

Sweden and European defence cooperation: interests in search of a strategy

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Introduction

Sweden's relationship with European defence cooperation has long been defined by ambiguity and complexity, and its positions on the most recent initiatives, such as Permanent Structured Cooperation (PESCO), the European Defence Fund (EDF) and the European Intervention Initiative (E2I), are no exceptions. Strong cultural, historical and industrial reasons explain Swedish particularities, but there is reason to believe that Sweden's position may change in the near future. The looming exit of the United Kingdom from the EU has deprived Sweden of a steadfast and equally cautious ally in this area, while geopolitical turbulence in Europe and beyond has altered the Swedish strategic outlook. While a certain principled scepticism is still apparent, the long-term trend seems to suggest a "normalization" of Sweden's relation to the policy field of European security and defence. This policy brief outlines Sweden's cautious rapprochement with the policy area and explains why its position may change.

Learning to live with the CSDP

Sweden has been an active partner in the Common Foreign and Security Policy (CFSP) as well as the Common Security and Defence Policy (CSDP) since joining the EU. Sweden is one of the few EU member states that have thus far participated in every EU civilian and military CSDP mission.¹ However, it has also long played the part of an engaged sceptic – always participating, but mostly acting and voting in line with the UK. Several factors can explain this position, the first and perhaps most important being that

Sweden did not join the EU to further its security policy interests. Indeed, it was not until after the end of Cold War, when European integration was no longer seen as taking geo-political sides, that support for EU accession gained traction. This is in stark contrast to Finland, which joined the EU at the same time but openly acknowledged that EU membership was an element of its security policy. In addition to viewing EU membership predominantly as a rational economic risk management strategy rather than as a foreign and security policy platform, Sweden viewed itself through the lens of decades of neutrality and non-alignment. A "militarized EU" thus challenged this self-image as well as the image of the EU.

Nonetheless, Sweden has a long history of active foreign policy and peacekeeping. As a consequence, it embraced the CFSP as well as the missions and operations of the CSDP and quickly became an influential member. At the same time, however, continued efforts were made to strengthen the civilian characteristics of the instrument and Sweden remained a reluctant backseat driver in regard to institutional developments in security and defence. This hesitancy towards developments in the field was to some extent at odds with Sweden's overall shift from the political focus of non-alignment towards a strategy of solidarity. In addition to taking the EU's solidarity clauses seriously, Sweden has pledged solidarity in its unilateral foreign policy declarations. The official position states: "Sweden will not remain passive if another EU Member State or Nordic country suffers ... an attack". Moreover, Sweden

¹ Wallström, M (2018). "Wallström: Ett starkt EU ökar Sveriges trygghet", from: <https://www.svd.se/wallstrom-ett-starkt-eu-okar-sveriges-trygghet>

“expect[s] these countries to act in the same way if Sweden is affected. Our country must therefore be in a position to both give and receive support, civilian as well as military”. Hence, while Sweden is still not a member of a military alliance, it no longer claims to be neutral but rather emphasizes its multilateral security cooperation within the EU and as a partner of NATO. However, these pledges of solidarity have not been accompanied by a drive to reform the EU in a way that allows for a more operational display of solidarity.

And not least, the Anglo-Saxon political turbulence of recent years has increased the political cost of Sweden’s bilateral security cooperation. Close bilateral cooperation with the United States in particular, but also with the UK, has been strained by President Trump’s ambiguous stance on European security as well as the UK’s decision to leave the EU. In the case of Brexit, Sweden has had to rethink its national interests vis-à-vis European defence cooperation after years of more or less routinized linking up with the UK’s sceptical position. In sum, Sweden still lacks a clear vision about what European defence cooperation should look like and deliver, but internal policy choices as well as external events have largely exhausted the arguments against increased engagement.

