on 1 January 1999. In the area of relations with non-EU neighbours, the Northern Dimension Initiative (NDI) was officially presented in September 1997, with an Action Plan following in June 2000. There was also the publication of the Commission's

Agenda 2000 document regarding EU enlargement, and concrete decisions were made regarding accession negotiations at the Luxembourg European Council in December 1997 and the Helsinki European Council in December 1999. In the final policy area, public access to documents, there were decisions made regarding openness at the 1996-1997 Intergovernmental Conference (IGC) and incorporated into the Treaty of Amsterdam. There were also relevant court cases at the EU-level, notably the cases brought by the Swedish journalists' paper *Journalisten* and by Finnish MEP Heidi Hautala.

In addition, the three policy areas represent a broad range of types of issues on which national governments must formulate EU policies. For instance, they involve policy types that would traditionally (prior to EU membership) have been formulated in three different ministries: the finance, foreign, and justice ministries, and to a large extent they were still formulated in those ministries. They also vary between areas of traditional high (EMU and relations with non-EU neighbours) and low (access to documents) politics. In addition, they include issues that are specifically connected to the Nordic countries (access to documents and relations with non-EU Northern European neighbours) as well as one that is equally important for all EU member states (EMU). An additional difference is the degree of divergence in support from the political parties in the three policy areas. Whereas EMU was a highly political issue, with divisions within as well as between parties, the other two policy areas enjoyed broad support from all parties in both countries. Access to documents was a particularly non-political issue.

A further way in which the policy areas diverge is that they demonstrate differing levels of similarities between the two countries, at least at first glance. The decisions that Finland and Sweden took on EMU were obviously in stark contrast to each other (with Finland deciding to adopt the single European currency in the first wave and Sweden choosing not to do so). In contrast, the two countries shared a common desire to increase openness and transparency inside the EU, particularly through increased public access to documents. Relations with non-EU Northern European neighbours would seem to lie somewhere in the middle, with Finland clearly championing the NDI, which was initially developed by Finland.

Both countries were, however, eager supporters of regional cooperation and EU enlargement.

Clearly, there was a wide range of policy areas regarding which Finland and Sweden were required to formulate national EU policies between 1995 and 2000. As discussed above, the three that are analysed here have been selected to be representative of the various types of issues on which they formulated policies. The rationale for selecting three as the number of policy areas is that it allows for a comparison between three different types of policy areas, whereas a focus on only one or two areas would not have permitted such a comprehensive study. The importance of examining several observations is noted by many researchers, including Moravcsik (1998: 79), who argues that an important "methodological principle is to multiply the number of observations in order to generate variation on critical variables within and across cases." According to Moravcsik (1998: 79), "Numerous observations across a substantial range of theoretically relevant causes and outcomes are a central requirement of social-scientific testing. The absence of such variation, sometimes termed the 'n = 1' problem, has traditionally burdened studies of European integration, which deals with the historical evaluation of a single exceptional institution." Gary King, Robert O. Keohane, and Sidney Verba (1994: 209) also discuss the "n = 1" problem, which they term "[t]he most difficult problem in any research."

There is an attempt made in this study to avoid the "n = 1" problem. The selection of two countries and three policy areas helps to minimise this potential difficulty. Even within the policy areas, there are multiple observations. For instance, the chapter on access to documents (chapter six) includes the declarations that Finland and Sweden attached to their Accession Treaty, their proposals for the 1996-1997 Intergovernmental Conference (IGC), the "Solana Decision," and their involvement in court cases at the EU level. Particularly because each case study consists of not one but multiple observations, analysing four or more policy areas would have broadened the topic so far that such detailed analysis would not have been possible.

Another methodological issue is the selection of the time period. The formulation of EU policies is, as noted previously, examined here during the period from 1 January 1995 to 31 December 2000, although some attention is given to the time prior to this period (as it sets the stage for these decisions). The choice of the starting date is straightforward because it is the day on which the countries under consideration became full EU members. The selection of the closing date is less clear, but is one that allows for an examination of the degree and manner in which new members adapt to the EU. There is no set definition of what a new member is and no obvious day when a member state ceases to be a new member. Despite the vagueness of the concept of a "new member," it is not feasible to argue that France or Germany or even the UK or Greece was truly a newcomer between 1995 and 2000. An argument could be made that member states cease to be "new" members when other member states join the EU at a later date. In other words, the next enlargement would signal that those states, which had joined the EU in the previous enlargement, would no longer be considered new members. This is similar to Lee Miles' (2000a: 235) assertion that "[i]n a technical sense, Sweden will cease to be a 'new' member state when the EU enlarges once again (as others will be the 'new' ones)." Because no other member states had joined the EU since Finland and Sweden (as well as Austria) did so in 1995, Finland and Sweden can be considered "new kids on the European block" at least for the duration of the period in focus in this study. Rutger Lindahl (2000: 123) argues that "five years of EU membership is not a long time" and that "Sweden can, quite obviously, still be regarded as a new member of the European Union."

Furthermore, six years is a sufficiently long time for concrete actions and even adaptation to occur, but not so long as to risk that "new" member states have been members long enough to have adapted fully and ceased being new members. There were important developments within the EU during the six years between 1995 and 2000 to which Finland and Sweden were able to make contributions and for which they were able to plan strategies. An earlier date would have limited the amount of information that could have been presented as evidence and would therefore have weakened the conclusions. The concluding date of 31 December 2000 also allows for the inclusion of the preparations for the first Swedish EU Presidency, including the Presidency's programme, which was presented in

December 2000. Although one might argue for extending the time period of this study until the end of June 2001 to include the Swedish Presidency, the 2000 cut-off provides for the inclusion of the formulation of Swedish policies relating to their Presidency. Indeed, the Presidency's website (http://www.eu2001.se) was already on-line. As the focus here is on formulation rather than implementation, the exclusion of the time period of the Presidency itself (during the first half of 2001) does not present a major difficulty. Furthermore, the use of 31 December 2000 ensures that Finland and Sweden were still "new kids on the European block."

One could, however, argue that the time period should have been extended until the accession of the next new member states or even longer. In fact, Miles (2000a: 235) argues that "as British and, to a lesser extent, Danish experiences of full EU Membership indicate, 26 years, let alone the few years of Swedish membership covered by this book, may still not be enough to allow member states to 'adjust fully' to EU membership." Yet, Miles (2000a) himself selects 1999 as the cut-off date for his study of Swedish adjustment to membership in the European Union. Furthermore, a longer time period would have meant broadening the project considerably; in such a situation, the detailed analysis of three policy areas on which this study is based would not have been feasible.

There has thus been thoughtful consideration given to the methodology of this study, relying on a variety of different sources. One scholar whose methodological approach provides particular inspiration for this study is Moravcsik (1998). The reliance on his methodology, not only through the avoidance of the "n = 1" problem that he suggests correcting by "multiply[ing] the number of observations" (Moravcsik 1998: 11), but also by following his suggestions on the selection of source material, is especially appropriate because this project is also designed in part to challenge his theoretical approach (as is elaborated upon later).

Moravcsik (1998) argues for the use of "hard" rather than "soft" primary sources. For him, "hard" primary sources "include internal government reports, contemporary records of confidential deliberations among key policy-makers, verbatim diary entries, corroborated memoirs by participants who appear to lack

an ulterior motive for misrepresentation, and lengthy interviews with numerous policy-makers in which the interviewer sought to corroborate the *ex post* claims of policy-makers" (Moravcsik 1998: 82). On the other hand, according to Moravcsik (1998: 81), "A soft primary source is one in which there is a relatively strong incentive (or a low cost) to distortion or speculation. Soft primary sources include most contemporary newspaper and magazine reports (e.g., unattributable editorials or articles in the *Economist* or *Financial Times*), public statements by government spokesmen and national leaders justifying their actions, and *ex post* justifications in memoirs or interviews by participants who were either not in a position to know the truth or had an incentive to inflate (or deny) their own influence."

Yet, as Moravcsik (1998) himself admits, "hard" primary sources, or, indeed, primary sources of any type, may not be as accessible for studies of recent events. For instance, for his study of the Maastricht process, Moravcsik (1998: 83) "was often forced to rely more heavily on secondary sources or the objective pattern of decision-making." Furthermore, the "scope" of his project imposed methodological constraints that meant that he "employed as hard sources those sections of secondary sources that themselves report facts based on direct citation of a hard primary source" (Moravcsik 1998: 83).

Similarly, there have been constraints on the methodology of this thesis. "Soft" primary sources and secondary sources are relied on, particularly for this thesis' third chapter, since the aim of that chapter is to provide background material for the rest of the study rather than itself consisting of the empirical subject matter of the thesis. Furthermore, the scope of this project does not allow for a full analysis of "hard" primary sources for this background information, which is primarily of a historical nature and is very broad, covering Finnish and Swedish history, institutions, culture, and identity from medieval times to 2000. Indeed, the scope of the third chapter also means that it is by far the longest one in the thesis. Despite the breadth of the chapter, there has been some use of "hard" primary sources as well as an attempt to use "soft" primary sources and secondary sources that rely on "hard" primary sources, although this has not always been feasible. Furthermore, an effort has been made to select either a variety of sources that

present differing interpretations of controversial subjects or to select sources that are based on an examination of a variety of approaches and provide an informed analysis. The empirical chapters, however, rely much more heavily on "hard" primary sources, despite the fact that the newness of the subject matter has at times meant that such sources were difficult or impossible to obtain.

By following much of Moravcsik's (1998) own suggestions regarding methodology, this thesis is able to mount a significant challenge to his work as well as that of others, notably Ingebritsen (1998), which disregard or downplay the importance of HICI. The empirical cases provide concrete tests of the significance of HICI in explaining differences between the EU policies of two new members. The careful and methodological selection of the two countries and the three policy areas strengthens the results of the study. The use of the most similar systems research design, the same design used by Ingebritsen (1998), further strengthens the validity of this study to challenge her work.

A Niche of Its Own?

Furthermore, there is a definite place for the results of a study such as this one. On an empirical as well as a theoretical level, this study makes a contribution to the study of International Relations (IR), CP, and European Union Studies. Despite the increasing body of scholarship on post-Cold War Europe, there has been relatively little research done on Finnish and Swedish behaviour as EU members. Rather, the focus has often been on the Finnish and Swedish decisions to become EU members.

The academic work on these countries' post-1995 participation in European integration in general and the European Union, in particular, has tended to be in the form of shorter book chapters or journal articles rather than longer research projects such as this one. Ivar Neumann (2001) agrees on the lack of monographs concentrating on this topic. Commenting on Ingebritsen's (1998) *The Nordic States and European Unity*, he argues that "there are no other books with which Ingebritsen's may compete, even half a decade after the Swedish and Finnish

accessions to the European Union made the topic a central concern not only regionally, but to other Europeans as well" (Neumann 2001: 94). Although Ingebritsen's (1998) work itself goes some way to filling this void in the academic literature, it does not do so entirely. In particular, she fails to pay attention to differences between Finland and Sweden, and, as is discussed in more detail in chapter two, her theoretical approach is particularly inappropriate for a comparison of Finland and Sweden. The study of Finnish and Swedish EU membership is, however, an area that is likely to expand, and this project is meant to contribute to this exciting new research area. Furthermore, the study also makes a contribution to the study of national adaptation to the EU, a research area in which Raunio and Wiberg (2001) identify the need for further study. The following two chapters provide the remaining backdrop necessary for the empirical evidence that is intended to shed light on adaptation to the European Union in terms of the formulation of EU policies at the national level.

Chapter Two: A Theoretical Critique

A Critique of Existing Approaches

There is a multitude of theoretical approaches that could in some way be applied to this study. These include, for instance, those that concentrate on "adaptation," those that examine European integration, and those that analyse foreign policy. As a comprehensive study of all potentially relevant approaches would require a book or more of its own, the focus here is on those that are most useful for an analysis of national adaptation to the European Union (EU) and those to which this project presents a particular challenge. An interdisciplinary approach is adopted here. Inspiration is drawn primarily from the fields of International Relations (IR), Comparative Politics (CP), and European Union Studies, although the boundaries between the disciplines are not always clear, nor should they be, as many different fields are relevant for a study of national adaptation to the EU. The chapter begins with an analysis of different types of theoretical approaches; these include political adaptation, international regime theory, new institutionalism, constructivism, liberal intergovernmentalism, and sectoral approaches. Attention is also given to the concepts of history, institutions, culture, and identity (HICI) and the roles assigned to them by various theoretical frameworks. Concrete definitions of these concepts, which feature in this thesis, are saved until the concluding paragraphs of this chapter, once other relevant methods of defining and employing them have been addressed.

As was explained in the preceding chapter, the focus of this thesis is on the differences between the extent and nature of Finnish and Swedish adaptation to membership in the European Union between 1995 and 2000. The particular concern here is the formulation of national EU policies. Although scholars studying the EU and its predecessors initially concentrated on integration and drew on IR theories such as neorealism and neofunctionalism, there has been an

increasing body of literature that examines the impact of the EU on national structures, often in terms of "adaptation."[5]

According to Hans Mouritzen (1988: 16), one of the most well known contributors to the study of "adaptation," "[t]he adaptive politics field developed through the 1970s as a foreign body within the 'Comparative Foreign Policy' movement in American political science," with James Rosenau being one of the pioneers. Biology and cybernetics served as inspiration for adaptation theory, with adaptation regarded as analogous to an organism's survival (Mouritzen 1988: 17). Rosenau (1981: 1-2) introduces the concept of political adaptation in the following manner: "[T]he political organism is always experiencing both continuities and changes, and thus it is always in motion, slipping behind, moving ahead, holding fast, or otherwise adjusting and changing in response to internal developments and external circumstances. To analyze how the adjustments are made, the changes sustained, and the continuities preserved is to engage in the study of political adaptation. It is to focus on a compelling set of phenomena: those that propel the political organism through time in such a way as to maintain some of its elements while altering others."

Adaptation has different meanings for different scholars. According to Rosenau (1981: 29), "In its ordinary usage, the concept [of adaptation] refers to the process whereby actors maintain a balance between internal needs and external demands. Conceived in process terms, any behavior pattern can be viewed as adaptive as long as the environed unit continues to persist." However, he admits, "Obviously, such a conception is too all-encompassing" (Rosenau 1981: 29). Mouritzen (1988: 24) argues that the word has been used to characterise behaviours, belief systems, and outcomes.

In answer to the question of who the adaptor is, Mouritzen (1988: 28-29) points out that different adaptation theorists concentrate on different adaptors, such as

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[5] Neorealism and neofunctionalism, theoretical approaches from IR that were important in the development of EU Studies, are not discussed in detail here, as they are regarded as less relevant than other approaches that are examined in this chapter. For a more thorough consideration of these and other IR concepts, see, for instance, Brown (1997).

"the state," "the regime," or "society at large." Rosenau (1981: 3) argues that his "conception of political adaptation applies to any type of political organism." Seeing the interdisciplinary nature of the concept of adaptation, Rosenau (1981: 29) suggests, "Since any living organism confronts the problem of adapting to its environment, surely clarifying formulations of the concept are to be found in other disciplines like biochemistry, ecology, and social psychology that evolved precisely because of concern with the links between organisms and their environments." Examples of possible adaptors include, according to Rosenau (1981: 3), "an individual, a cabinet, a legislature, a political party, a regime, a nation-state, an international organization, or a revolutionary movement."

"Regimes" are particularly popular subjects for adaptation theorists. For instance, for Mouritzen (1988: 30), "the unit of adaptation" is the "regime," which he defines as follows: "A regime is constituted by its public commitment to a set of values -- its regime identity (often ideological values), its general autonomy, and its control over territory and resources." In a later phrasing, the same author defines a regime as "an actor that is publicly committed to safeguarding each of the following values: its autonomy, its identity, and its control over a certain territory. Empirically, however, most regimes tend to commit themselves to two further values: offensive power (influence) on the world around and welfare of 'its' people" (Mouritzen 1996: 10).

Although Mouritzen's (1988) regime is similar to a state, it is not the same. "The problem generally with the state level," he argues, "is not only that of avoiding reification, but also that it can hardly cope with the rather fluid and ephemeral values that are frequently the subject of adaptive regulation. During adaptive acquiescence [one of the modes of adaptation identified by Mouritzen (1988)], for example, the values typically conceded are such 'luxury' values as total freedom of the press, political pluralism, a diffuse solidarity with other peoples under strain, and so on. The more typical 'values of state' such as basic autonomy or territorial integrity are seldom traded away, except in exceptional cases" (Mouritzen 1988: 38).

Discussing what is involved in the actual process of adaptation, Rosenau (1981: 3) argues that an adaptor "has essential structures which sustain and differentiate it, which fluctuate as internal and external circumstances change, and which have to be kept within acceptable limits if the organism is to persist." Rosenau's (1981: 3) "essential structures" are "those patterns that endure." Although "[a]ny political entity is comprised of many interaction patterns," Rosenau (1981: 3) argues, "only relatively few of these are 'essential' in the sense that without them the entity would no longer be recognizable." Yet, adaptation is not, according to Rosenau (1981: 6), only about survival, but also about "day-to-day events."

For Rosenau (1981: 5), perfect adaptation, also termed "tranquility," is on one end of a continuum, the other end of which is maladaptation, or extinction. Yet, he acknowledges that "[f]ew organisms ever approach either extreme, as most simultaneously engage in a multiplicity of both adaptive and maladaptive action that, in effect, cancel each other out and keep the fluctuations balanced well within the two extremes" (Rosenau 1981: 5). Rosenau (1981: 38) defines maladaptive as follows: "A behavior is regarded as maladaptive when it copes with or stimulates changes in the external environment that contribute to changes in the essential structures that are outside acceptable limits. By *essential structures* we mean those interrelated patterns that constitute the basic political, economic, and social life of a national society. By *acceptable limits* we mean those variations in the essential structures that do not prevent the society from maintaining its basic forms of life or from altering these forms through its own choices and procedures" (emphasis in original). Furthermore, Rosenau (1981: 39) argues that "the sum of all of a society's adaptive or maladaptive acts at any moment in time constitutes its adaptation for that moment." Adaptation is thus a dynamic process rather than a static condition.

Adaptation theory is used or referred to by many scholars when analysing national participation in European integration. These include, for instance, Nikolaj Petersen (1997, 1998) and Tapio Raunio and Matti Wiberg (2001). In particular, Danish scholars have used adaptation theory to explain Denmark's approach to European integration. Peter Hansen (1974: 155) develops a framework to explain Denmark, but he argues that "with only slight alteration it might be applied to

Norway and Sweden" and even (with a little more alteration) to the United Kingdom (UK). Discussing the Danish situation at the time of his writing, Hansen (1974: 172) writes, "The central issue in Danish European policy over the past 15 years has been the problem of how to cope effectively with change in the external environment, and its effects upon internal economic and societal structures." His interest lies in what he refers to as the "process of adaptation to changes in the environment," with both internal and external factors being regarded as important and "inseparably intertwined" (Hansen 1974: 172).

As the interest in external as well as internal factors might suggest, adaptation theory has been used to explain foreign policy. In fact, adaptation theory is particularly applicable to a comparative analysis involving the foreign policies of small states. According to Hansen (1974: 150), "The adaptation framework seems eminently suited to bring small states theorizing into the proper, broadly comparative foreign policy perspective." Relating adaptation to foreign policy, Rosenau (1981: 38) writes, "Any foreign policy behavior undertaken by the government of any national society is conceived to be adaptive when it copes with or stimulates changes in the external environment of the society that contribute to keeping the essential structures of the society within acceptable limits." Adaptation theory allows for the recognition of the interdependence between the national and international spheres, as suggested by the discussion of Hansen (1974) above. According to Rosenau (1981: 58), "Conceiving of national societies as adapting entities that must keep their essential structures within acceptable limits provides a useful basis for probing the interdependence of their domestic and foreign affairs." Clarifying this dynamic process of adaptation, Rosenau (1981: 58) explains that "the fluctuations in the essential structures of a society stem from a composite of three sources: from international developments and the society's success in coping with and benefiting from them; from trends at home and the society's success in absorbing them into its essential structures; and from the internal behavior whereby the society adjusts its institutions and values to meet the requirements of its external behavior and the demands from its external environment."

Adaptation theorists do, however, narrow their focus to that which they consider most relevant, as doing otherwise would leave their topics too broad. Rosenau (1981: 41) points out the importance of concentrating on the "salient environment" rather than "the entire international system." He explains, "Societies need to adapt only to those changes in the international system that are salient with respect to their essential structures. Due to the nature of change and the temporal and spatial limitations of geography, not all the changes that are transpiring abroad will be relevant to the life of a society" (Rosenau 1981: 41).

As suggested by the previous use of the word "dynamic" to describe adaptation, change is vital for the concept of adaptation. As Rosenau (1981: 42) argues, "However the essential structures of societies may be defined, change is a central dimension of adaptation. When there is no change, there is nothing to which a society must adapt." The EU policies of new member states would thus seem to fit well with adaptation since they almost by definition must adapt to a new environment and new situations. However, Rosenau (1981: 52) suggests, "Notwithstanding the centrality of change in the adaptive framework, the question arises as to whether the framework makes allowance for truly profound change -- for change which is so thoroughgoing as to amount to transformation." Yet, he eventually asserts that "an adaptive framework allows for far-reaching change. Governments can fall, ruling elites can be replaced, policies can be reversed, and economies can founder without *the basic patterns of interaction that comprise a national society and distinguish it from its environment* becoming unrecognizable. Indeed, governments often fall in order to facilitate the adjustment of these patterns to trends in their environments" (Rosenau 1981: 52-53, emphasis in original). Furthermore, Rosenau (1981: 53) argues that "the adaptive framework also allows for change through the employment by a society of its own procedures to transform its essential structures. As long as the society is still recognizable once it has transformed these structures, then, no matter how profound, the transformation is conceived to be part of the process of adaptation."

Another term that may be associated with adaptation theory is that of "conformity." According to Rosenau (1981: 54), "While it is the main purpose of the adaptive framework to develop a body of theory to which all societies may be

expected to *conform*, . . . such theory allows for choice on the part of actors" (emphasis added). Thus, it appears that actors may, at least to some extent, choose the extent to which they will conform to their environment.

Adaptation theorists often establish typologies of modes of adaptation. There have been a variety of typologies of different types, modes, or orientations of adaptation. Rosenau (1981: 58-59) identifies four "basic orientations": 1) "the politics of acquiescent adaptation"; 2) "the politics of intransigent adaptation"; 3) "the politics of promotive adaptation"; and 4) "the politics of preservative adaptation." Mouritzen (1988: 10) lists six types of "basic regime orientation": domination, quiescence, balance, adaptive acquiescence, imposed domination, and no regime or regime orientation. Of these, only the first four are considered to be "modes of adaptation" (Mouritzen 1988: 10). Petersen (1979: 241) identifies "four patterns of overall foreign policy behavior: the patterns of *dominance, balance, acquiescence,* and *quiescence*" (emphasis in original). Despite criticising Mouritzen's (1993) focus on acquiescent actors, Petersen (1998: 43-45) discusses the same four types of adaptation: dominance, balance, quiescence, and acquiescence. However, Petersen (1998: 45) asserts that "[a] balanced policy mode is the archetypical integration mode" and "the only posture which is theoretically compatible with full participation in international integration."

Yet, even adaptation theorists acknowledge that the distinction between different types of adaptation may be blurred and that the categories may overlap. Petersen (1998) himself asserts that states often pursue a mixture of his four types of adaptation. For instance, "balancing policies will often be strongly coloured by characteristics and strategies belonging to the dominant, acquiescent or quiescent policy modes" (Petersen 1998: 41). He argues that his "four modes of behaviour are, of course, classical ideal-types, i.e. they cannot be expected to be found in pure form, but only in approximations. A number of intermediate positions can be imagined, depending on the degree of influence capability and stress sensitivity of the nation in question, and modified by the relevant perceptions of decision-makers" (Petersen 1998: 43). However, for Rosenau (1981: 59), the "four types of adaptation are conceived to be mutually exclusive in the sense that during any period only one self-environment orientation predominates in a society." Yet, he

does admit that "[e]mpirical investigation may later dictate the need to relax this assumption of mutual exclusiveness and to posit societies as pursuing different types of adaptation in different issue-areas" (Rosenau 1981: 59).

Of all the various modes of adaptation, one that often recurs in the literature is acquiescent adaptation, which makes its appearance in many typologies. For instance, the term "acquiescent" or "acquiescence" appears in the typologies of Rosenau (1981) and Petersen (1979, 1998) and has been the particular focus for Mouritzen (1988). It is especially relevant here because it is often termed "Finlandization," although not necessarily with a direct connection to the country of Finland itself. The presence of a larger neighbour (as in the case of Russia/the Soviet Union for Finland) is frequently associated with the categorisation of a regime or state as acquiescent. According to Rosenau (1981: 80-81), "A geographical variable from the systematic cluster -- the proximity of a much larger society intent upon imposing its will on its neighbors -- is one of the two conditions necessary for the emergence and persistence of acquiescent adaptation. The other is the absence in the adapting society of any highly potent societal, individual, or governmental variables."

Acquiescent adaptation has also been used, for instance, to characterise EU applicant countries, including Finland and Sweden at the time that they were aspiring to join the Union. According to Mouritzen (1993: 391), Finland and Sweden (which at the time of his writing were applicant countries rather than EU members) are both examples of acquiescent adaptation and "are willing to live with considerable autonomy and other infringements in order to, primarily, safeguard their welfare." Mouritzen (1993: 398) argues, "The Swedes and the Finns feel that they must get inside, before they risk becoming 'naughty boys.'" Yet, the characterisation of Finland and Sweden as acquiescent adapters seems to have been temporary. For instance, writing several years later, when Finland was already an EU member, Raunio and Wiberg (2001: 63) draw on Petersen's (1998) modes of adaptation to argue that Finland follows the balanced mode of adaptation. Based on their analysis, one would assume that Sweden would also be regarded as displaying balanced rather than acquiescent adaptation.

According to Mouritzen (1993), EU applicant countries tend to share several characteristics that lead them to adopt positions of acquiescent adaptation. Mouritzen (1993: 396) argues that EU members differ from those waiting to join because "they are not exposed to any time of pole dependency, simply because they are part of the pole." Mouritzen (1993: 395) argues that "the would-be insiders wish to appear as natural future insiders, in any case as 'good Europeans.'"

Adaptation is also generally regarded as being a two-way process. "The study of political adaptation" is, at least in the eyes of Rosenau (1981: 8), "first and foremost the study of feedback loops. It focuses attention on relational phenomena, on the interaction between action and its consequences for those who initiate it. This is what distinguishes an adaptive perspective from a policy-oriented approach to the study of politics. The policy approach is primarily concerned with the impact of action on those who are its targets, whereas the adaptation perspective looks beyond the targets to the feedback for the initiators." Another way of phrasing this might be to argue that the adaptor receives feedback on its previous actions (e.g. a response from the EU to a Swedish declaration on access to documents, as is discussed in chapter six) that may impact on future policy formulation.

Adaptation theory also offers suggestions of why different actors pursue different modes of adaptation. For Hansen (1974: 150), influence capability and stress sensitivity are the two main factors that can predict the actor type. Petersen (1979: 237) relies on Hansen's (1974) definitions of influence capability and stress sensitivity. Discussing the difference between the two concepts, Petersen (1979: 249) writes, "Stress sensitivity as a concept is more difficult to pin down than the concept of influence capability." However, there are similarities in that both are "a very complex cluster of variables pertaining to the nation as well as to its environment" (Petersen 1979: 249).

Other factors that may affect adaptation include ideology and historical experience, both of which are mentioned by Mouritzen (1993: 396). An emphasis on structural constraints, including such factors as HICI may, indeed, affect

adaptation, although these are not always emphasised by traditional adaptation theorists. G. John Ikenberry (1986: 166) acknowledges the importance of structure in constraining the choices available to states, so that, for instance, "a small state with few resources will find structures at the international level more inflexible than a larger state with resources capable of changing international regimes and arrangements." Differences in domestic structures such as institutions and groups are also seen as constraining or not constraining the opportunities for adjustment offered to states (Ikenberry 1986: 166). He argues that a "state's interests . . . emerge through the interplay of a state elite that is adapting and strategizing in the context of . . . structures" (Ikenberry 1986: 167).

"Adaptation," however, is often used without complete definition or direct reference to the theoretical approaches put forth by Mouritzen, Petersen, Rosenau, and others. For instance, Ann-Cathrine Jungar (2000: 261) writes about Finland's "deliberate and fast adaptation" to the European Union without discussing adaptation theory or defining the word "adaptation." Rather, here, as elsewhere where the term is used without definition, it seems to imply changes made in order to adjust to new situations. Similarly, David Kirby (1995: 13) uses the words "adapting" and "adapt" to describe Denmark, Finland, and Sweden in the nineteenth century without any specific definition of the concepts, although he seems to imply that "adaptation" involves adjustments made by the state to ensure survival in the changing international environment. Kirby (1995: 13) even uses the term "regimes" to describe the Nordic adaptors, but here again this is without any specific definition or relation to the literature on adaptation theory. This is perhaps to be expected as he is a historian rather than a political scientist, but it demonstrates, nevertheless, the broad usage of the terminology associated with adaptation theory.

Furthermore, authors may refer to processes that are similar or equivalent to adaptation without the use of any form of the word "adaptation" itself. A concept that seems closely related to "adaptation" is that of "adjustment," which is used, for instance, by Lee Miles (2000b). It is also used at times in conjunction with "adaptation." For example, Ikenberry (1986) writes of "adjustment" and "adaptation." Using the term "adaptation," he argues that "states are organizations

that, given the alternatives, would like to survive. Consequently, they must change and adapt" (Ikenberry 1986: 158). A main concern for Ikenberry (1986: 159) is "the interconnections between domestic and international political economy," and "adjustment" seems to be used in a way that is synonymous with "adaptation" to describe the dynamic elements of these interconnections. Using the term "adjustment," Ikenberry (1986: 159) states, "Adjustment strategy may be directed outward at international regimes, or inward at transforming domestic structures, or somewhere in between in order to maintain existing relationships."

Yet, confusingly, the term "regime" has been used by adaptation theorists in a different way from that used in the international regimes literature, which has also been used to analyse European integration. Mouritzen (1996: 10) himself notes that his definition of regime "has nothing to do, of course, with the notion of 'international regimes' in various issue areas, so popular in much IR research." According to B. Guy Peters (1999: 129), "Regime theory has its roots in American international relations scholarship in the early 1980s. The underlying motivation was to develop a concept that would capture the patterned interactions that were increasingly observable in international politics." One of the most widely known definitions of a regime (based on international regime theory) comes from the heyday of international regime theory in the 1980s and is provided by Stephen Krasner (1983c), a definition regarded by Peters (1999: 130) as "[p]robably the prevailing definition of an international regime." According to Krasner (1983c: 2), "Regimes can be defined as sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations." The definitions of those terms contained within Krasner's definition are as follows: "Principles are beliefs of fact, causation, and rectitude. Norms are standards of behavior defined in terms of rights and obligations. Rules are specific prescriptions or proscriptions for action. Decision-making procedures are prevailing practices for making and implementing collective choice" (Krasner 1983c: 2). Indeed, the 1983 volume edited by Krasner, in which he presents his seminal definition of a regime (as cited above), includes a variety of different approaches to the study of international regimes and is seen as one of the most important works regarding international regime theory.

In order to be influential in such a regime, an actor must, at least to some extent, adapt to its principles, norms, rules, and decision-making procedures. According to Peters (1999: 135), "The assumption behind regime theories is that the 'expectations' of the actors involved will converge through their actions over time, so that there will be substantially less variance in values and behavior when there is an operative regime than when there is not." According to Moravcsik (1993: 481), "Regime theory is employed as a starting point for an analysis of conditions under which governments will delegate powers to international institutions." Discussing the tendency for regime members to follow the regime's principles, norms, rules, and decision-making procedures, Robert O. Keohane (1983: 158) writes about a "norm of generalized commitment." This commitment "rests on the premise that a veil of ignorance stands between us and the future, but that we should nevertheless assume that regime-supporting behavior will be beneficial to us even though we have no convincing evidence to that effect" (Keohane 1983: 158).

There are, indeed, many ways in which the term "regime" may be defined, even within the context of the international regimes literature. For instance, Oran R. Young (1983: 95, note 6) argues that his definition of a regime differs from other definitions in the same volume (edited by Krasner) in that he does "not regard norms as defining characteristics of international regimes. Rather, I take the position that social conventions typically acquire an aura of legitimacy or propriety, which is normative in character." Furthermore, as Krasner (1983a) points out, an international regimes framework can complement a variety of different types of theoretical approaches, although in different approaches regimes are viewed in different ways. According to Krasner (1983a: viii), "For liberals/Grotians, regimes remain the normal state of affairs in the international system. For realists they are difficult to create, but . . . [in most cases] once created, they may assume a life of their own."

A regime, like adaptation, is not a one-way flow. Rather, Krasner (1983b: 361) argues, "Once principles, norms, rules, and decision-making procedures are entrenched they may alter the egoistic interests and power configurations that led

to their creation in the first place." There are potential parallels here with principal-agent theory, with the regime being the agent and its creators/members the principles; in the case of the EU, the principals are the member states and the EU is the agent.[6] There are also parallels with Rosenau's (1981) feedback loops, which he uses to explain adaptation. Krasner (1983b: 361) identities four "feedback mechanisms": 1) "regimes may alter actors' calculations of how to maximize their interests"; 2) "regimes may alter interests themselves"; 3) "regimes may become a source of power to which actors can appeal"; and 4) "regimes may alter the power capabilities of different actors, including states."

The definition of a regime is at times indistinguishable from that of an institution. For Young (1983: 94), international regimes are social institutions, and he argues, "The distinguishing feature of all social institutions, including international regimes, is the conjunction of convergent expectations and patterns of behavior or practice." For Keohane (1983: 146), regimes are "like contracts, when these involve actors with long-term objectives who seek to structure their relationships in stable and mutually beneficial ways."

Furthermore, regimes are not always regarded as fixed and objective. Rather, according to Donald J. Puchala and Raymond F. Hopkins (1983: 62), "[A] regime is an attitudinal phenomenon." By this, they mean that "[b]ehavior follows from adherence to principles, norms, and rules, which legal codes sometimes reflect" (Puchala and Hopkins 1983: 62). They further argue that "*regimes themselves are subjective*: they exist primarily as participants' understandings, expectation or convictions about legitimate, appropriate or moral behavior" (Puchala and Hopkins 1983: 62, emphasis in original). Following logically from this, a "regime" could be perceived as such by one actor but not by another, even though both could be members of the same "regime."

Regime theory has been applied to the European Union and its predecessors from an early stage, being used by Stanley Hoffman (1982) to analyse the EU's predecessor, the EEC. Although the EU is generally not considered to be a regime

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[6] For an example of principal-agent theory applied to the European Union (or actually its predecessor, the European Community, or EC), see Garrett and Weingast (1993).

per se, regime theory may be useful in understanding European integration. According to Robert E. Breckinridge (1997: 186), "[I]nternational regime analysis is appropriate for studying the European Union, especially its influence on states and in comparative terms." This is despite the fact that the EU is not "just a regime, but . . . has both organizational and regime aspects" (Breckinridge 1997: 174). Breckinridge (1997: 174) asserts that "regardless of what type of organization the EU is, there is a regime associated with it. Furthermore, as the EU has developed and will develop from one type of organization to another, those regime aspects will remain present." Another scholar who has argued for the relevance of regime theory in the study of the European Union is Paul Taylor (1996). He writes about "the emergence of an increasing range of common principles, norms, and rules in the economic and social arrangements of the member states, that is, a Community regime has emerged" (Taylor 1996: 74). According to Taylor (1996: 74), the emergence of such a regime is one of the "factors working in favour of [European] integration."

Although adaptation and regime theories continued to be relevant and cited in the 1990s, these were not the dominant theoretical approaches. Instead, one of the most popular approaches to the study of European integration in the 1990s was that of liberal intergovernmentalism, put forth notably by Moravcsik (1993, 1998). According to Moravcsik (1998: 497), "The central claim of Liberal international relations theory is that the pattern of underlying national preferences, not the distribution of power resources or institutionalized information, is the most fundamental determinant state behaviour in world politics." Moravcsik (1998: 4) argues that "a tripartite explanation of integration -- economic interest, relative power, credible commitments -- accounts for the form, substance, and timing of major steps of European integration." The "central argument" of Moravcsik's (1998) book is "that European integration can best be explained as a series of rational choices made by national leaders" (Moravcsik 1998: 18). It should be noted that Moravcsik's (1998) focus is, as noted above, on "major steps of European integration" rather than on individual national decisions on integration, although he does concentrate in his analysis on British, French, and German positions.

Moravcsik's approach meshes well with Robert D. Putnam's (1988) two-level game theory, which stresses the importance of both the domestic and the international nature of policy formulation. According to Moravcsik (1993: 481), "An understanding of domestic politics is a precondition for, not a supplement to, the analysis of strategic interactions among states." Discussing the merits of Putnam's (1988) approach, Lee Ann Patterson (1997: 142) writes, "The characteristic of Putnam's framework that renders it both fascinating and conceptually complex is the idea that negotiations do not proceed in a linear fashion from one level to the next but instead occur simultaneously at all . . . levels." Patterson (1997) herself expands Putnam's (1988) two levels to include a third EU (or EC) level. She argues that "in the case of the EC, there is an attempt to achieve domestic goals while simultaneously pursuing cooperative integration. Thus the unique structure of the EC requires that Putnam's two-level game be expanded to a three-level interactive game in which negotiations at the domestic, Community, and international levels affect policy options at each of the other levels" (Patterson 1997: 141).

Miles (2000b) also integrates Putnam's (1988) two level approach into his own framework of the "Membership Diamond," which he uses to explain Swedish participation in European integration, both before and after joining the Union. Since 1997, when Miles introduced his "Membership Diamond," he "clarified" the "interaction between international and domestic influences in Swedish foreign policy-making . . . through the analytical linkage of the 'Diamond' with Putnam's concepts of 'two-level games' and 'double-edged diplomacy'" (Miles 2000b: 12). Observing the usefulness of such an approach, Miles (2000b: 12) writes, "Putnam and others have argued that 'double-edged diplomacy' requires national political leaders to conduct foreign policy by simultaneously managing contending political pressures and constraints in the international (Level I) and national (Level II) environments." Miles (2000b) divides his four "points" into two groups of two. "New challenges of economic independence" and "Security policy with a European identity" are regarded as Level I, or "'International' considerations," whereas "Declining corporatism" and "Fragmenting 'Europeanized' democracy" comprise Level II, or "'National' considerations" (Miles 2000b: 5). Miles' (2000b) framework differs, however, substantially from those of Patterson (1997),

Putnam (1988), and Moravcsik (1998) in that his "Diamond" is specifically designed to explain Swedish policy rather than being a more generalist approach.

Ingebritsen (1998) concentrates on the Nordic area but develops a more general framework as well, in which she critiques the work of Moravcsik (1993). Ingebritsen (1998: 41) "modifies the intergovernmental approach and concurs with theorists who view preferences as endogenous" rather than exogenous, as in the intergovernmental model. Like Moravcsik (1998), however, Ingebritsen (1998) views economic interests as essential for understanding policy-making. She argues that "in order to understand Nordic state preferences in European politics, we need to know more about which economic interests are expected to win and which economic groups are expected to lose in the EC. Interests were contested by societal groups with different stakes in the process" (Ingebritsen 1998: 41).

Although scholars such as Ingebritsen (1998) focus on societal groups and economic interests rather than policy-makers, there are others who concentrate on political decision-makers. In fact, policy-makers are often at the heart of foreign policy analysis, an approach that was initially the source of much of the earliest literature on European integration and may still be of some assistance. Potentially relevant here is the bureaucratic politics model, which stresses the bargaining nature of governmental policy. This model was developed and promoted, in particular, by Graham Allison (1971). According to Allison's (1971: 361) bureaucratic politics model, government behaviour is seen as the result of bargaining and there is "no unitary actor but rather many actors as players, who focus not on a single strategic issue but on many diverse intra-national problems as well, in terms of no consistent set of strategic objectives but rather according to various conceptions of national, organizational, and personal goals, making government decisions not by rational choice but by the pulling and hauling that is politics."

Later scholars also considered the bureaucratic politics approach when formulating their own theoretical frameworks. Rosenau (1981: 17) responds to the importance of bureaucratic politics as follows: "My response is to acknowledge

that bureaucratic politics may be at work in the policymaking process of any state, particularly those that are economically developed, and that therefore different groups in and out of government may differentially assess where the state as self should fit in relation to its environment." Yet, Rosenau (1981: 17) argues, "To acknowledge that a particular adaptive mode is not totally shared by all the members and groups of a nation-state, however, is not to negate the premise that adaptation results from the predominance of one of the four self-environment orientations" that he proposes. Rosenau (1981) further asserts that one mode of adaptation predominates, due in part to the hierarchical nature of states. There are, in fact, many ways of studying foreign policy, and the appropriateness of various theoretical approaches for understanding foreign policy are referred to at times throughout this chapter, although the primary interest here is the formulation of EU policies rather than traditional foreign policy.

Institutions are regarded by many theorists as capable of explaining or at least helping to explain the formulation of foreign and/or EU policies. In particular, new institutionalist approaches, which came to prominence in the 1980s and 1990s, emphasise the importance of institutions. Although there are many variants of new institutionalism, even within political science (and far more when all social science disciplines are considered), there are certain unifying features. According to James G. March and Johan P. Olsen (1996: 30), "The core notion (from an institutional perspective) is that life is organised by sets of shared meanings and practices that come to be taken as given. Political actors act and organize themselves in accordance with rules and practices that are socially constructed, publicly known, anticipated, and accepted. Actions of individuals and collectivities occur within these shared meanings and practices, which can be called identities and institutions." These identities and institutions in turn "constitute and legitimate political actors and provide them with consistent behavioural rules, conceptions of reality, standards of assessment, affective ties, and endowments, and thereby with a capacity for purposeful action" (March and Olsen 1996: 30).

There are also many similarities between new institutionalism and international regime theory. Peters (1999: 130) argues that similarities between regime and new

institutional theories are so substantial that regime theory can perhaps be considered an international version of new institutionalism. Furthermore, regimes are similar to institutions, as viewed from a normative approach, in that "the institution [like the regime] influences the values of the components and then the values influence behavior" (Peters 1999: 135). As noted earlier, some theorists (e.g. Young 1983) consider regimes to be institutions (in Young's case, social institutions). Another common bond is that both approaches relate to concepts that may be defined in many ways. This fact is also noted by Peters (1999), who discusses the broad range of both new institutional and regime approaches.

The variety within international regime theory has already been considered. As for new institutionalism, March and Olsen (1996: 27) point out that the word "'institutional' seems more notable for its capacity to engender variations and typologies of meanings than for its precision." They themselves use a broad definition of an institution, so that the concept refers "not only to legislatures, executives, and judiciaries but also to systems of law, social organization (such as the media, markets, or the family), and identities or roles (such as 'citizen,' 'official,' or 'individual')" (March and Olsen 1996: 27). Institutional theory has been applied in a variety of arenas and forms, not all of which necessarily identify themselves as new institutional theories. For instance, Peters (1999) argues that international regime theory can be viewed as a type of international institutionalism. Indeed, the boundary line between institutions and regimes is often either blurred or non-existent. According to Arthur A. Stein (1983: 133), who himself draws a distinction between institutions and regimes, many international regime theorists "equate [institutions] with regimes. Even those who recognize that regimes need not be institutionalized still suggest that institutionalization is one of their major dimensions."

A particularly relevant variant of new institutionalism is historical institutionalism (HI), one of whose most prominent defenders is Paul Pierson (1996). According to Pierson (1996: 126), HI is historical "because it recognizes that political development must be understood as a process that unfolds over time" and institutionalist "because it stresses that many of the contemporary implications of these temporal processes are embedded in institutions -- whether they be formal

rules, policy structures, or norms." For historical institutionalists, there are sunk costs that add constraints to later policy options. In this way, there are particular parallels with international regime theory. For instance, according to Krasner (1983b: 361), "Once a regime is established there are sunk costs."

Moravcsik (1998: 489), who finds both benefits and flaws in a historical institutionalist approach, sees HI as a "reviv[al]" of "the neofunctionalist search for a theory of integration as a self-reinforcing process of spillover." There is, according to Moravcsik (1998: 490), some agreement between him and historical institutionalists, such as the "lock[ing] in" of integration by "structural adjustment and other economic feedback" and even "ideological" feedback at times. However, in contrast to historical institutionalism (as viewed by Moravcsik), Moravcsik (1998: 491) "suggest[s] that these consequences were neither unforeseen nor unintended, as HI theory claims. To the contrary, it was the *deliberate triumphs* of European integration, not its *unintended side-effects*, that appear to have increased support for further integration. This is the key point of divergence between HI theory and the tripartite 'liberal intergovernmentalist' interpretation advanced" in Moravcsik's work (emphasis in original). Interestingly, Moravcsik (1998) attributes the weakness of the HI approach in part to the methodology employed by such scholars; he argues, "HI theorists overlook the foresight of governments because their analyses are rarely based on a detailed, primary-source analysis of national preference formation. Instead, they make do with public justifications by governments or with secondary sources" (Moravcsik 1998: 491).

History can have a role in many types of theoretical approaches, including traditional adaptation theory. Arguing in support of the importance of history, adaptation theorist Mouritzen (1993: 396) writes, "When accounting for integration attitude, it is obvious that historical experience will play a decisive role." Despite acknowledging the importance of history, many theorists, however, have failed to specify how and why it influences policy formulation. Rosenau (1981: 10) finds a role for history (as well as culture), arguing, "Irrespective of their size and scope, all political organisms are conceived to proceed on the basis of how they orient themselves to their surroundings. These orientations derive

from the history, culture, and capabilities of each organism and, as such, they are regarded as so fundamental as to be simple, mutually exclusive, and all-encompassing."

A major theoretical and methodological dispute concerns the attention that should be given to the role of "ideas," which at times are defined as including culture and identity. Here again, definitions are problematic. As Mark Laffey and Jutta Weldes (1997: 193) point out, a major difficulty with the "ideas" literature in general is that the definition of what ideas are is often "not clear." Judith Goldstein and Robert O. Keohane (1993: 3) define ideas as "beliefs held by individuals." In describing the role that they see for ideas, Goldstein and Keohane (1993: 12) argue, "Ideas help to order the world. By ordering the world, ideas may shape agendas, which can profoundly shape outcomes. Insofar as ideas put blinders on people, reducing the number of conceivable alternatives, they serve as invisible switchmen, not only by turning action onto certain tracks rather than others, as in Weber's metaphor, but also by obscuring the other tracks from the agent's view." Goldstein and Keohane (1993: 7-8) classify ideas as "world views," "principled beliefs," and "causal beliefs," the first of which is particularly relevant here and includes culture and identity.

According to Alexander Wendt (1999: 92), himself one of the leading scholars arguing for the importance of ideas, the "focus" on ideas "goes back at least to Snyder, Bruck, and Sapin who [in 1954] pioneered a tradition of cognitive research on the role of belief systems and perceptions in foreign policy decision-making." Michael J. Gorges (2001: 141) traces the attention given to the role of ideas back even further, pointing out, for instance, that as early as 1949 Philip Selnick was writing about "morally sustaining ideas" in his study of the Tennessee Valley Authority. Goldstein and Keohane (1993: 4) argue that most scholars rely on rationalist approaches and "have relegated ideas to a minor role." According to Goldstein and Keohane (1993: 4-5, note 4), "Ideas . . . have traditionally been granted the status of 'unexplained variance.'" Despite this traditional view, ideas regained salience in IR in the 1990s, with a multitude of literature arguing in some sense for the re-incorporation of ideas into the research agenda. Wendt (1999: 92) argues that the study of ideas "has really taken off in the last decade with multiple

lines of theorizing, both mainstream and critical, about identity, ideology, discourse, culture, and, simply, ideas."

Despite the increasing attention given to "ideas" at the turn of the millennium, Andreas Bieler (2001: 93) argues, "There is a tendency in international relations/international political economy (IR/IPE) to neglect ideas, in particular in relation to how actors define their interests." Wendt (1999: 370-371) himself acknowledges, "The dominant ontology today in mainstream theories of international politics is materialist. IR social scientists usually turn first to material forces, defined as power and interest, and bring in ideas only to mop up residual unexplained variance. This approach is clearest in Neorealism, but Neoliberalism seems to be based on it as well."

In fact, a criticism that has been levelled against new institutionalism is its failure to account for how ideas matter. Gorges (2001: 142) is particularly dissatisfied with the ability of institutional theories to "account for the sources of ideas, or the conditions under which particular norms and rules are diffused and adopted. Studies of intra-organisational learning or a focus on cognitive/psychological approaches might be helpful in explaining these processes of diffusion or adoption. This would, however, take us a long way away from an analysis of institutions themselves." Although Gorges' (2001) criticism that the ways in which ideas are developed, spread, and incorporated into institutions are often not clarified by institutional theorists is valid, the solution to this difficulty would not necessarily seem to be to alter the approach completely to the neglect of institutions themselves. Rather, a thorough empirical study that examines institutions and policy-making to determine what ideas were involved and how they influenced decisions might be more appropriate.

Furthermore, Gorges (2001: 141) argues that "ideas arise out of social, economic and historical factors that may themselves be important explanatory factors." Gorges' (2001) point is valid that ideas are themselves shaped by other factors. Yet, one could argue that social and economic factors are themselves shaped by historical experiences and that it is thus history that is most important. Certainly,

however, it would seem that there are a variety of factors that shape ideas, and institutions, whether they are formalised or not, are among them.

Many of those scholars arguing for the importance of ideas are constructivists, termed "reflectivists" by Goldstein and Keohane (1993), a school of thought in IR that, according to Wendt (1999: 1), can be dated to 1989 and the work of Nicholas Oluf. The disciplines that influenced the development of constructivism include "critical theory, postmodernism, feminist theory, historical institutionalism, sociological institutionalism, symbolic interactionism, structuration theory, and the like" (Wendt 1999: 1). According to Wendt (1999: 1), "[S]tudents of international politics have increasingly accepted two basic tenets of 'constructivism': 1) that the structures of human association are determined primarily by shared ideas rather than material forces, and 2) that the identities and interests of purposive actors are constructed by these shared ideas rather than given by nature."

A constructivist approach works well with a study of identity. According to Ingebritsen (1998: 42), "The strength of the constructivist framework lies in rich, detailed accounts of identity formation and change." "Identity" itself is, however, much like "institutions" and other concepts considered in this chapter, a term that may be defined in many different ways and has many different forms. The various types include national identity, cultural identity, European identity, etc. The form of identity that is most relevant for this study is national identity, although this is often so closely tied to other types of identity (such as cultural identity) that complete differentiation is impossible.

Constructivists such as Wendt (1999) often stress the importance of identity. According to Wendt (1999: 170), "To have an identity is simply to have certain ideas about who one is in a given situation, and as such the concept of identity fits squarely into the belief side of the desire plus belief equation. These beliefs in turn help constitute interests." He argues, "Two kinds of ideas can enter into identity, in other words, those held by the Self and those held by the Other. Identities are constituted by both internal and external structures" (Wendt 1999: 224). Although Wendt's structural approach regards change as difficult, he argues that "identities

are always in process, always contested, always an accomplishment of practice"
(Wendt 1999: 340).

