



"Security, Resilience, Prosperity, Values"

The Priorities of the Swedish Presidency of the Council of the EU

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On 1 January 2023, Sweden will become President of the Council of the European Union, which it will hold for six months until 30 June 2023, after which Spain will assume the chair. The Swedish Presidency is the third and final of the current FCS Trio (France, Czech Republic, Sweden), and largely continues the priorities of its immediate predecessor. This is the third Swedish Presidency, following the country's first in 2001 and its second in 2009. Sweden's 2009 term focused on managing the ongoing impacts of the 2008 global financial crisis, enlargement policy and climate change.¹

Sweden assumes the mantle of the Presidency at a time of great turmoil in Europe, and is squarely focused on securing a greener, freer, and more secure Europe in the face of Russia's invasion of Ukraine, as well as energy prices and growing economic protectionism.² Sweden's recent departure from its traditional policy of neutrality and its impending membership of NATO has strongly shaped the Presidency's focus, as has the recent election of a centre-right government. Linked to the impacts of the Russian invasion of Ukraine is a focus on ensuring that the Single Market remains competitive on a global level in the context of the green and digital transitions.

Swedish Political Landscape

Sweden is a unicameral constitutional monarchy, and joined the EU in 1995, along with Finland and Austria following the end of the Cold War.

The most recent Swedish general election, held on 11 September 2022, resulted in a narrow victory for the right-wing electoral bloc led by the Moderate Party. The Moderate leader, Ulf Kristersson, now Prime Minister leads a centre-right coalition of the Moderates, Christian Democrats and Liberals, with the supply and confidence of the far-right Sweden Democrats.

The election was dominated by concerns over immigration and the rule of law in Sweden, which have shaped the new government's approach to key EU files, and Sweden's application for NATO membership and the end of a traditional of military non-alignment will both be significant for Sweden's position within critical EU security, defence, foreign and economic policy debates

Presidency Theme and Logo

The Swedish Presidency logo and theme aim to communicate the importance of solidarity and community. The logo itself has three variations, which

¹ Outcomes of the Swedish EU Presidency – Swedish Presidency of the European Union (archive.org)

² EU: Brussels Drops Free Trade, Embraces Protectionism (foreignpolicy.com)

respectively emphasise Sweden's role as Presidency holder and contribution to the EU, Sweden's commitment to the Union's common interests, and the importance of the EU as a community.



The France, Czech Republic and Sweden (FCS) Trio Presidency

The joint FCS Trio Presidency programme initially outlined four thematic priorities for action during their shared 18-month tenure, namely: protecting citizens and freedoms; reinforcing the EU's economic foundations; fostering a more climate-neutral, equitable and social Europe, and; promoting European interests and values in the world. This policy programme was originally inspired by the impacts of the COVID-19 pandemic and the measures needed to overcome the health, economic and social shocks it caused.

The French Presidency (1 January 2022 – 30 June 2022), the first in the trio, was particularly concerned with strengthening the EU's economic and social resilience and with promoting the EU's values and interests globally. It focused on implementing national Recovery Plans and pressing ahead with key green and digital policies to shore up the EU's strategic autonomy, such as the Carbon Border Adjustment Mechanism (CBAM) and the Fit for 55 legislative package. These files were delayed due to the war in Ukraine and political divisions within the Union. The Czech Presidency devoted significant attention towards protecting citizens and freedoms at home in the EU and fostering progress on key legislative files in the Fit for 55 agenda, as well as security concerns.

Sweden will orient its Presidency around the critical issue of ensuring the EU's future security, in terms of defence and economic competitiveness, in the face of climate change and internal challenges to the rule of law.³ It is worth noting the considerable divergence within the FCS Trio: while France championed the concept of a more protectionist and interventionist "strategic autonomy",⁴ Sweden stresses the need for an open concept of strategic autonomy and commitment to the principles of free, fair and unfettered trade in order to preserve economic competitiveness.⁵

Swedish Presidency Priorities⁶

The Swedish Government have identified four priorities for its Presidency Programme which are centred around the broad notion of securing the EU's strategic autonomy and building security for citizens. These priorities are: building a consensus towards a robust united European security and defence policy in the wake of Russian aggression against Ukraine; ensuring the future of the Single Market and European economic competitiveness; realising the energy transition in Europe; and upholding the rule of law and fundamental rights in the EU.8

