Evidence of Partisan Emphasis on EMU during 1994–1999: Comparing Finnish Parties

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ACADEMIC DISSERTATION

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Political power can be better understood
in the degree that language is better understood,
and that the language of politics can be usefully studied by quantitative methods.
(Lasswell & Leites & Associates 1949, preface)

Abstract

This study explores the EMU stand taken by the major Finnish political parties from 1994 to 1999. The starting point is the empirical evidence showing that party responses to European integration are shaped by a mix of national and cross-national factors, with national factors having more explanatory value. The study is the first to produce evidence that classified party documents such as protocols, manifestos and authoritative policy summaries may describe the EMU policy emphasis. In fact, as the literature review demonstrates, it has been unclear so far what kind of stand the three major Finnish political parties took during 1994–1999. Consequently, this study makes a substantive contribution to understanding the factors that shaped EMU party policies, and eventually, the national EMU policy during the 1990s.

The research questions addressed are the following: What are the main factors that shaped partisan standpoints on EMU during 1994–1999? To what extent did the policy debate and themes change in the political parties? How far were the policies of the Social Democratic Party, the Centre Party and the National Coalition Party shaped by factors unique to their own national contexts? Furthermore, to what extent were they determined by cross-national influences from abroad, and especially from countries with which Finland has a special relationship, such as Sweden?

The theoretical background of the study is in the area of party politics and approaches to EU policies, and party change, developed mainly by Kevin Featherstone, Peter Mair and Richard Katz. At the same time, it puts forward generic hypotheses that help to explain party standpoints on EMU. It incorporates a large quantity of classified new material based on primary research through content analysis and interviews. Quantitative and qualitative methods are used sequentially in order to overcome possible limitations. Established content-analysis techniques improve the reliability of the data. The coding frame is based on the salience theory of party competition. Interviews with eight party leaders and one independent expert civil servant provided additional insights and improve the validity of the data. Public-opinion surveys and media coverage are also used to complete the research path.

Four major conclusions are drawn from the research findings. First, the quantitative and the interview data reveal the importance of the internal influences within the parties that most noticeably shaped their EMU policies during the 1990s. In contrast, international events play a minor role. The most striking feature turned out to be the strong emphasis by all of the parties on economic goals. However, it is important to note that the factors manifest differences between economic, democratic and international issues across the three major parties. Secondly, it seems that the parties have transformed into centralised and professional organisations in terms of their EMU policy-making. The weight and direction of party EMU strategy rests within the leadership and a few administrative elites. This could imply changes in their institutional environment. Eventually, parties may appear generally less differentiated and more standardised in their policy-making. Thirdly, the case of the Social Democratic Party shows that traditional organisational links continue to exist between the left and the trade unions in terms of their EMU policy-making. Hence, it could be that the parties have not yet moved beyond their conventional affiliate organisations. Fourthly, parties tend to neglect citizen opinion and demands with regard to EMU, which could imply conflict between the changes in their strategic environment. They seem to give more attention to the demands of political competition (party-party relationships) than to public attitudes (party-voter relationships), which would imply that they have had to learn to be more flexible and responsive.

Finally, three suggestions for institutional reform are offered, which could contribute to the emergence of legitimised policy-making: measures to bring more party members and voter groups into the policy-making process; measures to adopt new technologies in order to open up the policy-formation process in the early phase; and measures to involve all interest groups in the policy-making process.

Tiivistelmä

Tämä tutkimus tarkastelee Suomen kolmen suurimman puolueorganisaation EMU-kantojen painotuseroja vuosina 1994–1999. Viitekehys pohjautuu aiempaan tutkimuskirjallisuuteen, jonka mukaan paradoksaalisia puolueorganisaatioiden integraatiopoliittisia kantoja ovat muovanneet sekä kansalliset että kansainväliset tekijät. Lähtökohtana on, että kansalliset tekijät selittävät enemmän kantojen muodostumista. Valtio-opillisessa tutkimusperinteessä tämä on ensimmäinen tutkimus, joka tutkii suomalaisten puolueorganisaatioiden EMU-kantojen painotuksia julkisten kannanottojen, erittäin salaisina pidettyjen pöytäkirjojen ja puoluejohtajien yhteenvedonomaisten tiivistelmien avulla. Tästä syystä tämä tutkimus tuo merkittävästi esiin niitä keskeisiä tekijöitä, jotka ovat muovanneet puolueorganisaatioiden EMU-poliittisia kantoja ja myös Suomen EMU-politiikkaa 1990-luvulla.

Tutkimuksessa pyritään vastaamaan seuraaviin kysymyksiin. Mitkä ovat olleet ne päätekijät, jotka ovat muovanneet Suomen Sosialidemokraattisen Puolueen, Suomen Keskustan ja Kansallisen Kokoomuksen EMU-poliittisia kantoja vuosina 1994–1999? Missä määrin painotukset ovat muuttuneet näiden vuosien varrella? Missä määrin kantoja ovat muovanneet kansalliset ja kansainväliset tekijät ulkomailta sekä erityisesti maista kuten Ruotsista, johon Suomella on ollut läheinen suhde?

Viitekehys pohjautuu puolueorganisaatioiden integraatiopolitiikkaa ja puoluemuutosta selittäviin teoreettisiin tekijöihin, joita ovat kehittäneet muun muassa Kevin Featherstone, Peter Mair ja Richard Katz. Näiden teoreettisten tekijöiden ja empiiristen tulosten avulla tutkimuksessa on asetettu työn analysointia ohjaavat hypoteesit. Tutkimusaineisto sisältää suurissa määrin primäärilähteenä erittäin salaisena pidettävää asiakirjamateriaalia, joka on analysoitu kvantitatiivista sisällönerittelymenetelmää käyttäen ja hyödynnetty haastatteluaineiston rinnalla. Siksi on luotu luokitusrunko, joka pohjautuu puoluekilpailuteorian salience-lähestymistapaan. Luotettavuuden varmistamiseksi luokitusrunko perustuu tutkimusperinteessä jo aiemmin testattuihin luokituskäytäntöihin. Validiteetin parantamiseksi tutkimus hyödyntää myös haastatteluaineistoa, joka on kerätty kvantitatiivisen analyysin jälkeen. Haastattelut ovat valaisseet tutkimuskohdetta tarkemmin ja päässeet kiinni tutkimuskohteen toimintaan ikään kuin sisältä käsin. Lisäksi haastattelut ovat tavoittaneet sen aineiston, joka on mahdollisesti jäänyt asiakirja-analyysin ulottumattomiin. Tutkimuksessa on haastateltu kahdeksaa puoluejohtajaa ja yhtä riippumatonta valtiovarainministeriön korkeaa virkamiestä. Aineistoa täydentävät myös mielipidemittaukset ja lehdistömateriaali.

Tutkimustulosten mukaan voidaan tehdä seuraavat neljä johtopäätöstä. Ensimmäiseksi, kansalliset tekijät puolueorganisaatioissa ovat muokanneet merkittävimmin EMU-poliittisia kantoja 1990-luvulla. Toisaalta kansainvälisten tekijöiden vaikutus on jäänyt vain vähäiseksi. Eniten puolueet ovat painottaneet taloudellisia tavoitetekijöitä EMU-kantaa muodostettaessa. Suurimmat erot puolueiden välillä heijastuvat taloudellisista, demokraattisista ja kansanvälisistä tekijöistä. Toiseksi, puolueet ovat muodostaneet EMU-kantojaan keskittyneellä ja ammattimaisella politiikan tekotavalla. Puoluejohto ja sen ympärillä olevat asiantuntijat sekä muutamat hallinnolliset eliittihenkilöt ovat päättäneet puolueen EMU-strategian suunnasta. Tämä vahvistaa kehitystä, jossa puolueiden politiikkakantojen painotukset lähenevät toisiaan. Kolmanneksi, tiivis yhteys näkyy erityisen merkittävästi sosialidemokraattien ja ammattiyhdistysliikkeen EMU-kantojen muodostumisessa. Puoluekartalla vasemmalla olevat puolueorganisaatiot linkittävät yhä edelleen politiikkakantojaan niitä lähellä olevien intressiryhmien kantojen kanssa. Neljänneksi, puolueet ovat suhtautuneet välinpitämättömästi yleisen EMU-mielipiteen kehitykseen. Puolueet ovat keskittyneet enemmän puoluepoliittiseen kilpailuun kuin kannattajien asenteiden seuraamiseen. Estääkseen tämän kehityksen puolueiden on opittava joustavimmiksi ja huomioitava paremmin kannattajansa.

Tutkimus esittelee lopuksi kolme ehdotusta, jotka lisäisivät puolueorganisaatioiden legitiimisyyttä politiikkakantojen muodostamisvaiheessa. Osallistumisaktiivisuutta on lisättävä kannattajien keskuudessa ja laajennettava uusiin äänestäjäryhmiin. Politiikkakantaa on avattava kannattajille heti valmisteluvaiheessa, ja uutta teknologiaa on hyödynnettävä kannattajia tavoitettaessa. Kaikkia mahdollisia intressiryhmiä on kuunneltava politiikkakannan muodostamisen aikana.

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The idea for this PhD study first came to me in 1999 when I was working as a political secretary at the central office of the National Coalition Party. I observed rather quickly how the policy-making process was organised internally. The central office concentrates on administrative questions and long-term policy development, while the parliamentary members deal mostly with day-to-day policy issues. As a result, I found myself puzzled by the number of meetings and memoranda involving the many national and international party-affiliated interest groups.

Following the adoption of the European common currency, the euro, in early 2002 I started to become interested in researching the policy-making process inside the three major political parties with regard to Economic and Monetary Union (EMU). Basically, there were three reasons for this. First, I was quite familiar with the development of the EMU because the subject of my Master's Thesis was the Democratic Accountability of the European Central Bank. Secondly, as a PhD student of Political Science, I was painstakingly seeking academic studies covering EMU-related intra-party policy-making.

Unfortunately, most of this academic work took the form of case studies on EU member states and failed to give answers regarding intra-party policy-making. Thirdly, as an enthusiastic researcher I showed my research proposal to the secretaries of the three major Finnish political parties. Surprisingly, they granted me permission to explore classified party documents in their party archives. To my knowledge, these classified files had never before been opened to anyone else intending to explore intra-party policy-making concerning EMU.

The result, I hope, is that this PhD study will serve several interests. It could be used as a tool to further understanding of the policy-making of the major political parties on EMU matters, the institutional constraints on their behaviour, their strategic relations vis-à-vis each other, and their policy strategies. Most importantly, it should make a substantive contribution within the field of comparative politics. For instance, it could help to shed light on the factors that eventually shaped Finland's EMU policy during the 1990s. Furthermore, it offers suggestions to the political parties for improving their legitimised intra-party policy-making in order to avoid conflicts with their core voters.

The study would not have been possible without the encouragement and support of my academic supervisors, friends and family. I wish to thank Professors Kyösti Pekonen and Mikko Mattila, who provided invaluable encouragement throughout the writing process. They read the work on several occasions and gave numerous suggestions for improving the text and the direction of my thoughts. Professor Pekonen sharpened my use of the Cartel party thesis and corrected several of my erroneous conclusions, while Professor Mattila provided source literature on the methods applicable to students of Political Science, and contributed ideas throughout. The friendship of both of these scholars is much appreciated.

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Six others merit my deepest thanks. Dagmar Pöntiskoski proofread this long work with professional commitment and gave me advice on the final editing of the text. My wife Ingrid, my daughter Claudia, my son Alexander knew how much this PhD study meant to me. I hope they know that they mean even more. Finally, I dedicate this PhD study to my parents Kaija and Esko. The older I get, the more grateful I am for their love and wisdom.

Helsinki 8 March, 2009

Marko Karttunen

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List of Abbreviations

AKAVA	Confederation of Unions for Professional and Managerial Staff in Finland
ALDE	Alliance of Liberals and Democrats for Europe
CDU	Christian Democratic Union (Germany)
Centre	Centre Party (Finland)
CMP	Comparative Manifestos Project
CSPEC	Confederation of Socialist Parties of the European Community
CSU	Christian Social Union (Bavarian sister party of CDU)
DNA	Labour Party (Norway)
EC	European Community
ECPR	European Consortium for Political Research
ECU	European Currency Unit
EEA	European Economic Area
EEC	European Economic Community
EFTA	European Free Trade Association
ELDR	European Liberal Democrat and Reform Party (federation and group in EP)
EMU	Economic and Monetary Union
EP	European Parliament
EPP	European People's Party
EPP-ED	European People's Party and European Democrats in EP
ERM	Exchange Rate Mechanism
EU	European Union
EVA	Centre for Finnish Business and Policy Studies
GDP	Gross Domestic Product
IDU	International Democrat Union
IGC	Intergovernmental Conference
IMF	International Monetary Fund
KESK	Centre Party (Finland)
KOK	National Coalition Party (Finland)
LI	Liberal International
LSAP	Luxembourg Socialist Workers' Party
MRG	Manifesto Research Group
MTK	Central Union of Agricultural Producers and Forest Owners
NATO	North Atlantic Treaty Organisation
NCP	National Coalition Party (Finland)
PASOK	Socialist Party (Greece)
PES	Party of European Socialists (federation and group in EP)
PS	Parti Socialiste (France)
PSE	Socialist Group in EP
PSI	Socialist Party (Italy)
PvdA	Labour Party (Netherlands)
SAK	Central Organisation of Finnish Trade Unions
SAMAK	Forum for the Nordic Cooperation between the Social Democrats and the Trade Union Movement
SDP	Social Democratic Party (Finland)
SI	Socialist International
SPD	Social Democratic Party (Germany)
STTK	Finnish Confederation of Salaried Employees
TT	Confederation of Finnish Industry and Employers
WZB	Social Science Research Centre Berlin
YYA	Agreement of Friendship, Cooperation and Mutual Assistance, YYA Treaty

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Part I: Research Design and Context

1 Introduction

1.1 Background

The advance of European integration in the 1990s towards Economic and Monetary Union (EMU) seems to have led to a major new cleavage and source of intra- and inter-party competition in the domestic arena. Many scholars have recently begun to argue that the political parties played a central role in the discourse on the application of convergence criteria to the EMU (Hix & Lord 1997, preface). They seem to have structured the EMU process by aggregating issues and presenting voters with a policy package in the form of speeches, party programmes and manifestos. Consequently, they sought to translate their positions into policies and then to implement them. As the review of related literature demonstrates, it is unclear what kind of stand the three major Finnish political parties took on the EMU issue during the period 1994–1999. To my knowledge, the present study is the first to produce evidence that classified party documents such as protocols, manifestos and authoritative policy summaries originating from the major Finnish political parties described the policy emphasis on EMU. For instance, Sauli Niinistö, a former minister of finance (1996–2003), characterised the EMU project in his memoirs as top secret project due to the volatile state of the market (Niinistö 2005, 73–77). Thus, this study makes a substantive contribution to furthering understand of the factors that shaped the EMU policy of the Finnish political parties, and eventually of Finland, during the 1990s.

The importance of this subject is obvious for two main reasons. First, political parties play a vital role in the democratic process, especially when it comes to the making of public policy. For instance, Schattschneider (1942) describes modern democracy as unthinkable save in terms of political parties. Similarly, Bryce argues that parties are inevitable. No one has shown how representative government could be worked without them (Bryce 1921, 119). Schumpeter emphasises the role of parties in his definition of democracy as the institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's votes (Schumpeter 1942, 269). This theme has been repeated for decades by scores of political scientists and political analysts. In terms of economic integration, national political parties are said to shape the political culture of each country's membership of the EU (Hix & Lord 1997, 15). Party leaders often dominate national debates and the media with their prejudices for or against European integration. The parties, in turn, recruit elites and shape their basic political assumptions. Therefore, of crucial importance in exploring the development of the EMU policy are the national political parties, which are key actors and agenda setters in European integration and operate in multiple arenas, on both the domestic and the European level (Johansson & Raunio 2001, 225).

Secondly, there was an erosion of support on the EMU question across the political parties during the 1990s, when a pro- and anti-EMU cleavage became visible in EU politics. For instance, national

identities and other transnational divisions produced a complex mix of responses to the question of "EMU right or wrong?". The central policy of the Centre Party towards EMU was, paradoxically, different from the policies of the other two major parties, the Social Democratic Party and the National Coalition Party. However, despite these very different approaches, Finland joined the EMU at the third stage in January 1999. In fact, many mainstream parties were internally deeply divided on the question of Europe, and old and new parties and movements presented anti-European arguments on the fringes of most domestic party systems (Hix & Lord 1997, preface). Consequently, the awkward European question has led to leader resignations, cabinet divisions, intra-party factionalism, parliamentary rebellions and defections to other parties (Wüst 2005, 14–15). As the salience of European integration has increased, it seems that parties have become more internally split (Ray 1999, 293). More recently, challenges have arisen due to the deficit within supranational institutions and recent problems in the referendums on the new constitution. Many have blamed the unwillingness of the political parties to stress the issue of economic integration because of the internal divisions (Stubb 2005, A2).

Thus, it is impossible to ignore the fundamental significance of the political parties and their behaviour towards EMU in the 1990s. As the previous research work reviewed in the next section indicates, relatively little has been written on Finnish political parties and their relation to the common currency. Therefore, the present work seeks to redress this in offering a comparable study on the EMU stand taken by the major Finnish political parties from 1994 to 1999. It incorporates a large quantity of new classified material based on primary research through content analysis and interviews. The research questions addressed include:

- How far were the EMU policies of the Social Democratic Party (SDP), the Centre Party (Centre) and the National Coalition Party (NCP) shaped by factors unique to their own national context during 1994–1999?
- To what extent was party EMU policy determined by cross-national influences from abroad, and especially from countries with which Finland has a special relationship such as Sweden?
- To what extent did the EMU policy debate and themes change in the political parties?
- What were the main factors that shaped the partisan EMU standpoint during 1994–1999?

In placing political parties, actions and policies at the centre of my analysis, I offer different theoretical perspectives in order to further understanding of policy positions on EMU. The review of the research literature presented in the following section narrows down the research questions.

1.2 Research Gap

What might be the factors that have shaped or influenced partisan approaches to EMU? It could be explained in terms of national expectations, as factors such as the socio-economic structure and forms

of party competition. On the other hand, are there any research findings in recent academic literature incorporating national and cross-national variables, or trends that would enable me to hone the research questions and find common patterns across Finnish political parties? The literature on party positions on European integration is enormous, but not much of it addresses the questions identified above. Since the 1950s the dominant paradigm in the study of European integration has been the International Relations approach. The core assumption is that the EC, and now the EU, is a hybrid form of international organisation, in which the central actors are the European states. Generally, the task for scholars has been to explain how this process worked. For example, why was integration launched in the 1950s (Haas 1958; Lindberg 1963)? Why did it break down in the 1960s (Haas 1975; Hoffman 1966; Schmitter 1971)? Why was it relaunched in the 1980s (Moravcsik 1993; Sandholtz & Zysmann 1989; Scharpf 1996)? Why has power been increasingly delegated to the European Commission and the European Court of Justice (Burley & Mattli 1993; Garrett 1995; Majone 1996; Pollack 1997)? Why were *the Maastricht Treaty* and EMU adopted (Lange 1993; Moravcsik 1993; Scharpf 1996)? What are the effects of the common currency from the Internal Market perspective (Erkkilä & Widgrén 1996)?

It is worth noting that the International Relations paradigm is concentrated on nation-state interests, which limits its capacity to explain party politics concerning EMU. There is already a deep and complex set of theories, methods and arguments from the field of comparative politics that could be used to study how parties are developing in the European Union (Hix & Lord 1997, 202–203). For instance, Hix (1994) states that political parties are the central aggregate actors in this approach. On the other hand, nation states are the central aggregate actors in the International Relations paradigm. Therefore, in a system in which political parties are the primary agents it is more appropriate to use theories and methods from the field of comparative politics. European integration related to political parties as a research topic was first raised by neofunctionalists writing in the early days. Haas (1958) paid close attention to domestic sources of opposition and support in his classic study, *The Uniting of Europe.* Nevertheless, most scholars continued to view European integration as the result of foreign policies conducted by government elites acting on a permissive consensus (Lindberg & Scheingold 1970). It was conceived of as taking place among, but not within, countries. This view became untenable after *the Maastricht Accord* of 1991 as the EU became a more openly contested arena for political parties, interest groups, subnational governments and social movements (Taggart 1998). Comparativists once again began to explore European integration as an extension of domestic politics (Niedermayer & Sinnott 1995), and many broadened the study to include public opinion, social movements and party politics. Scholars were eager to explore how ideology framed preferences while economic models of preference formation appeared promising for explaining trade policy (Ladrech & Marlière 1999; Ray 1999).

In terms of the relationship between European integration and the character of parties and party systems, three related research strands can be brought into the discussion. First, scholars have sought to trace the development of transnational party federations, seeing in these organisations the

potential for the emergence of genuine political parties at the European level. The pioneering work in this regard was carried out by Pridham (1975) and Pridham and Pridham (1981) in the period surrounding the introduction of direct elections to the European Parliament, and was subsequently further developed by scholars such as Bardi (1994) and Hix (1995a). Secondly and more recently, scholars have analysed the shape of the parties and party systems as they function within the European Parliament. This remains a dominant strand of contemporary research, the focus being constantly expanded on the basis of new data derived from roll-call analysis, patterns of alignment and the shifting memberships of federations. The literature here is also enormous, pioneering work having been carried out by Bardi (1989) and Attinà (1990). The more sophisticated recent work is well represented in the collection of papers edited by Marks and Steenbergen (2004). The third strand of research concerns the extent to which Europe, however defined, plays a role in party programmes, party ideology and party competition at the national level.

This strand of research, which is now receiving more attention, also incorporates studies of national party and party-system adaptation to the development of European integration, as well as analyses of the extent to which the process of integration poses difficulties for, or offers opportunities to national political actors. This is also where most of the growing work on the politics of Euroscepticism, such as the study conducted by Kopecky and Mudde (2002), is located. However, few authors have exclusively addressed the question of party attitudes towards European integration. The rare exeptions are Morgan & Silvestri (1982), European Parliament (1988), Featherstone (1988), Haahr (1992) and Gaffney (1996). Although a lot of the work here is inevitably nationally-oriented, there have been occasional landmark articles such as Ladrech (1994), Andeweg (1995) and Pedersen (1996). Most importantly, comparative studies such as Featherstone (1988) and Gaffney (1996) tended to set the terms of reference for later work, including the present study.

More specifically, there are two immediate observations to be made about this third strand of literature. In the first place, there is the case-study approach, which focuses on an individual political system. It is worth noting that a case study is concerned more with EMU policy on a national level than with comparing EMU positions between political parties. Collecting such studies together, as was done recently by Gaffney (1996), Heidar & Svåsand (1997), Jones & Frieden & Torres (1998), Notermans (2001), Jukka Pekkarinen (2001) and Alho (2004), provided me with much invaluable raw material. Interestingly, Alho (2004), a former minister of finance, concludes that the EMU decision was made in the early days of the new Government during 1995–1999, when there was a strong will to avoid any major conflicts: the interviewees termed this the honeymoon period. Furthermore, most of the reviewed 75 academic theses related to the EMU and published by Finnish academic institutions since 1995 are case studies. The majority were Master's theses (64), but there were also five Licenciate theses and six PhD dissertations. I concentrated mainly on research work done in the Faculty of Social Sciences at the University of Helsinki and the Schools of Economics in Helsinki, Rovaniemi, Joensuu, Jyväskylä, Kuopio, Oulu, Tampere and Turku. Generally, most of the theses are mainly communications-related: Haavisto (2001), Ahvenainen (2001), Brandt (2004) and Söderholm (2004),

for example. Reviewing theses such as those produced by Hentilä (1995), Boxberg (1997), Haavisto (2001), Ahvenainen (2001), Lehtinen (2002), Brandt (2004), Söderholm (2004) and Björklund (2004) together provided me with much valuable knowledge on the EMU process during the 1990s. On the other hand, most of this academic research work incorporated case studies of member states, and it failed to give answers with regard to the party positions on the EMU. Furthermore, there was no attempt to draw theoretical conclusions on such positions.

My second observation is that collections of case studies provide useful starting points for the second general approach to the study of party positions on EMU, which could be termed the comparative European politics tradition. This approach is concerned above all with describing and interpreting general features of the process of policy positioning in Western Europe. Thus, it takes the party-policy position as a key concept in comparative politics and tests general propositions about positions on European integration using comparative data from a wide range of Western European and related systems. For instance, the work of Geyer (1997) and Featherstone (1988) on Social Democratic Parties are good general examples of this approach. Significantly, Featherstone's study starts from the argument that there is a mix of national and cross-national factors explaining party positions on EMU (Featherstone 1988, 5). He concludes that domestic issues are far more common than cross-national variables or trends (ibid., 333). Featherstone summarises this point quite clearly:

> The evidence of these various policy influences clearly points to the importance of the individual national contexts for the policy adopted towards supranational integration by Western European socialist parties. The extent to which there have been influences independent of a particular national situation is very limited (ibid., 333).

On the other hand, comparing the British and Norwegian Labour parties, Geyer concludes:

> The most obvious conclusion from this study is that the formation of a political party's EU policy is extremely complex and dependent on a large number of variables. Historical, international, European, and national factors all play a role (Geyer 1997, 201).

Although national issues are extremely important factors, it is argued in the present study that partisan positions on EMU are also affected by cross-national intentions. Thus, as evidenced, it is proposed that national factors are a better explanatory alternative than cross-national factors. Furthermore, differences in cultures and history in terms of economic development have shaped the various political contexts that have prompted policy differences. The early debate on Finland's EU and EMU positions concerned, in part, whether Finland should scrutinise Sweden's EU and EMU policies. The theme of cross-national influences from Sweden to Finland was strongly debated in the editorial pages in *Helsingin Sanomat* during the 2006 parliamentary elections in Sweden, and has resurfaced given with the current interest in Finnish membership of NATO (Akkanen 2005; Helsingin Sanomat 2006a; Helsingin Sanomat 2006b; Kivinen 2006; Pennanen 2006; Virkkunen 2006). It is worth noting that since 1991 Finland and Sweden have taken very different approaches to EMU. Both countries

became EU member states in 1995. Later on Finland joined the EMU, but Sweden opposed the third stage and eventually, voted “No” in the referendum of 2003. Of the current EU countries, Finland and Sweden have the closest ties with each other based on their Nordic heritage, geography, traditions, history and culture. Jonung and Sjöholm (1996), for instance, argue that they are economically similar countries, and that is why they should have a similar kind of integration solution. Therefore, it would be fruitful to examine cross-national influences from Sweden to Finland.

From this perspective the most comprehensive source for my research work was the study conducted by Johansson and Raunio, which analyses party responses to European integration in Finland and Sweden (Johansson & Raunio 2001, 225–249). For instance, they suggest that future analyses of party responses should take into account the party organisations, something on which my study focuses. One of the weaknesses of their study is that it does not cover the party emphasis on EMU. On the methodological level, analyses of such positions in the Finnish political arena are rare. Nevertheless, Borg pioneered a study in which he analysed the basic ideological values of post-war Finnish party manifestos, assigning words or statements to a set of 24 categories (Borg 1966, 94–117). Interestingly, there are similarities with the method used in the present study. Borg gives primacy to the relative salience of the categories, the degree of emphasis and repeated references made by a party to a particular topic, rather than to the particular policies advocated or the degree of policy opposition between the parties (ibid., 94–117).

The argument in the present study is set firmly within the tradition of comparative European politics. The starting point is the evidence given in Featherstone’s (1988) study, which has tended to set the most comprehensive terms of reference for later research work. There has not, until now, been a comprehensive national study of the EMU emphasis in party policy. Therefore, there is a place for a cross-party study that will further understanding of the paradoxical EMU approaches of the major Finnish political parties in a national and cross-national context. It is of interest to know what the general orientation of the party is (e.g., whether it is pro or anti EMU) and how this has developed; how important certain EMU policy issues are to the party; and how internally divided the parties are on this issue. Much of the recurring debate over Finland’s path to EMU ultimately rests on disagreements about the factors that shaped its EMU policy during the 1990s. The policy differences between the parties have undoubtedly been the basis of many conversations between academics, editors-in-chief and party personnel, provoking different interpretations and opinions.

Answering the research questions and explaining the factors is the principal goal of this study. Once we understand these paradoxical party positions we will be able to evaluate whether there were common patterns. Thus, an enhanced theoretical understanding will yield important practical results, which are reported in Part II. Next, the discussion is narrowed down to two issues: relevant definitions and the structure of the study.

1.3 Definitions

Some terms appear several times in the study and should therefore be defined. **Party position and party emphasis.** Both of these terms are used side by side throughout the study. It should ne noted that position and emphasis are quite distinct parameters of party policy: two parties may have quite different substantive positions on the same issue, but emphasise this issue to precisely the same extent in their respective party documents. This study follows the lines of salience theory, which posits that parties try to render selective emphases by devoting most attention to the types of issues that favour themselves, and give correspondingly less attention to issues that favour their opponents (Budge, Robertson & Hearl 1987, 24–25). For instance, the most important aspect of the documents is the degree of emphasis placed on certain broad policy areas, rather than each party's support for, or opposition to, a specific policy within these areas (Budge et al. 1987, 24–25). Therefore, parties compete by emphasising areas that give them electoral advantage and ignoring those that belong to other parties or groups. In other words, they tend to own certain types of policies (e.g., defence for the right and health policy for the left) around which they centre their campaigns (Budge & Farlie 1983).

The Economic and Monetary Union (EMU). The term EMU is used throughout the study to refer to the juridicial organisational entity referred to in *the Maastricht Treaty* (1991). It is also used to refer to the regional entity that took shape at the beginning of 1999, which has a single currency (the euro). *The Maastricht Treaty* provided the legal framework for implementing *the Delors Report's* proposals through four key provisions. First, it set out the timetable (Hix 2005, 313–316). Stage 2 was set for January 1994, when the European Monetary Institute would be established to prepare the ground for Stage 3. Stage 3 started on 1.1.1999 when eleven member states that met the required criteria adopted the euro as their currency. Four new members were admitted on 1.1.2008, bringing the total to fifteen. The United Kingdom and Denmark have opt-outs exempting them from transition to the third stage of EMU, while Slovakia intends to enter the third stage from the 1st of January 2009. Secondly, the treaty set four convergence criteria for EMU membership: stability in prices, interest rates, government budgetary position and currency. Thirdly, it set out the institutional structure of the European Central Bank and the European System of Central Banks, and fourthly, it specified how monetary policy would operate under EMU. *The Maastricht Treaty* implied that economic integration was a big step forward in the vision of a European-wide monetary union. Before that, the removal of tariff and non-tariff barriers to the movement of goods, capital, services and labour dominated European integration from its inception in the early 1950s. The creation of a single market was originally an overarching goal of *the Treaty of Rome* (1957). The idea was compressed into some 282 specific measures mandated by *the Single European Act* (1986), which were designed to eliminate an array of non-tariff barriers.

The political party organisation. Party organisations are acknowledged to be the central political bodies in all modern democratic systems (Hix 2005, 7). In brief, parties are organisations of like-minded political leaders, who join forces to promote a particular policy agenda, seek public support for

this agenda, and capture political office in order to implement it. The main focus in the present study is on the functions that parties perform as political organisations, or processes within the organisations themselves. In order to understand the behaviour of political parties, it is essential to highlight their basic goals and to determine how they pursue these goals in the party system. In general, parties are said to link the represented with their representatives (Hix & Lord 1997, 7). The main goal of the political party in any system is political office: parliamentary seats, cabinet portfolios, and prime ministerial or presidential office (Downs 1957; Riker 1962). For instance, political office gives party leaders control of the organs of the state, and usually increases their personal prestige and financial security. In democratic systems, parties can only obtain political office by winning elections. In order to win an election parties they have to compete for votes and to promise voters that if they obtain office they will implement policies that make their voters better off. They are thus said to articulate the interests of their supporters (Dalton & Wattenberg 2000, 7). For instance, they give voice to their supporters' interests by taking stands on political issues and by expressing the views of their supporters within the governing process. In this sense they are no different from special-interest groups, which also articulate political interests. Moreover, they may cartelise a certain political issue in order to reach a stable agreement between themselves to keep it out of political debate and competition (Hix & Lord 1997, 7).

The secondary party goal is public policy: the outputs of political decision-making (Strom 1990). Typically, party policies are the positions taken in the party's programmes, electoral manifestos, and its leaders' statements. Therefore, parties are said to act as aggregators, adding these social demands, channelling them into the political system and reaching crucial decisions (Dalton & Wattenberg 2000, 8). According to Budge, Robertson and Hearl (1987), parties traditionally bring the interests of various groups together on their platforms and in other documents to form a comprehensive governance programme. These programmes provide a basis for governing and an important linkage in the representational process. Electoral needs also encourage the parties to bring together a wide variety of interest groups and to forge a common programme such groups could support. Similarly, political parties must reconcile the diverging interests that they represent into a governing programme. Dalton and Wattenberg emphasise that the political party is one of the few political organisations that has to combine interest articulation with interest aggregation, thereby distinguishing it from individual politicians, interest groups, and other political actors (Dalton & Wattenberg 2000, 8).

The trade-off between office and policy goals results from interaction between the basic party objectives and the constraints of the environment in which the parties operate. This environment has two elements (Hix & Lord 1997, 22). The first of these is based on the strategic environment - the structure of competition in terms of the divisions and alliances between the parties in the political system and the shape of the party system. Attempts to estimate the dimensions of party competition and the positions of individual parties on such dimensions are reported in Castles and Mair (1984), Budge and Robertson and Hearl (1987), Laver and Hunt (1992), and Huber and Inglehart (1995).

Therefore, the present study explores the strategic environment of political parties, including their political and representational strengths, their policy positions, and the divisions and alliances between them. The second element concerns the institutional environment - the set of formal and informal rules of the game. The study reviews the organisational structure within political parties, and the decision-making structure of the political system. However, parties are not purely dependent on their environment, and are occasionally rivalled by interest groups (Hix & Lord 1997, 22). Consequently, this framework is used here in order to enhance understanding of their EMU policies.