Swedish foreign policy decision-making

Despite its inherent scepticism, the combined effects of Brexit and fast-paced institutional developments after the introduction of the EU Global Strategy (EUGS) meant that Sweden had to choose whether to continue its agnostic approach or to agree to the projects and frameworks that aimed to deepen EU member states’ military integration. This choice quickly

became difficult for the Löfven government, while at the same time shining a light on the somewhat ambiguous division of labour on foreign policy between the Prime Minister’s Office (Statsrådsberedningen), the Ministry for Foreign Affairs (Utrikesdepartementet) and – with regard to multilateral cooperation on security and defence – the Ministry of Defence (Försvarsdepartementet).

While it is formally the government, and ultimately the prime minister, that is in charge of balancing different Swedish interests in foreign policy, it is in practice the responsibility of the Ministry for Foreign Affairs to coordinate the Swedish position on most foreign policy issues. The Ministry for Foreign Affairs is also responsible for ensuring that coordination problems between departments are addressed and managed by the government and, by extension, the Prime Minister’s Office. Since 2005, the Prime Minister’s Office has also taken over a large part of political coordination of EU affairs. While the Foreign Ministry has retained political control on issues regarding EU enlargement and the EU’s CFSP, including most of the CSDP, the Prime Minister’s Office now coordinates all Swedish positions on issues linked to the environment, health, agriculture, and labour and fiscal policy at the EU level.

Despite this division of labour, the discussions in 2017 surrounding Sweden’s position on the latest EU initiative in security and defence, PESCO, made it clear that Sweden’s positions on the CFSP is subordinate to broader strategic calculations. While the Ministry for Foreign Affairs was initially sceptical about joining PESCO, mainly as it was perceived as

risking the unity of the EU,² the Ministry of Defence was even more sceptical, primarily as Sweden is in the process of reinvesting in its long-neglected territorial defence capabilities. From this perspective, the added value of increased EU defence cooperation was perceived as marginal. However, the Swedish position quickly reversed after Angela Merkel made a one-day visit to Stockholm in late January 2017 for bilateral talks with Prime Minister Stefan Löfven. Germany initially had similar doubts to those within the Swedish Foreign Ministry, strongly highlighting the need for PESCO to be inclusive and have low entry barriers. The French-German compromise on PESCO eventually led to the setting of ambitious entry criteria that could be met over time, rather than having every member fulfil them at the time of entry.³ However, Germany also saw the new initiative as a way to signal European unity in the wake of Brexit and thus strongly urged Sweden to join. The consequences of the role played by the Prime Minister's Office in changing the Swedish position on PESCO were clear. In the government bill to join PESCO,⁴ the principal motivation for joining the initiative was explicitly stated as "EU policy reasons", while "security" and "defence" policy were placed in second and third place, respectively. An official at the Ministry for

Foreign Affairs later explained that this ordering was not coincidental: "PESCO for us is EU policy more than anything else. The order in which the reasons for joining PESCO are listed in the bill summarizes the Swedish position quite well".⁵ This order of priority was also made clear in an op-ed piece by Foreign Minister Margot Wallström and Defence Minister Peter Hultqvist, in which they state: "We have two overarching goals: stronger cohesion within the EU and a strengthened common security and defence policy".⁶ In other words, instead of shaping the position on PESCO around national security concerns and Swedish defence policy, the decision to join the initiative was primarily based on two separate fears: (1) the risk of reduced cohesion between EU member states; and (2) the risk of losing influence in future discussions that would take place in an emerging "core Europe" of member states that are part of both the eurozone and PESCO, especially given that Sweden has chosen not to adopt the euro. This second fear was also reflected in an interview with Karin Enström, at the time spokesperson for foreign affairs for the largest opposition party in Sweden, Moderaterna: "The price of not joining will only rise and rise, and this is something that you must take into account. This is a way of showing, something which is also appreciated,

² The importance of "European unity" was highlighted in a communication to parliament on civilian and military crisis management policy in June 2017: "European unity and joint action is essential for Sweden's security. It is in the national security interest of Sweden that the negative effects of Brexit on the EU's Common Security and Defence Policy are minimized. It is also of central interest that the EU is a united and strong security actor with a crisis management capacity adapted to the threats and challenges facing the Union", see: <http://data.riksdagen.se/dokument/H403196>

³ Koenig, N (2018). "Security and Defence: A Glass Half Full", from: <https://www.feps->

europe.eu/component/attachments/attachments.html?id=101&task=view

⁴ Swedish Government Bill 2017/18:44, from: <https://www.regeringen.se/4ad354/contentassets/395f2ce93e2c4068a622a887be94dfd9/sveriges-deltagande-i-det-permanenta-strukturerade-samarbetet-inom-europeiska-unionen.pdf>

⁵ Interview with official at the Swedish MFA, November 2017.

