



**Contributions from the Sherpas
of the Member States to
the Five Presidents' Report**

SWEDEN



**Prime Minister's Office
Sweden**

State Secretary

Response from the Swedish sherpa to questions in the analytical note on better governance in the Euro Area

1. Sweden has a strong interest in a well-functioning EMU. We appreciate the close involvement of all 28 Member States in the work on better governance, in which we will continue to participate constructively. The coming report by the Four Presidents should take into account the following.
2. **Secure legitimacy.** Democratic legitimacy and accountability must be a foundation for EU economic governance. The role of national parliaments is important in that context.
3. **Focus on implementation.** The six-pack, the two-pack and the Fiscal Compact, underpinned by the improvements in the statistics field, together with the Banking Union and the ESM, represent a significant strengthening of the framework for economic policy coordination. There is reason to expect that over time this framework could deliver increased convergence. However, the new framework comprises instruments and rules that have yet to be fully applied. Therefore, the priority now should be to effectively implement the recently strengthened framework. The application of the rules should be fair, transparent and equitable.
4. **Gain experiences and evaluate.** We should allow for sufficient time to gain experiences and examine lessons learned. Thorough evaluations of the new framework should be conducted, possibly also by external bodies. It is only on the basis of such experiences and examination, that we may properly consider and assess the need for possible additional measures, or indeed simplifications that could reduce the complexity and increase the predictability of the key set of rules for economic policy coordination. Any new coordination procedures should have a clear value added. New heavy or overly bureaucratic procedures should be avoided.
5. **Analyze and discuss.** Before any far-reaching further steps in integration are considered, thorough discussion and analysis are needed. This is important from a technical, economic and legal point of view, but also with regard to the need for sustained political and democratic legitimacy for the economic governance system.

6. **Ownership and responsibility of Member States.** A fundamental principle, that should inform the coming report by the Four Presidents, is that individual Member States should bear the responsibility for their own economic policies. This is necessary in order to ensure ownership of reforms as well as democratic legitimacy and accountability. Member States need to undertake economic reforms that foster growth and promote employment.
7. **Social dimension.** The social dimension should be an integral part of the work on better governance. The role of social partners, as well as national practices and institutions for wage formation, should be respected.
8. **Inclusiveness.** The ambition should be to maintain the cohesion of EU28. Any new procedures should be voluntary but open for participation by non-Euro Area Member States. New institutions or bodies exclusively for the Euro Area should be avoided and may only be considered once all possibilities to use the existing bodies and institutions have been exhausted. Transparency vis-à-vis the non-euro area Member States is crucial. The integrity of the Single Market must be preserved, and continued efforts to strengthen the single market are of high importance.
9. In conclusion, the report of the four Presidents should reflect the views of all Member States. In our view, it would be more useful if the main focus was on implementation and consolidation of the significant improvements already achieved. The time horizon should thus be the short and the medium term, rather than the long term.