In sum, I am studying political parties as one organised actor in relation to its strategic environment, in other words other parties and interest groups, and even the international community. Party-policy scholars argue that parties could and should be interpreted as organised actors in relation to their environment (Sundberg 2003, 25). This framework helps in terms of understanding political interaction between them on EMU policy issues. A common assumption in theories of politics is that political actors are rational (Dunleavy 1990; Tsebelis 1990), implying that they have a clear set of preferences about what outcomes they want from the political process. For instance, party leaders want to be re-elected. Actors act upon these preferences in a rational way by pursuing the strategy that is most likely to produce the desired outcome. All in all, the basic theoretical assumptions of modern political science are expressed in the following equation of politics: preferences + institutions = outcomes (Hinich & Munger 1997, 17). Preferences are the personal wants and desires of political actors. Institutions are the formal and informal rules that determine how collective decisions are made. Outcomes (public policies and new institutional forms) result from the interaction between preferences and institutions. As a result, actors choose actions that maximise their preferences within a particular set of institutional constraints and a particular set of strategic interests. Once a particular institutional or policy equilibrium has been reached however, these institutions and policies are often locked in (Hix 2005, 14). The present study adopts the simple principle that when a decision in a party unit is institutionalised, then it is an expression of the party will, no matter how divided the party was before it was made. Thus, the party is, in that context, more than the sum of its members and units. The decision is exalted from the organisational complexity, which as a result of this institutionalisation could be interpreted as a common act (Sundberg 2003, 25).

In order to explain party emphasis on EMU the present study also reveals the interests of the major political parties in it, their strategic relations vis-à-vis each other, the institutional constraints on their behaviour, and their policy strategies. The organisational constraints and their implications on party behaviour are covered in Chapter 3.3 and 3.4. Chapter 4 introduces the basic elements of the strategic environment in which parties operate in terms of EMU policy-making: the historical and political context during the 1990s.

1.4 The Structure of the Study

This study is divided into two parts. Part I describes the research design and context. The introductory chapter has already covered the background, synthesised previous findings and dealt with relevant

definitions. Chapter 2 focuses on developing the hypotheses that guide the remainder of the study. Chapter 3 turns to the data gathering and the analysis strategies applied in order to arrive at a greater understanding of the research phenomenon. Chapter 4 places party policy-making on EMU within the broader post-war historical context of economic and monetary integration. With these tasks accomplished, Part II focuses on the task of comparing the hypotheses and the evidence. Chapters 5–7 provide a comparative interpretation of the different hypotheses, while the concluding Chapter 8 presents the major findings, extends the analysis and puts forward suggestions for further research. Finally, because the study relies heavily on coding procedures, the Appendices introduce the methods of analysis more precisely. I would like to add that since the principal goal of the study is to explain party positions on EMU by means of theoretical factors, I have not attempted to provide a definitive history of Finland's EMU path since the early 1990s. My objective is rather to analyse party-policy emphasis on EMU in order to resolve the main factors that have shaped the EMU policies of the political parties. I will now consider these factors in more detail. Before analysing the research material, however, I will, in the next section, give an overview of the theoretical factors involved.

2 Party Emphasis on EMU

2.1 Explaining Party Emphasis on EMU

In order to explain party-policy emphasis on EMU I will focus in this chapter on a mix of national and cross-national factors. The main task is to describe the logic of the various hypotheses, to give examples and to outline the conditions under which the behaviour predicted by each one should be expected. Basically, parties have a large menu to choose from when determining how they will respond to different polities, and produce a wide range of responses to any given one. Therefore, my aim in this chapter is to map out the the range of factors, and to include some of the more typical examples of party strategies that make up these responses.

What, then, could be the factors that have tended to shape or influence partisan emphasis on EMU? The evidence of Featherstone's study suggests that it has been the influence of individual national circumstances that has most obviously shaped party policies towards European integration (Featherstone 1988, 333). Are there also cross-national variables or trends that enable us to find common patterns between the parties? Previous research indicates that party response to European integration is shaped by a mix of national and cross-national factors, with national factors having more explanatory value. Analysing the European policies of twelve Social Democratic parties from the 1950s until the mid-1980s, Featherstone placed the relevant factors in three categories, as shown in Table 1 (ibid., 302–338). However, Johansson and Raunio argue that Featherstone's explanatory factors are inter-related and that their individual impact as well as their causal relationships may be very difficult to discern (Johansson & Raunio 2001, 226–227).

Table 1: Theoretical Factors concerning the European Policies of Political Parties

Internal influences within the parties	Influences from the wider political system	The external dimension
● Role of ideology ● Role of internal elites ● Influence of trade unions ● Public opinion ● Government and opposition roles	● Impact of other political parties ● Perceptions of economic interest ● Historical context	● External events and influences ● Co-operation between parties

Source: Featherstone 1988, 302–338.

There is an interesting correlation between the above factors and the three main elements that are considered to constitute political parties as organisations: the party on the ground, the party in central office, and the party in public office (Katz & Mair 1994). Mair (2006) describes these three themes as being bound up with one another. In other words, it is often not possible to understand the limits and potential of transnational federations and party-building exercises – the development of the party in the central office – without also understanding the role of the party factions in Parliament – the party in

public office. Nor is it possible to understand how these party factions work without at least some understanding of the processes of national party adaptation and competition – the processes involved in the party on the ground. Therefore, in sum, to study any one of these elements in isolation is to set immediate limits on the capacity for interpreting and understanding party behaviour towards EMU. Moreover, Featherstone's three categories of theoretical factors are quite in line with the three dimensions of the cartel party type distinquished by Katz and Mair (1995). Detterbeck placed Katz and Mair's three analytical dimensions in three categories, as illustrated in Table 2 (Detterbeck 2005, 173–191).

Table 2: Three Analytical Dimensions of Cartel Parties

Analytical dimension	Main characteristics	Empirical indicators
Organisational structure	Ascendancy of the party in public office Vertical stratarchy	Composition of national party executives Candidate selection Election campaigning Internal policy decision-making
Political role	Estrangement from society Symbiotic relations with the state	Involvement of party members Involvement of interest groups Importance of state resources
Party competition	Cartelisation of privileges Exclusion of newcomers	Access to state privileges Style of party competition Protective walls against new parties

Source: Detterbeck 2005, 173–191.

The first of Katz and Mair's organisational dimensions concerns the balance of power inside the parties. The idea of the cartel is that the individual party organisations are affected by the degree of inter-party cooperation. Cartel parties possess certain organisational characteristics, a specific relationship with society and the state. For instance, holders of public office dominate the party's executive organs and internal decision-making procedures, while party activists have only marginal influence. Moreover, the election campaigns are organised by professional experts. In terms of the vertical stratarchy, the national party elite tries to free itself from the demands of regional and local party leaders. The lower strata insist on autonomy in their own domains, such as in the selection of candidates and local politics (Detterbeck 2005, 173–191). The second dimension is the political role of the parties, which concerns their position between society and the state (Katz & Mair 1995, 21). The central argument is that Western European parties have increasingly lost their capacity to fulfil their representative functions in society, and have become more strongly involved in executing governmental functions. Party leaders are more concerned with policy-making in the parliamentary arena than with interpreting party documents or discussing politics at party congresses. Therefore, cartel parties are weakly involved in discussing everyday politics with party members, and party activities with historically related interest groups. Furthermore, they emphasise governmental functions and state resources (Detterbeck 2005, 173–191).

The third dimension is based on the level of competition among the parties, which concerns their mutually shared need to secure the flow of state resources. Borchert (2003) and Beyme (1996) argue

that party actors have realised that there are common interests among the political class that form the basis for collective action. Cartel parties therefore aim at reducing the consequences of electoral competition. For example, governing parties grant opposition parties a certain share of state subventions or patronage appointments. Exclusion aims at securing the position of the established parties against newly mobilised challengers (Detterbeck 2005, 173–191). This implies that the formation of a party cartel poses a fundamental problem for Western European democracies: it denies voters the possibility of choosing a real political alternative and gives ammunition to the neo-populist parties on the political right (ibid., 173–191). On the other hand, cartelisation widens the gulf between voters and politicians, and the resulting increase in vulnerability (fewer party members, more volatile voters) causes party change. Therefore, parties have to concentrate on governmental functions and collude with established opponents in order to secure the resources professionalised party organisations require (ibid., 173–191).

The next step is to offer generic hypotheses derived from the theoretical work of recent political-science scholars such as Featherstone (1988) and Katz and Mair (1995). Each of the following sections creates a link with the basic assumptions in the recent literature, and discusses how these assumptions are applied in the generic hypotheses. The relevant hypothesis is presented at the end of the section in order to explain party-policy emphasis on EMU. Methodologically, each factor may lead to a positive or a negative evaluation. It is argued that the explanatory power of the factors varies paradoxically within and across Finnish political parties. The order in which they are presented in the following sections does not necessarily reflect their relative importance among the parties.

2.2 The Role of Ideology

Recent academic literature reveals two contradictive research strands that can be brought into the discussion on ideology. The dominance of a left-right dimension is confirmed in empirical research. On the other hand, the diminishing role of party ideology has also been illustrated. Political parties are often characterised by some overall set of attitudes, or ideology, about the manner in which societies ought to be governed, and about the proper purpose of government, the extent of its intervention in the economy and society, and its relationship with its country and the international scene (Hix & Lord 1997, 10). The demise of the left-right as the main dimension of politics has been predicted since the 1950s (Bell 1960; Giddens 1994). The predominance of a single left-right dimension is confirmed in empirical research regardless of whether it is based on expert judgments, voter orientations or content analysis (Budge et al. 1987; Castles & Mair 1984; Huber & Inglehart 1995; Laver & Hunt 1992; Paloheimo 2008). Left and right have remained the dominant categories for political differentiation, voter orientation and party competition throughout Europe (Bartolini & Mair 1990; Budge & Laver 1992; Franklin 1992). On the cognitive level, the left-right divide enables individuals to differentiate themselves from each other in both a categorical and a relative sense. As a result, left and right are flexible concepts that have adapted over time as new issues have arisen on the political agenda. For example, in the early eighteenth century they represented differences in the degree of individual political and social freedom from state power. The left supported liberty and the right supported state

authority. In the industrial society, however, they came to represent different degrees of individual economic freedom from state power: the left moved to support state intervention and the right supported the free market.

The left-right dimension seems to have captured two sets of issues since the 1960s: liberty-authority issues such as environmentalism and the demand for greater democratic accountability, and intervention-free market issues such as welfare, unemployment and inflation (Flanagan 1987; Laver & Hunt 1992; Lijphart 1981). The left tends to favour equality of outcomes such as intervention to promote equitable outcomes in the market, but the liberty to promote social and political equality before the law. Meanwhile, the right tends to favour equality of opportunities, but not outcomes, thus allowing the inequalities inherent in the free market and the privileges of authority and tradition to be protected (Bobbio 1996). More recently, the core of each party's ideological baggage is said to be its economic policy (Johansson & Raunio 2001, 227). This implies, for instance, that the European integration policy of the left-wing parties became increasingly pro-integrationist during the 1990s. The Social Democrats originally opposed integration, but now support EMU. This reflects their shift towards the political centre, particularly in economic policy, and their realisation that Keynesian economic policies at the national level are not sufficient to combat the excesses of capitalism (Cafruny 1997; Geyer 1997; Johansson 1999; Ladrech & Marlière 1999).

In the area of EU politics, leftists are expected to favour policy competences in economic intervention, such as a general EU social policy, tax-system and unemployment policy, and EU aid for poorer regions and the Third World (Hix 2005). They are also favourable to sociopolitical liberties such as an EU environmental policy, more democratic accountability, citizenship rights, human rights, consumer rights and sexual equality. On the other hand, the rightists favour competences in establishing an economic free market such as the single market, deregulatory policies and a single currency. They support sociopolitical authority such as EU policies on drug trafficking, organised crime, immigration, asylum, security and defence. Hix (2005) concludes that, irrespective of their pro- and anti-EU positions, EU citizens are divided over what the EU should do. The traditional model of political competition over European integration argues that parties on the moderate left and right will converge on the question of Europe and allow extremist movements to advocate anti-European positions (Aspinwall 2002; Hix & Lord 1997; Taggart 1998). Interestingly, Hix (2005) discovered that the right in both Finland and Sweden was more pro-European than the left: European integration is seen as a threat to the national welfare states in Scandinavia.

The relationship between party policies and EU policies can be approached from three distinct perspectives (Featherstone 1988, 303–304). The first of these concerns the fact that a political party may shift its left or right position on European integration, and such a shift is correlated with a more favourable policy (ibid., 304). For instance, the West German SPD changed its ideological position to the right and to a more favourable policy on integration in the late 1950s. The shift was a response to domestic political factors and external pressures. At the same time, the Italian PSI adopted a more

favourable position on European integration, which again was the consequence of ideological change brought about by external events (ibid., 303–304). In France, faced with the choice of forging an alliance with the centre or with the communists, the SDP changed its position from its moderate stance in the 1950s to a radical position in the 1970s. Nevertheless, Featherstone discovered that the relationship between the shift to the right and the change to a more favourable European policy was absent in certain parties (ibid., 306).

The second perspective is based on differences between the left and the right positions on European policy within a party (Featherstone 1988, 303–304). For instance, the debate over EC membership was based on a majority of left-wingers opposing or being more critical in Britain, Denmark and Greece (ibid., 306). Most right-wingers have taken a more favourable attitude. Generally, left-right differences have appeared to be a matter of qualitative distinction on social and economic affairs (ibid., 306–307). Ray discovered that parties were generally not deeply divided on the issue of integration, with some major exceptions (Ray 1999, 294). For instance, Finnish and Swedish parties shifted rapidly from a general anti-European position to a pro-European position between 1988 and 1992, then in 1992 and 1996 the Finnish Centre Party and the Swedish Social Democrats were split on the issue of integration. The third perspective concerns the differences between the parties' left and right positions on European policy (Featherstone 1988, 303–304). However, left-right party distinctions are not easily correlated with support or opposition to European integration. In sum, these three hypotheses on the role of ideology can be identified on the basis of the kind of left or right policy emphasis the political parties have pursued in their EMU stands. It is worth noting that Featherstone embraced these hypotheses, but failed to show cross-national correlation between left-right differences and European policies (ibid., 303–304). This implies that the absence of such cross-national relationships highlights the importance of the individual national context.

In contrast, empirical evidence illustrates the diminishing role of party ideology. Since 1945 small European states have tended to differ from both the less developed countries and the large advanced industrial states in their conservative orientation (Katzenstein 1985, 47). Small states have favoured a pragmatic over an ideological orientation. It seems that political partisanship on questions of economic policy plays a less important role in small European states than in large industrial countries (ibid., 103). Interestingly, party-policy scholars have predicted the end of ideology every time a party has altered its position dramatically (Bell 1960). Kirchheimer (1966) and Krouwel (1999) presented the idea of a catch-all party, dedicated to the pursuit of votes and abandoning its mass base and anchoring ideology. More recently, Caul and Gray produced evidence that the left-right profiles of the major parties have tended to converge over time in most nations (Caul & Gray 2000, 208–237). Their central argument is that the dispersion of all parties along the left-right dimension has weakened since 1950. Hix and Lord discovered that, whereas parties in different European states from the same ideological family tend to have similar views about the role of the state (the left-right question), they are likely to have different views on European integration (Hix & Lord 1997, 26). However, there are exceptions to this rule. Moreover, many parties in advanced industrialised democracies seem to have

adopted vote-maximising strategies that have led to centrist politics (Caul & Gray 2000, 208–237). As a result, the role of ideology has diminished. Featherstone concludes that the evidence on the first of the three relationships considered was probably stronger than the differences within or between parties (Featherstone 1988, 309). The hypothesis concerning the role of ideology is therefore as follows:

In general, a shift to the right by a political party prompts a more favourable policy on EMU: the more right on the left-right dimension the party is, the greater its tendency to adopt a favourable EMU policy.

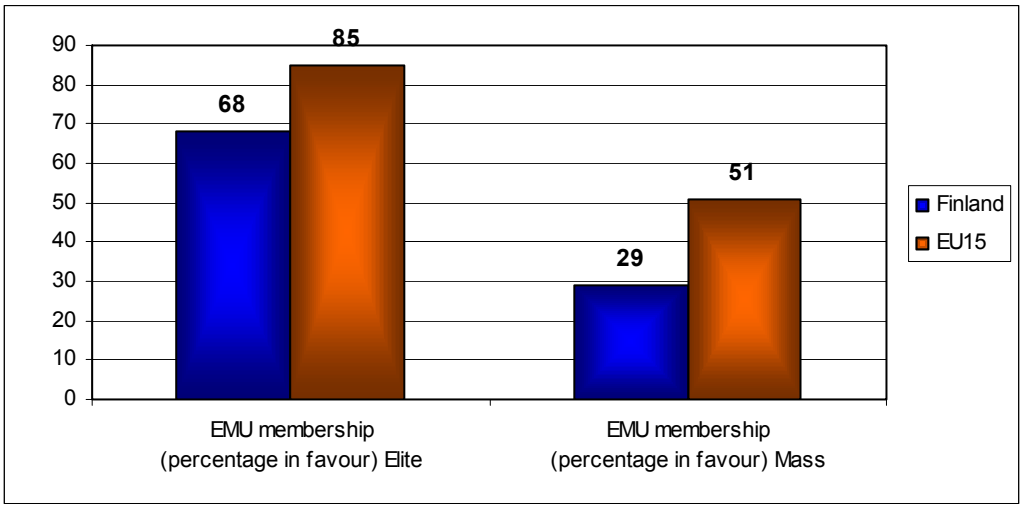
2.3 The Role of Internal Elites

Prior academic literature on the role of internal elites in party policies falls under two themes. First, in the area of domestic politics scholars have focused their attention on cartelisation in the hands of party, group, and bureaucratic elites since the 1980s. Secondly, they have concentrated on the high level of centralisation and professionalisation in political party organisations. For instance, Katzenstein initiated a discussion about the tendency towards strong oligarchy in small European states. Thus, political power is concentrated in the hands of a few decision makers and rests with strong interest groups and strong parties (Katzenstein 1985, 90). More recently, a gap between the elites and the masses has emerged as an indicator of general political attitudes. Slater (1982) and Katz (2001) argue that Europe's elites are more pro-European than European citizens. Ruostetsaari (1992) ascribed the core of the Finnish political elite to seven different categories: political, administrative, business, social partners, media, science and culture. The political elite consists of Government (the president and ministers), Parliament (committee speakers, chairpersons and deputies and leaders of political groups), party organisations (leaders, deputies and party secretaries) and the Councils of major cities (chairpersons). On the other hand, the administrative elite comprises the leading officials in government ministries, the Bank of Finland and other state-owned institutions, the judiciary, the defence forces, the church and the municipalities. Indeed, there are three alternative sets of policy-making groups that could generally be regarded as elements of a party elite: the party leaders of the legislative party, the legislative party at large, and the party's extra-legislative national committees (Scarrow, Webb & Farrell 2000, 137).

Recent data reveals that elites in Finland and in the 15 EU member states are more in favour of European integration than the public as a whole. For instance, the European Commission undertook the first survey of elite attitudes towards European integration, the so-called Top-Decision-Makers Survey. In every member state interviews were conducted with 200–500 senior elected politicians, senior civil servants, business and trade-union leaders, leading media owners and editors, influential academics, and leading cultural and religious figures. The results of this survey concerning Finland and the fifteen EU member states are presented in Table 3, and compared with the attitudes revealed in the Eurobarometer survey of the general population in October–November 1996. For example, 68 per cent of the Finnish elite see EMU membership as a good thing, compared with only 29 per cent of the general public. This implies that the gap between elite and mass attitudes towards EU explains

why referendums on European integration have not always gone as the governmental and party elite have expected (Hix 2005, 166). With respect to the role of internal elites, Featherstone produced evidence that, together with the individuals within the parties they have influenced European policy, particularly in the 1950s and 1960s. It seems that the strongest supporters of European integration are to be found on the elite levels in their internal structures (Featherstone 1988, 310).

Table 3: A Comparison of Elite and Mass Support for EMU in Finland in 1996



Note: The question on EMU read as follows: Are you for or against the European Union having one European currency in all member states? Responses: "very much for", "somewhat for", "somewhat against", and "very much against". The table shows the percentages of "very much for" and "somewhat for" responses. Sources: Adapted from Hix 2005, 165. Eurobarometer, no. 46 (Autumn 1996); Top Decision-Makers Survey (Spring 1996).

Elitism in shaping party policies on Europe derives from neo-functionalist integration theories. Haas (1958) concluded that successful integration required the support of key elites. In the 1950s the Dutch PvdA, influenced by the upper and middle elites of the party, chose a favourable EU policy. Meanwhile, the leaders of the West German SPD closely influenced their party's EU policy (Featherstone 1988, 310–311). In the 1970s and the 1980s party bureaucracies increasingly came into contact with the European Parliament and other parties in Europe. Consequently, party officials were given a privileged insight into EC policies and extended their contacts in Europe (ibid., 310–312). As a result, EU party policies were often crucially determined by party elites (ibid., 312). Therefore, the strongest supporters of European integration are to be found among party-internal elites due to their specialist knowledge and cosmopolitan personal experiences. However, the relationship is not a clear one, and such personal attributes do not inevitably lead to policy influence (ibid., 312).

Similarly, Wessels (1995) shows that the policies of the party leadership, on whether to join the EMU for instance, may exert considerable influence among the supporters, persuading them to follow the elite opinion. Party activists and voters tend to look for advice from their leaders. On the other hand, strong leadership has played a decisive role in shaping party policy when the leaders have influenced integration either negatively or positively. In France, President Mitterrand used his position to pursue his European vocation (Guyomarch 1995; Wood 1997). Elsewhere, the successive Labour leaders Neil Kinnock, John Smith and Tony Blair in the United Kingdom were crucial in converting their party

from open hostility to the Community to constructive engagement (Daniels 1998). Likewise, in Spain Prime Minister Felipe Gonzalez was able to use his governmental status to shape Spanish European policy (Johansson & Raunio 2001, 229).

In the field of political-party organisation, the first most obvious internal change is towards professionalisation: Mancini (1999) argues that amateurs have been replaced by professionals. Professionals are recruited on the basis of expertise, but not necessarily from the membership. As a result, election campaigns are organised by professional experts, which means that policy-making remains highly centralised as the parties continue to professionalise (Detterbeck 2005, 173–191; Scarrow et al. 2000, 146). Eventually, they end up developing standardised messages, focusing increasingly on the party leader. This implies that many parties state not what they really advocate, but what they think prospective voters want to hear (Farrell & Webb, 2000, 102–125).

The second approach to organisational change concerns the tendency among parties to reform their organisations towards either decentralisation (moving the decision-making closer to the supporters on the ground) or centralisation (basing decisions more on professionals such as pollsters and media experts) (Mair, Müller & Plasser 2004, 11). This tendency is in line with the argument put forward by Katz and Mair (1995) that holders of public office dominate party executive organs and internal decision-making procedures. The implication is that activists have only marginal influence. For instance, resources at the local level have generally declined, while staffing levels at national party offices have typically increased (Farrell & Webb 2000, 102–125). As a result, the whole party system is becoming more centralised. It seems that rival party elites have formed cartels and have used the powers and resources of the state to strengthen their collective dominance in the political system. The result is not party democracy, but partitocrazia (Katz & Mair 1994, 1995). Furthermore, the party elite, the leader in particular, may have a strong influence on the official party line and on the supporters. Consequently, the main hypothesis put forward in this study is:

In general, the strongest supporters of European integration are to be found at the elite level of the party organisation.

2.4 The Influence of Interest Groups

Recent academic literature reveals two research strands in the discussion on interest groups. The relationship between a political party and the interest groups associated with it is confirmed in empirical research. On the other hand, some studies illustrate the diminishing role of the traditional link between them. Generally, interest groups are voluntary associations of individual citizens, and include trade unions, business associations, consumer groups and environmental groups (Hix 2005, 7). These organisations are formed in order to promote or protect the interests of their members in the political process. In other words, national interest groups lobby national governments during pre-legislative stages or other policy-making processes regarding EMU, for example. Interest groups are forced to focus their efforts on the prelegislative stage of policy-making, which implies that they rival political

parties as the dominant political organisations (Hix 2005, 227; Hix & Lord 1997, 205). They may thus be a source of contention in competing party strategies (Mair et al. 2004, 13).

Since the 1950s researchers have used pluralism to explore interest-group politics in democratic systems. For instance, Haas (1958) and Lindberg (1970) worked with a pluralist model of politics according to which institutions and parties are always under pressure to adapt to the needs and demands of the different groups and sections of their societies. More recently, Hix discovered that no perfect model of interest-group representation exists, and that each one has its problems (Hix 2005, 208–211). The central idea in pluralism is that open access to policy-makers enables these groups to provide checks and balances against powerful state officials and other special interest-groups (Truman 1951). This implies that there is always a countervailing power, which will lead to social equilibrium (Bentley 1967). Thus, a prerequisite requirement of the pluralist model is that opposing interests have equal access to the political process. On the other hand, Galbraith (1953) and Schattschneider (1960) pointed out that pluralists naively assume that for reasons to do with the logic of collective action, opposing groups have equal access to power: there are high incentives to join a group that seeks benefits only for its members, and low incentives to join one that seeks benefits for all of society (Olson 1965, 127–128). Wilson (1980) summarises the discussion, suggesting that the result is unequal access to political power, the capture of state officials by groups with the most resources, and outputs that benefit special interests at the expense of society as a whole.

In order to prevent a biased outcome, Hix presents three alternative models of interest-group intermediation: the corporatist, the consociational and the neopluralistic (Hix 2005, 208–211). In each of these models the state actively promotes a particular structure of interest-group politics, with the aim of producing more balanced representation and policy outcomes. The corporatist and neo-pluralistic models are particularly relevant in the Finnish context. According to the former the state assumes that the main division in society is between capitalists/business and workers/labour (Schmitter 1974; Schmitter & Lehmbruch 1979). Thus, the leaders of the business community and of the trade-union movement participate in closed tripartite meetings with state officials. This phenomenon has been labelled neocorporatism, and involves the granting of a privileged and secure position to certain groups in exchange for good behaviour (Katz & Mair 1995, 23). In his pioneering work on the political economy of small European states, Katzenstein points out that the characteristic of democratic corporatism is the ideology of social partnership, shared by both business and unions and expressed in national politics (Katzenstein 1985, 87). There is a system of centralised and concentrated interest groups that voluntarily coordinate conflicting objectives. As a result, political power is concentrated in the hands of a few decision makers, and rests with strong interest groups and strong parties (ibid., 90).

On the other hand, some scholars tend to argue that the traditional organisational links between parties and interest groups, particularly between the left and the trade unions, seem to be weakening. For instance, Kirchheimer (1966**)** predicted that the traditional ties to specific interest groups would

weaken, as social-democratic parties would develop an arm's-length approach to trade unions, for instance. He reasoned that the catch-all party would begin to build up relations with a variety of interest groups. More recently, Poguntke (1998) suggested that parties would be more and more likely to develop beyond conventional affiliate organisations implying, for instance, that the traditional link between the left and the trade unions was weakening. As a result, established interest groups often prove unwilling or unable to make certain demands. This could lead to the rise of alternative organisations, which are often short lived and strident (Katz & Mair 1995, 23). For instance, the Conservatives in Britain have never been openly and organically tied to business organisations in the way that Labour has been linked to the trade unions (Webb 2004, 44).

In terms of empirical examples, trade-union influence over the European policy of socialist parties tends to be varied (Featherstone 1988, 312). For instance, the West German SPD referred to union pressure during the integration process, and Daniels (1998) and Geyer (1997; 1998) showed that trade unions shaped the European policies of the Norwegian DNA and the British Labour Party. On the other hand, union influence over European policy in France and Greece appears to have been weak (Featherstone 1988, 312–315). Curiously, socialist parties tend not to have had as close ties as trade unions to other interest groups such as farmers' unions (ibid., 312). This implies that parties are particularly tentative with respect to their core supporters and to various interest groups associated with them. The central argument is that leftist parties usually have strong ties with trade unions, agrarian parties with farmers' unions, and centre-right parties with employers' organisations (Johansson & Raunio 2001, 228; Sundberg 2008, 74-76). This approach to the study of political parties is best represented by Duverger (1978) and Rokkan (1987). For instance, the results of a survey of Members of the European Parliament revealed that they are more likely to be in contact with interest groups that have similar policy preferences than with groups expressing divergent preferences (Wessels 1999).

Nevertheless, Featherstone shows that the influence of trade-union movements has not been uniform: trade unions have primarily focused on economic costs and benefits, as they have tried to protect the interests of their core members (Featherstone 1988, 312–315). The goals of interest groups are evident: policy shifts closer to their interests. Thus, with regard to interest groups the hypothesis is:

In general, political parties respond to trade-union influence. The nearer the party is professionally or electorally to the trade union, the greater the tendency to be influenced. Therefore, centre parties are influenced by agrarian unions, social-democratic parties by workers' unions, and right-wing parties by employers' unions. The central groups in the present study represent public interests such as trade unions, professions and business.

2.5 The Influence of Public Opinion

Recent academic research indicates that parties have tended to become more cognisant of citizens' opinions and demands**.** Political parties exist in a strategic environment in which actions are tightly

constrained by voter preferences. According to Hix, each individual has a set of beliefs, opinions, values and interests with respect to the political process (Hix 2005, 147). Political preferences often derive from deep historical or cultural identities such as nationality, religion or language, and also from economic interests, such as whether a policy will increase a person's income. Individuals and social groups have different preferences and this produces conflicts in the political process. The pioneering work in theorising the social bases of politics was carried out by Lipset and Rokkan (1967), and resulted in the introduction of the cleavage model of politics. Scholars tend to argue that political divisions derive from critical junctures in the development of a political system. An example of a more sophisticated recent work is the theory of affective and utilitarian support for political institutions (Easton 1965; 1975).

Affective support refers to ideological or non-material attachment to a political institution. On the other hand, utilitarian support is the belief that the institution promotes an individual's economic or political interests. Easton sees these concepts as related his idea being that a citizen's affective support for an institution provides a basic reservoir of goodwill. Some citizens have a high level of basic support, while others have a low level. If a citizen perceives that an institution is acting in support of (against) his or her interests, this basic level of support will go up (down). Therefore, utilitarian cost-benefit calculations determine whether the underlying level of support goes up or down over time. More recently, Niedermayer (1995) produced evidence that the so-called permissive consensus is no longer present among EU citizens. According to Lindberg and Scheingold (1970), in the 1950s and 1960s there was such a consensus in favour of European integration: in other words, a large majority of the citizens in all member states had no opinion about their government's efforts to promote further integration.

In terms of the role of public opinion in party policies, it seems that socialist parties have responded to changes in voters' opinions on European integration (Featherstone 1988, 315). For instance, the West German SPD changed its European policy when the party suffered at the polls in the 1950s (ibid., 316–317). The Labour Government submitted Britain's second application to join the EEC in 1967 in order to help its party's electoral position and to gain a strategic advantage over the Conservatives (ibid., 316–317). These findings imply that there is very close compatibility between the policies of the socialist parties and public opinion (ibid., 316–317). Socialist parties may well have been closer to their supporters on European matters than any other party family within the EC (ibid., 317). Similarly, Müller (1994) argues that political parties may respond to changes in public opinion by changing their policy positions. For instance, they may try to incorporate green issues into their programmes and policy positions, or they may try to reposition themselves in terms of the classic left-right materialist dimension. Alternatively, they may abandon the catch-all strategy choosing to concentrate more on their traditional core groups and classic policy positions.

More recently, public opinion polls and media advertising have tended to shift in their campaigning from a labour-intensive to a capital-intensive style of mass marketing (Dalton & Wattenberg 2000, 12–

13). This implies that on the basis of their campaign research, parties have shifted their issue profiles at an accelerated pace to match what they expect voters want (Farrell & Webb 2000, 102–125). Many of them state not what they really advocate, but what they think prospective voters want to hear. Thus, they have become more cognisant of citizens' opinions and demands, and tend to pay increasing attention to public opinion polls and to adapt their message to suit the interests of the perceived audience (Caul & Gray 2000, 216). In sum, public opinion seems to have had an impact on the European policies of the socialist parties (Featherstone 1988, 317). What is more, it has responded in a different way depending on whether the parties have been in government or in opposition (ibid., 317). The hypothesis concerning the role of public opinion is therefore as follows:

In general, political parties respond to the opinions of their core supporters. Therefore, public opinion has an impact on the EMU policy of any political party.

2.6 The Impact of Government and Opposition Roles

Recent academic literature tends to show the tight relationship between the party line on European integration and whether the party is in government or in opposition. In most democratic systems, competition over policies and competition for public office are combined in a single model of competitive democratic government (Schattschneider 1942; Weber 1946). According to this model, the leader of the party that wins the election becomes the head of the executive (the prime minister). The party acts cohesively in the legislative arena to implement the policy agenda presented in the electoral manifesto. Meanwhile, the losing opposition parties try to demonstrate the failings of the politicians in government.

With respect to the impact of government and opposition roles, whether a socialist party is in government or in opposition is likely to have an impact on its general European policy (Featherstone 1988, 317). There are a large number of socialist parties in government that have been more favourable to the EU than those in opposition. On the other hand, the strongest criticism has come from those in opposition. Featherstone relates the changes and differences in party policies to whether an individual party is in government or in opposition, the implication being that parties in government are expected to be more pro-European (ibid., 318; Johansson & Raunio 2001, 229). For instance, when a party is in government it tends to adopt a more pro-integration line than when in opposition. Government responsibility means regular participation in intergovernmental meetings, and it is thus to be expected that this institutionalised intergovernmental cooperation will lead parties in government to adopt more euro-friendly positions than those in opposition. This argument also holds for junior partners in coalition governments, as they are usually expected to support government decisions.