Identity has been seen as important in the formulation of foreign policy. Indeed,
national identity is often regarded as crucial for understanding foreign policy.
According to William Wallace (1991: 66), "Nationhood and national identity
represent necessary myths which underpin foreign policy." He argues that "[t]hey
constitute the distinction between the 'national community' which the government
represents abroad and the foreigners with whom it deals; more than that, they
legitimize the actions of governments in defence of the 'national' interest"
(Wallace 1991: 66). Indeed, Wallace (1991: 78) regards identity as so essential
that "[s]tates cannot survive without a sense of identity, an image of what special
contribution they have to make to civilization and international order. Foreign
policy is partly a reflection of that search for identity." Similarly, Christopher Hill
and William Wallace (1996: 8) argue, "Effective foreign policy rests upon a
shared sense of national identity, of a nation-state's 'place in the world', its
friends and enemies, its interests and aspirations. These underlying assumptions
are embedded in national history and myth, changing slowly over time as political
leaders reinterpret them and external and internal developments reshape them."

Jurgen Habermas (1996: 286) also regards history as crucial in the formation of
national identity and argues that "the awareness of a national identity"
"crystallizes around common history" (as well as culture and language). Indeed,
he argues that "only" this "awareness[,] . . . the consciousness of belonging to the
same nation, makes distant people spread over large territories feel politically
responsible for each other" (Habermas 1996: 286). For Habermas (1996: 286),
therefore, history and culture shape identity, and it is, indeed, of "cultural identity"
that he speaks. Discussing the importance of such an identity, Habermas (1996:
286) writes, "This cultural identity provides the socially integrating substrate for
the political identity of the republic."

Pursuing a similar line of argument, Eric J. Hobsbawm (1996) prioritises national
identity and the importance of history. According to Hobsbawm (1996: 255),
"Nations without a past are a contradiction in terms. What makes a nation *is* the

past." Similarly, for Anthony D. Smith (1997: 36), "In order to create a convincing representation of the 'nation', a worthy and distinctive past must be recreated and appropriated. Only then can the nation aspire to a glorious destiny for which citizens may be expected to make some sacrifices."

As has been hinted at earlier, an additional "idea" that is important in shaping policy is culture. Like identity, culture is an "elusive" concept, which is sometimes regarded as an idea itself, at other times as being comprised of ideas (Hudson 1997: 2). Valerie M. Hudson (1997: 2) argues, "The elusiveness of culture becomes apparent when one attempts to define it in a theoretical sense. The difficulty is not so much centered on what to *include* in such a definition, but rather what to *exclude*" (emphasis in original). As Philippe Keraudren (1996: 72) points out, "[I]t is difficult to find more than a handful of authors who use the same definition, or rather the same words, to define culture." Keraudren (1996: 73) argues that, according to "a traditional scientific view of culture," "culture is a mental product, usually defined as shared values, shared beliefs, norms or ideas." For Wendt (1999: 188), "Cultures consist of many different norms, rules, and institutions, and the practices they induce will often be contradictory." The blurred boundaries between culture and the concepts of "institutions" and "regimes" are suggested by the above quotations.

Some scholars differentiate various types of culture, often choosing to concentrate on political culture rather than culture in general. Gabriel A. Almond (1989: 1) argues, "Something like a notion of political culture has been around as long as men have spoken and written about politics." Wolfram F. Hanrieder (1971: 115) defines political culture as "the relevant values, cognitions, and expressive symbols" on which the "image of the Good Society rests." Jan-Erik Lane and Svante O. Ersson (1996: 175) write, "The concept of political culture refers to attitudes that individuals hold in relation to politics broadly conceived." According to Hudson (1997: 16), however, the "distinctions" between different types of culture are, with the exception of elite culture, "not very meaningful, or even helpful, to the researcher."

One of the earliest modern scholarly pieces to address "culture" is Gabriel A. Almond and Sidney Verba's (1963) *The Civic Culture: Political Attitudes and Democracy in Five Nations*. For them, as their title suggests, the main interest is what they term "civic culture" (Almond and Verba 1963). Jerzy J. Wiatr (1989: 119) argues, "In general, *The Civic Culture* can be considered one of the milestones in the recent history of comparative social science." For Almond and Verba (1963: 5), "[T]he working principles of the democratic polity and its civic culture -- the ways in which political elites make decisions, their norms and attitudes, as well as the norms and attitudes of the ordinary citizen, his relation to government and to his fellow citizens -- are subtler cultural components. They have the more diffuse properties of belief systems or of codes of personal relations, which the anthropologists tell us spread only with great difficulty, undergoing substantial change in the process."

Almond and Verba (1963: 8) regard "national histories" and "social structures" as factors that can explain differences in civic cultures. Describing the differences between the civic cultures of the UK and the United States, they write, "Though their basic patterns are similar, the civic cultures of Britain and the United States have somewhat different contents, reflecting these differences in national histories and social structures" (Almond and Verba 1963: 8). There are, in fact, similarities between their approach and that of new institutionalism, as social structures can be regarded as institutions, and history is given an important role in new institutionalism, particularly in historical institutionalism.

Although their focus is on civic culture, Almond and Verba (1963: 5) also speak of political culture, arguing, "A democratic form of participatory political system requires as well a political culture consistent with it." For them, "the term political culture . . . refers to the specifically political orientations -- attitudes toward the political system and its various parts, and attitudes toward the role of the self in the system. We speak of a political culture just as we can speak of an economic culture or a religious culture. It is a set of orientations toward a special set of social objects and processes" (Almond and Verba 1963: 13). They further specify their use of the term culture by explaining that they "employ the concept of culture in only one of its many meanings: that of *psychological orientation toward*

social objects. When we speak of the political culture of a society, we refer to the political system as internalized in the cognitions, feelings, and evaluations of its population" (Almond and Verba 1963: 14, emphasis in original).

Almond and Verba (1963: 13) argue that they use "the term political culture for two reasons. First, if we are to ascertain the relations between political and nonpolitical attitudes and development patterns, we have to separate the former from the latter even though the boundary between them is not as sharp as our terminology would suggest." The second reason is that the term political culture "enables us to utilise the conceptual frameworks and approaches of anthropology, sociology, and psychology" (Almond and Verba 1963: 13). Furthermore, they assert that "the concept of political culture . . . enables us to formulate hypotheses about relationships among the different components of culture and to test these hypotheses empirically" (Almond and Verba 1963: 14).

Commenting on his earlier work with Verba, Almond (1989: 29) writes, "The position taken in *The Civic Culture* that beliefs, feelings, and values significantly influence political behavior, and these beliefs, feelings, and values are the product of socialization experiences is one that is sustained by much evidence." David P. Conradt (1989: 225), however, criticises Almond and Verba (1963) for their failure to consider history and to explain change sufficiently: "In neglecting to examine directly or systematically the effects of history upon political culture, the authors were unable to deal satisfactorily with the problem of change." Identifying a specific example of a flaw in their work, Conradt (1989: 227) argues, "*The Civic Culture*'s treatment of national identity and pride was also deficient in the German case."

However, the methodology employed by Almond and Verba (1963), as well as by Almond (1989) in his later work reflecting on their earlier project, would not be appropriate here because their work focuses on citizens rather than policy-makers. Their concern is with what is in the minds of citizens, whereas the concern here is the way in which policies are formulated by national decision-makers at the elite level.

A more relevant approach to and definition of political culture (for the purposes of this study) is that developed by Teija Tiilikainen (1998a). For Tiilikainen (1998a: 17), political culture "refers . . . to the whole system of political traditions that is characteristic of a particular political unity at a particular time. Political traditions can be seen as political doctrines, or political systems of meaning, which are characterised by a clear historical continuity. Political culture refers to the substance of the main political traditions as well as to their structure and the relations between them." Furthermore, for Tiilikainen (1998a: 17-18), "[P]olitical culture is more or less based upon the political concepts of those in power."

Tiilikainen's (1998a) definition is particularly appropriate here, not only because her study concerns Finland and European integration, but also because it concentrates on the "political concepts of those in power", i.e. the policy-makers, as well as because it acknowledges the importance of history in constructing political culture. Focusing on the role of political culture in explaining participation in European integration, Tiilikainen (1998a) identifies history as an important factor that can explain the variations in political cultures in different parts of Europe. She argues, "The division of European political culture brought about by the Reformation has conditioned the project of European unification by imposing cultural and political limits upon it" (Tiilikainen 1998a: 55). She thus concentrates on the significance of a specific historical episode, the Reformation, in shaping national political cultures and, in turn, attitudes towards European integration.

Furthermore, Tiilikainen (1998a: 18) elucidates the way in which political culture impacts upon policy formulation as follows: "Political culture constitutes the basis for political values and identities and, consequently, for the formulation of political goals." Thus, for her, identity is constituted by political culture, rather than existing alongside it. Tiilikainen (1998a) also, as noted above, views the political culture of policy-makers as most important. She furthermore sees an interconnection between political culture and history and institutions: "The terms of political culture receive expression through the conceptions of political elites and decision-makers even if they also have to achieve a broader legitimacy among the citizens. The terms of political culture live in, and are transmitted by, people's

political conceptions as well as institutionalised political structures such as different types of laws and norms and organisations of governance. Elements of political culture live in history, which means that political conceptions and understandings are all the time being reproduced and adapted to new historical conditions" (Tiilikainen 1998a: 18). For Tiilikainen (1998a: 170), cultures are "historically constructed." Based on her work, the causal arrows would seem to be as follows: history → political culture → formulation of political goals.

An emphasis on culture and identity is frequently combined with a focus on structure. For instance, Wendt (1999: 138) argues that "in addition to idealism, a key feature of constructivism is holism or structuralism, the view that social structures have effects that cannot be reduced to agents and their interactions. Among these effects is the shaping of identities and interests, which are conditioned by discursive formations -- by the *distribution* of ideas in the system -- as well as by material forces, and as such are not formed in a vacuum" (emphasis in original). In terms of the importance of structure, constructivism bears some similarities to historical institutionalism, which was, indeed, one of the approaches that contributed to the development of constructivism.

Historical institutionalism and constructivism, particularly the version put forth by Wendt (1999), also share an emphasis on history and a similar view of change. Both place importance on path dependency, such as that promoted Pierson (1996), whose work is discussed above. For instance, Wendt (1999: 339) writes, "Structural change is . . . path dependent." Wendt's (1999) discussion of the difficulty of structural change resembles the HI concept of sunk costs that is mentioned above. According to Wendt (1999: 339), "Structural change is difficult. The term 'structure' itself makes it clear why this must be so, since it calls attention to patterns or relationships that are relatively stable through time. If things were constantly changing then we could not speak of their being structured at all." However, despite the lack of attention given by structuralists such as Wendt (1999) to individual actors, a structural approach does not preclude a role for individuals, nor does it preclude change.

Related to the role of individuals and the actor/structure debate itself is the issue of the extent to which actors are treated as "rational." The rational choice literature (which is inspired by economics), prevalent in both CP and IR, assumes that actors make rational decisions. In short, as Moravcsik (1993: 481) explains, "State action at any particular moment is assumed to be minimally rational, in that it is purposively directed toward the achievement of a set of consistently ordered goals or objectives. Governments evaluate alternative courses of action on the basis of a utility function." According to Wendt (1999: 169), "Rationalists tend not to be very interested in explaining interests, preferring to see how far they can get by focusing on behavior while holding interests constant. Still less are they interested in issues of identity." Preference formation (where the role of ideas is crucial in shaping interests), in particular, is often neglected, although "rationalists are increasingly taking an interest in both preference and identity formation" (Wendt 1999: 170).

Although rationality is sometimes considered to be capable of coexisting with an approach that prioritises "ideas," it is at times regarded as being in opposition to such an approach. For instance, Rosenau (1981: 14) argues that his adaptation theory is not one of rational choice: "Preferences for one or another self-environment orientation do not result from rational calculation and careful deliberation. Rather they originate in the cultural impulses, historical precedents, and structural circumstances that differentiate the entity and give it meaning. The members and leaders of an entity acquire their cultural, historical, and structural understandings from its prior generations and treat them as givens, as values they have to articulate and protect rather than as alternatives they have to select or as issues they have to ponder and resolve." Yet, even Rosenau (1981: 15) admits that "many of the mechanisms through which adaptation occurs involve the accumulation of information, the framing of alternatives, the assessment of costs and benefits, and the other steps whereby actors seek to maximize rational choice. To focus on such activities, however, is to study the dynamics of adaptive behaviour and not its wellsprings." The degree to which rational choice is involved therefore depends largely on the point in the process of policy formulation that is being analysed and what the analyst is attempting to explain.

Rational choice can also be combined with an international regime approach. For instance, Keohane (1983: 141) presents "an interpretation of international regime-formation that relies heavily on rational-choice analysis in the utilitarian social contract tradition." Yet, he admits that rational choice is not "the only valid way to understand international regimes, or even . . . preferable to others" (Keohane 1983: 143). Rather, Keohane (1983: 143) "view[s] rational-choice analysis as one way to generate an insightful interpretation of international regimes that complements interpretations derived from analyses of conventions and of learning." In addition, Stein's (1983: 132) "conceptualization of regimes is interest-based. It suggests that the same forces of autonomously calculated self-interest that lie at the root of the anarchic international system also lay the foundation for international regimes as a form of international order." He argues that "[t]he same forces that lead individuals to bind themselves together to escape the state of nature also lead states to coordinate their actions, even to collaborate with one another. Quite simply, there are times when rational self-interested calculation leads actors to abandon independent decision making in favor of joint decision making" (Stein 1983: 132).

As is suggested by Stein's (1983) argument above, the discussion on the degree to which actors can be considered to be "rational" is related to the debate on the relationship between interests and ideas. Laffey and Weldes (1997: 200) argue that "the conceptual distinction between interests and 'ideas' . . . is central to rationalism." Indeed, as pointed out above, Stein's (1983) rational choice approach to regime theory is "interest-based." Not only regime theorists, however, may (in some cases) see interests as separate entities.

Even constructivists may see a distinction between interests and ideas. Concentrating on the difference between identities and interests, Wendt (1999: 231) writes, "Identities refer to who or what actors *are*. They designate social kinds or states of being. Interests refer to what actors *want*. They designate motivations that help explain behavior. . . . Interests presuppose identities because an actor cannot know what it wants until it knows who it is, and since identities have varying degrees of cultural context so will interests. Identities may

themselves be chosen in light of interests, as some rationalists argue, but those interests themselves presuppose still deeper identities."

Even interests may be subdivided into different categories and defined in different ways. According to Wendt (1999: 231), "The social theory literature distinguishes two kinds of interests, objective and subjective." He argues that "[t]he concept of *subjective* interests refers to those beliefs that actors actually have about how to meet their identity needs, and it is these which are the proximate motivation for behavior. This is equivalent to what rationalists mean by 'preferences' or 'tastes,' and philosophers by 'desire,' and to avoid confusion we might want to use one of those terms instead and reserve 'interest' for 'objective' interests" (Wendt 1999: 232). Objective interests are defined as "needs or functional imperatives which must be fulfilled if an identity is to be reproduced" (Wendt 1999: 231-232).

The type of objective interest that would seem most relevant here is national interest. Wendt (1999: 198) defines national interest "as the objective interests of state-society complexes, consisting of four needs: physical survival, autonomy, economic well-being, and collective self-esteem." Collective self-esteem is the only one of the four that does not necessarily appear straightforward. For Wendt (1999: 236), the need for collective self-esteem is "a group's need to feel good about itself for respect or status."

Constructivists such as Wendt (1999) regard structural forces as constructing, or shaping, "ideas." There are, however, other ways of examining the role of ideas than the approaches that they put forth. For instance, Bieler (2001) combines an economic-focused approach with one that focuses on ideas. Bieler's (2001: 99) neo-Gramscian approach "conceptualise[s] the material basis of ideas, combining a 'constructivist' understanding of the role of ideas with a clear acknowledgement of the importance of their material structure." He argues that such an approach avoids "two things": 1) "falling into the trap of economic determinism, which regards ideas merely as a reflection of material structure" and 2) "adopting a position of empirical pluralism, which treats ideas as a factor completely independent from material reality" (Bieler 2001: 99). He asserts that "ideas represent an independent force, but only in so far as they are rooted in the

economic sphere, going beyond it at the same time, i.e. that they are in a dialectical relationship with the material properties of the sphere of production" (Bieler 2001: 98). In constructing his argument, Bieler (2001: 93) draws on the 1971 work of Antonio Gramsci to argue that "ideas must be disseminated through a material structure consisting of publishing houses, political newspapers, periodicals, etc. to become relevant." In this sense, Bieler's (2001) approach resembles Benedict Anderson's (1991) conception of "imagined communities" in which individuals are connected by the print media to form communities despite the fact that they will never be able to meet each other personally, but must instead imagine each other's existence.

An alternative approach, which, in contrast to that of Bieler (2001), downplays the role of "ideas," yet does not concentrate entirely on economic factors either, is a sectoral approach, such as that proposed by Ingebritsen (1998). Discussing the flaws that she sees with both economic and constructivist approaches, Ingebritsen (1998: 44) argues, "Constructivists portray Nordic integration with the EC as an impressionistic, subjective process of changing identities. Economists focus on macroeconomic conditions as a predictor of accession and obscure the intense political struggles that raged within each state as some societal groups pushed for accession and others actively resisted. Neither the combined Nordic pursuit of political integration nor the divergent roles these governments will play in European politics can be captured by relying on these two alternative approaches." According to Ingebritsen (1998: 45), her "analysis reveals how economic sectors in northern Europe become politically important in the integration process once international security threats are no longer the primary concern of states."

Ingebritsen (1998: 44) does, however, see "qualifications" to her approach: "First, sectors do not always define the choices available to the state. When security imperatives prevail, states may resist integration with the European core, and no amount of sectoral pressure will convince state authorities to trade off autonomy for integration." Although Ingebritsen (1998) does see security imperatives as being capable of prevailing over a sectoral explanation, she does not recognise the possibility that such imperatives may also lead states in the opposite direction, of pursuing more rather than less integration. The second "qualification" that she

identifies is that "sectors are caught in a two-level game because by their very nature they bridge the international and domestic political spheres. In each state, economic sectors define their interests in relation to European policy regimes. The process is political and depends on who is expected to win or lose in the integration process, in contrast to an optimal economic choice made by a rational, unitary actor. While parsimony may be sacrificed in an effort to trace the interaction of sectors and the capacity of the state to act, it is possible to predict, based on a comparative analysis of differences in sectoral dependence, that some states will face greater social resistance to European integration than others" (Ingebritsen 1998: 44-45).

Although sectors may be important in determining whether or not a country decides to join the EU, a sectoral approach is weaker in explaining a state's behaviour inside the EU. It is also not as useful when the focus is not merely one of the degree of integration but also the way in which the state behaves and pursues integration. In particular, Ingebritsen's (1998) approach fails to explain the differences between Finnish and Swedish behaviour as EU members; on the contrary, her approach leads one to concentrate on the similarities between these two countries. Thus, her theoretical framework, like the others presented here, cannot alone explain the differences between Finnish and Swedish adaptation to the EU.

Towards the Construction of a New Framework

The analysis of the relevant theoretical literature has demonstrated a multitude of approaches that both compete with and complement each other, often without dialogue between them. For instance, although Peters (1999) points out the similarities between new institutionalist and international regime approaches, most of the scholars arguing in support of these approaches fail to see the similarities and do not engage in dialogue with each other. Moreover, within theoretical approaches, such as the two mentioned above, there is often tremendous diversity. Furthermore, terms such as "regime" may have completely different meanings depending on who uses them. None of the key concepts

highlighted in this study (adaptation, regime, history, institution, culture, and identity) has a clear-cut definition.

The approaches outlined above have come from a variety of different perspectives, including both domestic and international politics approaches. As the EU is neither truly domestic nor fully international, one type of theory that is appropriate in that it draws on both domestic and international politics is foreign policy theory. Yet, because the EU is not truly "foreign," the formulation of EU policies is certainly more than simply the formulation of foreign policy. The term "foreign policy" implies that one is dealing with the international system, which is generally characterised by weak institutions with little binding force from which exit is relatively easy. This is in contrast to the stronger institutions, both formal and informal, found in the EU that did constrain member states and from which exit was so costly that no member state had attempted it at the close of this study in 2000. At the same time, the EU between 1995 and 2000 was not entirely domestic; adapting to the EU involved working with other member states in a fashion that, at times, was highly intergovernmental.

Adaptation is seen here as a behavioural strategy. In particular, it is defined as the altering by a member state of its own strategy as a result of EU membership. For instance, when an EU member state officially states a position and then changes it to fit in with those of the EU as a whole, that is an example of adaptation. Although it is not a belief system, adaptation may be based on a belief system or systems. In particular, identity and culture (themselves far more than simply belief systems), shaped by historical experiences and institutions, are the determinants of the nature and degree of adaptation. Although the modes of adaptation identified by traditional adaptation theory are referred to at times, the goal here is not to categorise Finland and Sweden as to which of the models they best fit. Furthermore, the analysis is not based on a continuum from maladaptation to adaptation, but, rather, adaptation is considered to be a change (or changes) that the adaptor makes as a result of its relationship with the "regime" (in this case, the EU) to which it adapts. These changes, or adaptations (or, indeed, adjustments), may vary in their nature and extent. Indeed, the goal here is to characterise the nature and extent of the differences between Finnish and Swedish adaptation to

the EU between 1995 and 2000. In other words, how and why did Finnish and Swedish policy-makers alter their positions and policies on EU-related matters during this time period and to what extent?

The adaptation theory put forth by scholars such as Mouritzen (1988, 1993) and Petersen (1998) provides a useful starting point for this study. Yet, interestingly and perhaps ironically, one of the most useful versions of adaptation theory is one of the earliest: Rosenau's (1981) theory of political adaptation. However, the various typologies of modes of adaptation are not capable of accounting for the differences between Finnish and Swedish adaptation to the EU, as both countries seem to have pursued a balanced approach, as later chapters demonstrate. Furthermore, whereas adaptation theorists give importance to external as well as internal factors, the focus here is on internal ones. In fact, although external and internal factors are intimately connected, the external ones are held primarily constant here since Finland and Sweden joined the EU at the same time and faced nearly identical external opportunities and constraints. Focusing on their adaptation to EU membership rather than the entire international system is in keeping with Rosenau's (1981: 41) suggestion of focusing on the "salient environment."

International regime theory also provides insights that can be employed in this study. However, the existing literature alone is not capable of explaining the differences between Finnish and Swedish adaptation to the EU and requires clarification. The definition of a regime is often too broad to be useful, and although regime theory has been applied to the EU, it is frequently used to analyse very different types of "regimes." For instance, international regimes may be groupings such as the General Agreement on Tariffs and Trade (GATT, replaced by the World Trade Organization, WTO) that do not have the same control over their members that the EU has. Furthermore, most regimes have the possibility of exit, whereas it is not certain that the option of exit from the EU was a feasible one.

In addition, whereas much of the literature on regimes concentrates on the formation of regimes, the focus here is on what happens when new members join

an existing regime from the perspective of the new members. Finland and Sweden entered an already formed Union whose *acquis communitaire* they were forced to accept in full and to whose principles, norms, rules, and decision-making procedures they would need, at least to some extent, to adapt as a condition of their membership.

A "regime" is used here to refer to the European Union, but with the understanding that the EU is not truly a regime in the full sense of word as used by international regime theorists such as Krasner (1983c). Although the EU is not taken to be a regime per se, it is regarded as having regime-like characteristics and, significantly, may be viewed by member states as a regime to which they must adapt in order to maximise their influence. Despite potential confusion with the use of the word "regime" by adaptation theorists such as Mouritzen, the decision has been made to use "regime" to mean the target of adaptation rather than the adaptor. Rather than viewing Finland and Sweden as regimes (as, for instance, Mouritzen does), they are treated as unified actors formulating national EU policy (with the understanding that they are actually comprised of individuals and groups that together shape common national positions).

Constructivism provides considerable inspiration for the theoretical approach employed here, including both the importance of "ideas" (in this case primarily culture and identity) and the importance of structure (primarily historical experiences and institutions) in shaping these ideas. In this study, the primary form of culture that is of interest is political culture, particularly as far as it refers to the decision-making style of elites. Although political culture is related to popular, or mass, culture, it is not entirely the same. Identity is seen as co-existing with political culture, with the two concepts influencing each other and both being shaped by historical experiences and institutions. For the purposes of this project, identity may be roughly defined as the sense of being that a state has as a collective entity, the sense of who or what that state is. It should also be noted that, although culture and identity are described as "ideas," they are also much more than simply "ideas" in the sense of the thoughts inside the minds of the decision-makers. They are, however, certainly a part of their thought processes (whether consciously or not) and, in turn, influence the formulation of policies.

Rationality is not totally disregarded, but, at the same time, policy-makers'
decisions are seen as a combination of "rational" choices and the influence of
structure and ideas that "colour" their decisions (at times without their knowledge)
or constrain them due to past choices or experiences. In fact, it is not always
possible to know the extent to which a particular decision is rational, nor is it
necessary. Furthermore, it is acknowledged that policy-makers may consciously
take decisions that will constrain the choices of future decision-makers,
particularly by establishing sunk costs. In keeping with this view, Moravcsik's
(1998) critique of historical institutionalism for concentrating on the unintended
and unforeseen nature of structural consequences is considered to be valid because
many decisions are, as Moravcsik (1998) observes, deliberate and intended.

Historical experiences, whether deliberately constructed by policy-makers or not,
are viewed as vital in defining the structure within which future decisions can be
taken by shaping institutions, culture, and identity.[7] The concept of path
dependency, used by scholars such as Pierson (1996), is thus relevant, although
the possibility for change is accepted. Policy-makers are not fully bound by past
decisions and events, even though they are influenced and constrained by them.
There is a variety of historical experiences, which are defined in the following
chapter, that impact on policy-making. This is in contrast to the approach of
scholars such as Tiilikainen (1998a), who concentrate on a specific historical
episode (in Tiilikainen's case, the Reformation).

Interests are regarded as integrally related to identities and are thus not a focus of
analysis in their own right in this thesis. Despite this, Wendt's (1999: 198)
definition of the national interest is useful, particularly his fourth "need,"
"collective self-esteem," which is an important determinant of national EU
policies. Yet, collective self-esteem (or self-confidence) is considered here to be
part of national identity and is shaped by historical experiences and institutions.
Clearly, Wendt's other three needs (physical survival, autonomy, and economic

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[7] Institutions here include both formal ones (such as the office of the President in Finland) and
informal ones, which may overlap at times with political culture (e.g. decision-making style,
considered here to be a part of political culture, might also be considered an institution).

well-being) are also influential in determining a country's EU policies (although the EU and its member states are not the focus of Wendt's work), but they are less useful in explaining differences between the Finnish and Swedish approaches. Indeed, this is probably true for explaining differences between most member states, as participation in the EU imposes more or less the same constraints on all members in these respects.

While most of the theoretical approaches reviewed in this chapter have something to contribute, one that particularly contradicts the arguments presented here is that of Moravcsik's (1993, 1998) liberal intergovernmentalism and especially his focus on the primacy of economic interests in explaining national EU policy-formation. Rather than prioritising economic interests as the primary explanatory factors, in the current model they are incorporated into a theoretical framework that concentrates on the role of historical experiences, institutions, identity, and culture. Thus, economic historical experiences are considered to be part of historical experiences as a whole (and, indeed, Finland and Sweden's economic histories are mentioned in chapter three along with other aspects of their histories). Similarly, economic institutions are part of each state's institutional framework. Thus, economic historical experiences and institutions may, like other historical experiences and institutions, shape culture and identity and in turn affect policy formulation. They are therefore not exogenous to the model employed in this study. Although they are incorporated into the model, economic factors are not viewed as being decisive aspects of HICI for the purposes of this study. In fact, they tend to demonstrate more similarities than differences between Finland and Sweden. Furthermore, economic interests are particularly ineffective in explaining the differences in their adaptation to the EU in terms of their formulation of national EU policies, where (as is argued in the following chapters of this thesis) HICI factors have been the primary influences on policy formulation. On the other hand, economic factors alone are unable to explain these differences.

Another approach that differs considerably from that pursued here is that of Ingebritsen (1998), whose sectoral approach also fails to give much importance to HICI. Instead, her focus is on economic sectors and how they influence national

participation in European integration. Although her focus is on the Nordic region (whereas Moravcsik's (1993, 1998) is not), she groups Finland and Sweden together and observes no significant differences between them. Thus, although her approach may be capable of explaining why the behaviour of Finland and Sweden differs from that of their Nordic neighbours, it cannot explain why these two relatively similar countries diverged on some aspects of their EU policies between 1995 and 2000. Economic sectors are not viewed as being exogenous to the present model; rather, they are considered to be a part of the institutional structure of Finland and Sweden. However, as there are such similarities between the two countries in this regard (as Ingebritsen herself argues), they are not particularly useful in explaining the differences between these states. An approach such as that of Ingebritsen (1998), which concentrates on the role of economic sectors, cannot clarify divergences between Finnish and Swedish adaptation to the EU.

Many of the concepts that are highlighted here are, as has already been noted, ones that are known for their elusiveness. Despite their many forms in the theoretical literature, they are too important to be ignored. An attempt is made in this thesis to give them form and assert which elements of these concepts are most important for explaining the differences between Finnish and Swedish adaptation to the EU. The next chapter (chapter three) elucidates which aspects are most relevant for the particular countries analysed here, and the case studies (chapters four, five, and six) demonstrate in what ways HICI matter.

Chapter Three: Meet Two New Kids on the European Block

The two preceding chapters have introduced the topic of the study of the adaptation of new member states to the European Union (EU). Now it is time to "meet" the two "new kids on the European block" that are at the heart of this study through an analysis of their histories, institutions, cultures, and identities (HICI). This chapter first substantiates the appropriateness of the use of the most similar systems research design introduced in the preceding chapter. The similarities between Finland and Sweden are examined through an overview of their HICI. Because the main interest here is in the differences (as they are, based on a most similar systems research design, capable of explaining differences in their adaptation to the EU), the section focusing on differences is significantly longer than that examining similarities. Should the interest have been in the similarities between the two countries, it would have been possible to reverse the lengths of the two sections, and thus the difference in length should not be interpreted as meaning that the differences between Finland and Sweden are greater than the similarities.

It should be noted that this chapter is by no means meant to provide a thorough coverage of Finnish and Swedish history between the Middle Ages and the end of the twentieth century (although it does encompass this vast period), an ambitious task for a thesis of its own. As this is a political rather than a historical thesis, the history is provided in order to substantiate the theoretical arguments that have been suggested in the preceding chapter and will be developed in the forthcoming chapters. The focus in the first section is therefore on those aspects of their historical experiences as well as their institutions, cultures, and identities that substantiate the appropriateness of Finland and Sweden for a most similar systems research design. The following section of this chapter then highlights their differences, which may be able to explain why these two similar countries did not pursue identical strategies as EU members between 1995 and 2000. Indeed, there are many elements of these countries' backgrounds that could have been included here. However, due to limitations in space and scope, a general overview

approach has been employed in this chapter, leaving out many aspects of the two countries' histories that would have been vital components of a more historical study. Furthermore, although certain events are highlighted at times, these must be seen in the context of historical processes and developments, which are discussed in this chapter.[8]

Two Similar "Kids"

Despite being newcomers to the EU, Finland and Sweden share a lengthy common history. A series of organised military incursions from Sweden eventually resulted in the integration of the area known today as "Finland" into the Swedish kingdom, which was considerably larger than modern Sweden and did not include parts of today's southern Sweden that originally belonged to Denmark.[9] There is evidence of settlement from Sweden in Finland by the eleventh century (Arter 1999: 13). Finland, although clearly a frontier-zone for the realm, was not regarded as a colony, but rather "soon acquired equal status with other parts of the Swedish kingdom" (Engman and Kirby 1989: xi). Similarly, David Kirby (1990: 153) argues that although Finland was "geographically isolated" from modern Sweden, it was "regarded as an integral part of the realm." An example of Finland's integration was the participation by Finnish representatives in the 1363 election of the Swedish king, although the integration was economic and social as well as political (Engman and Kirby 1989: xi).

Furthermore, Finland was itself "by no means a clearly defined or unified area," and "the most integrated parts of the [Swedish] kingdom were those nearest the capital" (Engman and Kirby 1989: xi). This meant that some parts of "Finland," a term which itself "applied to different areas at different periods," were more integrated than were parts of modern day Sweden, whereas more distant areas of Finland were less integrated (Engman and Kirby 1989: xi). Similarly, Risto

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[8] This chapter concentrates on the historical experiences, institutions, cultures, and identities of what would become the modern Finnish and Swedish states, with the understanding that the Finnish and Swedish states as such, with their current borders, did not exist until the twentieth century.

[9] Another effort to Christianise the Finns, although less well-organised and also less successful, was made from Novgorod to expand its influence into Karelia.

Alapuro (1988: 19) writes, "The southwestern region of what later became the Finnish state belonged more or less to the core of the Swedish Kingdom, whereas the other regions remained at the periphery." This was a distinction that would persist into the nineteenth century, when, according to Matti Klinge (1982: 12), there were "two Finlands" (*kaksi Suomea*), one tied to Stockholm and the other to St Petersburg.

A common bond throughout the Swedish realm was the Swedish language, which was found on the Finnish mainland as early as the eleventh century. Although the vernacular language in Finland was Finnish, Swedish became the language of the educated classes, and legally Swedish was the only official language of the realm. Although Finnish does not belong to the same language group as Swedish and the other Scandinavian languages, there are semantic similarities between Finnish and Swedish. For instance, as Erik Allardt (1989: 220) points out, "Each language has many loan words taken from the other." The list of almost identical Finnish and Swedish words includes, for example, "poika" (Finnish) and "pojke" (Swedish), both meaning "boy." Furthermore, as Allardt (1989: 220) astutely notes, "There is a strong purist tendency in Finland which produces attempts to find genuinely Finnish new words, and which has sometimes led observers to overlook the fact that many terms in Finnish are direct translations from Swedish. For instance, compound words are often produced by combining existing words in the same way as in Swedish." The common history of the two countries, including the presence of both Swedish-speakers in Finland and Finnish-speakers in Sweden (including, for instance, those in the Tornio valley), led to these "semantic and conceptual similarities" between the Finnish and Swedish languages (Allardt 1989: 220). Klinge (1983: 222-223) also discusses the close relationship between the two languages. These bonds certainly had their roots in the close contact between the two languages over many centuries.

In June 1397, Sweden (then including Finland) participated in the Kalmar Union with the rest of Scandinavia. Although the Union was, according to David Arter (1999: 14) "Danish dominated," no one ruler even managed to assume full control. The Union came to an end during the early sixteenth century after the 1520 Stockholm bloodbath and the election in 1520 and crowning in 1523 of

Gustav Vasa as the King of Sweden. The legacy of the joining of Denmark and Sweden lived on, however, with the incorporation during the seventeenth century of parts of Denmark (e.g. Skåne) into Sweden. These areas continue to have stronger ties to Denmark than elsewhere in Sweden and, in modern times, strong regional identities that have witnessed a resurgence following the collapse of the Soviet Union, the enlargement of the EU, and the opening of the Øresund bridge. The Kalmar Union, furthermore, had an impact on national and Nordic identity, particularly in Sweden.

Throughout the period of the Kalmar Union (as well as before and after), Finnish institutions were integrated into the Swedish ones, with Finns participating in elections and holding seats in the parliament. The first *Riksdag*, or parliament, met in 1435, although the name *Riksdag* was not applied to this body until 1561 (Nordstrom 2000: 32). According to Kirby (1990: 42), "In the course of the long and exhausting struggles between king and regent [during the Kalmar Union], the practice of summoning representatives of other sections of society to discuss matters of national importance with the council developed; and out of these *herredagar* was to emerge the Swedish parliament (*riksdag*)." This time period was therefore one during which institutions that would continue to be important in both modern Finland and modern Sweden began to develop.

The years following the dissolution of the Kalmar Union were ones marked by important changes for the Swedish realm. Whereas "all of Scandinavia was Catholic" in 1500, "by 1600 all of Scandinavia was Lutheran in structure and practice" (Nordstrom 2000: 37). Finland and Sweden thus both underwent the transformation from Catholicism to Lutheranism in the sixteenth century, when translations of the Bible appeared in both Finnish and Swedish. Kirby (1990: 90), however, cautions that "[t]he literary work of the reformers did not transform the kingdom overnight into a bastion of orthodox Lutheranism." Confirming the conversion of the realm to Lutheranism by the beginning of the seventeenth century, Kirby (1990: 91) writes, "The endorsement of the Augsburg Confession by the church assembly in 1593 finally gave official confirmation of Sweden's status as a Lutheran land, and subsequent legislation during the reign of Karl IX enforced strict religious uniformity." Despite this, he asserts that "[t]he

implantation of the evangelical faith in northern Europe was a . . . slow process" (Kirby 1990: 97).

The Reformation strengthened the role of the state in Sweden-Finland, leaving a legacy of state-centrism that would continue well after the two countries ceased to be joined. Teija Tiilikainen (1998a: 172) argues, "The Lutheran Reformation planted in Finland a firm tradition of State-centrism which was finally sealed when Finland came under the impact of German nationalism in the eighteenth century." As a result of its Lutheran heritage, according to Tiilikainen (1998a: 173), "Finland entirely lacks a federal tradition"; the same could also be said of Sweden. Kirby (1990: 98) also notes the centralisation of the Swedish state during the 1500s. The state-centrism that resulted from the Reformation would continue to influence Finnish and Swedish institutions and political culture for centuries to come. Indeed, during the sixteenth century, the Swedish state and its institutions took form, setting patterns that would continue to be influential in both Sweden and Finland.

For Tiilikainen (1998a), the Reformation was the crucial element in the history of Finland and other Lutheran countries that can to this day explain their differing approaches to participation in European integration. She argues that the Reformation left a state-centrism and general structure and approach that differed from that found in Europe's Catholic countries. She is certainly correct in arguing that the Reformation left a lasting legacy, not least in its impact on the Swedish state (and subsequently on the Finnish state as well). Her claims about the Reformation being the primary explanatory factor for national participation in European integration are, however, more difficult to accept.

It should also be remembered that, at the time of the Reformation, there was not yet a Finnish state, nor was there a Swedish state in the modern sense. There were, however, already political institutions, notably the Swedish parliament, whose roots (as mentioned previously) dated back to 1435, which developed into a more important body during the 1500s and would become even more important in later centuries. Kirby (1990: 105) argues that in Sweden (unlike in neighbouring Denmark) "the four estates of the clergy, nobility, burghers and peasants [which

together comprised the parliament] were to become an integral feature of the polity during the seventeenth century." Already in the early decades of the century, Swedish king Gustav Adolf made an effort to share his power and work together with the estates (Roberts 1968: 13, cf. citation of "Gustav Adolph's farewell speech to the Estates" on 16 May 1630 in Roberts 1968: 13-16).

Although the Swedish parliament was reasonably developed by the end of the sixteenth century, Swedish institutions and even territorial borders continued to develop and change. The seventeenth century was a time of great power as well as warfare for the Swedish realm. The period of greatness started with the Thirty Years War (*Trettioåriga Kriget*), which began in 1618 and ended with the Peace of Westphalia in 1648. Ten years after the conclusion of the Thirty Years War, in 1658, the Swedish kingdom was at its maximum size (despite having lost New Sweden in 1655).[10] Yet, despite being a great power, Sweden was lacking in resources such as copper as well as human resources, despite having a "major asset" in its mining industry (Kirby 1990: 242). The Swedish Age of Greatness (*Stormaktstiden*) ended with the Great Northern War (*Stora Nordiska Kriget*, 1700-1721), when the leading role in Northern Europe moved from Sweden to Russia (Nordstrom 2000: 35). When the Great Northern War ended, "[a]ll that remained of Sweden's Baltic empire was Sweden proper, Finland, and Swedish Pomerania" (Nordstrom 2000: 77). Sweden's "age of greatness was over, and Sweden now joined Denmark as a minor player or pawn in Baltic and European affairs" (Nordstrom 2000: 77-78).

A particularly notable step in the development of institutions in the Swedish realm was the adoption of the constitution of 1720, although, as Kirby (1990: 346) points out, it received a "mixed" reception outside the kingdom. According to Kirby (1990: 346), the constitution "severed the link between council and the administrative machinery of the collegial system." The changes of 1720 also had an impact on the Swedish parliament. Kirby (1990: 368) argues, "The effecting dismantling of royal power in 1720 gave the *riksdag* an important role in the affairs of Sweden, both as a forum for debate and as an initiator of legislation."

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[10] See the Appendix for a map of the Swedish realm in 1658 (as well as maps of modern Finland and Sweden).

The institutions of the Swedish kingdom had thus already begun to take form in ways that would distinguish both Finland and Sweden from other European countries. Notably, the Swedish kingdom had developed an efficient bureaucracy that was honest and loyal and a system of conformity, the construction of which was assisted by the homogeneous nature of the Swedish realm's population that lacked the presence of heretical or dissident religious movements. This system would influence both the Swedish and Finnish states for centuries to come and set them apart from their fellow Europeans.

Many of the common institutions established in the Swedish kingdom while Finland was joined to it continued even after their legal separation from each other. In 1809, Finland became a Grand Duchy in the Russian empire. Finland was, however, not yet a true entity in its own right. As Osmo Jussila (1999: 12) points out, "Sweden did not cede the Finnish polity to Russia in its entirety, simply because it did not yet exist . . . rather, it forfeited six provinces, the Åland islands and parts of Westrobothnia." Kirby (1995: 5) refers to the area ceded to Russia in 1809 as "the eastern marchlands of the Swedish realm."

Despite the obvious parting of the ways between the Swedish kingdom and the region that would grow to become the modern Finnish state, the changes within Finland were relatively small. Jussila (1999: 18-19) argues, "Paradoxically it was fortunate for the future development of the Finnish state that, unlike the Baltic lands, it did not have its own Estate-based, self-governing institutions but had been an integral part of the Swedish realm." The Russians were thus not able to integrate Finland into their empire in the same way that they incorporated Estonia and Livonia. Accordingly, the Swedish institutions were kept in place, with the Russian tsar Alexander I being substituted for the Swedish king and Finland becoming a Grand Duchy of the Russian empire rather than a Grand Duchy of the Swedish kingdom. Initially, Finland continued to use Swedish currency, adopting Russian currency first in 1840 (Jussila 1999: 32). Alapuro (1988: 30) similarly asserts that "the separation of the Finnish counties from Sweden did not lead to a sudden change in commercial relations with the former mother country." Rather, Finnish peasants continued to sell their produce for sale in Stockholm and until the 1860s Finland's iron industry relied on ore from Sweden (Alapuro 1988: 30).

The difference between Finland and its Baltic neighbours within the Russian empire, a distinction noted, for instance, by Kirby (1995: 5), was, indeed, striking. Whereas the Finns had inherited from their experience in the Swedish kingdom the institutions that would provide a foundation for the Finnish state, their neighbours had no such inheritance. Furthermore, the Estonians and Latvians had been dominated by the Baltic Germans in a way that the Finns had never been dominated by the Swedes and had also been more involved in wars and revolutions between 1905 and 1918 (Kirby 1995: 5). Whereas their Baltic neighbours had never been able to identify with the vision of the Baltic Germans, the Finns had been a part of the Swedish realm and were able to identify with, defend, and develop the institutions that they inherited from Swedish times.

It should also be noted that part of "Finland" (known as "Old Finland") had previously been granted to Russia and that this "'Russian Finland' had developed something of an identity of its own, separate and distinct from that of 'Swedish Finland'" (Jussila 1999: 12). In 1811 the "two Finlands" were united as one Grand Duchy within the Russian empire. When "Old Finland" (the Eastern region, which had been a part of the Russian empire for longer) was merged with "New Finland" (the region that had been a part of the Swedish kingdom until 1809), as Jussila (1999: 21) notes, "the Russian administration was incorporated into the Swedish." In fact, Jussila (1999: 21) argues that State Secretary M. M. Speransky "preferred the administration of Swedish Finland to that of Russian Finland and regarded it as a model for the future system of Russia." Thus, the two systems were united under the Finnish Senate, which would grow to become a particularly central institution for the Finnish state, and were linked more closely to the world of their Scandinavian neighbours than to the Russian empire (cf. Kirby 1995: 135).

Therefore, although there were changes in Finland after its separation from Sweden in 1809, the consistency was more remarkable than the changes, considering the major transfer of allegiance (from Sweden to Russia). Rather than adopting Russian institutions, the Finns retained in nearly identical form the political structures that they had enjoyed when they were joined with Sweden. According to Nordstrom (2000: 176), the Finns now had their own "miniature

Finnish version of the Swedish parliament," which was convened in Porvoo (Borgå in Swedish) in March 1809 "to ratify the new situation" (although it did not then meet again until 1863). The Finns also took actions themselves to ensure that they would not be fully absorbed into the Russian empire. Jussila (1999: 22) argues, "There was an improvement when the council of government was renamed as the Senate in 1816, a step designed to show that it was not subordinate to the ruling Russian Senate. Hence, the decrees of the Russian Senate had no force in Finland until the Finnish State Secretary referred them back to the Tsar in a form specifically adapted to Finnish circumstances." Even after Finnish independence, which was declared on 6 December 1917, Finland's institutional infrastructure remained similar to that found in Sweden. Furthermore, Finland was not the only country to experience territorial change, as Sweden's borders altered with the separation of Norway and Sweden in 1905. There were also important institutional changes to both of their parliaments in the nineteenth and twentieth centuries. The Swedish *Riksdag* was the first to abolish the four estates system in the 1860s, followed by the Finnish *Eduskunta* in the beginning of the twentieth century.

Despite continuities, both Finland and Sweden had to adapt to new situations. According to Kirby (1995: 13), both countries "proved quite adept at surviving and adapting" during the nineteenth century. He argues, "It was possible for systems of government to adapt because there was always present in the Scandinavian lands that element of social and political consensus which enabled reforms to be carried through in a manner which built upon the traditions and laws of the past, and which was strong enough to steer the state through sudden crisis" (Kirby 1995: 13-14). Finland and Sweden are compared by Kirby (1995: 14) with Poland-Lithuania, Prussia, and the Russian empire, all of which lacked the same "consensus" found in Finland and Sweden (as well as Denmark). There were thus already indications that Finland and Sweden were being "adaptive" long before EU membership became even a remote possibility.

This adaptability included not only political institutions and structures but also economic and industrial ones. These similarities included Finnish and Swedish methods of technology transfer during the nineteenth century. According to Timo

Myllyntaus (1990: 127), the Finnish model of technology transfer resembled the Swedish one more than it did the Russian or eastern European models. The channels of technology transfer in nineteenth-century Finland and Sweden included immigration, the import of machinery, "national diffusion," and "nationals' study tours abroad" (Myllyntaus 1990: 128). Along with "some fortunate coincidences," this Finnish technology transfer model led eventually to the development in Finland of "a welfare state of the Nordic type, which still relies on some of the nationalist principles of the late nineteenth century" (Myllyntaus 1990: 132).

Further similarities in Finnish and Swedish economic structures during the nineteenth century included their reliance on the same industries. By the second half of the nineteenth century, the timber industries that would prove vital in decades to come were already developing in both Finland and Sweden, particularly between 1850 and 1870, when the world demand for timber, also known as "green gold," increased rapidly (Kirby 1995: 141). As Kirby (1995: 142) writes, "The volume of wood pulp produced by both countries rose steeply from the 1890s, with the development of the sulphite cooking process and the seemingly insatiable world demand for newsprint and paper." Kirby (1995: 295) also argues, "In Sweden and Finland the demand for timber by the wood-processing industries, now freed from legal restrictions and able to exploit to the full all available energy resources, had a major impact upon the countryside. Felling, carting and floating the timber created employment." For the most isolated areas, "the timber industry helped break down the barriers of isolation and brought not only new goods and commodities, but also the cash economy" (Kirby 1995: 296).

Their economic and infrastructural development during the nineteenth century was similar in many other ways as well. As Kirby (1995: 142) explains, "Industry in Sweden and Finland was primarily located in the countryside, by the main watercourses and in the mining areas. As elsewhere [in the Baltic region], communications were vastly improved by the advent of the railways, but in neither country was the network fully completed before the end of the century, and many settlements remained miles away from the nearest railroad." The similar

industrial structure of the two countries was, in many respects, a natural outcome of the similarities in their geographies, as, for instance, both countries contained many lakes and forests. The "commercial exploitation of the vast forests of [Swedish] Norrland and of the Finnish hinterland from the 1870s onwards" led to changes in the lifestyles of the populations in the two countries as well as furthering the industrialisation process (Kirby 1995: 144). These changes included "home improvements" (Kirby 1995: 144). Status was increased for many Finnish and Swedish families and reflected in their homes: "Red or yellow-painted wooden houses were an indication of status and prosperity in Sweden and Finland, although the chimneyless hovel was still to be found in the remoter parishes even at the beginning of the twentieth century" (Kirby 1995: 145). There were thus similarities of various types, not only economic and industrial ones.

Despite the growth of the timber industries in both countries in the nineteenth century, both Finland and Sweden (as well as their Baltic neighbours) differed from many other European countries, such as the United Kingdom (UK), in that they did not industrialise as early or as rapidly as did, for instance, the UK. According to Kirby (1995: 301), "In contrast to the countries or regions which industrialised early, northern Europe never developed huge conurbations of cheap working-class housing interspersed with smoking mill chimneys, pot banks or angry blast foundries." Both Finland and Sweden began to industrialise rapidly first in the twentieth century, particular after the Second World War. Kirby (1995: 303) writes, "Whereas the pattern of industrial development along the southern shores of the Baltic can best be described as uneven, Sweden and Finland found themselves on a growth curve which was to take them to post-1945 affluence."

In addition, their political parties and interest groups, although present to some extent, were not fully developed in the modern sense as the twentieth century dawned. In Sweden, in the beginning of the twentieth century, interest groups were, according to Hermansson (1993: 35), "fairly weak."[11] Nevertheless, groups such as the army held an important position in Sweden, and social democracy was beginning to develop into an important force in both countries in the early

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[11] Translation of: "tämligen svaga."

twentieth century. The Swedish Social Democratic Workers' Party (*Socialdemokratiska Arbetarepartiet*, SAP) was established in 1889 and the Finnish Social Democratic Party (*Suomen Sosiaalidemokraattinen Puolue*, SDP) came into existence ten years later in 1899 (Kirby 1995: 198). According to Kirby (1995: 199), "The Finnish labour movement, like its Swedish, Danish and German counterparts, grew out of an earlier tradition of liberal concern for the moral and educational improvement of the working classes; its members were also emphatically 'of the people' whose support the nationalists relied on."

Thus, despite the fact that Finland was a part of the Russian empire, its social democracy developed along the same general lines as its Nordic counterparts, rather than along the lines of other parts of the Russian empire. Kirby (1995: 199) explains, "The kind of [social democratic] movement which came into being in Finland . . . simply did not and could not exist elsewhere in the empire." Noting the similarity between Finland and its Nordic neighbours, Kirby (1995: 199) writes, "Discipline, respectability and a watchful preparedness were the key features of social democracy in Finland, and indeed in the other countries of northern Europe where mass, legally tolerated labour movements developed." Membership in the Finnish SDP increased from approximately 16,500 in 1904 to 45,298 in 1905 to almost 100,000 in 1906 (Kirby 1995: 230). Kirby (1995: 275) argues that "in essence, the Finnish party political system rested upon not dissimilar foundations" from the Swedish system.

