

The Influence of Euro outsiders in the European Union After the Crisis: The case of Sweden and Banking Union

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Abstract

Differentiated integration has, since the signing of the Maastricht treaty, become more and more commonplace in the European Union. The euro zone crisis has reinforced this trend as it has led to increased integration and cooperation aiming to strengthen the economic pillar of the EMU. This thesis studies the implications for a Member State that has made the choice not to adopt the single currency. The point of departure is whether non-euro area Member States today have the same opportunities to exercise influence over the policies of the EU or whether the costs of 'outsiderness' are larger today than they were before the onset of the crisis.

This thesis studies the case of Sweden and three legislative dossiers that are part of Banking Union. Sweden's particular experience with a previous banking crisis has largely shaped its preferences that are, in many aspects, contrary to those of the euro zone. The choice to study financial policy was made as Sweden was, before the crisis, considered to hold a significant influence in the European Union, with respect to its size. Therefore, financial policy was chosen as it is a most-likely case in terms of 'loss of influence' for euro outsiders and as Sweden has very strong interests in the area. The conclusions are that Sweden has, after the crisis, still managed to have a significant influence on the policy-outcomes in the cases studied. This has, however, to some extent been achieved through the use of hard bargaining techniques and it is estimated that Sweden will, over the years to come, increasingly struggle to exercise an influence in the European Union as its preferences are shaped by not belonging to the euro zone and euro zone area integration continues to create common interests for the participating countries. The results thus suggest that non-euro zone countries' ability to influence decisions in the EU will become increasingly constrained as their preferences diverge from those of the euro zone countries.