With regard to empirical examples, the connection between a party in opposition and criticism of European integration is not consistent (Featherstone 1988, 317–319). For instance, the British Labour Party has continuously changed its European policy since the early 1960s: when it was in government it took a favourable stance on European integration, but in opposition, it took an unfavourable stance

(ibid., 317–319). In opposition the Irish Labour Party opposed EU entry in 1972, and both the West German SPD and the Italian PSI opposed integration when in opposition in the early 1950s. More recently, the negative campaign of the Social Democrats in Denmark against the Single European Act seems to have been a tactical ploy (ibid., 317–319). In contrast, the Dutch PvdA's return to opposition in 1958 and in 1966 had little effect on its European policy (ibid., 317–319). Likewise, in Ireland the return to opposition in 1977 had little impact on the Labour Party's European policy (ibid., 317–319). Consequently, the main hypothesis put forward in this context is:

In general, whether a political party is in government or in opposition is likely to have an impact on its EMU policy. The political party in government or with long experience of government is more supportive of EMU than parties in opposition: the strongest criticism comes from those in opposition. The changes and differences in EMU policy are related to whether the party is in government or in opposition.

2.7 The Impact of Other Political Parties

Prior research shows the tendency for the behaviour of other parties to have an influence on a party's EU policy. In addition to holding public office, political parties in democratic systems pursue public policy. They develop coherent policy positions and compete over their implementation through forging alliances with parties with similar agendas (Hix & Lord 1997, 208). They have relatively sophisticated systems for developing policy positions with special working groups, drafting reports and making final policy declarations. Featherstone summarises such influence under three themes: party alliance, the electoral success of other parties, and the influence of governments in which the party has not participated (Featherstone 1988, 319). Meanwhile, an important question concerns governmentability: parties must be seen to be capable of efficient government, especially in economic matters (Johansson & Raunio 2001, 229). This assumption largely excludes those with strongly deviant policies. Parties may also adopt anti-EU postures in order to differentiate themselves from their competitors, but this usually weakens their chances of gaining government office (Christensen 1996; 1998).

Political parties may respond to changes in the electoral market by redefining their relations with their competitors (Sjöblom 1968, 189–182). In particular, they may reconsider which specific parties they see as their main competitors. On the tactical level they may decide to concentrate on targeting enemies in their negative campaigns. In this case they are still primarily interested in winning votes, although the targeting is also likely to have an impact on inter-party relations once the votes have been counted. They may also apply the opposite strategy, attempting to make friends and allies among some of the other parties. This may range from mutual non-aggression pacts during election campaigns to electoral alliances (with or without the prospect of forming government coalitions afterwards), and further to party mergers (Mair 1997, 223). Borchert (2003) and Beyme (1996) found that cartel parties aimed at reducing the consequences of electoral competition: for example, governing parties granted the opposition parties a certain share of state subventions or patronage

appointments. Cartels aim at securing the position of the established parties against newly mobilised challengers.

Perhaps one of the best empirical examples of the policy consequences of a party alliance was the PSI in Italy in the 1950s: it wished to maintain the alliance because there was pressure for it to oppose integration (Featherstone 1988, 320). In France, the common front between the PS and the Communists in the 1970s encouraged the Socialists to adopt a more radical line on the EC, but their official support for integration was maintained throughout (ibid., 320). In Belgium and the Netherlands strong public support combined with backing for European integration among the Catholics and the Liberals inevitably influenced the socialist parties of both countries. However, the Dutch PVdA has often been regarded as less enthusiastic than its domestic rivals (ibid., 320). Parties have also reacted to governments of different political persuasions (ibid., 320). For instance, the Social Democrats in France were forced to respond to the populist actions of De Gaulle while he was in government in the 1960s. In West Germany, before the question of German reunification arose, hostility towards European integration was related to a desire to intensify the differences between the government and the opposition (ibid., 320–321).

In sum, electoral competition implies that the European policies of a political party are influenced by other political parties and by its participation in coalition governments, which thus has consequences for its policies on supranational integration (ibid., 321). Thus, the hypothesis concerning the role of other political parties is:

In general, the behaviour of other parties influences the EMU policy of a political party. This impact tends to increase when there are party alliances, following the electoral success of the other parties, or as a result of the influence of governments in which the party in question has not participated.

2.8 Perceptions of Economic Interest

Recent academic literature reveals two research strands in the discussion in terms of economic interest. The economic benefits and costs involved in monetary union are covered in the theory of optimal currency areas: it has been proposed that economic logic may explain why the EMU was launched in the 1990s. On the other hand, prior research has identified certain negative influences. It could be said that small, open economies tend to have one overriding political interest: a liberal international economy (Katzenstein 1985, 69). Katzenstein also discovered that the tariff levels of small European states have been well below those of the large industrial states. It has recently been suggested that economic interests were the main driving force behind Finland's EMU participation. For instance, Anne Brunila, an economist at the Ministry of Finance, made this point quite clearly:

> Finland's EMU membership has not been a mistake. EMU has been beneficial for Finland. EMU has provided us with low interest rates and a stable currency rate (Helsingin Sanomat 2005).

The pioneering research work on the theory of optimal currency areas was carried out by Mundell (1961), who argues that independent states will form a monetary union if the benefits of joining exceed the costs. The main cost is the inability to reduce the exchange rate to absorb a demand shock given the fact that exchange rates are fixed. Thus, there is a "one size fits all" interest-rate policy. Governments facing asymmetric shocks cannot use interest rates to stimulate the economy or to prevent it from overheating either. Nevertheless, Hix shows that asymmetries in economic cycles, or asymmetric economic shocks, can be dealt with by other means, such as labour mobility, wage flexibility or capital mobility, fiscal transfers and budget deficits (Hix 2005, 309–310). Mundell asserts that a state faced with asymmetric shocks should weigh up two possible strategies: reducing the exchange rate or employing stable exchange rates combined with wage reductions and labour mobility. More recently, Eichengreen (1990) and De Grauwe (2003) developed Mundell's work further by providing evidence that there are other benefits in a single currency that may outweigh the costs of giving up floating exchange rates. These scholars argue that the main benefits of a single currency include lower transaction costs, a more efficient market, greater economic certainty, lower interest rates, and higher economic growth.

However, some of these benefits are disputed by economists such as Poole (1990) and Krugman (1998). Two other political implications of the currency union should be considered alongside the potential economic costs and benefits (Hix 2005, 312–313). First, currency union provides a single voice in the global union: a single currency could rival the US dollar as the dominant global currency, which would give the EU political clout on global economic issues. On the other hand, the currency union is a step towards political union. This implies that the single currency is likely to facilitate further political integration through pressures for fiscal transfers and tax harmonisation, and demands for political government over monetary policy. Citizens who favour further political integration may view these as potential benefits of monetary union, but those opposed will perceive them as costs.

There is further criticism of the theory of optimal currency areas. Empirical analyses of the EU economy suggest that the EU is not such an area, particularly compared with the US (Caporale 1993; De Grauwe & Vanhaverbeke 1993; Eichengreen 1990; Feldstein 1992). For instance, the member states differ markedly in economic performance, so asymmetric economic cycles are likely to be frequent. In addition to that, there is a relatively low degree of labour-market flexibility in the European economy. Generally, the costs and benefits of forming a single currency union vary according to the degree of economic integration among the states involved (Krugman 1990). An optimal currency area may exist among the core EU economies given that the economic cycles of Germany, France and the Benelux countries are closely linked (Dornbusch 1990; Hix 2005, 322). Furthermore, Cameron (1997; 1998) argues that the benefits of monetary union increase as trade between the states involved increases. According to simple economic cost-benefit calculations the smaller states were more likely to benefit from EMU than the larger ones: for smaller economies such as Finland, intra-EU trade accounted for 30.4 per cent in 1994 and 36.2 per cent in 2001, while for larger economies such as Germany it accounted for 23.1 per cent in 1994 and 31.8 per cent, respectively (Hix 2005, 321–322).

On the other hand, economists cannot explain why Italy and Spain joined when they had comparatively low levels of trade integration.

With regard to empirical examples, economic costs and benefits have tended to regularly influence the European policies of the socialist parties (Featherstone 1988, 321). Some economic pressures have had a clear regional flavour. For instance, it was believed that European integration would open up new markets for the steel industry in the southern part of Luxembourg, and this played an important role in the electoral strength of the LSAP in that area. The French Socialists were sensitive to the interests of agricultural workers when the Common Agricultural Policy had tough economic consequences for farmers in the southern part of France. PASOK in Greece has also given high priority to EC regional aid for its agricultural sector, and the Irish Labour Party has been anxious to secure EC aid for agriculture and regional development (ibid., 321). In West Germany, citizens strongly associated the economic growth of the 1950s with European integration, and changed the attitude of the SPD. The Danish Social Democrats have consistently based their policies on economic objectives in order to seek free external trade and to secure access to the British market (ibid., 321). Featherstone argues that no party can be expected to support supranational integration if it imposes a major domestic economic burden. On the other hand, some parties give high priority to various separate issues for political, historical and defence reasons, while economics appear to motivate others (ibid., 321). Therefore, with regard to economic interests the hypothesis is as follows:

In general, questions of economic costs and benefits influence the EMU policy of a political party: the more the economic interests concern a particular region, the greater the tendency to support EMU, while the greater the probability of acquiring a major domestic economic burden as an EMU member state, the greater the tendency not to support supranational integration.

2.9 Historical Context

Prior research shows the tendency for distinctive national histories to provoke different reactions to European integration. The most comprehensive work on the political economy of the smaller European democracies is the volume produced by Katzenstein (1985). The main argument is based on historical themes such as the interlocking crises of the 1930s and 1940s. For instance, it could be that depression, fascism and World War II fundamentally reorganised the politics of small European states (ibid., 9). Meanwhile, empirical findings tend to show that economic interests were not uppermost among the reasons why Finland eventually joined the EU: the basic arguments in favour of EU membership were based on historically-related problems of security, for example (Paloheimo 1995, 113–127). Small European states, as opposed to less developed countries and the large advanced industrial states, have chosen strategies for security that match their strategies in economic matters (Katzenstein 1985, 47).

With regard to empirical examples, historical themes seem to be related to the differing national experiences of the socialist parties (Featherstone 1988, 322–325). Before 1939 some of these parties

had failed to establish an EU policy that was very distinct from the policy of their domestic opponents. This point was raised to varying degrees in Belgium, Britain, Denmark, Ireland, Luxembourg and the Netherlands. Parties in Denmark, Ireland, Luxembourg and the Netherlands, pursued a policy of neutrality in defence matters. On the other hand, for the others the experience of war led them to change their defence policies and to support a NATO alliance. The socialist parties in both Luxembourg and the Netherlands started to pursue a policy of economic integration (ibid., 322–325). The major outcome of the Second World War was to polarise Europe into two antagonistic military blocks and thereby undermine the position of the individual nation-state (ibid., 322–325). These consequences were based on the experience of invasion, which left bitter memories, anti-German feelings, and the need for economic reconstruction. For instance, it was this experience that encouraged the Belgian Socialists to support Franco-German rapprochement and supranational integration after 1945 (ibid., 322–325). Featherstone argues that by the late 1950s issues of economic integration had become largely separated from matters of defence and the position of West Germany. Taken as a whole, the post-war world was the major driving force prompting individual national responses on the part of the socialist parties. More specifically, they reacted in a manner that promoted their domestic advantage (ibid., 324).

Featherstone's study would also seem to indicate that party responses to the pressures of the Cold War varied across different national settings (Featherstone 1988, 322–325). Some pursued a strategy of neutrality, while others felt that economic integration would undermine the prospects of national reunification. By the early 1960s nearly all of the socialist parties covered in Featherstone's study had accepted the principle of NATO membership. On the other hand, there was no common consensus on economic integration: it could be said that they moved towards economic integration at different stages and had varying opinions. For instance, the centre-right in West Germany and Italy supported integration because of their experiences of dictatorship, but the West German SPD and the Italian Socialists ignored this view. The basic position of the British Labour Party and the Danish Social Democrats was that economic integration tended to undermine democratic procedures and to limit the sovereignty of the nation-state, while the Spanish and Portuguese Socialists felt that it safeguarded democratic structures. The main conclusion of Featherstone's study is based on the fact that distinctive national histories had prompted different reactions to European integration (ibid., 322–325). Furthermore, past experiences may lead to nationalised responses in supranational policy. The main criticism against economic integration is that it undermines democratic procedures and limits the sovereignty of the nation-state. The following hypothesis concerns the role of the historical context.

In general, historical experiences influence the EMU policy of a political party: the more unsupportive historical references there are, the greater the tendency to oppose a supranational policy.

2.10 External Events and Influences

Are there external factors other than policy influences from the domestic arena? Prior research shows that external events do tend to influence a political party's EU policies. Recently, scholars following the

International Relations approach produced evidence that EMU was the product of bargaining among the member-state governments during the intergovernmental conference that agreed *the Maastricht Treaty* (Eichengreen & Frieden 2001; Hosli 2000; Moravcsik 1998). According to Moravcsik (1993; 1998), it was essentially a German plan. On the other hand, Garrett (1994) argues that the French government extracted painful concessions from Germany. In general, the research also focuses on the degree to which the country is economically integrated with the rest of the world. One way of determining the influence of external events is to focus on their economic, political and cultural effects, which tend to diffuse abroad. However, the present study does not cover the theoretical background or give any data on this kind of effect of international economic integration on the policy-making of party organisations. I do offer suggestions for further research on this area in Chapter 8.4, however. In sum, scholars following the International Relations approach seem to argue that EMU was part of a broad historic package deal between France and Germany. In terms of external influences on the political party system, the major British, French and German parties seem to have been key actors in the integration process (Johansson & Raunio 2001, 230). However, it is acknowledged that no single party or even a party family can determine EU policy alone, which implies that the parties could hardly ignore the EU after *the Maastricht Treaty*. European policy matters had previously played a marginal role in internal party debates.

With regard to empirical examples, Haahr (1992) and Ladrech (1993), contributing to the literature on the neo-functionalist theory of political spillover, suggest that the social-democratic parties changed their European policies from the mid-1980s onwards due to the increased relevance of the European Community: they suddenly realised that the EU gave them an opportunity to achieve their objectives. The Social Democrats and the Greens were initially against the Single Market, but eventually they started to use the EU in order to achieve greater economic stability, to coordinate employment and social policies, and to push for tighter environmental legislations at the European level. This implies that events occurring outside of the European Union shaped party policies on European integration (Johansson & Raunio 2001, 230–231). For instance, the dismantling of the Soviet Union and the increasing extent of economic globalisation had an influence (Garrett 1998; Geyer et al. 2000). Moreover, there are issue-specific events that may affect party positions, such as cuts in regional funding and redefined relations with foreign countries such as Turkey (Johansson & Raunio 2001, 230–231).

In general, the significance of external events varied considerably from one party to another. It could be said that external influences played a strong role as individual parties were determining their policy towards European integration (Featherstone 1988, 326). For instance, the Italian Socialists, PSI, changed their attitude due to the invasion of Hungary during the 1950s. Furthermore, the government of the United States strongly supported European unity after 1945, which helped the integration process and changed party positions in a more favourable direction. The US government encouraged European integration because socialist parties opposed the policies of the Reagan administration. As

a result, they showed enthusiasm for a common foreign policy within the European Community that was independent of the United States (ibid., 325).

On the other hand, ties to other countries outside the integration process had a different kind of impact on the European policy of the Social Democrats in West Germany, Britain and Denmark (Featherstone 1988, 325). The West Germans initially desired re-unification with the East, the British wanted to maintain their links with the Commonwealth, and the Danes frequently discussed Nordic co-operation. Generally, external factors were influential in so far as they reinforced existing attitudes to European integration (ibid., 325). Similarly, Katzenstein argues that the impact of international factors on domestic structures has been greater in small European states than in the large industrial nations. However, he claims that such factors have not determined political strategies and domestic structures. It seems that external events induced convergence, and internal events produced different responses (Katzenstein 1985, 37). Thus, the following hypothesis about the role of external events is put forward:

In general, external events such as the actions of foreign governments and the forging of ties with non-EU countries influence the EMU policy of a political party: the stronger the international event or trend is, the stronger the influence tends to be: the more special the relationship with the foreign country, the greater is the potential influence.

2.11 Co-operation Between Party Families Across Borders

Party-policy scholars tend to argue that transnational party-policy links and membership of Europarties may have an impact on partisan responses to European integration. National party organisations in each EU member state are linked through the transnational party federations (Hix 2005, 7; Hix & Lord 1997, 55–57). As shown in a recent literature review, little has been written on how the party federations, the EP party groups and national parties interact. However, Gaffney (1996) reports invaluable case studies on the party politics of European integration at both EU and national levels, Hanley (1994) contains a useful chapter on the European People's Party, and Pridham and Pridham (1981) discuss the earlier history and performance of the party conference. Low public awareness among the federations and their relative failure to develop their expected role as coordinators of electoral programmes are covered in Niedermayer (1984; 1989), and the pioneering work of Hix (1993; 1995c) analyses the development of the federations as sites for political co-ordination between EU party leaders prior to meetings of the European Council. Moreover, studies by Hix and Lord (1997) and Hix (2005) contain useful chapters on party federations.

The domestic party organisations and the EP groups of the main European party families established the transnational party federations in the build-up to the first direct EP elections in the mid-1970s. The main aims of these new European-level party organisations were to draft European electoral programmes and to cooperate in the development of common positions on European-level issues. This was the classic conception of transnational party co-operation in the early 1980s (Pridham & Pridham 1981). At first these were very loose organisations with highly unsophisticated structures at

the European level. They had an unclear and incoherent policy orientation in spite of the biannual European party conferences. Nevertheless, *the Maastricht Treaty* in 1991 introduced a new party article, Article 191, and as a result the socialist, liberal and Christian democrat party federations established new and more coherent organisations. By 1995 there were four extra-parliamentary party groups at the European level, with member parties in nearly all EU member states: the Party of European Socialists (PES) was launched in November 1992, the European People's Party (EPP) adopted a set of new statutes in November 1992, and the European Liberal, Democratic and Reform Party (ELDR) was established in December 1993. One of the most significant recent changes was the institutionalisation of the party leaders' summits (Hix & Lord 1997). These were originally informal meetings of national party leaders, but in the late 1980s they became the central decision-making organs within each umbrella party. This implies that it was also an important forum for the leaders of the major Finnish political parties.

More significantly, these party leaders' meetings began to be organised around the agenda and dates of the European Council. For the first time national party leaders from the same party family had an incentive to come together to try to agree on a common platform before the EU heads of government met to set the medium- and long-term agenda of the EU (Hix & Lord 1997, 197). Two further developments resulted from the institutionalisation of the party leaders' meetings. First, the quantity and quality of the meetings fundamentally changed: there were more of them, for instance. Secondly, they began to influence decision-making in the European Council (ibid., 183). As a result, the number of national party leaders attending them increased significantly (ibid., 186). The participants include the national leaders of the member parties of the party federation, the prime ministers from the member parties, the presidents and vice-presidents of the federation, the leader of the EP group, and members of the European Commission from the member parties of the federation (ibid., 66). For instance, the EPP party leaders met on 25 October 1990 and unanimously agreed to support a fixed timetable for EMU in the European Council (ibid., 170). The Socialist and Liberal leaders also arranged their meetings to coincide with the IGC timetable and agenda. Thus, party federations tend to play a crucial coodinating role in the adoption of more medium- and long-term EU policy goals such as party attitudes towards EMU.

There seem to have been a few major issues that the four main EU parties pursued (Hix & Lord 1997, 209–210). The EPP is the most radical supporter of European integration and advocates a social market economy and traditional social values: the PES pursues EU policies such as EMU and the Social Chapter, and the ELDR supports individual economic and social freedom (ibid., 209–210). However, most party families are internally divided on the question of Europe, which implies that most do not have united positions on European integration across all EU states (Hix 2005). Featherstone failed to show cross-national correlation between left or right differences and European policies (Featherstone 1988, 303–304). Moreover, the electoral strengths and policy positions of the parties explain why neither the left nor the right is strong enough to form a dominant coalition across the EU. Pro-European parties across the left-right divide have therefore co-operated in order to construct large

enough majorities to influence key EU decisions. It was not until the mid-1980s that the elites in most social-democratic parties started to support European integration, which allowed for a powerful cross-party, pro-European coalition to be built to support EMU. Consequently, the elites of the mainstream Scandinavian parties on the left and right, in government and in opposition, decided to collaborate on the issue of joining the single currency (Aylott 2002; Johansson & Raunio 2001).

With regard to empirical examples of the co-operation between party families, Featherstone's study would seem to indicate that co-operation is nothing new. A case in point is the history of the Socialist International (Featherstone 1988, 326–333). The socialist parties of the six founding EC member states were among the most ardent advocates of a cross-national party group (ibid., 326–333). Almost all of these parties signed the so-called CSPEC (Socialists and the Institutions of the European Union) document, which outlined new supranational powers. Moreover, socialist parties seemed to influence the adoption of the Single European Act in 1985: only nine of the twelve EC governments at the time signed the Act in February 1986, and the socialists delayed the process in three cases (ibid., 326–333). Likewise, Johansson and Raunio point out that transnational links and membership of Europarties may have an impact on partisan responses to European integration (Johansson & Raunio 2001, 229).

On the other hand, Hix and Lord argue that party organisations at the European level are still relatively underdeveloped compared with national party systems (Hix & Lord 1997, 61). The recent work by Ladrech (2000) and Mair (2000) reveals that without any EU president or parliamentary government, the identity and dominant position of national parties is not threatened by the Europarties. Furthermore, Katz and Mair (1992) discovered that no reference is made to either the groups in the EP or the party federations in the statutes and rules of virtually all of the national parties. This implies that the national organisations still dominate due to the connections between the domestic organisations and the actors in the European institutions. By way of contrast, Hix (1995b) asserts that party families are able to develop common policy frameworks on socioeconomic issues, such as EMU, that are easily transferable to domestic party alignments. Consequently, party federations should be regarded as umbrella organisations that bring together the party organisations within the national and European institutions (Hix & Lord 1997, 63–64). The following hypothesis concerns co-operation between party families across borders:

In general, transnational sister political parties influence the EMU policy of the parent party: the more special the relationship with the foreign country in which the transnational sister party operates, the stronger is the tendency for influence.

2.12 A Summary of the Hypotheses

The recent political-science literature provides a comprehensive overview of each of the factors addressed in this chapter. Before summarising the ten hypotheses developed by various party-policy scholars, I will make some observations about this literature. In the area of ideology, recent academic

literature identifies two contradictive research strands in the area of party ideology. On the one hand, the dominance of a left-right dimension is confirmed in empirical research: hypotheses on the role of ideology are based on the kind of left or right policy emphasis the political parties have pursued in their EMU stands. On the other hand, previous studies illustrate the diminishing role of party ideology. Interestingly, many scholars have predicted the end of ideology (Bell 1960; Caul & Gray 2000, 208–237; Kirchheimer 1966; Krouwel 1999).

With regard to party elites, prior academic literature on the role of internal elites in party policies can be summarised under two themes. First, scholars conducting research on domestic politics have focused their attention on cartelisation in the hands of the party, groups and bureaucratic elites since the 1980s. Political power seems to have been concentrated in the hands of a few decision makers, and rests with strong interest groups and strong parties (Katzenstein 1985, 90). Similarly, Featherstone concludes that EU party policies were often crucially determined by party elites (Featherstone 1988, 312). Therefore, the strongest supporters of European integration are to be found among internal party elites with specialist knowledge and cosmopolitan personal experiences. Secondly, scholars have concentrated on the high level of centralisation and professionalisation in the political party organisation. On the one hand, the most obvious change in the internal organisation is the stress on professionalisation (Detterbeck 2005, 173–191; Farrell & Webb 2000, 102–125; Mancini 1999; Scarrow et al. 2000, 146). On the other hand, parties reform their organisations towards either decentralisation or centralisation. For instance, holders of public office tend to dominate party executive organs and internal decision-making, and the result is partitocrazia rather than party democracy (Farrell & Webb 2000, 102–125; Katz & Mair 1994; 1995). In other words, this pattern supports the organisational dimension of cartel parties described by Katz and Mair (1995).

In the area of interest representation, recent academic literature identifies two research strands in the discussion on interest groups. On the one hand, a relationship between a political party and the interest groups associated with it is confirmed in empirical research: leftist parties usually have strong ties with trade unions, agrarian parties with farmers' unions, and centre-right parties with employers' organisations, for instance (Johansson & Raunio 2001, 228). The main goals of interest groups are evident: policy outcomes close to their interests. On the other hand, prior research illustrates the diminishing role of this traditional link. For instance, Kirchheimer (1966) predicts that traditional ties to specific interest groups could weaken, which implies that the catch-all party should begin to build up relations with a variety of groups. Parties are more and more likely to go beyond conventional affiliate organisations (Katz & Mair 1995, 23; Poguntke 1998). As a result, the traditional organisational links between them and various interest groups, and particularly between the left and the trade unions, seem set to weaken. This pattern supports the political-role dimension of cartel parties described by Katz and Mair (1995).

In the field of public opinion, recent academic research shows the tendency of parties to become more cognisant of citizens' opinions and demands. Niedermayer (1995) produced evidence that the so-

called permissive consensus is no longer present among EU citizens. For instance, the socialist parties have responded to changes in voters' opinions on European integration: it thus seems that parties have revised their policies in line with changes in public opinion (Featherstone 1988, 315). Therefore, they may respond to changes in public opinion by changing their policy positions (Müller 1994). More recently, they seem to have shifted their issue profiles at an accelerated pace to match their campaign research on the projected expectations of the voters (Farrell & Webb 2000, 102–125). As a result, they pay increasing attention to public opinion polls and adapt their message to suit the interests of their perceived audience (Caul & Gray 2000, 216).

With regard to the roles of government and opposition, the recent academic literature tends to show a close relationship between the party line towards European integration and whether the party is in government or in opposition. For instance, parties in government, or with long experience of government, have mostly been more supportive of integration than those in opposition, the strongest criticism having come from the latter (Featherstone 1988, 333–335). This implies that government parties are expected to be more pro-European than opposition parties (Johansson & Raunio 2001, 229). In addition, governments with long experience in office are most likely to back integration (Featherstone 1988, 333–335).

Prior research on the impact of other political parties reveals a tendency for their behaviour in the domestic arena to influence a given party's EU policy (Featherstone 1988, 319). More precisely, such influence is evident in party alliances, the electoral success of other parties, and the behaviour of governments in which the party has not participated (ibid., 319). Furthermore, political parties may respond to changes in the electoral market by redefining their relations with their competitors, in other words reconsidering which specific parties they see as their main competitors (Sjöblom 1968, 189–182). On the tactical level, parties may decide to concentrate on targeting their enemies in their negative campaigns. According to Borchert (2003) and Beyme (1996), meanwhile, cartel parties aim at minimising the consequences of electoral competition. This pattern resembles the party-competition dimension of cartel parties described by Katz and Mair (1995).

On the subject of economic interests, recent academic literature identifies two research strands worthy of discussion. On the one hand, the theory of optimal currency areas confirms the economic benefits and costs involved in a monetary union: many scholars have produced evidence of such costs and benefits (Cameron 1997, 1998; De Grauwe 2003; Eichengreen 1990; Featherstone 1988; Hix 2005; Mundell 1961). Primarily, advocates of this theory have proposed that economic logic could explain why EMU was launched in the 1990s. In terms of party policies, Featherstone produced evidence that economic costs and benefits have regularly influenced the European policies of the socialist parties (Featherstone 1988, 321). On the other hand, prior research has identified negative influences in a monetary union (Caporale 1993; De Grauwe & Vanhaverbeke 1993; Dornbusch 1990; Eichengreen 1990; Feldstein 1992; Hix 2005; Krugman 1990, 1998; Mundell 1961; Poole 1970). These scholars further developed Mundell's work and provided evidence of other benefits in a single currency that

could outweigh the costs of giving up floating exchange rates. For instance, Eichengreen (1990) and De Grauwe (2003) described the main benefits of a single currency as lower transaction costs, a more efficient market, greater economic certainty, lower interest rates, and higher economic growth.

Previous research on historical dynamism reveals a tendency for distinctive national histories to influence reactions to European integration. For instance, historical events such as the interlocking crises of the 1930s and 1940s fundamentally reorganised the politics of small European states (Katzenstein 1985, 9). Surprisingly, economic interests were not the most important reasons why Finland eventually joined the EU: the basic arguments were based on problems of security due to historical reasons (Paloheimo 1995, 113–127). In general, small European states, as opposed to less developed countries and large advanced industrial states, chose strategies for security that matched their strategies in economic matters (Katzenstein 1985, 47). Furthermore, distinctive national histories prompted different reactions to European integration, and past experiences produced nationalised responses (Featherstone 1988, 322–325). The main criticism was based on the fact that economic integration undermined democratic procedures and limited the sovereignty of the nation-state (ibid., 333–335).

With regard to external events, prior research reveals a tendency for external governments to influence the party's EU policies: there appears to be a close relationship between such events and EU policies (Featherstone 1988; Garrett 1998; Geyer et al. 2000; Haahr 1992; Johansson & Raunio 2001; Ladrech 1993). Moreover, it seems that events occurring outside the European Union also shape party policies on European integration (Johansson & Raunio 2001, 230–231). For instance, the major British, French and German political parties seem to have played a key role in the integration process (ibid., 230). Furthermore, the dismantling of the Soviet Union and the trend towards economic globalisation also had an effect (Garrett 1998; Geyer et al. 2000). Generally, external factors were influential in so far as they reinforced existing attitudes to integration (Featherstone 1988, 325). Small European states have felt a greater impact of international factors on domestic structures than the large industrial states. On the other hand, international factors have not determined political strategies and domestic structures. In sum, external events seemed to induce convergence, while internal events seemed to drive countries to give different responses (Katzenstein 1985, 37).

Finally, on the subject of transnational party families, party-policy scholars tend to argue that policy links and membership of Europarties may have an impact on partisan responses to European integration (Aylott 2002; Featherstone 1988, 326–333; Hix 1995b; Johansson & Raunio 2001, 229). The central link between the main party families and the national party organisations in each EU member state is through the transnational party federations (Hix 2005, 7; Hix & Lord 1997, 55–57). As far as co-operation between the families is concerned, the findings would seem to indicate that it is nothing new (Featherstone 1988, 326–333). However, the research also reveals the weak role of the transnational party federations in the political system across Europe (ibid.; Hix & Lord 1997; Katz & Mair 1992). For instance, most party families do not have united positions on European integration

across all EU states. In addition, Featherstone failed to show cross-national correlation between left or right differences and European policies (Featherstone 1988, 303–304). Most importantly, scholars point out that party organisations at the European level are still relatively underdeveloped compared with national party systems (Hix & Lord 1997, 61; Katz & Mair 1992; Ladrech 2000; Mair 2000). It may be that the national party organisations still dominate due to the connections between the domestic organisations and the actors in the European institutions. All in all, it is argued in the present study that the hypotheses summarised below will help to explain party behaviour towards EMU.

The role of ideology

In general, a shift to the right by a political party prompts a more favourable policy on EMU: the more right on the left-right dimension the party is, the greater its tendency to adopt a favourable EMU policy.

The role of internal elites

In general, the strongest supporters of European integration are to be found at the elite level in the internal structures of a political party organisation.

The influence of interest groups

In general, political parties respond to trade-union influence: the nearer the party is professionally or electorally to the trade union, the greater the tendency to be influenced. Therefore, centre parties are influenced by an agrarian union, social-democratic parties by a workers' union, and right-wing parties by an employers' union.

The influence of public opinion

In general, political parties respond to the opinions of their core supporters. Therefore, public opinion has an impact on the EMU policy of any political party.

The impact of government and opposition roles

In general, whether a political party is in government or in opposition is likely to have an impact on its EMU policy. A political party in government or with long experience of government is more supportive of EMU than parties in opposition: the strongest criticism comes from those in opposition. The changes and differences in EMU policy are related to whether the party is in government or in opposition.

The impact of other political parties

In general, the behaviour of other parties influences the EMU policy of a political party. This impact tends to increase when there are party alliances, following the electoral success of other parties, or as a result of the influence of governments in which the party in question has not participated.

Perceptions of economic interest

In general, questions of economic costs and benefits influence the EMU policy of a political party: the more the economic interests concern a particular region, the greater the tendency to support EMU, while the greater the probability of imposing a major domestic economic burden as an EMU member state, the greater the tendency not to support supranational integration.

The historical context

In general, historical experiences influence the EMU policy of a political party: the more unsupportive historical references there are, the greater the tendency to oppose a supranational policy.

External events and influences

In general, external events such as the actions of foreign governments and forging of ties with non-EU countries influence the EMU policy of a political party: the stronger the international event or trend is, the stronger the influence tends to be; the more special the relationship with the foreign country, the greater is the potential influence.

Co-operation between party families across borders

In general, transnational sister political parties influence the EMU policy of the parent party: the more special the relationship with the foreign country in which the transnational sister political party operates, the stronger is the tendency for influence.

The hypotheses presented in Chapter 2 vary in dimension. In framing them I have aimed to be as general as possible, and have given reference examples that could help to explain varying party behaviour with regard to EMU. The next task is to provide instruments for the analysis of party emphasis on EMU. Chapter 3 takes the discussion further in presenting the methods used for the data collection and analysis.

3 Exploring Party Emphasis on EMU

3.1 Quantitative Content Analysis

There were two distinct phases in the development of the content-analysis approach during the 20th century: the breakthrough phase in the early 1930s when it was used as an intelligence weapon during World War II; and the renaissance phase when it was increasingly used to further the study of various types of social behaviour during the following half century. Content analysis emerged in the early 1930s in the United States as a method for analysing documents. It was conceived of first as a tool for communications research, but even at this early stage there was a political component (Budge, Klingemann, Volkens, Bara, Tanenbaum 2001, 4–5). For instance, it was used to examine the proportion of space in American newspapers taken up by reports on foreign policy in 1930 (Madge 1953). In his pioneering work, Lasswell adapted the method in order to undertake a study of psychoanalytical interviews based on the systematic application of classification categories (Lasswell & Kaplan 1952; Lasswell & Leites 1965). He went on to utilise this classification scheme in analysing a broader range of topics. Ironically, it was the threat of war in 1939 that led to a breakthrough in the development of content-analytic techniques: it was used to show how foreign newspapers could presage considerable shifts in policy and strategy, for instance (Berelson 1971). As a result, it became a significant intelligence weapon. Scholars began to develop and standardise coding categories, and coders were monitored to ensure that their results were comparable (Budge et al. 2001, 4–5).