⁶ Wallström, M & Hultqvist, P (2017). "Vi vill agera för att stärka EU:s försvarssamarbete", from: <https://www.dn.se/debatt/vi-vill-agera-for-att-starka-eus-forsvarssamarbete/>

ambition and willingness in a ‘hard’ policy area. This is a way of showing that we want to take part, to show that we want to be near the centre of the EU, and not at the periphery”.⁷

PESCO projects and Swedish participation

Permanent Structured Cooperation is one of the most significant initiatives in EU defence cooperation of the past decade. The initiative allows groups of member states to cooperate on smaller, but significant capacity-building projects without requiring the participation of all member states. As mentioned above, Sweden has thus far had a lukewarm attitude to PESCO, reflected in the low number of projects that Sweden is participating in – only 6 out of 25 PESCO members participate in fewer projects than Sweden.⁸ The Swedish Government has faced criticism from opposition parties for its low level of ambition with regard to PESCO, and some opposition parties want Sweden to take a more active role in, for instance, the PESCO cyber defence projects.⁹ While the Swedish Ministry for Foreign Affairs has pushed for more active Swedish participation in PESCO, both the Ministry of Defence and the Swedish Armed Forces have been more sceptical, primarily because of budget constraints.¹⁰

⁷ Interview with Karin Enström, April 2018.

⁸ FR and IT are participating in 21 projects, ES in 18, GR in 14, DE in 13, BE in 10, NL in 9, CY and CZ in 8, PL, PT and RO in 7, SK and HR in 6, AU and HU in 5, SE, FI and BG in 4, LV, EE and SI in 3 and IE, LU and LT in 2. See; European council (2018). “Permanent Structured Cooperation (PESCO) updated list of PESCO projects: Overview 19 November 2018”, from: <https://www.consilium.europa.eu/media/37028/table-pesco-projects.pdf>

⁹ For instance, see: Liberalerna (2018) “Mer EU”, from: <https://www.liberalerna.se/wp-content/uploads/rapport-mer-eu.pdf> and Europaportalen (2018) “Debatt: Fyra

In the first PESCO project round, announced in March 2018, Sweden joined the European Medical Command, Military Mobility and the European Union Training Mission Competence Centre (EU TMCC) projects. These projects are considered among the most widespread and inclusive (in other words, projects that will cost relatively little to participate in), which could demonstrate a lack of ambition on the part of Sweden within PESCO. In the second PESCO round, announced in November 2018, Sweden, together with France, will co-lead one PESCO project – an EU Test and Evaluation Centre based in Vidsel, Sweden. The new centre is likely to be an expanded version of the already existing Vidsel Test Range, which is run by the Swedish Defence Materiel Administration (FMV). The project’s overall purpose is to strengthen cooperation between test and evaluation centres in EU member states and is the first PESCO project to consist of two lead nations.¹¹

Furthermore, Sweden has a strong interest in opening up PESCO projects to third countries, primarily close partners such as Norway, the UK and the USA. However, British political turmoil and the concerns of, for instance, Cyprus, are complicating these negotiations.¹² As a result, the issue of third party participation in PESCO projects is

förlorade år för Sveriges EU-samarbete”, from: <https://www.europaportalen.se/2018/04/debatt-fyra-forlorade-ar-sveriges-eu-samarbete>.

¹⁰ Interview with representative of the Swedish Armed Forces, November 2018.

