EUROPE 28.05.2020 | Kaisa Vatanen

Finland's new-found commitment to the European project

Previously firmly rooted in the EU's frugal North, the ruling Social Democrats have pushed Finland towards a new EU policy

Finland has been known to be a rule-abiding EU member, which firmly belongs to the Northern club of countries that have called for restraint on solidarity and supported strict economic policy, including the austerity policies after the euro crisis nearly a decade ago. As one of the members in the 'new Hanseatic League', encompassing Denmark, Estonia, Ireland, Latvia, Lithuania, the Netherlands and Sweden, Finland has belonged to the 'strict North', which often has been described as polar opposite of the 'relaxed South' of the EU.

After the social democrats won the April 2019 elections – the first social democratic victory for two decades – there have been questions over the positioning of the country within the EU blocs. Whether the new coalition government, which includes the previous prime minister's Centre Party, will continue to work within the Hanseatic group or align itself with other social democratic lead governments of the EU?

A new take on Europe

The corona crises has put the entire Union to a test over unity and ability to make decisions under immense pressure. And among others, it forced the Finnish government to take a stand on issues of solidarity, new financing mechanisms and mutualisation of debt. These are definitely not easy or simple discussions within any government. But in a five-party coalition that ranges from centre-right Swedish People's Party to Left Alliance – and several parties have previously defended hawkish positions of the earlier governments – it takes skills to lead to any unified position.

The new government started finding its place and position within the Union during the Finnish EU Presidency on the second half of the 2019. The move away from the Hanseatic League was perhaps stated most clearly by the Minister for European Affairs Tytti Tuppurainen in a

speech at the Europe Forum in August saying that 'Finland's policy on Europe does not involve a single-handed commitment to Hanseatic Leagues or any other blocs; instead, we collaborate with everyone and foster the unity of the EU.'

This change of position has roots in the electoral loss of the Social Democrats in 2015. The Social Democratic Party SDP was a minority partner in the centre-right National Coalition Party-led government during the financial and euro crisis. At the time, it was to demand collateral for participating in Greek and Spanish bailout packages. Since the loss in 2015 elections SDP begun a major renewal process, that included re-writing of the declaration of principles and creation of an entirely new political programme.

A turn to the left

This new policy base manifested itself in the 2019 election programme and also in the government coalition agreement. The party has taken a definite turn to the left and also found the commitment to the European project that it had during the 1990s, when the party led Finland to join the Union after the collapse of the neighbouring Soviet Union. The change within the party is well pictured in the election of the current Prime Minister Sanna Marin, who is a young internationalist and has long been the star of the left of the party.

The change is also reflected in the government response to EU corona response. The new proposals by France and Germany on a recovery fund and then by the Commission on its recovery plan have been welcomed by the government, although detailed response obviously remains to be decided upon.

The response by the political left and the trade unions have been overall positive. The trade union confederation SAK supports the recovery fund and emphasises that increased solidarity is needed to ensure the recovery of the European economy. The alternative would be disastrous.

The SDP supports recovery plans, but stops short of supporting all of the previously proposed solidarity and debt sharing mechanisms, especially the coronabonds. The most significant change can be said to have happened in rhetoric, rather than in decisions. The party and its leaders have been very strong in emphasising the need to openly assess all the different proposals, hence abandoning the more principled opposition to increased solidarity.

Combining conditionality with solidarity

One of the key questions for the Finnish social democrats is the extent of conditionality. There is increasing support for solidarity, but there is also a strong demand for clearly defined programmes, with end dates, conditionality and defined limits of responsibilities of each member state. In this view, conditionality is a prerequisite of any joint action. Greater solidarity – and economic support – can only be achieved through agreeing to some form of joint policy and clear rules for all members. But there is also a discussion on the content of the rules – the current deficit and debt rules, for example, are questioned more and more often. Increased conditionality, however, would require further democratisation and increased transparency of the EU decision-making process, something that has been very difficult to achieve in normal times.

This leads to calls from within the SDP to emphasise the conditionality of the rule of law, democracy and tax evasion in the corona response. This obviously is not a position that is unanimously supported by all member states. There are also calls for limiting the corona response for certain sectors or uses. Support should be limited to corona affected areas – such as health care, employment and support for small businesses – or on sectors that boost welfare, equality and cohesion, as well as digitalisation, research and European Green Deal targets.

Finland wants to ensure the unity of the EU, its credibility and ability to function in unforeseen circumstances. This means that the country and the government is committed to increasing the decision-making capacity and solidarity. Yet this is not universally shared position within the country, nor are some of the details agreed upon within the government or even within the SDP.

To move from rhetoric to action

The largest opposition party is the populist The True Finns party, which pushes the debate towards a more divided and Eurosceptic direction. The national debate is very polarised and, the despite the shared positions of the coalition, there are some who find the changed position difficult to accept. The response to the recovery plan by the coalition partner Centre Party has not been as welcoming. The negotiations within the coalition will remain difficult.

For the Social Democrats and Sanna Marin to successfully push through the new national EU policy, there is much work to be done. It is perhaps made a little easier by the fact that the current government is the

government with the highest approval rating in Finnish history. This might have a lot to do with the 'rallying around the flag' effect, but at least it makes decision-making in the middle of the crisis a little bit easier.



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