In the half century following World War II the use of content analysis to further the study of various types of social behaviour increased. Many disciplines, such as cultural studies, devised their own approaches and combined it with other tools such as discourse analysis and ethno-methodology. The first major political scientist to write systematically and comprehensively about the content-analysis technique was Berelson (1952), who produced a methodological paper in 1952. This work has formed the basis of much of the methodological debate to the present day. Berelson (1954) defined content analysis as

> a research technique for the objective, systematic and quantitative description of the manifest content of communication (ibid., 481).

Weber adapted this as follows:

> a research method that uses a set of procedures to make valid inferences from text. These inferences are about the sender(s) of the message itself or the audience of the message. The rules of this inferential process vary with the theoretical and substantive interests of the investigator (Weber 1990, 9).

Comparison of the definitions of Berelson and Weber shows a significant shift from an emphasis on the public, shared nature of the approach to a subjective conception in which the results of the analysis reflect not only the textual content but also the “interests of the researcher”. This means that

the theory applied in the study could shape the coding categories and the rules for assigning textual units to them. This has implications for the study of political texts and for the present study. Furthermore, Weber notes that inferences are made about senders of the manifesto message and about the audience that receives it. However, the main argument is that deriving reliable and valid estimates of the policy positions of key actors is fundamental to the analysis of political competition (Laver & Garry 2000, 619–622). For instance, various systematic methods, including surveys of voters, politicians and political scientists as well as the content analysis of party-policy documents, have been used to achieve this goal. Each method has its advantages and disadvantages, but for both theoretical and pragmatic reasons, party-policy documents seem to represent a core source of information about the policy positions of political actors (ibid., 619–622). Hence, a classification scheme was designed for this study in order to code the content of the policy documents of the three selected political parties.

In the party-policy context, content-analysis techniques developed and rapidly spread to the study of documents such as platforms and manifestos. One of the fundamental reasons for this was that the coding techniques applied to interview protocols, and particularly to answers to open questions, were readily transferable to texts. Attention also began to turn to party election programmes. Robertson (1976) undertook the first comprehensive analysis of manifestos under the supervision of Barry (1965), whose influential Political Argument in itself was a close qualitative analysis of the textual handling of political concepts. The study of party manifestos developed further through the emergence of rational-choice theories of party competition (Downs 1957).

Consequently, Robertson in his work on party competition in Britain developed one of the first versions of classification schemes and coding practices (Robertson 1976, 73–75). The main argument in his work was that parties sparred with each other by emphasising different policy priorities rather than by directly confronting each other on the same issues (Budge et al. 2001, 7). This point had implications as far as the use-saliency coding of party documents was concerned. The next step is therefore to clarify the saliency coding of party documents, which is central to the present study. In short, the object of analysing party-policy documents across selected political parties is to measure policy emphasis on EMU within a common framework. These party documents are taken as indicators of the party's policy emphasis at a certain point in time and are subjected to quantitative content analysis. In practice, content analysis has proved useful in both qualitative and quantitative analyses, and could be considered a bridge between the two (ibid., 5).

3.2 The Saliency Coding of Party Documents

Traditional models and salience theory have dominated prior analysis of strategic party behaviour. According to the traditional models, parties compete by changing their positions on issues (Downs 1957; Enelow & Hinich 1984; Hinich & Munger 1997; MacDonald, Listhaug & Rabinowitz 1991). However, positional shifting may be very difficult to accomplish because parties are often committed to particular issue positions due to their ideology or reputation (Kollman, Miller & Page 1992; Robertson

1976). As a result, they have to look for alternative models of competition if positional shifts are difficult. On the other hand, salience theory states that party competition often takes the form of a battle over agenda control: parties try to affect the issues that are on the agenda, selectively emphasising those that are favourable to them and de-emphasising those that are unfavourable. Consequently, competition involves the definition of the political space, in other words what is salient and what is not (Borg 1966; Budge et al. 2001; Budge & Farlie 1983; Klingemann, Hoffebert & Budge 1994; Riker 1982; Robertson 1976).

The major implication in this research literature is that the most important aspect of the documents is the degree of emphasis placed on certain broad policy areas, rather than each party's support for, or opposition to, a specific policy within them (Budge et al. 1987, 24). It should be noted that position and emphasis are quite distinct parameters of party policy (Laver & Garry 2000, 620). For instance, two parties may have quite different substantive positions on the same issue, but emphasise it to precisely the same extent in their respective manifestos. Recent expressions of salience theory imply a strong relationship between the party position and its emphasis on an issue (Budge 1999). However, this is acknowledged to be an empirical proposition to be tested as part of the evaluation of the theory (Laver & Garry 2000, 620). In other words, the picture of party competition is changing from the classic great debate or direct argument over a common range of problems, to one in which parties talk past each other by glossing over areas in which they feel they have an advantage. Therefore, coding sentences into broad categories rests on salience theory as opposed to confrontation theory (Budge 1982; Budge & Farlie 1983; Daalder & Mair 1983; Robertson 1976).

The issue of salience could lead to issue ownership in the long run (Steenbergen & Scott 2004, 167). The theory of issue ownership posits that parties emphasise issues on which they are advantaged over their opponents, which over time creates their reputation. For instance, Labour parties have a natural advantage on the unemployment issue, while Conservative parties routinely emphasise the inflation issue (Budge & Farlie 1983). The implication is that different parties are associated in the different policy areas with generally desirable goals. Certain types of parties own certain types of policies (e.g., defence for the right and health policy for the left) around which they centre their campaigns (ibid.). Therefore, a coding scheme should be designed to separate areas of differential advantage and to group the references accordingly. The study conducted by Isberg, Wettengren, Wibble and Wittrock (1974) provides support in the shape of contrasts from a simple count of sentences within each broad issue area over the post-war elections. It will be shown that the parties differ markedly in their emphases, as anticipated according to salience theory. However, they may also influence issue salience to affect their short-term success. In this sense, issue salience is an adaptive mechanism that allows parties to adjust to a changing world (Steenbergen & Scott 2004, 167).

With regard to the saliency coding of this study, the Manifesto Research Group (MRG) was by far the biggest source of data on party manifestos. The MRG was constituted in 1979 as a research group

attached to the European Consortium for Political Research (ECPR) by scholars interested in a comparative content-analytic approach to the policy positions of parties. Since 1989 the Social Science Research Centre Berlin (WZB) has provided the resources for updating and expanding the MRG data set in the context of its Comparative Manifestos Project (CMP). The main motivation was to operationalise a specific model of party competition assuming that parties compete in terms of the salience of particular issues in the policy package they put to voters (Laver & Garry 2000, 620). For instance, MRG researchers set out to measure the relative emphasis placed on an issue by a party in a manifesto, and not its substantive position on this issue (ibid., 620). As a result, the MRG developed its own coding scheme and used it to analyse nearly all the manifestos in most post-war parliamentary democracies. In comparison to public-opinion surveys and expert judgements, the manifesto data cover the long post-war era, and trace how the parties have presented themselves to the public at election time over this period. The primary goal of the CMP is to determine whether the ideological positions of the parties have changed over time. The results show that through 1987 the major parties converged towards the centre of the traditional left-right scale. The coding procedures were based on salience theory, rather than on position: while some categories are clearly coded in terms of ideology, others are only designed to capture policy emphasis. The advantage is that it offers a comparable measure over time, making it possible to measure relative movement in left or right emphases, rather than calculating absolute issue positions.

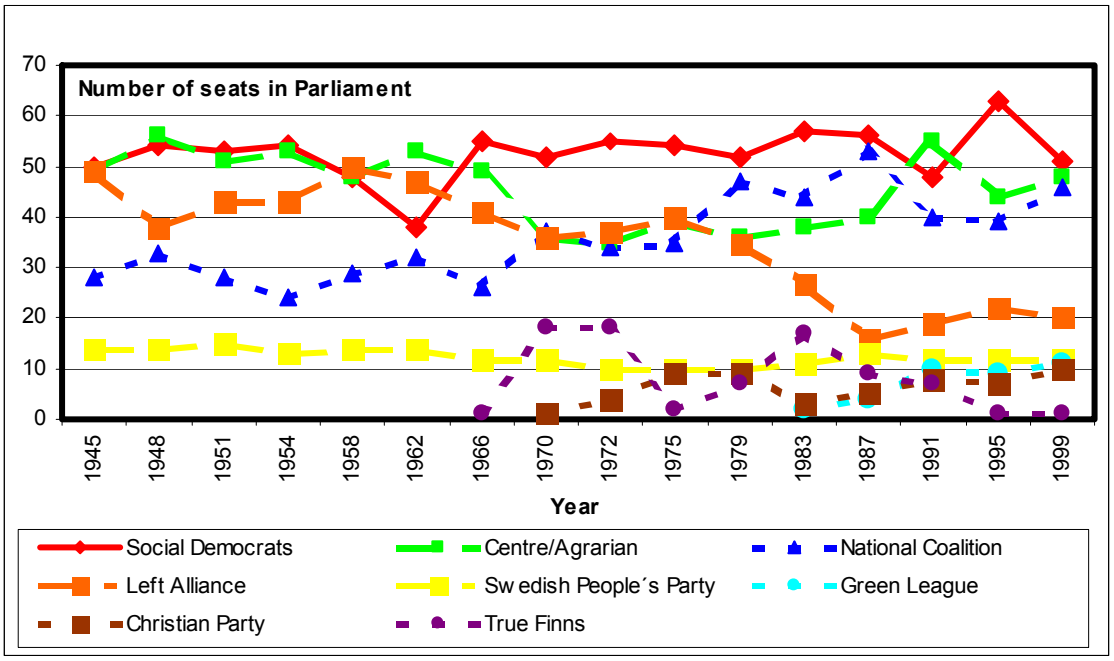
The coding process involved expert coders, fluent in the language concerned, who read each manifesto sentence by sentence and allocated each sentence to a category in the coding scheme. Consequently, the project has been running for more than 20 years and has acquired near-monopoly status in the field (Laver & Garry 2000, 620). It is important to note that some MRG coding categories do deal in a unipolar way with positional issues: “nationalisation,” for example, and “law and order”. In some of these cases emphasis may, in practice, imply position. Few who speak of law and order, for example, advocate less of it. On the other hand, other MRG categories are bipolar and convey positional information more explicitly: examples include “social services expansion: positive” and “social services expansion: negative”, and “decentralisation: positive” and “decentralisation: negative.” However, the coding scheme does not systematically use bipolar categories. The major contribution of this research literature is the classification scheme that was formed in order to code all the content of the policy documents of the Centre, the SDP and the NCP for the 1994–1999 period. Most importantly, the aim in the present study is to follow the example of the guidelines in the Manifesto Coding Instructions developed by MRG members. The coding scheme designed for the study is based on the Manifesto Coding Instructions, which is used as a handbook for the saliency coding of all party documents concerned.

3.3 The Choice of the Political Parties and Policy Documents

In choosing the party cases the selection of the political parties was obviously the single most critical decision to be made. The central goal was to create a comparative framework and to extend the theoretical framework developed in Chapter 2. There were several reasons for choosing to explore the

party-policy positions of the Centre, the SDP and the NCP towards EMU. First, the choice of political parties was determined largely by the availability of party documents: the sources used are the political parties themselves and associated archives such as the Archive of Porvarillisen Työn Arkisto of the NCP, the Archive of Työväen Arkisto of the SDP, and the Archive of Keskustan ja Maaseudun Arkisto of the Centre. Secondly and most importantly, since the purpose of the present study is to explore the phenomenon of EMU policy-making in the political parties in Finland, it was essential to identify the parties that matched the comparative framework. As can be seen in Figure 1, the core of the Finnish party system was formed during the 1990s by the three main parties: the SDP, the NCP and the Centre.

Figure 1: The Major Political Parties in Finland during 1945–1999



Source: Parliament of Finland.

Furthermore, the three major parties seem also to have dominated the electoral arena in Finland since World War II having jointly captured between 57 and 68 per cent of the votes in national parliamentary elections over the period 1945–1999 (Sundberg 1999, 228). This domination has continued in recent decades in spite of the increase in electoral volatility and the fragmentation of the multi-party system. For instance, Raunio and Tiilikainen show that under the proportional electoral system no party alone has ever controlled the majority of seats in Parliament (Raunio & Tiilikainen 2003, 44). Governments have mainly been broad coalitions, including parties spread across the ideological spectrum. For instance, a four-party coalition government, consisting of the Centre, the NCP, the Swedish People's Party and the Christian Union, took office after the 1991 elections, then a five-party coalition including the SDP, the NCP, the Left Alliance, the Swedish People's Party and the Green League took office in 1995. This so-called rainbow coalition government continued in office after the March 1999 elections.

Thirdly, these three major parties differ ideologically and represent social-democratic, agrarian/centre and conservative policies in the party family. Fourthly, they also have substantive potential in terms of understanding the factors that have shaped the EMU policy of Finnish political parties, and eventually the EMU policy of Finland during the 1990s: in terms of economic integration, national political parties are said to shape the political culture of each country's membership of the EU (Hix & Lord 1997, 15). Fifthly and lastly, in my work as a political secretary at the central office of the NCP I rather quickly observed how the policy-making process was organised inside the party. The central office concentrates on administrative questions and long-term policy development, while the party's parliamentary members deal mostly with day-to-day policy issues. I was puzzled by the number of meetings and memoranda involving many national and international party-affiliated interest groups. Since I was familiar with the policy-making procedure in the party office, the threshold for approaching the party offices and archives was low. I showed my research proposal to the secretaries of the three major parties. Amazingly, they granted me permission to explore classified party documents in their own and the parliamentary party archives. To my knowledge, these classified files had never before been open to anyone involved in researching intra-party policy-making towards EMU.

As discussed, the present study concentrates on selected party documents issued by the Centre, the SDP and the NCP for the 1994–1999 period. These documents, which are listed in Appendix 1, were analysed quantitatively and used as research data in the empirical sections of the study. Their advantages as source material for identifying the political goals of parties are manifold (see Budge et al. 2001, 215–218 for more details):

- The political ideas and goals of parties are put on record in their manifestos, position papers, and other equivalent party documents. Although only few voters read about party positions, the official positions are commonly spread throughout the mass media.
- Party position papers cover a wide range of political positions and themes, and therefore could be seen as a set of key statements (Budge et al. 1987, 18).
- Party positions are authoritative statements of party policies in that the important decisions emanating from them are usually ratified at party congresses.
- Party positions are representative statements for the whole party because some of them have been approved by its representative organisation. Therefore, the statements of one faction within the party or of an individual party member are ignored.
- The official party positions are published before every election, and between elections before important decision-making processes involving issues such as EMU. Thus, changes of policy positions over time can be monitored.

In sum, party documents represent an authoritative summarisation of the party view at a particular point in time. Methodologically, current and past positions can be compared with a view to estimating the degree and direction of movement as well as the current distance between them compared with former distances. Furthermore, as authoritative summaries of policy they represent overall positions

better than anything else. Indeed, the salience theory of party competition rests on the assumption that each party focuses on its preferred issues. The description of documents given above serves to identify the ideal types to be sought. For the purpose of examining the emphasis on EMU more comprehensively, ideal types of documents also include summaries of authoritative statements on EMU in the classified party protocols, and speeches given by the party leadership. The leadership is defined here as the party leader and possible other party members holding ministerial portfolios.

With regard to recent literature on analysing political texts, the textual format has played the most important role when party responses or policy estimates are collected and formed. For instance, policy has been characterised quantitatively through the examination of a party's and a government's own statements in the form of policy documents and declarations in Parliamentary debates before a vote of confidence or investiture. It seems better to base estimates of policy on what actors themselves have said, rather than on other people's judgements of what it is, regardless of whether these others are academic specialists or electors (Castles & Mair 1984; Huber & Inglehart 1995; Laver & Hunt 1992). All the policy estimates in the quantitative part of the present study derive from particularly authoritative documents issued by political parties. Generally, democratic decisions, party formulations of priorities and preferences, bureaucratic reports on their implementation and judicial interpretations are all reported in texts and documents. Principally, democracy is about communication and the way political parties communicate is through the written word. Texts are the major source of evidence for democracy functions, which is why textual evidence covering hundreds of specific documents was collected for the present study. The only way to make this evidence manageable was to collect and organise it in statistical form.

Party positions are classified as strategic documents written by politically sophisticated party elites with many different objectives in mind (Laver & Garry 2000, 620). Nevertheless, this leaves considerable scope for debate about whether these documents reflect the real positions of the parties that publish them. The advantage of using an official party-position document is that it is a unique and authoritative statement of policy endorsed by a specific party or the political party as a whole at a certain point in time. One disadvantage is that few people may actually read it. However, through media reports and in setting terms of reference for television and in the newspapers, it does exert a significant general influence on the nature of political debate (see Budge et al. 1987, 15–38, for a more detailed discussion on the choice of party-policy documents). On the other hand, this debate might be ultimately fruitless since the real policy position of a political actor is a fundamentally elusive, even metaphysical, notion (Laver & Garry 2000, 620). In practice, researchers should use evidence about policy positions in particular political contexts and make context-specific inferences from this. In this sense, this research rests on firm ground in focusing on party documents published by political parties. Furthermore, each political party typically sets out its position on significant subjects, especially before each election, as has happened in most of the post-war period. Thus, these documents provide historical evidence of the movement of party-policy positions over time.

Regardless of the merits of different methods of estimating contemporary party policy, party positions often provide unparalleled access to historical data (ibid., 620).

The party documents selected for the present study were subjected to content analysis, which is a research technique facilitating the objective, systematic and quantitative description of the manifest content of communication (Berelson 1971, 18). This method can generally be applied to a wide range of materials and research questions. The present study specifies the form of content analysis to be undertaken during the research process. This kind of internal, quantitative analysis derives from the ideas, policies, issues and concerns the parties stress in their platforms. Generally, coding methods are designed to be comparable over a wide range of countries irrespective of cultural and socio-economic differences. The classification scheme and categories illustrated in Appendices 2–5 fulfilled this criterion, the major task being to cover the total content of the party documents by identifying the statements of preference expressed in them. Typically, the content analysis of party positions requires the elaboration of a strict coding scheme if the results are to be reasonably replicable across coders. Such a method could ease the difficulties arising from the subjective reading of texts. In particular, some parties may not mention EMU in their documents, which may be due to its low salience, to the absence of a clear party position, or to deep internal divisions.

With regard to the choice of political texts, the idea was to look for party positions on EMU published by political organs such as the party congress, the executive committee, the council and the party delegation, and the parliamentary group. These documents are listed in Appendix 1. Naturally, they take various forms. For instance, there may be the chairperson's speech at the opening of a party congress giving the party's official position on EMU. Sometimes a similar role is fulfilled by the chairperson's authoritative summary at the end of the meeting of the executive committee. There may also be the party spokesperson's speech in Parliament concerning *the Government Report on EMU*. Such extensive data collection offered the possibility of gaining an in-depth understanding of the EMU policies of the major political parties. This way of collecting data corroborates the same dimension of the research object across multiple sources, which is defined as data triangulation (Jick 1983; Patton 1990). In all three cases the party document that seemed to give the most authoritative statement of EMU policy was selected. Furthermore, the 1999 election programmes of the SDP, the NCP and the Centre were collected and coded in order to assess the impact of the role of ideology and to trace the left-right scale during the 1990s. The findings were also connected to data from the 1991 and 1995 elections, obtained from the working group comprising Budge, Klingemann, Volkens, Bara and Tanenbaum (2001).

I should mention that I am studying political parties as one organised actor in relation to their strategic environment, in other words other parties, interest groups, and even the international community. As Sundberg (2003) argues, parties can and should be interpreted as organised actors in relation to their environment. I have adopted the simple principle that when a decision in a party unit is institutionalised, then it is an expression of the party's will, no matter how divided it was before the

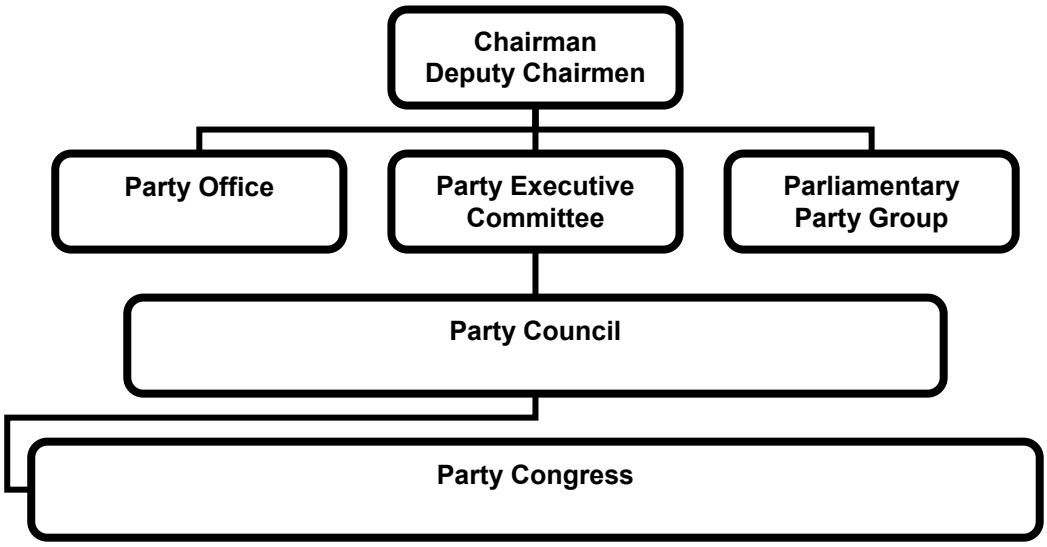
decision was made (ibid., 25). Therefore, this study is centred on the official decisions or positions taken by party organisations. For instance, I did not look for every party member's speech on EMU at its party congress or in its executive committee. The next step is to provide a short description of each of the major political parties, which have been the major actors involved in the EMU process whether in government or in opposition.

3.4 The Background of the Major Political Parties

On the organisational level, it seems that there are similarities between the major parties in terms of power. The National Coalition Party (Kansallinen Kokoomus, KOK) was founded in 1918 (Web-page of the National Coalition Party). Its politics are based on individual freedom, responsibility, democracy, equality of opportunity, civilisation, stimulus, tolerance and solidarity (National Coalition Party 2006). As Lahtinen observed, the NCP strongly stressed issues of neoliberalism in its party programmes during the 1990s, its central policy being to support privatisation, entrepreneuship with limited government intervention, tax reductions and individual responsibility (Lahtinen 2006, 71). It is strongly pro-European and is a member of the European People's Party (EPP), the International Democrat Union (IDU), and the European People's Party and European Democrats in the European Parliament (EPP-ED) (Paastela & Paloheimo 2006, 129). Its share of votes has been around 20 per cent in parliamentary elections since the early 1990s. Currently it holds 50 of the 200 seats in Parliament (2007). It was a governing party during 1987–2003. In the context of this study, Sauli Niinistö plays a very important role, having been the chairman of the party during 1994–2001 and the secretary of finance during 1996–2003. He had a key role when the Finnish political parties debated on EMU membership.

As Table 4 shows, the NCP is chaired by the party chairperson and their deputies elected by the party congress. The congress is the highest decision-making body in the organisation. On the other hand, the council has the highest authority between the congresses, which are held at two-year intervals. The council consists of 60 members, who approve matters such as annual reports, membership fees, initiatives and position papers. The main task of the party executive committee is to implement the decisions made by the congress and the council, and it also prepares the initiatives for both bodies. The parliamentary group is involved in policy-making in Parliament (Web-page of the National Coalition Party).

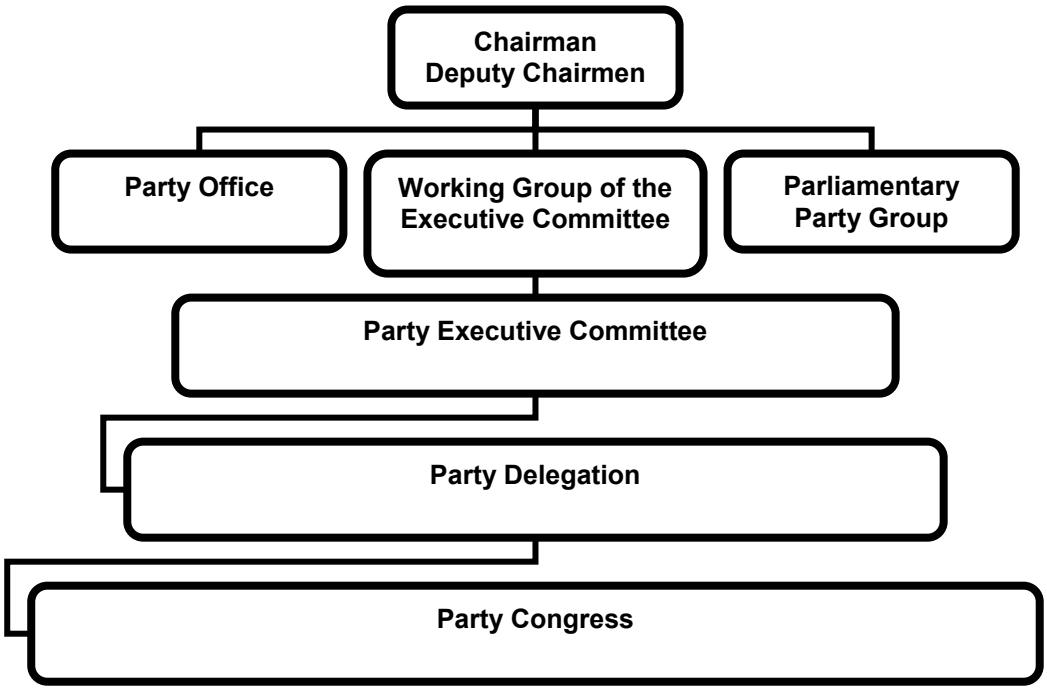
Table 4: The Decision-making Structure of the NCP



The Centre Party (Suomen Keskusta, KESK) was founded in 1906 as the agrarian party in order to defend the interests of smallholders against the threats of urbanisation and industrialisation (Raunio & Tiilikainen 2003, 45). Throughout its history, its political influence has been greatest in small and rural municipalities, where it often holds a majority of the seats in the municipal councils. In fact, decentralisation is the policy that is most characteristic of it. Throughout the period of Finland's independence the Centre has been the party most often represented in the national government: Finland's longest-serving president, Urho Kekkonen, was a Centre person, for instance. Ideologically, the Centre believes in humanity, freedom of choice, entrepreneurship, ecological sustainability, peace and co-operation (Centre Party 2006). It tended to emphasise issues of decentralisation, democracy, employment and small enterprise in its programmes during the 1990s (Ruostetsaari 2006, 52–55). With the exception of the 1995 elections, it has secured over 20 per cent of the votes in elections held since the early 1990s. Traditionally the Centre has occupied the median position on the left-right spectrum. This ideological centrism explains its strong position in government formation (Raunio & Tiilikainen 2003, 45). It currently has the most seats in Parliament, 51 out of 200 (2007). It is a member of the Liberal International (LI), the European Liberal Democrat and Reform Party (ELDR) and the Alliance of Liberals and Democrats for Europe (ALDE) (Web-page of the Centre Party).

As Table 5 shows, the party executive committee is the primary executive body of the organisation and decides on policy positions, for instance (Web-page of the Centre Party). There are 35 members in the committee, including the chairman, three deputy chairmen, the party secretary and a representative from each of the party districts. The role of the working group of the executive committee is to debate more widely on current political affairs. On the other hand, the party delegation holds the highest authority between congresses. The main task of the parliamentary group is to take part in the policy-making in Parliament (ibid.). In the context of this study, Esko Aho plays the most important role as he was the party chairman during 1990–2000 and 2001–2002. As the prime minister in 1991–1995 and the leader of the major opposition party during 1995–1999, he was in a key position when the Finnish political parties debated on EU and EMU membership.

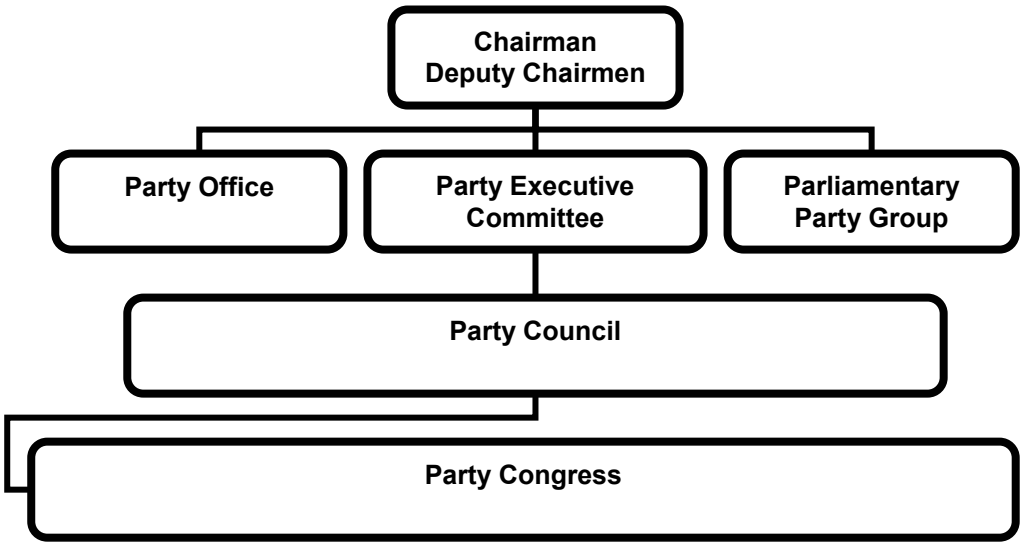
Table 5: The Decision-making Structure of the Centre Party



As Figure 1 shows, the Social Democratic Party (Suomen Sosialidemokraattinen Puolue, SDP) has been one of the three most influential political parties in Finland, along with the Centre and the NCP. Its history dates back to 1899, and the current name was adopted in 1903 (Paastela 2006, 76–77). The party bases its politics on justice, freedom, equality, solidarity, peace and the labour movement (Social Democratic Party 1999). It strongly stressed issues of democracy, freedom, equality, solidarity, environmental protection and the labour movement in its party programmes during the 1990s (Paastela 2006, 86–88). The SDP is a member of the Party of European Socialists (PES), Socialist International (SI) and the Socialist Group in the European Parliament (PSE) (Paastela & Paloheimo 2006, 117).

The organisational principle of the party is individual membership: each member belongs to one of the 1 095 branches, which are the basic units of the party organisation. The branches form local and district organisations. The SDP has been a governing party for long periods of time, during 1995–2007 for instance. On the other hand, it was in opposition during 1991–1995. In the 2007 parliamentary election it received 21.4 per cent of the vote and lost eight seats to bring its total number of seats down to 45. In fact, it was the first time it had finished in third place since 1962. As Table 6 shows, the party congress is the highest decision-making body, and it convenes every third year (Web-page of the Social Democratic Party).

Table 6: The Decision-making Structure of the SDP



The party congress decides on the most important party positions and election programmes. Between congresses the highest power is in the hands of the council, whose most important tasks are to decide on the future party policy, membership fees, and on whether to join a coalition government. On the other hand, the executive committee is the primary executive body in the organisation. The parliamentary group is involved in policy-making in Parliament. Generally, the party has many closely-related organisations. For instance, Social Democratic Women, Social Democratic Youth, Social Democratic Students and the Finnish Falcon Movement represent the variety in the social-democratic movement (Web-page of the Social Democratic Party). In the context of this study, Paavo Lipponen plays the most vital role as he was the party chairman during 1993–2005. As the prime minister in 1995–1999 he belonged to the highest political elite when Finland joined the third stage of EMU in 1999.

In sum, it seems that there are similarities in the powers of the organisations across the major parties. The party organisations comprise the congress, the chairpersons including the party office, the council (in the Centre's case the party delegation), the executive committee, various working committees, and organisations for youth, women and students. Generally, the chairperson of the political party is selected by the party congress, with no formal limits on the number of terms except for the Green League, which limits the number of consecutive terms to two. Raunio and Tiilikainen (2003) conclude that it is fair to say that the leaders have been central figures in shaping European policies, particularly in the three largest parties.

The four most important organs in the context of the present study are the party congress, the executive committee, the council and the parliamentary group. First of all, the chairpersons are responsible for following the guidelines set out at the congress. Secondly, the congress is the highest decision-making body in all of the major party organisations. For instance, it determines the political and organisational guidelines, and elects the chairpersons and the party secretary. It usually convenes every second year in the larger parties, and every year in the smaller ones. Raunio and Tiilikainen

(2003) discovered that while the congress is the main forum for approving political programmes, decision-making within the parties is otherwise fairly centralised. It seems that Finnish political parties could be characterised as rather centralised between elections. The major implication of the decentralised candidate-selection process is that it limits the discplinary powers of party leaders vis-à-vis Members of Parliament. Thirdly, the highest decision-making authority is usually in the hands of the party council, or in the Centre's case the delegation, between congresses. Fourthly, the executive committee is an executive body inside the organisation. All the political parties examined in the present study have such a committee whose main task is to prepare the meetings for the executive. The committee and the chairperson are bound by the decisions made by the party congress, which evaluates their work between elections. Finally, the parliamentary group is involved in policy-making in Parliament. Moreover, the party office plays an administrative role inside the organisation.

In their analysis of party organisations Katz and Mair (1994) differentiated between partïes in public office, in other words government and parliament; parties on the ground, including members and loyal voters; and parties in central office. They concluded that the party on the ground had really been weakened. For instance, the leaders of local and district branches contributed to party decisions through the congress, but mainly by legitimising decisions made by the leadership. Moreover, the input of sub-national units was primarily limited to candidate selection, and this could result in local units focusing on local politics (Mair 1994, 17). The party in central office had also seen its position weaken in relation to the party in public office. For instance, the increase in parliamentary staff had consistently outstripped that of central office (Helms 2000; Mair 1994, 9; Webb 2004). All these findings point in the same direction: the party in public office, and particularly the leaders, have strengthened their position at the expense of the central office and the ordinary members. This is nothing new or unexpected, as scholars, at least since the publication of Kirchheimer's (1966) seminal article, have focused on the centralisation of power within political parties. This reflects a general shift in their internal power relations, with the leadership emerging as the main power house (Farrell & Webb 2000, 121).