1) Security and Unity

In the context of Russian aggression against Ukraine and a worsening of the European security situation, Sweden is prioritising the security of the EU in its programme. As such, Sweden will continue to strongly support reinforcing European defence capabilities within the parameters of the Strategic Compass, EU-NATO cooperation, and further exploration of the European Peace Facility, as well as continued military and financial support to Ukraine. This will likely have considerable ramifications for Ireland as the number of militarily non-aligned Member States in the EU dwindles as a result of Sweden and Finland's imminent NATO membership. Neutral states may see their relative influence in foreign policy debates consequently diminishing as discussions around defence policy shift in the context of Russian aggression against Ukraine.

The Swedish Government supports the development

³ Speech by Prime Minister Ulf Kristersson in the Riksdag (europa.eu)

⁴ Strategic autonomy and industrial policy: Perspectives from France, the EU and Japan | IFRI - Institut français des relations internationales

⁵ Strategic Autonomy - Views from the North (sieps.se)

⁶ the-swedish-presidency-programme.pdf (europa.eu)

⁷ Message from the Prime Minister (europa.eu)

⁸ Priorities (europa.eu)

of both a short-term joint procurement instrument to enhance the European defence industry as well as more long-term investment programmes into European defence in the face of threats to physical and digital infrastructure. Furthering negotiations on the establishment of a €500m per annum European Defence Industry Reinforcement through common procurement act (EDIRPA) will be central to this effort, although to what extent Member States with limited arms industries like Ireland will participate remains unclear.9 Former Irish Foreign and Defence Minister Simon Coveney has stated Ireland is open to joint procurement and stressed that Irish participation would not prejudice Ireland's policy of military non-alignment.¹⁰ The development of closer security relationships with countries in the Eastern Partnership, as well with the Western Balkans, under the aegis of the European Political Community is also a stated objective for the Swedish Presidency to address European security concerns. Sweden also plans to support efforts for a clear, united, and effective policy towards China and greater EU cooperation in the Indo-Pacific region, with a focus on security, sustainability, and trade, likely under the remit of the Global Gateway programme. EU relations with African partners is also framed in terms of strategic partnerships to ensure mutual security, particularly in the context of the knock-on impacts of the war in Ukraine for Africa.

The Swedish Presidency Programme also highlights the importance of food production and food security as critical issues for the EU and this concern will likely play a significant role in framing debates around environmental legislation and agricultural policy.¹¹

2) Competitiveness

While the war in Ukraine is likely to continue to dominate the near- and medium-term European political agenda, Sweden is keen to ensure that sufficient attention is also focused on ensuring the EU's long-term prosperity and security by reinforcing the Single Market's economic competitiveness. The EU's primary strength and influence on the world stage come from its economic heft, with 93% of EU GDP coming from trade, compared to 25% for the United States. 12 However, ensuring that the Single

Market can continue to compete in a turbulent global environment is a considerable challenge. Sweden's tenure as President also coincides with the 30th anniversary of the Single Market which will form a cornerstone of the Presidency programme. The Swedish Presidency supports short-term emergency measures to address challenges arising from the Russian invasion of Ukraine, but opposes these measures becoming a new economic status quo for the EU. Sweden aims to ensure that there is a concerted and common EU approach to improve competitiveness within a Single Market founded on free competition, private investment, and digitalisation. The Presidency Programme will place an emphasis on ensuring the development and implementation of long-term, clear, and predictable competition rules within the Single Market to foster business development and uptake, and likely oppose the development of permanent State aid measures for industry.

The possibility of reforms to the Stability and Growth Pact (SGP) to relax debt and deficit targets in the EU are unlikely to be concluded by the end of Sweden's Presidency term as it remains effectively suspended due to the war in Ukraine, and will have relatively little impact on Sweden which lies outside the Eurozone. It will, however, be important in determining the future shape and orientation of Eurozone economies like Ireland, and potentially grant the Commission greater economic oversight and enforcement powers.¹³

Swedish From the Presidency's perspective, critical legislative files for future Single Market competitiveness include: the new Ecodesign Regulation and Construction Products Regulation, which aim to reduce climate and environmental waste through recycling and more efficient design; the Single Market Emergency Instrument (SMEI) to address supply-chain crises; the European Critical Raw Materials Act to reduce EU strategic dependencies; reviewing Euro 7 combustion engine emissions standards; the European Chips Act to support strategic semiconductor production in Europe, and a focus on intellectual property and design protections critical for the digital economy.