¹¹ European council (2018). “Permanent Structured Cooperation (PESCO) updated list of PESCO projects: Overview 19 November 2018”, from: <https://www.consilium.europa.eu/media/37028/table-pesco-projects.pdf>

¹² Reuters (2018). “Brexit turmoil delays deal on Britain's EU defense ties”, from: <https://www.reuters.com/article/us-britain-eu->

unlikely to be decided before 2019.¹³ As a non-NATO country, Sweden has strong reasons to try to connect the UK to the EU's CSDP post-Brexit, which partly could be done through its participation in PESCO projects. In addition to Sweden, several smaller but influential member states, such as Poland and Belgium, are also pushing for inclusive governance rules regarding third party participation in PESCO projects.¹⁴

Industrial interests and the EDF

Another recent major initiative in EU defence cooperation is the European Defence Fund (EDF). The EDF aims to incentivize military industrial cooperation such as collaborative research on defence technologies and joint development and procurement of new capabilities. By co-financing such cooperation through the EU budget, the EDF is expected to increase investment in joint development and acquisition by up to €5 billion a year after 2020.¹⁵ Nine countries (Austria, Czech Republic, France, Germany, Italy, Poland, Spain, Sweden and the UK) currently host the majority of small and medium-sized enterprises and top companies in the defence sector in Europe.¹⁶ Around 80 per

cent of defence procurement is done on a national basis and the European Commission estimates that the cost of the resulting inefficiency is between €25 billion and €100 billion a year. The EDF is supposed to address this inefficiency and, with a proposed budget of €13 billion in 2021–2027, it is set to become one of the largest defence research investors in Europe.¹⁷

Due to its long history of neutrality and later military non-alliance, which requires a strategy of self-sufficiency, Sweden has a fairly large defence industry relative to the size of its Armed Forces. The Swedish defence industry has a turnover of approximately 30 billion kronor and employs 28,000 people in Sweden.¹⁸ The Swedish state ceased its ownership of national defence industries at the end of the 1990s and foreign ownership in the defence industry has gradually increased since then.¹⁹ Several of the big Swedish defence companies are owned by corporations from outside the EU or in the UK. This could have a significant impact on the Swedish defence industry since EDF regulations might make it impossible or at least very

[defence/brexit-turmoil-delays-deal-on-britains-eu-defense-ties-idUSKCN1NO1NA](https://www.euractiv.com/section/defence-and-security/news/eu-greenlights-new-wave-of-military-projects-secret-agents-training/)

¹³ Euractiv (2018). "EU greenlights new wave of military projects, secret agents training", from: <https://www.euractiv.com/section/defence-and-security/news/eu-greenlights-new-wave-of-military-projects-secret-agents-training/>

¹⁴ With regard to third party participation, Sweden is supporting the Benelux "non-paper", together with Portugal, Latvia, Estonia, Bulgaria, Lithuania, Finland, Czech Republic, Slovakia and Poland, which is pushing for inclusive governance rules for third party participation in PESCO. See: Santopinto, F (2018). "PeSCo: The Belgian Perspective", from: <http://www.iris-france.org/wp-content/uploads/2018/11/Ares-33.pdf>

¹⁵ EU Commission (2018). "A European Defence Fund: €5.5 billion per year to boost Europe's defence

capabilities", from: http://europa.eu/rapid/press-release_IP-17-1508_en.htm

¹⁶ Bruegel (2017). "The size and location of Europe's defence industry", from: <http://bruegel.org/2017/06/the-size-and-location-of-europes-defence-industry/>

¹⁷ European Commission (2018). "European Defence Fund", from: https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-eu-defence-fund_en.pdf

¹⁸ SOFF (2017). "Försvarsmarkanden Statistik 2016", from: https://soff.se/wp-content/uploads/2017/05/FACTS2016_trifolder.pdf