The recent trend is for the parliamentary group, depending on the party culture, to act relatively independently of the party council and the executive committee, for instance. It could be said that the policy in Parliament is formulated by the parliamentary party. Party leaders may have relatively free hands, depending on the degree of centralisation in the organisation (Sundberg 2003, 24). Moreover, parliamentary groups have recently strengthened their position vis-à-vis the extra-parliamentary party organisation. As a result, their influence is particularly pronounced in day-to-day decision-making. On the other hand, the central office focuses on more long-term developments (Raunio 2002, 409). Generally, there is a network inside the organisation for developing party policies on some of the major issues on the medium- and long-term agenda, such as EMU. In practice, initiatives may be developed in working groups, adopted by the party leadership and implemented in legislative action (Hix & Lord 1997, 73). In other words, during the policy-development stage, such as in EMU issues, when the working group of the political party has finished its policy preparation, it presents a report to

its prospective leadership. In the national party organisations, the key figures in the transformation of the recommendations of the working groups and the executive committees into official party policy are the party leaders (ibid., 70).

The present study concerns political parties on the national level. It is the national entity that keeps the party together, formulates its policy, represents it in its entirety to the voters and the media, and acts together with other parties in the political arena. On certain issues the focus turns to different party organs such as the congress, the executive committee, the council (in the Centre's case the delegation) and the parliamentary group in order to clarify their emphases on intra-party EMU policy-making. Surprisingly, scholars investigating party policies have observed that the distribution of power in the intra-party decision-making of the political parties has remained a marginalised area of study (Raunio 2002, 406). The following section describes methods used for the comparative coding of party-policy positions.

3.5 The Comparative Coding of Policy Documents

There were three inter-related phases in the comparative coding of the policy documents: content analysis, the classification of empirical policy spaces, and estimation of the high-dimensional spaces. For the content analysis, the party documents were coded according to the procedure described in Appendices 2–3 and the set of seventy-nine categories of policy summarised in Appendix 4. Before that the most suitable documents were chosen to reflect party-policy positions on EMU. These documents are listed in Appendix 1. The coding scheme and the techniques are based on the Manifesto Coding Instructions that were applied and are described extensively by Budge, Klingemann, Volkens, Bara and Tanenbaum (2001). Most importantly, the set of coding procedures was developed on the basis of preliminary research material, as discussed in Chapter 2. The relative emphasis of the document on each policy category was estimated as the proportion of all policy references devoted to the category in question.

Although the coding is straightforward, one basic characteristic decisively affects the results. The present study examines policy references as general emphases on an area of policy rather than as policy positions adopted within that area. As discussed, this approach rests on the salience theory of party competition, which characterises it in terms of the stress by each party on issues of advantage to it, rather than in terms of a direct confrontation between the parties on each particular issue. In practice, the salience approach facilitated the coding of almost all the policy documents: in general, the number of policy references on which parties take up clearly defined positions is, on average, less than ten per cent (Budge et al. 1987). Nevertheless, many of the coding categories, Nationalisation (123) for example, and Labour groups: positive (301), do indeed have a strong positional content. Thus, it was possible to reduce the amount of data to more manageable proportions in order to construct ideological dimensions such as a left-right scale with clear positional interpretations. Lastly, the major check on the validity of the coding procedure is the extent to which it generates results that make sense within the parties.

In classifying empirical policy spaces the task is to estimate the locations of the ideal point of each party or party organisation. For instance, Budge, Robertson and Hearl (1987) identified the underlying dimensions of each policy space using the technique of factor analysis. The present study, however, is concerned not with policy dimensions as such, but mainly with policy distances between parties and party organisations. However, the use of broader techniques is advisable, if one needs to be sure, as far as possible, that any changes observed in the policy distance between the actors derive from a real shift in emphasis. The most direct way of doing this was to operate directly with the original set of 79 coding categories without reducing their dimensionality in any way, which generated what amounts to a 79-dimensional policy space.

This study deals with a high-dimensional space even if the present study eliminates a number of very sparsely populated coding categories. Budge and Laver suggest that such spaces are unfamiliar to empirical researchers, who generally work with one, or at the most two or three, dimensions of party policy (Budge & Laver 1992, 22). Therefore, policy distances should be calculated in spaces of much higher dimensionality, which effectively take many more aspects of party policy into account. Consequently, given the aim of sticking as close as possible to published party-policy documents in their entirety, the present study follows the approach based on low-dimensional spaces. A major disadvantage with high-dimensional policy spaces is that they are difficult to visualise, while low-dimensional spatial representations of policy positions are useful for providing intuitively appealing representations of complicated information. It is also desirable to set this research work in context by generating policy spaces that, for instance, relate broadly to the discussion on the role of ideology. For all these reasons the discussion that follows assumes a policy space based on a single left-right dimension in order to evaluate the role of ideology.

The general recommendation with regard to the estimation of high-dimensional policy spaces is that a perfect coding scheme for analysing policy statements would use one, and only one, coding category for each independent element of policy (Budge & Laver 1992, 23). On the other hand, if more than one coding category is available for the same element, then the coder is often driven to making a rather arbitrary decision about which one to use. This could mean that a set of very similar position references may be classified very differently by the same coder, or that the same reference may be coded differently by different coders. Policy differences would therefore be created as an artefact of the coding procedure. Clearly, the original category-coding scheme does not always fully meet these requirements and needs to be modified in certain areas (ibid., 23). The most effective way to do this is to group the categories that appear to be closely related either theoretically or empirically in order to avoid the creation of artificial policy differences between parties where none really exist (ibid., 23).

The present study does not directly concern the 79 dimensional policy spaces listed in Appendix 4 that seemed to be closely related to each other. Budge and Laver conducted a large number of exploratory factor analyses in search of combinations of variables that persistently loaded together over a wide range of systems (Budge & Laver 1992, 23). These were also grouped together. Appendix 5

summarises the amalgamation of the coding scheme into one with 29 policy categories. As a result, six much more comprehensive coding categories were created: market economy, planned economy, welfare, social conservatism, peace and co-operation, and EMU index. Other categories were retained intact from the dimensional analysis, but were grouped with others to form indexes measuring, for instance, factors such as the rate of centralisation in the political party organisation. Thus, a centralisation index was created to cover that policy area (201 decentralisation minus 202 centralisation). The qualitative approach is introduced in the following section, together with the other available research material that provided additional insights.

3.6 Combining Qualitative and Quantitative Data Analysis

The present study adopts a quantitative-content-analysis approach in order to overcome some of the limitations found in the research works described earlier. For instance, the literature review confirmed that my area of research has so far remained largely neglected. Most academic theses on party behaviour concerning EMU have been case studies of individual parties or member states. Furthermore, the explanatory factors used here are inter-related, and their individual impact as well as their causal relationships may be very difficult to observe. In order to overcome this limitation I have used quantitative and qualitative methods sequentially. This tactic is supported by Mykkänen, who asserts that interviews provide more additional information on the research phenomenon after the process of document analysis (Mykkänen 2001, 110).

The approach taken in the present study is also in line with Yin (1984, 23), who recommends six types of information: documentation, archival records, interviews, direct observations, participant observation and physical artefacts. Meanwhile, Silverman identifies certain methods for generalising data, such as combining qualitative research with quantitative measures, and using an analytical model that assumes generalisability is present in the existence of any case (Silverman 1999, 11). According to Mason (1996), qualitative research should produce explanations that are generalisable in some way, or that have a wider resonance. In this case nine interviews were conducted in order to provide additional insights, and therefore to improve the validity of the data. In juxtaposing the results of these two methods together, the study provides more comprehensive evidence than one single method would yield.

I had the opportunity to observe party chairpersons and secretaries in their natural contexts, and to gather additional data both in connection with my personal working experience as a political secretary at the central office, and during my visits to the party offices during the interview process. The significance of the observational data gathered through this experience is acknowledged by Patton. He suggests that the purpose of observational data is to describe the setting that was observed, the activities that took place in that setting, the people who participated in those activities, and the meanings of what was observed from the perspective of those observed (Patton 1990, 202). Moreover, observation allowed the inclusion of more subtle factors related to the political party. For instance, when I was working as a political secretary at the party office I used to attend the meetings

of the parliamentary group of the NCP. During that time I was responsible for looking closely at economic and labour-market policy, working under the party secretary for whom I used to write speeches. I had the chance to develop an understanding of the operational level of the political party. Furthermore, during the interview visits I became more familiar with the party and the outcomes of the EMU policy-making. Clearly, then, observation contributed to the achievement of a greater understanding of the research phenomenon, the political party.

In general, the purpose of conducting the nine interviews was to map information flows among the political and administrative elite. As the findings of previous research indicate, party leaders have played the most active role during Finland's position-taking process on EMU (Alho 2004; Brandt 2004, 63). I wanted to conduct interviews with politicians who were among the party leadership during the 1990s. In addition, I interviewed one expert from the Ministry of Finance. The interviews were conducted in May–August 2007. Appendix 7 lists and describes the interviewees. The interview process developed in five distinct phases. First, the interview guide was used, which specifies topic and issues in outline form in advance. This allows the interviewer to determine the exact sequence and wording of the questions during the interview (Tashakkori & Teddlie 1998, 162–163). The interview themes are listed in Appendix 6, and were derived logically from the theoretical instruments described in Chapter 2. Thus, a guide with open-ended questions was designed based on the literature review. This approach is supported by Mykkänen, who suggests that a rough working frame needs to be in place at the beginning of the fieldwork (Mykkänen 2001, 110).

Furthermore, other available background sources were consulted before the interview process began in order to gather additional information. For instance, I read the biographies of the party leaders (Aho 1998; Boxberg 2004; Lipponen 2001; Niinistö 2005), the most significant official party documents, press clippings on EMU, and public opinion polls beforehand. This is in line with the argument put forward by Thomas (1993), who emphasises the role of interviewee biographies, other related literature and press clippings as background information. I personally visited and interviewed all the party leaders. In fact, the response rate was 100 per cent as all the selected interviewees were willing to take part. In addition to the pre-arranged interviews, I had informal discussions with the leaders and other personnel over lunch, for instance, which provided further insights into the research phenomenon. These casual meetings served two functions: they were a way of gathering observational data through unplanned activities, and they provided another form of data verification.

Secondly, the interview guide was sent to the interviewees beforehand. Some small changes were made based on the experience of the first interview, such as rewording some of the questions. The letters sent to the interviewees is shown in Appendix 8. Thirdly, the interviewees preferred to have the interviews in their offices. The average planned length was about 45 minutes, but the actual length varied since the party leaders tended to elaborate their arguments, and the average interview time was about an hour. In order to save costs and time all the interviews were conducted within a short period of time. They were audiotaped with the permission of the interviewee, a practice that is supported by Mykkänen (2001, 122). Fourthly, the interviews were transcribed, and there were several

reasons for this. The transcribed texts are presented in Appendix 9. As agreed, a copy of the transcripted text was sent to each interviewee for factual verification. An accompanying letter also indicated the purpose of returning the transcript: it was done at this stage of the data verification in order to confirm certain details in the interview, to provide the interviewee with an opportunity to check the transcribed text and to possibly amend it, to indicate the serious intent behind the study, to increase the interviewees' commitment to the research, and to increase their willingness to contribute supplementary information as feedback on the transcripts. In terms of ethics, it was important to ensure that the interviewees had the opportunity to check the quotations used. In order to maintain objectivity the interviewees were able to check their own words as far as possible in the research text. All the feedback received in the form of phone calls, electronic mail and informal discussions was carefully filed in order to document the research path.

Lastly, ATLAS.ti software was used to code the transcripts, and themes were identified to provide additional insights for the quantitative study. Basically, the ATLAS.ti computer program is a software system for qualitative analysis. It does not literally understand the meaning of words or sentences, but it helps to manage all kinds of ordering, structuring, retrieving and visualisation of textual data. For instance, it was used in this study in order to collect and organise the data that was based on interviews and party documents. The coding procedure consisted of coding the data, which was in line with the procedure used in the quantitative analysis of the documents. Thus, content analysis was used both qualitatively and quantitatively. Scholars engaged in research on party policy support this method, arguing that content analysis could be considered a bridge between the two perspectives (Budge et al. 2001, 5). Furthermore, the Boolean query tool was used to retrieve text passages indexed by patterns of codes. This was useful in finding similar or conflicting arguments and proved helpful when the empirical chapters were being concluded.

Other types of information gathered as research material included public-opinion surveys on the EU and EMU conducted by EVA and Suomen Gallup, which are used in Chapter 4 to illustrate the evolution of public opinion on these issues in describing the integration path of Finland during the 1990s. Public-opinion surveys on EMU are compared and the emphasis on public opinion in the party policies is discussed in Chapter 5.5. The aim is to show whether the political party placed increased emphasis on public opinion when the majority of its supporters were against EMU membership. The following public-opinion surveys were used: Suomalaisten EU-kannanotot EVA surveys on the EU and EMU during 1988–1999, and the 1996 Suomen Gallup survey on the EMU referendum. Press clippings related to EMU were also collected in order to ensure a rich variety of sources. This included press coverage documented by the European Movement in Finland between February 1997 and June 1998, a period of time that was suitable for the present study. Most importantly, all the major political parties took their official EMU stands in 1997. It was also valuable to use media coverage as background material in exploring Finland's EMU path and analysing the different kinds of issue groups within the parties. Such coverage included the news, editorials and comments sections in the national and provincial newspapers. Moreover, comprehensive use was made of previous research literature

on the EMU policy process, on the different stages, on why and how policy positions were initiated, and on how certain policy actions were taken, under what conditions and why. How far and how quickly conclusions can be drawn from the documents and interviews depends on two things: the strength and clarity of the data analysis on the one hand, and the ability of the researcher to structure and organise the thesis material as an effective whole on the other. It is to this that the study now turns.

3.7 Descriptive Analysis

The present study used methods of analysis that were established by the ECPR Manifestos Project. The starting point was the raw scores of the coded policy documents, which provided the data set from which the proportion (percentage) of sentences in each document dedicated to each policy category was calculated. To give an idea of the extent of this data set, Figures 2 and 3 show the number of political statements (raw scores) in each party-policy document: a total of 9 309 political statements on EMU were analysed. As the figures show, the NCP tended to issue shorter policy documents or to place less emphasis on EMU than the other two major parties. However, this does not bias the results. The NCP documents covered as many issues as the other party documents, simply in less depth. Furthermore, given the interest in the present study in the proportion of documents dedicated to each issue category rather than the absolute raw scores, the length of the document is irrelevant to the analysis.

Figure 2: The Numbers of EMU Political Statements in the Party Documents

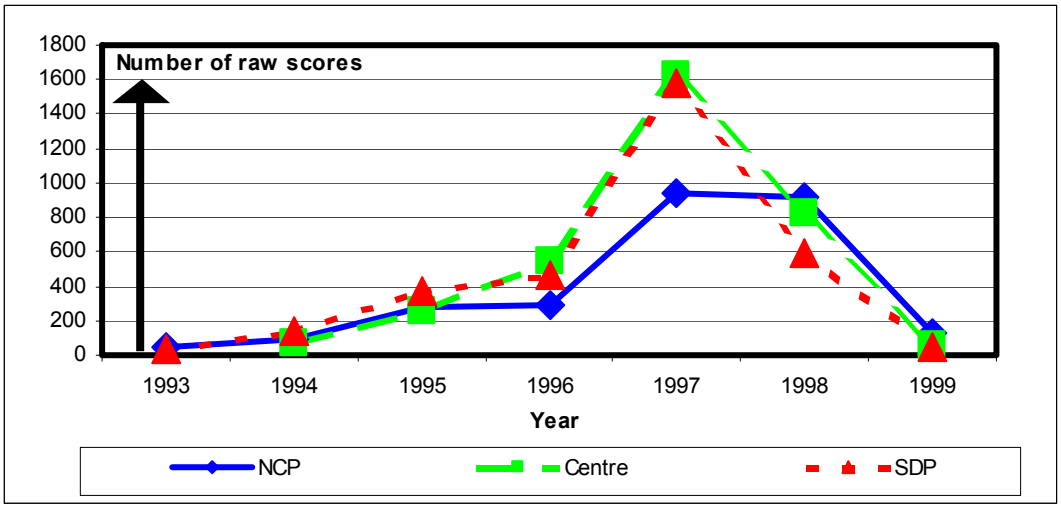
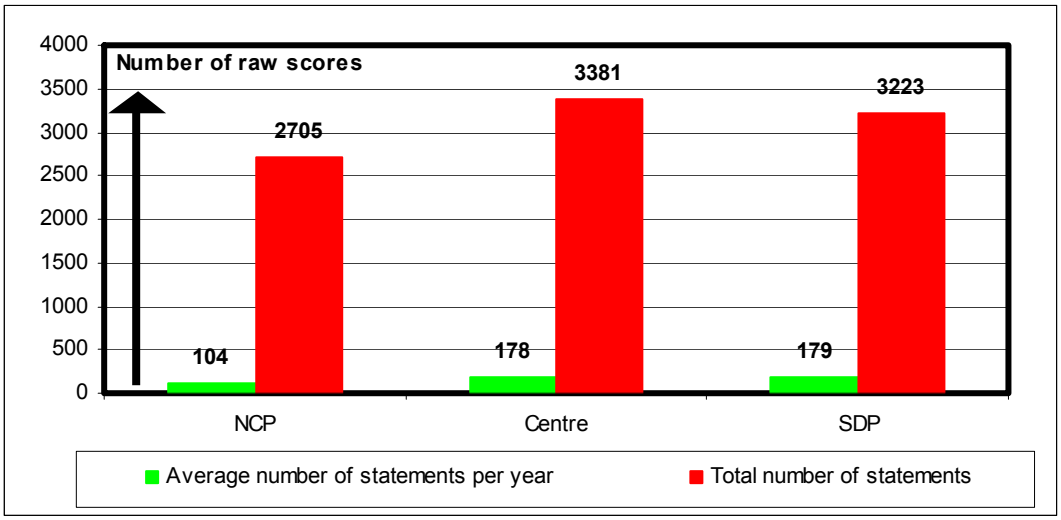


Figure 3: The Average and Total Numbers of Political Statements in the Party Documents



In order to create a smaller number of variables for statistical analysis, the percentage scores were combined to form a number of consolidated policy-issue categories. These categories were designed both to capture the breadth of the content in the party documents and to allow for differentiation among the empirical claims related to the theoretical framework discussed in Chapter 2. It should be pointed out that as many categories as possible have a directional opposite, which is necessary for coding purposes. The empirical chapters that follow give a descriptive account of these changes by simply tracking party-policy positions in particular areas over time. The main goal of the study is to shed light on the tendency for parties to react to internal influences, to wider political systems, and to other external influences. What are the most common factors that shaped partisan emphasis on EMU? On the other hand, did the emphasis of the political party differ between parties, and in certain cases on the organisational level? Furthermore, if internal influence was prevalent, what was the relative importance of the different sources of factors in producing partisan emphasis? In addressing these questions this study is, in effect, testing the propositions on internal and external influences put forward in Chapter 2. First, however, the hypothesis testing is briefly discussed.

First, the raw-score data from the party-policy documents was used to calculate the location of the parties in each year in different policy areas. In line with the ECPR Party Manifestos project method, the location of a party on a particular issue is the proportion (percentage) of a policy document dedicated to one side of it minus the proportion dedicated to the other side. For instance, if a document contains 10 per cent positive EMU statements and five per cent negative statements, it is located at +5.0 on the EMU-position dimension: this is called the EMU index here. Secondly, visualising strategies were adopted in order to show and follow the development of the different hypotheses put forward in Chapter 2. For instance, the interrelationships between them are visualised with the help of several of the multi-indicator charts provided by Excel. The emphasis here is on the policy influence areas, and the parties are simple vehicles for providing these policy characteristics. The reason this was done is that the figures are interesting in themselves for the pictures they give of national politics. They could also be used as direct operationalisations of theories of party competition.

They are used as a convenient summary of a party's preferred policy positions as distinct from its actions or record in government. Changes in emphasis can easily be plotted across time using the charting functions. Furthermore, data-supported inferences about the differences across policy areas that time and place can make are also shown. Operationally, two questions arise: Are the positions clearly distinguished from each other? Do the dramatic changes in position correlate with political events such as a change in coalition arrangements?

Thirdly, the interview data was used to substitute for a lack of direct evidence from the quantitative data on perceptions of relevant factors. Direct evidence on the perceptions of the interviewees, when available, is also provided. Throughout, the testimony from relevant primary and secondary sources is used to make specific analytic judgements. Fourthly, the solution is elaborated to create a left-right dimension as developed by Budge and Laver (1992). Essentially, their method involves grouping the emphases on government intervention, welfare and peace, which left-right parties combine to form the basis of their appeal, and to contrast these with emphases on freedom, traditional morality and military alliances, which right-wing parties combine. Other issues were examined comparatively to see whether they consistently loaded on the resulting scale, and any that did were added to it. The programmatic data was also factor analysed in order to see if any second dimension emerged consistently across all countries. None did, leaving the left-right scale used as the dimension that allows generalisation and enables positions estimated for the major parties to be compared with the EMU index.

The left-right scale used in the present study is not based on factor scores that vary sharply with the cases taken into analysis: it is rather based on the simple addition and subtraction of percentages as described in this text (Budge & Laver 1992, 25–30). Left-right graphs are substantively important in terms of explaining the role of ideology in descriptive terms. Moreover, a left-right map has the additional advantage of clear visual presentation, which helps theoretical induction from the parties' patterned movements over time. The next step is to give a brief description of how the scoring system was created and why it seemed plausible on both theoretical and empirical grounds. The scale was created by adding the percentage references to the categories grouped as left and right, respectively, in Table 7, and subtracting the sum of the left percentages from the sum of the right percentages.

Table 7: Scoring a Left-Right Scale on the Basis of the Party Document Estimates

Right emphasis: sum of %s for	Left emphasis: sum of %s for
● Military: positive	● Decolonisation
● Freedom, human rights	● Military: negative
● Constitutionalism: positive	● Peace
● Effective authority	● Internationalisation: positive
● Free enterprise	● Democracy
● Economic incentives	● Regulate capitalism
● Protectionism: negative	● Economic planning
● Economic orthodoxy	● Protectionism: positive
● Social services limitation	● Controlled economy
● National way of life: positive	● Nationalisation
● Traditional morality: positive	● Social services: expansion
● Law and order	● Education: expansion
● Social harmony	● Labour groups: positive

Source: Budge et al. 2001, 22.

Negative scores represent left positions and positive scores right positions. At one extreme a party devoting its entire programme to left-wing issues would score -100, and a totally right-wing programme would score +100. In practice, parties fall in between, but one potential difference between countries is indeed the range of scores needed to accommodate party movements in the figures. The scale generally juxtaposes emphasis on peaceful internationalism, welfare and government intervention on the left, with emphasis on strong defence, free enterprise and traditional morality on the right (Budge et al. 1987), and factor analysis has been used to investigate their mutual fit. This is avoided in the present study through the use of simple, unweighted percentage scores that give the same position for an individual party regardless of what the others do.

As shown in Table 7, twenty-six items go directly into the measurement, the 13 items on the left being added and subtracted from the sum of the 13 on the right. For instance, a party making a total of 200 statements, 100 (or 50%) of which are about left-oriented items and 40 (or 20%) about right-oriented items, receives a score of -30 (i.e., 20-50). Therefore, this subtractive measure is consistent with salience theory. Of all the statements the party made, 30 more units were devoted to left-oriented matters than to right-oriented matters. During the second year it said exactly the same things, but added 200 new statements about an issue that was of no concern in terms of the left-right scale. In the end, the party made a total of 400 statements, and relative to that total it made only half as many left-oriented statements (25%) and half as many right-oriented statements (10%) as it did during the the first year. Thus, its left-right position is recorded as having moved from -30 to -15. The party is scored as considerably less left-leaning during the second year compared to the first. Therefore, it could be said that its policy moved towards the centre by virtue of devoting attention to matters that were not within the categories relevant to the left-right scale.

Lastly, in order to produce better-articulated organisational structures in the following empirical chapters, two approaches were combined: the analytic and the argumentative (Dunleavy 2003, 43–

75). The former is based on the primary or top-level organising principle of grouping together sets of chapters, while the latter is a subsidiary or second-tier organising principle, the central goal of which is to explain the sequence of chapters within each of the top-tier groupings. Therefore, the different argumentative positions of the major political parties provided the primary structure of the thesis. As Dunleavy shows, a matrix approach offers many advantages to thesis writers (ibid., 43–75). Given the opportunity to pull together more strands of thinking than can be accommodated in the usual more simple linear approach, the core chapters of the empirical part are arranged in a strong and robust pattern.

3.8 Methodological Barriers

A number of potential methodological problems arose during the research work. Although several of these could be only partially alleviated, none formed a barrier. The reliability and validity of the data had to be determined in order to evaluate their usefulness. Reliability refers to the degree to which the data systematically measure some single underlying factor, and is thus largely concerned with the methods used in the research. On the other hand, validity refers to the degree to which this factor corresponds to the theoretical concept in question, in this case party emphasis on EMU: one of the traditional criteria for judging the degree to which research is scientific is objectivity. Finally, are the research methodology, findings, interpretation and conclusion value-free, unbiased and neutral? (For a discussion on reliability and validity, see Bollen 1989, 184–222 and Johnson & Joslyn 1995, 64–72). In a comparative study such as this, there were clearly limitations on the discussions of each party and national context. The aim, however, is to develop a comparative analysis based on a set of common themes. The study explores to what extent each party's policy was shaped by uniquely national factors and to what extent it was influenced by cross-national party ideology. The potential relevance of a number of themes is taken into account including the extent to which policy emphasis can be explained with reference to left-right differences in ideology, experience of government and of opposition, the influence of interest groups, the policy differences within each party, the divergence in view between the elites and the mass membership, the impact of public opinion, the influence of other political parties, and the impact of transnational relations.

In line with the general specifications for content analysis, the coding procedures thus provide a systematic and quantitative description of the content of the party documents, on the basis of which inferences could be drawn about the senders (parties) and the receivers (electors) of the messages contained within them (Berelson 1952, 26–29). Both the content description and the inferencing are theoretically grounded in the recent work on party policy undertaken by scholars such as Featherstone (1988) and Katz and Mair (1995). This gives rise to two measurement concerns. First, are the procedures derived from the theory reliable, in the sense of giving the same results every time they are applied? Reliability is most often interpreted as the ability to replicate the original study using the same research instrument to obtain the same results (Borg 1968, 22): in other words, it refers to the degree of consistency with which instances are assigned to the same category by different observers (Silverman 1999, 188). Secondly, are the procedures valid, in the sense of actually telling us what we

think they tell us about the content and the senders? (Borg 1968, 22) This latter question extends from a concern with measurements as such to whether the underlying theory is correct (Weber 1990, 18). Table 8 illustrates Borg's notion of how validity and reliability are measured during the content-analysis process (Borg 1968, 25).

Table 8: Reliability and Validity during the Content-analysis Process



Source: Borg 1968, 25.

During this process every quasi-sentence is reviewed in terms of the category criteria and placed in a suitable content category (Borg 1968, 25). Reliability is intepreted as how well the researcher is able to review the quasi-sentences from the category perspective, while validity concerns how well the criteria are able to connect the content categories and units (ibid., 25). The choice of methods in the present study was based on how effectively they provided valid, reliable and objective data. Validity, according to Silverman, is another word for truth. He suggests five ways of thinking critically in order to produce more valid findings: the refutability principle, the constant comparative method, comprehensive data treatment, deviant-case analysis, and appropriate tabulations (Silverman 1999, 188). Generally, validity concerns how accurately a variable fits a concept. Does it adequately reflect what is important about it (Bouma & Atkinson 1995, 102–103)? Validity problems in the measurement of attitudes focus essentially on the construction of the questions and the nature of the scales. One way of minimising such problems is to pre-test and pilot the questions several times. With content analysis, it is highly desirable to engage in more than one testing exercise.

A transparent research process helps to increase validity and reliability (Kantola 2002, 58–61). Therefore, the research path was consistently documented and the bases for argumentation given so as to provide the opportunity for personal judgements. In other words, all the methods, classifications, conclusions and interpretations applied during the research process are clearly visible and the Appendices. In practice, there are ways of testing reliability and increasing it that would apply to the present study involving test-retest procedures and inter-coder reliability (Borg 1964, 131). The more a procedure is tested and the more similar the results are, the more confidence we have in the measure and the more reliable we perceive it to be. The first testing procedure for the present study was executed in May 2007, and the second in January 2008: the results were satisfactorily identical. Furthermore, a similar set of questions can be used to see whether the views of the interviewees are largely consistent with the views expressed in the quantitative data. In this case content analyses were conducted on both both qualitative and quantitative data: it could be said that content analysis is a bridge between the two.

Triangulation is said to be useful in checking the results of text-based analysis from more than one perspective (Harrison 2001). Likewise, Denzin (1970) proposed four types of triangulation: data triangulation, investigator triangulation, theory triangulation and methodological triangulation. In terms of data triangulation, research material was collected from a variety of sources from both the horizontal and vertical perspective. In horizontal terms it includes party documents, media coverage, public-opinion polls and interview data, while in vertical terms it comprises party documents published by the central office, the parliamentary group and the party congress, for instance. This is in line with the argument put forward by Katz and Mair (1994) that the party on the ground, the party in the central office, and the party in public office are bound up with one another. Therefore, to study any one of these elements in isolation from the others is to set immediate limits on the capacity for interpreting and understanding party behaviour with regard to EMU.

With regard to theory triangulation, the investigation of party emphasis on EMU incorporated the work of many scholars in the field of party policy, such as Featherstone (1988) and Katz and Mair (1995). Furthermore, quantitative and qualitative methods were applied sequentially in order to achieve methodological triangulation. In terms of logic, the interview themes were based on the theoretical instruments, described in Chapter 2. The nine interviews provided additional insights, and therefore improved the validity of the data. In combining the results of these two methods, this study builds up a mass of comprehensive evidence and provides information that would not have come to light had only one method used. One could argue that a source of criticism on the matter of reliability is the high degree of attitudinal data, such as opinions elicited in the interviews. This limitation has been overcome to some extent through the data-verification process. In terms of investigator triangulation, emphasis has been put on strong central supervision and checks on the coding process. For instance, the original coded text, with every quasi-sentence annotated with its coding category, is preserved centrally, which means that every individual coding decision can be referenced. In particular, accuracy was stressed (Weber 1990, 17). For instance, in the event of uncertainty about a category classification the sentences in question were translated into English, and sent to the supervisor for comparison with the central standard. If the result of the comparison was unsatisfactory, the researcher persevered until he reached the required standard.

The wider question is that of validity – are they really telling us what we think they are telling us, or what we want to know? Political texts are increasingly scanned into electronic form, and in principle there is no reason why all of them should not be scanned. Most importantly, the reliability of the estimates is not a problem with computer coding, as it is with manual coding. Of course, validity is also a problem with manual codes. Estimates have clearly been found to work well for various purposes when they have been widely used for a long time. In the present study, they produced plausible results in a variety of contexts, and acquired a uniquely authoritative standing. Therefore, coding practices established in previous research were used in order to improve the reliability and validity of the data. The coding frame was based on the salience approach to party competition. Thus, a standard content-analysis technique, which has been widely used to examine national party documents, was applied

(Budge et al. 2001, 215–218; Budge & Laver 1992, 22; Budge et al. 1987). For instance, each document was coded according to the same content-analysis technique as that used in the ECPR Manifestos project.

Tests of construct validity, external validity and reliability were applied in order to assess the qualitative interviews conducted for the present study. With a view to improving the compatibility between the concepts and their operationalisation, in other words, the construct validity, five measures were taken:

- The use of pilot interviews.
- The use of data verification.
- The use of background interviews.
- The use of interviewees' verbatim emphasis.
- A conscious attempt to bring a positive influence to bear on the relationship between the interviewee and the researcher.

First, background interviews, biographies, previous research literature and the quantitative data were used in constructing the pilot interviews, which allowed the researcher to examine the wording of the questions and to add emerging themes. It was considered necessary to clarify some expressions and concepts in the interview format: there are several examples in the data of how the interviewees attached different meanings to key concepts. Secondly, after the interview process the transcribed texts were sent back to all the interviewees for a factual check as part of the data-verification process. The additional comments and feedback received reduced the number of misunderstandings and confirmed the themes emerging in the preliminary findings. These measures contributed to the construct validity of the present study and they proved to be a way of double-checking the information before proceeding further. Thirdly, background interviews were arranged in order to enhance both construct and external validity. Relevant contextual information about the political parties to be visited was provided in these discussions, and the researcher also had the opportunity to test and review some of the key concepts in the research work. Thus, these background interviews provided additional information as well as the opportunity to reword some of the questions and definitions, thereby contributing to the external validity.

Fourthly, the original raw interview data is there for the reader to see, again strengthening its validity. The transcribed texts are listed in Appendix 9. The rich database is one of the major strengths of qualitative studies: the voice of the interviewees is heard and gives support to the analysis, allowing the reader to make his or her own interpretations. Fifth, a major advantage in interviewing is the close relationship that develops with the interviewee, which in this case allowed the researcher to focus and control the interview situation. Advocates of research techniques claim, for instance, that the personal involvement of the researcher in the research setting reduces the objectivity of the findings: the behaviour of the interviewees may be affected by the close relationship between the researcher and

the research object. This appears unavoidable in studies using qualitative techniques, however, and the researcher's involvement should thus be turned into a positive factor enhancing the depth and insightfulness of the data gathered. One of the limitations is that interviewees may not remember correctly. Generally, people have a tendency to describe past events more rationally than they would have described them at the time.

Interviewees may have limited knowledge about the issue concerned and therefore give incorrect information. In the interview situation, however, the interviewer can reduce and overcome such drawbacks in several ways that will positively affect the validity of the study. For instance, an attempt was made to influence the willingness and the ability of the respondents to answer truthfully by establishing an atmosphere of co-operation: the study was presented as a PhD Thesis under construction by the researcher. Moreover, an attempt was made to ensure a certain level of interviewee knowledge concerning the research phenomenon through careful selection. The idea was to conduct interviews with party politicians who were among the party leadership during the 1990s. Furthermore, an expert from the Ministry of Finance was also selected to be one of the interviewees. Yet, when interviewing party leaders the researcher had to adjust the questions in order to obtain valuable comparative data. Such flexibility was allowed for in the interview guide.