Although the histories of Finland and Sweden diverged from each other between 1905 and the Second World War (a period during which Norway was separated from Sweden and Finland gained its independence, as is discussed in the following section), common elements in their histories once again became particularly noteworthy during the middle of the twentieth century. Both Finland and Sweden felt the consequences of World War II and the bipolar world that emerged from it. In particular, the growth of the Union of Soviet Socialist Republics (USSR) into a world superpower and its annexation of the Baltic states (Estonia, Latvia, and Lithuania) created tensions in the Nordic region. These tensions were accentuated when Denmark, Iceland, and Norway signed the Treaty of Washington in April 1949 and became founding members of the North Atlantic

Treaty Organization (NATO). The collapse of the Nazi regime in Germany also had consequences throughout the Nordic/Baltic region, where the Soviet Union then became the dominant power (Kirby 1995: 372-373). The USSR's influence was felt in a variety of different ways. For Finland, the Soviet Union's establishment of a military base at Porkkala (which it maintained until 1955) made Soviet influence in Finland particularly tangible. In addition, the Treaty of Friendship, Cooperation, and Mutual Assistance (*Sopimus ystävyydestä, yhteistoiminnasta ja keskinäisestä avunannosta Suomen tasavallan ja Sosialistisen Neuvostotasavaltain Liiton välillä*, known as the YYA-Sopimus or FCMA Treaty) institutionalised the relationship between Finland and the Soviet Union and forced Finland to consult with the Soviets. Sweden felt the Soviets' presence in other ways, such as in discussions over control of territorial waters (cf. Kirby 1995: 373). An indication of the palpable effect of the USSR throughout the region, Kirby (1995: 373) argues, "The options open to the Nordic countries in the atmosphere and tension of the immediate postwar years were few."

Both Finland and Sweden selected a path of neutrality, preferring to stay non-aligned in a region where the fault line between the two sides of the Cold War ran. Both countries thus tried to maintain their neutrality while located geographically as well as politically between East and West. Despite differences between Finnish and Swedish neutrality, for both countries participation in international organisations, especially the United Nations (UN), was an important part of their identity and strategy in the international arena during the Cold War.[12]

As a consequence of the countries' precarious positions and neutral status, intellectuals as well as policy-makers in both Finland and Sweden were constrained during the years of the Cold War. According to Swedish academic Jan Hallenberg (2000: 20), "During the Cold War, it was difficult even for Swedish academics to question publicly whether Sweden under any conceivable circumstance really ought to pursue what came to be known as the neutrality line. Such hypothetical discussions could, according to the policy-makers, risk the credibility of this vital political strategy. Any public hints of the possibility that

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[12] The obvious differences between Finnish and Swedish neutrality are addressed in the following section ("Two Different 'Kids'").

Sweden might, under any circumstances, apply for NATO membership was the greatest sin of all in this context." In Finland, the constraints were also visible, with policy-makers and even academics adhering to the Paasikivi-Kekkonen Line (named after Finnish Cold War Presidents J. K. Paasikivi and Urho Kekkonen).

In many ways, Finland and Sweden became increasingly similar in the years following the Second World War. According to Kirby (1995: 386-387), "Out of the wartime experience . . . grew a new style of industrial relations in Finland, more akin to the Scandinavian pattern of national collective bargaining." He adds, "Over time, the annual round of negotiations has been greatly extended in all the Nordic countries, to cover such things as social and incomes policy, and has given rise to comment about the 'corporatist' nature of the system" (Kirby 1995: 387).

In addition to constructing corporatist systems, Finland and Sweden developed welfare states along the lines of the Swedish, or Scandinavian, model. Along with these developments came segregated labour markets, where women were concentrated in public sector employment and men in private sector jobs. Arthur Gould (2000: 207) notes that "Sweden is one of the most segregated labour markets among industrialised countries." Finland, which developed along similar lines, also had a highly segregated labour market.

The latter years of the twentieth century brought economic challenges for both Finland and Sweden, particularly for their welfare states. These troubles were especially noticeable by the 1990s, although the difficulties were already becoming clear by the late 1980s. According to Henry Milner (1989: 2), "Years ago, the reader found a positive image of life in Scandinavia; it even became a kind of unconscious model." However, by the time of Milner's writing in 1989, that model had "faded," primarily because "the very idea of a real alternative to the 'system'" had been "tarnished" (Milner 1989: 2). The roots of the problems could be observed already in the 1970s when "the demand for change grew stronger and shriller" in Sweden (Milner 1989: 11). Between 1973 and 1976 the *Riksdag* was evenly split between members of the social democratic coalition and their opponents; in 1976 the Conservatives (*Moderata Samlingspartiet*, M) assumed control of the government at what Milner (1989: 12) terms "exactly the

worst moment." Sweden was facing recession and "the new government borrowed heavily on the international market, seriously weakening Sweden's balance-of-payments position" (Milner 1989: 12). Milner (1989: 12) argues that in the late 1970s "[t]he old consensus had tarnished" and "[s]ome for the first time began to question the long-term viability of their societal institutions." Yet, by the 1980s Sweden's situation had improved, and by 1989 Milner (1989: 15) was writing about the "resilience" of the Swedish welfare state. Finland, too, felt the impact of the oil crisis and recession and was forced to reconsider the extensiveness of its welfare state.

Both countries also underwent changes with the end of the Cold War order. The changing international structure in the post-Cold War world demanded adaptation from both Finland and Sweden. They both found themselves in a new world where their old approaches to foreign (as well as domestic) policy, which were marked by neutrality, were no longer applicable in the same form. Tiilikainen (1998a: 161) argues that "Finland first had difficulties in adapting itself and its policies to the changes taking place in Europe." Even as late as 1999, Sweden was in a foreign policy "muddle . . . mainly because neither the government nor the Swedish people can decide what kind of EU member they want Sweden to be" (Smiley 1999b: 10).

For both Finland and Sweden, the first main step towards greater participation in the process of European integration was applying to join the European Economic Area (EEA), of which both countries became full members on 1 January 1994. Although they had already joined the European Free Trade Area (EFTA), EEA membership held far greater significance and required far more adaptation from its members. By joining the EEA, Finland and Sweden became part of the internal market comprised of EFTA and EU states, although certain elements, such as agriculture, did not apply. As Niilo Jääskinen (1995: 9-10) points out, "The original EEA Agreement comprised some 110 EC [European Community] regulations, 1000 EC directives and 110 EC decisions. These totalled some 9000 pages of the Official Journal of the EC. In addition, the Annexes and Protocols to the EEA Agreement listed some 300 legally non-binding EC acts (resolutions,

recommendations, etc.), which the EFTA states undertook to take appropriately into account."

Both Finland and Sweden needed to begin a process of change far in advance of their actual membership in the EEA. According to Jääskinen (1995: 10), "Finland started a determined process of adaptation to the EEA Agreement in 1989, when the Ministry of Justice [*Oikeusministeriö*] issued a circular to the other ministries with instructions that EC legislation was to be duly taken into account in law drafting, if there were no special reasons for the contrary." The direct consequences of EEA membership for Finland included "96 government bills to Parliament, in addition to which some 90 bills were substantively linked to the implementation of the EEA Agreement" (Jääskinen 1995: 10). Yet, despite the considerable efforts that Finns and Swedes put into adapting to membership in the EEA, they (along with their EFTA colleagues) did not have decision-making powers in this grouping and were largely deprived of any influence in determining the rules that would govern them as EEA members.

The lack of influence they were able to have in the EEA, despite being constrained by considerable legislation from the grouping, was one of the factors that motivated both Finland and Sweden (as well as Austria and Norway) to apply for full membership in the European Union. During the membership negotiations, the two countries often worked in concert. Finland's chief negotiator Pertti Salolainen, who also served as the country's Foreign Trade Minister and Deputy Prime Minister, has pointed out that he and Sweden's primary negotiator, Ulf Dinkelspiel, had frequent contact throughout the negotiation process and held numerous meetings for unofficial negotiations.[13]

In both Finland and Sweden, a crucial aspect of the domestic debates on EU membership concentrated on the impact of joining the EU on national policies of neutrality. Even in the EU, there were concerns about how the neutral countries would fit into a European Union that was in the process of developing a Common Foreign and Security Policy (CFSP). Members of the domestic political elite in

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[13] Interview with Pertti Salolainen on 16 December 1998.

both countries had to walk a fine line between satisfying the domestic (as well as Russian, particularly in the case of Finland) desires for their continued neutrality, and their own wishes to become EU members and to convince the EU of their suitability for membership.

Finland and Sweden (as well as Austria and Norway) held referenda on EU membership in the autumn of 1994. In the Finnish referendum, held on 16 October 1994, the votes (excluding blank votes) were 56.9 percent in support of EU membership and 43.1 percent against in a turnout of 74 percent. The Finnish referendum was closely followed by the Swedish referendum on 13 November 1994 when (again with blank votes excluded) 52.7 percent voted in favour of membership and 47.3 percent against in a turnout of 83.3 percent (Luif 1998: 119). The Austrians also voted in favour of EU membership, whereas the Norwegian public rejected such a step for their country. On 1 January 1995 Finland, Sweden, and Austria became full members of the European Union.

The relatively low levels of public support for EU membership in both Finland and Sweden did not improve much during the first six years of membership. Both countries witnessed a sharp divide between the political elite (who were more positive towards the EU) and the public (who were more sceptical). Writing about Sweden, Magnus Ekengren and Bengt Sundelius (1998: 146) assert, "In spite of the best efforts of the new generation of leaders to draw public attention back to this traditional focus of interest [the European Continent, from which Swedes had been encouraged to look away], most Swedes (across party lines, but more so the young and women than the middle-aged and men) tend to remain sceptical."

The two countries shared more than simply the common bond of EU membership and the "security" that it provided (despite the lack of Hard security guarantees offered by the EU).[14] EU membership also resulted in institutional changes in both Finland and Sweden, although much of this adaptation took place long before January 1995. Both countries had already implemented many of the necessary changes in connection with the EEA Agreement and thus did not require many

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[14] Clive Archer (2001) distinguishes between hard (difficult to achieve) and Hard (military) security.

additional alterations in 1995 when formal membership in the EU commenced. Describing the Finnish case, Raunio and Wiberg (2001: 72) confirm that administrative changes "introduced by membership were already carried out in connection with the EEA." Despite this, EU membership required that new member states adopt the full *acquis communitaire*, not all of which had been fully adopted by non-EU EEA states. As Jääskinen (1995: 10-11) explains, "Membership in the EU brought some 40000 more pages of EC legislation into the Finnish legal system. With the main exception of indirect taxation, these contained norms relating to the EC common policies, i.e., the Common Agricultural Policy [CAP], the Common Fisheries Policy and the Customs Union, and took the form of directly applicable EC regulations. Even though national legislation was necessary also in these fields for purposes of administration of the EC systems, legally the membership in the EU meant primarily the change of certain administrative organs into parts of larger and centrally controlled European administrations, that is, into their national enforcement agencies." When one combined the new legislation required for the EU and EEA Agreements, the amount was considerable. Sweden, too, was required to adopt this new legislation, first for the EEA and then for the EU.

Joining the EU also meant confronting a new administrative and political culture to which Finnish and Swedish policy-makers would need to adapt in order to ensure their influence within the Union. Both Finland and Sweden differed from the EU itself as well as from the other member states in many areas of policy-making. The divergences included differences in their political cultures and informal institutions as well as in their formal political institutions.[15] Discussing the Swedish situation, Ekengren and Sundelius (1998: 139) write about a "clash between the EU style and Swedish administrative culture. Proper performance in the Swedish civil service is based on an attitude of time-orientated fulfilments: the timetable for rule-making and implementation has to be followed. The means to achieve this in Swedish eyes, efficiency, was lost when a time schedule, including dates for implementation, could not be achieved." For Finns, too, there were

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[15] A notable difference in this area concerns the issue of public access to information, which is discussed in the sixth chapter of this thesis.

differences between their own administrative style and that which they encountered inside the EU.

A particular feature of Finnish and Swedish public administration was the existence of autonomous authorities known as *virastot* in Finnish and *ämbetsverk* in Swedish. As Ekengren and Sundelius (1998: 139) write, in the Swedish "tradition, a clear delineation is made between relatively small ministries serving the cabinet members (*departement*) and a large public administration composed of constitutionally autonomous authorities (*ämbetsverk*)." The same was also true of Finland, in contrast to the situation in other Nordic and EU countries (cf. Allardt 1989: 214 on the Nordic countries). Indeed, Hermansson (1993: 70) explains that this "unique" situation in Finland and Sweden meant that their ministries were relatively smaller than those of countries without such authorities.[16]

Related to this administrative structure is the remiss system, or the process of "*offentliga utredningar*" (Hermansson 1993: 70). Hermansson explains this procedure as being one in which "the government appoints a committee with a fixed investigative directive. When the committee has finished its work it presents a reflection report (*betänkande*). Thereafter a document is sent out for comment; in other words, authorities, the parties' supporting organisations, other types of organisations and others who are interested are given the opportunity to comment on the investigation's work. On the basis of these viewpoints, which have come forth from this, the government can form the suggestion that is presented to the parliament."[17] A similar system existed in Finland, although other Nordic countries did not have the same remiss system or autonomous authorities.

Although their institutional structures remained primarily the same, there were some institutional adaptations made by both countries as a result of their EU membership, not just when they joined in 1995 but also during their first few

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[16] Translation of: "*unika.*"

[17] Translation of: "*regeringen tillsätter en kommitté med ett bestämt utredningsdirektiv. När kommittén arbetat färdigt presenterar den ett betänkande. Därefter företas en remissbehandling, dvs. myndigheter, partiernas sidoorganisationer, övriga typer av organisationer och andra intresserade ges tillfälle att kommentera utredningens arbete. På grundval av alla de synpunkter som med detta framkommit kan så regeringen utforma det förslag som föreläggs riksdagen.*"

years as members. Both Finland and Sweden initially had portfolios in their governments for a Minister for European Affairs, but both abolished these positions in 1999. Instead, both countries in 1999 strengthened the role of the Prime Minister's Office in coordinating EU policy-making (Raunio and Wiberg 2001: 73 on Finland, Ruin 2000: 60 on Sweden).

Indeed, both Finland and Sweden were not ashamed to learn from their experiences and adapt their institutions for dealing with the European Union. For instance, in August 1995 the Swedish Ministry for Foreign Affairs (*Utrikesdepartementet*, MFA) "up-grad[ed] . . . the position of the small CFSP coordination unit . . . as a direct result of the experiences of the first half year of membership" (Ekengren and Sundelius 1998: 138). Discussing this change, Ekengren and Sundelius (1998: 138) explain, "The fact that almost every unit in the foreign ministry is affected by the CFSP was not realized until one worked inside this network. Initially, this small unit was part of the West European division, but it is now placed directly under the head of the political department, who participates in the political committee of the CFSP. This closeness would give it a better position to pursue the general CFSP responsibility across the jurisdiction of ministry units."

Ekengren and Sundelius (1998: 138) see the changes in the MFA as part of a broader adaptation process, although the adaptation was centred in this ministry: "The institutional adjustment in the Ministry for Foreign Affairs reflects well the Swedish learning process of the first membership year. Earlier, the EU was seen as only an 'extra' question, which could be added to the organizational chart. EU coordination concerns quickly became an overarching priority for the ministry as a whole. Contrary to what could be expected, it was here and not in the domestic ministries that one found the greatest surprise over the scope and scale of the process changes required after the membership." In Finland, too, there were changes within the MFA as a result of EU membership.

Both countries gave their foreign ministries coordinating roles in the EU policy-making process. In Finland, the main forum for coordinating EU policies between the various government ministries was the seventeen-member Committee for EU

Matters (*EU-asioiden Komitea*), located within the MFA (despite the relatively "minor" role of the Committee in overall policy-making) (Raunio and Wiberg 2001: 73). Discussing the functioning of the Committee, Raunio and Wiberg (2001: 73) explain that it "has 38 sections (in early 2000) that operate under the appropriate ministries. The sections are consultative and their function is to coordinate European matters within the respective ministries. Sections include also representatives from relevant interest groups. Officials present matters to sections for discussion and inform them of issues under preparation. When agreement is reached, the section procedure provides a sufficient basis for determining Finland's final position. Otherwise the matter is presented to the Committee for EU Matters and/or the Cabinet European Union Committee [*EU-ministerivaliokunta*]."

Sweden, too, gave its MFA a role in coordinating national EU policies. In 1994-1995 Sweden established a unit for European integration in the MFA (Hallenberg 2000: 23). According to Ekengren and Sundelius (1998: 138), the Coordinating Group for EU Relations (*EU-beredningen*) was "[t]he main body for political-level coordination of EU relations and policy positions." As Ekengren and Sundelius (1998: 138) explain, "This permanent committee is composed of the state secretaries of the cabinet office, the Ministry of Justice [*Justitiedepartementet*] and the Ministry for Foreign Affairs. The role of this senior-level coordinating group is to settle questions that have not been resolved by the civil servants." Other ministries besides these two were involved in the committee as well; as Ekengren and Sundelius (1998: 138) point out, "The under-secretaries of other ministries participate as needed, when the unresolved issue falls under their competence." Despite the roles given to other ministries, particularly the Ministry for Justice, the Committee gave a major role to the MFA. Relying on interviews, Ekengren and Sundelius (1998: 138) assert, "These institutionalised arrangements and regularized procedures obviously give a very influential role to the Ministry for Foreign Affairs, being the core of this government-wide web for national EU coordination."

Furthermore, the Coordinating Group for EU Relations was supported by the EU Coordination Secretariat (*EU-sekretariat*) in the MFA, which was "the link

between the Swedish PR [Permanent Representation] in Brussels and the various ministries" (Ekengren and Sundelius 1998: 137). Explaining the unit's role in more detail, Ekengren and Sundelius (1998: 137-138) write, "It has the responsibility for ensuring that Swedish standpoints are prepared for all items on the agendas prepared by the EU presidency, and for finalizing and transmitting official instructions to the representatives in COREPER [Committee of Permanent Representatives] and in Council meetings. The final collection of official instructions to Brussels is made at the weekly meeting of the committee of EU coordinators of each ministry, chaired by the head of the pivotal EU Secretariat." The Secretariat also worked together with the Swedish parliament's Advisory Committee on EU Affairs (*EU-nämnden*) (Ekengren and Sundelius 1998: 138).

Within the EU, Finland and Sweden also cooperated on several policy areas, noticeably in the area of public access to information (as is discussed in chapter six). For instance, both Finland and Sweden presented suggestions for the inclusion of a publicity principle (guaranteeing public access to documents) in the Amsterdam Treaty (as is discussed in more detail in chapter six). They also cooperated in the area of crisis management. At the 1996-1997 Intergovernmental Conference (IGC), they presented a joint initiative that proposed incorporating the "Petersberg tasks" into the Treaty of Amsterdam.[18] The foreign ministers at the time (Lena Hjelm-Wallén of Sweden and Tarja Halonen of Finland) worked closely with each other and wrote a joint article about their cooperation that was published in the Finnish newspaper *Helsingin Sanomat* and the Swedish newspaper *Dagens Nyheter* on 21 April 1996 (Hjelm-Wallén and Halonen 1996). According to Hallenberg (2000: 24), "The eventual result of the negotiations on the Amsterdam Treaty were in essence identical to the joint Swedish and Finnish position, in that the so-called 'Petersberg tasks' were incorporated into the framework of the Common Foreign and Security Policy (CFSP)." Yet another example of Finnish and Swedish cooperation was the EU's Northern Dimension Initiative (NDI), discussed in chapter five, where both countries were involved in

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[18] The Petersberg tasks, so-called because of their establishment by the 1992 Petersberg Declaration, relate to humanitarian and rescue tasks, peacekeeping, and the use of combat forces in crisis management (which includes peacemaking).

the initiative regarding regional cooperation in Northern Europe and included it in their Presidency programmes (Finland 1999, Sweden 2000).

On the whole therefore, there were significant similarities between Finnish and Swedish behaviour inside the EU during their first six years of membership. Both also adapted their institutions and decision-making styles, while maintaining, for the most part, the general structures that they had previously had. These similarities within the Union had their basis in a range of similarities dating from the time that the two countries were both part of the Swedish realm. Even after their separation, however, their institutional structures and even historical experiences continued to have much in common, including neutrality during the Cold War in the latter half of the twentieth century. Their political cultures, largely shaped by history and institutions, were also similar in many respects, including the importance of public access to documents. They even shared a Nordic identity, and they joined the European Union at the same time on 1 January 1995.

Two Different "Kids"

Having observed the many similarities between Finnish and Swedish historical experiences and their institutions, cultures, and identities, it is time to begin another journey back in time to re-examine their histories, institutions, cultures, and identities. This time the focus is on the differences between Finland and Sweden. Already during the time when Finland was part of the Swedish kingdom, there were differences between Finland and the rest of the realm. Although Finland was an integral part of the kingdom, "[w]hether or not Finland occupied a special position in the Swedish kingdom has been one of the major bones of contention in Finnish historiography" (Engman and Kirby 1989: xiv). Max Engman and David Kirby (1989: xiv) explain that, despite the integration of Finland into the Swedish kingdom, "nationalist historians have sought to discover particular features, even a consciousness of a specifically Finnish identity, in their endeavours to show that Finland was a distinctive and separate part of the Swedish kingdom," a natural task for nationalist historians and one undertaken on

a regional level as well, by authors including Heikki Ylikangas (1989), who writes about Ostrobothnia.

During the centuries in which it was a part of the Swedish kingdom, Finland often served as a frontier region, or a marchland, even as a battleground (cf. Kirby 1990: 50-53). The borders of the Swedish realm changed several times, with Finland being especially affected by these territorial shifts. "By the terms of the treaty of Teusina [in 1595], Muscovy abandoned claims to Estonia and Narva, but Sweden was obliged to return Kexholm town and province and Ingria. For the first time, a frontier was drawn which marked the boundary between Finland and Karelia from the isthmus to the White Sea. Thus, although Swedish claims to the Kola peninsula had to be abandoned, much of Lapland was now acknowledged to be part of the Swedish realm" (Kirby 1990: 120). Although these changes affected the whole of the kingdom, the inhabitants of the Finnish portion of the realm were particularly affected.[19]

Furthermore, despite the existence of Finnish-speakers elsewhere in the realm, Finland was already a bilingual region, whereas the Swedish language dominated elsewhere, among the general public as well as the elites. In particular, according to Nordstrom (2000: 43), "More than elsewhere in Scandinavia, the Reformation played a role in the development of the vernacular language" in Finland. Although "a few religious texts were translated into Finnish before the Reformation, the religious revolution rapidly accelerated this trend and was vitally important to the development of Finnish as a written language. Mikael Agricola's Finnish language primer from 1542 and his translation of the New Testament (published in 1548) are central in this context" (Nordstrom 2000: 43-44).

There have also been suggestions that the Finnish nobility developed its own identity during the Club War (*Luokkasota*) at the end of the sixteenth century. According to Kirby (1990: 152), "The 'Club War' has long been a contentious issue in Finnish historiography. The nationalist historians of the nineteenth century and their later disciples believed that, as a result of the acquisition of lands

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[19] Of course, the boundaries of "Finland," as well as those of the Swedish realm itself, shifted frequently and were not clear-cut.

and offices, and of the experience of long years of war on the eastern frontier, the nobility in Finland developed a sense of separate identity." Although the actual development of such an identity is questionable, it did provide a basis on which later national historians could develop their claims for the existence of a separate Finnish identity. Finland also became a more defined entity within the Swedish realm in 1556, when "Finland was given the position of a duchy . . . as a reflection of the increasing power of the king" (Tiilikainen 1998a: 117). The title of "Duchy" was one that Finland would carry throughout its time in the Swedish kingdom and even into the Russian empire.

Furthermore, the Swedes (during the time that Finland was a part of the Swedish kingdom) established a history and national identity that remained with them once Finland left the Swedish realm. The adoption of the Lutheran religion played a role in the development of a Swedish identity (although this could also be argued of Finland as well). According to Kirby (1990: 161), "The Lutheran faith was not the only means of establishing an identity for the Swedish people. Great attention was paid to the glorious past of the nation." It was, in particular, this "glorious past" that would distinguish Sweden from Finland for centuries to come.

Especially important for the establishment of a Swedish identity was Sweden's status as a great power during the seventeenth century. As discussed above, the Swedish Age of Greatness began with the Thirty Years War, in which Sweden became involved in 1630. Here the nation's past came into play in building a national identity and encouraging Swedish soldiers to fight for their country. Although Kirby (1990: 163) admits that the king's "hint at broad acres to be won was probably a more powerful inducement," he argues that "[i]t was not in vain that Gustav Adolf bade [the estates] . . . in his farewell speech . . . on 19 May 1630 to go to war to restore the ancient honour of their Gothic ancestors." Yet, Nordstrom (2000: 69) sees other factors and argues, "Although religious and economic considerations as well as issues of Sweden's credibility as a great power and the king's legitimacy as ruler were important, it was upset in the Baltic balance of power that triggered Gustav II Adolf's entry into the war." Thus, for Nordstrom (2000), this change in the balance of power in the Baltic region was the impetus for Swedish engagement in the Thirty Years' War.

Nordstrom's (2000) interpretation contrasts with Erik Ringmar's (1996) argument that recognition was the main motivation for Swedish involvement in the war. Ringmar (1996) also regards the consequences as important for Swedish identity and status. According to Ringmar (1996: 9), "For Sweden, first of all, the war meant that the country secured its sovereignty and an officially recognised place as a legitimate member of the community of European states. In fact, it achieved much more than this: when the peace treaty was finally signed in Westphalia in 1648, Sweden was generally regarded as a major political power and one of the principal players in European politics." The recognition that Sweden received as a result of its involvement in the Thirty Years' War and the history of its great power status left a lasting legacy for the Swedish nation. In particular, Swedish participation in the war was important for the formation of Swedish identity, including, especially, Swedish collective self-esteem. Although there were implications for the Finns that participated, these were different and reflected the loyalty of the Finnish soldiers rather than the greatness of and international recognition for the Finnish nation, which, at the time, hardly existed (if, indeed, it existed at all in the seventeenth century).

The new status that Sweden achieved as a result of the Thirty Years War was, according to Ringmar (1996), in stark contrast to that found prior to the war. Prior to participating in the war, "geography itself seemed to condemn Sweden to a peripheral role on the world stage: the country was pent up in a remote corner of Europe; it had no stakes in European affairs; no glorious history to defend and no dynastic ties to any of the combatants on the continent. And perhaps most importantly of all: at the time of intervention the country had no allies and no financial support from any quarter" (Ringmar 1996: 10). One could argue that, in a sense, it was to this status that Finland returned upon its separation from Sweden in 1809 (despite the new opportunities afforded to Finland within the Russian empire).

During the seventeenth century, Sweden went through a period of artistic development, which also involved the construction of a national identity and of a past mythical golden age. In fact, in some ways the process that Sweden went

through in the 1600s was similar to that which Finland would (as is discussed below) undergo two centuries later. According to Kirby (1990: 260), "In his monumental *Atlantica* (1679), the Swedish polymath Olof Rudbeck portrayed the ancestral homeland of the Swedes as a fertile and populous land from whence the ancient Goths had poured forth to conquer Europe." The mythical rather than realistic nature of Rudbeck's work is pointed out by Kirby (1990: 260), who argues, "This bold image was sharply at odds with the demographic situation of Rudbeck's own time. Rudbeck's vision of a land blessed by God and Nature, whose bounty had attracted the survivors of the Flood, was primarily intended to conjure up a glorious mythological past. Although later Swedish writers believed that the Creator had blessed their land with a healthy climate and a great variety of flora and fauna, foreign contemporaries found little evidence of this benevolence in seventeenth century Sweden."

There were indications that while Sweden in the seventeenth century built an identity upon its status as a great power and its creation of a mythical golden age, Finland was not given the same status. This difference was, for instance, marked by the (arguable) decline in the status of the Finnish language. Kirby (1990: 283) writes, "National historians in Finland have long argued that the status of Finnish declined during the seventeenth century, though their arguments are predicated on the contentious assumption that Finland enjoyed a kind of special position within the realm before that time."

It should perhaps be noted, however, that, according to Kirby (1990: 286-287), "The invention of a glorious Swedish past also spilled over into Finland. In his *Scondia illustrata*, the Swedish-born historian Johannes Messenius declared the Finns to be descendants of the Wends, and described an ancient Finnish kingdom which had stretched from the Tornio river to the borders of Saxony." Kirby (1990: 287) provides examples of other authors, including Michael Wexionius and Daniel Juslenius, but he also cautions, "The growing interest in antiquity and the origins of the inhabitants of the northern lands, and the process of self-definition set in motion by increased contacts with foreigners should not however lead us to make too sweeping conclusions about national awareness." Kirby (1990: 287) further explains, "The degree to which the peasantry perceived of a fatherland

beyond the confines of the family or local community is difficult to ascertain, though it is perhaps interesting to note that the descendants of the Orthodox Karelians who fled to the hinterland of Russia in the seventeenth century have only the vaguest folk memories of their historical past, and little sense of national self-awareness." Despite the impact that Sweden's "glorious past" had on Finland, the Finns needed to adopt other means of building their national identity, with Finns unable to rely on Sweden's past for the construction of a uniquely Finnish national identity.

Although Sweden's status as a great power did not last forever, its legacy lived on and continued to affect Swedish identity, particularly in terms of its collective self-esteem. The legacy of the Swedish Age of Greatness could be said to live on in a somewhat similar way to that in which the legacy of the British empire continued long after it ceased to be an area on which the sun never set. In formal terms, Sweden's period as a great power concluded (as mentioned earlier) with the Great Northern War (1700-1721). Although Russia assumed the position of great power in the region, Sweden had already gained international recognition and a heightened national self-confidence.

During the eighteenth century there were also indications that Finland and Sweden were drifting apart from one another. According to Kirby (1990: 328), "Anxiety and fear of the disastrous consequences of a war against Russia had been frequently voiced by the Finnish estates. In Sweden it was widely believed that, exposed once more to danger, the inhabitants of Finland would choose to seek their own salvation by submitting to Russian rule." Kirby (1990: 328) further explains, "The flight of many officials and parish priests during the Russian occupation of the Finnish provinces in the Great Northern War had severely dented the image of a protective state authority. The commissions set up in the 1720s to investigate the circumstance of the occupation and postwar conditions in Finland found that they had to proceed with some caution, especially in the eastern frontier areas, for fear of losing the loyalty of the peasantry towards the crown."

In fact, by the mid-eighteenth century, there were already indications that the Russians were extending a welcoming arm to the Finns in the hopes of luring them away from Sweden and into the Russian fold. According to Kirby (1990: 328), "On 18 March 1742, Elizabeth had issued a manifesto, offering protection to the Finns and holding out the promise of support for an independent Finnish state, should the Finnish estates seek to break with Sweden." However, a "Swedish counter-manifesto . . . warned the inhabitants of Finland of the old Russian trick of fomenting rebellion and promising self-government in frontier provinces" and then bringing them under Russian control (Kirby 1990: 329). According to Kirby (1995: 16), who describes the situation in Finland in the late eighteenth century, "Although the local authorities tried to play down the extent of this disaffection, it is clear that there was a small core of malcontents who were at least considering the alternative of seeking independent status for Finland in preference to Russian subjugation." The Finnish desire for independence, however, seems to have been limited to "a small circle of officers" in the Finnish army (Kirby 1995: 20). Rather, Kirby (1995: 20-21) argues, "It was the policies of the king, not the separatist wishes of a few Finnish gentlemen, which had caused unrest and discontent."

There were also suggestions of a Swedish willingness (particularly on the part of Swedish king Gustav III) to relinquish Finland in return for Norway, which Kirby (1995: 18) claims were "not entirely groundless." Indeed, Kirby (1995: 18) argues that Gustav III "had long toyed with the idea of seizing Norway, and tried to take advantage of the Russian plans to annex the Crimea in 1783 to persuade Catherine II to back him." Despite the arguments of potential Finnish dissatisfaction with the Swedish realm, their move from being a part of Sweden to being a Grand Duchy of the Russian empire was more because of "international relations" than because of "the volition of the Finnish . . . people" (Kirby 1990: 403).

Whether the Finns wished it or not, "[t]he de facto separation of the Finnish provinces from Sweden which had occurred in 1808 was formally acknowledged in the peace of Fredrikshamn, concluded in September 1809" (Kirby 1995: 40). Although Finland retained the institutions from the Sweden it left in 1809, "[t]he developments in Sweden beginning with the coup of 1809 . . . were far more

dramatic and extensive in their outcomes" than were those in Finland (Nordstrom 2000: 177). According to Kirby (1995: 40), losing Finland "laid bare the deficiencies of the Swedish state" and left Sweden with "a desperate need for something which might salvage the pride of the nation."

There were also institutional changes that pulled the two countries in different directions. In March 1809, the Swedish king, Gustav IV, whose mistakes Kirby (1995: 40) terms "blundering inadequacies," was deposed, and Sweden received a new constitution, which was "approved by the four estates of the Riksdag on 6 June" 1809 and "remained in force [with amendments] until 1974" (Nordstrom 2000: 177). Whereas the Finnish parliament met once in 1809 and then did not meet again until 1863, the Swedish parliament "returned to a place of importance in the system it had not enjoyed since 1772" and "was to meet at least once every five years (later every three) or in special session" (Nordstrom 2000: 177). The size and shape of the Swedish realm also changed after 1809, not only with the loss of Finland, but also with the inclusion of Norway between 1814 and 1905.

Despite the Swedes' active participation in battles during the preceding centuries, there was a transformation in Swedish foreign policy during the nineteenth century, noticeably the development of the Swedish neutrality doctrine. Hermansson (1993: 199) argues that "on a very general level the neutrality doctrine can be traced back to the 1830s, when Karl XIV Johan declared that Sweden planned to remain neutral in the conflict between Russia and England."[20] In contrast to Austria, for instance, Swedish neutrality was not secured in its constitution (Hermansson 1993: 199).[21]

However, despite the adoption of the new Swedish constitution in 1809, it did not provide the strengthened democracy that it seemed to promise. According to Kirby (1995: 82), "[W]ithin three years, [Swedish king] Carl Johan was contemplating replacing it with a new form of government more suited to the

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[20] Translation of: "på ett mycket allmänt plan kan neutralitetsdoktrinen härledas tillbaka till 1830-talet, då Karl XIV Johan förklarade att Sverige hade för avsikt att förhålla sig neutral i konflikten mellan Ryssland och England."

[21] Finnish neutrality, although not a part of the constitution, had some written basis in the FCMA Treaty, which Finland signed with the Soviet Union in 1948.

interests of the ruler; the Regency Act of 1810 and the Act of Union with Norway were both passed by extraordinary sessions of the *Riksdag*, in breach of the constitutional stipulation that only ordinary sessions had such authority; and several of those responsible for producing the constitution cast around for reasons why it had failed to live up to expectations." Furthermore, there was considerable anti-Russian sentiment in Sweden, which also had consequences for Finland. Kirby (1995: 98) asserts, "Aware of anti-Russian sentiment in Sweden, the authorities in Finland took all possible steps to isolate Finland from the outside world."

Although Finland, as has been mentioned above, retained its pre-existing institutions, there were nevertheless institutional changes that took place in Finland. According to Alapuro (1988: 25), "In sum, . . . when Russia created the Finnish polity, the position of the domestic bureaucracy was greatly strengthened. A central administration was built up, but its role was not limited to administrative affairs. By suspending the Diet for nearly half a century, the Russians indirectly endowed the top of the administration with vital political functions. These arrangements were to change power and status relations among the dominant groups and to create new tensions." Furthermore, there were physical changes in the location of Finnish institutions as the capital was moved from Turku (Åbo in Swedish) to Helsinki (Helsingfors in Swedish) in 1819, in part as a way to "dissasociate Finland as much as possible from pro-Swedish Åbo" (Thaden 1984: 90). Having been largely destroyed by fire in 1808, Helsinki, which lay closer geographically to Russia and farther from Sweden than Turku, was available for rebuilding in a new style.

One way in which a Finnish identity was developed during the nineteenth century was through what is known as the "Finland concept." Jussila (1999: 24) writes of this concept, which he defines as "the notion of a new political entity called Finland." He argues that this concept "started to take shape and gain strength within the Committee for Finnish Affairs [*Suomen Asiain Komitea*]. The concept was clearly a part of the propaganda directed at the Finns from St. Petersburg with the purpose of strengthening the bond between the occupied territory and the

mother-country. According to this propaganda, Finland was no longer part of Sweden, but neither had it been incorporated into Russia" (Jussila 1999: 24).

This concept is based on a creative reading of the events that took place when Tsar Alexander I convened a meeting of the Finnish estates in Porvoo on 29 November 1809 and was, as suggested above, a reading of the events that was developed several decades later. Based on this interpretation, Finland was not seen as having been "annexed to Russia in the form of a province," but rather as having "become a State by means of a contract made with Tsar Alexander I in Porvoo in 1809. In the old Swedish constitution that could not be amended without the Finnish State organs, an uncontestable argument was found for Finnish Statehood" (Tiilikainen 1998a: 129). An article published in *Helsingfors Dagblad* in 1863 elucidated this argument: "Obliged by existing conditions the Finnish people decided to dissociate itself from its old provincial relationship to Sweden and to enter into a new connection with Russia to which the Emperor Alexander I had invited it . . . Instead of having earlier been a province, Finland now became a sovereign State with definite connections to the new State to which it was united. And this is the present position of Finland in the law of nations" (Cited in Tiilikainen 1998a: 129). This interpretation of the events in Porvoo was part of the process of the construction, during the nineteenth century, of a Finnish national identity, including a collective self-esteem.

There were prominent Finns who were involved in the creation and spread of the concept. According to Jussila (1999: 24), "The 'Finland concept' has been generally associated with A. I. Arwidsson and is expressed as follows: 'We are no longer Swedes; we cannot become Russians; so we must be Finns.' Yet this sentiment had already been clearly expressed by G. M. Armfelt [chairman of the Committee for Finnish Affairs] and his colleagues. The Tsar had created for the Finns a state of their own and it was their duty to give it substance, but it was important that this argument emphasised the need for strengthening the new union of states. In short, the positions of the Finns was better than before 1809; in the words of the Tsar's Porvoo speech, they had been elevated to national status." In addition, Jussila (1987: 69, 1999: 38) argues that Arwidsson's friend in Turku, Swedish medicine professor Israel Hwasser, developed Arwidsson's ideas further

and was the primary creator of the Finland concept. In pamphlets written in the late 1830s and early 1840s, Hwasser argued that Finland became a state due to a contract with the tsar in 1809 (cf. Jussila 1987: 72-73, 1999: 38). However, according to Jussila (1987: 75), "Hwasser's and Alexander I's 'Finnish states' were very different."[22] Thus, the adoption of this doctrine involved creatively rewriting Finnish history such as to construct the identity of a unique and special Finland that was not only a nation but also a state. Jussila (1999: 38-39) argues that, despite its popularity within elite circles earlier, the Finland concept "did not gain acceptance generally in Finnish public life in either the 1840s or the '50s."

During the eighteenth century, there had been, particularly among the Swedish-speaking elite, frustration with the extent to which Finland was involved in repeated wars between Sweden and Russia. Already during this period (the eighteenth century, when Finland was still joined with the Swedish kingdom), Finns including Colonel G. M. Sprengporten and Professor Henrik Gabriel Porthan were involved in efforts to increase the use and knowledge of the Finnish language and culture that distinguished it from Sweden (cf. Thaden 1984: 83-84).

Once Finland became part of the Russian empire, Finns were able to replace their allegiance to the Swedish crown with loyalty to the Russian tsar. According to Kirby (1995: 86), "The Lutheran ruling elite in Finland, accustomed to service and obedience to higher authority, and with no deep or particularist sense of national tradition were soon won over by the generosity of the emperor." In fact, the Russian tsar did initially treat Finland differently from its Baltic neighbours to the south, allowing the Finns to retain far more of their pre-existing institutions and traditions (cf. Thaden 1984, chapters 5 and 6, for more on the Russian empire's treatment of Finland and the Baltic provinces). Indeed, many Finns may even have preferred their new situation to their position when they were joined with Sweden. Kirby (1995: 86) writes, "In the immediate aftermath of occupation and separation from Sweden, many [Finns] complained of the lack of public spirit and patriotic sentiment, but there was little enthusiasm for a return to a country which had so badly let them down." In many cases, Finns saw advantages in their new situation,

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[22] Translation of: "*Hwasserin ja Alexanteri I:n »Suomen valtiot« olivat hyvin erilaiset.*"

which seemed to offer them more liberty and independence than they had had under Swedish governance (cf. Kirby 1995: 86).

Max Jakobson (1987) argues that it was Finland's becoming part of the Russian empire that led to the establishment of a national Finnish identity and that language played an important role in this (despite the fact that many of those championing the Finnish language were Swedish-speaking). The nineteenth century and particularly the early twentieth century in Finland were times when many Finns changed their names from Swedish to Finnish. Translating names was a part of the creation of a common Finnish identity, in which the Finnish language played a role in distinguishing Finland from its neighbours (particularly Sweden).

Nevertheless, Swedish-speakers continued to co-exist with Finnish-speakers, meaning that Finland, in contrast to Sweden, had a sizeable and identifiable linguistic minority, concentrated along its southern and western coasts. Kirby (1995: 52) acknowledges this difference between the two language groups in Finland, writing, "Beyond the business of buying tar barrels or timber, there were few contacts between this predominantly Swedish-speaking coastal area and the Finnish-speaking inhabitants of the densely forested hinterland." Despite this division, "there was not the kind of racial gulf dividing those who spoke Swedish from those who spoke Finnish as there was between the German-speaking ruling class and the servile peasantry of the Baltic provinces" (Kirby 1995: 71). Thus, even though there were two distinct sub-groups in Finnish society, the country was nevertheless fairly united.

The region known as Karelia provided particular inspiration for much of the Finnish nationalism and the construction of a Finnish identity that developed in the nineteenth century. According to Hannes Sihvo (1989: 67), Karelia "played a central role" in "the building of a Finnish national identity in nineteenth century Finland." Elias Lönnrot was particularly influential in using Karelia to construct such an identity through his *Kalevala* epic. Sihvo (1989: 67) writes, "The Finnish nation did not have its own history in the political sense, but with the publication of Elias Lönnrot's *Kalevala* in 1835 it gained an imagined past." In other words,

Lönnrot's epic provided Finns with a mythical past that they could use in the construction of a national identity.

Ironically, the part of Karelia on which he drew was Archangel Karelia, the Russian part of Karelia that had been separated from the rest of the region. Yet, this separation may have been the reason why it provided the inspiration that it did. Along this line, Sihvo (1989: 65) writes, "It might be asked whether the 'Karelian culture' of the Archangel Karelians would have been present had they been subjected to the miseries, as well as the benefits, which affected the rest of Karelia. The Archangel Karelians were left in peace, isolated from civilisation and wars; they were left alone as if living on a reservation, waiting for the Finnish national romantic discoverers in the nineteenth century." Regardless of the benefits of Archangel Karelia's separation from the rest of Finland, it was able to provide Lönnrot with the inspiration and material necessary to write his epic.

"Educator-intellectuals," including Lönnrot as well as J. L. Runeberg, and J. V. Snellman, who were, like most of the elite at the time, Swedish-speaking, were influential in shaping Finnish identity during the nineteenth century (Smith 1991: 67). According to Anthony D. Smith (1991: 67), "Lönnrot, in particular, captured the imagination of the Finnish intelligentsia and later of the people, by bringing back from the province of Karelia the ballads and poems that he formed into the *Kalevala* in 1835." Despite the fact that Lönnrot's epic "bore only a partial resemblance to earlier 'Finnish' society of the first millennium AD (judging from material remains)," "it was enough to create for modern Finns a cult of the golden age of the heroes Väinämöinen and Lemminkäinen, which was to inspire popular art and the genius of [Jean] Sibelius and [Akseli] Gallén-Kallela" (Smith 1991: 67). In addition to composer Sibelius and artist Gallén-Kallela, writers Juhani Aho and Eino Leino and artists Pekka Halonen, Eero Järnefelt, and Emil Wikström were also among those who drew inspiration from Russian Karelia and contributed to the construction of a Finnish national identity (Sihvo 1989: 68).

The intellectuals who played this role were generally conscious that they were "national awakeners" (Kirby 1995: 127). For instance, regarding Lönnrot, Kirby (1995: 127) writes, "Elias Lönnrot did not hesitate to claim . . . that posterity

would value the results of their labours as highly as the Gothic peoples cherished their Edda, or the Greeks and Romans their Homer and Hesiod." Yet, Kirby (1995: 127) argues that the works of Lönnrot and his fellow "national awakeners" were directed more to "an educated public" than to the common people. The work of these "awakeners" may be seen as part of a process of increasing both the use and status of the Finnish language, making it a civilised language (*sivistyskieli*). Other elements of this awakening included increased use of the Finnish language, and many Swedish-speaking students spent their summer vacations with Finnish-speaking families in order to learn the language (cf. Kirby 1995: 128). By using Finnish rather than Swedish, Finns were also distancing themselves further from Sweden and pleasing the Russians, for the use of the Finnish language was preferable to the use of Swedish from the Russian perspective.

The Finnish identity grew stronger through the difficult times of the late nineteenth century and the first half of the twentieth century. The pressures for Finnish independence grew in the late nineteenth century as the Russians' attitude towards the Finns, which had become increasingly intolerant, became particularly so after the accession in 1881 of Alexander III, who did not accept the argument that Alexander I had granted the Finns a special status or even statehood (Nordstrom 2000: 200). Although the situation intensified when Alexander III came to power, Jussila (1999: 61) argues, "The progression towards conflict between the Finnish 'government' (the Senate and Diet) and the Russian government (the Tsar and his ministers), known as the 'Years of Oppression' [*Sortovuodet*], began during the supposedly 'liberal' reign of Alexander II." Although the Russians "paradoxically" "favoured" the Finnish language, which they did not regard as a threat, the "attitude of Russian ministers became less favourable towards Finland's separate development" once Alexander III ascended to power (Jussila 1999: 64).

In 1889, Johannes Gripenberg, a member of the Committee for Finnish Affairs, described the Russian situation regarding Finland in the following manner: "It would seem as if Russian statesmen have only just woken up to the fact that they are now faced with a quite new and remarkable phenomenon which has grown and matured silently whilst their predecessors were either sleeping the sleep of

indifference or were looking the other way. They are surprised and annoyed to see that small embryonic state which Alexander at the stormy dawn of the century hastily created 'somewhere the other side of Viborg' now grown into an autonomous state within the course of three-quarters of a century, and possessing all the attributes of such a state in more or less fully developed order" (Cited in Kirby 1995: 181). Thus, although Finland had enjoyed a privileged position within the Russian empire for decades, that position was in question by the end of the nineteenth century.

The situation did not improve with the accession in 1894 of Nicholas II, described by Nordstrom (2000: 200) as being "equally narrow-minded and inept" as Alexander III. Similarly, Jussila (1999: 66) writes, "The death of Alexander III and accession of Nicholas II in 1894, caused no fundamental changes in Russia's policy towards Finland." Under the rule of Nicholas II and Nicholas Bobrikov, the governor-general of Finland, the "February Manifesto" (*Helmikuun Manifesti*) was implemented." According to the Manifesto, issued on 15 February 1899, the Finnish Diet would lose the power to veto legislation and would, as Jussila (1999: 69) writes, have "only . . . a consultative role." While the Manifesto came as a shock to the Finnish public, it had been in development for some time, with hints of what was to come available to members of the ruling elite (cf. Kirby 1995: 181-182, Jussila 1999: 70-72). Although the Finnish response to the Manifesto was "divided," mounting tensions between Finns and Russians led to the assassination of Bobrikov in 1904 by Eugen Schauman, a young official (*virkailija*), who then killed himself (Nordstrom 2000: 200, cf. Jussila 1999: 77). Bobrikov had been particularly unpopular among the Finns and is characterised by Kirby (1995: 182) as "[t]he personification of Russian oppression in Finnish eyes."

Despite arguing for the Manifesto's lack of historical significance per se, Jussila (1999: 72) writes, "In Finnish popular consciousness images of the February Manifesto remain powerful and dramatic." In particular, this was done through the incorporation of images of the Manifesto into art, notably "Edvard (Eetu) Isto's celebrated painting '*Hyökkäys*' (The Attack), a copy of which found its way into almost every home" (Jussila 1999: 72). Jussila (1999: 72) describes the painting as follows: "It depicts the large two-headed Russian eagle tearing the book of Laws

('Lex') from the hands of the Finnish maiden on a stormy beach." Although the degree to which it "found its way into almost every home" may be debatable, it demonstrates the way in which Finnish artists participated in the construction (or reconstruction, depending on one's perspective) of a Finnish identity during the nineteenth century.

The role of the intellectuals in Finland, who worked to establish a national identity through the promotion of the Finnish language and the construction of a unique mythical golden age, stands in contrast to the developments in Sweden during the same period. In Sweden, there were authors such as August Strindberg and artists such as Carl Larsson, who were productive during that period. However, their motives and role in society were very different from those found in Finland during the nineteenth century. Whereas the emphasis in Finland was on building a unique national identity through a distinctively Finnish mythical past, Swedish artists during the nineteenth century focused on the construction of a Scandinavian identity (rather than a purely nationalistic Swedish one -- although national and Scandinavian identities were not mutually exclusive). According to Kirby (1995: 5), "There developed a strong sense of Scandinavian solidarity, even though the bolder vision of the Scandinavists of the mid-nineteenth century remained unfulfilled." Thus, while these Swedish artists were involved in identity construction, this was done by developing ties with neighbouring countries, whereas in Finland the focus was on the uniqueness of the Finnish nation.

Furthermore, Sweden was blessed with many internationally acclaimed inventors. A notable Swedish inventor was L. M. Ericsson, who in 1877 repaired Bell telephones, but by 1878 was constructing his own and drove Bell's products almost completely out of the Swedish market (Kirby 1995: 306). Others included Asea's founder, Jonas Wenström, who invented the three-phase electrical motor, and Separator AB's Gustaf de Laval, inventor of the centrifugal separator and turbo-generator (Kirby 1995: 306-307). These individuals increased the profile of Sweden internationally and raised Sweden's national self-confidence. In comparison to Sweden, "Finland produced far fewer indigenous inventions, but was highly receptive to new ideas and quick to adapt in key areas, such as electrification or the chemical pulp-processing industry" (Kirby 1995: 307).

Although Finland was the recipient of less foreign investment than Sweden was, Finland's performance was "rather better than the Russian empire as a whole, with growth rates between 1870 and 1914 among the highest in Europe" (Kirby 1995: 307).