This focus may, in part, drive Swedish support to conclude the Fit for 55 legislative package, in order

⁹ EU defence industry: Council reaches general approach on boosting common procurement - Consilium (europa.eu)

¹⁰ Ireland backs push for joint EU military procurement - The Irish Times

¹¹ EU governments slap down 'too ambitious' Green Deal pesticide bill - POLITICO

¹² Trade (% of GDP) | Data (worldbank.org)

¹³ Building an economic governance framework (europa.eu)

to position the Single Market at the forefront of the green and digital industrial transitions. Sweden is also keen to continue ongoing negotiations for freetrade agreements (FTAs) with the Indo-Pacific region and Latin America, including Australia, Chile, India, Indonesia, Mercosur, Mexico, and New Zealand. This will face resistance from Member States, including Ireland, who have concerns about agricultural production standards and over the impact of certain trade deals, such as that proposed with Mercosur,14 on indigenous industries.¹⁵ Space is also a specific focus for the Swedish Presidency programme's competitiveness strategy, with an emphasis on ensuring sufficiently secure EU telecommunications infrastructure through the Union Secure Connectivity Programme 2023-2027.

3) The Green & Energy Transitions

The interlinked green and energy transition for the Swedish Presidency is framed by two concerns, first the acute impacts of the Russian invasion of Ukraine on European and global energy markets, and the longerterm impacts of climate change. Concluding the outstanding negotiations on the Fit for 55 legislative package is a priority for the Swedish EU Presidency, in order to reduce greenhouse gas emissions by 55% by 2030, particularly in the transportation and energy sectors. Key legislative files include: TEN-T, the Renewable Energy Directive, the Energy Efficiency Directive, the Energy Performance of Buildings Directive, and a regulation to reduce energy methane emissions. The Presidency programme also underscores the need to reduce the use of natural gas by increasing the uptake of hydrogen and decarbonised gases as well as expanding charging infrastructures and reducing carbon emissions in third countries, and aiming to create a level playing field for the EU's industries through the implementation of the CBAM. These discussions, however, are the subject of considerable divisions between Member States and may prove challenging for the Swedish Presidency to secure consensus on them.¹⁶ It is worth observing that the Swedish Government supports the implementation of the CBAM as both a tool to

address carbon emissions and reinforce European economic competitiveness, despite potential concerns over the CBAM's compatibility with WTO free trade provisions. ¹⁷The particular issue of protecting forests, nature and biodiversity will also likely be a large political file during Sweden's term as President of the European Council, as there is considerable opposition within the Swedish Government over limiting the use of forest products in manufacturing or energy production. ¹⁸

4) Democratic Values and the Rule of Law

The Swedish Presidency will adopt a parallel theme from the Czech Presidency and emphasise the importance of democratic values as a prerequisite for the EU's economic output, global influence and internal cohesiveness. Progress on agreeing common rules to protect journalists will likely face opposition from certain Member States.

The upcoming 2024 European Parliament elections, which will take place against the now familiar backdrop of disinformation and interference in democratic processes by Russia and other actors, underscores the need for action to ensure the integrity and independence of European elections. In this vein, the Swedish Presidency is keen to progress negotiations on a regulation on the transparency and targeting of political advertisings, and the related EU Electoral Act and European Media Freedom Act. Supporting the development and protection of democracy and democratic values beyond the EU is also important for the Swedish Presidency in an era of global democratic backsliding. As such, the Swedish Presidency will ensure that human rights, democracy, rule of law and gender equality concerns are duly incorporated into the EU Common Foreign and Security Policy, as well as the midterm review of the EU Action Plan on Human Rights and Democracy, which will be implemented in early 2023. The end of Sweden's formal commitment to a nominally "feminist" foreign policy following a change of government and imminent future membership of NATO may further