In sum, a number of potential methodological problems arose during the research process. Although several of these could be only partially alleviated, none constituted a barrier. In order to promote understanding of the EMU case and the context in which it was decided that Finland would be among the first countries to enter the euro zone, it would be useful to provide the historical context of the integration path. Chapter 4 briefly describes Finland's path from *the Maastricht Treaty* of 1991 to EMU membership in 1999, and from a bourgeois coalition government in 1991–1995 to the rainbow coalition government of 1995–1999. Special attention is given to the years 1994–1999 in giving the background of the political path to an integrated Europe. The discussion covers various stages from 1994 onwards in some detail.

4 From the Maastricht Treaty to the Third Phase of EMU

4.1 The Integration Path to EMU membership in 1999

4.1.1 Post-war Economic and Monetary Integration

Finnish economic and monetary policy after the Second World War can be summarised in terms of two main themes: the exchange-rate fluctuations on which Finland relied strongly as an active policy instrument throughout the post-war period, and its increasingly active role in fostering open trade with the EU and the other EFTA partners. With regard to exchange-rate changes, scholars have recently argued that Finland, probably more than any other European country, relied on devaluation as a regular and systematic part of its economic and competitiveness policy over the post-war period (Moses 1998, 84). In fact, its monetary history after 1945 could be described as a cycle of inflation and currency instability: there were eleven devaluations, three revaluations and one period of floating currency (Boldt 1999). Devaluations were used at roughly ten-year intervals to rescue the Finnish economy from self-induced recession. This policy to liberalise and protect a strong currency was affected by several serious downturns in global financial markets, and led to conflicts between the Government and the Bank of Finland (Alho 2002, 109–111). Finnish economists even introduced the phrase and concept of a devaluation cycle to the world (Korkman 1978, 357–366).

Finland's flexible exchange-rate history goes back a long way. The Bank of Finland withdrew from the gold standard in the autumn of 1914, allowing the markka to decline to about one eighth of its previous value. The country was one of the few to avoid the international depression of 1921, and it learned a valuable lesson in the use of flexible exchange rates (Haavisto & Jonung 1994; Lester 1939/1970). Again in the 1930s it avoided the deepest depths of the international depression by using an undervalued currency to protect its domestic price level and to rebuild its economy (Moses 1998, 84). This tradition was maintained even under the relatively rigid Bretton Woods regime. For instance, Finland was granted adjustments to its exchange rate several times, each adjustment being submitted to and accepted by the IMF. In the wake of Bretton Woods, in 1973, Finland was one of the first countries to introduce an autonomous exchange rate on the basis of a trade-weighted basket. In fact, this basket facilitated frequent adjustments (Moses 1998, 84–85).

The Finnish government announced its intent to establish a more fixed exchange rate in 1982 after the Swedish Big Bang devaluation and Sweden's commitment to fixed rates. However, the regime was frequently tested, and adjustments continued throughout the 1980s. Finally, in June 1991, Finland fixed the markka unilaterally to an ECU basket. However, this commitment lasted only five months and the markka was devalued by 12.3 per cent (Moses 1998, 85–86). This left Finland without enough reserves to defend its currency value. The devaluation marked the beginning of a period of floating currency and helped the country to recover from recession. Moreover, the Finnish economy was sensitive to international pressures (Alho 2002, 109–111). The 1992 market-forced devaluation could

be considered instrumental in orchestrating Finland's economic recovery: its international competitiveness increased significantly during the 1990s, for example. Moses claims that Finland's EMU membership was an important link in an effort to restructure the Finnish economy on a broader ground (Moses 1998, 86), while Alho argues that EMU membership was a calculated move to provide shelter for a small economy in global capital markets (Alho 2002, 111). On the other hand, EMU meant a fixed exchange rate, which was potentially problematic for Finland due to the loss of the devaluation option (ibid., 111).

Secondly, as far as Finland's aspirations towards open trade were concerned, there seemed to be two distinct phases in the development of its post-war economic integration policy towards membership of the European Union. The first of these was a period of a neutral trade policy, from the free trade agreement with the EEC in the early 1970s to the collapse of the Soviet Union in the early 1990s. The second phase is characterised by convergence, from Sweden's EU membership application in July 1991 to the negotiations over Finland's membership ending in April 1994. Finland has been linked historically to Western Europe via many economic, political and cultural ties. Its industrial structure was formerly concentrated on pulp and paper, but currently it is much more diverse. Generally, the country strove to have open trade with the EU and the other EFTA partners, as well as with other countries. Its integration policy was designed to avoid supranational ties while simultaneously seeking to safeguard economic interests in EU markets, and promoted a vision of closer single-market relations with other EU member states. It had incorporated the ideology of President Urho Kekkonen since the early 1950s, plus a commitment that Finland would not be left behind tariff barriers. It was felt that Sweden should not have a stronger position in trade policy, especially in the forest industry.[1] Later on, as an EMU member state, Finland was disengaged from the post-war thinking of proximity to the Soviet Union. Therefore, EMU was seen as a natural step in a post-war trade policy that safeguarded the conditions of Finnish economic life. The first step was the signing of the EFTA and EEC agreements. As a result of this process, Finland eventually joined the EU and the EMU.[2]

As Table 9 shows, for the larger economies intra-EU trade accounted for less than a quarter of total GDP, while for many of the smaller nations such as Finland it accounted for more than a quarter. The structure of Finnish exports was one of the arguments in favour of EU membership when EMU was actively debated during the 1990s. Alho claims that the single market favoured Finnish export companies (Alho 2002, 110).

[1] Interview with Raimo Sailas 18.6.2007.
[2] Interview with Raimo Sailas 18.6.2007.

Table 9: Trade Integration and Finland's Openness to the World Economy, 1994–2001

	Intra-EU trade (value of imports plus exports as % of GDP)		Non-EU trade (value of imports plus exports as % of GDP)	
Country (Euro 12)	**1994**	**2001**	**1994**	**2001**
Belgium	84	114	29	45
Luxembourg	~	95	~	20
Ireland	80	83	34	47
Netherlands	65	75	28	39
Austria	34	50	17	27
Portugal	40	45	13	13
Finland	**30**	**36**	**24**	**26**
Spain	23	32	12	14
Germany	23	32	16	26
France	24	31	14	18
Italy	21	24	15	19
Greece	21	17	11	16
Other EU States				
Denmark	35	41	17	20
Sweden	34	38	24	26
United Kingdom	24	23	19	20

Note: ~ Belgium and Luxembourg combined. Intra-EU trade in 2001. Adapted from Hix 2005, 322.

Scholars tend to argue that Finland's EEC and EC membership was incompatible with the policy of neutrality pursued from the early 1970s to the early 1990s (Raunio & Tiilikainen 2003, 23). The first step towards EU membership was taken in 1973 when Finland signed a free trade agreement with the EEC. Consequently, the country became a full member of EFTA in 1986, and joined the Council of Europe in 1989. It is significant that the political elite did not debate EC membership in public before the Soviet Union began to collapse. The debate on possible EC or EU membership eventually began in 1990 and 1991 when three parties, the NCP, the SDP and the Swedish People's Party, expressed favourable views. The final obstacle to a more extensive integration policy was still the question of neutrality. On the other hand, *the EEA treaty* never became a major political issue in Finland, especially as the country was experiencing domestic adjustment to a more open political culture after the long incumbency of President Kekkonen. As scholars have pointed out, the EEA was accepted by all parties and was seen to be compatible with Finland's policy of neutrality (ibid., 23). Nevertheless, the official Finnish stand on EC membership was unchanged until the end of 1990. The political elite considered full membership impossible because of its infringement of Finland's policy of neutrality. However, the debate on closer Finnish-EC relations suddenly gathered pace after the announcement of Sweden's intention to apply for membership in October 1990.

It could be said that the Finnish political elite started to perceive full EU membership as a possibility from this time onwards (Raunio & Tiilikainen 2003, 24): their revised attitude surfaced in internal party debates in 1990. In fact, the NCP, the Swedish People's Party and the SDP gave unqualified support

to full EC membership. In fact, the first two were represented in the new cabinet, which made the position of their leadership somewhat difficult because they had to support the official policy prioritising the EEA project. On the other hand, the other major party in the cabinet, the agrarian Centre Party, held the posts of prime minister and foreign minister, who seemed to adopt a more cautious approach to full membership. It is worth noting that the Centre's main support stemmed from the farming and rural communities. The major reason for their negative attitude towards membership concerned the heavy loss of national subsidies that the EU's Common Agricultural Policy would imply (ibid., 24).

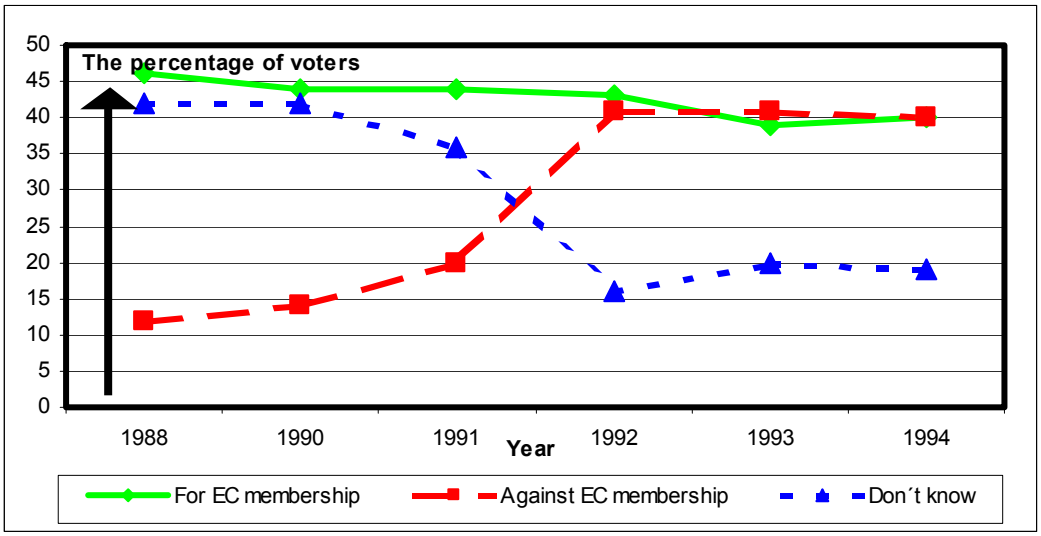
During the period of convergence the debate on Finland's EU membership intensified when Sweden's membership application was scrutinised in July 1991, and really took off when the Finnish Government applied for membership in March 1992. Paradoxically, the negoatiations on EEA membership were already in progress, which made the situation problematic for the parties in cabinet (Raunio & Tiilikainen 2003, 24). In January 1992 the government gave Parliament a report describing the ramifications of EC membership for Finland. After considerable public debate, President Koivisto came out in favour in his speech at the opening session of Parliament in February 1992. The government presented an extensive report to Parliament in February 1992, and then in March, it made a proposal that was put to the vote. Finally, Parliament accepted the proposal with 108 votes for and 55 against. There were some technical pecularities connected with this vote however, and a more correct division would have been 133 votes in favour and 60 against. The Left Alliance, the Rural Party and the Christian Union were on the losing side, while the Centre and the Greens were divided. The main themes in the debate included security, national sovereignty, economic advantage, and Finland's place in the new and geopolitically very different Europe. It should be pointed out that the government was cautious enough not to tie itself to the membership option before the negotiations were completed and the details agreed. During the negotiations it even promised to submit the result to a referendum.

The Finnish application for EC membership was finally submitted in March 1992. The next interesting stage in the procedure was the Commission opinion that was given in November 1992 (Kuosmanen 2001): it was very positive, providing a firm political starting point for negotiations on Finland's accession. After the Edinburgh summit meeting in January 1993 the EC decided to begin negotiations on membership with Finland, Sweden and Austria at the same time. These negotiations started in March 1993 and were completed within 12 months. The Finnish delegation was headed by the minister for foreign trade, Pertti Salolainen, and the minister for foreign affairs, first Paavo Väyrynen and then Heikki Haavisto. The delegation consisted of around 500 high-ranking civil servants and experts. According to Kuosmanen (2001), the main political elites seemed to be almost unanimously in favour of EU membership, with the exception of the Centre.

Scholars have remarked that there is very little accurate data on Finnish views on EC or EU membership before 1987 (Raunio & Tiilikainen 2003, 31). Nevertheless, since 1988 the EVA has commissioned nationwide public-opinion polls once per year during 1988–1991, and twice per year during 1992–1994. It could be said that these surveys provide a large dataset for the study of citizens'

attitudes towards European integration. As Figure 4 indicates, nearly half of Finnish citizens were in favour of their country's membership in 1988, although support for European integration declined slightly during 1988–1994. In contrast, opposition to European integration first emerged in 1992 and peaked with 41 per cent feeling that Finland should not join the Union. In fact, that was the first time a division between groups for and against EU membership emerged. It is worth noting that during 1988–1991 nearly 50 per cent of Finns were simply unable to decide on the question of Finland's EU membership.

Figure 4: The Development of Finnish EC Opinions, 1988–1994



Note: The Finnish Business and Policy Forum EVA conducted public-opinion surveys on the EU and EMU during 1988–1999, and conducted public-opinion polls on the EU twice during the years 1992–1994. In this study I have used the dataset that was collected during the second half of the year. Source: Finnish Business and Policy Forum 1988–1999.

There are similarities and differences between the major party organisations with regard to party positions towards EU membership. For instance, the SDP had unanimously backed membership since the early 1990s: the central policy of the party congress in November 1991 stated that "Finland should apply for EC membership as soon as possible".[3] It is worth noting that the executive committee adopted the party's official EMU stand for the first time in January 1993, and agreed that EMU was a positive goal from the Finnish perspective.[4] It used expressions such as, "full membership of the European Community is in the national interest of Finland". Moreover, "EMU brings stability, supports long-term economic growth, and favours a sustainable welfare policy".

Nevertheless, the SDP was sceptical and believed that EMU would be unachievable in the set time schedule given the economic recession prevailing in Europe. Ideologically, the party emphasised that employment should be one of the EMU criteria.[5] Later, in June 1993, the party congress took an

[3] The position of the additional party congress of the SDP 16. –17.11.1991. The party council had already proposed in September 1991 that Finland should take steps towards EC membership.
[4] The position of the party executive committee of the SDP 28.1.1993.
[5] The position of the party executive committee of the SDP 28.11.1993.

identical position.[6] On the other hand, the NCP was strongly in favour of EMU: in giving its backing the central policy of the party congress in June 1993 stated that "it was a hopeful goal for Finland".[7] It used expressions such as "better welfare conditions", "low inflation and interest rates", "stable currency rates", and "the healthy development of the public sector".[8] As the leading governing party during 1991–1995, the Centre played the key role in negotiations with the European Commission on Finland's membership. The party itself, both the elite and the supporters, was far from united. In fact, the membership application met resistance within the party mainly on account of the agricultural and regional policies, with 22 of the 55 Parliament members voting against it in Parliament in 1992. Table 10 gives a chronological summary of the Finnish integration policy before EU membership.

Table 10: The Post-war Integration Path of Finland before EU Membership

Month/Year	Government and Party EMU Policy
1961	Finland becomes an associate member of EFTA.
1973	Free trade agreement with EEC.
1986	Full member of EFTA.
1989	Member of the Council of Europe.
1990	The NCP, the SDP and the Swedish People's Party advocate Finland's EC membership.
7/1990	The first stage of EMU begins with the declaration that capital should move freely.
9/1990	The Finnish Government states that parts of the Paris Peace Treaty Agreement 1947 have lost significance.
10/1990	The Swedish Government announces its intention to apply for EC membership.
6/1991	The Finnish markka is pegged to the ECU.
7/1991	Sweden submits its application to become an EC member state.
11/1991	The SDP congress states that Finland should apply for EC membership as soon as possible.
1/1992	The bilateral agreement with Russia replaces the YYA-agreement.
2/1992	Finland's application for EU membership was introduced in Parliament.
9/1992	The Finnish markka is left to float.
1/1993	The SDP states that full membership of the EC is in the national interest of Finland.
3/1993	Negotiations with the EC on Finland's EU membership begin, ending in April 1994.
6/1993	The party congress of the NCP states that EMU is a hopeful goal for Finland.

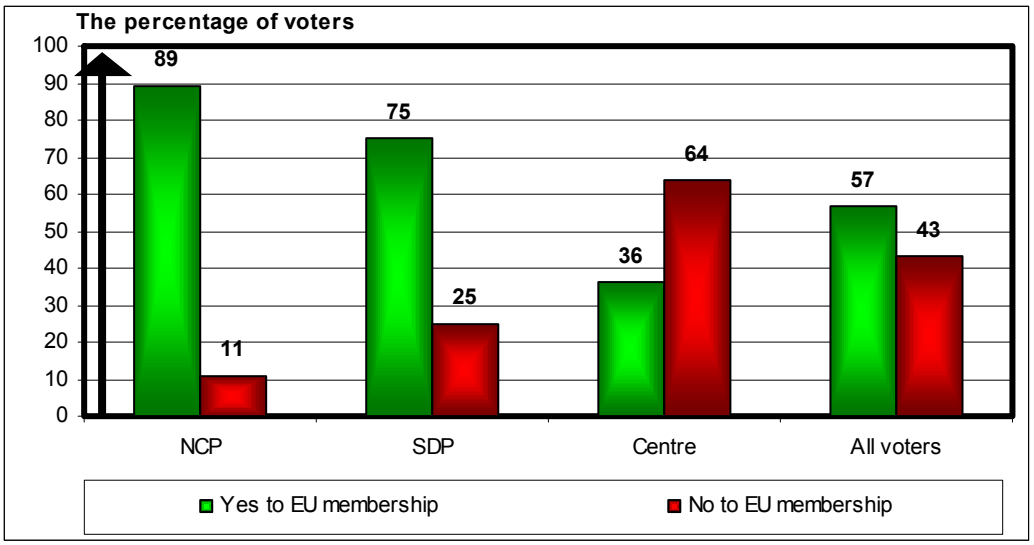
4.1.2 Towards the EU Referendum (1994)

The path to integration in 1994 was dominated by three interrelated themes: negotiations with the European Commission on Finland's EU membership in the spring of 1994, the EU referendum in the autumn of 1994, and the steady consolidation of the EU stances of the major political parties. With regard to the negotiations with the European Commission, the central policy of the Finnish representatives was to secure an agricultural subsidy package, which was needed in the domestic market to support Finnish farmers. This package was important to the Centre to ensure that the majority of its supporters would vote for EU membership in the referendum, and also to guarantee a majority in Parliament. Alho claims that the government emphasised agricultural affairs, but, on the other hand it did not debate on EMU or its advantages in the Cabinet Committee on EU Affairs (Alho 2002, 119).

[6] The position of the party congress of the SDP 4.6.1993.
[7] The position of the party congress of the NCP 11.–13.6.1993
[8] The position of the party congress of the NCP 11.–13.6.1993.

Finally, the European Parliament announced its approval of Finnish membership in May 1994 and the parties signed the treaty in June 1994. The next step was the national referendum to which the government had committed itself when submitting the application. Emotions were stirred up before the referendum, which was held in October 1994. One of the major themes of the debate concerned the order in which the referendums were to be held in the three Nordic applicant countries. Many groups opposing Finnish membership demanded that the Finnish referendum should be held either simultaneously with or after the corresponding Swedish referendum, and not prior to it as planned. The consultative referendum was held in October 1994, with 57.1 per cent of voters supporting membership: turnout was 74 per cent. Consequently, the Finnish Parliament approved EU membership by a vote of 152 to 45. As far as the party positions to EU were concerned, Finnish European policy was, in general, pro-integrationist. For instance, all the major parties - the SDP, the Centre and the NCP - were officially supportive of EU membership. As shown in Figure 5, the only one in which the voting behaviour of its supporters contradicted the official party line was the Centre, with just above one-third of supporters favouring membership.

Figure 5: The Percentages of Voters in Favour of EU Membership in the 1994 Referendum



Sources: The party-affiliation figures are adapted from Paloheimo 2000, 58.

Only 36 per cent of the Centre supporters voted for EU membership in the 1994 referendum, and accepted *the Maastricht Treaty* without any major opt-out clauses or policy exemptions. Scholars tend to argue that the decision to follow the example of Sweden and submit an application for EU membership was based on political consensus (Raunio & Tiilikainen 2003, 39): for instance, all of the major political elites (including the party and interest-organisation leadership), the media and the key players in the private sector were in favour.

Four main factors seem to have encouraged support for EU membership: the majority of Finns mentioned economic reasons as the most important factor, followed by influence, culture and security. A large number of those who were against membership could not give a reason for their opposition. Paloheimo discovered that the conservative and social-democratic parties in all three Nordic countries

supported membership, the voters belonging to conservative parties being more united in their support than others. The Centre in both Finland and in Sweden supported membership but with reservations, although the majority of their supporters voted against it (Paloheimo 1995, 113–127). The supporters of the NCP seemed to constitute the most coherent group in terms of following the party line, with EU support averaging more than 80 per cent. For instance, the central policy of the party congress was to emphasise economic and monetary co-operation as a factor that would increase stability in the market and thus be beneficial for Finland.[9] Later on the party council declared that EMU would bring a balanced economy and more employment.[10]

The main party in the government, the Centre, was deeply divided with regard to the results of the referendum. For instance, only 36 per cent of its supporters favoured membership, with the majority of the leadership and voters living in the southern cities voting "Yes", while those in the countryside voted "No". In particular, the party leader and prime minister Esko Aho was able to persuade some of the opponents to change their opinion. There were differences between the official positive party line and some of the opposing supporters. Interestingly, a crucial role was played by Aho, who strongly influenced the core supporters to vote in favour of membership at the party congress in June 1994. He even threatened to resign if the party decided to oppose it. As a result, the party congress gave its backing and a favourable decision was reached by 1 607 votes to 834.[11] The party emphasised both the advantages and disadvantages of EMU in its positions in 1994. On the one hand, the then Minister for Foreign Affairs, Heikki Haavisto declared in his speech that the EMU criteria were in line with the objectives of Finnish economic policy.[12] As an EMU member state Finland would be able to keep inflation and the interest rate, the budget deficit and the state debt at the same level as other EU member states. Haavisto used expressions such as "stable currency rate", "competitiveness" and "employment" as major beneficial factors if Finland joined the EMU.[13] Later on the executive committee took an identical supportive position, but emphasised that Finland should decide separately on EMU.[14]

Meanwhile, the SDP was in opposition and its core supporters also remained divided in spite of their party leadership's positive stance. The SDP electorate was more sceptical, as only 75 per cent of the voters voted in favour of membership in the referendum. The party supporters were still divided into three camps in September 1994: "Yes", "No", and those yet to make up their minds. This was problematic for the party leader Paavo Lipponen, who had been one of the first to publicly speak in favour of EU membership. The leading organs of the party had unanimously supported not only EU but also EMU membership. The central policy of the party was to support EMU as the right objective in

[9] The position of the party congress of the NCP 27.–28.8.1994.
[10] The position of the party council of the NCP 21.5.1994.
[11] The protocol of the party congress of the Centre 17.–19.6.1994.
[12] The speech by Heikki Haavisto at the party congress of the Centre 17.6.1994. Haavisto was then the Minister for Foreign Affairs and responsible for the EU membership negotiations with the European Commission.
[13] The speech by Heikki Haavisto at the party congress of the Centre 17.6.1994.
[14] The position of the party executive committee of the Centre 22.9.1994.

the long run, and it also brought into the discussion the projected increase in employment.[15] Eventually, the social democrats, who a month earlier had not yet formed an opinion, voted "Yes" in the referendum. Lipponen was determined to lead Finland into the inner circle of the EU. Finland, together with Austria and Sweden, joined the European Union in January 1995, just over a year after *the Maastricht Treaty,* which had quite fundamentally changed its nature, came into force.

4.1.3 The Government Commits to EMU (1995–1996)

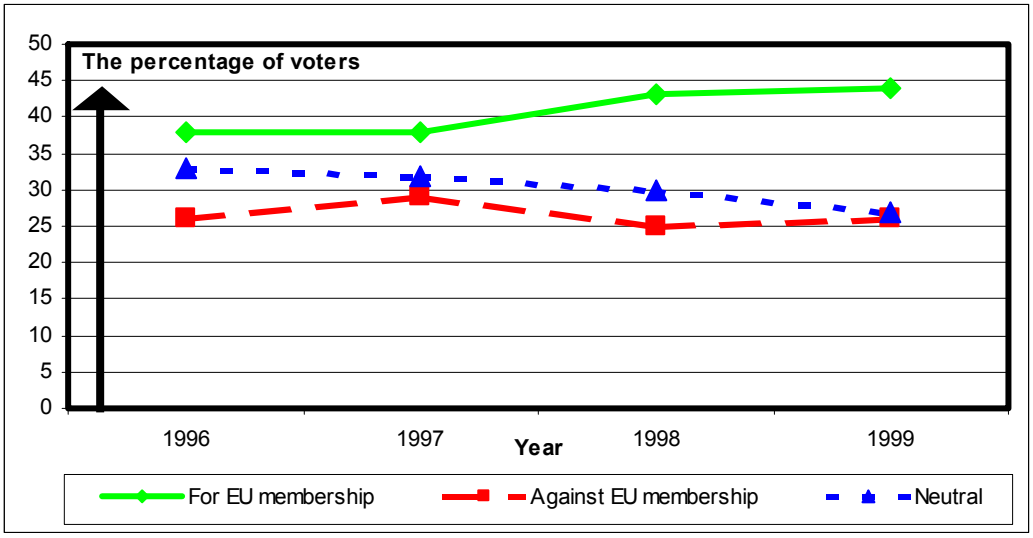
The development of the path to integration during 1995–1996 has two distinct phases: a period of commitment to EMU, from *the Government Programme* in April 1995 to the first official party positions during the first half of 1996, and a period of pegging the Finnish markka to ERM during the second half of 1996. The newly formed coalition government committed strongly to EMU in 1995. The coalition comprised the SDP and the NCP, the two pro-European parties who won in the 1995 election, and three other smaller parties. The Finnish Centre Party had lost its ruling position and was out of the government. The SDP party leader Paavo Lipponen became the new prime minister. The central policy of the new *Government Programme 1995–1999* was to meet the convergence criteria so that Finland could eventually join the EMU (Government Programme 1995–1999). *The Government Programme* also made a vague commitment in terms of increased employment resulting from economic co-operation between EU member states, which was almost identical in logic to the Social Democrats' earlier vision of employment as an EMU criterion.

Prior research has shown that Finland committed twice to EMU in 1995, the first time when the country joined the EU in January, and the second when the governing parties signed *the Government Programme* for 1995–1999 in April (Alho 2002, 116). However, Alho claims that the actual decision was made in June 1995, surprisingly, three years before the decision in Parliament. Apparently, the Ministerial Committee on European Affairs accepted the statement on EMU on June 16, following brief negotiations between the leaders of the governmental groups. The central policy set out in the statement was that Finland should be among the first countries to join. In addition, the economic aim was to guarantee opportunities in order to fulfil the EMU convergence criteria (ibid., 129).

Public opinion seems to have changed due to major changes in government policy during 1995–1996. Figure 6 shows the development of public opinion on EU membership during the 1990s, which remained relatively constant in the years following Finland's accession. The regular surveys conducted by EVA indicated a level of support averaging around 40 per cent, while the proportion of the population opposing EU membership varied at around 30 per cent.

[15] The position of the party council of the SDP 18.5.1994. The position of the parliamentary group of the SDP 6.9.1994.

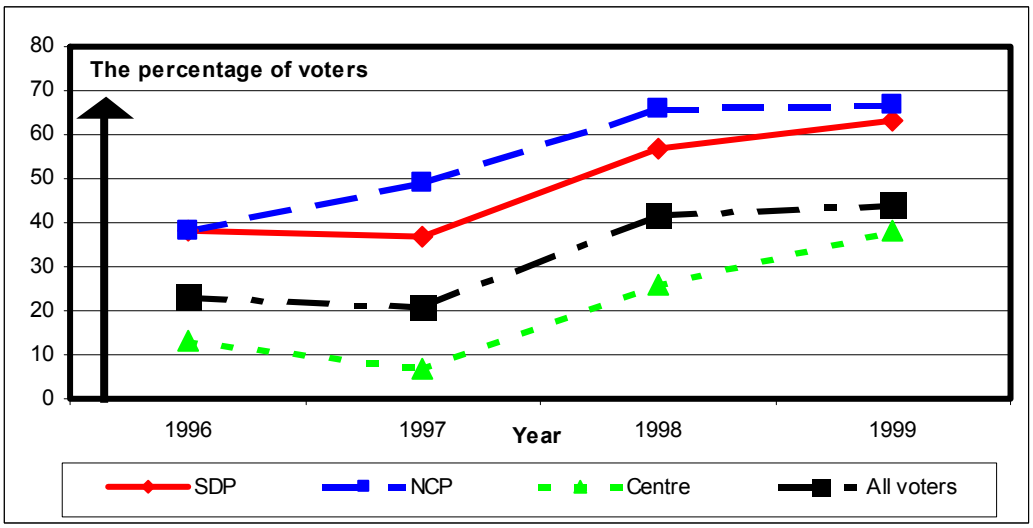
Figure 6: The Development of Finnish EU Opinions, 1996–1999



Note: The opinion surveys conducted by the EVA included three alternative responses (positive/neutral/negative) to the question, "What is your conception of your country's membership in the EU?"
Source: Finnish Business and Policy Forum 1988–1999.

EVA also conducted surveys on Finnish EMU opinions during the mid 1990s, when the core supporters of the NCP and the SDP tended to be more positive than the Centre. As Figure 7 shows, less than half of Finnish citizens supported EMU during the 1990s, and even fewer in 1996 and during the first half of 1997 in particular.

Figure 7: The Development of Party Opinion in Favour of EMU Membership, 1996–1999



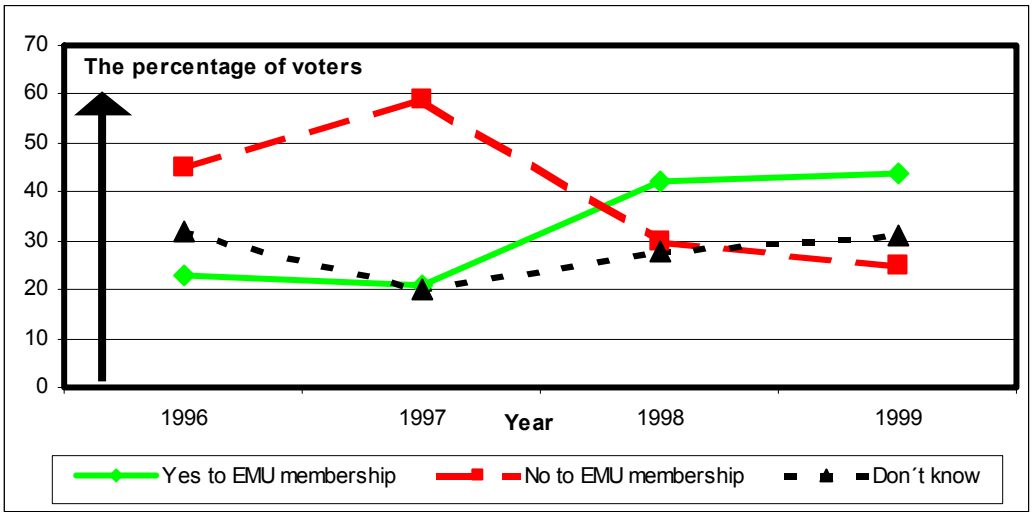
Source: Finnish Business and Policy Forum 1988–1999.

Suddenly, during the second half of 1997, attitudes began to move clearly towards a more positive position. Alho explains that this shift in public opinion was linked to the increasing debate on EMU policies at the time (Alho 2002, 155). Indeed, the then major political parties and the interest groups clearly announced their positive EMU stances for the first time, despite the fact that the Centre opposed it. Alho believes that SAK played the key role due to its close relations with the SDP. It was originally unsupportive of EMU, especially in 1996, and feared that the common currency would

destroy the wage-bargaining system. Its key argument was that employment and nominal wages would have to fluctuate due to external shocks, and that employers would therefore have to retain the right to lower agreed wages unilaterally. For instance, the SAK revealed at its congress meeting in June 1996 that it would oppose EMU membership if the bargaining system was dismantled. It also demanded buffer funds and agreed to rules in dealing with economic disturbances (Boldt 1999, 5). As a result, the parties agreed on buffer funds in November 1997. On the other hand, the Confederation of Finnish Industry and Employers (TT) supported full EMU and emphasised that Finland should be among the first to join the common currency area (Savon Sanomat 1995). Meanwhile, the EMU policy of the Central Union of Agricultural Producers and Forest Owners (MTK) consisted of a problematic vision of the fixed exchange rate. The option of devaluation had played an important role in the pulp and paper industry as well as among forest owners.

As Figure 8 shows, Finns seem to have formulated their own views on the question, leading to a drastic decrease in anti-EMU opinion. This trend stabilised as the third phase drew closer. Finally, the supporters outnumbered the opponents, while around 30 per cent were undecided (Finnish Business and Policy Forum 1988–1999). Amazingly, during the whole period preceding the first stage of EMU support never exceeded 50 per cent.

Figure 8: The Development of Finnish EMU Opinions, 1996–1999



Source: Finnish Business and Policy Forum 1988–1999.