¹⁹ FOI (2016). "Svensk försvarsteknologi och innovation – utmaningar för nationell riskhantering", from: <https://www.foi.se/download/18.64adcb9c1549986af311c7a8/1466509561740/FOI-S--5400--SE+S%C3%A4rtryck+Svensk+f%C3%B6rsvarsteknologi+och+innovation.pdf>

difficult for companies owned by third countries to collaborate on projects funded by the EDF. Both the Swedish defence industry and Swedish politicians have expressed concerns about such conditions.²⁰ According to the European Council's proposal for EDF regulation, which was agreed at a Foreign Affairs Council meeting in November 2018, in principle only "entities established in the Union or in associated countries and not subject to control by non-associated third countries or non-associated third country entities" will be eligible for support from the EDF. The proposed regulation does, however, state that in certain circumstances it should be possible to deviate from this principle in order for non-associated third countries or non-associated third country entities to participate in the Fund.²¹ Nonetheless, it is still unclear whether Swedish industries owned by entities outside of the European Union will be able to fully participate in the fund, since the EDF regulation will now be part of the tripartite meetings ("trialogues") between the European Parliament, the Council and the Commission, and these negotiations are likely to be concluded in the summer or autumn of 2019.

The EDF's ambition to work towards European strategic autonomy in armaments development thus poses a clear risk to Sweden's bilateral ties with countries such

as the United States and the UK, and, by extension, Swedish *national* strategic autonomy. Representatives from the Swedish defence industry have therefore suggested that the EDF proposal could lead to a division between the north and the south of the EU, where the Nordic and Baltic countries together with, for instance, the Netherlands and Belgium pivot towards Anglo-Saxon cooperation instead of the EU.²²

Sweden has also increased its bilateral ties with the United States. In May 2018 Sweden, Finland and the United States signed a Statement of Intent on cooperation on interoperability, training and exercises, research and development and multinational operations. Sweden also recently procured the US Patriot surface-to-air missile instead of the French-Italian ASTER 30 SAMP/T system, which is seen as a way for Sweden to further deepen its bilateral relations with the United States. In October 2018, the US company Boeing, together with the Swedish defence group SAAB, won a contract to develop and build the new US Air Force training aircraft. The US Air Force has initially ordered 351 T-X aircraft but SAAB estimates that it will supply up to 2000 training aircraft over a period of 20 to 25 years.²³ This will have a major impact on the Swedish defence industry since it will strengthen the link to US defence industries. Swedish arms

²⁰ SOFF (2018). From: <https://soff.se/wp-content/uploads/2018/09/Remissyttrande-EU-KOM-f%C3%B6rslag-till-f%C3%B6rordning-f%C3%B6r-EDF.pdf> and 2017/18: FöU10, from: https://www.riksdagen.se/sv/dokument-lagar/arende/utlatande/start-for-europeiska-forsvarsfonden_H501F%C3%B6U10/html and 2017/18: FPM153, from: <https://data.riksdagen.se/fil/366DB9D8-AD95-4D35-A39F-FD16234AA061>

²¹ Council of the European Union (2018). "Proposal for a Regulation of the European Parliament and of the

Council establishing the European Defence Fund (First reading) – Partial general approach", from: <http://data.consilium.europa.eu/doc/document/ST-14094-2018-REV-1/en/pdf>

²² Interview with representative from the Swedish defence Industry, October 2018.

²³ DI (2018) Saabs vd: "Vi kan sälja 2 000 skolflygplan på 20-25 år", from: <https://www.di.se/live/saabs-vd-vi-kan-salja-2000-skolflygplan-pa-20-25-ar/>

exports will also change when the USA becomes a larger export base for Sweden.

The Swedish defence industry also has strong relations with the UK, as BAE Systems and other British companies own or co-own a number of Swedish defence industrial companies, such as the historically important Hägglunds and Bofors. In 2018, the UK, having been excluded from the Franco-German fighter jet project, unveiled plans for a next-generation fighter jet, the so-called Tempest. The Tempest aircraft will be a joint project led by BAE Systems working with British Rolls-Royce, Italian Leonardo and the pan-European MBDA. Sweden has been proposed as a potential additional partner in the project, and SAAB and the Swedish Government are currently holding talks with partners in the UK on a possible collaboration.²⁴ The above clearly demonstrates Sweden's strong industrial ties with both the United States and the UK – while also illustrating how EU-only EDF projects might lead to a less competitive Swedish defence industry.