For Finland, the dramatic events of the nineteenth century, which had a profound impact on its institutions, political culture, and national identity, were followed by similarly important experiences in the twentieth century. One aspect of the development of a unique Finnish identity was the events of the early twentieth century prior to the declaration of Finnish independence in 1917. Following a strike in Russia in October 1905, there was a one-week strike in Finland in early November that started with a strike by workers on the Finnish railroad to St. Petersburg and then spread to the rest of Finland (Klinge 1996: 416). On 4 November 1905 the public gathered by the Helsinki railway station to select a temporary Finnish government, a sign, according to Klinge (1996: 421), of a national revolution. On the same day, the tsar issued the November Manifesto, which "temporarily suspended" the February Manifesto and "nullified the 1901 conscription law together with other decrees issued after the February Manifesto" (Jussila 1999: 80). The strike, which ended on 5 November, was important for the development of Finland's SDP; in fact, it "swelled the ranks of the party" and "created a tradition of direct action, which was to be revived once more in 1917" (Kirby 1995: 253). There was a "new sense of optimism" in Finland and Russia in 1905 and 1906, when the many improvements in the Finnish situation included the introduction of a new governmental law granting rights such as, for instance, universal suffrage (Nordstrom 2000: 201).

Yet, these developments should still be seen in the context of increasing tensions between Finland and the Russian empire during the first two decades of the twentieth century and a process that moved Finns increasingly closer to their independence in 1917 (cf. Tiilikainen 1998a: 126). According to Nordstrom (2000: 201), the hopes of the Finns, having been raised during the reforms of the early twentieth century, were "quickly dashed," and by 1908, the Russians "set about withdrawing the gains nationalists and liberals had made." Arter (1999: 28) argues that the "political modernisation achieved in 1906-07 flattered to deceive"

and was part of a period of "sham democracy [which] ended with the collapse of czarism in Russia in 1917."

There were also consequences for the Finnish parliament and the role of the Swedish-speaking minority. In the early twentieth century, the four estates were abolished in Finland, an event that had occurred about half a century earlier in Sweden. Kirby (1995: 235) writes, "The Swedish-speaking upper-class element in Finland accepted with good grace the abolition of the four estates, which had given them a disproportionate say in the affairs of the nation, and were able within a short space of time to weld together a highly effective minority Swedish People's Party [*Svenska Folkpartiet*, SFP], with almost 50,000 members in the autumn of 1906." One might even characterise the Swedish-speaking elite in Finland as "adaptable" (Kirby 1995: 235).

Kirby (1995: 337) argues that the SFP's "creation in 1906 . . . was a tacit and intelligent acceptance of their new status as a linguistic minority whose only home was Finland." Prominent Swedish-speaking Finn Rabbe Wrede elucidated the Swedish-speaking Finns' solidarity with their Finnish-speaking compatriots as he argued that "we are bound to this Finnish Finland and its wellbeing is our wellbeing, its misfortunes and ruin our misfortunes and ruin" (Cited in Kirby 1995: 337). Kirby (1995: 337) argues, "This was a bond tacitly acknowledged on both sides of the language divide, one sufficiently strong to ensure that the rights of the minority in an officially bilingual state have been respected to the present day."

Although agrarian/centre parties were formed in both countries in the early twentieth century, there were differences between the Finnish and Swedish parties despite obvious similarities. The Finnish Agrarian Union (*Maalaisliitto*) followed the example of the equivalent Swedish party (*Centerpartiet*, previously *Bondeförbundet* and then *Landsbygdspartiet Centerpartiet*) in changing its name to become a Centre Party (*Keskustapuolue*) in 1965. According to Kirby (1995: 393), this was done in an attempt "to win the votes of the new urban middle classes" but "[i]n this endeavour it [the Finnish party] has proved markedly less successful, a circumstance which may be ascribed to the fact that the Swedish

Centre, as a party of opposition until 1976, has had more freedom to manoeuvre and to project a new image than has the Finnish party, which as a party of the government has had to defend the farming interest against the urban consumer and industrial lobbies of the socialists and conservatives."

Although less successful in winning urban middle class votes than its Swedish counterpart, the Finnish agrarian/centre party played an important role in Finnish politics. According to Kirby (1995: 387), "The principal party of government in Finland remained the Agrarian Union, though coalitions were the norm, and non-party governments of civil servants not infrequent." The tables of Prime Ministers and their parties in the Appendix demonstrate the greater frequency with which the Finnish agrarian/centre party held the leadership as opposed to its Swedish sister party during the twentieth century. Notably, whereas the Finnish party was able to "maintain a reasonable level of support at the polls" during the 1970s, the Swedish party was not as successful (Kirby 1995: 393). Jungar (2000: 92-93) also notes the importance of the Centre Party in twentieth century Finnish politics, as she writes, "The Centre in Finland participated in almost every post-war cabinet until 1987, and was only in opposition during brief periods."

There were also differences in the extreme right in the two countries, with a noteworthy example of difference being the existence in Finland of the Lapua movement (*Lapuan liike*), which was without an equivalent in Sweden. Kirby (1995: 323) characterises this movement as follows: "The Lapua movement was at the bottom little more than a crude form of anti-communism, which served the interests of a diverse group of politicians and employers anxious to smash the trade unions. The People's Patriotic Movement (IKL [*Isänmaallinen Kansanliike*]) which was founded in April 1932 in the spirit of Lapua was in fact rather different, drawing its leadership and active supporters from the ranks of the educated, and much of its initial inspiration from the student activism of the previous decade, when the Academic Karelian Society [*Akateeminen Karjala-Seura*] had set the tone of university politics." Yet, Kirby (1995: 329) argues, "In Finland, the post-civil war constitutional system was never seriously threatened by the forces of the communist left." He also writes, "The Lapua movement, with its violence against the person and its crude demands, was a bludgeon to crack a nut

already effectively contained by the police and the employers' organisations; but its rowdyism also threatened to disturb the body politic in ways unacceptable to the establishment" (Kirby 1995: 329). According to Kirby (1995: 329), "The leadership of the movement disintegrated amidst a cloud of scandals and a haze of alcoholism. Its putative successor, the IKL, was little more than a refuge for russophobes, anti-socialists and admirers of fascism. Working within and with the system it affected to despise, it was never a serious threat to the Finnish body politic."

The situation in Sweden, however, was in contrast to that which existed in Finland. Kirby (1995: 332) describes the extreme right in Sweden as "fragmented and marginal." He argues, "The Swedish Right (*Höger*) and a section of the Farmers' Party were unhappy with the constitutional changes brought about in 1917-18, though they were less hostile to organised labour than their counterparts in Finland and Norway" (Kirby 1995: 332).

A more significant difference between Finland and Sweden was that Finland became an independent state far later than Sweden. Finland declared its independence on 6 December 1917, after the collapse of the Russian tsarist regime. Yet, Seppo Hentilä (1999: 103) argues that the selection of 6 December as Finnish Independence Day (*Itsenäisyyspäivä*) was arbitrary; 4 December (when Pehr Evind Svinhufvud presented a government statement to the parliament) or 15 November (when the *Eduskunta* "declared itself the repository of supreme power") could also have been appropriately chosen instead. The mere fact that Finland became independent later than Sweden had an impact on its identity; the manner in which Finland became independent and the struggle the Finns endured to maintain that independence also influenced their identity. The continuing difference can be demonstrated by the fact that, even at the end of the twentieth century, Finland's independence day was a national holiday when most employees did not work, whereas the closest Swedish equivalent (6 June, *Nationaldagen*) was a less celebrated and less serious event.

The suffering endured by the Finns during the first half of the twentieth century was without equivalent in Sweden. The beginning of Finland's independence was

a particularly difficult time, as the country was immediately involved in a bitter war that began during the night between 27 and 28 January 1918 and has been characterised both as a civil war and as a war of independence. Commenting on the disagreement on the categorisation of the 1918 struggle, Fred Singleton (1998: 110-111) writes, "Finnish national historians see the events of 1918 not as a civil war, but as part of a war for independence. They draw attention to the help given to the Reds by the Russians and stress the fact that the Red leaders who took refuge in Russia founded the Finnish Communist Party in Moscow and remained as tools of the Comintern until they were either wiped out in Stalin's purges or, like . . . [Otto Ville] Kuusinen, appeared in 1939 as members of the 'Democratic Government of Finland' [*Suomen Kansanhallitus*] which was to rule the country when the Red Army won the war." According to Nordstrom (2000: 202), "The war, which was a civil war in the sense that it pitted Finns against each other and a war of independence in that it involved getting Russian forces out of Finland, lasted four months. It exacerbated the divisions within Finnish society and left deep scars."

Also characterising the struggle as a civil war, Kirby (1995: 6) notes the seriousness of the war and asserts, "The civil war of 1918 split Finnish society asunder." The war even impacted on Finnish identity. According to Kirby (1995: 6), the war "cast into doubt all the assumptions of a poor but loyal and God-fearing people upon which the 'nationalist idyll' had been based." Despite the difficulties that the war meant for the Finns and for Finnish society, the nation emerged as an intact democracy, and the end of the civil/independence war was celebrated on 16 May 1918, when Gustaf Mannerheim rode in a victory parade through Helsinki.

Despite these divisions in Finnish society, the Finns had already created some sense of national identity, which helped to unite the country. Indeed, this Finnish identity helped to ensure Finland's emergence as a unified democratic state at the conclusion of the war. In fact, Finland was a remarkably inclusive state (and nation), despite divisions based primarily on linguistic ties. According to Kirby (1995: 5), "Of the states which emerged on the western frontiers of Soviet Russia in the collapse of empires at the end of the first world war, it was Finland which

had the most fully-developed and coherent form of state and national identity."
Stressing the importance of this Finnish identity, Kirby (1995: 5) writes, "In the
long run, it was that [identity] which united the Finns as they ensured that the
scars of the civil war which erupted at a time of revolutionary upheaval, political
uncertainty and social misery, would heal, not fester."

The scars and suffering endured by Finland during these years was in contrast to
the situation in Sweden, which remained at peace. Finland, unlike Sweden,
emerged with an identity based on a legacy of endurance in the face of warfare,
threat, and struggle, as well as on a unique (and partly mythical) history, language,
and culture that distinguished Finns from their neighbours. This uniqueness was to
be further accentuated during the years immediately following the
civil/independence war, when Finland developed a new constitution, which was
ratified on 17 July 1919. In particular, the replacement of the position of the
king/tsar with that of the President was an institutional choice that would impact
on the future development of Finnish history, culture, and identity.

Furthermore, while the Swedes were able to enjoy peace during the twentieth
century, the Finns (even after the conclusion of their civil/independence war) were
subjected to years of warfare, bloodshed, and territorial loss that were unparalleled
in Sweden. The next major crisis for Finland after the struggles associated with its
independence was the Winter War (*Talvisota*), which began when the Soviet
Union attacked Finland on 30 November 1939, to the surprise of the Finnish
government (Hentilä 1999: 181). The Winter War involved a difficult contest
between the Finns and the Soviet Union, which would become an important
historical memory for the Finnish nation. When the war ended with the Peace of
Moscow signed on 12 March 1940, Finland lost ten percent of its territory. Many
lives were lost (25,000 Finnish men were killed) and 45,000 Finns were wounded,
10,000 of them so seriously that they became "permanent invalids" (Singleton
1998: 126). Kirby (1995: 361) terms the costs in both lives and territory "a severe
blow." According to Kirby (1995: 360-361), "In many ways, the experience of the
Winter War had served to draw the nation together and to help heal old wounds. If
the spirit of unanimity and reconciliation was perhaps less wholehearted than is
commonly believed, survival of the ordeal did much to strengthen the ties of

national identity." By the conclusion of the Winter War, Finland was largely a unified country despite earlier divisions between the Finnish and Swedish-speakers and between the Reds and the Whites.

The following year Finland was once again at war with the Soviet Union. During the Continuation War (*Jatkosota*) from 1941 to 1944, Finland joined with Germany in an (unsuccessful) attempt to regain the territory lost in the Winter War. At the end of the Continuation War, Finland lost additional territory, including manufacturing centres in Karelia and the historic city of Viipuri. Finland lost "a third of its hydroelectricity, a quarter of its chemical pulp production, 12 per cent of its productive forests and 9 per cent of its arable land" and was forced to pay reparations to the Soviet Union (Singleton 1989: 151-152). Kirby (1995: 367) writes, "The terms of the armistice agreed to by the *Eduskunta* on 19 September [1944] were severe." As Sihvo (1989: 71) points out, "One hundred percent of the population which returned to their home districts during Finland's reoccupation of Karelia in the Continuation War . . . had to leave again, in itself an historically unprecedented movement of population as a consequence of war." Finns were thus faced with the integration of about 400,000 Karelians into the remaining areas of Finland (Sihvo 1989: 72). They were also forced once again to face the loss of an area that had been the inspiration for much of the Finnish national identity.

Yet, W. R. Mead (1989: 9) argues that "whatever the adventures or misadventures others attributed to Finland in the Continuation War, it was the Winter War that struck the lasting picture -- a latter-day Thermopylae for those without, a sacred myth for those within." Clearly, Finland's wartime experiences impacted heavily on Finland and would continue to influence the nation in many ways, including impacting on Finnish foreign policy and political culture. Salolainen argues that the Winter War had a lasting impact on Finnish foreign policy by teaching Finns firmness in international relations and solidifying and consolidating Finland's independence.[23] Similarly, Mats Bergquist, Sweden's ambassador to Finland between 1992 and 1997, also regards Finland's wartime experiences as having had

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[23] Interview with Salolainen on 16 December 1998.

a lasting impact on the country. Bergquist believes that Finnish historical experiences during the Winter and Continuation Wars were among the factors that led to differences between Finnish and Swedish political culture.[24] Jääskinen believes that historical experiences taught Finns that compromise is the only way to get anything and also meant that Finns were better prepared to deal with crises and reformulate positions or reach compromises if necessary, both in the EU and otherwise.[25] As the name "Continuation War" suggests, this war should be viewed together with the Winter War as part of a continuing theme of war, threat, and struggle that pervaded Finland's historical experiences during the first half of the twentieth century and left a lasting impact on the nation's identity and culture.

Following the Continuation War, there were changes in the Finnish political scene. According to Kirby (1995: 368), "A number of organisations deemed to be fascistic or anti-Soviet, such as the parliamentary *Suojeluskunta*, the Academic Karelia Society and the Patriotic People's Front (IKL), were banned; the Communist Party was legalised, political prisoners and internees released and surviving exiles (but not . . . Kuusinen) allowed to return from the Soviet Union." Despite these changes, Kirby (1995: 368) argues, "The effects of this scene-shifting on the political stage were less dramatic than contemporaries believed, and certainly less profound than the changes wrought in eastern Europe. The emergence of the communists from the underground, their initial electoral success under the banner of the Finnish People's Democratic League (SKDL [*Suomen Kansan Demokraattinen Liitto*]) and their participation in government did not break the mould of political continuity." Social democracy continued to survive in Finland: "The social democrats managed to prevent a communist takeover of their party, and fought a successful anti-communist campaign within the trade union movement" (Kirby 1995: 368).

Furthermore, according to Kirby (1995: 385), "In Finland, the wartime experience was decisive in reshaping attitudes towards social welfare provision. The underlying assumption, that poverty was an individual failing, could no longer stand up in a situation where those who suffered were often the dependants of

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[24] Interview with Mats Bergquist on 18 December 1998.
[25] Interview with Niilo Jääskinen on 12 February 1998.

those on active service. Several voluntary organisations sprang up during the Winter War, and these were to play a major role in keeping up morale and the will to fight on." "Change and adaptation" marked Finland during the "difficult decade" of the 1950s (Kirby 1995: 385). The war reparations that Finland was obliged to pay to the Soviet Union had a tremendous impact on the development and structure of the Finnish economy during the postwar years (cf. Kirby 1995: 386).

The first half of the twentieth century for Sweden was very different than it was for Finland. Although there were also changes in Sweden during the early twentieth century, they were of a very different nature from those that took place in Finland during the same period. Norway left the Swedish kingdom in 1905 "without bloodshed or internal convulsions" (Kirby 1995: 185). The separation of Norway from Sweden and the tensions preceding it led to increased nationalism in both countries. According to Kirby (1995: 186), "Bjørnstjerne Bjørnson's demand for the Norwegian people to be the master in Norway was echoed across the border by the cry of 'Sweden for the Swedes', uttered by those fearful of the consequences of foreign competition at a time of agricultural crisis and industrial uncertainty." Although Kirby (1995: 189) argues that "[t]he more belligerent forces of the Great Swedish nationalism of the 1890s failed to coalesce," he asserts that "[t]he relatively tranquil constitutional and political development of the three northern kingdoms [Sweden, Denmark, and Norway] and the impressive economic, cultural and social achievements made during the first half of this century have immeasurably strengthened the 'Scandinavian' image" (Kirby 1995: 5).

There were further changes to Swedish political institutions when the *Riksdag* underwent reforms between 1919 and 1921. In addition to reforms that included the granting of universal suffrage to Swedes over the age of twenty-three (with a few exceptions), the First Chamber of the parliament was reformed so that it was no longer "the preserve of the wealthier property-owning classes or the instrument of conservatism upon which the right (including the king) could rely" (Kirby 1995: 271). The reforms also limited the king's power "by allowing both

chambers henceforth to choose their own Speakers, and the county assemblies (*Landsting*) to appoint their own leaders" (Kirby 1995: 271).

Other differences between Finnish and Swedish development in the first half of the twentieth century can be found in their developing party systems and labour movements. Despite the existence of social democratic parties and labour movements in both Finland and Sweden, there were differences between them, and the general nature of their party systems differed as well. Kirby (1995: 253) argues that "the Finnish labour movement, although numerically impressive, was relatively young and inexperienced" in comparison with its Scandinavian counterparts. He further explains, "Party politics as such in Finland dated only from the parliamentary reform of 1906, and there was no liberal bourgeois party with which the social democrats could make common cause" (Kirby 1995: 253).

In addition, despite the emergence of social democracy in both countries, in Sweden the social democrats were clearly the leading party, even more so than in Finland. According to Kirby (1995: 383), "As the party of government from 1933 to 1976, the social democrats were in a powerful position to realise their proclaimed desire for Sweden to become a 'strong society' (the term used by the postwar prime minister Tage Erlander; his predecessor Per Albin Hansson had spoken of a 'people's home' (*folkhemmet*) in the late 1920s to describe the social democratic vision of security and solidarity)." The Social Democrats' dominance of Swedish politics during the twentieth century can be seen in the Appendix, where Swedish Prime Ministers between 1905 and 2000 are listed, and many of them represented the SAP. Describing the nature of the SAP, Kirby (1995: 383) asserts, "Security (*trygghet*) was the underlying theme of much of the party's thinking and policies."

Indeed, Swedish social democracy and corporatism made particular strides during the first half of the twentieth century. According to Kirby (1995: 310), "Social democracy became the major political force in Scandinavia during the thirties." As Kirby (1995: 304) also notes, "The agreement concluded in 1938 between representatives of labour and industry at Saltsjöbaden was widely regarded as a model for industrial relations." Finland, on the other hand, "lagged a long way

behind Sweden" (Kirby 1995: 304) and was "industrially underdeveloped" (Söderpalm 1975: 275). Suggesting the likely reasons for this, Kirby (1995: 304) writes, "The civil war had left a bitter legacy of hostility and suspicion towards workers' organisations, which were in any case weakened by the power struggles of communists and socialists, and employers preferred to rely on lockouts and strikebreakers rather than negotiations."

The Finnish SDP, in contrast to the Swedish SAP, was more "isolated" before 1917 in part due to "[t]he lack of a reform-minded party resting on popular support" (Kirby 1995: 275). Then, during the 1920s "the bitter legacy of the civil war hindered the development of such political alignments" (Kirby 1995: 275, cf. Söderpalm 1975: 275). Despite the party's rapid "recovery" after the civil war, as demonstrated by its returning to being the Finnish parliament's largest party with eighty seats following the March 1919 elections, the party was plagued by "mounting dissatisfaction" with its leadership (Kirby 1995: 320). Furthermore, as Kirby (1995: 320) writes, "Success in elections for the social democrats was rarely translated into government office." In Sweden, on the other hand, the social democrats were more powerful and involved in the creation of a modern social democratic welfare state.

Overall, the Finnish left was less influential in the twentieth century than was the case in Sweden and the other Scandinavian countries. Kirby (1995: 387) asserts, "In spite of the resurgence of the labour movement in Finland during the immediate postwar years, the left did not achieve the degree of political dominance here that it did in the Scandinavian countries." Similarly, Sven Anders Söderpalm (1975: 275) argues that in Finland "the Social Democrats were weaker than in the rest of Scandinavia." The differences between Finland and Sweden also provoked tensions between them. According to Kirby (1995: 304), "The lower wage levels in Finland and the reactionary attitudes of certain influential employers occasionally prompted hostile comment in Sweden, where it was feared that the Finnish timber or paper exporters would be able to undercut prices."

Although trade unions developed in both countries in parallel with the growth of social democratic parties, there were differences here, too. In fact, the differences between Finnish and Swedish social democracy also spilled over into "the trade unions and other workers' organisations, which were . . . less well established in public life [in Finland] than their Scandinavian counterparts" (Kirby 1995: 387). Kirby (1995: 253) writes, "Trade unionism [in Finland] remained weak, poorly funded and organised, and Finnish employers were noticeably more reluctant than their Scandinavian counterparts to enter into collective bargaining arrangements. The powerful labour leadership in Sweden was able to control and channel economic grievances in the spring of 1917; the Finnish labour leaders spent much of their time exhorting workers to observe discipline, and not to pitch their demands too high." In fact, the chair of Finland's central trade union organisation commented that "union officials were threatened, even attacked, if their tactics were not in line with the workers' own ideas . . . the central organisations were forced to follow, and the net result was that illegality became recognised as the law" (Cited in Kirby 1995: 253). The trade union movement in Finland continued to be weaker than in Sweden, and was also more divided. Jungar (2000: 296) argues that "inter- and intraparty conflicts within the left [in Finland] have also been reflected in the trade unions. In the SAK [*Suomen Ammattiliittojen Keskusjärjestö*, the Finnish Federation of Trade Unions], the central organisation of the labour unions, the conflicts between communist- and social democratic-dominated sections have periodically been very deep."

The situation for Swedish trade unions was different from that found in Finland. Hermansson (1993: 95) asserts, "The trade unions' central organisations have a position in Swedish society that is without an equivalent in any other land."[26] In fact, the gulf between Sweden and its neighbours is regarded as so large by Hermansson (1993: 95-96) that he argues, "One must look to the former communist regimes in Eastern Europe to find statistics that can compare with

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[26] Translation of: "*De fackliga centralorganisationerna har en ställning i det svenska samhället som saknar motsvarighet i varje annat land.*"

LO's [*Landsorganisationen*, the Confederation of Trade Unions] organisation rate of more than 90 per cent."[27]

Along with social democracy, corporatism, and trade unions came the welfare state, and here again there were differences to be found between Finland and Sweden. The welfare state developed earlier and more rapidly in Sweden than it did in Finland. According to Kirby (1995: 309), "Finland was . . . noticeably behind developments elsewhere in Europe, and did not produce its first effective legislation on old-age pensions until 1937 (state-sponsored sickness insurance was not introduced until 1963)." Kirby (1995: 393) argues that "[t]he foundations of the modern Finnish welfare state were . . . laid by the two centre-right governments which held office between 1962 and 1966." On the other hand, by the 1960s the Swedish welfare state had already been developed and the "Swedish model" was known around the world. According to Milner (1989: 11), "In the 1960s few doubted that Sweden was creating a prosperous society in which everyone had enough to eat, a job, and a decent place to live, and where differences in income and education were being relentlessly narrowed."

Finland also lagged behind Sweden developmentally during the twentieth century. Kirby (1995: 303) points out the differences between their development: "Finland was still predominantly an agrarian country in the 1930s, and did not experience real industrial expansion until after the Second World War, though growth rates in its major export industries during the interwar years were sizeable. Sweden was already a net exporter of capital before the First World War." Notably, Sweden became a major exporter with "a third of the industrial workforce . . . employed in export industries" (Kirby 1995: 303). Furthermore, Swedish exports were "high-quality goods, often of Swedish invention or development, such as milking equipment, steam turbines, telephones, armaments and electrical machinery" (Kirby 1995: 303-304).

It was only during the latter part of the twentieth century that Finland was able to approach and in some areas even surpass the development in Sweden. Alapuro

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[27] Translation of: "*Man måste söka sig till de forna kommunistregimerna i Östeuropa för att hitta siffror som kan mäta sig med landsorganisationens mer än 90-procentiga organisationsgrad.*"

(1989: 160) sees the 1960s as a "breakthrough" for Finland, the time when the country "finally became an industrialised society."[28] He also argues, "In the 1960s Finland began to return culturally and politically to that Scandinavian mainstream of which it had always been a part in terms of the country's social and administrative structure" (Alapuro 1989: 162).

The Swedish welfare state was also more deeply connected to national identity and sovereignty than was the Finnish. According to Gould (2000: 201), based on his study of Swedish social policy, "Concern about [the welfare state] . . . was often expressed in terms of national sovereignty. It was, and is, a source of national pride -- something the Swedes felt they were better at doing than other countries. It was a way of ensuring that all Swedish citizens belonged. Everyone contributed, everyone benefited." However, as Gould (2000: 201) also asserts, "The degree to which this picture represented a genuine reality or a mythical golden age is open to debate, but this is how it is remembered."

Although Swedish social democracy and the welfare state are often regarded as being intimately intertwined, Kirby (1995) cautions against giving the Swedish social democrats full credit for the development of the Swedish welfare state. He argues, "In fact, the foundations of modern welfare in Sweden were laid down whilst the Social Democratic Party was yet in its infancy" (Kirby 1995: 388). Kirby (1995: 388) further adds, "The universality and apparent solidarity of the social welfare reforms enacted in postwar Sweden are also attributed more to wishes of the middle classes and their political representatives to benefit from the state's largesse than to the redistributionalist principles of social democracy. Though not without its merits -- particularly in questioning assumptions about the motives and aims of the politicians who helped formulate the legislation -- this line of argument tends to underestimate the underlying desire for security which is probably the main cement of solidarity."

Furthermore, although both countries wished to remain neutral during the Second World War, Finland (as discussed above) was drawn into war with Russia,

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[28] It should be noted that the term "industrialised society" is a contentious one and that whether or not Finland may be considered to have become such a society depends on the term's definition.

whereas Sweden survived the 1940s with far less cost. Kirby (1995: 382) writes, "Although by no means unaffected by the war, which had meant additional spending on defence, reductions in trade, rationing and higher taxes, the country nevertheless emerged in rather better shape than its neighbours to tackle the problems of postwar reconstruction. The steady accumulation of national wealth had transformed it from an impoverished agrarian land into a modestly prosperous country." These transformations had an important impact on Sweden's identity as well as its image in the international arena. Mikael af Malmborg (2001: 143) writes, "The experience of the two world wars forged a consensus in Swedish politics and intellectual life on the need for an independent armed national neutrality, in the absence of universal collective security." According to Kirby (1995: 382-383), "With prosperity, it has been argued, came a new image: Sweden as a 'modern' state, hailed by progressive outsiders such as the American Marquis Childs or socialist refugees of the International group in wartime Stockholm as the model for the future."

In the wake of the Second World War, institutional differences between Finland and Sweden that had developed after Finland's independence became increasingly significant, most notably the office of President. The Finnish President was responsible for foreign policy and came to have a strong hold over both the Finnish elite and the general public. Kirby (1995: 387) also takes notice of this distinctive feature of Finnish politics, writing, "In contrast to the other Nordic countries, Finland has a powerful head of state, who plays an active role in government. Urho Kekkonen, president from 1956 until his resignation on grounds of ill-health in 1981, was a supreme example of this. It would not be an exaggeration to say that he had a far more decisive say in the formation of government than did the electorate, or that he was prepared to use his self-appointed role as the chief architect of the postwar Soviet-Finnish relationship to exclude from office individuals or parties deemed to be unacceptable."

Although, as discussed above, Finland and Sweden were both neutrals during the Cold War and both felt the constraints of their geographic location between East and West, their situations also demonstrated important differences. These differences between the Finnish and Swedish situations were visible from an early

stage, notably when Sweden accepted Marshall Aid, whereas Finland, under pressure from the Soviet Union, refused it. As a result, Sweden was involved in the founding of the related Council of Europe and thus began systematic Swedish involvement in international groupings. The UN was a particularly important forum for Sweden and "support for the UN became the keystone of [Östen] Undén's foreign policy when he led his nation into UN membership in 1946" (Silva 1998: 139). Although Finns were also active in international organisations during the Cold War, their participation came later than that of the Swedes and was more constrained by a desire not to threaten good relations with the Soviet Union.

Furthermore, Finnish domestic as well as foreign policy was influenced by the USSR to a far greater extent than was the case in Sweden. According to Nevakivi (1989: 142), "Finland's credibility underwent a particular trial in 1958 when the communist-led People's Democratic League [SKDL], which had won in the elections, was kept out of the government by President Kekkonen's appointment of a cabinet dominated by the social democrats and the conservatives." This was the beginning of what was known as the Night Frost Crisis (*Yöpakkaset*), which is characterised by Kirby (1995: 424) as the "first major test" of the FCMA Treaty and was "brought to an end only after the Agrarian Union withdrew from the socialist-led coalition government, causing its collapse in January 1959" (Kirby 1995: 424). In the aftermath of the Night Frost Crisis, the Finnish social democrats were "thrown into the political wilderness after the collapse of the government in 1959" (Kirby 1995: 425). However, upon their return to office in 1966, the social democrats "stood foursquare behind the Paasikivi-Kekkonen line of good relations with the Soviet Union -- a necessity which gradually became an orthodox doctrine to which all parties seeking office had to subscribe" (Kirby 1995: 425). The crisis is thus a clear example of the Soviets' influence on Finnish domestic politics during the Cold War Era. In the 1958 Night Frost Crisis as well as in the crisis over Cuba in the beginning of the next decade, "President Kekkonen resorted to personal discussions with the Soviet leader Nikita Krushchev" (Kirby 1995: 425).

These instances demonstrate the importance of the office of the President for Finnish politics as well as the hierarchical nature in which foreign policy was handled, particularly during the Kekkonen years. Kirby (1995: 425) argues, "Finland undeniably obtained a number of advantages from this policy. By satisfying the basic security concerns of their eastern neighbour, the Finns were able to develop and extend vital trade links with their major Western markets, and to play an active part in the process of detente during the early seventies, when Helsinki hosted the European Security Conference and strategic arms limitation talks." Although the Paasikivi-Kekkonen Line certainly had advantages for Finland, it had costs as well; in fact, according to Kirby (1995: 426) the "price" the Finns paid was "high." Although Kirby (1995: 426) acknowledges that "[i]t may be the case that Kekkonen's foreign policy helped strengthen the Finns' own confidence in their country's future," he also argues that "in many respects, that confidence rests on insecure foundations."

Furthermore, Finland's historical experiences as a Grand Duchy of the Russian empire may have influenced the behaviour of Finnish policy-makers during the Cold War. According to Kirby (1995: 426), "Self-censorship, a rather egregious subservience and a willingness to work and if necessary intrigue with Russian officials may be characteristics inherited from the tsarist era as much as they are the unpleasant consequences of the former president [Kekkonen's] love of power; but they distorted the party political system, ruined the careers of many promising people who refused to toe the line, created a bad impression abroad, and probably weakened the credibility of Finland's claim to neutrality."

Another example of the Soviets' impact on Finnish policy is the 1961 Note Crisis (*Noottikriisi*) when Krushchev proposed Finnish-Soviet consultations based on the FCMA Treaty. The crisis, although it demonstrated the extent to which the Finns were constrained by their Soviet neighbours, also had positive consequences for the Finns in terms of their relationship with the USSR. According to Kirby (1995: 425), "After the 1961 note crisis, the Finns were able to avoid further moves towards more intimate military arrangements with the Soviet Union." It was also another example of the developing Finnish diplomatic skills as well as the importance of the role of the Presidency in Finnish politics. According to

Singleton (1998: 139), Kekkonen "deftly turned the so-called Note Crisis to his advantage by letting it be known that Krushchev would not feel any need to press the issue if Kekkonen, rather than his Social Democrat sponsored opponent, Olavi Honka, were returned in the presidential election. Honka withdrew his candidature." That the Soviet pressure led to the withdrawal of Honka's candidature, however, demonstrated the hold that the Soviets held on their Finnish neighbours. The Soviet constraint imposed on Finland was thus unlike that found in Sweden, which was regarded by the West as more independent and of greater international stature than its neighbour to the East.

Furthermore, despite traditions of neutrality in both countries, there were important differences here as well, which had their root in the two states' differing historical experiences. Whereas, until the mid-1980s, neutrality and stable relations with Russia/the Soviet Union were the main components of Finland's foreign policy (Väyrynen 1993: 72), Swedish foreign policy, also marked by neutrality, had a more moralistic tone and was strongly connected to the development of the Swedish welfare state. According to Unto Vesa (1998: 47), "In the UN context the [Finnish] slogan was that 'we would see ourselves rather as physicians than judges.' Rather than condemning this or that country -- although Finland condemned activities that were against international law -- she preferred to introduce and design constructive or curative measures and search for compromises whenever possible." The more moralistic Swedes, on the other hand, behaved more like judges. According to Jääskinen, Finland never had the role of moral superpower that Sweden did. Furthermore, Finns never viewed Finland as a model in the way that Swedes viewed their own country as a model. Rather, Finns viewed Sweden as a model. Indeed, Jääskinen argues that Finns have traditionally had an inferiority complex while Swedes have had a hidden superiority.[29]

Whereas Finnish neutrality was a relatively new concept originating in the wake of the Second World War, Swedish neutrality was, according to Lee Miles (1997: 41), "a relatively old and deep-seated concept, originating from 1814 and lasting in its most complicated form until 1991." Finland's neutrality had its roots in the

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[29] Interview with Jääskinen on 12 February 1998.

FCMA Treaty with the Soviet Union, whereas Swedish neutrality was "not guaranteed by any international treaty and was not part of international law" (Miles 1997: 41). For Finland, however, the FCMA Treaty was both an element of Finnish neutrality and also a constraint on Finland's ability to conduct a fully independent foreign policy and even on domestic policy, as is demonstrated by the 1958 and 1961 crises discussed above. Despite, and also because of, these constraints, neutrality defined Finnish foreign policy during the Cold War period. According to Ole Waever (1992: 90), "For Finland, neutrality was not seen as an end in itself or as the ideal policy; it was the best Finland could get. There were fewer connotations of inherent virtue than for the Swedes, and rather more of 'the Western-most possible.'"

Although Finland and Sweden both deepened their involvement in the process of European integration in the 1990s by joining first the EEA and then the EU, there were also significant differences in this regard. In particular, there were differences in the way in which such integration was perceived by the public as well as by policy-makers. For Sweden, its role in the broader international community was seen as potentially threatened by EU membership, whereas for Finland this was not the case. Ekengren and Sundelius (1998: 134) note that "it was argued that the Swedish international role as mediator and bridge-builder in various global conflicts would become less credible if the government were to subject itself to the collective will of the [European] Community. The visible foreign policy profile of Sweden, including its unique development assistance programme, would be eroded through membership."

Whereas much of the debate in Finland related to what the EU could do for Finland, in Sweden there was more discussion about what Sweden could do for the EU. Ekengren and Sundelius (1998: 140) argue that in Sweden "a missionary zeal could be discerned in the referendum campaign. From a social democratic point of view, the task ahead was to infuse the rest of the Union with the progressive values and positive experiences of the time-tested Swedish version of the good society. The domestic record of achievements in many areas could be externalized upon the wider European scene, to direct benefit for other countries and indirectly also of value to the Swedish people." Citing then (social

democratic) Prime Minister Ingvar Carlsson's October 1994 argument that Swedish EU membership would contribute to making the EU "a progressive force in world affairs," Ekengren and Sundelius (1998: 140) assert that "the Swedish government was bent on having an influence upon European policy-making in many issue areas."

As noted previously, the political elites in both Finland and Sweden had a difficult task of satisfying national, Russian, and EU desires in the run-up to their membership in the EU. The Finnish elite was particularly astute in this matter. According to Lauri Karvonen and Bengt Sundelius (1996: 254), "Finland's foreign policy leadership pursued with great skill the art of having its cake and eating it too." The Finns' diplomatic skills may have been the result of many years of balancing Russian/Soviet concerns with Finnish interests. For Swedes, satisfying their electorate was more important than pleasing Russia.

There were also differences in the Finnish and Swedish debates on EU membership regarding the role of identity. Identity was a more salient issue in the Finnish debate on EU membership than in the Swedish one. Raunio and Wiberg (2001: 67) argue that "perhaps most importantly" those in support of Finnish EU membership argued that EU membership "would place Finland firmly in the context where she historically and culturally belongs -- among West European countries." Similarly, Arter (1995: 362) argues that for Finland the decision on whether or not to join the EU was "a question of identity -- Finland's identity in the 'New Europe.'" It was, according to the title of Arter's (1995) article, "a vote for the West, not for Maastricht." Even Esko Antola (1999: 6), who stresses the economic motivation for Finns to join the EU, claims that "cultural identity, the need to show that Finland belongs to the West, was also a conspicuous element in the arguments." Tiilikainen (1998a: 164) also writes about a "new Finnish identity," which she suggests "seems to be based upon the old State-centric identity adapted to new conditions."

Although Sweden was influenced by its historical experiences and identity, their impact was different in Sweden than in Finland. For Sweden, the history of being a great power in the seventeenth century and of being a model welfare state during

the twentieth century continued to have an impact once the country joined the EU. According to Lee Miles and Bengt Sundelius (2000: 33), "Sweden has regarded itself as an important actor in the Nordic region. As the Nordic state with the largest population, the country has been able to exert influence on its neighbours, both economically and politically." Furthermore, they write, "Sweden has been seen traditionally as one of the leading, if not the leading, power in the Nordic region. Partly this derives from Sweden's history and cultural heritage as a once imperial power, whose influence stretched right across the Nordic region and the Baltic Sea, and the fact that there has always been a healthy competition between Denmark and Sweden for the title of 'Nordic champion'" (Miles and Sundelius 2000: 34).

An important difference between Finland and Sweden, which impacted on their EU debates, was in the area of agricultural policy. Although Sweden shared with Finland a concern for Arctic agriculture, the Swedish situation differed significantly from the Finnish one in terms of agriculture. Although Swedish agricultural policy resembled the CAP during the 1980s, major reforms of the agricultural sector were undertaken in Sweden just prior to EU membership. According to Rabinowicz (2000: 180), "By moving Swedish agriculture in a more liberal direction than the existing CAP, the Swedish reforms actually made EU accession more complicated since the country's agricultural sector needed to be re-regulated again." In fact, Rabinowicz (2000: 182) argues, "No other OECD [Organisation for Economic Cooperation and Development] country (excluding New Zealand as an important exemption) had attempted such a radical deregulation of agricultural policy. The Swedish reform was, in particular, much more fundamental than the 1992 CAP reforms that were to follow." Thus, Rabinowicz (2000: 187) writes, "It can be observed that the EU was, for the first time, confronted with a situation in which joining the EU would result in *worsening* conditions for agriculture within a new member country (or at least some of its regions)" (emphasis in original). Unlike the Finnish farmers and the Central Union of Agricultural Producers and Forest Owners (*Maa- ja Metsätaloustuottajain Keskusliitto*, MTK), the Swedish farmers and the Federation of Swedish Farmers (*Lantbrukarnas Riksförbund*, LRF), "were generally pleased with the negotiated agreement, but this is hardly surprising

given the role the LRF played in the accession process. Moreover, the alternative to the accession agreement -- the continuation of the domestic reform process -- was not very attractive to Swedish farmers. Therefore, Swedish farmers supported full EU membership in sharp contrast to their colleagues in other EFTA applicant countries" (Rabinowicz 2000: 189).

In contrast to the situation in Sweden, agriculture presented other problems for Finland and was a particularly difficult issue. According to Raunio and Wiberg (2001: 66), "By far the most difficult task was making Finnish agriculture compatible with the Common Agricultural Policy (CAP)." Despite the special provisions for agriculture in far northern climates, which benefited both Finnish and Swedish farmers, in Finland MTK "was not satisfied . . . and as a result spoke against membership in the referendum" (Raunio and Wiberg 2001: 67).

Even before Finland joined the EU, it distinguished itself from Sweden in terms of the degree to which it was willing to adapt to the EU. As is discussed in chapter six, the Finnish declaration on public access to documents was less threatening to the EU than was the Swedish one. Similarly, Raunio and Wiberg (2001: 67) point out, "Unlike Denmark and Sweden, Finland had stated that it would accept the Maastricht Treaty without reservations." In addition, "Sweden (and Austria) . . . insisted on a (legally non-binding) declaration, which was attached to the Accession Treaty stating that the right to choose its sources of energy would not be affected by EU membership" (Molin and Wurzel 2000: 167).

Moreover, the Finnish parties were more unified than their Swedish counterparts on their views regarding EU membership. According to Tiilikainen (1998a: 163), "Only one of the key parties in Finland, the agrarian *Centre Party* faced the decision disunited" (emphasis in original). Furthermore, she asserts, "A typical feature of the Finnish decision to join the European Union was that it was supported by a majority of the political elites who, just a few years earlier, had denied the membership option categorically in the name of a realist world-view" (Tiilikainen 1998a: 163). Discussing the Finnish situation, Raunio and Wiberg (2001: 67) argue, "Government behaviour in the membership negotiations was characterized by flexibility driven by the imperative of achieving Union

membership. This approach can at least partially be explained by two factors: the depression of the early 1990s which had exposed the vulnerability of the national economy, and the broad consensus between government and opposition, as the leadership of the main opposition party . . . [the SDP] was also in favour of membership." One might therefore argue that the Finnish elite, including the political parties, adapted during the early 1990s to the new situation in the post-Cold War world and adopted a largely unified position of supporting Finnish EU membership. In Sweden, on the other hand, there were deep divisions not only between but also within the major political parties, including the SAP, which was divided on the topic of European integration at the elite as well as the mass level.

Prior to 1995, many analysts both inside and outside Sweden, who were predicting Finnish and Swedish behaviour in the EU, expected to see Sweden taking more of a leading role than Finland (and Denmark). Pär Stenbäck (1995: 27) explains that "[i]t was generally estimated that Sweden will be the active EU country," whereas "[l]ess was . . . expected of Finland." According to Mouritzen (1993: 391), "Finland, unlike Sweden, would seem to be content with periphery status once inside the EC (i.e. less emphasis on offensive power)." Waever (1992: 90-91) writes that "it is far from clear that Finland will be welcome in an EC aspiring to a security and defence identity and to political union." Similarly, Nikolaj Petersen (1997: 174) asserts, "Prior to Sweden's membership, it was expected and sometimes feared in Denmark, that Sweden would enter the Community and rapidly call the Nordic tune. It was also a widespread feeling in Sweden itself that Sweden would become an active participant in the Union, intent on making its influence felt over a broad sweep of issues."

Yet, by the late 1990s, the general opinions of Finnish and Swedish positions as EU members differed from the original expectations. In Swedish academic and journalistic circles Sweden was seen as failing to fulfil its hopes of being an influential EU member and instead as taking a back seat to its Nordic neighbour to the East. Swedish political scientist Magnus Jerneck (1999: 240) argues that the expectations of Swedish influence within the EU that were seen in 1994 were not transformed into reality. According to his arguments, Sweden instead evolved into a more reluctant European partner than had been expected, particularly in relation

to Finland (and Austria). Karl Magnus Johansson (1999a: 288) agrees that Sweden did not live up to the expectations held by Swedes (and others) that Sweden would be an active and offensive player within the EU.

Even in the Swedish media one found an acceptance of the argument that Sweden had become a more reluctant EU member than Finland and did not live up to expectations. In an article in *Svenska Dagbladet* (one of Sweden's main daily newspapers) on 27 February 1998, entitled "Finland is our big brother,"[30] Mikael Holmström discusses the differences between the Swedish and Finnish approaches to the EU and the way in which other countries perceived them. He argues that within the EU core there was a view of Sweden as being "a less serious actor" than Finland.[31] He cites an anonymous centrally placed EU civil servant who, commenting on the fact that Sweden would be the last of the three new member states to hold the EU Presidency, exclaimed, "The Swedes have got the most time to learn and they will need it!" (Cited in Holmström 1998)[32] Another EU representative is quoted in the same article as saying, "Finland enters into cooperation with enthusiasm. Sweden is of two minds and reluctant" (Cited in Holmström 1998).[33]

On the other hand, the conversations in Finnish circles after Finland joined the EU indicated that the Finns perceived themselves, in contrast to the Swedes, as pursuing a pragmatic EU strategy and moving towards the EU's core. According to Finnish academic Antola (1999: 6), "No doubt the most fundamental change during the first four years of Finnish [EU] membership has been that Finland has managed to place herself in the core of the European Union." According to Finnish researcher Hanna Ojanen (2000: 4), "In general terms, Finland has been more adaptive and flexible, trying to be in the 'core' of the Union, whereas Sweden has taken a more distant position." An article in *Hufvudstadsbladet*

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[30] Translation of: *"Finland är vår storebror."*
[31] Translation of: *"en mindre seriös aktör."*
[32] Translation of: *"Svenskarna har fått mest tid att lära och de kommer att behöva det!"*
[33] Translation of: *"Finland går in i samarbetet med entusiasm. Sverige är tvehågset och motvilligt."*

(Finland's main Swedish-language daily newspaper) on 25 June 1999 characterised Finland as a "cooperative but tough" EU member (Laurén 1999).[34]

The Finnish desire to be a part of the European core, or mainstream, was also elucidated by Finnish policy-makers. Finnish Secretary of State Jukka Valtasaari argued in Tashkent in 1999 that "after joining the European Union in 1995, Finland made it clear that it would be in the core group, in the very centre of the union, and not on the periphery, by announcing that it wanted to be among the first nations creating the European monetary union" (Valtasaari 1999). In a speech in Helsinki on 24 September 1997, Finnish Prime Minister Paavo Lipponen argued, "Based on our two-and-a-half years' experience of Union membership, it is possible to say that the vital interests Finland pursued have been fulfilled. Finland's position in the new Europe is established. Finland is an equal partner, not any fringe country still seeking a place of its own" (Lipponen 1997). Tapio Raunio (1999: 155) argues that "despite the widespread unease, the political and business elites, lead by the Lipponen rainbow government and President Martti Ahtisaari, have without hesitation taken Finland into the inner core of the EU." Furthermore, Salolainen regards EU membership as strengthening Finland's independence and argues that "Finland has never been a more important player than we are today."[35] Using the analogy of Finland and Sweden as brothers, Salolainen argues that, although Finland was historically Sweden's younger brother, by the late 1990s the two countries were twins.[36]

Support for the greater Finnish than Swedish prioritisation of following the EU mainstream can be found in their voting records in the Council of Ministers. Between 1 July 1995 and 31 December 1999, a period which lies fully within the time analysed in this thesis, Sweden voted more often against the winning majority than Finland did (Raunio and Wiberg 2001: 80). The average number of negative votes per year during this period was 3.8 for Sweden and 1.4 for Finland. When abstentions were also included, the number of negative votes plus abstentions was 4.0 for Sweden and still only 1.4 for Finland. The EU average

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[34] Translation of: "*samarbetsvilligt men tufft*"
[35] Interview with Salolainen on 16 December 1998.
[36] Interview with Salolainen on 16 December 1998.

was 3.4 negative votes and 4.8 negative votes plus abstentions. Despite the fact that Sweden's figures were close to the EU mean, there were only five of fifteen EU members that voted more often against the winning majority than Sweden did, and all of them had been members of the EU for far longer than Sweden had. Germany, with 9.8 negative votes and 12.8 negative votes plus abstentions, had the highest scores, followed by Italy with 6.8 and 9.4, the UK with 5.4 and 8.0, the Netherlands with 5.2 and 6.0, and Denmark with 4.0 and 4.6 votes. On the other hand, Finland was at the other end of the table, with only tiny Luxembourg voting less often against the winning majority than Finland with 0.8 negative votes in contrast to Finland's 1.4. However, when abstentions and negative votes were considered, Luxembourg's average of 2.0 votes actually exceeded the Finnish average of 1.4 (Raunio and Wiberg 2001: 80).

These statistics demonstrate significant differences between the Finnish and Swedish approaches to the EU. Raunio and Wiberg (2001) argue that these statistics regarding voting in the Council show that "[t]he Finnish approach [to the EU], at least on the elite level, has thus been co-operative and pragmatic." The statistics demonstrate that Sweden, on the other hand, voted more often against the winning majority in the Council than Finland did, placing Sweden with those member states that voted least often with the Council and Finland with those that were most cooperative. Discussing the Finnish approach in general terms, Jääskinen argues that Finnish officials have realised that offending others will not lead to compromise and that it is not a good strategy to act as if one is the owner of truth.[37]

Another example of Finns changing more than Swedes to fit in with the EU mainstream is in the area of environmental policy. According to Katarina Molin and Rüdiger K. W. Wurzel (2000: 173), Finland lowered its environmental standards so that they were in line with those of the EU, whereas Sweden refused to do so. In terms of agricultural policy, Sweden deviated from the EU mainstream, notably on milk quotas. Sweden joined Denmark, Italy, and the UK in the "London club," which was "committed to more radical reform of the milk

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[37] Interview with Jääskinen on 12 February 1998.

regime than the Agenda 2000 proposal formulated by the Commission envisaged" (Rabinowicz 2000: 196). Based on an analysis of agricultural policy, Rabinowicz (2000: 197) concludes, "Sweden has adopted much more radical positions than those of other member states. In the consensus-oriented culture of EU decision-making, such behaviour is generally not successful."[38]

Finnish and Swedish strategies and goals in the EU were seen as diverging, not just in terms of their degree of enthusiasm for participation in European integration and willingness to deviate from the mainstream, but also in terms of the issues they prioritised and their strategies for obtaining their goals. Writing in 1996, Jan-Erik Gidlund and Magnus Jerneck argue that, despite the historically strong bond between Finland and Sweden, the two countries' interests seemed to diverge on many issues within the EU. They also assert that Finland appeared to be pursuing a more goal-oriented and issue-focused strategy in the EU than Sweden was (Gidlund and Jerneck 1996: 79). Lars Nilsson and Ola Pihlblad of the Swedish MFA also see a difference between the Finnish and Swedish approaches to the EU during their first years of membership in that Finland identified a few key issues while Sweden tried to push forward on a wider range of issues.[39] The broad approach taken by the Swedish policy-makers initially, however, became more focused by the end of 2000, as is evidenced by the programme for the Swedish Presidency, which prioritises three issues: the "three Es" of enlargement, employment, and the environment (Sweden 2000).

An analysis of implementation, however, demonstrates that Finland may not always have been a "good EU member" to the same extent that the Sweden was, at least in some areas. As Jonas Tallberg (1999: 68) notes, Sweden's record for implementing EU directives in 1995, 1996, and 1997 was better than that of Finland or Austria and even above the EU average. However, the major reason why the Finnish rate was lower than the Swedish one was the special situation that Finland granted to the Åland Islands, although Finland's implementation record

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[38] It should perhaps be noted, however, that she suggests that it must be questioned whether or not this Swedish behaviour was due to the newness of Swedish EU membership and argues that the Swedish "tendency to adopt more radical positions has declined over time" (Rabinowicz 2000: 197).

[39] Interview with Lars Nilsson and Ola Pihlblad on 11 August 1998.

improved from 70.5 percent in 1995 to 96.3 percent in 1997 (Tallberg 1999: 68). Despite this, Tallberg (1999: 76) argues that the Swedes were the best in the class of the EU members that joined in 1995 (Austria, Finland, and Sweden) when it came to the implementation of EU legislation. Although this distinction must be considered when assessing Finnish and Swedish membership in the EU, the focus of this study is on policy formulation rather than implementation, and the differences between the two countries in this respect are thus of relatively minor significance here. Furthermore, the dramatic improvement in the Finnish implementation record between 1995 and 1997 demonstrates a strong Finnish desire to conform, even in terms of implementation.