The central policy of the SDP was still open commitment to Finland's EMU membership in 1995. The party leader Paavo Lipponen emphasised that EMU would create sustainable economic growth that would allow employment goals to be met.[16] The SDP called for measures to decrease unemployment and to increase income-transfer mechanisms.[17] The Centre, on the other hand, refused to take any "Yes" or "No" position, basing its main argument on the lack of information.[18] The party was concerned about which EU member states would eventually join EMU. It believed that the citizens should have an

[16] The parliamentary group speech of the SDP; The Government Report on EU in Parliament 15.2.1995.
[17] The parliamentary group speech of the SDP; The Interpellation Answer on EMU in Parliament 13.6.1995.
[18] The protocol of the party executive committee of the Centre 24.11.1995.

opportunity to widely debate the advantages and disadvantages of entering the common currency area, and that Parliament should eventually decide on Finland's EMU membership.[19] It also called for a regional and structural policy in order to minimise the disadvantages.[20] On the other hand, the EMU criteria were seen as identical to a healthy economic policy.[21]

Meanwhile, the NCP continued to fully back EMU in 1995. The party congress adopted a position paper in June setting out its policy of support for Finland being among the first to join the EMU.[22] For instance, as an EMU member state it would engage in economic co-operation aimed at achieving economic growth, more employment and modest price development. EMU supported the objectives of the economic policy and would significantly stabilise the economic environment.[23] The party used expressions such as "undisturbed internal market", "stable economic and monetary environment", "more balanced budget", "lower interest and inflation rates", and "resources to secure welfare".[24] During the debate in Parliament on 13 June 1995 the leader of the parliamentary group, Ben Zyskowicz, emphasised that as an EMU member state Finland would be rid of its inflation and devaluation cycles.[25] He claimed that it would quickly gain benefits from EMU due to the development of the economy, employment and welfare.[26]

With regard to the plans to peg the Finnish markka to the ERM, the currency crisis affecting the EMS during the early 1990s strengthened belief in EMU among many EU member states and political and administrative elites. It soon became clear that the majority of member states would not meet the convergence criteria by the 1997 deadline. The most likely outcome in 1996 appeared to be a two-speed EMU: a small set of states with currencies closely linked to the Deutschmark, including Germany, France, the Netherlands, Luxembourg, Austria and Belgium, would go ahead in 1999, while states with weaker currencies (Spain, Italy, Portugal, Ireland, Greece and Finland) would join at a later date. Consequently, the Finnish Government joined the ERM in October 1996 and introduced a series of macroeconomic reforms. With regard to party positions on ERM, the party congress of the SDP adopted a new position paper on EMU in June 1996.[27] Its central policy was to support the development of the EMU project. It used expressions such as "economic stability" and "growth", but on the other hand, reiterated that EMU member states would face new challenges regarding employment, balanced regional development and counter-cyclical economic policy.[28] During the debate in

[19] The position of the party executive committee of the Centre 7.12.1995. The protocol of the party executive committee of the Centre 6.4.1995. The latter protocol contained the responses of the Centre to Paavo Lipponen who was about to form the new government.
[20] The position of the party delegation of the Centre 25.–26.11.1995.
[21] The protocol of the party executive committee of the Centre 6.4.1995. The protocol contained the responses of the Centre to Paavo Lipponen who was about to form the new government.
[22] The position of the party congress of the NCP 9.–11.6.1995.
[23] The position of the party congress of the NCP 9.–11.6.1995.
[24] The protocol of the party council of the NCP 2.4.1995. The protocol contained the responses of the NCP to Paavo Lipponen who was about to form the new government.
[25] The parliamentary group speech of the NCP; The Interpellation Answer on EMU in Parliament 13.6.1995.
[26] The parliamentary group speech of the NCP; The Government Report on EU in Parliament 15.2.1995.
[27] The stand on European Policy of the party congress of the SDP 6.–9.6.1996.
[28] The stand on European Policy of the party congress of the SDP 6.–9.6.1996.

Parliament on 24 October 1996 the leader of the parliamentary group, Erkki Tuomioja, emphasised that the ERM system would be necessary if Finland was to be among the first EMU member states.[29]

Similarly, the NCP continued to support Finland's early entry into the common currency area.[30] The party council used expressions such as "stable economic development", "decreased costs of currency exchange between citizens and companies" and "the national interest of Finns to be a part of the inner circle of Europe".[31] During the debate in Parliament on 24 October 1996 the leader of the parliamentary group, Ben Zyskowicz, declared that the decision to peg the Finnish markka to the ERM was justified and timely, adding that EMU would promote stable economic development, keep interest rates at a low level, increase investments, and accelerate employment.[32] Meanwhile, the party congress of the Centre published a critical position paper on EMU in June 1996. The paper described two different circles in the EU when the third EMU stage began: insiders or EMU member states and outsiders or non-EMU member states.[33] For this reason, it maintained that EMU and ERM were not in the interests of Finland or of the EU, and Finland should continue to float its currency.[34] The decision on EMU should be made after it was known which EU member states would join. Moreover, the party congress advocated a consultative referendum to decide on EMU membership if the government supported it.[35] Table 11 gives a brief chronology of the integration path during 1995–1996.

Table 11: The Integration Path of Finland during 1995–1996

Month/Year	Government and Party EMU Policy
1/1995	Finland and Sweden become EU member states. Norway stays out.
2/1995	The Finnish Government introduces its EU policy to Parliament.
3/1995	The SDP and the NCP win the elections and form the new government.
4/1995	The Government Programme is committed to EMU.
6/1995	The Finnish Ministers Group: Finland is to be among the first to join the EMU.
3/1996	The NCP: Finland should be among the first EMU member states.
6/1996	The Centre: EMU is not in the interests of Finland or the EU.
6/1996	The SDP supports the development of EMU.
10/1996	The Finnish markka is pegged to the ERM.

4.1.4 Parliament Votes Yes to EMU (1997–1999)

The path to integration during 1997–1999 had three distinct phases: the drawing up of consultative reports on EMU by professors and experts near the party leadership during the first half of 1997; a period of intense debate and the adoption of official party stances in party congresses during the second half of 1997; and a period of debate leading to adoption in Parliament during the first half of 1998. The group of professors working on the reports, appointed by Prime Minister Paavo Lipponen

[29] The parliamentary group speech of the SDP; The Prime Minister's Announcement on ERM in Parliament 24.10.1996.
[30] The position of the party council of the NCP 30.3.1996.
[31] The position of the party council of the NCP 30.5.1996.
[32] The parliamentary group speech of the NCP; The Prime Minister's Announcement on ERM in Parliament 24.10.1996.
[33] The position of the party congress of the Centre 14.–16.6.1996.
[34] The protocol of the party executive committee of the Centre 19.9.1996.
[35] The position of the party congress of the Centre 14.–16.6.1996.

and chaired by Professor Jukka Pekkarinen, concluded its work, *Finland and EMU*, in May 1997. It did not, in fact, make any recommendations, but produced a report concerning the impact of EMU on regional development and the welfare state. Meanwhile, the expert working group of the Centre chaired by Mauri Pekkarinen had a tremendous influence on the party's EMU stand. The main conclusion was that Finland should not join the EMU in the first wave in 1999.[36]

The official Centre position on EMU was adopted at a special party congress in September 1997: it was against membership and a single currency.[37] EMU was strongly criticised on the grounds of supranationalism because the common currency decreased national decision-making power. Most importantly, the party congress opposed it because Sweden, Denmark and the United Kingdom would not join. This highlighted the need for a consultative referendum.[38] The central tenet of the position paper was identical to the conclusions of the group chaired by Mauri Pekkarinen.[39] The Centre party leader Esko Aho pointed out five different factors in his speech at the party congress on 28 September 1997: first, Parliament should decide on Finland's EMU membership; secondly, EMU was an insecure political project; thirdly, there were both advantages and disadvantages concerning the common currency area; fourthly, the decision on EMU membership should be made with consideration of the national interests, and fifthly, the development of public opinion should be followed.[40] The party delegation later stated that the government had not taken public opinion into consideration at all,[41] and emphasised expressions such as "stable economic development", "regional equality", "employment" and "citizen's welfare".[42] However, in the spring of 1998 the party indicated that it would respect the outcome of the parliamentary vote and would not seek to withdraw from EMU in the future.

The NCP congress fully backed EMU and a single currency, and stated that it was in Finland's interest to be among the first EU member states to join.[43] It used favourable expressions such as "competitiveness", "economic growth", "welfare", and "employment".[44] During the debate in Parliament on 17 June 1997 Kimmo Sasi pointed out that Finland and Luxemburg were the only EU member states that fulfilled the EMU criteria, and that this was advantageous in terms of speeding up economic growth and decreasing unemployment.[45] Meanwhile, the near unanimous party council of the SDP adopted the official party stand in September 1997 and backed the single currency. The party leader Paavo Lipponen declared in his speech at the party council on 24 September 1997 that Finland should participate in the third EMU phase and thus be among the first entrants.[46]

[36] The protocol of the party executive committee of the Centre 8.5.1997.
[37] The position of the party congress of the Centre 28.9.1997.
[38] The position of the party congress of the Centre 28.9.1997.
[39] The protocol of the party executive committee of the Centre 8.5.1997.
[40] The speech by the chairman of the Centre at the party congress 28.9.1997.
[41] The speech by the chairman of the Centre at the party delegation 22.–23.11.1997.
[42] The position of the party delegation of the Centre 26.–27.4.1997.
[43] The position of the party congress of the NCP 6.–8.6.1997.
[44] The position of the party congress of the NCP 6.–8.6.1997.
[45] The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997.
[46] The speech by the party chairman of the SDP at the party council 24.9.1997.

The party council expressed the firm belief in its position paper that EMU would increase employment and the well-being of citizens,[47] using expressions such as "economic balance", "the stable development of prices and exchange rates" and "stable and lower real interest rates". As a result, Finland would have the opportunity to stop the spiral of inflation and devaluation that had hindered the development of its production.[48] As explained in the previous section, Alho believed that the SAK played the key role during the position-taking process due to its close relations with the SDP (Alho 2002, 155). It first showed its lack of support of EMU in 1996, fearing that the common currency would destroy the bargaining system. It demanded buffer funds and agreed to rules in order to deal with economic disturbances (Boldt 1999, 5). As a result, the parties agreed on buffer funds in November 1997, and this was the key factor in its supportive position-taking.

The Finnish Government, by a vote in Parliament of 135 to 61, adopted EMU in April 1998, and decided that Finland would enter during the third phase from the beginning of January 1999. All members of the NCP parliamentary group voted in favour following the Parliamentary debate on *the Government Statement on EMU,* and only one social democrat voted against (Kouvolan Sanomat 1998). In contrast, the Centre was sharply divided following the difficult process and the referendum on EU membership in 1994. The party congress had already unanimously approved the party's unsupportive stand, and therefore nearly all the members of the parliamentary group voted against EMU, with just one exception: one of the Centre members abstained (ibid.).[49]

Consequently, at the Brussels European Council in May 1998 the heads of government supported the European Commission's proposal that EMU should be launched in 11 EU member states, including Finland. Surprisingly, only three states fulfilled all the convergence criteria. The European Commission stated that the gross public debt was less important than the annual deficit: it was more important for the former to be moving in the right direction, in other words decreasing. Greece was the only member state to be excluded for not meeting the convergence criteria, but eventually managed to join on 1 January 2001. Three other states - Denmark, Sweden and the United Kingdom - made a political decision not to join in January 1999. Denmark and the United Kingdom invoked their opt-outs under *the Maastricht Treaty*, while Sweden simply decided not to join. Denmark and Sweden later held referendums on EMU, but failed to get public support for membership. The United Kingdom was less enthusiastic about holding a referendum due to the Swedish "No" result and the shift of focus in the public's European debate to the proposed EU constitution.

For much of the period 1998–1999 the Centre criticised EMU due to the limited opportunities of Finland to influence the decision-making process.[50] The point of the criticism was to show that EMU would be bad for Finland if Sweden, Denmark and the United Kingdom joined, given the special relationship between these countries. During the debate in Parliament on 14 April 1998 the leader of

[47] The position of the party council of the SDP 24.9.1997.
[48] The position of the party council of the SDP 24.9.1997.
[49] Interview with Pekka Perttula 30.5.2007.
[50] The position of the party congress of the Centre 5.–7.6.1998.

the Centre party and of the opposition, Esko Aho, declared that there was lack of public support for EMU,[51] and that Finland was unprepared to cope with a common currency in circumstances of severe competition.[52] Price stability moved up the party's agenda in the spring of 1999, the emphasis being on the need for stable income and price development in order to maintain the competitiveness of Finnish production in the common currency area.[53] In addition, the party continued to criticise EMU and stated that Finland should have taken account of the policies of the other Nordic countries, which were unsupportive.[54]

Meanwhile, the SDP continued to fully back EMU during 1998–1999, according to the objectives of *the Maastricht Treaty*.[55] The party highlighted the need for economic co-operation and the coordination of the finance policy in order to support price stability and employment in the common currency area.[56] The NCP called for economic policy coordination for similar reasons.[57] The main theme in the party congress was that EMU had created a strong backbone for the successful growth of EU member states in an open world economy,[58] and that it was therefore important for the European Central Bank to have an independent monetary policy in order to secure price stability. Table 12 shows the chronology of the EMU path during 1997–1998.

Table 12: Finland's Integration Path during 1997–1999

Month/Year	Government and Party EMU Policy
5/1997	The expert groups present their EMU reports.
5/1997	The Government releases the EMU Report in Parliament.
6/1997	The NCP: It is in Finland's interest to be among the first EU member states to join the EMU.
6/1997	Sweden will not enter the EMU during the third phase due to the lack of public support.
6/1997	The Swedish SDP is supportive of EMU and states that the door must be left open for membership.
9/1997	The Centre: Finland should not join the EMU because Sweden, Denmark and the United Kingdom are unsupportive.
9/1997	The SDP: Finland should be among the first to join the EMU.
11/1997	Interest groups such as SAK, Akava and STKK announce their support of EMU.
2/1998	The Government releases its statement on EMU in Parliament.
4/1998	The Finnish Government, by a vote of 135-61, decides that Finland will join the EMU as of 1.1.1999.
5/1998	The EU Summit: which EU member states fill the requirements to become EMU member states in January 1999.
1/1999	Finland joins the third stage of EMU and holds the EU presidency in 1999.
4/1999	The Centre: Finland should have scrutinised the EMU policies of the other Nordic countries.
5/1999	The SDP supports an economic policy which is based on the Maastricht Treaty.
5/1999	The NCP: EMU creates a strong backbone for economic growth and success.
1/2002	Finland adopts the single currency.

[51] The speech by the chairman at the party delegation of the Centre 18.–19.4.1998. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[52] The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[53] The protocol of the party executive committee of the Centre 6.4.1999.
[54] The speech by Mauri Pekkarinen at the party delegation of the Centre 24.–25.4.1999.
[55] The position of the party congress of the SDP 26.–30.5.1999.
[56] The position of the party executive committee of the SDP 6.4.1999.
[57] The position of the party executive committee of the NCP 1.4.1999.
[58] The position of the party congress of the NCP 21.–23.5.1999.

4.1.5 A Summary of Finland's Path to EMU (1994–1999)

There were some interesting signs in Finland's integration path that proved valuable for the empirical chapters of this study. First, public opinion in the country seemed to be critical throughout the period, and it would be worthwhile finding out what emphasis the political and administrative elite placed on it. In brief, did the party-voter relationship play any role for the decision-makers? Were there any other relationships, such as party-party relationships, that might have been more influential? On the other hand, it should be borne in mind that citizens' attitudes clearly took a more positive turn in autumn 1997 just after the labour movement and the SDP decided to fully back EMU. Secondly, Finland had already made a strong commitment in 1995 in accordance with the central policy of *the Government Programme 1995–1999.* It used expressions such as, "the objective is to meet the convergence criteria in order that Finland could eventually join EMU" (Government Programme 1995–1999). This would suggest that Finland had been aiming for EMU membership since early 1995.

Thirdly, EMU reports produced by groups of professors and experts near the party leadership seem to have had a tremendous influence on the position-taking process. Thus, it would be valuable to show in the empirical chapters what role these expert working groups played in the policy-making of the major parties. For instance, were the party decisions based more on professional experience? Fourthly, as Alho discovered, SAK seems to have played the key role during the process due to its close relations with the SDP (Alho 2002, 155). It would be interesting to clarify to what extent the Centre and the NCP emphasised the EMU policies of the interest groups associated with them. Fifthly, the NCP and the SDP seemed to be united during the adoption process in Parliament in April 1998. On the other hand, the Centre was strongly divided after the referendum on EU membership in 1994, and nearly all the members of the parliamentary group voted against EMU in Parliament after the debate on *the Government Statement on EMU*. Consequently, it would be worthwhile investigating the various factions and their arguments within the parties.

Sixthly, three EU member states, Denmark, Sweden and the United Kingdom, made a political decision not to join EMU from the beginning of January 1999. As explained, these countries, especially Sweden, have always had a special relationship with Finland. Thus, it would be valuable to know to what extent external governments and events influenced the EMU positions of the major parties. All the above signs support my research work to explain party emphasis on EMU, reported in the following empirical chapters. Table 13 gives a summarised chronology of the Finnish EMU path during 1994–1999.

Table 13: A Summary of Finland's EMU Path during 1994–1999

Month/Year	Government and Party EMU Policy
10/1994	EU referendum in Finland: 56.9 per cent of the votes were in favour of EU and 43.1 were against. EU referendum in Sweden: 52.3 per cent of the votes were in favour of EU and 47.4 were against. The Finnish Parliament approved EU membership by 152 votes in favour to 45 against.
1/1995	Finland and Sweden became EU member states.
4/1995	The Government Programme committed to EMU.
10/1996	The Finnish markka was pegged to ERM.
5/1997	The expert working groups presented their reports on EMU.
5/1997	The Government Report on EMU was debated in Parliament.
6/1997	The NCP: It is in Finland's interest to be among the first to join the EMU; EMU promotes competitiveness, economic growth, welfare and employment.
9/1997	The Centre: Finland should not join the EMU; EMU will not be beneficial to Finland because Sweden, Denmark and the United Kingdom will be non-EMU member states.
9/1997	The SDP: Finland should be among the first to join the EMU during the third phase; EMU promotes higher levels of employment and well-being; EMU promotes a balanced economy, stable prices and exchange rates and low real interest rates; Finland has the opportunity to renounce the spiral of inflation and devaluation.
11/1997	Interest groups such as SAK, Akava and STTK took a positive stand on EMU.
4/1998	The Government Statement on EMU in Parliament. The Finnish Government, by a vote of 135–61, decided that Finland would enter into the third phase of EMU as of 1 January, 1999.

Chapters 5–14 evaluate the propositions developed in Chapter 2 in the light of the events described in Chapter 4. Chapter 2 sets out generic hypotheses derived from descriptions of factors that are said to influence party positions on European integration throughout Western democracies. Specifically, the following chapters examine the competing hypotheses on the factors that shaped or influenced partisan emphasis on EMU, explore the relationship between the EMU positions of the SDP, the Centre and the NCP, and assess the impact of these factors.

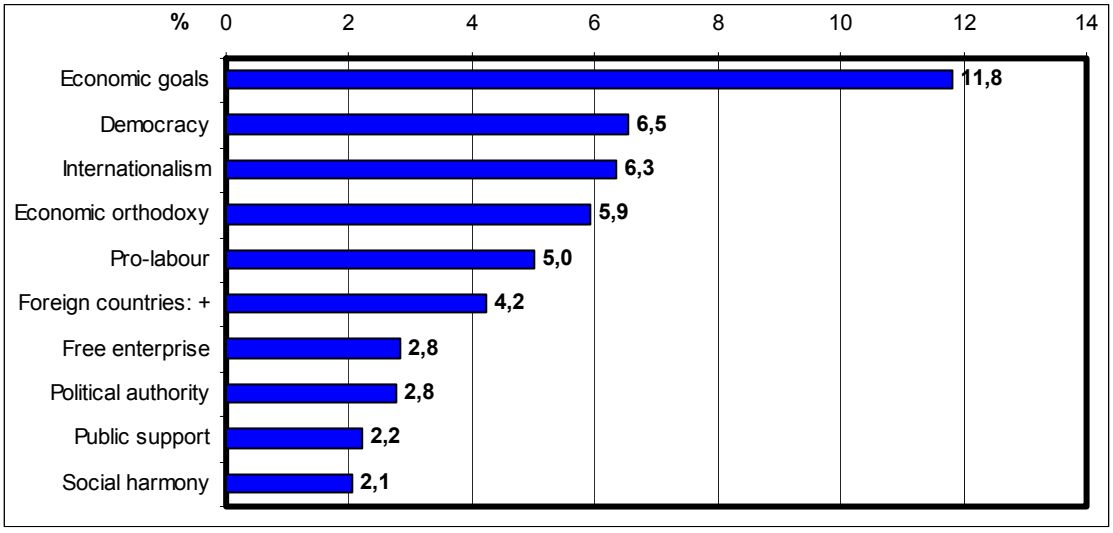
Part II: Empirical Results

5 Internal Influences Within the Parties

5.1 Democratic, Economic and International EMU Issues

Questions concerning the EMU policy topics or areas the major political parties emphasised the most are raised with a view to drawing general conclusions about the most significant individual factors that influenced their decisions. More specifically, the questions covered what particular policy changes affected this party emphasis and how they corresponded to, or contrasted with, other party emphases. Further conclusions could be made on the tendency of party emphasis to change in the future. Figure 9 shows the proportions of all party-policy documents dedicated to each issue category. As can be seen, *economic goals* was by far the most important issue across all the three major parties. However, it is worth noting that democracy issues and international issues were also high on the agenda during the EMU position-taking process.

Figure 9: The Top Ten Issues: the Mean Percentages of All the Party Policy Documents Dedicated to Each Issue Category during 1993–1999



Note: The following codes were excluded: 5013–5018.

Table 14 shows the top ten policy issues in the documents of the political parties during 1994–1999 in terms of sentences counted in the separate categories specified in the Appendices. There are similarities and differences in the top issues among the three major parties. Overall, the most striking feature is the strong emphasis by them all on *economic goals*: this issue ranked either first or second. Most of the inter-party differences concerned issues related to democracy, the economy and internationalism. Surprisingly, *democracy* and *public support* seem to have been more important to the Centre, while the NCP placed stronger emphasis on economic issues such as *economic goals*, *economic orthodoxy, free enterprise* and *economic incentives*. Unlike the others, the SDP put more

emphasis on *pro-labour policies, internationalism, the EMU policies of foreign countries,* and *labour groups.*

Table 14: The Top Ten issues during 1994–1999: the Proportions of the Party Documents Dedicated to Each Issue Category (Mean in Percentages)

Issue	Rank	Centre share%	Rank	NCP share%	Rank	SDP share%
Democracy	**1**	13,0	**5**	3,6	**7**	3,9
Economic goals	**2**	9,7	**1**	14,6	**2**	10,1
Foreign countries +	**3**	5,2	**9**	2,0	**4**	6,5
Political authority	**4**	5,0			**9**	3,0
Public support	**5**	3,4				
Economic orthodoxy	**6**	3,3	**2**	8,8	**6**	4,6
National way of life	**7**	3,2				
Internationalism	**8**	3,2	**3**	6,3	**3**	9,7
Pro-labour	**9**	3,1	**7**	2,5	**1**	11,0
Decentralisation	**10**	2,5				
Social harmony					**5**	4,8
Sweden +					**8**	3,4
Labour group +					**10**	2,6
Economic incentives			**10**	1,7		
Social-service expansion			**8**	2,2		
Political authority: Centre			**6**	2,9		
Free enterprise			**4**	4,9		

Table 15 shows the category rankings of the Centre Party. *Democracy* turned out to be the top category into which the party's arguments fell in the analysed documents from 1994, 1996, 1997 and 1998, probably because of the continuous strong debate during the 1990s on *democracy* as a method or goal in the Centre and the involvement of citizens in decision-making. Democratic issues are reflected in the categories *retaining a national way of life, decentralisation in a political-party organisation, the need for an EMU referendum, public support* and *decentralisation.* Despite the fact that economic issues lost relevance in 1997 and 1998, *economic goals, economic orthodoxy* and *free enterprise* were frequently debated, especially in 1994 and 1996.

Furthermore, the traditional leftist value, *pro-labour,* moved close to the top five issues in 1998. The fact that *political authority* ranked second in 1996 and 1997 reflects the fact that the Centre attacked their opponents and talked about their own leadership qualities in order to formulate an independent EMU position. Most strikingly, the party frequently debated on *the EMU policies of foreign countries*, especially Sweden, during the 1990s: Sweden's policy ranked fifth in 1997 when the Centre decided on its official EMU stand. At the same time, the Centre seemed to base its party decisions more on professional experience: *centralisation in a political party organisation* ranked tenth in 1997.

Table 15: The Top Ten Issues in the Centre Party Documents from 1994, 1996, 1997 and 1998

Issue	Rank 1994	Share%	Rank 1996	Share%	Rank 1997	Share%	Rank 1998	Share%
Democracy	**1**	25,8	**1**	14,2	**1**	11,9	**1**	7,9
Economic goals	**2**	19,0	**3**	9,5	**6**	4,1	**7**	3,9
Economic orthodoxy	**3**	5,6	32	0,8	16	1,3	23	0,9
Internationalism	**4**	4,8	**9**	2,9	12	2,7	19	1,2
Foreign countries -	**5**	3,2	29	0,2	26	0,4	27	0,7
Foreign countries +	**6**	3,2	**4**	7,5	**9**	3,7	**5**	4,3
Free enterprise	**7**	2,4	15	1,4	21	0,7	11	3,5
Social service limitation	**8**	1,6	~	~	~	~	~	~
Sweden +	**9**	0,8	20	0,7	**5**	4,6	12	2,8
Pro-labour	**10**	0,8	**10**	2,8	**8**	4,0	**6**	4,0
Political authority	~	~	**2**	9,7	**2**	5,6	**10**	3,5
Retaining national way	~	~	**5**	5,0	22	0,7	~	~
Decentralisation in a political organisation	~	~	**6**	4,9	14	2,1	29	0,7
Need for EMU referendum	~	~	**7**	4,4	18	1,0	14	2,0
National way of life	~	~	**8**	4,4	**3**	5,1	**8**	3,9
Public support	~	~	11	2,7	**4**	5,1	**2**	6,5
Decentralisation	~	~	12	1,8	**7**	4,1	**3**	5,2
Social harmony	~	~	14	1,6	15	2,0	**4**	4,3
Centralisation in a political organisation	~	~	16	1,3	**10**	3,7	30	0,6
Media	~	~	18	0,8	25	0,4	**9**	3,8

As far as the NCP was concerned, economic issues seemed to have played an important role when it formed its EMU stand: as Table 16 shows, the top category into which its arguments fell in the party documents from 1994, 1996 and 1998 was that of *economic goals. Economic goals* are reflected in the high rankings in the *economic orthodoxy, free enterprise* and *economic incentives* categories. All three seem to have increased in relevance during the 1990s. In addition, the impact of external events is reflected in the high proportion of arguments falling into the category covering *the EMU policies of foreign countries:* this ranked second after *economic goals* in 1998, for instance. Interestingly, the fact that *political authority towards the Centre's EMU policy* ranked near the top five in 1996, 1997 and 1998 reflects the strong attack by the NCP on the EMU policy of the Centre and its emphasis on its own leadership qualities.

Transnational and historical issues also seemed to be thematic highlights: *the EMU policies of transnational parties* ranked tenth in 1996 and *historical experiences* regarding EMU ranked ninth in 1998, for instance. In contrast to the Centre, the most striking finding is that democratic issues, such as the *national way of life, public support* and *democracy* were marginally covered. Exceptionally, *democracy* ranked first in 1997, but it lost relevance in 1998. The party seems to have based its decisions more on professional experience: *centralisation in the political party organisation* ranked ninth in 1996.

Table 16: The Top Ten Issues in the NCP Documents from 1994, 1996, 1997 and 1998

Issue	Rank 1994	Share%	Rank 1996	Share%	Rank 1997	Share%	Rank 1998	Share%
Economic goals	**1**	25,0	**1**	11,9	**3**	10,9	**1**	8,7
Social service expansion	**2**	10,8	22	0,2	19	0,8	15	1,3
Economic orthodoxy	**3**	8,8	**5**	6,1	**2**	12,3	**3**	5,2
Internationalism	**4**	3,8	**2**	9,6	**4**	6,0	**10**	2,3
Free enterprise	**5**	1,7	11	2,2	**6**	2,7	**5**	5,1
Regulate capitalism	**6**	1,7	~	~	28	0,3	22	0,6
Pro-labour	**7**	0,8	**8**	3,2	**9**	2,1	18	0,9
Pro-military	**8**	0,4	**6**	3,8	~	~	~	~
Law and order	**9**	0,4	~	~	24	0,6	28	0,2
Public support	~	~	**3**	6,8	32	0,2	25	0,3
Political authority: Centre	~	~	**4**	6,8	**5**	5,4	**4**	5,2
Foreign countries +	~	~	**7**	3,7	12	1,5	**2**	5,3
Centralisation in a political organisation	~	~	**9**	2,3	30	0,2	32	0,1
Transnational foreign parties +	~	~	**10**	2,3	40	0,1	17	0,9
Political authority: other parties	~	~	~	~	18	1,0	**6**	4,5
Economic incentives	~	~	13	1,3	**7**	2,1	**7**	2,9
Political authority	~	~	14	1,1	14	1,5	**8**	2,5
History +	~	~	21	0,3	21	0,7	**9**	2,4
Democracy	~	~	~	~	**1**	12,3	12	1,8
Political authority: SDP	~	~	~	~	**8**	2,1	26	0,3
Structural funds	~	~	~	~	**10**	2,0	34	0,1

With regard to the SDP, international issues seemed to play an important role when the party signed its EMU declarations. For instance, the EMU policies of foreign governments were on its EMU agenda during the 1990s: as Table 17 shows, this was ranked first in 1996, and was in the top five categories in 1997 and 1998. Moreover, *the EMU policy of Sweden* moved to third on the party's agenda in 1998. Broadly speaking, the impact of international issues is reflected in the high proportion of arguments falling into *internationalism,* especially in 1997 and 1998. The SDP seems to have supported the traditional leftist value, *pro-labour*, in the case of EMU in that it ranked first in 1994, although it surprisingly lost relevance from 1996 onwards. Traditional leftist values such as *democracy* and *public support* seem to have played a minor role in the decision-making, as in the Centre's case for instance. Amazingly, values close to neoliberalism such as *economic orthodoxy* and *free enterprise* continued to move up on the party's agenda, especially in 1997 and 1998. On the other hand, *economic goals*, ranked second in 1994 and 1996, but slightly lost relevance in 1998.

Table 17: The Top Ten Issues in the SDP Party Documents from 1994, 1996, 1997 and 1998

Issue	Rank 1994	Share%	Rank 1996	Share%	Rank 1997	Share%	Rank 1998	Share%
Pro-labour	**1**	29,7	**10**	3,6	11	2,7	11	2,3
Economic goals	**2**	11,5	**2**	9,5	**6**	4,8	16	1,6
Social harmony	**3**	4,3	**3**	8,2	**8**	3,6	**10**	2,4
Free enterprise	**4**	3,5	23	0,1	21	1,2	**7**	3,9
Political authority	**5**	3,3	**4**	6,3	**10**	2,7	13	1,9
Foreign countries +	**6**	2,5	**1**	12,3	**3**	7,2	**5**	5,0
Economic orthodoxy	**7**	2,2	**8**	4,0	**2**	7,9	**2**	9,3
History -	**8**	2,2	~	~	~	~	~	~
Decentralisation in a political organisation	**9**	2,1	~	~	41	0,1	~	~
Social services expansion	**10**	1,8	26	0,1	14	2,4	18	1,4
Internationalism	11	1,7	**5**	5,8	**1**	13,0	**1**	19,1
Democracy	12	1,1	**6**	5,1	**4**	5,7	**8**	3,9
Public support	15	0,6	**7**	4,6	16	2,3	19	1,0
Sweden +	~	~	**9**	3,8	~	~	**3**	9,0
Political authority: other parties	~	~	~	~	27	0,6	**4**	5,2
Labour groups +	~	~	11	3,4	**5**	5,1	**6**	4,8
Foreign countries -	~	~	28	0,1	36	0,3	**9**	3,3
Centralisation in a political organisation	~	~	12	1,8	**7**	4,6	33	0,1
Structural funds	~	~	14	1,2	**9**	3,0	20	0,9

Like the Centre Party and the NCP, the SDP seems to have based its party decisions more on professional experience in that *centralisation in a political party organisation* ranked seventh in 1997: this was the year that the party council decided on its official EMU stand. The fact that the category *labour groups* was near the top five issues in 1997 and 1998 reflects the link between the party and the labour movement. Surprisingly, the category *political authority of other parties* ranked fourth in 1998, indicating that the SDP emphasised the EMU policy of other parties more strongly than the other major governing party during 1995–1999, the NCP. In sum, the category *economic goals* is accompanied by a strong focus on different leftist or rightist values such as *democracy, internationalism, pro-labour, economic orthodoxy, social harmony* and *free enterprise*. This emphasis is especially striking for all the major parties. The stronger emphasis on leftist values is also a major factor in explaining the leftward orientation of the parties and the leftward shifts on EMU issues during 1994–1999.

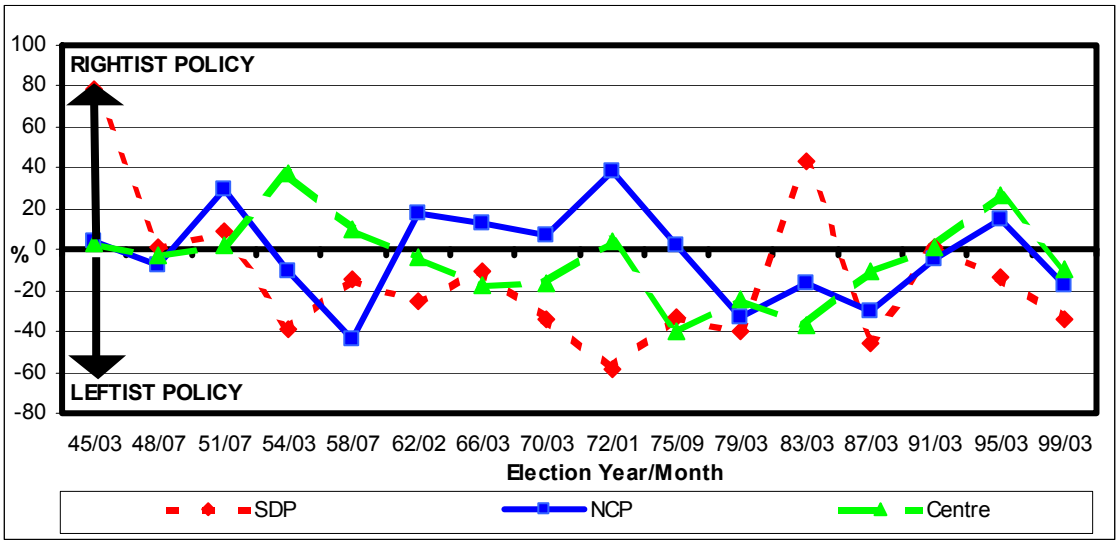
In sum, of the most striking results one could say that all of the parties seemed to strongly stress *economic goals* when they formed their EMU stands during the 1990s: the three major parties ranked this category in or near the top five every year. The most striking difference between the three concerns democratic, economic and international issues. Democratic issues played a more important role for the Centre on account of the continuous strong debate in the party during the 1990s on *democracy* as a method or goal and the involvement of the public at large in decision-making. On the other hand, *economic goals* seemed to be the focus of the NCP's EMU policy: it ranked first on the party's agenda nearly every year. In addition to that, values close to neoliberalism such as *economic orthodoxy, free enterprise* and *economic incentives* seemed to increase in relevance during the 1990s.