In sum, if current negotiations result in regulations that entail entities owned by third parties not being able to participate in the EDF, a significant part of the Swedish defence industry will be excluded from the European Defence Technological and

Industrial Base (EDTIB). Apart from a commercial loss, that would imply a political limitation since it would deliver European strategic autonomy at the expense of national strategic autonomy, a price few Swedish politicians would be willing to pay.

Nordic cooperation and discord

In order to fully understand Sweden's position towards the latest European initiatives, it is important to put its strategic outlook into perspective. While Sweden has so far decided to join most of the new regional and sub-regional security and defence initiatives that have arisen over the past decade, it is still unique among its Nordic neighbours. While Norway and Denmark are steadfast members of NATO, Sweden and Finland are still outside of the military alliance. In order to compensate for this lack of collective security, Sweden and Finland have in recent years strengthened their bilateral cooperation, mainly through joint exercises and mutual use of naval and air bases.²⁵ In addition, while all of the Nordic states are members of NORDEF, as well as the UK Joint Expeditionary Force (JEF), they differ quite radically in their views on EU defence cooperation.

Although Norway is outside the EU, it often contributes to civilian CSDP missions.²⁶ It is also a regular participant in military

²⁴ Business Insider (2018). "The UK just unveiled a next-generation fighter jet that could be unmanned and armed with lasers", from: <https://www.businessinsider.com/the-uk-just-unveiled-a-conceptual-next-generation-fighter-jet-2018-7?r=US&IR=T> and Sveriges Radio (2018), from: <https://sverigesradio.se/sida/artikel.aspx?programid=83&artikel=7072901>

²⁵ For instance, see: <https://www.government.se/government-policy/defence/defence-cooperation-between-finland-and-sweden/>;

<https://www.government.se/49fcef/globalassets/government/dokument/forsvarsdepartementet/2018/mou-finnish-swedish-defence-cooperation-20180625-signerad.pdf> ; and

<https://warontherocks.com/2016/07/determined-by-history-why-sweden-and-finland-will-not-be-more-than-nato-partners/>

²⁶ More than ten as of 2018, see: Koenig, N (2018).

"Towards Norway Plus? EU-UK defence cooperation post-Brexit", from:

<https://www.delorsinstitut.de/2015/wp->

industrial projects led by the EDA.²⁷ In contrast, while Denmark is part of the EU, it still has an opt-out from the CSDP and was one of three member states (together with Malta and the UK) that decided not to join PESCO.²⁸ Finland is the most similar Nordic partner to Sweden, but is considerably more positive than Sweden about deepening CSDP cooperation. This is mainly due to Finland seeing the CSDP – as well as the Lisbon Treaty’s article 42.7, known as the “mutual assistance” clause – as a possible alternative to NATO and its Article 5.²⁹ Finland’s strong interest in deepening defence cooperation also led it recently to join the French-led European Intervention Initiative, or E2I.

E2I and cooperation beyond the EU

While it is still somewhat unclear what the exact purpose of E2I will be, it seems likely to start off as a “talking shop” for participating member states’ militaries in order to increase joint situational awareness and preparedness in case of a military or civilian crisis,³⁰ a kind of “Military Erasmus” that also facilitates exchanges of officials and soldiers between the participating states.³¹ Sweden has so far decided not to join the French initiative, and

it is unlikely to join before a new government is in place. The main reasons for Sweden not joining, despite receiving an informal invitation before E2I was launched in June,³² are primarily two-fold.³³

First, there is the issue of costs. Membership of any multilateral institution has some costs attached to it, while at the same time generating varying degrees and types of benefits. As mentioned above, Sweden has already expanded its bilateral cooperation with other Nordic countries, as well as with the United States, and has chosen to engage in multiple mini-lateral formats such as the Joint Expeditionary Force and more recently PESCO. In addition, Sweden is currently in a position where every krona spent on operations abroad is weighed against increased investment in territorial defence. This trade-off has only become more apparent in the aftermath of Russia’s annexation of Crimea in 2014. The Swedish Armed Forces’ most recent budget overview contains a stated ambition to decrease the number of international operations that Sweden is involved in, as well as the number of officers deployed to these operations.³⁴ The document even states that the current