There were also indications of greater desire to increase and acceptance of a European identity in Finland than in Sweden. The use of EU symbols in Finland and Sweden demonstrates the difference in their embracing of a European identity. According to Pertti Pesonen (1998: 36), "It seems that Finland, both the state and the citizenry, accepted EU membership and its norms more easily than Sweden. Even the EU symbols, notably the flag, are displayed much more often in Finland than in Sweden." Presenting a similar argument, Johansson (1999b: 12) claims that the EU flag is rarely seen in Sweden in comparison with the other EU member states. Beethoven's ninth symphony, the European hymn, is played at party congresses in Continental Europe but, according to Johansson (1999b: 12), never in Sweden.

The institutional changes in Finnish and Swedish policy-making due to EU membership differed, notably in the national parliaments. In the Finnish parliament, the Grand Committee (*Suuri valiokunta*) was given the additional task of considering EU matters, whereas in Sweden a new EU Committee called the Advisory Committee on European Affairs (*EU-nämnden*) was created. According to Olof Ruin (2000: 56), "This committee was established explicitly as a consequence of Swedish EU entry; it was originally proposed by the commission that looked into the constitutional problems connected with this entry and later endorsed by the Riksdag itself. The committee is modelled after the special European committee existing in the Danish parliament (*Markedsudvalget*), although the Swedish counterpart is given much less formal power than the

Danish original." Ruin (2000: 56) asserts, "The Swedish committee is not, and unlike the Danish one, entitled to bind the government explicitly but its views have to be heard before decisions are taken." Despite this, Ruin (2000: 57) argues that the Swedish government normally followed the decisions of the Advisory Committee. Discussing the Finnish situation and the status of EU-related "U affairs," Tiina Kivisaari (1997) argues, "Due to the principle of accountability to Parliament, the view expressed by the Grand Committee is politically binding on the Government."

Finland and Sweden also faced somewhat different structures in terms of political parties in the government and parliament between 1995 and 2000. Although Finland and Sweden both acquired new social democratic governments close to the time that they joined the EU, there were differences. In particular, the Finnish government that came to power in March 1995 was known as a "rainbow coalition," consisting of five parties including the SDP as well as the Green League (*Vihreäliitto*, VIHR), the Left Wing Alliance (*Vasemmistoliitto*, VAS), the National Coalition Party (*Kansallinen Kokoomus*, KOK), and the SFP. During the entire period between 1995 and 2000 Finland was led by a "rainbow coalition" government under the leadership of Prime Minister Paavo Lipponen. The President for the majority of the period was Martti Ahtisaari, although Tarja Halonen, the former Minister for Foreign Affairs, assumed the Presidency in March 2000.

According to Raunio and Wiberg (2001: 72), "With no single party forming the cabinet (as in Sweden) or even controlling anywhere near the majority of Eduskunta seats, no party alone or the opposition has any realistic chance of radically altering national (European) policy without the support of the other parties." In Finland, the parties worked together to generate national positions on EU matters, both in the government and in the parliament. Raunio and Wiberg (2001: 72) write, "Importantly, basically all information on EU matters is distributed equally to both government and opposition MPs. The goal of the Eduskunta and the Grand Committee has been to involve all party groups in processing European issues, with the aim of manufacturing broad parliamentary consensus on national EU policy. This not only facilitates efficient scrutiny of

government behaviour, but also provides consistency and long-term legitimacy for policy choices." Jääskinen points out that the division between the opposition and the government is greater in Sweden than in Finland. Furthermore, whereas the dividing lines between political parties have been clear in Sweden, they have been less so in Finland.[40] Bergquist has suggested that the greater cooperation seen between Finnish parties as opposed to their Swedish counterparts is a result of the two countries' differing historical experiences, not least Finland's wartime experiences.[41]

There are thus a range of differences (of varying degrees of importance) between Finnish and Swedish behaviour inside the European Union as well as in their experiences prior to joining, their institutions, their cultures, and their identities. Despite the existence of these differences, they are concentrated around several major points that are particularly relevant for this study. The differences in their historical experiences are critical, particularly the following points:

- Finland was separated from Sweden in 1809 and, although it retained much of the institutional structure of Sweden, was forced to develop or adapt its institutional structure and build a separate Finnish identity.

- Finland emerged far later than Sweden as an independent country and was more at threat of losing that independence, even once it had been achieved.

- Finns endured warfare in the twentieth century that imposed costs on the country and affected its institutions and development; Sweden did not endure the same kind of suffering.

- Finns were more constrained by Russia/the Soviet Union, even during the second half of the twentieth century; the Night Frost and Note Crises are examples of this pressure that do not have parallels in Sweden.

These details should, of course, be considered in the broad context of the two countries' historical experiences. For Finland, warfare, struggle, and threat marked its history to a greater extent than was the case with Sweden, which had a more secure and peaceful historical development, particularly during the twentieth

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[40] Interview with Jääskinen on 12 February 1998.
[41] Interview with Bergquist on 18 December 1998.

century.

These historical differences led to differences in the institutions of the two countries, primarily in terms of the establishment in Finland (but not in Sweden) of the office of President, which developed when Finns were forced to replace the Swedish monarch/Russian tsar with a new head of state upon independence. The existence of this office in combination with the historical experiences endured by Finland during the twentieth century, particularly in their relationship with the Soviet Union, led to a hierarchical method of decision-making. This affected Finnish political culture as a whole, as both the public and policy-makers accepted the mandate of the President to make decisions on behalf of the country, often without consultation. Finland's experiences and institutions also affected the formation of a Finnish identity, in which Finland's position as a Western European country was less certain than was Sweden's. On the other hand, national identity assumed a greater importance for Finns than it did for Swedes. Furthermore, uniqueness (particularly in terms of distinguishing itself from its neighbours) was a more important element in the construction of Finnish identity than was the case for Sweden.

Due to historical experiences, Swedish institutions differed from those in Finland, notably in terms of the lack of a President in Sweden. Whereas Finland was cut off from the Swedish monarchy and forced to adapt, this was not the case in Sweden. The monarchy itself was not of particular importance during the twentieth century, but the lack of a strong President, as was the case in Finland, was a notable difference between the two countries. As Bergquist points out, "Sweden had during the Cold War a livelier debate culture," whereas in Finland people have been more accustomed to "decisions taken in more hierarchical fashion."[42] These institutional and cultural differences continued to have lasting impact on the two countries. Furthermore, Swedes, unlike Finns, did not need EU membership to confirm their identity as a Western European country. All of these examples demonstrate significant differences between the two countries.

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[42] Interview with Bergquist on 18 December 1998.

Consequences for this Study

The existence of both similarities and differences between the Finnish and Swedish cases has now been established. It has also been demonstrated that historical experiences have affected institutions and that history and institutions have in turn impacted upon culture and identity in the two countries concerned. (Certainly, however, this is not entirely a one-way process, as identity can in turn shape future experiences, which eventually become historical experiences, but the general direction is nevertheless clear.) The task now is to assess briefly the relevance of these similarities and differences and the suitability of these countries for a "most similar systems" research design.

Jakobson (1998: 94) describes Finns and Swedes as "[t]wo peoples divorced after a long marriage and pulled apart by forces beyond their control." He argues that they "have a complex relationship of shared values and sharply different experiences. They are strongly bound by their common heritage of law, religion, and culture; countless family ties; their growing economic interdependence; the use of Swedish as the language of communication between Finns and Swedes; and the current presence of a large Finnish-speaking minority in Sweden. Yet the geopolitical divide between Finland and Sweden, and the two centuries of separation caused by it, have left deep marks on both countries" (Jakobson 1998: 94-95). To use a different metaphor from the one of a married couple put forth by Jakobson (1998), one could envision Finland and Sweden as conjoined twins. Although initially growing up together, they were then separated from each other after many years of sharing the same blood and living as interconnected parts of one body that moved in unison. At the time of separation, Sweden was the stronger, larger twin that continued with the self-confidence it had always known, whereas the weaker twin, Finland, needed to develop its own strength and identity.

Due to their similar beginnings, their institutions were largely similar, even as the twenty-first century dawned. Although institutions are typically important in shaping policy formulation (as is highlighted, for instance, by the new institutional

theories examined in chapter two), the similarities between Finnish and Swedish institutions outweighed their differences. The main differences between their formal institutions included the existence of a President in Finland and the lack of such a position in Sweden. This difference was the result of differences in their historical experiences and led to differences in the political cultures of the two countries. In particular, the Finnish decision-making style was more hierarchical than the Swedish. This distinction also developed as a result of the two countries' differing positions in the Cold War. The Finns, more under the shadow of the USSR than the Swedes, had to develop negotiating strategies where one person had great powers in dealing with the Russians. Bergquist also argues, "The extent and nature of Finland's trade with the Soviet Union contributed to the need for a more hierarchical decision-making culture."[43] The office of the President and the nature of its two most prominent Cold War occupants, Paasikivi and Kekkonen, facilitated this culture of top-down decision-making controlled by a strong President.

The hierarchical nature of Finnish foreign policy, due initially in part to the historical experiences of negotiating with the Soviets and the office of the President (itself a result of history), had lasting consequences. According to Karvonen and Sundelius (1996: 258), "Finland's foreign policy leadership has held a centralised decision-making capacity, which many state leaders would envy." Karvonen and Sundelius (1996: 258) argue that "EU membership became a Finnish reality partly due to this capacity to control the political elites and thereby public opinion." According to Lipponen, "Finnish diplomacy is clearly successful, and we will continue according to our traditions. It can be worthwhile to repeat Kekkonen's principles once again: we shall not be judges, but rather physicians" (Cited in Laurén 1999).[44] As other institutions are so similar or are essentially merged with culture and/or identity (e.g. decision-making style could be considered an institution, even though it is here regarded as a part of political culture), the main relevant factor in terms of institutions for this project is the

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[43] Interview with Bergquist on 18 December 1998.
[44] Translation of: "Finländsk diplomati är bevisligen framgångsrik, och vi ska fortsätta i enlighet med våra traditioner. Det kan vara på sin plats att än en gång upprepa Kekkonens principer: vi ska inte vara domare, utan läkare."

presence or lack of a President.

Aspects of Finnish and Swedish political culture could be observed long before the two countries joined the European Union. A vital difference was one alluded to in the discussion of institutions above: the degree of hierarchy. This difference continued to have an impact on the behaviour of policy-makers once they joined the EU. The more hierarchical Finnish method was more easily applied to EU policy-making, where national positions had to be formed at an early stage and then maintained consistently on a broad range of issues. For the Swedes, who placed more emphasis on political consensus and public opinion, the EU's system presented more of a challenge.

There were also vital differences in the two countries' national identities, which were a result of their differing historical experiences and influenced their EU policies. Finland's position as a member of the community of Europe, and particularly Western Europe, was less certain than was Sweden's position. Tiilikainen (1998a: 116) writes about the characterisation of Finland throughout history as a "borderland," an "element in Finnish political identity that can be derived from medieval times."

There were indications that Finland was therefore more eager to ensure its position as a mainstream EU member and to make necessary adaptations more than Sweden was. This would seem to confirm Antola's (1999: 8-9) assertion that "Finland is a member of the 'Diplomatic Republic of Europe,' which consists of written and unwritten rules and norms that compose a common framework for appropriate behaviour for the members of the republic. This membership, more than anything else, has shaped Finland's expectations and priorities in foreign and security policy." Such an analysis would also fit with an international regime theory explanation, where Finland is viewed as conforming to the EU "regime." The extent to which Swedes, on the other hand, regarded the EU as a regime to which they needed to conform in order to maximise their influence is more questionable. The implications for adaptation are, at this point, less clear and will require the empirical evidence of the following chapters. Certainly the Swedes also adapted (i.e. changed their own policies and positions) in some ways in order

to ensure that they would benefit from EU membership and be able to shape EU policies.

On the whole, then, the similarities between the two countries do outweigh the differences. Indeed, one would be hard-pressed to find two more similar countries, particularly for an analysis of new EU member states. Their common history as part of the same kingdom is an important part of their similarity, but the common features continued in many respects after the separation of Finland from Sweden. The task of the remaining portion of this thesis will thus be to analyse how the differences identified above impacted upon the nature and extent of Finnish and Swedish adaptation to the EU in terms of the national formulation of EU policies.

SECTION II: THE EMPIRICAL EVIDENCE

Chapter Four: Economic and Monetary Union (EMU)

Economic and Monetary Union (EMU) is an area where one might expect to see significant differences between Finland and Sweden due to the fact that Finland adopted the European single currency, known as the Euro, in the first wave in January 1999, whereas Sweden did not. Yet, the issue may not be as simple as it initially appears. This chapter includes a discussion first of the similarities between the Finnish and Swedish strategies and goals concerning EMU between 1995 and 2000; despite their differing choices, there may, indeed, be similarities. Attention is then turned to the expected differences between the two countries' approaches, which may not be as clear-cut as expected. Finally, the extent and nature of Finnish and Swedish adaptation to the European Union (EU) in this policy area is assessed.

Two Similar Approaches

Neither Finland nor Sweden was a participant in the decision to create a single European currency. Instead, the project grew out of the Werner Plan, developed in 1969.[45] However, when they decided to become EU members, both Finland and Sweden agreed to participate in EMU. The newcomers had no choice in the matter because EMU formed a part of the *acquis communitaire* that the EU required the new member states (Austria, Finland, and Sweden, as well as Norway had it decided upon membership) to accept.

EMU had three stages, of which two began before Finland and Sweden joined the EU. The first stage was developed in the Delors report, which was submitted in April 1989. On 1 July 1989 this first stage of EMU commenced; this entailed fully

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[45] Provisions for EMU were noticeably absent from the Treaty of Rome because it was assumed at the time that it was drafted that the Bretton Woods system would be sufficient.

liberalising capital movement within the existing member states. The second stage, when the European Monetary Institute (EMI) began coordinating monetary policies in an institutionalised manner, started on 1 January 1994. The third stage entailed the adoption of the single currency. The criteria that member states needed to fulfil in order to participate in the third stage and adopt the Euro were set out in the Treaty on European Union (TEU, also known as the Maastricht Treaty). When the Treaty entered into force on 1 November 1993, all member states (except Denmark and the United Kingdom (UK), which had both negotiated national opt-outs) were bound to participate in the first wave if they met the criteria. When the third stage began on 1 January 1999, the European Central Bank (ECB) replaced the EMI, and the Euro became the currency of all eleven participating member states (despite the fact that Euro notes and coins were not planned for introduction until 2002). Because the first two stages had already been launched when Finland and Sweden joined the EU, their input into the process and their national EU policies were limited to stage three, and thus the term "EMU" is hereafter used to refer to the third stage.

Both Finnish and Swedish policy-makers took actions from an early stage to ensure that they would at least have the option of participating fully in EMU in the first wave. For instance, the Finnish government made it known already in 1993 that it actively strove to be one of the first countries to fulfil the criteria necessary for participation in EMU. The government again emphasised in the spring of 1995 its goal of adopting the Euro in the first wave if such participation was appropriate (Statsrådet 1998).

Swedish policy-makers also made it clear from an early point that they would try to ensure that they would also be able to join in the first wave if desired. In a speech at the Olof Palme International Centre on 2 October 1996, Swedish Prime Minister Göran Persson explained that the decision had been taken to try to put the Swedish economy in order by 1997, so that Sweden would have the option of participating in EMU's third stage if it wished to do so (Persson 1996b). Mats Kinnwall (2000: 153) argues, "The self-imposed 'strait-jacket' in the form a commitment to fulfil the Maastricht criteria for fiscal policy actually worked."

There were even changes made to Swedish institutions in preparation for a possible adoption of the Euro. A suggestion to make the Swedish Central Bank independent was presented in August 1997 (Höjelid 1999: 92). As Kinnwall (2000: 146) explains, "The EMU question . . . places pressure on Sweden to become further Europeanized" and led Sweden to reform "its constitution, especially the legislative framework governing the Riksbank. In short, the Riksbank has become more independent relative to the Swedish political system."

As part of their preparations and decision-making processes, both Finland and Sweden commissioned expert reports prepared by academics on the consequences of EMU participation in order to assist in deciding whether or not to be a part of the first group to adopt the Euro. Sweden was the first of the two countries to commission such a report. In October 1995, the Swedish Ministry of Finance (*Finansdepartementet*) commissioned a group (chaired by Lars Calmfors, a professor of economics at Stockholm University) to analyse the potential consequences of Swedish participation in EMU's third stage. The following month (November 1995), the Finnish Council of State (*Valtioneuvosto*, or *Statsrådet*) commissioned a group (headed by Jukka Pekkarinen, director of the Labour Institute for Economic Research, *Palkansaajien Tutkimuslaitos*) to prepare their report. Each expert group met many times; the Finnish group met on twenty-five occasions, while the Swedish group met nineteen times (Pekkarinen et al. 1997: 7, Calmfors et al. 1996: 434).

There was also an interconnection between the two reports, with the Finnish group, in particular, relying on the work done by the Swedish experts. The Finnish expert group, headed by Pekkarinen, explains, "[T]he great importance attached by the Finnish expert working group to the Calmfors Committee should be underlined. The numerous comprehensive background reports relying on extensive international expertise that were commissioned by the Committee have also proved particularly valuable" (Pekkarinen et al. 1997: 17).

Both groups saw political as well as economic consequences that would result from EMU membership and saw both advantages and disadvantages to joining EMU's third stage in the first wave. The political consequences included both the

additional influence that would be enjoyed by EMU participants as well as the threat of marginalisation for those on the outside. According to the Finnish report, "Because the first countries to adopt the single currency will choose the Executive Board of the European Central Bank and be otherwise involved in decision-making related to the launch of Stage 3, being one of these 'prime movers' would certainly increase Finland's authority within the EU. Staying outside would mean exclusion from such decision-making, though it would, of course, give us a chance to gain experience of the workings and impact of Economic and Monetary Union from something of a safe distance" (Pekkarinen et al. 1997: 13).

Although there were (as is discussed in more detail below) differences between the conclusions of the two groups, they did see similar economic concerns, as did other analysts. In particular, as Lars Jonung and Fredrik Sjöholm (1999: 683) discuss, both countries risked "asymmetrical disturbances, i.e. shocks that affect one member of a currency union differently from the other member countries" and "lead to increased unemployment and stagnation." They argue that "the structure of the Swedish and Finnish economies exhibits unique features compared to the other EMU countries, which increases the risk of asymmetric shocks. Thus it becomes advantageous to remain outside a European monetary union, and to be able to counter asymmetric shocks with the help of a flexible exchange rate" (Jonung and Sjöholm 1999: 684). Similarly, U. Michael Bergman, Michael M. Hutchinson, and Yin-Wong Cheung (1997: 13) argue that "the long-standing EU and 'core' ERM members [in their study] -- Belgium, Denmark and the Netherlands -- are much more influenced by German supply shocks than are Finland, Norway, and Sweden."

There were, in fact, many similarities between the Finnish and Swedish economies that would have suggested that both countries should have remained outside of Euroland or at least should have taken the same decision. Sweden's Commissioner at the time, Anita Gradin, herself a supporter of Swedish participation in EMU's third stage, argued in 1999 that Finland and Sweden were in similar economic situations prior to the Finnish and Swedish decisions on whether or not to adopt the Euro in the first wave. She explained that both were small countries, which emerged from deep economic crisis in the early 1990s and

were dependent on the forestry and telecommunications industries. Furthermore, she suggested that, prior to their decisions on EMU, outsiders valued the two countries equally because both had approximately the same interest rate level (Gradin 1999).

The "low degree of diversification" in Finland and Sweden is also pointed out by Jonung and Sjöholm (1999: 687), who rely on statistics for the period between 1989 and 1993. They also note that both countries were more heavily dependent on the forestry and engineering industries than the other EU countries were, whereas Finland and Sweden relied less on the food products and textiles industries than did their EU colleagues (Jonung and Sjöholm 1999: 688). In addition, Jonung and Sjöholm (1999: 687) observe a relatively low level of wage flexibility in Finland and Sweden. They also note, "A high degree of inflexibility in wages and prices, and a low degree of product diversification, argue against participation in a monetary union. The calculations above thus indicate that Sweden and Finland are not very suitable candidates for the European monetary union" (Jonung and Sjöholm 1999: 689). Furthermore, the manufacturing structures of Finland and Sweden were more similar to non-EU members such as the United States (US) as well as to each other than they were to EU members such as Italy (Jonung and Sjöholm 1999: 691).

Similarly, in terms of economic growth, there was again a stronger correlation between Finland and Sweden as well as between these two countries and non-EU countries than there was between the two Nordic neighbours and those set to participate in EMU (Jonung and Sjöholm 1999: 692). Jonung and Sjöholm (1999: 695) also point out similarities between the two countries' historical fiscal policy. They explain, "Historically, Sweden and Finland pursued rather similar fiscal policy during the 1960s and 1970s," although they do note that "in the 1980s and 1990s Sweden and Germany had a more similar fiscal policy" (Jonung and Sjöholm 1999: 695).

Both countries pursued devaluation strategies during the 1970s and 1980s. Kinnwall (2000: 147) terms the 1970s "a disappointing decade for the Swedish economy." Major devaluations to the Finnish *markka* took place in 1977-1978,

1982, and 1991-1992, although there had been earlier devaluations in Finland in 1931, 1949, 1957, and 1967 (Rehn 1996: 53). Discussing the Swedish situation, Kinnwall (2000: 147) writes, "While the devaluations of 1977 and 1981 were completely 'defensive', and aimed at restoring lost competitiveness, the 1982 devaluation was not!" Instead, "the 1982 devaluation was partly 'offensive' and an essential ingredient in the new Social Democratic government's strategy aimed at 'kick-starting' the economy. Yet, Swedish politicians learnt something from the failures of the 1970s. Other important new ingredients in the policy mix were fiscal prudence and restrictive, mostly informal, wage policies" (Kinnwall 2000: 147). According to Kinnwall (2000: 147), "To start with, this new policy -- 'the third way' -- was quite successful, though monetary policy was too accommodating. Average GDP [Gross Domestic Product] growth in 1983-87 was 2.7 per cent, substantially higher than in the 1970s, whilst the inflation path followed a sharply downward slope. However, labour costs that were relatively stable immediately after the devaluation started to climb. Hence, the real exchange rate was slowly, but continuously, creeping upwards."

Both countries eventually experienced economic difficulties and found their welfare policies difficult to maintain. For Sweden, the problems became acute in the late 1980s. According to Kinnwall (2000: 149), "In 1987 and 1988 it became more and more obvious that 'the third way' would not succeed since price and wage inflation had started to accelerate dramatically . . . and, at the same time, the real economy lost momentum." The difficulties intensified in the 1990s. Kinnwall (2000: 149) writes, "From 1990 all of the main economic indicators began to move in the wrong direction and things went 'pear-shaped' at a horrific and rapid pace. Inflation reached double-digit numbers and in 1991 the economy experienced a recession that lasted for almost three years." Kinnwall (2000: 149) claims, "The main reason why 'the third way' turned out to be a 'dead end' was the lack of credibility in the low inflation, fixed exchange rate regime." December 1992 was a particularly significant month for the Swedish economy, as it was then that the fixed exchange rate regime collapsed and with it "the international markets' confidence in the krona. The Swedish currency depreciated by 25 per cent during the first four months after the currency was allowed to float"

(Kinnwall 2000: 151). Finland also suffered economic challenges during this time, as is reflected by devaluations mentioned above.

On the whole, then, the arguments against Finnish and Swedish participation in EMU in 1999 outweighed those for their participation (when based on an economic analysis). Jonung and Sjöholm (1999: 696) write, "According to our analysis based on the theory of optimal currency areas, Finland and Sweden are not any obvious candidates for membership in the EMU. According to the union-specific criteria which we have adopted, there is no particular similarity between either Finland and the other EU countries or between Sweden and the other EU countries."

Despite the apparent unsuitability of both Finland and Sweden for EMU based on an economic analysis, there were indications that the two countries themselves were suitable for a monetary union with each other. Based on Jonung and Sjöholm's (1999: 696) analysis, "Finland and Sweden exhibit . . . common characteristics which indicate that they would constitute an 'optimum' currency area. The two countries have a similar economic structure, migration between them has been relatively great, they are situated next to each other and they are roughly of the same size. They show considerable cultural and political similarities, and they have a common history." Although their analysis supports the two countries forming their own currency union, Jonung and Sjöholm (1999: 697) admit, "If a monetary union leads to increased trade, this is an argument in favour of both Sweden and Finland participating in the EMU instead of forming a currency union of their own. Both Sweden and Finland have a major fraction of their trade with the EU countries, but only a minor fraction with each other." Yet, this argument is weakened by the fact that Denmark and the UK, "important trade partners for Finland and Sweden," were set to remain outside of Euroland initially (Jonung and Sjöholm 1999: 698). There were therefore not strong economic arguments for Finland and Sweden to participate in EMU.

One could, however, perhaps have argued that whatever decision Finland and Sweden took on adopting the Euro, they should both have elected the same path. Jonung and Sjöholm (1999: 698) write, "Finland and Sweden display strong

interdependence as regards monetary policy. This is shown by the monetary development during the past 20 years. . . . The economic relationship between Finland and Sweden is so strong that the two countries would benefit greatly from cooperation as regards monetary policy." Furthermore, "It is tempting to argue that not until a monetary union between these two countries is functioning well should any membership in EMU be considered (Jonung and Sjöholm 1999: 698)." They argue that the continued presence of one of the two countries inside EMU and one outside would "most likely create economic and political tensions between Finland and Sweden" (Jonung and Sjöholm 1999: 699).

Public support for EMU was also weak in both countries. Based on a survey undertaken by Finnish daily newspaper *Helsingin Sanomat*, 39 percent believed that Finland should be among the first countries to adopt the Euro in the beginning of 1999, while 52 percent said that Finland should not be and nine percent did not know (Sippola 1997). However, when the question was phrased so that it asked whether or not Finland should be a founding member of EMU if more than half of the EU did so, the response was more positive, with 53 percent saying yes and 40 percent no. However, when asked what Finland should do if, at a minimum, Denmark, Greece, Sweden, and the UK remained outside the single currency (as eventually happened in January 1999), 46 percent said that Finland should still join, but an equal 46 percent said that Finland should not join (Sippola 1997). As the Swedish government pointed out in its bill on EMU (Regeringen 1997), public opinion in Sweden prior to the government's decision did not support adopting the single currency in 1999.

Eurobarometer surveys also demonstrate the lower than average public support and higher than average opposition to the single currency in both countries. According to Eurobarometer 48, which measured public opinion between October and November 1997, support for adopting the Euro was only 33 percent in Finland, while 62 percent were opposed to Finnish participation in EMU's first wave. In Sweden the figures were 34 percent for and 56 percent against, whereas the average for all fifteen EU member states was 51 percent for and 37 percent against (European Commission 1998a). These statistics thus demonstrate similarly low levels of support for EMU in Finland and Sweden (with a difference of only

one percentage point between the two countries) in the run-up to the national decisions on adopting the Euro in the first wave. Based on the figures presented in Eurobarometer 48, opposition to EMU participation in Finland was considerably above the EU average and even surpassed the level found in Sweden. According to Eurobarometer 49, which measured public opinion in April and May 1998, Finnish and Swedish citizens were more likely to oppose EMU participation than the EU average. At that time 38 percent of Finnish respondents opposed adoption of the Euro, while in Sweden 50 percent were against, and the average for the EU-15 was 28 percent against (European Commission 1998b). These figures thus suggest that even in Finland a greater percentage of citizens were negative towards EMU than in the EU as a whole. This Finnish opposition was, however, tempered by the increased support for the Euro in Finland (53 percent in Eurobarometer 49), although the greater level of support may be explained by the fact by that point the *Eduskunta* and the Finnish government had already decided to take their country into Euroland without a public referendum.

Even policy-makers in Finland and Sweden recognised potential difficulties as a result of the low public support and the weak democratic legitimacy of EMU. In a 1997 report, the Finnish Parliament's Grand Committee suggested that the ECB's independence, which made democratic control over decision-making impossible, was a definite weakness in the EMU project (Stora utskottet 1997: 9). For Swedish policy-makers, the recognition of these difficulties was part of a process that led to a decision not to adopt the single currency in the first wave.

Even after Finland became a part of Euroland and Sweden did not, levels of public support for EMU in both countries were below the EU-15 average. According to Eurobarometer 53 (the fieldwork for which was conducted in April and May 2000), 49 percent of Finns supported the Euro, whereas 48 percent were against, while the figures in Sweden were 38 percent for and 54 percent against. The statistics for both Finland and Sweden showed lower levels of support and higher levels of opposition than the EU-15 figures of 58 percent for and 33 percent against. The Finnish levels of support were also considerably lower than the Euro-11 average of 65 percent for and 27 percent against (European Commission 2000).

There are thus many similarities between Finland and Sweden regarding EMU. These include similarities in their monetary and fiscal policies and economic structures. Both countries took steps to ensure that they would be able to adopt the Euro in the first wave if they wished and commissioned academic reports on the topic. Furthermore, in both countries policy-makers were faced with publics that were more negative towards EMU than was the case in the EU as a whole (even after EMU's third stage commenced in eleven member states, including Finland, on 1 January 1999). There are thus a range of similarities between Finland and Sweden in the area of EMU, despite the obvious fact that Finland adopted the single currency in January 1999, whereas Sweden did not.

Two Different Approaches

Despite the similarities that have just been outlined, the differences in the Finnish and Swedish approaches were evident from an early stage. As early as 1993, the Finnish government stated that Finland actively strove to be one of the first countries to adopt the single currency (Statsrådet 1998). In fact, according to Pertti Salolainen, who was Chairman of the Finnish negotiating team for EU membership, EMU comprised about 80 percent of the Finnish EU negotiations.[46] The Swedes, on the other hand, despite their attempts to leave open the possibility of Swedish participation in EMU, were less committed to being in the first wave and were reluctant to guarantee a Swedish intent to participate.

There were even differences between the Finnish and Swedish expert reports. According to the Finnish report, the Swedish report differed from the Finnish one in that the committee preparing the Swedish report (the Calmfors Committee) concentrated on comparing the positive and negative aspects of EMU and then suggested that Sweden should remain outside EMU, at least initially. The Finnish group, on the other hand, did not make such a recommendation. In fact, the two expert reports also had somewhat different objectives and conclusions. Whereas the Swedish group was given the task of advising the government on the best action for Sweden to take, the Finnish group was not commissioned to give

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[46] Interview with Pertti Salolainen on 16 December 1998.

advice. Thus, the advice presented in the conclusion of the Calmfors Committee's report is without direct parallel in the Finnish report. In the conclusion of their report, the Calmfors Committee lists four main reasons why Sweden should not adopt the Euro in the first wave. They are: (1) the high level of unemployment in Sweden; (2) the state's financial situation; (3) the need for time for a broad, multi-sided, informed public debate on EMU and its consequences; and (4) that several other countries (in particular, Denmark and the UK, which had opt-outs) would likely remain outside of Euroland, at least initially (Calmfors et al. 1996: 434).

It was already clear by May 1997 that the Swedes planned not to adopt the Euro in the first wave (whereas the Finns had made clear even earlier their eagerness to be in the first group to join EMU's third stage). The reaction that the Swedes received from their EU colleagues was different from that of their Finnish neighbours. Ann-Sofie Dahl (1999: 147) asserts that a "reason for complaint among Sweden's partners on the continent surfaced when the government (following a debate in the Social Democratic Party [*Socialdemokratiska Arbetarepartiet*, SAP]) in May of 1997 chose to opt out of the process for membership in European Monetary Union, a legally speaking complicated position for a country which had signed all parts of the Maastricht agreement."

In addition, although both Finland and Sweden decided to complete expert reports and then allow their parliaments to vote on participation in the third stage of EMU, their votes were very different. The Swedish decision was taken first, on 4 December 1997, when the *Riksdag* passed a bill proposed by the Swedish government (Regeringen 1997). The Finnish decision followed soon thereafter. On 24 February 1998, the Finnish Council of State suggested in its report to the *Eduskunta* that Finland should adopt the Euro in the first wave for both economic and political reasons (Statsrådet 1998: 2).

The motivations given by the governments for their decisions were decidedly different. According to the Swedish bill, which was submitted to the *Riksdag* on 2 October 1997, "[T]he [Swedish] government does not share the conclusion of the report that the EMU Committee [the Calmfors Committee] did, according to which the reason why Sweden should wait on participating in the currency union

is that the Swedish economy needs more time to reach a sufficient degree of stability in terms of public finances and unemployment" (Regeringen 1997: 68).[47] Instead, the government concentrated on the Calmfors Committee's findings regarding democratic legitimacy.

The importance given to the need for democratic debate seen in the Calmfors report was reflected throughout the Swedish debate on EMU, both before and after the formal decision on participation was taken. In its bill to the parliament, the Swedish government explained, "Participation in the currency union must have a strong democratic base. EMU is to a great extent a political project. Participation should be seen as an expression of the political will to participate in a considerably deepened European integration. There is not public support for joining the currency union when it begins on 1 January 1999. Opinion polls and many other indicators give a clear picture at this time" (Regeringen 1997: 68).[48]

Swedes were aware of the potential political costs in terms of marginalisation, which were even included in a study that formed an appendix to the Calmfors report (Gidlund and Jerneck 1996: 6). However, for the Swedes, unlike for the Finns, this argument was outweighed by the lack of public support. The Swedish government argued, "Sweden's influence would be greater if Sweden joined the group of countries that would deepen integration by starting a common currency. However, this aspect cannot, according to the government's judgement, be weighed heavier than the lack of public support" (Regeringen 1997: 69).[49]

Finnish and Swedish policy-makers also took very different approaches to dealing with public opinion. As was discussed in the preceding section, opposition to

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[47] Translation of: *"Regeringen delar inte slutsatsen i den analys den EMU-utredningen gjorde, enligt vilken skälet för att Sverige borde vänta med deltagandet i valutaunionen är att svensk ekonomi behöver ytterligare tid för att nå en tillräcklig grad av stabilitet vad gäller de offentliga finanserna och arbetslösheten."*

[48] Translation of: *"Ett deltagande i valutaunionen måste ha en stark demokratisk förankring. EMU är i hög grad ett politiskt projekt. Deltagande bör ses som ett uttryck för den politiska viljan att medverka i en väsentligt fördjupad europeisk integration. Det finns inte folkligt stöd för att gå med i valutaunionen när den upprättas den 1 januari 1999. Opinionsmätningar och många andra indikationer ger härvidlag en tydlig bild."*

[49] Translation of: *"Sveriges inflyttande skulle bli större om Sverige ingick i den krets länder som fördjupar integrationen genom att införa en gemensam valuta. Emellertid kan inte denna aspekt enligt regeringens bedömning få väga tyngre än bristen på folkligt stöd."*

EMU was above the EU average in both Finland and Sweden, as measured by Eurobarometers 48 and 49. In fact, (as mentioned earlier), Eurobarometer 48, the research for which was conducted in October and November 1997 (i.e. in the run-up to the Finnish and Swedish decisions on participation in EMU), shows greater opposition to adoption of the Euro in Finland (62 percent) than in Sweden (56 percent).

Finland and Sweden particularly diverged on the issue of participation in the exchange rate mechanism (ERM) of the European Monetary System (EMS). In October 1996, Finland joined the ERM, whereas Sweden never joined. According to Kinnwall (2000: 152), "The bad experience of a unilaterally fixed exchange rate was one reason why Sweden refused to join the 'broad band ERM' after Sweden became an EU member in 1995. It is probably also one reason why Sweden prefers to stay outside the ERM2 mechanism prescribed for ERM 'outsiders' under the present system." This economic reason for remaining outside the ERM and ERM2 cannot, however, fully explain the Swedish decision on participation in EMU's third stage because, according to the Calmfors report and the government's bill, concerns relating to democratic legitimacy were crucial in the Swedish decision.

The Swedish choice on whether or not to join the ERM did, however, prove to be crucial in substantiating and legitimising the Swedish decision not to participate in the third stage of EMU. According to Paul de Grauwe (2000: 130), "Sweden decided not to join [EMU] and used a loophole in the treaty, i.e. it refused to enter the exchange rate mechanism of the EMS before the start of the third stage thereby deliberately failing to satisfy one of the entry conditions." Similarly, the Finnish Council of State asserted that Sweden's reason for not qualifying for EMU was that it chose not to participate in the ERM (Statsrådet 1998: 6). According to Rutger Lindahl (2000: 114), "Within Sweden, many commentators perceived this [Swedish non-participation in ERM] as enabling the Commission to avoid a direct confrontation and also as a smooth way out of a political dilemma for the Swedish government."

Although both the Finnish and Swedish political parties disagreed about EMU, including even internal divisions within parties, the split in the Swedish parties was greater than in the Finnish ones, particularly as the decision approached. According to Kinnwall (2000: 155), while the Social Democrats adopted a "wait-and-see" policy, the Liberals (*Folkpartiet Liberalerna*, FP) and Conservatives (*Moderata Samlingspartiet*, M) "pushed for EMU membership as soon as possible."

Discussing the role of political parties in the rainbow coalition government in Finland regarding the decision on adoption of the Euro, Ann-Cathrine Jungar (2000: 260) explains, "As the date for the final application grew nearer the two parties in which the internal criticism of the EMU were [sic] strongest, the Left Wing Alliance [*Vasemmistoliitto*, VAS] and the Green League [*Vihreäliitto*, VIHR], had to make up their minds: Should they leave a government that would take Finland into the EMU, or continue in the cabinet although many of their party-members opposed Finnish participation in the EMU? Hence the party-members were explicitly not asked to state their opinion on EMU, but rather to indicate if the EMU was an issue that could be compromised in order to stay in government."

Eventually, both VAS and VIHR decided to remain in the pro-EMU government. Jungar (2000: 260) writes that in VAS "52.4 percent of the party-members approved of the alternative that the parliamentarians could vote in favour for the government position to join the EMU. In the Green League the final decision was taken jointly by the party-council and the parliamentary group after party-internal discussions and a majority of 68 percent voted in favour for a pro-EMU decision. With these party-internal decisions these two parties legitimised their continued presence in a cabinet that would bring Finland into the European Monetary Union in the eyes of their own members." Thus, there was not open party or government conflict in Finland when the *Eduskunta* took the decision to lead Finland into Euroland in the first wave.

The position of the Finnish Centre Party (*Suomen Keskusta*, KESK), the leading party in government when Finland decided to join the EU, also had a lasting

impact on Finland's EMU choices and was itself largely influenced by its having been in the government at that time. According to Salolainen, the decision to adopt the Euro in the first wave (as well as to join the EU) would have been much more difficult had the Centre Party been in opposition because the party represented the farmers, and the farmers were the strongest opposition to EU membership. Because they were included in the government, they had the national responsibility, and they were less critical than they would otherwise have been.[50]

In Sweden, on the other hand, there was considerable division between and even within parties up to and after the *Riksdag*'s decision that Sweden would not participate in the first wave of EMU's third stage. The SAP was deeply divided over the issue of EMU. According to Anders Widfeldt (2000: 73), "When Göran Persson took over as party leader and Prime Minister from Ingvar Carlsson in March 1996, the EMU was one of his most daunting challenges." As Widfeldt (2000: 73) notes, Persson's "government was internally split on the issue." The Swedish Conservatives, on the other hand, were strong supporters of EMU. The Conservative Party's leader at the time, Carl Bildt, was particularly supportive of Swedish participation in EMU's third stage as well as in European integration in general. Other parties, however, particularly the Greens (*Miljöpartiet de Gröna*), were opposed.

Despite differences between and within the various Swedish political parties, all recognised at least to some extent the Swedish need for public debate and democratic legitimacy through popular support for Swedish entry into EMU before the decision to adopt the Euro could be taken in Sweden. This applied even to the Liberal Party, which was among the most supportive proponents of Swedish EMU membership. According to Höjelid (1999: 105, with citations from motion to *Riksdag* 1997/98:Fi5 by Liberal MP Lars Leijonborg), "The Liberal Party believes that public support is a necessity for membership in EMU, but that democracy also requires opinion-shaping and information before a decision. The Social Democrats' 'inability to take a stand' and 'reluctance to shape opinion at

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[50] Interview with Salolainen on 16 December 1998.

all' is described as 'one of the leadership's low-water marks.'"[51] Swedish Minister for Development (*biståndsminister*) Pierre Schori also stressed the need for democratic debate. According to Höjelid (2000: 263), Schori "in a conversation with parliament journalists on 24 March 1998 gave expression to the thought that Sweden 'sooner or later' would join the currency union EMU, it just meant first 'convincing the Swedish people.'"[52] Mats Bergquist agrees that Swedish policy-makers accepted that Sweden would not adopt the Euro without a referendum prior to the commencement of EMU's third stage in 1999 "because the issue needed time to ripen" and they feared that holding a referendum "too early" would lead to a negative result, which would make future attempts to adopt the Euro more difficult.[53]

Even Swedish trade unions were deeply divided over the issue of Swedish adoption of the European single currency. According to Michael Karlsson (2000: 84), "[A]s regards the EMU, the Swedish trade unions have been rather hesitant and split." Support for Swedish EMU participation came from the Swedish Confederation of Professional Associations (*Sveriges Akademikers Centralorganisation*, SACO), which "concluded that Swedish EMU membership would be desirable for the long-term structural development of the Swedish economy" (Karlsson 2000: 84). Similarly, Arthur Gould (2000: 205) asserts, "Among trade union federations, SACO felt that Sweden would be more vulnerable outside EMU than within." Furthermore, Karlsson (2000: 84) writes, "SACO preferred that Sweden's participation started from the beginning of EMU's third stage in 1999 in order to ensure that the country took part in the formation of EMU's system of rules."

However, a different approach was taken by LO (*Landsorganisationen*, the Swedish Confederation of Trade Unions) and TCO (*Tjänstemännens*

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[51] Translation of: "*Folkpartiet anser att folkligt stöd är en förutsättning för medlemskap i EMU, men att demokrati också kräver opinionsbildning och information innan ett ställningstagande. Socialdemokraternas 'oförmåga att ta ställning' och 'vägran att bilda opinionen överhuvudtaget' betecknar man som 'ett ledarskapets lågvattenmärke.'*"

[52] Translation of: "*gav i ett samtal med riksdagsjournalister den 24 mars 1998 uttryck för tanken att Sverige 'förr eller senare' kommer med i valutaunionen EMU, det gäller bara först att 'övertyga det svenska folket.'*"

[53] Interview with Mats Bergquist on 18 December 1998.

Centralorganisation, the Swedish Confederation of Professional Employees), which, according to Karlsson (2000: 84), "have decided so far to play a 'waiting game' with respect to Swedish EMU membership. The main reason for delaying a final decision originates in both cases from a fear that Sweden will relinquish its traditional economic and labour market policy which secured the country's welfare state." Gould (2000: 205) writes, "LO was, like the government, unwilling to enter in the first round, preferring what it called the core countries to initiate the experiment. It was, however, concerned that the degree of labour mobility required to avoid more unemployment would be unattainable." However, as Karlsson (2000: 84) points out, "[I]t should be noticed that 2 of the 19 individual member associations of LO have actually abandoned the central policy of the congress and taken an individual stand on the issue." The two members to deviate from LO's approach were the Swedish Metal Workers' Union (*Svenska Metallindustriarbetareförbundet*) and the Commercial Employees' Union (*Handelsanställdas Förbund*), with the first supporting EMU and the second opposing it. In fact, Höjelid (1999: 52) argues, "Within LO the picture can be said to have been very fragmented, which also then meant that that which was written and said from the centre was not particularly profiled."[54]

Furthermore, like the government, LO was concerned about the need for democratic debate on the topic and public support: "EMU is not sufficiently debated and democratically supported among Swedish citizens in order to have legitimacy today" (Cited in Höjelid 1999: 53).[55] However, whereas the government saw a wait-and-see policy as the solution to the need for democratic debate and legitimacy, LO saw no good solution: "The lack of debate means a democratic problem regardless what position one takes, either for or against EMU" (Cited in Höjelid 1999: 53).[56] Yet, according to Gould (2000: 205), "It was TCO -- the majority of whose members are women -- which was most hostile to EMU. It was concerned about being trapped within a system overly concerned

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[54] Translation of: *"Inom LO kan bilden sägas ha varit mycket splittrad, vilket då också medfört att det som skrivits och sagts från centralt håll inte varit särskilt profilerat."*
[55] Translation of: *"EMU är inte tillräckligt debatterat och demokratiskt förankrat bland Sveriges medborgare för att ha legitimitet idag."*
[56] Translation of: *"Frånvaron av debatt innebär ett demokratiskt problem oavsett vilket ställningstagande man gör, antingen för eller emot EMU."*

with inflation, and more likely to lead to social inequality and lower social expenditure."

The Finnish Prime Minister Paavo Lipponen and his Swedish counterpart Persson also took different approaches to the issue of EMU. Lipponen spoke early in support of Finnish participation in EMU, whereas Persson was initially reluctant to take a side on the issue and in the end only chose a "wait-and-see" policy, rather than actively supporting or opposing Swedish participation in EMU's third stage. In fact, Höjelid (1999: 257) argues that Persson gave the first clear signs of his reluctance for Sweden to participate in the first wave of EMU's third stage at the Florence European Council meeting in June 1996. Furthermore, according to Höjelid (1999: 257), "He apparently aroused great attention for his unusually harsh attack against the British government and Prime Minister John Major for their handling of 'mad cow disease', but also went deeper in a reasoning on the consequences of a single currency."[57] The combination of criticising Major and raising doubts about the Euro demonstrated the self-confidence of the Swedish leader as well as his lack of concern for the thoughts of his European colleagues, i.e. his unwillingness to adapt to the EU. Despite his outburst at Florence, Persson's ambivalence on the issue of EMU continued. Höjelid (1999: 293) argues, "[M]y understanding is that it is difficult to understand, read, and interpret what he [Persson] really thinks."[58] The main reason for this, according to Höjelid (1999: 293) is: "He is genuinely uncertain!"[59] This was in stark contrast to Lipponen's enthusiasm for the project. Höjelid (1999: 37) asserts that Lipponen "has on his part had a hard time understanding the Swedish hesitancy and has not himself hesitated to take an early leadership in the issue."[60]

The preceding section on the similarities between Finland and Sweden demonstrated significant economic similarities between the two countries. There

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[57] Translation of: "Han väckte visserligen stor uppmärksamhet för sin ovanligt fräna attack mot den brittiska regeringen och premiärminister John Major för dess hantering av 'galna ko-sjukan', men gick också djupare i ett resonemang om konsekvenserna av en gemensam valuta."

[58] Translation of: "min uppfattning är att det är svårt att förstå, läsa ut och tolka vad han egentligen tycker."

[59] Translation of: "Han är genuint osäker!"

[60] Translation of: "har för sin del haft svårt att förstå den svenska tveksamheten och har inte själv tvekat att utöva ett tydligt ledarskap i frågan."

were, however, some significant differences between their economies, but these interestingly suggest that EMU membership should actually have been less risky for Sweden than for Finland. These differences are apparent from the differing economic histories of the two countries. Olli Rehn (1996) points out differences between Finland's economic history and that of Sweden (and the other EFTA states). Rehn (1996: 53) explains that, in contrast to that of its EFTA counterparts, "Finnish economic history has been a long narrative of recurrent devaluations, preceded by failed attempts at corporatist wage moderation and economic stabilization. . . . The recurrent devaluations have been a principal method of Finnish investment-driven economic strategy, aiming at rapid industrialization and based on conscious growth-oriented policies." Thus, although, as pointed out previously, both Finland and Sweden had devaluations, Finland relied particularly on this mechanism. Adoption of the European single currency eliminates the possibility of future national devaluations, and the Finns' willingness to forego this option was a greater sacrifice than it would have been for the Swedes.

Among the reasons for the increased risk for Finland (in comparison to Sweden) in joining EMU was the lower degree of diversification of the Finnish economy and particularly the domination of the economy by one company (Nokia). In 1995, Nokia accounted for 40 percent of the value of the Helsinki stock exchange (Carnegy 1995). By December 1999, Nokia was "the biggest company in Europe" with a market capitalisation of Euro 193 billion and was "50% more valuable than the entire economy of Finland" (Nuttall 2000). The Swedish economy was far more diversified than that of Finland, with Nokia's competitor Ericsson being one of several large companies in Sweden. The Finnish economy was also more vulnerable than the Swedish because of Finland's greater proximity to Russia. The collapse of the Soviet Union meant a major loss of international trade for Finland, and the Russian economic difficulties in the late 1990s also spelled problems for the Finnish economy.

The two countries also differed in the way in which they were affected by Germany's demand shock. Bergman et al. (1997: 13) argue, "Although considerable short-run variation is evident, the transmission of the German demand shock is generally positive in Belgium, Denmark and Sweden and

negative in Finland." Their findings "suggest that common shocks among the small European economies considered in our sample [Belgium, Denmark, Finland, the Netherlands, Norway, and Sweden] do not help explain why some countries have chosen to join the first group of countries starting the single currency area in Europe and why others have opted to remain outside. Common European disturbances do not distinguish the Nordic countries from the non-Nordic countries, nor do they distinguish long-standing EU members from the others in our sample" (Bergman et al. 1997: 13). They found that "[t]he countries with the strongest (Belgium) and weakest (Finland) linkages to Germany are both firmly committed to monetary union in Europe. And Denmark, with very strong economic linkages to Germany, plans to remain outside the single currency area" (Bergman et al. 1997: 16). That Finland took a great economic risk in adopting the Euro is also acknowledged by Xan Smiley (1999a: 16): "The Finns are risking quite a lot by jumping into the euro-boat. Like Ireland, they may prove more vulnerable than countries nearer the heart of Europe to asymmetrical economic shocks."

The Finnish decision to join EMU is all the more surprising because, at the time that the decision was finally taken by the *Eduskunta*, the Finns were aware that Sweden had chosen not to join in the first wave. Yet, this decision may have been a political one to distinguish Finland from Sweden. According to Esa Stenberg (1999: 38), "[O]ne argument for Finland's EMU decision (put forth at least by . . . Lipponen) was that Finland must take decisions based on her own interests and not follow Sweden."

One could also argue that the Swedes knew that the Finns would decide to participate fully in EMU as soon as possible and should logically have done the same. Commenting on why Sweden would not follow the Finnish lead into the Euro area, Swedish Finance Minister Erik Åsbrink said, "There is much that is good with Finland. But there is no reason for us to copy the Finnish decision-making process. I could refer to other countries that have come to a completely different position. Great Britain and Denmark are some examples. Does Lars Tobisson [a Conservative MP who was critical of Åsbrink] want to have unemployment as high as that in Finland? Let us shape this process with the

starting point in what we think is best for Sweden. Swedish interests, nothing else, shall lead the way. Do not suggest that we will have less influence if we do not join the currency union. Do Lars Tobisson and Anne Wibble [another critical MP] think that Great Britain under Tony Blair will not have some influence, just because they will most likely not join the currency union when it starts in 1999?" (Cited in Höjelid 1999: 91).[61]

Åsbrink's audacity to see Sweden in the same position as Denmark and the UK rather than Finland is striking. It clearly confirms the picture of Sweden as a reluctant European, but, more importantly, it suggests strong Swedish self-confidence. Åsbrink argued that if the British could have an influence despite remaining outside of Euroland, then the Swedes should also be able to do so. However, he disregarded the difference in the size and position of the two countries as well as the fact that the UK had a negotiated opt-out, whereas the Swedes, who joined the EU after the Maastricht Treaty had been signed, did not possess such an option.