¹⁴ Argentine election looms over EU-Mercosur deal - POLITICO

^{15 &}lt;u>Trade Agreements – Thursday, 10 Feb 2022 – Parliamentary Questions (33rd Dáil) – Houses of the Oireachtas</u>

¹⁶ Industry issues warnings over EU reusable packaging push - POLITICO

¹⁷ EU Carbon Border Adjustment Mechanism and a WTO challenge - Allen & Overy (allenovery.com)

^{18 &}lt;u>EU-deklarationen – regeringens prioriteringar i EU-arbetet - Regeringen.se</u>

shift Sweden's foreign policy orientation, though their long-term impacts will likely be considerable.¹⁹

Conclusion

Sweden takes over the helm of the Council of the EU as the Union faces into a profound crisis. The challenge is to steer the EU onto a long-term and sustainable course that can ensure the Union's economic competitiveness amid challenges posed by growing economic protectionism, whilst also addressing the immediate energy and security concerns generated by Russia's aggression against Ukraine. All, of course, while also accelerating the twin green and digital transitions in an equitable manner for EU citizens.

Sweden has a long history of commitment to free trade and a robust foreign policy outlook predicated on democratic values and human rights. These two strands will likely influence the Swedish Presidency's outlook on the world and shape its tenure. Sweden shares with Ireland a similar perspective on the EU Single Market, with an emphasis on ensuring an open strategic autonomy which ensures the EU can trade with the world whilst protecting its interests, and ensuring its industries remain competitive. As a result, Sweden will continue to prioritise economic competitiveness, supporting free and fair competition and opposing the establishment of permanent State aid subsidies which may distort the level-playing field of the Single Market and disadvantage those Member States with fewer fiscal resources to support domestic industries. Striking a balance between an open approach to the world which ensures the EU's continued prosperity, but which minimises the Union's vulnerability to external shocks will be a considerable challenge, as well as threading the needle of the critical energy transition and tackling democratic backsliding both at home and abroad.

¹⁹ Billstrom Can Revoke Sweden's Feminist Foreign Policy, but He Can't Undo It

Key People





















Important Dates in the Swedish Presidency 2023

16 January	•	Eurogroup
17 January		ECOFIN
23 January	•	FAC
23 January	•	AGRI
25-26 January		Informal JHA
6 February		GAC
6-8 February	•	Informal COMPET
9-10 February	•	European Council Summit
13 February	•	Eurogroup
14 February		ECOFIN
20 February		FAC
21 February		GAC
27 February	•	AGRI
27-28 February		Informal TTE (Transport, Energy)
2 March		COMPET (Internal Market/ Industry)
7 March		EYCS (Education)
7-10 March		Informal FAC (Defence, Development, Trade)
9-10 March		JHA
13 March		Eurogroup
13-14 March	•	EPSCI (Social, Health)
14 March	•	ECOFIN
16 March	•	ENVI
20 March	•	FAC, AGRIFISH
21 March	•	GAC
22 March	•	Tripartite Social Summit
23-24 March	•	European Council Summit
28 March	•	TTE (Energy)

Important Dates in the Swedish Presidency 2023

24 April	•	FAC
25 April	•	GAC, AGRIFISH
28-29 April		Informal Eurogroup, ECOFIN
3-5 May		Informal EPSCO (Social, Health)
4 May	•	FAC (Development)
11-12 May	•	Gymnich meeting
15 May	•	Eurogroup
15-16 May	•	EYCS
16 May		FAC (Defence), COMPET (Internal Market/Industry, Research/Space)
25 May	•	FAC (Trade)
30 May	•	GAC, AGRIFISH
1-2 June		TTE (Transport, Telecommunications)
8-9 June	•	JHA
11-13 June		Informal AGRIFISH
12-13 June	•	EPSCO (Social, Health)
15 June	•	Eurogroup
16 June	•	ECOFIN
19 June	•	TTE (Energy)
20 June		ENVI
21-22 June	•	Informal GAC, Stockholm Ministerial Symposium on Democracy and the Rule of Law
26 June	•	FAC
29-30 June	•	European Council Summit

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