[content/uploads/2018/02/20180207_Towards-Norway-Plus-for-Brexit-Defence_Koenig.pdf](#)

²⁷ Norwegian Ministry of Defence (2018). “Norwegian Security Policy, including participation in the CSDP”, from: <https://www.regjeringen.no/en/aktuelt/norwegian-security-policy--including-participation-in-the-csdp/id2592184/>

²⁸ EEAS (2018). “Permanent Structured Cooperation (PESCO)”, from: https://eeas.europa.eu/headquarters/headquarters-homepage/34226/permanent-structured-cooperation-pesco-factsheet_en#_ftn1

²⁹ YLE (2017). ”EU ingick försvarssamarbete – Soini nöjd: En historisk dag”, from: <https://svenska.yle.fi/artikel/2017/11/13/eu-ingick-forsvarssamarbete-soini-nojd-en-historisk-dag>

³⁰ Billon-Galland, A & Quencez, M (2018). “A Military Workshop”, from: <https://berlinpolicyjournal.com/a-military-workshop/>

³¹ Parly, F [@florence_parly] (2018-06-25), from: https://twitter.com/florence_parly/status/1011229986852884480

³² Politico (2018). “Emmanuel Macron’s coalition of the willing”, from: <https://www.politico.eu/article/emmanuel-macrons-eu-defense-army-coalition-of-the-willing-military-cooperation/>

³³ The following is based on discussions and interviews with Swedish officials in 2017 and 2018.

³⁴ Swedish Armed Forces (2018). From: <https://www.forsvarsmakten.se/siteassets/4-om-myndigheten/dokumentfiler/budgetunderlag/budgetunderlag-2019/fm2017-11490.26-fm-bu-19.pdf>

number of operations is “negatively affecting critical functions of the Swedish Armed Forces”.

The second reason why Sweden has not joined the E2I is primarily about the EU. Sweden, together with Germany, has a very strong and explicit interest in preserving cohesion within the EU, which is why the two countries pushed for an “inclusive” PESCO when negotiating its entry criteria in 2017. Sweden and Germany fear that the cohesion between EU member states could be threatened if there are large differences in the speed at which EU member states integrate their militaries. Intergovernmental coalitions of the willing outside of the EU thus pose a risk to EU cohesion, and by extension, to the effectiveness of EU security and defence policy. In addition, Sweden largely shares Germany’s scepticism about French-led defence initiatives being primarily a way for France to obtain budgetary support for “self-serving” military operations in former French colonies in and around the Sahel.

Conclusion

This brief analysis of Sweden and the latest European defence initiatives suggests that Swedish interests, as far as they are spelled out, are often conflicting and increasingly subject to change. A central reason for this concerns the type of interests that Sweden often pursues. In this case, one can conceive of national interests as focused on either structure or substance. Structural interests concern the governance of a specific policy area: how the policies should be decided, financed and implemented. Substantial interests concern the actual matter of a policy: what should be done and for what purpose. In terms of the CSDP, Sweden has a relatively consistent track record of

pursuing its structural interests. Sweden primarily aims to protect the intergovernmental nature of decision-making while holding costs to a minimum. Similarly, unity and cohesion among the EU member states is perceived as fundamental to the continued effectiveness and existence of the Union. In addition to these positions is the oft-repeated but somewhat abstract desire that the policy area in general should be “strengthened” or “developed”, without specifying how or why.

Despite these rather clear structural interests, Swedish politicians have so far had great difficulties in specifying their substantive interests in the CSDP. The scant public discussion of PESCO throughout 2017 and the parliamentary debate that followed 2018 year’s Foreign Declaration provided no indication from either the sitting government or the opposition of what it is they want to achieve within the CSDP. Meanwhile, other member states have relatively well-known preferences which they strategically pursue. For instance, France primarily seeks support for its counterterrorism operations in the Sahel region while Germany wants the new initiatives to foster unity and overall European integration. At the same time, Finland firmly asks how a developed CSDP can support their own national security and perhaps even act as an alternative to NATO.