Identity also played a role in the Finnish and Swedish decisions and was even reflected in the national debates on EMU. Despite the relevance of identity in both countries, it pulled Finland and Sweden in opposite directions. According to Lindahl (2000: 113), "In the Swedish debate, those opposing Sweden's EMU membership argue that the country would lose the 'krona' -- traditionally a strong symbol of 'national identity' -- and control over financial and eventually fiscal policy." In Finland, however, adoption of the single European currency was seen as giving added validity to Finland's European identity.

The role of identity in influencing national positions on EMU membership has been acknowledged by several scholars. For instance, Daniela Engelmann, Hans-

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[61] Translation of: *"Det finns mycket bra med Finland. Men det finns ingen anledning att vi skall kopiera de finländska beslutsprocessen. Jag skulle kunna hänvisa till andra länder som hamnar på en helt annan position. Storbritannien och Danmark är några exempel. Vill Lars Tobisson ha lika hög arbetslöshet som i Finland? Låt oss utforma den här processen med utgångspunkt i vad vi tror är bäst för Sverige. Svenska intressen, ingenting annat, skall vara vägledande. Påstå inte att vi får mindre inflytande om vi inte går in i valutaunionen. Tror Lars Tobisson och Anne Wibble att Storbritannien under Tony Blair inte kommer att ha något inflytande, bara för att de med all sannolikhet inte går med i valutaunionen när den startar 1999?"*

Joachim Knopf, Klaus Roscher, and Thomas Risse (1997: 105) "argue . . . that EMU cannot be understood in economic and monetary terms alone. Support for EMU by the political elites in most member states cannot be explained on the basis of materially defined economic or foreign policy interest. Rather, the planned introduction of the Euro has to be linked to the larger political project of European integration. EMU forms part and parcel of European integration in general and has acquired symbolic meaning as the cornerstone of European political unification. The Euro is much more about European union than about lowering transaction costs." Bringing in the examples of France and Germany, they continue, "This is why Europe's centre-right leaders such as German Chancellor Helmut Kohl agreed to it in the first place and continue to push it. This also explains why there are remarkably little challenges to EMU by leading Social Democratic opposition parties such as the German Social Democrats (SPD) or the French Socialists (PSF)" (Engelmann et al. 1997: 105).

Discussing the symbolism of currencies themselves and their connection to identity, Engelmann et al. (1997: 128) write, "The Euro . . . symbolizes a collective European identity, while the *Deutsche Mark*, the franc and the pound Sterling are constructed as the symbolic remnants of a nationalist past. At the same time, opponents of EMU use the *Deutsche Mark*, the franc, and the pound as the symbols of national identities which are not to be subsumed under some vague 'Europeanness'" (emphasis in original).

Identity is regarded as a crucial variable for explaining national attitudes towards EMU. Engelmann et al. (1997: 105) argue "that German and French support for as well as British opposition to EMU can only be understood in the context of identity politics, while an interest-based account misses the mark." Identity was an important factor in both the Finnish and Swedish decisions, although, as mentioned earlier, it pushed the two countries in opposite directions. In fact, Engelmann et al. (1997)'s explanation of the British approach to EMU could in many respects be equally well applied to the Swedish situation. They argue, "There is not much collective European identity found in the British debates. 'Europe' is still identified with the continent and perceived as 'the other' in contrast to Englishness" (Engelmann et al. 1997: 113). Furthermore, in the UK

"conceptions of statehood and sovereignty are often viewed as potentially threatened by European integration" (Engelmann et al. 1997: 113). In Sweden, as in Britain, the threat to the national currency was seen as undermining national identity, as the destruction of "symbolic remnants of a nationalist past," to borrow words from Engelmann et al. (1997: 128). Although not introduced in Sweden until 1873, the *krona* nevertheless had become an important Swedish symbol. In Finland, on the other hand, participation in EMU's third stage was regarded as strengthening Finland's national identity. Smiley (1999c: 9) suggests that being able to adopt the Euro in the first wave was a "mighty uplift" to Finnish morale and nationalism. The Finnish *markka*, introduced in 1860 (even earlier than the Swedish *krona*), could more easily be sacrificed. The loss of a Finnish national currency would result in the net strengthening of the Finnish national identity.

The differences in identities, attitudes, and choices observed prior to the commencement of EMU's third stage continued even during 1999 and 2000. Following Finnish entry into EMU's third stage on 1 January 1999, the two countries' paths obviously diverged. Continuing actions confirmed this divergence. Finland participated actively in the third stage of EMU, whereas Swedes had not by the end of 2000 taken any steps that would bring them closer to adoption of the Euro. This was despite the fact that Sweden was preparing to hold the EU Presidency during the first half of 2001. During its Presidency, however, Sweden would be excluded from EMU-related decisions and Belgium (the country that was due to assume the Presidency after the Sweden) would hold the chair in Sweden's place when EMU was on the agenda.

Significantly, as noted earlier, Sweden did not join ERM2, the successor to the ERM. This was in contrast to the decisions of Denmark and Greece, also outside of Euroland initially, to join. According to de Grauwe (2000: 148), "Since the political will to enter EMU is rather weak in Sweden, it is possible that this country will continue to stay out of ERM-II. Entering this exchange rate arrangement would legally bind Sweden also to enter EMU (provided that the other convergence criteria are satisfied)." The consequences of joining ERM2 for Swedish EMU participation were elucidated by Åsbrink on 3 June 1997. According to Åsbrink, "Participation in ERM2 can be seen as a direct preparatory

step for entrance into the currency union. Therefore, much speaks for actualising the linkage of the *krona* to ERM2 first in connection with a possible future Swedish participation in the currency union" (Cited in Höjelid 1999: 49).[62]

As discussed above, the Swedish attention to public opinion was reflected in the need perceived across the party divides for a referendum on Swedish participation in EMU's third phase before the policy-makers could make a final decision on whether or not to lead Sweden into Euroland. The Swedish policy-makers' perceived need for a referendum before they could decide on EMU continued even after EMU's third stage commenced without Sweden on 1 January 1999.

There were, however, some indications after the third stage of EMU began without Swedish participation that Swedes, both policy-makers and the Swedish public, were growing increasingly positive towards the possibility of Swedish adoption of the Euro. According to Kinnwall (2000: 156), "In the Winter of 1999, when the government issued statements that were widely interpreted as signals of a more pro-EMU position on the part of the Persson administration, Swedish yield spreads narrowed and the krona strengthened." In fact, in January 1999 "the Persson government announced what was widely perceived as a timetable for Swedish EMU membership" and "an extraordinary party congress intended to, and did, take a (Yes) decision in Spring 2000," seemingly preparing for a referendum on the Euro in August 2000 (Kinnwall 2000: 162).

However, by May 1999, public support for adoption of the European single currency had declined and the Social Democrats "seemed to have second thoughts on the EMU issue" (Kinnwall 2000: 163). Kinnwall (2000: 163) argues, "[I]t now appears as if the Persson government has changed its mind, at least in terms of the provisional political timetable for Swedish EMU entry" and it "now appears to be that any final decision will be postponed until after the next general election in September 2002. EMU membership in 2004 at the earliest is, thus, now the most likely scenario." Similarly, Lindahl (2000: 114) believes that "an EMU

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[62] Translation of: "*Deltagandet i ERM2 kan ses som ett direkt förberedande steg före ett inträde i valutaunionen. Därför talar mycket för att en knytning av kronan till ERM2 aktualiseras först i samband med ett eventuellt framtida svenskt deltagande i valutaunionen.*"

referendum will probably not take place until the government is sure there will be a stable majority in favour. The Persson government is expected to minimise the risk of losing office at the 2002 election by not moving too fast on this issue, especially as public opinion has turned more negative towards EMU membership."

One reason for the decrease in public support for Swedish participation in EMU as 1999 progressed may have been that the Swedish economy was strong during 1999 and 2000, despite being outside Euroland. Kinnwall (2000: 156) points out that an "indication of Sweden's strength is that the Riksbank was able to cut the repo rate below the ECB's refi rate in March 1999." In addition, "the 'Euro's' weakness since the beginning of EMU in January 1999 has also encouraged some Euro-sceptics to suggest that Sweden can stand on her own two feet, outside EMU" (Kinnwall 2000: 157). As Lindahl (2000: 114) argues, "On the EMU question, Swedish public opinion will not only be influenced by domestic political discussion, but also by the economic performance of the Euro-11 and developments in Britain and Denmark concerning their potential EMU membership." Thus, even if the Swedish policy-makers were more concerned with public opinion than with economic arguments, economics might have been influential via public opinion. There are thus a variety of factors that influenced Swedish opinion (both at the mass and elite levels) on EMU in 1999 and 2000. Despite these factors, however, the call for a referendum remained.

There were, nevertheless, concerns that, in the long run, the EU might require Swedish adaptation in the area of monetary policy. As Kinnwall (2000: 163) phrases the difficulty, "Will it be possible for Sweden in the long run to stay in the EU but outside EMU, despite the fact that Sweden has ratified the Maastricht Treaty and fulfils the convergence criteria? Probably not!" In Finland, on the other hand, at the end of 2000, EMU membership was accepted by policy-makers and tolerated by the public.

There are thus many obvious differences between Finland and Sweden regarding EMU. In fact, it would be difficult or even impossible to find another policy area in which the two countries chose such different paths between 1995 and 2000.

From an early point, Finnish policy-makers made their ambitions to join EMU's third stage known as soon as possible, whereas Swedish policy-makers were less enthusiastic and less certain of what they wanted. Even at the end of the time period under consideration in 2000, there were no clear signs of Swedish commitment to adopt the Euro. There was, at the end of 2000, continued acceptance of the need for a referendum before the Swedish government would be willing to commit to such a step. However, the date for a referendum had not even been set, so Swedish EMU participation appeared to be no more than a possibility for the distant future as December 2000 came to a close.

Analysis and Conclusion

In a sense, this case study may seem strikingly unsurprising in its results. Nearly everyone, from scholars to policy-makers to the general public, could see that there were significant differences between the Finnish and Swedish strategies regarding their participation in Economic and Monetary Union. It is true that, in contrast to the other two policy areas that will be analysed in the following chapters, this issue demonstrates more obvious differences. Yet, it is also an area where there is a surprising amount of similarity for two countries that took such differing decisions. Their economic histories were in many ways similar. The public opinion in both countries regarding national adoption of the European single currency was among the lowest in the EU-15, particularly in late 1997 when the decisions on participation were taken at the national level. There was also division both between and within political parties on the topic of EMU in both Finland and Sweden. Despite these similarities, however, the decisions they took differed radically. On the one hand, the Finnish government and parliament decided to lead their sceptical population into Euroland in the first wave. The Swedish government and parliament, on the other hand, chose to "wait-and-see," promising that there would be a public referendum at an unspecified future date before Swedes would consider replacing their *krona* with the Euro.

Here, as with the other case studies, this project has the task of attempting to explain why, despite their similarities, policy-makers in the two countries chose

different approaches. Because EMU is inherently an economic matter one might assume that economics can explain the differences. The preceding pages, however, have cast severe doubt on a purely economic explanation of the differences between the two Nordic neighbours' strategies. Although there were economic reasons for remaining outside Euroland (e.g. the fact that major trading partners Denmark and the UK remained outside and that the Swedish economy seemed to manage without problems), there were also economic arguments for adopting the Euro (e.g. the majority of EU countries were already inside Euroland). Furthermore, the feasibility of Sweden remaining outside the Euro area for an extended time was in question and the political costs of remaining outside continued to be of importance. Unlike Denmark and the UK, the only other two member states that were set to remain outside Euroland at the end of 2000 (as Greece prepared to join on 1 January 2001), Sweden did not have an opt-out. Thus, while economic factors may help explain why Finns wished to adopt the Euro or why Swedes elected not to do so, they go less far in explaining the differences between the two decisions. If anything, purely economic analyses such as that of Jonung and Sjöholm (1999) suggest that Finland had more to risk by adopting the Euro than Sweden would have had.

Although EMU is undoubtedly an economic matter, many scholars have agreed that it is a political one as well and is, in fact, often opposed by economists (Minkkinen and Patomäki 1997: 7). Petri Minkkinen and Heikki Patomäki (1997: 9) argue, despite the existence of some economists who do support the EMU project, that "it seems that the community of economists is almost as uncertain about the reasons for EMU as is the EU-European citizenry." A similar argument is presented by Engelmann et al. (1997: 127): "EMU and the Euro can only be understood as a political rather than an economic project. While the advantages and disadvantages of a single currency are indeterminate, to say the least, and while its social consequences regarding cuts in the European welfare state are rather significant, at least in the short run, the project has become the cornerstone of European political integration."

Such arguments do not support traditional arguments for explaining participation in European integration. Engelmann et al. (1997: 106) argue, "Most traditional

approaches to European integration -- be it neofunctionalism or liberal intergovernmentalism -- exogenize interests and preferences of actors assuming that economic and/or power-based foreign policy interests can largely explain the outcome." Based on these traditional approaches, "European integration is then driven by increasing economic interdependence among the EU members, by responses to the challenges of globalization, or by traditional 'balance of power' considerations" (Engelmann et al. 1997: 106). According to Engelmann et al. (1997: 106), however, "[T]raditional accounts based on materially defined interests are at least indeterminate, if not outright misleading in explaining the variation in attitudes toward EMU among the political elites" of the countries they studied: France, Germany, and the UK. Moravcsik's (1998) liberal economic approach is similarly incapable of explaining the differences between the formulation of Finnish and Swedish EMU policies. For Moravcsik (1998), economic interest is a vital explanatory factor. However, the economies of Finland and Sweden are strikingly similar, and there is no evidence that differing economic interests can explain why Finland chose to adopt the Euro in the first wave while Sweden did not. Ingebritsen's (1998) sectoral analysis is also unable to explain the two countries' different decisions, and, indeed, EMU is strikingly absent from her analysis of the Nordic countries and European integration, perhaps suggesting that it is not applicable in this case. Although sectoral interests, particularly those representing labour, did argue for at most a wait-and-see approach to Swedish participation in EMU's third stage in the first wave, even they emphasised the importance of democratic debate and public support, themes that permeated the Swedish discussions on EMU. There is no evidence that sectoral interests can explain the two countries' divergent choices.

There is, however, support here for the argument that HICI shape the formulation of national EU policies. The role of identity has already been clarified. Historical experiences had an important effect in shaping that identity (as was explained in the preceding chapter). The Swedish decision-making style, which focused around consensus and grew out of Sweden's historical experiences, certainly influenced the policy-makers' decisions on Swedish participation in EMU. According to Höjelid (1999: 253), who finds a role for history and ideas, "[E]ven the form of politics is of importance from a more ideological perspective. We know that social

democracy by tradition is a social movement party, where questions must be researched, supported, explained, discussed."[63] The historical roots of the SAP and other aspects of Sweden's historical experiences are seen as important explanatory factors for the need of the Swedish policy-makers not to lead Sweden into Euroland without public support. Similarly, the more hierarchical Finnish decision-making style, also the result of historical experiences, shaped the Finnish policy of adopting the Euro despite low public support and without a referendum. These differences in Finnish and Swedish decision-making styles are a result also of institutions, shaped by history (notably by the presence or absence of a President).

Furthermore, the legacy of the Swedish model and the people's home left their impact on Swedish policy-makers, including Göran Persson. Describing Persson, Höjelid (1999: 293) writes, "The picture of someone with a real nostalgia for the people's home that I think accommodates the idea that Sweden and the Swedish welfare model were at their best some time between 1955 and 1975 comes forth. It was also then that the public finances were in order and the Swedish welfare model served as a kind of ideal for many countries."[64] Swedes thus felt that they had more to sacrifice than did Finns. For Finns, EMU brought only gains for the Finnish self-confidence and identity, strengthening Finland's position as a Western European country.

In addition, even after making the decision to remain outside Euroland initially, Swedish actions demonstrated further willingness to deviate from the EU mainstream by not making concerted efforts to join the third stage of EMU in the near future. Despite movements towards possible membership after the third stage of EMU commenced in the beginning of 1999, Swedish policy-makers had backed off any such movement by the end of 2000. This renewed Swedish reluctance to move towards EMU membership was particularly striking because of the then

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[63] Translation of: "även politikens form är betydelsefull ur ett mer ideologiskt perspektiv. Vi vet att socialdemokratin av tradition är ett folkrörelseparti, där frågor måste utredas, förankras, förklaras, diskuteras."

[64] Translation of: "Fram tonar också bilden av en äkta folkhemsnostalgiker som jag tror hyser uppfattningen att Sverige och den svenska samhällsmodellen var som bäst någon gång 1955-75. Det var också då som de offentliga finanserna var i ordning och den svenska välfärdsmodellen utgjorde ett slags förebild för många länder."

upcoming Swedish Presidency. During their Presidency, Swedes would have been able to chair decisions on the Euro if they were inside Euroland and would have been shut out of such decisions if they were outside. The policy-makers' movement away from support for the Euro mirrored those of the Swedish public, suggesting the importance placed by the Swedish elite on democratic legitimacy.

In terms of actual adaptation, defined here as changing pre-existing national policies or positions, EMU clearly demonstrates greater Finnish adaptation to the EU than Swedish. Although both countries initially showed signs of adaptation in terms of attempting to implement the Maastricht criteria and ensure that they would have the option of being among the first group of countries to adopt the European single currency, the Finns regarded full participation in EMU's third stage from the outset as a more important priority than the Swedes did. Furthermore, in their differing decisions on adopting the Euro, Finland and Sweden sent different messages to their EU colleagues. As Bergman et al. (1997: 2) argue, "The government of Sweden . . . in essence reneg[ed] on the commitment made when voters accepted the Maastricht treaty by announcing in Spring 1997 that it would not be among the first group of EU countries forming monetary union." Thus, Finland's choice demonstrated the country's desire to be in the EU mainstream, whereas the Swedish decision reflected a greater national self-confidence and less concern for being accepted into the EU core. In other words, Finland regarded the EU more as a "regime" to which it would need to conform in the area of monetary policy in order to have an influence, whereas Swedes were less concerned with this.

In sum, therefore, this case study supports the hypothesis that differences in history, institutions, culture, and identity lead to differences in the national formulation of EU policies. The differences in their policies were characterised by adaptation to some extent by both Finns and Swedes, but Finns displayed a greater desire for acceptance by their EU colleagues and made more changes to their pre-existing policies and positions, whereas Swedes were less concerned about how their colleagues perceived them and more committed to maintaining their existing policies and positions.

Chapter Five: Relations with Non-EU Neighbours in Northern Europe

As the twentieth century drew to a close, both Finnish and Swedish governments regarded relations with the Baltic states of Estonia, Latvia, and Lithuania (as well as other neighbours in Northern Europe) as being of high priority. In this chapter the Finnish and Swedish strategies for relating to these neighbours is considered. Particular emphasis is given to the extent and nature of European Union (EU) involvement in these relations. Although the focus is on the three Baltic states and the integration of the EU into regional cooperation through the Northern Dimension Initiative (NDI), attention is also given at times to other non-EU Northern European neighbours. These include the Russian Federation (Russia) and the broader region, thus encompassing the Arctic and Barents areas as well as the littoral region surrounding the Baltic Sea.[65]

Two Similar Approaches

Both Finland and Sweden prioritised relations with their non-EU Northern European neighbours during the time period under consideration, 1995 to 2000. In fact, both countries increased the emphasis that they gave to their own Northern European region even earlier, especially after the end of the Cold War. As has been discussed in chapter three, the onset of the post-Cold War era led to changes throughout the international system, but particularly in Europe. These transformations inspired scholars such as Max Jakobson (1998) to write about a "new" Europe. The disappearance of a sharply bipolar world and the related dissolution of the Soviet Union and its ceasing to be a superpower (with the "new" Russia lacking the economic and political muscle of its Soviet predecessor) led to many new opportunities in the Baltic region.

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[65] Although mention is occasionally made of non-EU Nordics Iceland and Norway, they are not the focus of this chapter.

There was an increased focus on the Baltic region in particular and the building of a new Baltic identity. Whereas the common Nordic identity that Finland and Sweden shared with their Nordic neighbours belonged to the "old" Europe, the emerging "Baltic project" was a part of the "new" Europe (Waever 1992: 92). The region surrounding the Baltic Sea became increasingly important as a region, and it seemed likely that seas, including the Baltic Sea, would serve as "the prime mythic sources of identity" rather than the borders they once formed (Waever 1992: 102). This new Baltic identity built upon existing historical and cultural links (and even linguistic bonds between the Finnish and Estonian languages) between the Nordic and Baltic states. Despite these ties dating back to the time when Baltic lands were included along with Finland in the Swedish kingdom, there was (as has been discussed in chapter three) a "clear distinction" between "the kingdom of Sweden proper" (which included Finland) and the Baltic provinces (Kirby 1990: 223).

Despite the fact that they had positions that differed from those of Finland, Sweden, and their other Nordic neighbours in a historical perspective, the Baltic countries continued to consider themselves in many ways similar to them. According to Kirby (1995: 379), "One of the beliefs that helped sustain the peoples of the three Baltic states reincorporated into the Soviet Union at the end of the Second World War was that they had enjoyed a prewar living standard comparable to that of the Finns (and by implication, might also have joined the ranks of the affluent welfare states, had they not been dragged into the mire of Soviet Communism)." Although there were similarities (as well as differences) between Finland and its Baltic neighbours in the postwar years, the gap widened considerably during the years of the Cold War (Kirby 1995: 379). Finland was clearly in the same league as Sweden, whereas the Baltic countries lagged notably behind. There were, however, links between the Baltic and Nordic countries (including family members living in the Nordic region and the Estonians' access to Finnish television) that (along with their histories of independence) meant that "the indigenous peoples of the Baltic republics were undoubtedly less susceptible to such propaganda than those who had experienced Soviet rule from its inception. At the very least, they were better able to maintain an alternative vision of life as it might be, even if awareness of the superior comforts of their Finnish or Swedish

neighbours could induce feelings of inferiority or even despair" (Kirby 1995: 380). Despite the similarities, according to Kirby (1995: 381), "the differences between the Baltic and Nordic states far outweigh their similarities."

The regional integration was on many levels and included many actors. It involved not only the Baltic and Nordic states, but also other countries, including the Russian Federation. In fact, the Nordic states' relationship with Russia changed in the post-Cold War era as ties were strengthened. Both Finland and Sweden were engaged in cooperation with Russia both bilaterally and multilaterally. There was even cooperation between Estonia, Latvia, and Lithuania and the Russian Federation (with which they had been joined in the Soviet Union for many decades).

The integration in the Baltic (and even Barents) region after the Cold War fit in with a global pattern of an increasing "significance of regions in international relations" (Heininen et al. 1995: 72). A vital part of this regionalisation, in the Baltic region as elsewhere, was the involvement of sub-national actors, often working "from below" outside of "official governmental connections and institutions" (Möttölä 1996: 155). Both Finland and Sweden were involved on the national level at the same time that subnational actors, such as local governments in Finland and Sweden, also became actively involved in regional cooperation.

Even outside of Northern Europe, the area was seen as one of increasing importance. As Risto E. J. Penttilä (1994: 43) explains, "[T]he Nordic-Baltic area forms the only area that directly links Russia with Western Europe." Crucially, the "region is situated between the Western geoeconomic area and the Eastern geopolitical one" and is tied to three different "spheres of interest/influence": the Russian, the EU, and the Atlantic (American) spheres (Penttilä 1994: 44). For Finland and Sweden, their new positions in the post-Cold War system meant a required redefinition of roles both in their immediate regional position among their Baltic neighbours and in Europe as a whole. According to Möttölä (1996: 152), "From the perspective of influence, the Nordic countries face the paradoxical dual challenge of *marginalisation* and *enlargement* of their roles, the task of coping simultaneously with the status of periphery and centrality"

(emphasis in original). Although they needed to fight against "the disadvantages of being a periphery within the wider Western Europe", their position in the new Northern Europe was one of "centrality" (Möttölä 1996: 152).

Finland and Sweden, based on their locations and their attempts to encourage cooperation between the Eastern and Western halves of Europe, could perhaps have been regarded as bridge-builders, a term attributed to small states that attempt to provide cohesion within multilateral institutions or regimes. Allen Sens (1996: 90-91) argues that, as bridge builders, "small states . . . carve out functional niches for their foreign policies which buttress their claims to foreign policy independence and sovereignty through the exertion of unique international roles. By pursuing a strategy of cohesion, a small state can thus choose to promote its interests within co-operative international environments and institutions through its role as a good international citizen, a selfless contributor, and a helpful fixer. This attempt to gain influence and further their security interests through the promotion of the values vested in international institutions and their operation defines the small-state strategy of acting as a binding agent." Both Finland and Sweden, based on Sens' (1996) definition, acted at least to some extent as bridge-builders in the new Europe.

The changes in the Northern European region were institutionalised through the formation of new fora developed to promote regional security and cooperation. One of the earliest and most important institutions to emerge was the Council of the Baltic Sea States (CBSS), established in Copenhagen in 1992. Finland and Sweden were among the founding states, as were Denmark, Estonia, Germany, Latvia, Lithuania, Norway, Poland, and Russia, as well as the European Commission. Finland and Sweden were also founding members of the Council of the Barents Euro-Arctic Region (BEAR), which was established in Kirkenes, Norway in 1993. The co-founders of this organisation also included the European Commission as well as Denmark, Iceland, Norway, and Russia. In addition, Canada, France, Germany, Japan, Poland, the United Kingdom (UK), and the United States (US) were involved as observers from the Council's inception. As can be seen from the above examples, the European Commission (and thus the EU) was involved from an early stage in Northern European regional cooperation,

and both Finland and Sweden accepted the Commission's activity in this area. These new institutions were vital to both Finland and Sweden and provided the framework for increased Finnish and Swedish activism within the Northern European region.

Within the EU, Finland and Sweden continued to be active in supporting their non-EU neighbours, and even increased their actions to assist them. Magnus Ekengren and Bengt Sundelius (1998: 141) argue that Finnish and Swedish EU membership allowed for additional policy-coordination between the Nordic countries, including in the area of regional cooperation and that "this has paid off in the joint emphasis on the plight of the Baltic states and in the Baltic Sea Area initiative."

The changing Europe also set the stage for the enlargement of the EU to countries previously precluded from joining. The first to join were Finland and Sweden themselves (along with Austria) in 1995. Estonia, Latvia, and Lithuania, as well as other Central and Eastern European countries (CEECs), were the next states to join the queue. For the CEECs, the first step to EU membership was the signing of Europe Agreements, beginning in 1991, when the first such agreement was signed with what was then Czechoslovakia. At the Copenhagen European Council in June 1993, before Finland and Sweden became members, the EU had already committed itself (in principle, although no definite dates were agreed) to enlargement to the CEECs.

An example of similar Finnish and Swedish goals is their desire for EU enlargement to the three Baltic states. Both Finland and Sweden actively supported the accession of Estonia, Latvia, and Lithuania (as well as the other applicants) to the EU. Enlargement eastwards was a top issue at the December 1995 European Council summit in Madrid, which ordered the Commission to prepare a document on enlargement that would address the EU's budget as well as agricultural and structural policy. This document, which was known as Agenda 2000, was presented on 16 July 1997 and recommended that accession negotiations should begin initially with six applicant countries (Cyprus, the Czech Republic, Estonia, Hungary, Poland, and Slovenia). According to the document,

(European Commission 1997: 57), "In the light of its analysis, and in accordance with their respective merits, the Commission considers that Hungary, Poland, Estonia, the Czech Republic and Slovenia could be in a position to satisfy all the conditions of membership in the medium term if they maintain and strongly sustain their efforts of preparation." As for Cyprus, "The timetable agreed for accession negotiations to start with Cyprus means that they could start before a political settlement is reached" (European Commission 1997: 55).

In accordance with the Commission's suggestion in the Agenda 2000 document, the Luxembourg European Council decided in December 1997 to commence negotiations with the six countries in the spring of 1998 (European Council 1997). Despite the initial prioritisation of these six, the decision was taken at the Helsinki European Council in December 1999 to begin negotiations with five other countries, including both Latvia and Lithuania as well as Bulgaria, Romania, and Slovakia (European Council 1999c). The extension of the negotiations to include all three Baltic states may be regarded as a success for Finland and Sweden and a further step towards the fulfilment of their goal of enlarging the EU to these three states.

The Finnish and Swedish commitments to EU enlargement can be seen in their official documents. For Finland, in October 1997, EU enlargement was at least as important as EMU, structural and regional policy, and agricultural policy (Utrikesutskottet 1997: 1). Earlier the same year (1997), the Swedish government ordered seven studies (*utredningar*) on the consequences of enlargement for Sweden and the other countries involved, both those already in the EU and those anxious to join. These studies, which were completed at the end of 1997, included examinations of the areas of agriculture, environmental policy, security policy, and social policy (Regeringen 1998: 10).

Finnish and Swedish policy-makers at the highest levels also indicated their support for EU enlargement to include the Baltic states (as well as other applicant countries). In 1995, Finnish Prime Minister Paavo Lipponen asserted that Finland supports "enlargement of the EU to include not only Cyprus and Malta, but also the countries of Central and Eastern Europe and the Baltic republics" (Lipponen

1995: 36). Swedish Prime Minister Göran Persson expressed the hope in 1996 that the EU would welcome its first new members by 2000, although that was not to be the case (Persson 1996a: 13). At a conference sponsored by Finland's largest daily newspaper *Helsingin Sanomat* on 30 July 1997, the former Swedish Prime Minister Carl Bildt (who was the leader of the Conservative Party, *Moderata Samlingspartiet*, at the time) voiced his support for Finnish and Swedish cooperation on European issues. He cited as an example his pleasure with the fact that both Finland and Sweden supported EU enlargement to the Baltic states (Pugin 1997).

Finland and Sweden gave their support to EU enlargement despite the likely costs and difficulties that it would impose on both the EU as a whole and Finland and Sweden in particular. The many differences between the applicant countries and the existing EU members were likely to create problems and add costs for those already inside the Union. The candidate countries were poorer, had smaller economies, had newer and less stable democracies, and had agricultural sectors that represented larger percentages of Gross Domestic Products (GDP) (Torstensson 1997: 6-7). While only five percent of the population in the EU-15 was employed in agriculture, the corresponding figure for the applicant countries was 22 percent. Indeed, due to the lower GDP in the candidate countries, the EU's GDP per capita would have decreased by 25 percent if all of the candidate countries were to join at the same time (Torstensson 1997: 27). In discussing the difficulties that could be expected with the accession of the newcomers to the EU, Szilvia Dora (1997: 55) argues that "[t]he areas most likely to provoke disagreement and where compromises will be necessary are: agriculture, trade/tariffs, labour, monetary integration, structural funds, and international issues."

For Finland and Sweden, there were particular costs as well as benefits of EU enlargement to the Baltic states, which differed from those for the other EU members. There was the increased threat of immigration from Baltic neighbours once Estonian, Latvian, and Lithuanian nationals were free to travel, live, and work in the Union. In terms of immigration to Sweden, "Sweden's geographical position primarily favours immigration from the Baltic States. The cultural links

that Sweden has with these countries, and the institutions that have been built up because of the links, may also play a role, even if it is difficult to substantiate how important these factors can be for migration" (Lundborg 1997: 65-66). Finland faced a similar situation, and indeed had already been the target of migration, particularly from Estonia (which had, in fact, been encouraged by Finland), although this had declined due to problems in the Finnish labour market (Lundborg 1997: 49).

There was also the benefit of easier, less costly trade with Baltic neighbours that were already trading partners and were likely to provide their Nordic neighbours with even greater opportunities for expanding their markets as well as for investment once they were all inside the EU. In addition, there were important political benefits for Finland and Sweden from EU enlargement (especially to the Baltic states), including increased security in the region. Furthermore, should the applicant states not be granted EU membership, their EU neighbours would still risk an influx from the East. As a Swedish report asserts, "In a situation in which Central and Eastern European economies were not developing in a positive way, Sweden, not least, could be affected, for example by streams of refugees and security policy instability. . . . As we have found that economic development in the CEECs will probably be better with EU membership, there are thus also security policy gains for Sweden and the other EU countries to derive from an enlargement" (Torstensson 1997: 35). The Finnish Council of State (1997) also argued for the importance of EU enlargement for Finnish security.

Enlargement also formed an important aspect of both countries' Presidency programmes (Finland 1999, Sweden 2000). Finns included enlargement as a concern in the plan for their Presidency and hosted the December 1999 summit at which the European Council decided to begin enlargement with additional countries, including Latvia and Lithuania. The Helsinki decision was seen as a success by both Finland and Sweden. In advance of their own Presidency in the first half of 2001, the Swedes proclaimed that enlargement would be a key focus for their Presidency. Indeed, the Swedish Presidency would focus on the three Es: enlargement, employment, and the environment.

Both Finland and Sweden supported the Baltic countries in a variety of ways, which were not always directly related to EU enlargement. Their aid was also directed towards other countries in the Baltic Sea region, in addition to Estonia, Latvia, and Lithuania. Poland and Russia were particularly significant aid recipients. For Poland, this included support for EU membership. Often, Finns and Swedes cooperated with each other as well as other Nordic countries in coordinating their efforts in the region. According to Pär Stenbäck (1995: 26), "Operations in northwestern Russia and the Baltic countries are the fastest growing forum of Nordic cooperation." For instance, the Nordic countries participated in a Baltic investment programme as well as the Nordic Environmental Finance Corporation (NEFCO), which financed projects in Central and Eastern Europe. Furthermore, there were four agencies of the Nordic Council in St. Petersburg and the Baltic capitals with funding worth fifty million Danish crowns (Stenbäck 1995: 26). As Leif Pagrotsky (1999), the Swedish Minister for Trade (*handelsminister*) at the time, explains, "The Nordic Information offices are . . . [an] essential element of this regional cooperation. Information offices have been established in Riga, St. Petersburg, Tallinn and Vilnius. At present they organise language courses, administer scholarships and are engaged in various types of cultural exchanges. In addition they spread general information about the Nordic countries and Nordic cooperation."

The Finnish and Swedish commitments to their Baltic neighbours and their entire Northern European region thus extended beyond investment in these countries. An idea of Finnish cooperation with its neighbours can be found in Ministry of Foreign Affairs (1999), while Regeringen (1998) demonstrates the extent of Swedish involvement. As Unto Vesa (1998: 51) argues, the two Nordic neighbours "have in many ways, actively and concretely supported not only the inclusion of the three Baltic states in the Nordic and West-European cooperation, but designed comprehensive programmes in which all Baltic states can participate." Perhaps the most significant of such efforts was the establishment of the initiative for a Northern Dimension of the European Union.

Both Finland and Sweden showed support for the EU's Northern Dimension Initiative (NDI), originally a Finnish initiative that became a part of EU policy in

1997. The NDI was designed to link the EU member states with partner states Estonia, Iceland, Latvia, Lithuania, Norway, Poland, and the Russian Federation (Stenlund and Nissinen 1999 and General Affairs Council 2000). Although the beginnings of the initiative in Finland may be traced even further back in time, the plans for the NDI first gained international recognition in a speech by Lipponen in Rovaniemi in 1997 (Lipponen 1997a). The EU first recognised the NDI as an EU initiative at the Luxembourg European Council in December 1997 (European Council 1997). A year later in Vienna, "[t]he European Council welcomed the Interim Report on a Northern Dimension for Policies of the European Union submitted by the Commission" (European Council 1998). According to the Presidency Conclusions from the Cologne European Council in June 1999, "The European Council considers the guidelines adopted by the Council for a 'Northern Dimension' in European Union policy as a suitable basis for raising the European Union's profile in the region. It welcomes the incoming [Finnish] Presidency's intention of holding a Ministerial Conference on the Northern Dimension on 11 and 12 November 1999" (European Council 1999b). The Foreign Ministers' "Conference took favourably note of the Community and partner countries activities in the region as reported in the inventory presented by the European Commission" (Foreign Ministers' Conference 1999). At the Helsinki European Council in December 1999 the invitation was extended to the European Commission to prepare an Action Plan on the Northern Dimension (European Council 1999c), and the Action Plan was then presented at the Feira European Council in June 2000 (European Council 2000).

The NDI was initially billed as requiring no additional funding or institutions; rather, it would entail coordinating existing funds, programmes, and institutions under the NDI umbrella. The lack of need for further funding was noted by prominent Finnish politicians, notably by Lipponen in his 1997 speech in Rovaniemi and by Finnish President Martti Ahtisaari in his speech at Chatham House in London the same year (Lipponen 1997a, Ahtisaari 1997). According to Peter Stenlund and Marja Nissinen (1999: 2), "The Northern Dimension builds upon the existing framework of contractual relationships, financial instruments and regional organisations. No additional financial instruments are needed in the EU for this purpose. The dialogue takes place within the context of the Europe

Agreements as regards Estonia, Latvia, Lithuania and Poland, that of the Partnership and Cooperation Agreement as regards Russia and that of the European Economic Area as regards Norway and Iceland." They furthermore suggest that the Commission should "fully utilis[e]" existing regional bodies for "implementation and further development of the Northern Dimension" and that "the Northern Dimension itself should not be seen as a new regional initiative" (Stenlund and Nissinen 1999: 2). The NDI thus built upon and strengthened pre-existing projects in which Finland and Sweden already participated and, at the same time, gave the EU an increased role in the Northern European region.

The existing programmes, which were brought under the NDI umbrella, included Technical Assistance for the Commonwealth of Independent States (TACIS); Poland, Hungary: assistance for economic restructuring (*Pologne, Hongrie: assistance à la reconstruction économique*, PHARE); and Inter Regional (INTERREG) programmes. After the beginning of 2000, the Special Accession Programme for Agriculture and Rural Development (SAPARD) and the Instrument for Structural Policies for Pre-Accession (ISPA) were also included. Many of these programmes had their beginnings long before Finland and Sweden joined the EU. This demonstrates the pre-existing EU commitment to the Northern European region. That commitment, however, was clearly not as extensive initially as it was after 1995, and certainly the region did not enjoy such a high profile prior to that time.

The NDI also involved regional groupings and international financial institutions (IFIs), including regionally-based IFIs. According to the European Commission's NDI website, "The main regional organisations and IFIs active in supporting the ND" were the Arctic Council (AC), the Barents Euro Arctic Council (BEAC), the European Bank for Reconstruction and Development (EBRD), the Nordic Investment Bank (NIB), and the Nordic Project Fund (NOPF) as well as the CBSS and the NEFCO (European Commission 2001).

Although the Action Plan helped to concretise the NDI (for instance, by identifying the CBSS and BEAC as regional actors that would have roles in the initiative), the initiative still remained vague. For instance, Vadim Kononenko

(2000: 1) argues that the NDI, even after the adoption of the Action Plan at the Feira European Council in 2000, continued to be "a subject of different and very often controversial interpretations" with "far from clear-cut definitions." Indeed, the exact definition of the EU's Northern Dimension and what the initiative entailed on a practical level was vague throughout the time period of this study.

A further vagueness with the NDI was its relationship to the process of EU enlargement. According to the EU's General Affairs Council (1999: 4-5), the NDI "can contribute the reinforcement of positive interdependence between the European Union, Russia and the other states in the Baltic Sea region, also taking into account the enlargement process and thus enhancing security, stability and sustainable development in Northern Europe." Vesa (1998: 60) argues that the coordination of existing programmes that the NDI encompasses is "considered to be important from the perspective of the forthcoming enlargement as well as for the development of closer cooperation between the Union and Russia."

What was certain was that the NDI gave the EU a leading role in the region and that the NDI, despite ambivalence on the part of many member states outside the Northern European region, became a part of EU policy. That there was strong Finnish support for the initiative was similarly clear. Indeed, Finland's support was evident from its inception, as the initiative was developed by and then presented to the EU by Finns. There was also Swedish support for the initiative, as is evidenced, for instance, by Pagrotsky's expression of appreciation to his Finnish neighbours for their role in the development of the NDI and acknowledgement of its importance for Sweden. According to Pagrotsky (1999), "Thanks to our Finnish friends and their initiative, the EU has adopted guidelines for implementing what is known as the northern dimension." Furthermore, according to the Swedish government, "For the EU, the Northern Dimension opens up new opportunities to promote cooperation, economic growth, a sounder environment and cultural exchange in northern Europe. As president of the EU, Sweden will strive to further develop the Northern Dimension" (Government of Sweden 2000).

Indeed, as has already been mentioned, both Finland and Sweden cemented their support for the Northern Dimension by including it in the programmes for their EU Presidencies. According to David Arter (2000: 692), "As early as June 1998, at a Nordic prime ministers' meeting in Malmö, the NDI was identified as one of the themes that the Nordic countries would co-operate in promoting with an eye to the forthcoming presidencies." Lee Miles and Bengt Sundelius (2000: 44) assert that "the Swedish government, like its Finnish counterpart, sees that one of the main 'cooperative security' aims of any ND policy is to keep key non-EU states, such as Russia and Norway, involved in EU policy affecting the region, especially after the Commission explicitly recognised" the importance of Northern Europe in connecting the EU with Russia.

The NDI, however, was not the only action that the EU undertook (with the support of Finland and Sweden) to increase cooperation between the EU and its neighbours in Northern Europe. In June 1999, at the Cologne European Council, the EU's formal commitment to the Northern European region was formally extended with the adoption of the common strategy on Russia (European Council 1999a and European Council 1999b). According to Miles and Sundelius (2000: 45), the "'common strategy' . . . complements the more general 'Northern Dimension' initiative." This strategy, like the NDI, received Swedish as well as Finnish support.

Finland and Sweden thus shared many common goals in their relations with their non-EU Northern European neighbours. Both gave increased emphasis to their immediate surroundings in the post-Cold War era, including during the time period between 1995 and 2000. Both participated in and showed support for bilateral and multilateral forms of cooperation, including the EU's Northern Dimension Initiative. Both were also supportive of EU involvement in the region through the EU's NDI as well as through EU enlargement to the Baltic states.

Two Different Approaches

Despite the many similarities in Finnish and Swedish approaches to relations with non-EU Northern European neighbours, there were also crucial differences. For instance, although their geopolitical roles in the new Europe bore many similarities, Finland's long border with Russia continued to play a significant role, particularly as the Finnish-Russian border formed "one of the main fracture zones between the global postmaterial community and the modern states" (Ries 1999: 10). For Sweden, the historical experience of having had great power status, international recognition, and regional leadership still had an impact. There were political motivations for continuing to try to be and be seen as a regional leader. According to Miles and Sundelius (2000: 34), "From a political perspective, Sweden has an interest in portraying itself as a nation-state with substantial regional influence, committed to coordination with neighbouring states. This image strengthens indirectly the Swedish government's negotiating hand in European organizations and further projects the country's voice on the world stage."

Although Finland and Sweden both supported EU enlargement to the Baltic states (Estonia, Latvia, and Lithuania), the tactics they employed differed. Notably, whereas both countries initially argued for the commencement of accession negotiations with all three countries at the same time, Finland changed its position to agree with the approach preferred by the European Commission and presented in its Agenda 2000 document: fast-tracking Estonia but not Latvia and Lithuania initially. The differences between the approach adopted by Finland and that followed by Sweden (as well as Denmark) are also noted by authors including Esko Antola (1999) and Toby Archer and Luca Mattiotti (2000).

An analysis of official Finnish documents and speeches clearly demonstrates the change in the Finnish position. Finland initially supported the Swedish (and Danish) strategy of presenting a united Nordic front in support of commencing EU accession negotiations with Estonia, Latvia, and Lithuania at the same time. It was even initially viewed as a security concern for Finland. According to the Finnish

Council of State (1997: 21), "A particularly important security goal for Finland is the accession of the Baltic States to EU membership. Finland is supporting the Baltic States' efforts to meet the criteria for membership. In common with Sweden and Denmark, Finland has taken the view that negotiations should commence with all applicants for membership at the same time so as not to endanger the stability-enhancing effect of enlargement."

On 5 September 1997, Lipponen announced the change in the Finnish position: Finland would now support the Commission's proposal to fast-track only six countries (Cyprus, the Czech Republic, Estonia, Hungary, Poland, and Slovenia). Lipponen argued that the three Baltic states (Estonia, Latvia, and Lithuania) should not be treated as one group, but rather that Estonia should be allowed to begin negotiations and not be held back by Latvia and Lithuania. Lipponen further asserted, "I would hope that this would also be crystal clear in our neighbouring country to the west," referring, of course, to Sweden (Cited in Rautio 1997).[66]

In fact, the Finns' decision to change their position did create tensions between Finnish and Swedish policy-makers. As is discussed below, "From an early stage the Swedes preferred that a joint policy between the three existing Nordic EU member states be followed, based on ensuring that the EU's Agenda 2000 programme treated the three Baltic Republics similarly and as a de facto convoy of applicants. This policy came unstuck when the Finns broke ranks and championed Estonia's sole promotion into the fast-track of EU entry -- to the consternation of the Swedish Foreign Ministry" (Miles and Sundelius 2000: 43).

At a conference organised by Finnish newspaper *Helsingin Sanomat* in Helsinki on 9 October 1997, Lipponen again stated his support for the Commission's proposal and expressed his hope that Estonia's early membership in the EU would "pave the way" for Latvian and Lithuanian membership (Kairisalo 1998: 142). The Finns thus, despite modifying their position, continued to support Latvian and Lithuanian EU membership, even though they no longer pushed for these countries to join the "fast track." Finland's then Minister for Foreign Affairs,

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[66] Translation of: *"Toivoisin että tämä kirkastuisi myös läntisessä naapurimaassamme."*

Tarja Halonen, suggested to Lithuanian Foreign Minister Algirdas Saudargas that the EU should re-evaluate Lithuania's situation on a yearly basis to determine when it would be ready for membership (Kairisalo 1998: 143). When Latvian President Guntis Ulmanis visited Finland in November 1997, Ahtisaari promised Finland's support for Latvia's application to join the EU (Kairisalo 1998: 145).

By the end of October 1997, the fast-tracking of accession negotiations for Estonia but not for Latvia and Lithuania had become a definite part of Finnish EU policy. The Finnish Foreign Affairs Committee (*Ulkoasiainvaliokunta*, or *Utrikesutskottet*) argued in its 31 October 1997 report that it was important that at least one Baltic state was included in the next EU enlargement and that the EU should not treat all the three Baltic republics as a group, but rather should analyse each country's individual situation (Utrikesutskottet 1997: 3).

The changing Finnish approach was in contrast to the consistency of Swedish policy. Even after the publication of the Agenda 2000 document, the Swedes openly argued that negotiations with the three Baltic countries should commence at the same time, despite the fact that this Swedish approach contradicted that of the Commission. In a document responding to the Commission's Agenda 2000 document and in advance of the decision taken at the Luxembourg European Council, the Swedish Ministry for Foreign Affairs (*Utrikesdepartementet*, or MFA) argued, "How the decision in Luxembourg is taken will influence the relationship between Europe's countries for a long time to come. Sweden supports a common start for the negotiations with all the candidate countries that fulfil the Copenhagen criteria for a democratic state, in other words, at the present moment, all countries except Slovakia" (Utrikesdepartementet 1997: 3)[67]

In the same document, the Swedes comment specifically on how and why their position differs from that of the Commission: "Sweden shares in many respects the Commission's judgements of the individual countries, but it is not possible to

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[67] Translation of: "*Hur beslutet i Luxembourg utformas kommer att påverkas förhållandet mellan Europas länder för en lång tid framöver. Sverige förordar en gemensam förhandlingsstart för alla kandidatländer som uppfyller Köpenhamnskriteria för en demokratisk stat, d.v.s. i dagslaget alla utom Slovakien.*"

ignore that these are in many respects statistical. The development in many candidate countries is progressing rapidly and within a short time the ranking of the countries may change. That must be weighed into the decisions, which will beone of the most important that the union has ever taken" (Utrikesdepartementet 1997: 3-4).[68] The Swedes criticised the Commission's analysis of Latvia, which they argued was "too statistical and often lacks a perspective of the future. We have argued that Latvia is in the middle of a phase of dynamic development" (Utrikesdepartementet 1997: 26).[69] Their criticisms of the Commission's position on Lithuania were similar. In particular, they stressed, "Sweden does not believe that the Commission has shown enough consideration of the fact that Lithuania is in the middle of a dynamic development with a high rate of change in the legal system, administration and business" (Utrikesdepartementet 1997: 27).[70]

The Swedes also emphasised the undesirable consequences that they feared would be the result of not beginning negotiations with all three Baltic countries (and the others fulfilling the democratic criteria viewed as essential by the Swedes) at the same time. According to the MFA, "An exclusion can lead to a negative reaction in the countries that are not invited, which can strengthen Eurosceptical forces and increase the risk of backlashes in the reform process. In the economic area there is a definite risk that foreign investors will prioritise those countries with which the Commission recommends that negotiations should begin, with the consequence that those countries not included in this group would become even more disadvantaged" (Utrikesdepartementet 1997: 4).[71] Yet, the Swedes also stressed that commencing negotiations with all countries at the same time would not

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[68] Translation of: "Sverige delar i många avseenden kommissionens bedömningar av de enskilda länderna, men det går inte att bortse från att dessa i många avseenden är statistiska. Utvecklingen i många kandidatländer går snabbt framåt och på kort tid kan det inbördes rangordningen mellan länderna förändras. Detta måste vägas in i beslutet, som blir ett av de viktigaste unionen hittills har fattat."

[69] Translation of: "alltför statistisk och ofta saknar framtidsperspektiv. Vi har framhållit att Lettland är inne i en dynamisk utvecklingsfas."

[70] Translation of: "Sverige anser inte att kommissionen har beaktat tillräckligt att Litauen är inne i en mycket dynamisk utveckling med hög omvandlingstakt av rättssystem, administration och näringsliv."

[71] Translation of: "Ett uteslutande kan framkalla en negativ reaktion hos de länder som inte inbjuds, vilket kan stärka euroskeptiska krafter och öka risken för bakslag i reformprocessen. På det ekonomiska området finns en klar risk för att utländska investerare prioriterar de länder med vilka kommissionen rekommenderar att förhandlingar ska inledas, med konsekvensen att de länder som inte ingår i denna grupp blir än mer utsätta."

necessarily need to mean that they would all join the EU at the same time (Utrikesdepartementet 1997: 4).

In contrast to the Finns, therefore, the Swedes not only continued with their initial policies once they were seen to differ from those of the Commission, but also openly criticised the Commission's analyses of Latvia and Lithuania. Although the decision was taken at Luxembourg to follow the Commission's suggestion (which Finland supported), the Swedes did not view this as a failure because the decision was taken to open preliminary discussions with the five states not fast-tracked (Regeringen 1998: 10).[72] The decision had even less importance after the Helsinki European Council decided in December 1999 to commence accession negotiations with additional countries, including Latvia and Lithuania. Despite this, the Finnish and Swedish tactics employed in the run-up to the Luxembourg European Council did demonstrate significant differences, particularly in the extent to which they were prepared to alter their own positions in order to fit in with the EU mainstream.

The Finns also distinguished themselves from their Swedish neighbours by taking the lead with the initiative on a Northern Dimension for the EU and even discussing it with then Commission President Jacques Santer before its official launch. As Arter (2000: 689) notes, "Correspondence between Lipponen and . . . Santer, in spring 1997, antedated the Rovaniemi launch and Brussels was fully consulted at the highest level from a very early stage." Although "doubts were expressed about the need for the Commission to bolster its efforts in Northern Europe, and there was the latent sense that the NDI represented an implicit criticism of existing EU activities in the region" (Arter 2000: 689), there was sufficient support for Finland to proceed with the initiative's development and launch. Finland, in fact, actively marketed the NDI through "roadshows" in Moscow and Helsinki in 1998 (Arter 2000: 690).

Furthermore, the role that the NDI played in Finnish regional and EU policies was different from that which it played for Swedish policies. Finnish development of

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[72] This is also supported by an interview with Lars Nilsson and Ola Pihlblad on 11 August 1998.

the NDI may be regarded as an example of Finland's "customising" of the EU, a term set out by Hanna Ojanen (1999). According to Ojanen (1999), Finland used the NDI to "customise" the Union to its own preferences. She explains, "Finland's EU, then, looks in essence like Finland. It furthers Finnish goals and values. Should the Union's policies deviate from these, Finland aims at getting recognition for its particular features" (Ojanen 1999: 14). She writes, "Such customising has served to bring the Finnish people closer to the Union: it increases legitimacy. Second, by presenting an initiative of this magnitude, Finland has also strengthened its image as an active and constructive member state – something that it may be able to rely on in future bargaining" (Ojanen 1999: 15).

Although, as mentioned above, Sweden eventually supported the NDI and included it in its Presidency programme, the Swedish reaction was initially far from supportive. According to Arter (2000: 687), "From the outset, the NDI encountered suspicion and informal opposition from the two Nordic EU states of Denmark and Sweden." He argues that "[t]he Danes and Swedes felt they had not been properly consulted and residual prejudices surfaced" (Arter 2000: 687). Arter (2000: 687) explains, "In Denmark and particularly Sweden, the initial response to the NDI was generally lukewarm. It was obvious from informal conversations along the corridors of the Rovaniemi conference that the Swedes felt they had not been properly consulted and that the NDI should have been prepared in the Nordic Council. They were possibly irritated too by the fact that later in the autumn of 1997, the praesidium of the Nordic Council passed a resolution -- drafted by Finn Peter Stenlund -- supporting the NDI. In any event, whilst Swedish officials stressed the significance of regional co-operation, noted the existence of an institutional framework for promoting it in the Baltic and Barents areas, and intermittently referred to the northern dimension, they did not connect any of this to the Finnish initiative."

Whereas the Finns prioritised the NDI as their main method of cooperation in Northern Europe, the Swedes concentrated on other fora, which were often included under the NDI umbrella, rather than focusing on the NDI itself. As Ekengren and Sundelius (1998: 142) write, "One Swedish objective is to draw into the region the official interests of the larger European partners, as well as the

US. Prime Minister Persson in August 1996 visited the White House as a US show of support for the Swedish leadership role in the Baltic Sea Area." Similarly, Miles and Sundelius (2000: 39) point out that a "notable and high-profile strategy of the Göran Persson government was to engage the USA in the development of this [Baltic] subregion."

The example of the Swedish desire to include the US was just one instance of Swedish eagerness to bring partners from outside Europe into cooperation within the region. In fact, Miles and Sundelius (2000: 35) argue that "Swedish policy has operated at many levels, including bilateral and multilateral approaches . . . and using most of the institutional mechanisms presently on offer." Ojanen (2000) presents a similar argument. She explains that "Sweden seems to work more through different channels [than Finland does], 'multiorganisationally' . . . which makes it necessary to think more about the ways in which organisations differ and relate to each other, instead of trying to make the EU an omnipotent, all-embracing organisation" (Ojanen 2000: 24). Helena Jäderblom emphasises that, in addition to participation in the EU, regional involvement was a high priority for Sweden in the 1990s. The Nordic Council continued to be as important for Sweden even after EU membership, as did other forms of cooperation in the Baltic Sea region and Europe more broadly, including the Council of Europe.[73]

An important element of Swedish support for the Northern European and, particularly, the Baltic Sea region was the "Baltic Billion Fund" (*Östersjömiljarden*), a fund begun with the allotment of one billion SEK in 1996 and then supplemented with an additional billion in 1998. Yet, this support was neither within the context of the EU's NDI nor in direct cooperation with Nordic neighbours. Indeed, Miles and Sundelius (2000: 38) argue, "The economic objective of this bilateral support is, in many ways, to increase Swedish, as opposed to Nordic, influence in the Baltic Sea region and, in particular, to give the country's firms a hand in securing investment opportunities in the face of competition from other Nordic and Western rivals."

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[73] Interview with Helena Jäderblom on 26 August 1999.

Although the Swedish approach to cooperation in the Baltic and Barents regions was originally more bilateral, after Persson assumed the office of Prime Minister in 1996, the Swedes put greater emphasis on working multilaterally as well. According to Miles and Sundelius (2000: 40), "Swedish Baltic policy is more 'balanced' since 1996, with Sweden's well-established bilateral programmes supplemented by a gradually more prominent role in key multilateral organizations associated with the Baltic Sea."

The CBSS was a particularly important organisation for the Swedes. According to Miles and Sundelius (2000: 40), "The CBSS extensive action programmes for the Baltic Sea region were largely the result of negotiations shaped during the Swedish Presidency (1995-96) [of the CBSS] and the Swedes were influential during the high profile summit held in Visby in May 1996 . . . The Swedes used their period holding the Presidency [of the CBSS] to ensure that the agenda of the CBSS was influenced by their priorities already shaping Sweden's bilateral programmes. Indeed, it is striking that the so-called 'Visby process' mirrored many of the priorities emphasized in Swedish domestic programmes. The 'Baltic 21' (Agenda 21 for the Baltic Sea region) programme, for instance, included many familiar themes, such as sustainable development, close to Swedish hearts. Furthermore, at Visby, the Swedish Prime Minister was instructed to ensure the coordination of Baltic cooperation through a special office -- the Baltic Sea States Support Group -- which was the embryo for the CBSS Secretariat established in Stockholm in 1998."

Swedish participation in the CBSS also meshed with the Swedish desire discussed above to cooperate with the United States because, according to Miles and Sundelius (2000: 41), "the US has been generally in favour of the CBSS in particular and, thus, Sweden can operate with American approval and support. Persson's 'Baltic Offensive' was launched after securing American blessing and the CBSS has avoided embroilment in many of the divisions associated with NATO and Russia."

The CBSS, however, was not the only organisation in which Swedes invested. As Miles and Sundelius (2000: 40) point out, "The Swedes have also tried to play a

role on the [BEAC] . . . and, under the Swedish chairmanship (1997), helped to push forward negotiations on, amongst other things, policy towards nuclear safety, the management of nuclear waste and on the efficient use of energy."

The EU can also be seen in the context of Sweden's multilateral activity as one of many groupings where Swedes worked and attempted to achieve regional influence. Miles and Sundelius (2000: 41-42) argue that "the Swedes have been interested for a long time in utilizing, where possible, the European Union, in order to aid the democratic and economic reform processes taking place in the Baltic rim states. On top of its growing bilateral programmes, Sweden has also contributed to EU programmes for Eastern Europe -- TACIS and PHARE -- amounting to SEK 1.2 billion up to and including 1998." These EU programmes were actually in many ways similar to existing Swedish bilateral programmes. According to Miles and Sundelius (2000: 42), "Like Sweden's smaller bilateral programmes, these EU funds were largely focused on aiding the Baltic Republics (initially) and (later) directed at institution-building in the Baltic Rim states more generally in order to support ongoing reforms."

The Swedish desire to focus on a variety of multilateral and bilateral forms of cooperation rather than concentrating on giving the EU the leading role is connected to the Swedish desire to listen to public opinion. As Miles and Sundelius (2000: 40) write, "An active role in the Baltic is less controversial back home with the electorate than is the country's membership in the European Union." Such a role also "carve[s] out Persson's individual contribution as Swedish premier" and "reaffirm[s] Sweden's role as a leading player in the Baltic Sea" (Miles and Sundelius 2000: 40).

As noted above, Finns, like Swedes, were active in regional organisations such as the CBSS and the BEAR in addition to the EU. However, whereas the Swedes wished to make these groupings, and particularly the CBSS, primary, Finns used them as marketing arenas, where they could promote the NDI, and then included them under the ND umbrella. According to Arter (2000: 693), "[T]he new regional institutions, such as the BEAR and the CBSS, afforded Finland valuable channels for agenda-setting and alliance-building . . . Indeed, as early as

September 1994, the 12-month chairmanship of the BEAR gave Finland an opportunity of raising its profile in relation to northern issues, as well as influencing the content of co-operation in the region and increasing the EU's interest in Barents' questions. Brussels in short was by no means the only negotiating site for the Finns in promoting the NDI, especially as the EU was represented on both the BEAR and the CBSS."

Furthermore, as has been discussed above, the EU's Northern European policy was supplemented in 1999 with the common strategy on Russia (European Council 1999a). This policy, unlike the NDI, arguably received more Swedish than Finnish support initially. Miles and Sundelius (2000: 45) assert that the common strategy "is of particular interest to the Swedish government since it has built an extensive array of bilateral contact and developmental cooperation with the evolving Russian Federation dating back to 1991." They assert that Swedish bilateral cooperation with Russia "has intensified considerably in recent years with, for example, the Persson government adopting a new country strategy for development cooperation with Russia (1999-2001) as recently as October 1999" (Miles and Sundelius 2000: 46). As Miles and Sundelius (2000: 46) argue, however, "What is of particular interest is the fact that Sweden's important relationship with Russia has been formally recognised by the Union. The Persson government has been given the task of further cementing the new CFSP 'common strategy' through its extensively developed cooperation with the Russians."

Despite Sweden's role in the common strategy on Russia, according to Miles and Sundelius (2000: 47), "The irony is that it has been, at least initially, the Finns, rather than the Swedes, who have been better so far in projecting themselves on Baltic questions inside the Union and thus, they have (so far) benefited most from playing the EU-Baltic card." It seems that the Swedes were eager to be leaders rather than to follow the Finnish lead, and this may help explain the initial Swedish hesitance, particularly regarding the NDI. Miles and Sundelius (2000: 47-48) share this view: "For this reason, the Persson government will also seek to maintain its high profile in other Baltic forums, like the CBSS. Furthermore, it will also stress Sweden's excellent bilateral relationship with Russia as being of value to the entire Union."

In fact, the title of Miles and Sundelius' (2000) article "'EU Icing on a Baltic Cake': Swedish Policy towards the Baltic Sea and EU Northern Dimensions" appropriately characterises the Swedish attitude towards cooperation with non-EU Northern European neighbours. For the Swedes, the base was clearly Baltic, with the CBSS having a leading role, while the EU merely provided the icing to top off the pre-existing "cake" of long-established Swedish bilateral and multilateral regional cooperation. For Finns, on the other hand, the EU lay at the heart of cooperation within the Northern European region.

There were indeed significant differences between Finnish and Swedish EU policies regarding relations with their non-EU Northern European neighbours. In terms of EU enlargement to Estonia, Latvia, and Lithuania, although both Finland and Sweden initially supported starting accession negotiations with all three countries at the same time, Finland changed its position to fall in line with the Commission's wish to fast-track Estonia but not Latvia and Lithuania. There were also differences between their approaches to the EU's Northern Dimension Initiative. Finland, which formulated the initiative, prioritised it and along with it a high profile role for the EU in Northern Europe, whereas the Swedish emphasis was on regional institutions (particularly the CBSS, which was actually incorporated into the NDI) and other forms of bilateral and multilateral cooperation.

Analysis and Conclusion

This policy area differs from the previous one (EMU) in that here there were more obvious similarities between Finnish and Swedish policies than was the case with EMU. Both Finland and Sweden supported regional cooperation in Northern Europe even before they joined the EU. Once they were members, both adopted an active role in promoting regional cooperation. Both were among the strongest supporters of EU enlargement to the Baltic states and included the Northern Dimension Initiative in their EU Presidency plans. It is therefore particularly interesting to note differences in this area and to observe their significance.

As with the previous case study, economic factors cannot fully explain the differences in their approaches. For instance, both countries had economic interests in the Baltic states, and the economic costs and benefits of EU enlargement to include the three countries were similar. In addition, the NDI had positive implications for both Finland and Sweden. Indeed, particularly from an economic sense, there was nothing for either country to lose by supporting and furthering the development of the NDI. Andrew Moravcsik's (1998) liberal intergovernmentalist approach therefore fails to explain the divergences between Finnish and Swedish policies in this area. Although economic interest is a crucial component of his explanation of member states' policy formulation, there are no indications that this was at play in this instance. His approach does not leave much space for HICI, which again were vital in explaining the differences between the Finnish and Swedish approaches.

Furthermore, economic factors are not completely excluded from the current model. As was discussed in chapter two, countries' economic historical experiences and economic institutions are considered to be part of their overall historical experiences and institutions, which may in turn shape national identity and culture and thereby affect policy formation. Thus, the argument here is not that economic interests have no role in explaining Finnish and Swedish approaches in this policy area. Rather, the argument is that they alone are not the primary explanatory factors and that it is instead the HICI factors that must be considered in order to understand Finnish and Swedish policy formulation.

Similarly, a sectoral analysis is also incapable of explaining differences between the two countries in this area. Indeed, Christine Ingebritsen (1998), who argues in support of such an approach, views Finland and Sweden as practically identical. However, she does argue that a sectoral analysis is not as relevant when security concerns dominate, and one might think that security concerns would dictate in this area. Yet, the Finnish deviation from the common Nordic plan to support the commencement of EU accession negotiations for the three Baltic republics at the same time demonstrated their willingness to alter their pre-existing position, even when security concerns were involved. The Finnish Council of State (1997)

clearly indicated that beginning negotiations with all three states together was perceived as important for Finnish security. The security concerns for Finland would be at least as strong as for Sweden, so certainly the difference between them cannot be explained by security concerns alone. Thus, once again, the arguments of Moravcsik (1998) and Ingebritsen (1998) are not able to explain the differences between the formulation of Finnish and Swedish policies in this area.

Even the one instance discussed in this chapter that might seem to present an argument for the primacy of economic interests, Finland's decision to join with Commission in supporting only Estonia of the three Baltic states for the fast-track to membership in 1997, is not convincing. Although Finns clearly had stronger economic interests in Estonia than in Latvia and Lithuania, their decision to agree with the Commission was based more on a pragmatic decision not to pursue an objective that was unlikely to succeed than on an economic one to support the country where Finland had the strongest economic ties. The argument of the Finnish Foreign Affairs Committee (Utrikesutskottet 1997: 3) that it was important that at least one of the three Baltic states be included in the first group is indicative of this Finnish pragmatism and belief that it was better to ensure that at least one Baltic state would be fast-tracked rather than risking that none of them would be. Such a position is also in keeping with Finland's general desire to be regarded as a mainstream EU member and to change its pre-existing positions to fall into line with those of EU colleagues.

Thus, rather than demonstrating the primacy of economic interests, the decision on whether or not to fast-track Latvia and Lithuania in 1997 demonstrates the importance of HICI factors. As in other areas, Finnish policy-makers were more concerned than Swedish policy-makers with following the EU mainstream. Here again, a weaker Finnish national self-confidence and less certain Western European identity, which were results of differing historical experiences, led to a greater Finnish concern with pleasing their EU colleagues. Sweden, on the other hand, continued to maintain its stand that enlargement negotiations should begin with all three Baltic countries at the same time. The Swedish approach was particularly striking in that Sweden openly criticised the Commission's analyses of Latvia and Lithuania (giving political as well as economic reasons), a clear

demonstration of the self-confidence of the Swedes and their willingness to deviate from the EU mainstream that goes beyond a purely economic motivation.

The Finnish desire not to antagonise EU colleagues was also demonstrated by the Finns' work with the EU on the NDI since before the initiative's presentation. This again demonstrates Finland's desire to be seen as a good partner as well as Finnish pragmatism in not pursuing an initiative with no future or one that was likely to antagonise EU colleagues. Swedes, on the other hand, were more willing to risk opposing the EU and to maintain pre-existing positions.

The fact that Sweden was initially reluctant to demonstrate support for the NDI reinforces the argument for a Swedish desire to play a leading role whenever possible. Swedes displayed greater national self-confidence in terms of both EU enlargement and the NDI and prioritised arenas such as the CBSS where Sweden already had a leading role. The difference between this and the Finnish approach is a logical consequence of Sweden's historical experiences as a great power and a model welfare state. Furthermore, here again the Swedish desire to consider public opinion can be seen, as these issues of regional cooperation were ones that were supported by the public. The Finnish hierarchical decision-making culture, itself shaped by Finnish history and institutions, was also visible again, as, for instance, Finland altered its position on enlargement.

Therefore, this case study provides additional support for the importance of HICI. Existing theoretical approaches, such as those of Moravcsik (1998) and Ingebritsen (1998), on the other hand, are not able to explain the differences between the Finnish and Swedish cases. Furthermore, there are signs of adaptation in this policy area. Finland clearly adapted to the EU by changing its position on EU enlargement to Latvia and Lithuania. In terms of the NDI, there were also signs of adaptation, as Finland tried to "customise" its initiative to fit EU needs and please EU colleagues. Sweden also adapted, notably by becoming more positive to the NDI than it was initially. Yet, the Finnish adaptation was again more along the lines of conforming to a regime. The Swedes adapted when it suited their needs with less regard for the reactions of their EU colleagues than was the case with the Finns.

Chapter Six: Access to Documents

Of the three case studies, this third and final one is where one might expect to find the greatest similarities between Finland and Sweden. The focus of this chapter is on access to documents, although the related issue of transparency in the decision-making process is also touched upon. The terms "openness" and "transparency" are used largely interchangeably here, as they are in much of the literature and even official documents, although Tony Bunyan (1999) distinguishes between the two terms. He argues that openness "describes the citizen's right of access to documents," whereas transparency is "used, in the EU [European Union] context, to mean the 'transparency' of the decision-making process -- that it should be clear who makes decisions, when, and where" (Bunyan 1999: xi).

Two Similar Approaches

From a historical perspective, both Finland and Sweden had traditions of openness, which developed long before they joined the EU. In particular, the publicity principle, *julkisuusperiaate* in Finnish or *offentlighetsprincipen* in Swedish, guaranteeing public access to official documents, has a long history in both countries. This tradition dates back at least to 1766, when the *Freedom of the Press Act* (*Tryckfrihetsförordning*) was passed in Sweden, which at the time (as has been discussed in chapter three) included Finland as well. Emily von Sydow (1999: 147), however, argues that the policy of openness "has its roots in Martin Luther's translation of the Bible from the elite's Latin to the general public's mother tongue."[74]

Although Finland left the Swedish realm to become part of the Russian empire in 1809 (as noted in chapter three), Sweden changed as much if not more than Finland. There were alterations in the area of openness and the related area of freedom of the press in both countries in the nineteenth century. In Sweden, according to David Kirby (1995: 83), "The freedom of the press enshrined in the

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[74] Translation of: *"har sina rötter i Martin Luthers bibelöversättning från elitens latin till allmogens modersmål."*

Swedish constitution was curbed in 1812, an unconstitutional measure which the estates nonetheless accepted for fear that Bernadotte might quit the country if his wish were not obeyed." In Finland, newspapers were suppressed, including J. V. Snellman's Swedish-language paper *Saima* in 1846 and the Finnish-language *Kanava* in 1847 (Kirby 1995: 113). The situation did, however, improve somewhat after a December 1904 decree "relaxed the censorship throughout the [Russian] empire," including Finland (Kirby 1995: 227).

Despite these constraints and the separation of Finland from Sweden in 1809, openness remained an important legal and political tradition in both countries. During the time that Finland was a Grand Duchy in the Russian empire, Snellman wrote in 1862, "If our country shall have a parliament, then it *must* have the freedom of the press" (Cited in Manninen 1991: 81, emphasis in original). After declaring its independence, Finland re-enacted its *Freedom of the Press Act* (*Painovapauslaki*) (1/1919). As Sami Manninen (1991: 82) explains, "The Freedom of the Press Act was confirmed on January 4, 1919, by the regent of the independent Finland, a nation that had seceded from the stage body of Russia. The new Parliament that had convened after elections held during the same spring enacted the *Constitution Act* [*Suomen Hallitusmuoto*] (94/1919). In this act, a chapter on civil rights corresponding to the Basic Law on Civil Liberties included a provision guaranteeing the *freedom of speech and of the press* to the citizens (CA, Art. 10)" (emphasis in original).

Both countries made changes to their legislation on openness in the second half of the twentieth century. On 9 February 1951, Finland issued a new law, the *Act on Access to Documents in the Public Authorities* (*Laki yleisen asiakirjain julkisuudesta*) (83/1951). On 9 April 1998 the Finnish government submitted bill HE 30/1998 (*Bill for a New Act on Open Government and for Certain Related Legislation*, or *Laiksi viranomaisten toiminnan julkisuudesta ja siihen liittyviksi laeiksi*) to the *Eduskunta* regarding new legislation on openness. The new legislation, known as the *Finnish Act on Openness of Government* (*Laki viranomaisten toiminnan julkisuudesta*), Law 621/99, stemmed from the 1995 "basic rights" reform of the Finnish Constitution, which made public access to documents a basic right (Wallin 1999: 2). According to Anna-Riitta Wallin of the

Finnish Ministry of Justice (*Oikeusministeriö*), (1999: 2), "The general objectives of the bill are to enhance, intensify and expand the realisation of the principle of openness in the activities of the authorities, to increase the transparency of preparatory works, to promote access and good practice in information management, to clarify the delimitation of secret documents, and to lay down a framework for a uniform regulation of inter-authority transfers of information."

The Swedish legislation on openness was updated as part of the constitutional revisions that took place in 1975. New legislation was then introduced in connection with Sweden's entry into the European Union. According to Statskontoret (2000: 9), "As an expression of the parliament's and the government's desire for the greatest possible openness to be applied when Sweden became a member [of the EU] the recommendations on foreign policy secrecy in the secrecy legislation were changed. With that change a clear right to damages was introduced, which meant a presumption of openness."[75] These changes were included in the government's 1994 bill that focused on legislation relating to secrecy (Regeringen 1994), although the earlier bill relating to broader constitutional changes also touched upon issues relating to the *Freedom of the Press Act* (Regeringen 1993).

In both Finland and Sweden the provisions for openness between 1995 and 2000 ensured public access to documents held by governmental ministries. This included documents sent to ministries, as well as those created by them. For instance, much to the dismay and shock of then Commission President Jacques Santer, a critical letter that he had written to Swedish Prime Minister Göran Persson was made available to the public under the Swedish *offentlighetsprincip* (cf. Göteborgs-Posten 1999). Furthermore, the term "documents" was defined broadly and included not only printed papers but also records in audio or other forms. Moreover, as was noted above in reference to Finland, access to information was considered to be a basic right; this was the case in Sweden as

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[75] Translation of: "*Som ett uttryck för riksdagens och regeringens vilja att största möjligen öppenhet skulle tillämpas när Sverige blev medlem ändrades föreskriften om utrikessekretess i sekretesslagen. Därmed infördes ett enhetlig rakt skaderekvisit vilket innebär en presumtion för offentlighet.*"

well as in Finland. Although this right of access was initially limited to Finnish citizens in Finland, it applied to foreigners as well after the passage of Law 739/1988; in Sweden, the principle of public access applied to foreigners as well as to Swedish citizens. In addition, both the Finnish and Swedish authorities maintained registers of all "documents" that they held which were accessible to the public. As might be expected, both countries also had legislation that provided for some documents (or even parts of documents) to be kept secret.[76]

In both countries openness was regarded as an integral part of the political process, deeply ingrained in their institutions and political cultures. In both Finland and Sweden openness was regarded as increasing democratic legitimacy. From the Finnish perspective, "Public access to information is seen . . . as a vehicle for improving the credibility of the authorities (the legitimacy function) and the community spirit of the people (the integration function)" (Wallin 1999: 1). The Swedish Commission on Administrative Policy (*Förvaltningspolitiska kommissionen*) argues that the Swedish *offentlighetsprincip* is "a cornerstone of Swedish democracy" and "an important aspect of public administration" (Förvaltningspolitiska kommissionen 1997: 127).[77]

As the reforms instituted by both countries in the 1990s suggest, there was concern in both Finland and Sweden about the potential negative effect that EU membership could have on their national traditions regarding openness. According to von Sydow (1999: 136), "Early on the *offentlighetsprincip* became one of the most visible issues for the No to EU movement in Sweden and the other Nordic countries."[78] Among the ten most frequently asked questions that the Finnish public asked of the Finland Information on European Integration unit, a temporary unit established before Finland joined the EU, was: "Will the public right of access remain unchanged?" (Natri 1994: 45). Magnus Ekengren and Bengt

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[76] For more on Finnish and Swedish legislation on openness, see, for example, Althoff (1995), Bohlin (1996), Manninen (1991), Norström (1995), Öberg (2000), Olsson (1999), and Wallin (1999). The discussion of the national provisions on openness has been kept to a minimum here because of the political rather than legal nature of this thesis.

[77] Translation of: "*en hörnsten i den svenska demokratin*" and "*en viktig aspekt på förvaltningspolitiken.*"

[78] Translation of: "*Offentlighetsprincipen blev tidigt en av paradfrågorna för Nej till EU-rörelsen i Sverige och övriga Norden.*"

Sundelius (1998: 140) assert that "public openness" was among the "areas of particular concern" during the debate on EU membership in Sweden.

The Finnish and Swedish legislation on openness between 1995 and 2000 differed in many ways from that of the other EU member states as well as the EU itself. According to EU Ombudsman Jacob Söderman (a Finn who championed openness in the EU), "In Europe, a strong tradition of open government exists in the Netherlands and the Nordic countries, while Ireland recently enacted a law on freedom of information" (Söderman 2000). Although some other member states, notably Denmark and the Netherlands, where openness was also constitutionally assured, had similarly stringent legislation safeguarding openness, most EU states had considerably weaker provisions (Norström 1995: 166).

Despite the existence of openness legislation in other member states, there were significant differences not in only terms of legislation but also in terms of mindset between most of the other member states and Finland and Sweden. Then Finnish Minister for Justice (*oikeusministeri*) Kari Häkämies explained the differences between the Finns and their central European colleagues: "For us public access to documents is a legal question, in central Europe it is a political issue. There a civil servant can determine that a document is secret, if it is seen to be politically appropriate. For us it is for the law to determine what is public, non-public, or secret. I do not think that the Union's culture will change terribly before things are clarified in legislation" (Cited in Metsälampi 1997).[79] Similarly, Helena Jäderblom of the Swedish Ministry of Justice (*Justitiedepartementet*) argues that in Sweden (as in Finland) openness is supported across party lines and is non-political in nature.[80]

The degree of openness found in Finland and Sweden, in theory as well as in practice, went beyond what could possibly be expected in most of the other EU

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[79] Translation of: "*Meille asiakirjojen julkisuus on juridinen kysymys, Keski-Euroopassa se on poliittinen asia. Siellä toimielin voi määrätä asiakirjojen salaiseksi, jos näkee sen poliittisesti tarkoituksenmukaiseksi. Meillä on laissa määrätty, mikä on julkista, ei-julkista tai salaista. En usko, että unionin kulttuuri kauheasti muuttuu, ennen kuin asiasta on selkeät säädökset.*"
[80] Interview with Helena Jäderblom on 26 August 1999.

member states.[81] According to Ulf Öberg (2000: 195-196), "The British-Continental public administration principle means that all information in the governmental sector's possession is secret, as long as it is not explicitly made public."[82] Non-Nordic EU members tended to differ from Finland and Sweden not only in terms of their current provisions for access to documents but also in their historical traditions and political cultures. In Germany, for instance, despite changes towards increased openness in the late twentieth century, the tradition of public access to information was completely lacking (Pütter 2001).

The differences between the approaches to openness in the Nordic countries and in most of the other member states (with the Netherlands being the notable exception) meant that the EU was regarded as open by some observers and as less so by Nordic ones. Swedish journalist Ewa Hedlund described the situation in the EU as "a closed leakage policy" (Cited in EU 96-kommittén 1995: 12).[83] According to Hedlund, "There is leakage from EU institutions to journalists, but the leakage is often selective," meaning that those with a vested interest in leaking information could decide to whom (i.e. to which journalists) they wished to give their information (Cited in EU 96-kommittén 1995: 12-13).[84] The dissemination of information in this manner differed from the comprehensive access guaranteed in Finland and Sweden. Furthermore, EU officials from certain countries were more likely to leak information than were those from other member states. For instance, after the European Council meeting in Mallorca in September 1995, only three heads of government (those from Finland, Sweden, and Denmark) spoke to journalists after the first day's deliberations (EU 96-kommittén 1995: 12).

Within the EU itself there was, on the whole, less openness, and the openness that existed was of a different type than that found in Finland and Sweden. The Council of Ministers was particularly lacking in openness from a Finnish and Swedish perspective. Unlike the Commission, where openness was largely a

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[81] Even as a researcher, this openness was observed since both Finnish and Swedish ministries provided this researcher with relevant documents, including when she did not know the details or even the existence of the documents in question.

[82] Translation of: *"Denna brittisk-kontinentala förvaltningsprincip innebär att alla uppgifter i offentlig ägo är hemliga såvida de inte uttryckligen offentliggjorts."*

[83] Translation of: *"en sluten läckagepolitik."*

[84] Translation of: *"Det läcker från EU-organen till journalister, men läckagen är ofta selektiva."*

matter of access to documents, the Council dealt more with negotiations, and opening up an ongoing process was more sensitive. In fact, the Finns and Swedes noticed this fact. For instance, Christian Leffler of Sweden's Permanent Representation suggested that Sweden should attempt to understand other member states' views on the issue of openness in the Council (EU 96-kommittén 1995: 12).

The Council had already taken steps in the direction of increased openness even before Finland and Sweden joined the EU. Particularly noteworthy was the 1993 Code of Conduct, based on Council Decision 93/731/EC, which was viewed by Finns and Swedes as an important move in the direction of increased openness, but not enough. Leffler asserts, "Even if its implementation from the Swedish perspective is not good enough it is still an important step" (Cited in EU 96-kommittén 1995: 12).[85]

The EU institution that was the most open was the European Parliament. The Parliament held many press conferences and briefings, and committee meetings were open to invited guests. According to Hedlund, "It is so open that one sometimes becomes confused and unsure what is going on" (Cited in EU 96-kommittén 1995: 13).[86]

Despite the relatively weak provisions for openness in most member states, the attempt to increase openness in the EU began before Finland and Sweden joined the Union and was initially spearheaded by Denmark and the Netherlands. The 1993 Code of Conduct, which was mentioned earlier, was an example of the move towards increased openness that occurred before Finland and Sweden became EU members. These developments were thus begun prior to 1995, but continued and were strengthened by Finnish and Swedish accession to the EU. In a similar vein, Carsten Grønbech-Jensen (1998: 186) argues that "the 1995 accession of Sweden and Finland has reinforced an alternative tradition of public policy-making and

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[85] Translation of: "*Även om tillämpningen enligt svensk syn inte är tillräckligt bra är detta ändå ett viktigt steg.*"
[86] Translation of: "*Det är så öppet att man ibland blir förvirrad och osäker över vad som pågår.*"

administration, based on principles of transparency and openness, which challenges traditional Community policy styles."

Finland and Sweden both mounted strong attempts to increase openness in the EU, which began before the two countries formally joined the Union. Finland and Sweden (as well as Norway) attached declarations concerning their commitment to public access to documents to their EU Accession Treaty. Both the Finnish and Swedish declarations included very similar statements in support of positive steps already underway in the EU. According to the Swedish declaration, "Sweden welcomes the development now taking place in the European Union towards greater openness and transparency" (Sweden 1994: 397). The Finnish declaration contained a similar statement: "The Republic of Finland welcomes the development taking place in the Union toward greater openness and transparency" (Finland 1994: 397).

The Finnish and Swedish declarations also contained statements recognising the importance of openness to their national traditions. The Swedish declaration stated, "Open government and, in particular, public access to official records as well as the constitutional protection afforded to those who give information to the media are and remain fundamental principles which form part of Sweden's constitutional, political and cultural heritage" (Sweden 1994: 397). According to the Finnish declaration, "In Finland, open government, including public access to official records, is a principle of fundamental legal and political importance" (Finland 1994: 397).

After becoming full EU members, both Finland and Sweden continued their efforts to increase openness in the EU. The first major concrete actions towards increased openness after Finland and Sweden joined the EU were taken during the 1996-1997 Intergovernmental Conference (IGC). Teija Tiilikainen (1998b: 36) argues that "increasing openness and transparency" was "among the key goals of the Nordic EU-members." Official documents from Finland and Sweden support her argument that they both prioritised openness as an important issue during the IGC. Already before the IGC, Finland and Sweden included openness as a

concern in their statements of priorities (The Cabinet Office 1995, Council of State 1996).

Both of the main Finnish parliamentary committees dealing with EU affairs, the Foreign Affairs Committee (*Ulkoasiainvaliokunta*) and the Grand Committee (*Suuri valiokunta*), supported the idea of cooperating with Sweden as well as Denmark during the IGC on issues of common interest, including "increasing transparency" (Foreign Affairs Committee 1996: 21). According to the Finnish Parliament's Foreign Affairs Committee (1996: 11), "The [Foreign Affairs] Committee requires that Finland's primary objective in the transparency issue should be to ensure the access of citizens to information and documents." Furthermore, the Committee argued, "When votes are taken in the Council [of Ministers], the votes of the Member States, as well as any explanations of votes or other declarations should be made public" (Foreign Affairs Committee 1996: 11). The *Eduskunta*'s Committee for Constitutional Law (*Perustuslakivaliokunta*) (1996: 27) was similarly positive, arguing, "The Committee [for Constitutional Law] strongly supports the recognition in the Treaties of the right of *access to information* and thus supports the Government's proposal to insert into the Treaties an article concerning public access to documents" (emphasis in original). Furthermore, the Committee for Constitutional Law (1996: 27) was "of the opinion that Finland should support making the Council's decision-making public at the stage of approving legislation."

In Finland and Sweden, governmental officials and MPs spoke about the importance of pushing for increased openness at the IGC. The then Swedish Minister of Justice (*justitieminister*), Laila Freivalds, explained at a conference (on the topic of public access to information) in Stockholm in 1996 that Sweden had suggested that the IGC should consider the issue of public access to official information (Freivalds 1996). The then Swedish EU Minister Mats Hellström (1995: 81) stressed the Swedish desire to increase openness and transparency in the EU and Swedish plans to "launch an initiative [at the IGC] to implement at the European level the principles of openness and public access that it has long practised on a national level." Finn Eikka Kosonen, head of the Secretariat for EU Affairs, spoke at a conference in Athens in April 1996 about Finland's "long-

standing, deep-rooted tradition of openness and transparency" and said that it "should not be a surprise if this tradition would be reflected in the Finnish position in the union as well" (Kosonen 1996).

An analysis of the Finnish and Swedish proposals to the IGC for an EU-level publicity principle demonstrates significant similarities between the two. Both countries submitted proposals for a new Article 192a, which was eventually included in the Treaty of Amsterdam as Article 255. Both supported increased openness in the EU institutions, and both agreed that EU institutions (at a minimum the Council of Ministers) would have a role in determining the procedures for access to documents (Finland 1996, Sweden 1996).

Despite their success in increasing openness, as demonstrated by the inclusion of Article 255 in the Treaty of Amsterdam, there was a cost in the form of a declaration that was attached to the Treaty that served as a restraint on openness. Finnish MEP Heidi Hautala (herself an active supporter of openness, as discussed below) views this declaration, which was pushed through primarily by France, as the price that Finland, Sweden, and other supporters of increased openness had to pay for Article 255.[87]

Finns and Swedes were also involved in EU-level court cases relating to access to documents. A case relating to openness actually reached the EU level before Finland and Sweden joined the EU. The first case to achieve particular attention was one brought by the British newspaper *The Guardian* and its journalist John Carvel (case T-194/94). This was followed by additional cases relating to access to documents, of which two are of particular interest because of their high profile as well as because they were brought by Finnish or Swedish parties. The *Journalisten* case (T-174/95) was brought by the Swedish newspaper of the same name, published by the Swedish Union of Journalists. The other case (T-14/98) was one brought by Hautala. Although Finland was not active in the first case, in the Hautala case, Finns as well as Swedes lodged their formal support for the

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[87] Interview with Heidi Hautala on 30 June 2001.

Finnish MEP in June 1998. Thus, the governments of both countries took action in at least one of these cases to fight for increased openness within the EU.

Despite many positive developments towards increased openness in the EU, potential setbacks came in the late 1990s and 2000. According to Söderman (2000), "[T]hings began to go wrong . . . in 1997, following the Amsterdam Treaty." A particular threat to increasing openness in the EU in line with Nordic traditions came with the appointment of NATO's former Secretary-General Javier Solana as the EU's Secretary-General and High Representative for five years from 13 September 1999. In fact, Söderman said that Solana's appointment had been "a mistake" (Cited in James 2000).

Especially worrying to the Finns and Swedes was Solana's proposal for restricting access to documents, which was viewed by Finns and Swedes as contradicting Article 255 of the Amsterdam Treaty. Although Article 255 was meant to increase openness, his proposal would actually have led to increased secrecy in the EU, in fact, a norm of secrecy in the area of foreign policy, and was opposed by only four member states (Finland and Sweden as well as Denmark and the Netherlands). According to Statewatch News Online (2000b), "When the proposal was suddenly introduced at the Council's Working Party on Information (comprised of the press officers from the EU's member states permanent offices in Brussels), it is reported that the Swedish and Finnish representatives stormed out of the meeting and a spokesperson for the Netherlands said it was a 'coup by the military.'" Hautala argued that Solana's proposal was "NATO introducing its culture of secrecy by the back door" (Statewatch News Online 2000b). The Decision of 14 August 2000 (10702/00) was a particular setback for the Finns because it amended the "Council Decision on the improvement of information on the Council's legislative activities and the public register of documents" of 19 December 1999. As Statewatch News Online (2000a) points out, "This Decision was one of the distinctive measures adopted under the Finnish Presidency of the EU" (cf. James 2000). At the end of 2000, this crisis, known as the "Solana Decision" or even the "Solana coup," and the related process of formulating the new procedures on openness provided for in the Treaty of Amsterdam were not fully resolved.

There is therefore strong evidence of similarities between Finnish and Swedish policies regarding public access to documents within the EU. Both countries had strong traditions of openness that existed long before they joined the EU. Both attached declarations concerning their traditions of open government to their accession treaties, and both submitted proposals for an Article 192a relating to access to documents to be included in the Treaty of Amsterdam. Both were otherwise active within the EU to increase openness, including supporting Hautala's court case regarding access to documents.

Two Different Approaches

Although the principle of public access to documents in both Finland and Sweden has its roots in the 1766 *Freedom of the Press Act*, the paths of Finland and Sweden regarding public access to official documents began to diverge when the countries themselves went their own separate ways in 1809. Although there were changes in both countries during the nineteenth century, the Swedish traditions continued with less interruption than was the case in Finland. The Swedish legislation was also, until the late twentieth century, even stronger than was the case in Finland. For instance, there was no Finnish equivalent to *meddelarfrihet*, which essentially entailed legally sanctioned whistle-blowing (Norström 1995). In addition, the application of openness legislation to foreigners came later in Finland than it did in Sweden.

Furthermore, despite the existence of strong traditions of openness in Finland as well as Sweden, Sweden received greater international recognition for its openness than did Finland. Even the European Union took notice of Sweden's openness in a comparative survey on public access to information, whereas Finland was not mentioned: "Outside the Community, statutes granting access to information in the United States, Canada, Norway, and Sweden have been studied. In the case of the latter country, a right of access to information has been established for over two hundred years" (European Union 1993: 8).

Although access to documents was a concern for Finns and Swedes when they applied for EU membership, there were differences in the way and degree to which openness featured in the national debates in the EU. In Sweden, openness had a prominent position in the debate, with those supporting Swedish EU membership arguing that by joining the EU Swedes would be able to increase openness at the EU level and export their own traditions to the EU. Those against Swedish EU membership argued that it would constrain and threaten Sweden's cherished traditions of openness. Interestingly, however, Ekengren and Sundelius (1998: 141) argue that "the handling of confidential EU documents has not been considered problematic by the Swedish civil servants, as was feared before membership."

As discussed previously, Finland and Sweden both attached declarations on openness to their EU Accession Treaty. Although the similarities between the two declarations were shown in the previous section, there were also differences. Significantly, the Swedish declaration contained the following sentence: "Sweden confirms its introductory statement of 1 February 1993" (Sweden 1994: 397). The statement of 1 February 1993 stressed the importance of openness for Sweden and that the Swedish provisions for openness would continue to apply in Sweden even after EU membership. It also included a Swedish offer to share Swedish traditions with the EU (Norström 1995: 91, which cites the Swedish text of the 1993 statement). In contrast, the Finnish declaration stated, "The Republic of Finland will continue to apply the principle in accordance with the rights and obligations as a member of the European Union" (Finland 1994: 397).

The EU's response (or lack thereof) to the two declarations demonstrates the differences between the declarations themselves as well as the way in which Finland and Sweden were perceived by their future EU colleagues. The EU gave the following response to the Swedish declaration: "The present Member States of the European Union take note of the unilateral Declaration of Sweden concerning openness and transparency. They take it for granted that, as a member of the European Union, Sweden will fully comply with Community law in this respect" (European Union 1994: 397). Finland, however, received no such response (nor did Norway).

Furthermore, the EU's response demonstrates the differing views held by Sweden and the collective position of the then EU-12 on the issue of openness. It also shows the outspokenness and self-confidence of the Swedes. Deirdre Curtin and Herman Meijers (1995: 394-395) argue that "the contradictory declarations made by Sweden and the European Union Member States annexed to the Accession Treaty graphically illustrate" that "the issue of openness and transparency in the decision-making process within the European organs concerned, considered essential by a large part of its citizens, is a time-bomb slowly ticking away."

The difference between the Swedish and Finnish (as well as Norwegian) approaches is clear. As von Sydow (1999: 140) astutely points out, "Norway and Finland had softened their declarations by stating that they would continue to enforce their openness rules 'in accordance with their rights and responsibilities as a member of the European Union.' That was the polite bowing to the court in Luxembourg that the twelve wanted to have in order not to feel challenged to counterattack."[88] Björn Månsson, a journalist for Finland's main Swedish-language daily newspaper *Hufvudstadsbladet* also saw a difference between the Finnish and Swedish approaches in their differing declarations. According to Månsson (2000), "While Sweden formulated its declaration so arrogantly that the EU felt that it must make a so-called response [literally anti-declaration] that made it clear that Sweden could not single-handedly dictate the rules, Finland's (and Norway's) were formulated so that they did not inspire any negative response."[89] In a similar vein, Swedish researcher Johan Althoff (1995: 66-67) argues, "The [EU's] response [literally anti-declaration] puts the Swedish declaration in a telling light. It cannot reasonably be interpreted in any other way than that the EU behaved rather coldly to the official Swedish carelessness."[90]

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[88] Translation of: "*Norge och Finland hade mjukat upp sina förklaringar med att de skulle fortsätta att tillämpa sina offentlighetsprinciper 'i överensstämmelse med sina rättigheter och skyldigheter som medlem i Europeiska Unionen.' Detta var den snygga bugning åt domstolen i Luxemburg som de tolv ville ha för att inte känna sig manade att gå till motattack.*"

[89] Translation of: "*Medan Sverige formulerade sin deklaration så fränt att EU ansåg sig tvunget att göra en s.k. motdeklaration som klargjorde att Sverige inte ensidig kan diktera spelreglerna, formulerades Finlands (och Norges) så att den inte väckte någon motreaktion.*"

[90] Translation of: "*Motdeklarationen ställer den svenska deklarationen i avslöjande belysning. Den kan inte rimligen tolkas på annat sätt än att EU förhåller sig tämligen kallsinnig till den officiella svenska bekymmerslösheten.*"

Perhaps less significant but also worthy of note is that, while the Swedish declaration made note of the importance of "the constitutional protection afforded to those who give information to the media" (known as *meddelarfrihet* in Swedish), the Finnish declaration did not. *Meddelarfrihet* was also mentioned in Sweden's 1993 statement, which had no Finnish equivalent. This subtle nuance demonstrates another example of Swedes pushing the issue even further than their Finnish colleagues.

Although, as EU members, both Finland and Sweden saw difficulties with EU traditions regarding public access to information, here, too, there were significant nuances that set the two countries apart. A difference between the Finnish and Swedish perspectives on openness was the way in which they regarded the possibility of a trade-off between openness and efficiently. The Swedish view was that such a trade-off, regarded by many in other EU countries as a powerful argument against increasing openness, was not a necessity. According to Hellström, the argument that there is such a trade-off is one that "on the surface is seductive, but which, according to me, has very little in it. Why should efficiency increase and decisions become better the *fewer* individuals who take part in the basis of the decision?" (Cited in EU 96-kommittén 1995: 17, emphasis in original).[91] Although Finns also realised the importance of the increased legitimacy that would follow from openness, their approach to the potential danger that increasing openness in the EU would lead to decreased efficiency was different from that of the Swedes.

Despite efforts by both Finland and Sweden to increase openness in the EU during the 1996-1997 IGC, there were also differences between their approaches here. Already before the IGC began there were at least subtle differences between the Finnish and Swedish strategies, as reflected, for instance, in their official documents. According to the *Eduskunta*'s Foreign Affairs Committee (1996: 11), in a discussion regarding the issue of transparency, "The necessary trust must be established among the Member States, in order that the doubts and difficulties in

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[91] Translation of: *"på ytan är bestickande, men som enligt mig har mycket lite för sig. Varför skulle effektiviteten öka och besluten bli bättre ju färre individer som tar del av underlaget till beslutet?"*

the way of success can be overcome." Thus, although the Finns' goal was to increase openness in the EU during the IGC, they also emphasised the importance of "trust . . . among the Member States," suggesting a Finnish desire not to alienate their colleagues.

Discussing the behaviour of Finnish and Swedish policy-makers during the IGC, von Sydow (1999: 46) argues, "The Finns were constantly worried about being side-stepped and that the discussions would be driven outside the current rooms, which was one of the reasons why they wanted to hasten slowly with openness. Too much openness forces discrete discussions in locked rooms where we newcomers do not have entrance, reasoned the government, eagerly cheered by Antti Satuli, ambassador and leader of the Finnish delegation in Brussels."[92] Such a view is supported by the comments of Kosonen, who in 1996 stressed the importance of openness for Finland. He noted that Finns were "not, however, blind to possible negative repercussions of procedures, which would not allow confidential and open debates in the decision-shaping and making. While favouring openness to the largest possible extent we would like to ensure that the real debates take place between all member states in the common fora and not in smaller groups outside these fora" (Kosonen 1996).

The texts of the Finnish and Swedish suggestions for a new publicity principle for the EU also demonstrate differences between the two countries. Although both of their proposals for an Article 192a stress the importance of public access to documents from the EU institutions, there are differences between them. An analysis of versions of the two articles dating from roughly the same time (during the second half of 1996) demonstrates the differences. The proposed Finnish article reads as follows:

"1. Every citizen of the Union and every natural or legal person residing or having its registered office in a Member State, shall have a right of access to documents

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[92] Translation of: *"Finländarna oroade sig ständigt för att bli sidsteppade och för att diskussionerna skulle föras utanför de gängse rummen, vilken var en av anledningarna till att de ville skynda långsamt med öppenheten. För mycket öppenhet tvingar fram diskreta diskussioner i låsta rum dit vi nykomlingar inte har tillträde resonerade regeringen, ivrigt påhejad av Antti Satuli, ambassadör och ledare för den finska delegationen i Bryssel."*

held by the institutions. The right of access to documents may be restricted only on the grounds of essential private or public interests.

2. The Council, acting in accordance with the procedure referred to in Article 189 b, shall adopt the necessary regulations on the implementation of the right provided for in paragraph 1 and on the general conditions and restrictions relating to public access to documents held by the institutions" (Finland 1996).

The proposed Swedish Article 192a reads as follows:

"1. Any natural or legal person shall have a right of access to documents held by Community institutions in conformity with the principles and within the limits determined by the Council pursuant to Article 192b. The right of access applies to internal working documents only if they have been handed out by the institution concerned. Implementing measuring shall be determined by each institution under its own Rules of Procedure.

2. A document is held by an institution if it is in its possession, irrespective of who is the author of the document, provided it concerns a subject matter which falls within the competence of the institution" (Sweden 1996).

There are several differences between the Finnish and Swedish proposals. Whereas the Swedish article applies to "[a]ny natural or legal person," the Finnish article is restricted to EU citizens as well as natural or legal persons residing in the EU, thus excluding those who are neither EU citizens nor residents. Furthermore, the second section of the Swedish Article 192a, which states that the all documents held by an institution should be included in the legislation regardless of its author, has no equivalent in the Finnish article. In addition, Sweden also presented an Article 192b, which states that the Council "[i]n accordance with the procedure referred to in Article 189b . . . shall decide on . . . procedural rules for granting access to documents, limitations of the right of access to documents, rules obliging the institutions to register documents and to keep public registers, [and] rules obliging the institutions to file documents" (Sweden 1996). According to the second paragraph of Sweden's Article 192b, "The Council shall decide on

limitations in accordance with the previous paragraph when this is necessary in order to satisfy interests that may be considered more important than the public right of access to documents" (Sweden 1996). Although in some ways similar to the second paragraph of Finland's Article 192a, the Swedish Article 192b is more detailed and discusses the institutions' obligations regarding openness, which are not covered in the Finnish article. Furthermore, the Swedish Article 192c, which (like Sweden's Article 192b) was without a direct Finnish equivalent, sets out provisions for the Commission, the Council, the European Parliament, and the European Court of Justice to adopt measures that would empower the Court of Justice in the area of access to documents (Sweden 1996). Although the distinctions between the Finnish and Swedish proposals may seem small, they nevertheless demonstrate that the two countries did not fully coordinate their actions. Furthermore, these differences suggest that the Swedes pushed for even more guarantees of openness than did the Finns.

As with the IGC proposals, the Finnish and Swedish involvement in the *Journalisten* and Hautala court cases demonstrates differences as well as similarities. This difference is perhaps most obvious in the *Journalisten* case, the earliest of the two. In that case, the Swedish government gave its support to *Journalisten*, whereas the Finnish government did not. *Journalisten*, the Swedish Union of Journalists' paper, requested twenty documents relating to Europol (the European agency for police cooperation) both from the EU and from Sweden. Although in some instances parts of the documents were blacked out, the Swedish authorities provided *Journalisten* with at least partial copies of eighteen of the twenty documents.[93] The EU's Council of Ministers, on the other hand, acted in accordance with its 1993 Code of Conduct (based on Council Decision 93/731/EC) and released only two of the twenty documents. *Journalisten* then protested to the General Secretary of the Council and received two additional documents. Although *Journalisten* had already received the majority of the requested documents from Sweden, they decided to bring their case to the

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[93] These documents were, at least as recently as 19 March 2002, listed by *Grävande Journalister* on their homepage at http://www.jmk.su.se/dig/jour-vs-eu/euedoclist.html. See also http://www.jmk.su.se/dig/jour-vs-eu/euindex.html on the same site for more information and documentation relating to the case, which was still available on 19 March 2002.