By contrast, the relatively few substantive interests that Sweden has in the security and defence policy area are more often formulated in the form of negations: EU security cooperation must *not* duplicate NATO, *not* lead to an EU army and *not* result in any more bureaucracy. These may be legitimate concerns but when a policy

area is under rapid development, they represent weak negotiating positions. Influence in the form of agenda setting or framing is rarely given to actors that primarily formulate negative preferences.

The few clear, substantive interests that Sweden actually has in the CSDP are also somewhat contradictory. In the government bill for Sweden's participation in PESCO, the government argues that the EU should be able to "independently carry out the most demanding missions", which are commonly understood as peace enforcement operations. However, this interest may clash with another fundamental Swedish structural interest – upholding cohesion among EU member states. As a result of Germany and Sweden insisting on low entry barriers for PESCO, countries that would rather see a multi-speed CSDP now seem to prefer to act outside of the EU's framework, for instance through E2I. Partly as a result of Sweden's pursuit of inclusiveness, the future capability to conduct "the most demanding missions" might instead lie in coalitions of the willing outside of the EU – in other words, the complete opposite of strengthened political unity among EU member states.

Another obvious risk of prioritizing cohesion over capability development is that in the long term, Sweden could be left outside of the decision-making on European security policy in the Southern neighbourhood – a region that is politically very significant for Sweden, not least because of the high level of migration that might arise in the case of multiple crises in the region. In addition, since the UK will be part of E2I even after Brexit, it is possible that an increasing amount of European security policy will be transferred from the

CSDP to E2I, depending on how its mandate develops over the coming years.

Which substantive interests should Sweden pursue in this formative phase of European defence cooperation? Given that Sweden has agreed to the mutual assistance clause in Article 42.7 and the solidarity clause in Article 222 of the TEU, Sweden and other EU member states expect assistance when needed – for instance against hybrid threats and "grey zone conflicts" of the sort recently witnessed in Salisbury, UK. It would therefore be in Sweden's interests to pursue exercises and preparations for responding to these types of threats. In order to reconnect the UK to the CSDP post-Brexit, a bilateral EU-UK solidarity pact would also be worth pursuing. Finally, Sweden has a combined interest in strengthening the EU's capacity to conduct military crisis management operations in order to ensure that international peacekeeping is not left to the largest countries. However, this would require that the EU become more flexible in terms of cooperative formats for military crisis management while also implementing greater cost-sharing incentives. This would increase the willingness of countries such as France, and in the long run the UK, to act within the EU framework rather than outside of it.

Finally, the defence industrial sector is an area where Sweden has large de facto interests of a very substantial nature. Foreign ownership and close US and UK ties risk disqualifying parts of Sweden's defence industrial sector from lucrative collaborative projects within the EDF and PESCO. While this might be seen as a price worth paying for a country that values its close transatlantic ties, it is also a price

difficult to estimate as the full effects of European integration in this field are yet to be seen. A national strategy for its defence industrial sector, especially in relation to the various mechanisms now being rolled out in Brussels, is badly needed.

As shown above, Europe is slowly equipping itself in order to live up to the Petersberg tasks set out at the very start of the CSDP in the early 1990s. In practice, these initiatives are likely to amount to a sort of bounded autonomy – a capacity to act without outside assistance in a limited segment of security policy tasks. In parallel, Sweden has also started to readjust its former principles regarding security policy – for instance by giving up on neutrality and pledging solidarity within a political union. The geopolitical turbulence of recent years has only made this process of adaptation more concrete. Given the rapid evolution of the CSDP it would thus be of great value if Sweden could identify and formulate a strategy for European security and defence cooperation that is based on its long-term substantive interests. Sweden's answer to the question of what role the EU should play in the future European security landscape is already long overdue.

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