European Court of Justice's Court of First Instance in September 1995.

The fact that information about and documents from the case (including the Council of Ministers' secret Statement of Defence) were made public (on the Internet) contributed to the difficulties of this case. Many interested parties, including those from outside Sweden, gained access to the documents from *Journalisten*'s own homepage and then (after the documents were removed from the *Journalisten* site) from *Grävande Journalister*'s website. The Council of Ministers, as might be expected, reacted negatively to the publishing of its secret Statement of Defence on the Internet. The Council thus sent a letter to the European Court of Justice in which it asserted that *Journalisten*'s participation in publishing the Court proceedings on the Internet was in violation of the established rules of proceeding. In reaction, the Court, without making a decision on the case, called for a cessation of all proceedings in the case until further notice.[94] Later, despite the Court's ruling in *Journalisten*'s favour, the paper was only reimbursed for two-thirds of its legal fees because of its inappropriate publication of information surrounding the case.

The Swedish government intervened in the case to support *Journalisten* by lodging an application at the Registry of the Court of First Instance on 5 February 1996 on behalf of the Swedish paper. Denmark and the Netherlands also offered formal support, but Finland did not. According to Hautala, the *Journalisten* case provided the first opportunity for Finland to intervene in the EU on the question of transparency, but Finland decided not to do so. The exact reasons for the Finnish decision are not certain; an official from the Ministry for Foreign Affairs (*Ulkoasiainministeriö*) claimed that it was because the decision came during the summer holidays, whereas one from Finland's Permanent Representation argued that he feared potential negative repercussions for Finnish openness if *Journalisten* then lost their case.[95] Regardless of the stated reasons, it seems certain that the decision reflected an initial Finnish cautiousness. The Swedish

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[94] For an explanation of the Court's reaction and the withdrawal of documentation from *Journalisten*'s homepage see http://www.jmk.su.se/dig/jour-vs-eu/euewithdrawfacts.html (Accessed as recently as 19 March 2002).
[95] Interview with Hautala on 30 June 2001.

support for *Journalisten* despite the publication of the secret material on the Internet as well as the involvement of the Swedish Ministry of Justice in releasing most of the documents requested by *Journalisten* demonstrates the defiance of the Swedes, including even government officials, in contradicting the EU.

The second case was the one brought by Hautala against the Council of Ministers. The story of the case can be traced to 14 November 1996, when Hautala asked the Council for clarification of the eight criteria for EU arms exports, which the European Council had defined in 1991-1992. Hautala was concerned with why member states exported weapons to countries that committed human rights violations. In its reply to Hautala, the Council referred to a document from COARM (the Council's Working Group on Conventional Arms Export). Hautala then wrote to the Council on 17 June 1997 to ask for a copy of the document, but was denied access on 25 July and 4 November 1997. On 13 January 1998, she lodged a formal complaint against the Council.[96]

The European Court of First Instance considered her case and ruled in July 1999 that the Council was wrong not at least to research the possibility of releasing information to Hautala in part, even if the full document could not be disclosed. The Court ruled that the Council should consider the public's interest in the material at the same time that it considered the potential damage its disclosure could cause and decide which concern was more pressing. Significantly, when the Court issued its ruling, Finland, which was then holding the Presidency of the Council, did nothing to prevent the Council from appealing against the Court's ruling and instead allowed itself to be led by the Council's legal service. Hautala regards this as an example of Finnish desire to follow the EU mainstream and notes that Swedish diplomats were "very disappointed" because they wanted to intervene on Hautala's behalf but were prevented from doing so by the Finnish Presidency.[97]

Despite the Court's ruling that the Council did not give sufficient consideration to Hautala's request, the Court did not stipulate that the document (or any part of it)

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[96] Interview with Hautala on 30 June 2001.
[97] Interview with Hautala on 30 June 2001.

should be released to Hautala. Instead the Court's ruling put the burden on the Council to reconsider Hautala's request and then decide whether or not it could release any part of the document to her; releasing the full document had already been ruled out as an option by Council in 1997. Månsson (1999) argues that, although she was pleased with the Court's decision, she was disappointed that the Court did not itself consider the document's contents and decide whether or not any of it could be disclosed to her. It should be noted, however, that Hautala had already obtained access to the secret document elsewhere and thus the case became a matter of principle rather than a genuine desire to gain access to the requested information.

Three member states intervened initially in Hautala's case. In June 1998, France sided with the Council of Ministers (although mainly as a passive supporter), while Finland and Sweden supported Hautala. Although both Finland and Sweden lodged their formal support at approximately the same time, Månsson (1999) argues that Sweden was the more active supporter, whereas Finland gave its official support only because it felt it was its duty to do so. Furthermore, Finland had voted against Hautala in the initial Council decisions, both in the working group and in the confirming vote in the Council, whereas Sweden voted in support of Hautala on both occasions. Hautala sees then foreign minister (*ulkoasiainministeri*) Tarja Halonen's declaration of support on her behalf as a "turning point" in the Finnish position from one of not supporting to supporting her.[98]

Furthermore, whereas the Finnish effort for increased openness was concentrated on the EU, the Swedes worked through multiple organisations to achieve their goal. Notable examples of Swedish efforts were found in the Council of Europe as well as the United Nations (UN). In the Council of Europe, Sweden's Helena Jäderblom chaired the ten-person Expert Group on Access to Official Information. The other nine members represented Norway (which took a particularly active role), Bulgaria, France, Germany, the Netherlands, Poland, Russia, Turkey, and the UK. Although Finland's Pekka Nurmi also attended meetings, he was there as

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[98] Interview with Hautala on 30 June 2001.

an observer representing the CDCJ, the Council of Europe's European Committee on Legal Co-operation.[99] In the UN, too, Sweden attempted to promote openness. In January 1997, Sweden joined the UN Security Council for a two-year term. According to an article in Swedish daily newspaper *Dagens Nyheter* on 2 January 1997, increased openness in the Security Council was a major Swedish goal. Moreover, the promise of increased democratisation within the prestigious but traditionally secretive Security Council was one of the reasons why Sweden was elected (by a wide margin) to its two- year term (Petersson 1997).

Furthermore, there were additional indications of differences in the levels of restraint shown by Finnish and Swedish policy-makers. Despite Finland's desire to increase rather than limit openness in the EU, there was also a Finnish view that it was important not to be too vocal, whereas Swedes were less inhibited about expressing their opinions. An example of this Finnish restraint can be found in the reactions to the "Solana Decision" discussed earlier. Both the newspaper *Helsingin Sanomat* and Satuli criticised Söderman for his open criticism of Solana (Månsson 2000).[100] Satuli argued that Söderman, himself a Finn, "did not keep to his role" when he criticised Solana's appointment (Cited in Månsson 2000).[101] Thus, according to Finland's EU ambassador, who can be regarded as representing the Finnish official position (in contrast to Söderman, whose legitimacy came from the EU rather than Finland), it was best not to be too vocal in criticising a high-profile representative of the EU. Whereas Finnish officials criticised Söderman for speaking openly, Swedes instead argued for the importance of debate on the topic of openness in Sweden and the EU. For instance, the Swedish Committee on Public Administration (*Förvaltningspolitiska kommissionen*) suggested that "education and debate within public administration on the *offentlighetsprincip* is of the greatest importance" (Förvaltningspolitiska kommissionen 1997: 128).[102]

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[99] Interview with Helena Jäderblom on 26 August 1999.

[100] Interestingly, Finland's main daily Swedish-language newspaper, *Hufvudstadsbladet*, was far more supportive of Söderman and of efforts to increase openness in the EU in general (cf. Månsson 2000).

[101] Translation of: "*inte höll sig till sin roll.*"

[102] Translation of: "*utbildning och debatt inom statsförvaltningen om offentlighetsprincipen är av största vikt.*"

In addition, although both Finland and Sweden promised to make access to documents a priority during their EU Presidencies, there were differences even here, including in the expectations that observers held for the upcoming Presidencies. Söderman, for instance, doubted the Finns' commitment to openness, arguing, "Everyone thinks that openness will move forward during Finland's Presidency. In the Finnish embassy, however, they spoke only about the Northern Dimension, which I do not really know what it is. They have not said anything about openness. I asked the ambassador about it. He looked perplexed" (Cited in Metsälampi 1999).[103]

There is thus strong evidence to support the conclusion that there were significant nuances that differentiated the Finnish and Swedish policies regarding access to documents in the EU. These differences were visible even before the two countries became EU members, with the declarations attached to their Accession Treaty demonstrating differing levels of concern with antagonising their future colleagues. Once inside the EU, their proposals to the 1996-1997 IGC demonstrated differences, not only in the actual text of the proposals but also in the behaviour of the policy-makers. Furthermore, other differences included the degree and nature of their intervention in court cases relating to access to documents from EU institutions. Although the *Journalisten* case demonstrated the greatest contrast (because the Swedish government played an active role, whereas the Finnish government was not involved), the Hautala case also showed differences in the two countries' approaches.

Analysis and Conclusion

Of the three policy areas examined in this thesis, openness was the one in which there were the most obvious similarities between Finland and Sweden up to and including their first six years as EU members. Their traditions relating to openness had their origin in the same Act dating from 1766, and their legislation regarding

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[103] Translation of: "*Kaikki uskovat, että avoimuus etenee Suomen puheenjohtajakaudella. Suomen lähetystössä he puhuivat kuitenkin vain pohjoisesta ulottuvuudesta, josta en oikein tiedä, mitä se on. Avoimuudesta eivät puhuneet mitään. Kysyin siitä suurlähettiläältä. Hän oli hämmästyneen näköinen.*"

public access to documents developed along similar lines. Not only were their institutions for handling openness similar, but openness had also become an integral part of both the Finnish and Swedish political cultures. Despite some differences in their legislation and traditions following the separation of Finland from Sweden in 1809, the similarities outweighed the differences. Furthermore, by 1995 openness had been firmly entrenched in the institutions and political cultures of both countries, and the two countries were essentially similar in terms of their backgrounds in this policy area.

Access to documents was also the policy area where historical experiences, institutions (including legislation), and political culture in Finland and Sweden were, despite some similarities with other EU member states (particularly Denmark and the Netherlands), most dissimilar to those found in other EU states as well as in the EU institutions. Although there had already been progress towards increased openness in the EU by the time that Finland and Sweden joined, there were still not the same provisions for or culture of openness as was found in Finland and Sweden. Openness was therefore a policy area where there was considerable room for adaptation on the part of the Finns and Swedes, and in this respect Finland and Sweden chose different paths at the same time that both worked for increased openness in the EU.

Even when Finland and Sweden were preparing to join the EU, there were noticeable differences between their approaches, as is demonstrated by their declarations on openness attached to the EU Accession Treaty. Already at this point, Finland showed signs of adapting to the EU, whereas the Swedes showed defiance. Despite historical, institutional, and cultural similarities between the two countries regarding openness, they behaved in significantly different manners. True, the two countries' declarations were very similar in many ways. Yet, the difference between them, as is demonstrated by the fact that Sweden's declaration elicited a response (and a cold one at that) from the EU whereas Finland's did not, is a significant one.

The 1996-1997 IGC also demonstrated significant differences between the Finnish and Swedish strategies despite the two countries' common desire to increase

openness in the EU. The Finns were more concerned about not offending their EU colleagues than were the Swedes, both in the run-up to and particularly during the 1996-1997 IGC. Although Finns did support increased public access to documents, representatives of the Finnish government, especially Satuli, were more concerned about offending their EU partners. The texts of the proposals themselves also differed, with the Swedes pushing for even more guarantees of openness and transparency than the Finns did.

Finnish journalists and even representatives of the government were critical of the Swedish approach; in a few cases they were even openly critical. According to Erkki Metsälampi (1996), "Sweden's proposal was based on the country's own very extensive legislation on public access to documents, without concern for the possibility of its success.[104] According to Häkämies, "Here is a little example of Sweden, as is typical for them, wanting to show that it is even more advanced than Finland. We have even looked at the issue from a pragmatic point of view." (Cited in Metsälämpi 1996)[105]

Observers also identified subtle but nonetheless significant differences in their behaviour during the IGC in regard to openness. For instance, von Sydow (1999: 49) explains the differences between the Finnish and Swedish approaches to openness at the 1996-1997 IGC in the following way: "One can possibly interpret the Finns' behaviour as a sober dose of cynicism. They had been involved before and negotiated in the deep with a great power while the Swedes behaved a little naively. The Finns were driven by harsh pragmatism, while Swedes fought on with naive idealism and enthusiasm for reform."[106]

The Finnish and Swedish approaches to the *Journalisten* and Hautala cases also demonstrate significant differences in their adaptation to the EU. The *Journalisten*

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[104] Translation of: "*Ruotsin esitys pohjautui maan erittäin pitkälle menevään julkisuuslakiin eikä sillä nähty läpimenon mahdollisuuksia.*"

[105] Translation of: "*Tässä on vähän sitä, että Ruotsi heille tyypilliseen tapaan haluaa osoittaa olevansa vielä edistyksellisempi kuin Suomi. Me olemme katsoneet asiaa myös pragmaattisesta näkökulmasta..*"

[106] Translation of: "*Möjligen kan man tolka finländernas agerande som ett nyktert mått av cynism. De hade liksom varit med förr och förhandlat i djupet med en stormakt medan svenskarna agerade lite blåögt. Finländarna drevs av barsk pragmatism, medan svenskarna kämpade vidare med naiv idealism och reformiver.*"

case is an example of particular divergence in that the Swedish government was intimately involved, whereas Finland did not intervene at all. The Hautala case also shows differences; Finland was initially hesitant about intervening and even voted against Hautala when the original decisions on releasing the document were taken in the Council. Sweden, on the other hand, enthusiastically supported Hautala, despite the fact that she was a Finnish rather than Swedish MEP.

The fact that two of the most active individuals in the campaign to increase openness in the EU were Finns (Hautala and Söderman) demonstrates the important position that openness held within Finnish institutions and political culture. Despite their Finnish nationality, however, they were not representatives of the Finnish government. Hautala was accountable to the Finnish electorate rather than to the government, and Söderman represented all EU nationals. Furthermore, those individuals who represented the official Finnish line did, as mentioned earlier, at times speak out or vote against these two Finnish individuals. Finland voted against Hautala in the Council of Ministers initially and also did not prevent the Council from appealing against her during its Presidency. Furthermore, Satuli made his displeasure of Söderman's criticism of Solana known.

Although Finland did become more supportive of and active in furthering openness in the EU, this behaviour was not necessarily a sign of a change in the Finnish strategy. Hautala suggests that the change in Finnish behaviour may be a result of other EU countries warming to the concept of increased openness, rather than a paradigm shift on the part of the Finnish policy-makers.[107] Thus, this policy area, like the other two, demonstrates the greater emphasis that the Finns placed on feedback from their EU colleagues as well as Finnish policy-makers' greater desire to be a part of the EU mainstream, in comparison with Swedish policy-makers. Here again, the Finns altered their own positions to fit with the those of the EU mainstream more than the Swedes did, thus showing greater Finnish adaptation. Furthermore, historical experiences once again provided the impetus for differing Finnish and Swedish approaches, and cultural, institutional and

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[107] Interview with Hautala on 30 June 2001.

identity differences, themselves shaped by the two countries' differing histories, also shaped their differing policies.

Once again, therefore, there is support for the importance of HICI, factors that are not prioritised by Andrew Moravcsik (1998) and Christine Ingebritsen (1998). Furthermore, the factors that they emphasise are not able to explain the differences between Finnish and Swedish behaviour in the area of access to documents. In particular, economic and sectoral interests cannot explain the two countries' differing approaches. Indeed, openness is a policy area that is notable for its non-economic and non-political nature, at least in Finland and Sweden. It is also a policy area that, like the two previous ones, demonstrates greater Finnish desire to adapt to the EU mainstream and greater Swedish reluctance to change pre-existing positions.

SECTION III: WHAT IT ALL MEANS

Chapter Seven: Conclusion: Finnish and Swedish Adaptation to the European Union?

As new members entering the European Union (EU) at the same time and with many similarities in their historical experiences, institutions, cultures, and identities (HICI) (as well as other structural features), Finland and Sweden were ideal countries for a comparative analysis. The purpose of this study was thus to examine whether or not the two countries adapted to membership in the EU in the same way or to the same extent and why. Based on a most similar systems research design, the differences between their adaptation should be found in the differences between these two countries, which were, on the whole, very similar.

The preceding chapters have demonstrated both similarities and differences between the countries themselves as well as between the formulation of Finnish and Swedish national EU policies and the degree and manner of their adaptation to the EU during their first six years of membership. Although both countries (i.e. the policy-makers formulating national EU policies on their behalf) "adapted" (in the sense of altering their pre-existing policies or positions) in some respects, there were also significant nuances that differentiated the degree and manner of their adaptation. The evidence presented in this thesis supports an argument for the importance of HICI. At the same time, a challenge is presented to existing theoretical frameworks, particularly those that prioritise economic interests and sectors and give little role to the four factors that have been emphasised here. The thesis thus, although primarily an empirical work, also makes a theoretical contribution, adding to the theoretical debate on European integration as well as to the fields of International Relations (IR), Comparative Politics (CP), and European Union Studies. It fills a void on studies addressing adaptation to the EU at the national level, as identified by Tapio Raunio and Matti Wiberg (2001), as well as a gap in the literature on the Nordic states and European integration, noted by Iver Neumann (2001).

Two Similar Countries

Throughout the thesis, the appropriateness of using Finland and Sweden for a most similar systems research design has been developed. Chapters three through six were organised around this approach, with chapter three providing the necessary background information for the following chapters at the same time that it highlighted both similarities and differences between the two countries. The focus in chapter three was on Finland and Sweden's historical experiences as well as their institutions, political cultures, and identities. This included an examination of their common history when they were united in the Swedish kingdom from medieval times until 1809. Chapters four through six also demonstrated significant similarities between the Finnish and Swedish approaches in three diverse policy areas, further strengthening the suitability of a most similar systems approach.

Finland and Sweden were identified as having much in common. Their joint history prior to 1809 was complemented by similar institutions, including both formal political and judicial institutions and informal institutions. The similarities included aspects of the political decision-making processes in the two countries as well as common elements in their cultures (political and otherwise), with both sharing many Nordic traditions. Even their identities had much in common, with both Finland and Sweden having, for instance, a Nordic identity. Social democracy became an important force in both countries, and both developed welfare states based on the Nordic model. They were both predominantly Lutheran countries, and both had a historical tradition of a Lutheran state church. The Finnish and Swedish economies also shared similar structures, with many of the same industries playing an important role in both economies and developing along similar lines. For instance, the timber industry was vital to both countries already during the nineteenth century, while the telecommunications industry grew exponentially in both Finland and Sweden during the twentieth century. A further crucial similarity between Finland and Sweden was that both entered the European Union at the same time on 1 January 1995.

Chapter four, which analysed the topic of Economic and Monetary Union (EMU), demonstrated the similarities of the two countries, even in a policy area that would seem to highlight their differences. The economic similarities between Finland and Sweden were discussed, and the interdependence between the Finnish and Swedish economies was highlighted. An analysis of the two governments' approaches towards EMU also revealed similarities, with both commissioning expert reports (the Pekkarinen report in Finland and the Calmfors report in Sweden) that were prepared in similar ways and considered similar issues. In addition, both Finnish and Swedish policy-makers had to deal with publics that were not enthusiastic about national participation in EMU's third stage, especially in comparison with the EU average.

Further similarities were shown in chapter five, which covered Finnish and Swedish policies relating to relations with non-EU Northern European neighbours. The importance that both countries attached to regional cooperation, particularly since the end of the Cold War, was discussed, as was the acceptance by both Finland and Sweden of EU involvement in that cooperation. Particular attention was given to further EU enlargement, especially to the three Baltic states (Estonia, Latvia, and Lithuania), which was supported by both Finnish and Swedish policy-makers and also enjoyed public support in both countries. Both also gave their support to the Northern Dimension Initiative (NDI) and included it in their plans for their EU Presidencies.

Particularly strong similarities between Finland and Sweden were revealed in chapter six, which concentrated on public access to documents. The extensive similarities between Finnish and Swedish traditions guaranteeing openness were demonstrated. Particular similarities were identified in their legislation and political cultures regarding openness. Policy-makers in both countries felt so strongly about their traditions that they attached declarations to their Accession Treaty that confirmed their importance. Furthermore, this was an area in which Finnish and Swedish policy-makers were especially active at the EU level, with both introducing proposals on the subject at the 1996-1997 Intergovernmental

Conference (IGC). Both also supported Finnish MEP Heidi Hautala's EU-level court case on access to documents.

Therefore, throughout the thesis, and primarily in chapters three through six, the similarities between the two countries were reconfirmed. Because there were significant similarities between them (certainly at least as great as that between any other two EU member states), their appropriateness for a most similar systems research design was confirmed.

Two Different Countries

As well as highlighting the similarities between Finland and Sweden, chapters three through six also included an analysis of the differences between the two countries. With a most similar systems research design, it is necessary to highlight not only the similarities but also the differences. Indeed, these differences between the two countries became the potential factors to explain differences between their adaptation to the EU.

Chapter three examined many of the differences between Finland and Sweden, some of which were regarded as being more likely to be important explanatory factors than others. The separation of Finland from Sweden in 1809 and its subsequent inclusion in the Russian empire were regarded as important steps in distinguishing Finland from Sweden. Differing historical experiences in the two countries between 1809 and 2000 were regarded as likely to have an impact of the formulation of national EU policies between 1995 and 2000.

Culture and identity, in turn shaped by both historical experiences and institutions (with institutions themselves formed by history), were observed to be important variables explaining the differences between the Finnish and Swedish approaches. Among the factors that impacted on their differing identities was Finland's far shorter period of independence in comparison with that of Sweden as well as Finland's involvement in bitter wars during the twentieth century when Sweden was able to remain neutral. Because of the differences in their historical

experiences, Sweden was viewed as more clearly belonging to Western Europe than Finland was. This meant that EU membership and integration had different consequences for Finnish identity than for Swedish identity. Sweden's greater international reputation from its time as a great power in the seventeenth century as well as the high profile of its welfare model in the twentieth century provided Swedes with a greater collective self-esteem than the Finns had. Whereas the Swedes had greater self-confidence and even a sense of superiority, the Finns had lower self-confidence and felt greater vulnerability. This difference in self-confidence (or self-esteem) can be traced back to differences in their historical experiences. In terms of explaining their EU policies, differences in identities were important. There were indications that, whereas Finnish identity pushed Finland towards greater adaptation to the EU and thus enhancing Finland's European identity, Swedish identity was an incentive for Swedes to maintain pre-existing policies rather than conforming to the EU mainstream and thereby weakening Swedish identity.

The cultural differences between Finland and Sweden had their roots in the historical differences, which then became institutionalised and ingrained in their political cultures. Among the differences in their political cultures, their differing decision-making styles were highlighted. The Finnish decision-making style developed through dealings with the Russian empire, the Soviet Union, and then the Russian Federation. Although its beginning may be traced at least to the time when Finland was a Grand Duchy within the Russian empire (between 1809 and 1917), it developed primarily after Finnish independence. As a result of Finland's historical experiences, Finns took decisions more hierarchically, with the leaders making decisions accepted by most if not all political parties and the public (despite their disagreement at times). Swedish decision-makers, on the other hand, were more divided among and even within political parties. Furthermore, as discussed in chapter four, Stefan Höjelid (1999) sees the Swedish concern for democratic debate and public support as having its roots in the history of the Swedish Social Democratic Party (*Socialdemokratiska Arbetarepartiet*, SAP).

Chapters four through six demonstrated how differences in HICI led to differences in policy formulation in three distinct areas. The fourth chapter, concentrating on

EMU, provided a particularly good example of the impact of differences in their political cultures. Despite low public support for adopting the Euro in the first wave in both countries, Finland decided to participate in EMU's third stage without a referendum, whereas Sweden chose not to join in the first wave. As has been noted, the differences in these decisions had their roots in the countries' differing historical experiences, institutions, and cultures. Identity also played a role here, motivating Finns to adopt the Euro and Swedes not to do so.

In chapter five, which covered Finnish and Swedish approaches to relations with non-EU Northern European neighbours, there were also differences between the two countries. Notably, although both countries supported EU enlargement to the three Baltic states, Finland changed its position to agree with that of the European Commission to fast-track Estonia but not Latvia and Lithuania, while Sweden retained its original position that all three should be fast-tracked. Furthermore, the Finns (initially alone) developed the EU's NDI (which gave the EU a prominent position in regional cooperation). The Swedes, however, particularly in the beginning, preferred to concentrate on regional groupings, such as the Council of the Baltic Sea States (CBSS), and did not feel the need for the NDI umbrella.

Further differences were revealed in the sixth chapter, which concentrated on public access to documents. Even the declarations attached to their Accession Treaty showed differences, with the Finns being more conscious of how their declaration would be perceived than the Swedes. Their 1996-1997 IGC proposals also showed significant nuances, as did the behaviour of their negotiators. Further differences were observed in their participation in legal cases relating to access to documents at the EU level. The Finns did not become involved in the *Journalisten* case in which the Swedish government took an active role. Although Finland did eventually support Hautala, Finland initially voted against her in the Council of Ministers, whereas Sweden did not and was more eager to intervene.

The three case studies thus demonstrated significant differences between the Finnish and Swedish approaches to the EU and also shed light on the role that HICI played. Although the differences were at times only nuances, they were significant nuances that were observed across policy areas. The Finns adapted

more frequently, in terms of changing their initial position in order to fall in line with the EU mainstream, whereas the Swedes were more firm about keeping their positions and were more vocal and self-confident in terms of criticising their EU colleagues.

Empirical Conclusions about Finnish and Swedish Adaptation

As has just been discussed, there was evidence of both similarities and differences in the formulation of Finnish and Swedish EU policies between 1995 and 2000. The empirical case studies suggested that historical experiences impacted on future policy formulation. According to Lee Miles (2000a: 236), "The success of Swedish governments in influencing the EU's agenda is also affected by the high degree of 'Euro-scepticism' prevalent in Swedish society. This largely explains, for example, the tentative 'wait and see' policy of the Persson government towards Swedish membership of the 'Euro' between 1995 and [19]99 . . . and why issues like the degree of transparency and openness of decision-making are highlighted by the Swedish government." Yet, it is not so much the existence of such Euro-scepticism that is particularly interesting; rather, it is the willingness and determination of the Swedish policy-makers to listen to and be led by the sentiments of the Swedish public. Although there was also Euro-scepticism in Finland, the Finnish policy-makers were not influenced by it to the same extent as their Swedish colleagues.

Differences in their policy formulation were also evident in terms of the degree of outspokenness which they demonstrated when they were formulating their policies at home and sharing them with their EU colleagues. According to Hanna Ojanen (2000: 4), despite the "distant position" that Swedes adopted towards the EU, Sweden was "more outspoken, expressing its views with greater emphasis than Finland, and taking a stand on more issues than Finland would do." This difference was particularly evident in the area of openness. The Swedes were, indeed, neither afraid to open their mouths nor reluctant to stand their ground, even when the majority of their EU colleagues stood on the opposing side.

Swedish Prime Minister Göran Persson's criticism of the UK government and then Prime Minister John Major at the same time that he raised serious questions about the Euro at the 1996 Florence European Council (as discussed in chapter four) was also an example of this Swedish self-confidence. The Swedish commitment to beginning enlargement negotiations with Estonia, Latvia, and Lithuania at the same time even when it became clear that the Commission and the majority of the member states did not support this approach (as discussed in chapter five) was another instance. In addition, the refusal of the Swedes to include a qualifier in their declaration on transparency (that was attached to their EU Accession Treaty) was an indication that Swedes planned to follow their own traditions when they conflicted with those of the EU.

In particular, the Finns were willing to compromise at times when the Swedes were not. For instance, the Finns changed their position on enlargement to agree with the Commission's Agenda 2000 document, whereas the Swedes did not. The Finns remained silent or muted when Swedes were more vocal (e.g. pushing for an extension of the Swedish principle of public access to documents to the rest of the EU and arguing that the Swedish system would be maintained at all costs).

According to David Arter (2000: 691), "More than neighbouring Sweden, the Finns assimilated the political culture of the EU, accommodated to the timetable of economic integration (it is the only Nordic member of EMU), learnt the art of negotiation and sought to situate itself at the centre of the decision-making process." Ann-Cathrine Jungar (2000: 261) argues that "of the newcomers to the European Union Finland has been the most active in trying to gain a position in the EU by deliberate and fast *adaptation*" (emphasis added).

Related to this Finnish desire to assimilate or adapt is the Finnish tendency to adopt a common position on EU-related issues. This could be seen, for instance, in the area of EMU, where, despite initial disagreement between the political parties, all the major Finnish political parties eventually accepted the government's decision. In fact, the vice-chairperson of the Finnish Centre Party (*Suomen Keskusta*, KESK), Sirkka-Liisa Anttila argued on 3 March 1995, "As members of the EU a strong opposition is no longer an end in itself. The most important thing

for the country is that there is unity about things, which then can be defended together in the EU" (Cited in Jungar 2000: 290). This statement supports the evidence from the case studies presented in earlier chapters that the Finns placed tremendous emphasis on creating unified positions within the EU and minimising differences. As nearly all the major parties were also in the governmental rainbow coalitions that were a feature of Finnish politics between 1995 and 2000, this agreement was further strengthened, and one might even argue that the EU made such cooperation seem easier and more necessary. Due to the high levels of cooperation between the parties, it seems that the actual results of the national elections may not have had a great impact on Finnish EU policies had they gone in a different direction. Despite that, the inclusion of parties in the government certainly increased their positive approaches to the European Union, which might have been more negative had they been in opposition. Jungar (2000: 293) argues, "Consensual models of decision-making revived again with the five-party government."

There were also differences in the impact that EU membership had on the national political parties. Whereas the formulation of EU policies brought Finnish parties together, it divided the Swedish parties. Of the policy areas analysed in this thesis, EMU provides the clearest example of this, as the other two areas were less politically divisive in both countries. Although Jungar (2000: 307) characterises EMU as a "highly sensitive and divisive" issue, and there were differences between and even within the Finnish parties on this issue (as was the case to an even greater extent in Sweden), many Finnish parties compromised on EMU. In Finland, the final decision was not challenged, not even by the individuals or parties that had been opposed to or hesitant about Finnish EMU participation.

Despite the evidence of what may appear to be greater Finnish than Swedish adaptation to the EU, the Swedes clearly did adapt at times, when it suited their needs. For instance, as discussed in chapter three, the Swedes made changes in their own institutional structures on the basis of their experiences inside the EU. Already within the first year of membership, the Swedes made adaptations within their Ministry for Foreign Affairs (*Utrikesdepartementet*), elevating the importance of the Common Foreign and Security Policy (CFSP) coordination unit,

which had initially been small (Ekengren and Sundelius 1998: 138). Swedes even made adaptations relating to EMU, including giving the *Riksbank* more independence in order to make EMU entry easier if Sweden chose to adopt the Euro.

Methodological and Theoretical Findings

The results here present a challenge to existing theoretical frameworks, including that of Andrew Moravcsik (1998). It should be noted that there have been no indications that the findings of Moravcsik's (1998) study are not valid (and no attempt has been made to replicate his study or challenge the findings for the cases he analyses). There are, however, indications that his results cannot be generalised to explain the cases examined in this thesis.

The results of this project also challenge the theoretical framework of Christine Ingebritsen (1998). First, her approach is not capable of explaining differences between Finland and Sweden, an assertion that is confirmed by Ingebritsen's (1998) own research, which highlights the similarities between these two countries without identifying any significant differences. Although sectoral interests did play a role in national EU policy-formulation in the Nordic countries, they were not the primary explanatory factors and, as argued above, were particularly unable to explain differences between Finland and Sweden. In almost every case, the same sectors were likely to gain in Finland as in Sweden. Similarly, sectors that were likely to lose in one country were likely to do the same in the other. Furthermore, her approach is not compatible with a framework that concentrates on the concept of adaptation, as Neumann (2001) points out. Indeed, in a debate with Tiilikainen (2001) and Neumann (2001), Ingebritsen (2001) argues against their suggestions of the importance of culture and history, again highlighting instead the importance of sectoral interests as in her earlier (1998) work.

Although the EMU case study did demonstrate the relevance and importance of political parties, the findings of this thesis also challenge a focus on party politics

as the primary explanatory factor of adaptation to the EU. With EMU, one might be able to argue that Sweden would have been more likely to adopt the Euro in 1999 had Carl Bildt and his Conservative Party (*Moderata Samlingspartiet*, M) remained in power. Similarly, one might argue that Finland would have been less likely to participate then if the Centre Party had not been in the government between 1991 and 1995. Yet, even with EMU there were other factors at play, and these impacted upon the choices made by the political parties. With the other two policy areas, however, political parties played an even less significant role, as parties in both countries were united in their support for regional cooperation and EU enlargement as well as public access to documents. No party openly opposed these issues, and they did not feature prominently in election campaigns.

The rigorous methodology employed in this study strengthens the validity of the findings, and the empirical results found here also shed light on theoretical approaches to "adaptation." In terms of overall adaptation, Finland behaved more according to Mouritzen's (1993) mode of balanced adaptation than did Sweden. As explained in chapter two, following Mouritzen's (1993) arguments, an EU member should follow a balanced model, whereas one waiting to join should adopt an acquiescent model, which, he argues, was found in both Finland and Sweden prior to their joining the EU.

One could perhaps argue, however, that Finnish policy-makers viewed the EU core as a group that they wished to join and therefore tended more towards an acquiescent approach. The Swedes, on the other hand, did not feel the same need to join this inner EU core and therefore did not follow an acquiescent approach. Nevertheless, this categorisation is in comparative terms and does not mean that Finland's adaptation was fully acquiescent, as there were also many elements of a balanced mode of adaptation within the Finnish approach.

Both Finland and Sweden's behaviour was most similar to a balanced model of adaptation. One might argue, however, that Finland tended more towards an acquiescent model, whereas Sweden tended more towards a dominant model (despite the fact that Swedes were not necessarily sufficiently influential to follow such a strategy). Yet, none of the modes suggested by the adaptation theorists

examined in chapter two is able to characterise fully the Finnish or Swedish behaviours. The modes identified by these theorists therefore do not provide the necessary nuances to explain the differences between Finnish and Swedish methods of adaptation to the EU.

The features found in the three policy areas analysed in this thesis were also present in many other areas. For instance, as is discussed in chapter three, Finland lowered its environmental standards to meet EU levels, whereas Sweden refused to do so (Molin and Wurzel 2000: 173). Swedes adopted "more radical policies" regarding the CAP than other member states did, although the frequency with which they did so declined with time (Rabinowicz 2000: 197). Even though Swedish policies in the areas of asylum, immigration, and policing were more mainstream (Andersson 2000), Swedes did not adopt mainstream policies simply because they were mainstream; rather, Swedes selected the policy approach that they wanted. Whereas Finns at times compromised their existing positions, Swedes did so less often. Swedes were also more vocal about their priorities, both when they coincided with those of the EU and when they did not.

Furthermore, an examination of both those policy areas considered in detail in this thesis and others suggested that Swedes were less radical towards the end of the period under consideration than they were during the early years of their membership. In terms of EMU, Swedes, both the policy-makers and the public, were warming to the possibility of potential participation in EMU's third stage. In the area of agricultural policy, Rabinowicz (2000), as previously noted, finds indications that Swedes became less radical with time. Yet, despite these moves, differences between Finland and Sweden remained throughout the time period analysed here.

Finland and Sweden thus both adapted to the EU during the time period between 1 January 1995 and 31 December 2000, albeit with significant differences in the method and extent of their adaptation. The EU also adapted to Finland and Sweden, although that adaptation has not been the subject of this study and would, indeed, require a full analysis of its own. Yet, the two types of adaptation (that of the member state to the Union and of the Union to the member state) are not

independent of each other. Indeed, signals that are sent out by one actor may influence the next step of the other actor. This was particularly evident in the case of Finland, which, for instance, altered its stance on beginning accession negotiations with all three Baltic states at the same time once it became clear that the European Commission supported the inclusion of only Estonia initially. In the area of openness, Finland and Sweden were not only affected by the EU's traditions regarding public access to information but also actively tried to influence the EU, with the Amsterdam Treaty's Article 255 being a result of their efforts (as well as those of other member states).

It is not necessary or even desirable to make a value judgement here about which country adopted the "best" approach to the EU between 1995 and 2000. One could argue that each country chose the strategy that was best suited to its own historical background, institutions, culture, and identity. For Finland, the Swedish approach might have been inappropriate, and likewise the Finnish approach for Sweden. Such an argument can be supported by the fact that both the Lipponen and Persson governments were re-elected during the six years in question, suggesting that the Finnish and Swedish publics cannot have been terribly dissatisfied with their leaders' choices. Historical experiences meant that the Finnish public was more accepting of its elected leaders' decisions, even when, as in the case of EMU, that meant taking the country into something for which there was relatively weak public support (compared with the EU as a whole) and without a referendum. Swedish voters, on the other hand, might not have tolerated such decisions by their policy-makers. Yet, even these differences between the expectations of the voting publics have their roots in HICI, and thus electoral politics alone cannot explain differences in Finnish and Swedish adaptation to the EU.

It should be noted that there may be cases that might appear to undermine these findings. For instance, the Finnish government or its representatives may have openly criticised the EU or its policies during the time period between 1995 and 2000. Such actions would not invalidate the arguments presented in this thesis. The central argument here is that Finnish policy-makers prioritised adaptation to the EU between 1995 and 2000 more than their Swedish colleagues did. In other words, Finns were more concerned about the possibility of offending their EU

colleagues and were more likely to alter their own pre-existing positions or phrase them very carefully. Finns did not, however, follow a truly acquiescent pattern of behaviour; they did put forth their views and go against the EU mainstream in, for instance, finally supporting Hautala in her quest for increased access to official EU documents. Yet, they waited longer than Swedes in acting and calculated their moves so as to offend as little as possible. They went out on a limb to some extent in developing and promoting their initiative on the EU's Northern Dimension, but they also tailored their initiative to the EU's needs and pragmatically marketed the initiative to their colleagues. This Finnish strategy resulted in the NDI eventually being taken on board by the EU as an EU initiative.

In Conclusion

The results of this study thus suggest that both Finland and Sweden adapted to membership in the European Union by altering the formulation of their national EU policies during their first six years of membership (between 1995 and 2000). The nature and extent of that adaptation, however, differed. The Finns were more likely to alter their original position to fit in with the mainstream EU position, whereas the Swedes were more likely to hold firm with their original position. Furthermore, the Swedish policy-makers were more likely to be vocal about their positions (even when they contradicted those of the EU mainstream). The Finnish policy-makers, on the other hand, were quieter about their differences with the EU and even attempted at times to restrain compatriots who criticised EU representatives (as was the case with Satuli's criticism of Söderman's outspokenness regarding Solana).

There were also indications that these differences were the result (at least in part) of differences in historical experiences as well as institutions, culture, and identity. Similarities in their economic interests suggested that these could not explain the differences in Finnish and Swedish policy formulation. On the other hand, there were indications that HICI were helpful in explaining differences, thus challenging theoretical explanations, such as those put forth by Ingebritsen (1998) and Moravcsik (1998) that leave little or no room for such factors. This research

thus makes a contribution to the theoretical literature on policy formulation and particularly on national adaptation to European integration as well as to the literature on Finnish and Swedish membership in the European Union.
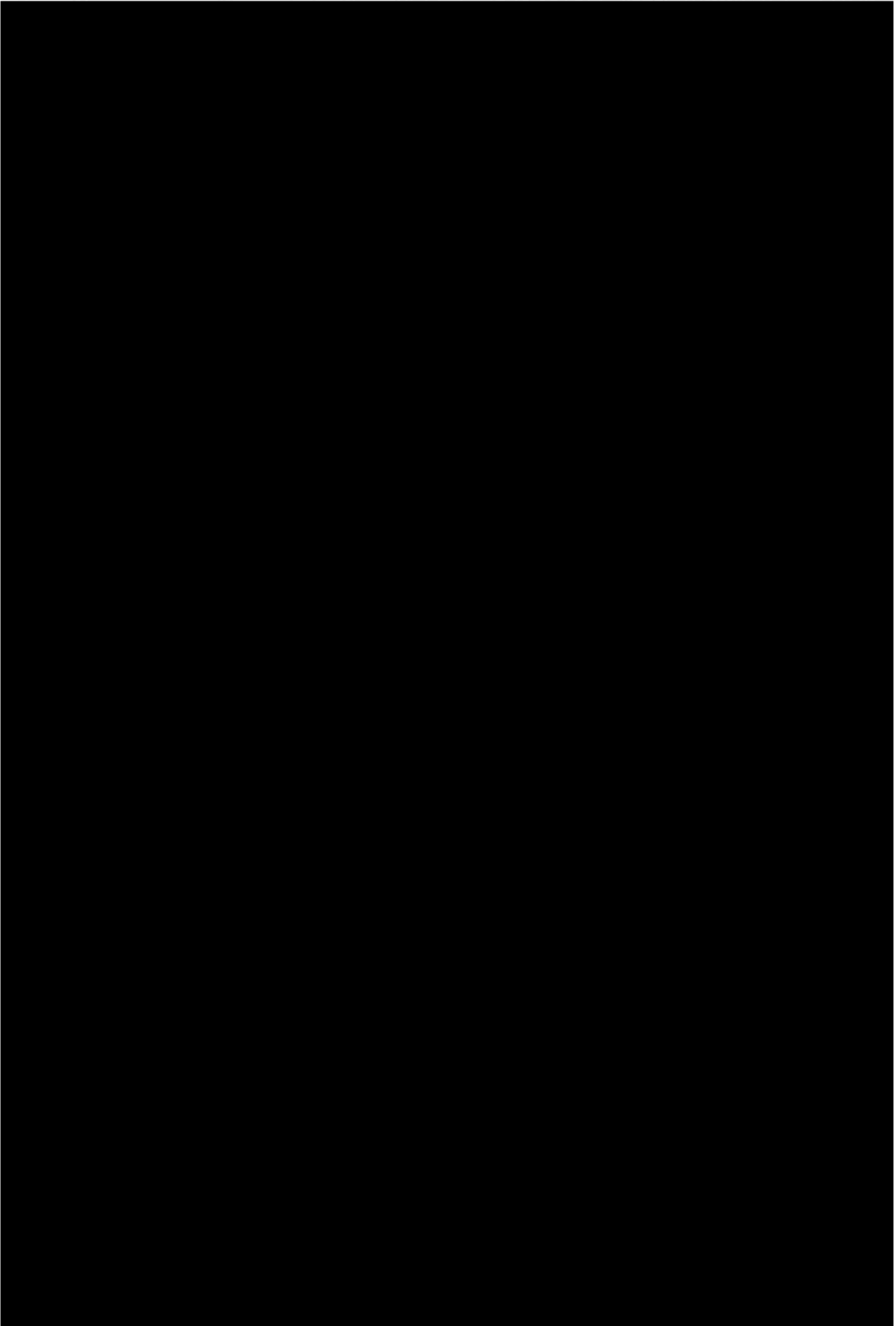
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[109] In addition to these interviews (which are cited within the text of the thesis), additional interviews were conducted with policy-makers and academics in order to provide background information.

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Appendix

Finnish Prime Ministers 1917-2000

Prime Minister	Date Assumed Office	Party
Oskari Tokoi	26.3.1917	SDP
P. E. Svinhufvud	27.11.1917	NUORS
J. K. Paasikivi	27.5.1918	SUOMAL
Lauri Ingman	27.11.1918	KOK
Kaarlo Castrén	18.4.1919	KE
J. H. Vennola	15.8.1919	KE
Rafael Erich	15.3.1920	KOK
J. H. Vennola	9.4.1921	KE
A. K. Cajander	2.6.1922	Expert Minister (*Virkamieshallitus*)
Kyösti Kallio	14.11.1922	ML
A. K. Cajander	18.1.1924	Expert Minister
Lauri Ingman	31.5.1924	KOK
Antti Tulenheimo	31.3.1925	KOK
Kyösti Kallio	31.12.1925	ML
Väinö Tanner	13.12.1926	SDP
J. E. Sunila	17.12.1927	ML
Oskari Mantere	22.12.1928	KE
Kyösti Kallio	16.8.1929	ML
P. E. Svinhufvud	4.7.1930	KOK
J. E. Sunila	21.3.1931	ML
T. M. Kivimäki	15.12.1932	KE
Kyösti Kallio	7.10.1936	ML
A. K. Cajander	12.3.1937	KE
Risto Ryti	1.12.39	KE
Risto Ryti	27.3.1940	KE
J. W. Rangell	3.1.1941	KE
Edwin Linkomies	5.3.1943	KOK
Antti Hackzell	8.8.1944	KOK
Urho Castren	21.9.1944	Expert Minister
J. K. Paasikivi	17.11.1944	Expert Minister
J. K. Paasikivi	17.4.1945	Expert Minister
Mauno Pekkala	26.3.1946	SKDL
K.-A. Fagerholm	29.7.1948	SDP
Urho Kekkonen	17.3.1950	ML
Urho Kekkonen	17.1.1951	ML
Urho Kekkonen	20.9.1951	ML
Urho Kekkonen	9.7.1953	ML
Sakari Tuomioja	17.11.1953	Expert Minister
Ralf Törngren	5.5.1954	SFP
Urho Kekkonen	20.10.1954	ML
K.-A. Fagerholm	3.3.1956	SDP
V. J. Sukselainen	27.5.1957	ML
V. J. Sukselainen	2.7.1957	ML

V. J. Sukselainen	2.9.1957	ML
Rainer von Fieandt	29.11.1957	Expert Minister
Reino Kuuskoski	26.4.1958	Expert Minister
K.-A. Fagerholm	29.8.1958	SDP
V. J. Sukselainen	13.1.1959	ML
Martti Miettunen	14.7.1961	ML
Ahti Karjalainen	13.4.1962	ML
Reino Lehto	18.12.1963	Expert Minister
Johannes Virolainen	12.9.1964	KESK
Rafael Paasio	27.5.1966	SDP
Mauno Koivisto	22.3.1968	SDP
Teuvo Aura	14.5.1970	Expert Minister
Ahti Karjalainen	14.7.1970	KESK
Ahti Karjalainen	26.3.1971	KESK
Teuvo Aura	29.10.1971	Expert Minister
Rafael Paasio	23.2.1972	SDP
Kalevi Sorsa	4.9.1972	SDP
Keijo Liinamaa	13.6.1975	Expert Minister
Martti Miettunen	30.11.1975	KESK
Martti Miettunen	29.9.1976	KESK
Kalevi Sorsa	15.5.1977	SDP
Mauno Koivisto	26.5.1979	SDP
Kalevi Sorsa	19.2.1982	SDP
Kalevi Sorsa	6.5.1983	SDP
Harri Holkeri	30.4.1987	KOK
Esko Aho	26.4.1991	KESK
Paavo Lipponen	13.4.1995	SDP
Paavo Lipponen	15.4.1999	SDP

Finnish Presidents 1919-2000

President	Years in Office	Party
K. J. Ståhlberg	1919-1925	KE
Lauri Kristian Relander	1925-1931	ML
P. E. Svinhufvud	1931-1937	KOK
Kyösti Kallio	1937-1940	ML
Risto Ryti	1940-1943	KE
Risto Ryti	1943-1944	KE
Gustaf Mannerheim	1944-1946	Military
J. K. Paasikivi	1946-1956	KOK
Urho Kekkonen	1956-1981	ML/KESK
Mauno Koivisto	1982-1994	SDP
Martti Ahtisaari	1994-2000	SDP
Tarja Halonen	2000-	SDP

Swedish Prime Ministers 1905-2000

Prime Minister	Date Assumed Office	Party
Christian Lundeberg	2.8.1905	AVF
Karl Staaff	7.11.1905	LSP
Arvid Lindman	29.5.1906	AVF
Karl Staaff	7.10.1911	LSP
Hjalmar Hammarskjöld	17.2.1914	(Conservative)
Carl Swartz	30.3.1917	AVF
Nils Edén	19.10.1917	LSP
Hjalmar Branting	10.3.1920	SAP
Louis De Geer	27.10.1920	Independent (Liberal)
Oscar von Sydow	23.2.1921	Independent
Hjalmar Branting	13.10.1921	SAP
Ernst Trygger	19.4.1923	HP
Hjalmar Branting	18.10.1924	SAP
Rickard Sandler	24.1.1925	SAP
Carl Gustav Ekman	7.6.1926	FF
Arvid Lindman	2.10.1928	HP
Carl Gustav Ekman	7.6.1930	FF
Felix Hamrin	6.8.1932	FF
Per Albin Hansson	24.9.1932	SAP
Axel Pehrsson-Bramstorp	19.6.1936	BF
Per Albin Hansson	28.9.1936	SAP.
Per Albin Hansson	13.12.1939	SAP
Per Albin Hansson	31.7.1945	SAP
Tage Erlander	11.10.1946	SAP
Tage Erlander	1.10.1951	SAP
Tage Erlander	31.10.1957	SAP
Olof Palme	14.10.1969	SAP
Thorbjörn Fälldin	8.10.1976	C
Ola Ullsten	18.10.1978	FP
Thorbjörn Fälldin	12.10.1979	C
Thorbjörn Fälldin	19.5.1981	C
Olof Palme	8.10.1982	SAP
Ingvar Carlsson	12.3.1986	SAP
Carl Bildt	3.10.1991	M
Ingvar Carlsson	7.10.1994	SAP
Göran Persson	21.3.1996	SAP
Göran Persson	7.10.1998	SAP

Sweden about 1658.

Sweden in 1524
Acquisitions of Eric XIV (1560–1568).
Acquisitions of Gustavus Adolphus (1611–1632), and Christina (1632–1654).
Acquisitions of Charles X (1654–1660).

The dates indicate the year of acquisition; when enclosed in parentheses, the year of loss

Scale 1:18 000 000
Miles

ATLANTIC OCEAN

NORWAY

To Sweden

DENMARK

NORTH SEA

THE EMPIRE

POLAND

FINLAND

Karelia

Ingria

Livonia

Esthonia

Courland

Riga

Öland

Gotland

Bornholm

Stockholm

Christiania

Bergen

Stavanger

Long. East 20 of Greenwich

Public domain map from *The Historical Atlas* by William R. Shepherd, 1923.
http://www.lib.utexas.edu/maps/historical/shepherd/sweden_1658.jpg Accessed on 18 February 2002.

Finland

——— International boundary
—·—· Province *(lääni)* boundary
★ National capital
◎ Province *(lääni)* capital
——+—— Railroad
——— Road
Helsinki is the capital of Uusimaa Lääni

0 50 100 Kilometers
0 50 100 Miles
Lambert Conformal Conic Projection, SP 47N/62N

Public domain map produced by the US Central Intelligence Agency.
http://www.lib.utexas.edu/maps/europe/finland_rel96.jpg Accessed on 18 February 2002.

Sweden

International boundary
★ National capital
Railroad
Road

0   50   100 Kilometers
0   50   100 Miles

Lambert Conformal Conic Projection, SP 47N/62N

Public domain map produced by the US Central Intelligence Agency.
http://www.lib.utexas.edu/maps/europe/sweden__rel96.jpg Accessed on 18 February 2002.