Meanwhile, the SDP stressed international issues such as *the EMU policies of foreign countries* more than the other two major parties. Its impact is reflected in the high proportion of arguments falling into *internationalism.* The most striking finding is that values close to neoliberalism moved up on the party's agenda, while the traditional socialist values *pro-labour, democracy* and *public support* lost relevance during the 1990s. The fact that emphasis on *labour groups* increased in relevance 1997 and 1998 indicates the link between the party and the labour movement. All the three major parties seemed to base party decisions more on professional experience, reflected in the high ranking of *centralisation in a political party organisation,* especially during the years 1996–1997.

5.2 Is it the End of Ideology in Relation to EMU?

Figure 10 shows how the content-analysis of the electoral documents places the parties on the left-right scale, and traces their movements directly and graphically. It has been argued that the Finnish situation was complicated by its semi-presidential regime, which often saw the holder of the office, particularly Urho Kekkonen, intervening in the formation of the government in favour of his own party (up to the 1980s the Agrarians or the Centre Party) (Budge et al. 2001, 41). The forming of diverse coalitions with the Centre seems to explain its path through the middle of the left-right scale. On the other hand, the NCP was generally excluded from government before 1987, which is reflected in its more distinctive policy profile until the 1980s. The frequent associations of parties in short-lived coalitions seemed to produce ideological and policy confusion, mirrored in the substantial overlapping (ibid., 41). The figure is primarily presentational: the NCP and Centre were relatively close on left-right issues in 1991 and 1999, but the SDP moved dramatically to the left in 1991, and even further in 1995 and 1999.

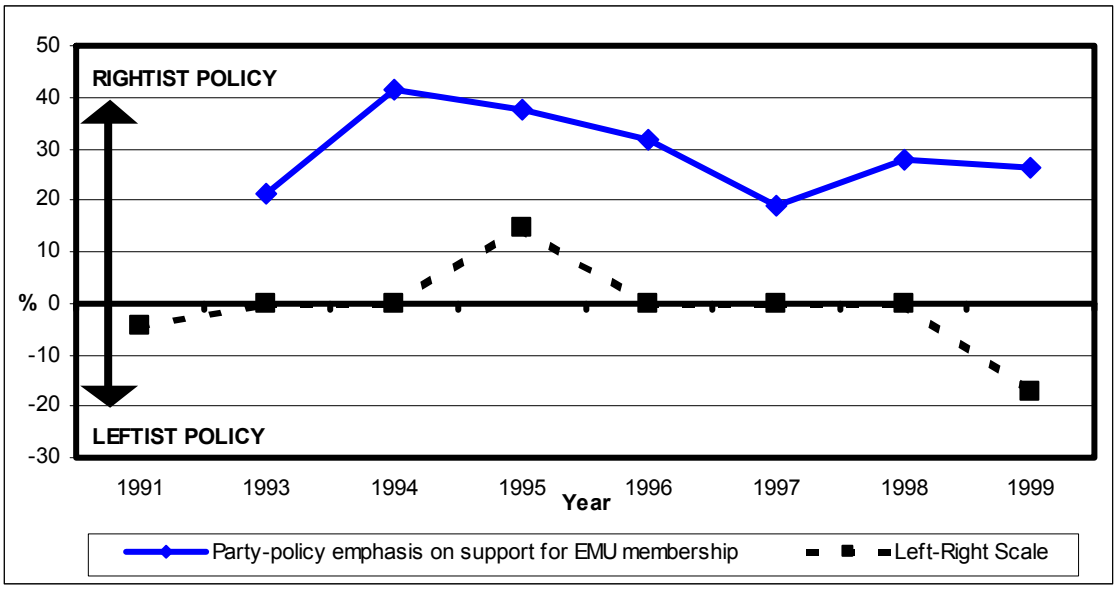
Figure 10: The Left-Right Positions of the Major Parties in Finland, 1945–1999



Note: The left-right scale was formed by summing the percentage references to the categories grouped as left or right in Table 7, and subtracting the sum of the former from the sum of the latter. In order to assess the impact of the role of ideology and to trace the movement of the left-right scale during the 1990s, the author collected and coded the 1999 election programmes of the SDP, the NCP and the Centre. He then connected the findings from that data to data on the 1991 and 1995 elections in Finland compiled earlier (see Budge et al. 2001).

The NCP and the Centre also moved from a Rightist agenda towards the left, closer to the SDP. In practice, the figures are interesting in terms of the picture they give of national politics. They can also be used as a straightforward operationalisation of theories of party competition. For instance, they give a convenient summary of the preferred policy positions of parties as opposed to their actions or record in government. The left-right figure could be supplemented by average party-policy positions on more detailed scales. It is therefore appropriate to ask how the EMU policy emphasis of the major parties compares to the left-right scale derived from electoral party documents. With regard to the left-right and EMU issue, the general hypothesis on the role of ideology states that a shift to the right or to the left by a political party has different consequences in terms of European integration policy: a shift to the right is assumed to prompt a more favourable attitude. In practice, the quantitative analysis gave limited evidence to support this proposition. Figure 11 shows the development of the NCP's support for EMU during 1993–1999 compared to the left-right scale measured from the party's electoral manifestos in 1991, 1995 and 1999. The results might support the hypothesis that the shift to the right by the NCP prompted a more favourable EMU policy, especially in the election year of 1995, but the party moved drastically to the left in the election year of 1999 while still supporting EMU.

Figure 11: The NCP's Average Emphasis on EMU in 1993–1999 vs. the Left-Right Scale, 1991–1999



Note: The left-right scale is based on coded data comprising the 1991, 1995 and 1999 election programmes. It was formed by summing the percentage references to the categories grouped as left or right in Table 7, and subtracting the sum of the left percentages from the sum of the right percentages. The EMU index is made up by subtracting the sum of the former from the sum of the latter. The EMU index was compiled by subtracting the sum of the positive (5015) percentages from the sum of the negative (5016) percentages.

In practice, EMU ideology was encapsulated rather well by the party leader Sauli Niinistö, who gave pragmatical reasons for the party's stand:

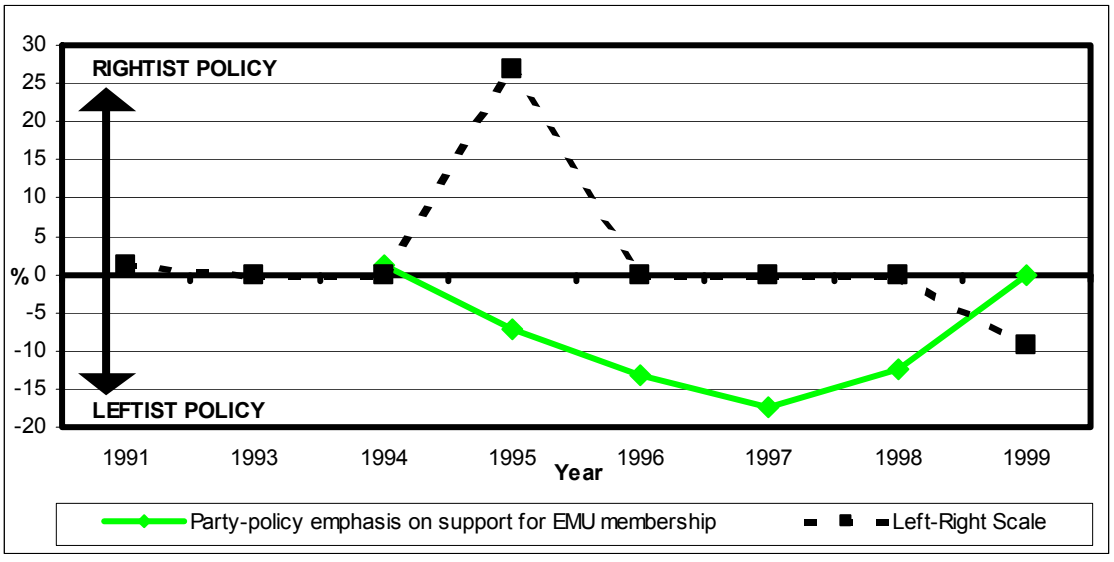
> Of course, respect for a stable economy was an ideological factor, and another factor was a strong commitment to Western Europe. These were ideological starting points for sure, but they are practical as well. Some of the core party supporters believed that there were security reasons too. We wanted to have a

> stable society and currency. I don't remember a standpoint on the market economy.[59]

With regard to the role of ideology in the EMU policies of the Centre, Figure 12 indicates that the results do not support the hypothesis either: the left-right scale moved drastically to the right in the election year of 1995, while the party continued to oppose EMU membership. For much of the 1997–1998 period the Centre pursued a very pragmatic policy against it. For instance, the parliamentary group stressed that there was no need for the ideological adventure that commitment to EMU would be.[60] The party's stand had to be formed in line with the national interests.[61]

Similarly, Mauri Pekkarinen, the leader of the party's EMU expert working group in 1997, expressed this point rather well, reasoning that the Centre did not have any ideological message during the EMU process, and rather emphasised stable economic development. In brief, the party took a very pragmatic approach.[62] Its leader Esko Aho said that ideology always had an influence on where the party stood, explaining that ideological questions had more dimensions than the traditional division between a market and a planned economy.[63] He claimed that its ideology influenced the party's EMU stand in accordance with factors such as its move from government to opposition in 1995 and the negative public attitude to EMU.[64]

Figure 12: The Centre's Average Emphasis on EMU in 1994–1999 vs. the Left-Right Scale, 1991–1999



The left-right scale is based on coded data comprising the 1991, 1995 and 1999 election programmes. It was formed by summing the percentage references to the categories grouped as left or right in Table 7, and subtracting the sum of the former from the sum of the latter. The EMU index was compiled by subtracting the sum of the positive (5015) percentages from the sum of the negative (5016) percentages.

[59] Interview with Sauli Niinistö 14.6.2007.
[60] The protocol of the working group of the parliamentary group 6.2.1997 and 18.8.1997.
[61] The protocol of the working group of the parliamentary group 6.2.1997 and 18.8.1997.
[62] Interview with Mauri Pekkarinen 15.6.2007.
[63] Interview with Esko Aho 30.8.2007.
[64] Interview with Esko Aho 30.8.2007.

Similarly, the Centre party secretaries Eero Lankia and Pekka Perttula pointed out that there were ideological factors related to patriotism during the position-taking process. However, they neglected to mention that factors such as a market or a planned economy would have influenced the party's EMU stand. Lankia described this as follows:

> Our opposition period started after the 1995 elections. In ideological terms, the then Prime Minister Paavo Lipponen's policy was to approach the core countries of the European Union and at the same time discuss the common monetary policy. Indeed, ideology influenced the party's EMU stand: it followed a more patriotic and critical line than the average in the other countries, as it did in other questions to do with the European integration policy. We wanted to stand on our own feet. Our own national currency and monetary policy played the key role in maintaining our national identity.[65]

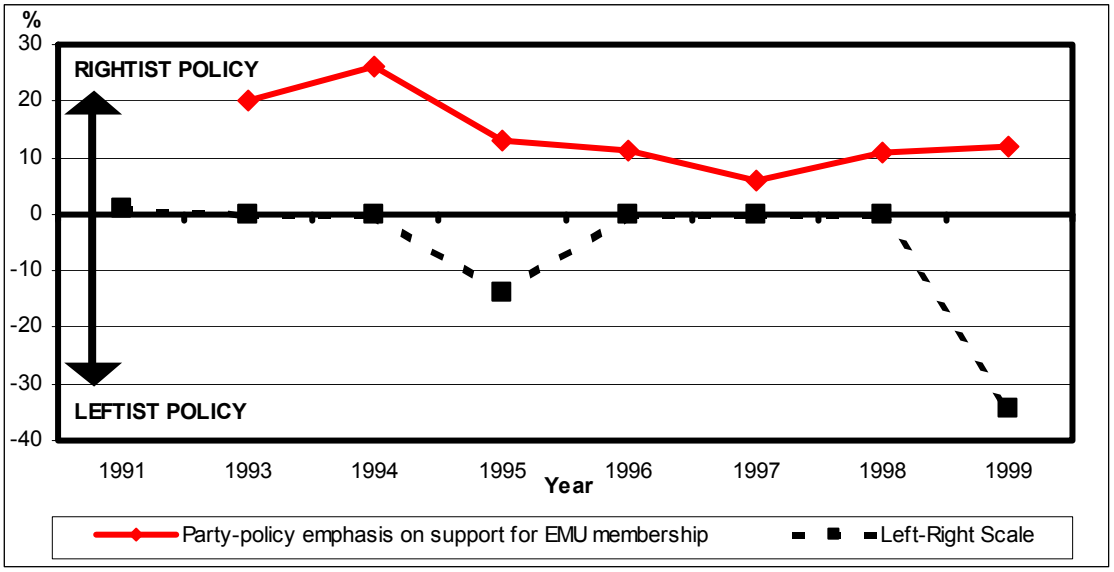
In addition, Paavo Väyrynen, the leader of the opposition within the party, agreed with Lankia, claiming that one of the political and at the same time ideological arguments was that the common currency was a step towards federalism. In the long run, Finland would approach the core countries, and as a result would lose its independence.[66] Perttula also agreed with Lankia and Väyrynen on the subject of patriotism:

> The ideological tension focused on Finland's independence. The party's core supporters asked why Finland was sold on the European Union despite the fact that it had managed to keep its independence through the tough wars it had fought. We felt that the national currency had a symbolic value, which would be lost following EMU membership. Moreover, these supporters were sceptical and feared the consequences of globalisation. For instance, the Government formed by Prime Minister Paavo Lipponen decided to cut the agriculture budget in 1995.[67]

As Figure 13 shows, the results do not support the hypothesis in the case of the SDP either: it remained on the left of the scale throughout the 1990s even though it was in favour of EMU membership.

[65] Interview with Eero Lankia 4.6.2007.
[66] Interview with Paavo Väyrynen 13.6.2007.
[67] Interview with Pekka Perttula 30.5.2007.

Figure 13: The SDP's Average Emphasis on EMU in 1994–1999 vs. the Left-Right Scale, 1991–1999



The left-right scale is based on data comprising the 1991, 1995 and 1999 election programmes. It was formed by summing the percentage references to the categories grouped as left or right in Table 7, and subtracting the sum of the former from the sum of the latter. The EMU index was compiled by subtracting the sum of the positive (5015) percentages from the sum of the negative (5016) percentages.

Nevertheless, the SDP moved to the left in 1995 and became slightly less favourable to EMU. The party leader Paavo Lipponen stated at the council meeting on 24 September 1997 that EMU was a reality for the Finns, and was not an ideological solution.[68] He made practical reference to the role of ideology and neglected to mention that factors such as a market or a planned economy influenced the party's stand. EMU improved and stabilised Finland's economy, for instance. It was not an end in itself, but an instrument for achieving economic stability and credibility. Thus, Finland, as an EMU member state was able to minimise risks and achieve better development in terms of employment.[69] The party secretary Markku Hyvärinen described this point rather well:

> From our point of view EMU was not an ideological question. Ideologically we wanted to have more international contacts and co-operation as a result of European integration. The SDP chaired by Kalevi Sorsa introduced a new foreign policy and focused on international co-operation. The party acquired better-than-average knowledge of the European way of life. We used to visit Brussels even during the 1980s. We focused on basic values: for instance, the idea of a peaceful and stable Europe was put forward in *the Treaty of Rome*. EMU enhanced co-operation between the European countries. Our vision was to create more peaceful and secure conditions in Europe.[70]

Thus Raimo Sailas, the permanent secretary at the Ministry of Finance, supported the argument on the pragmatic nature of the EMU process, and claimed that those who pushed the EMU project forward were market-economy minded. It should be remembered that the government that finally decided on Finland's positive stand was the rainbow coalition government, and that EMU would have

[68] The speech by the chairman at the party council of the SDP 24.9.1997.
[69] Interview with Paavo Lipponen 14.6.2007.
[70] Interview with Markku Hyvärinen 5.6.2007.

been a less-than-ideological project if it had been measured on indicators of a market or a planned economy. In sum, Sailas said that it was difficult to find any ideological reasons.[71]

In conclusion, the available quantitative analysis provides limited evidence to support the general hypothesis on the role of ideology. In other words, the EMU policy-making of the political parties seemed to confirm the non-existence of a relationship between left-right attitudes and European integration. However, there was a slight exception. In the case of the NCP in 1995 the findings might support the proposition that the shift to the right prompted a more favourable EMU policy. On the other hand, the NCP moved to the left during the 1999 election while still pursuing a favourable policy. Similarly, the most clear finding is the lack of support for the proposition in the case of the Centre because of its sharp move to the right during the 1995 elections while it was still opposing EMU: nor do the results support the proposition in the case of the SDP, which remained on the left-hand side of the scale throughout the 1990s although it was in favour of EMU membership. Nevertheless, the party moved to the left in 1995 when it became less favourable to EMU. The secondary proposition on the role of ideology posits that the more towards the right on the left/right map the party is, the greater the tendency to adopt a favourable EMU policy. This proposition cannot be straightforwardly substantiated: the EMU index and the left-right scale are completely reversed in the case of the Centre party, for instance. Nonetheless, closer examination shows that the proposition is not completely without foundation. For instance, when the NCP moved further to the right in 1995 it was more favourable to EMU than before. The results are far more ambiguous in the case of the SDP.

According to the interview data, it also seems that ideology played a minor role during the EMU process. For instance, the NCP party leader Sauli Niinistö said that he did not remember a standpoint on the market economy.[72] Similarly, Mauri Pekkarinen, the leader of the Centre's EMU report group, was of the opinion that the party did not have any ideological message during the EMU process:[73] on the contrary, it took a very pragmatic approach.[74] The Centre Party secretaries Eero Lankia and Pekka Perttula neglected to mention that factors such as a market or a planned economy could have infuenced the party's EMU stand.[75] In addition, the SDP party leader Paavo Lipponen stated in his speech at the party council that EMU was a reality for the Finns.[76] It was therefore a non-ideological solution, which was how the party secretary Markku Hyvärinen described it.[77] Meanwhile, Raimo Sailas, the permanent secretary at the Ministry of Finance, said that EMU would have been an non-ideological project if it had been measured on indicators of a market and a planned economy, suggesting that it was difficult to find any ideological reasons.[78] In sum, while there is no hard evidence supporting the propositions on the role of ideology, there are interesting signs that are

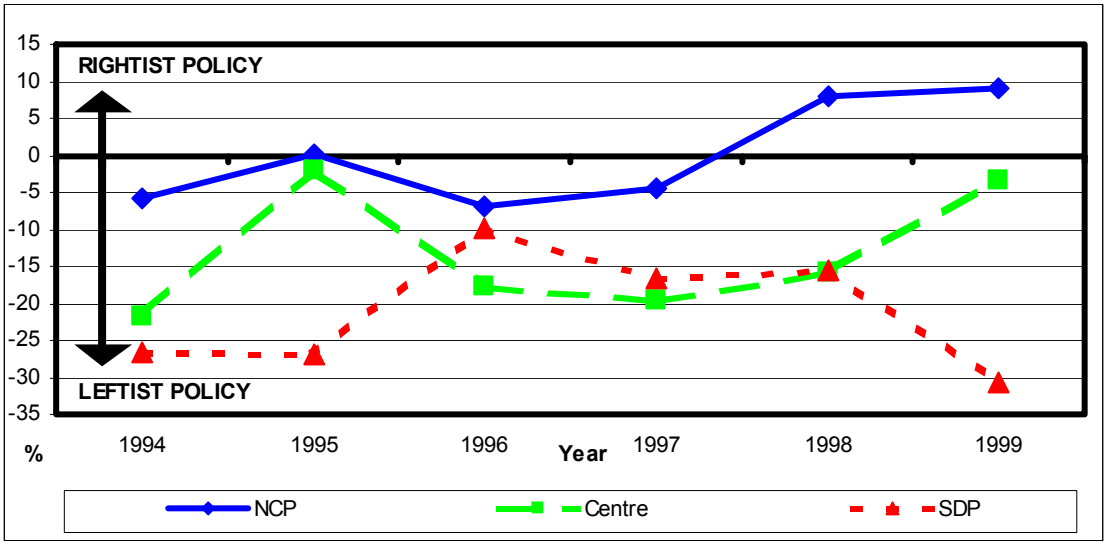
[71] Interview with Raimo Sailas 18.6.2007.
[72] Interview with Sauli Niinistö 14.6.2007.
[73] Interview with Mauri Pekkarinen 15.6.2007.
[74] Interview with Mauri Pekkarinen 15.6.2007.
[75] Interview with Eero Lankia 4.6.2007 and Pekka Perttula 30.5.2007.
[76] The speech by the chairman at the party council of the SDP 24.9.1997.
[77] The speech by the chairman at the party council of the SDP 24.9.1997. Interview with Markku Hyvärinen 5.6.2007.
[78] Interview with Raimo Sailas 18.6.2007.

valuable as far as other hypotheses in this research work are concerned. For instance, the Centre's opposition to EMU increased consistently during the 1990s, but the emphasis started to soften during 1997–1999. Its hostility reached a peak in 1997 when the Finnish Government released its EMU report. The most surprising finding is that the Centry Party was slightly favourable to EMU in 1994 while in government, but was unfavourable while in opposition in 1995–1999.

5.2.1 The Left-Right Movement of the Political Parties

How do the overall policy stances compare with the expectations summarised earlier in light of the measured left-right ideological movements and EMU emphasis? As Figure 14 shows, the first finding is indeed that the NCP radically changed from a slightly left-wing to a right-wing position in its EMU arguments in 1998. This rightward shift was due, above all, to its stronger emphasis on policy areas traditionally associated with the right, such as *economic orthodoxy, free enterprise* and *economic incentives.* Its previous leftward shift was accounted for, in part, by an increased emphasis on policy areas traditionally associated with the left, such *expansion of the social services, internationalism, a pro-labour stance* and *public support.*

Figure 14: Average EMU Emphasis on a Left-Right Scale in the Party Documents, 1994–1999



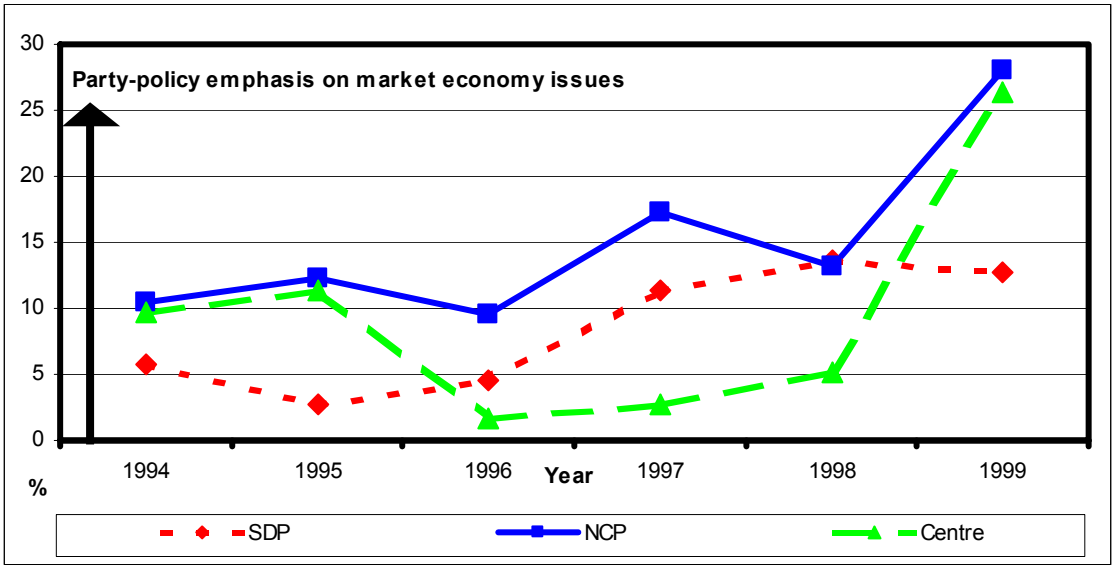
The left-right scale is based on the party documents collected for the present study. It was formed by adding the percentage references to the categories grouped as left or right in Table 7, and subtracting the sum of the former from the sum of the latter.

Meanwhile, the Centre moved from the left to the centre of the scale when it went into opposition in 1995, evidenced in its stronger emphasis on *economic orthodoxy* and *a national way of life* and less emphasis on *democracy.* It clearly remained on the left during 1996 and 1997, emphasising leftist values such as *democracy, public support, the need for an EMU referendum, internationalism* and *a pro-labour stance.* A stronger emphasis on *economic incentives, social harmony* and *a national way of life* took it to the centre of the scale in 1998, and even further in 1999. In general, the SDP remained in a distinctively left-wing position during the 1990s, but made a slight move to the centre during 1996

and 1998. At that time, it started to place less emphasis on leftist values such as being *pro-labour* and *public support*, and more on rightist values such as *economic orthodoxy, free enterprise* and *social harmony.*

In order to provide some historical background to the issues that arose during 1994–1999, and to the changes in emphasis that occurred over the 1990s, graphical analyses were concucted showing how the party stances changed. In order to trace the changes some of the categories listed in the Appendices were combined. The resulting indicators were designed to highlight the changes in certain key policy areas during the 1994–1999 period on a more specific level than the left-right scale. Their construction is described in the Appendices. A major dividing line between right-wing and left-wing parties has traditionally been whether the economy is to be run through free markets or government planning. Figures 15 and 16 show how this division, which was so important in the past as a component of left-right differences, developed during the 1990s in light of the arguments of the major political parties. The most striking difference is that all three major parties placed more emphasis on a market economy than on a planned economy. Figure 15 shows how the NCP and the SDP placed slightly more emphasis on market-economy issues than the Centre during 1996–1998.

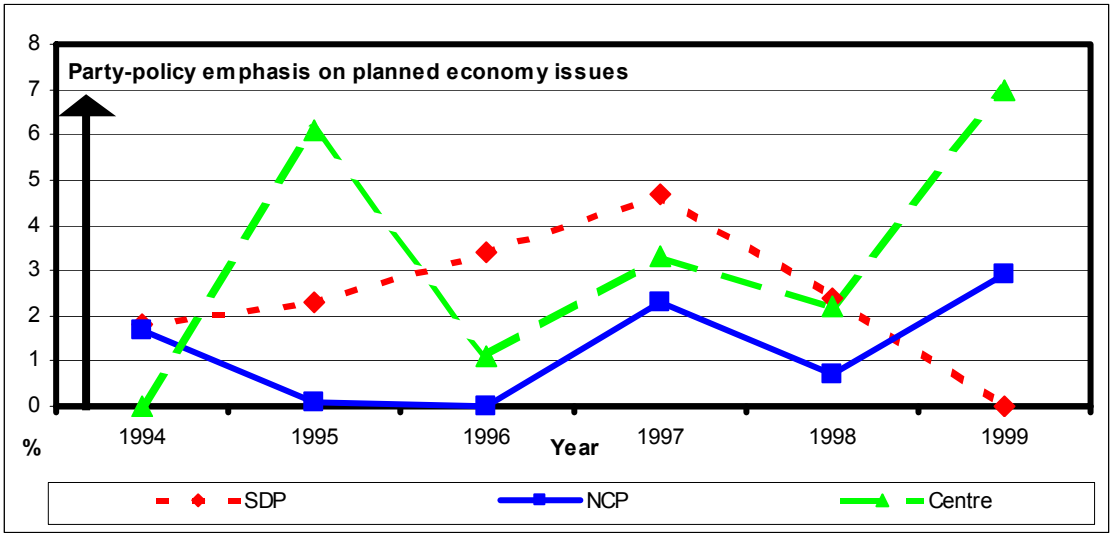
Figure 15: Average Emphasis on a Market Economy in the Party Documents, 1994–1999



Note: The market economy index was compiled by adding the percentage references of the following categories: free enterprise (105), economic incentives (106), anti-protectionism (107), economic orthodoxy (108) and social services limitation (109).

In contrast, the emphasis on a planned economy increased in 1997 in all the major parties due to the discussion on using buffer funds to support the economy. It seems that the Centre put more emphasis on a planned economy than the other two major parties, but overall there were hardly any major differences between the three.

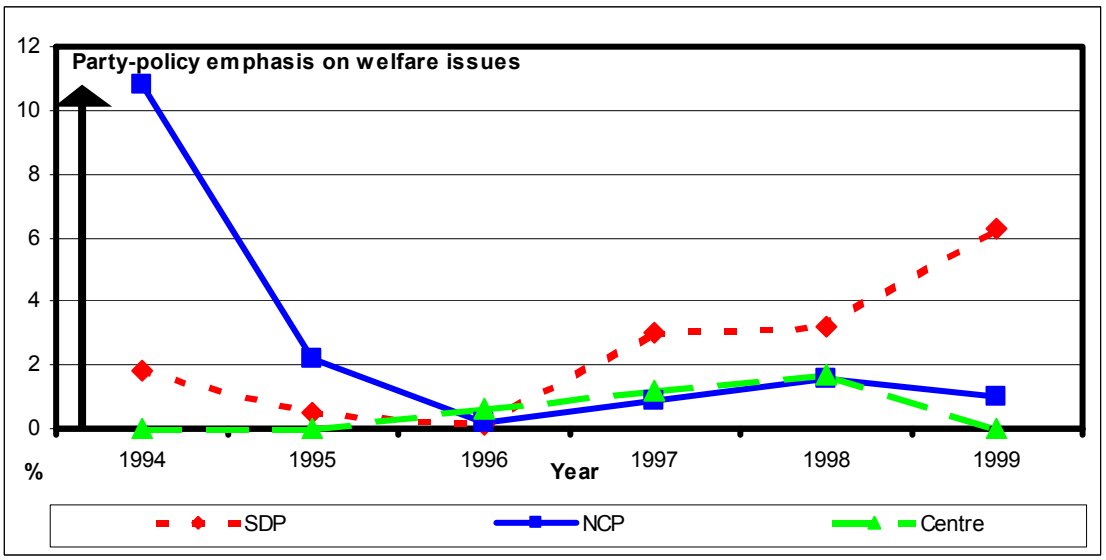
Figure 16: Average Emphasis on a Planned Economy in the Party Documents, 1994–1999



Note: The planned-economy index was compiled by adding the percentage references of the following categories: regulate capitalism (119), economic planning, differentiated into one sub-category (120), 1201 EC/EU structural fund: positive, pro-protectionism (121), controlled economy (122) and nationalisation (123).

The main traditional difference remained in the area of welfare. As Figure 17 shows, the SDP continued to manifest its traditional support for this area and there was clear differentiation between it and the other two parties from 1996 onwards. On the other hand, the NCP strongly supported *the expansion of social services* in 1994, but did not prioritise it later on.

Figure 17: Average Emphasis on Welfare in the Party Documents, 1994–1999

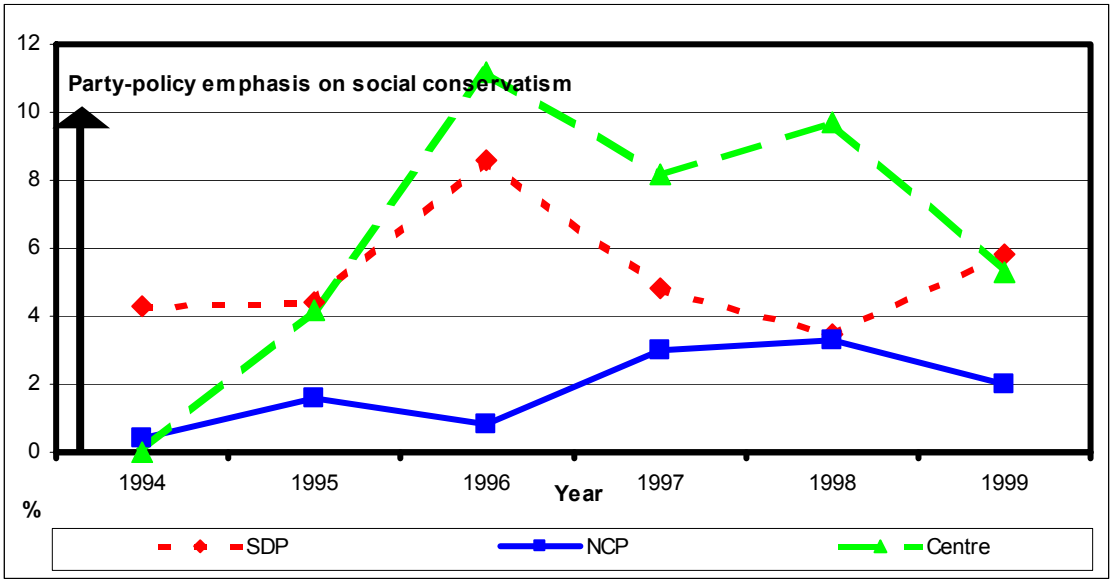


Note: The welfare index was compiled by adding the percentage references of the following categories: social-services expansion, differentiated into four sub-categories (124), pensions (1241), health care and nursing service (1242), social housing (1243) and child care (1244).

Figure 18 reveals some remaining distinctions in terms of social conservatism. This is mainly attributable to the fact that it incorporates law and order, which right-wing parties continued to prioritise heavily. Both the SDP and especially the Centre, however, markedly increased their emphasis on this

during the 1990s to an extent that helps to account for their overall rightward moves. Surprisingly, the NCP did not prioritise the values of social conservatism in its positions.

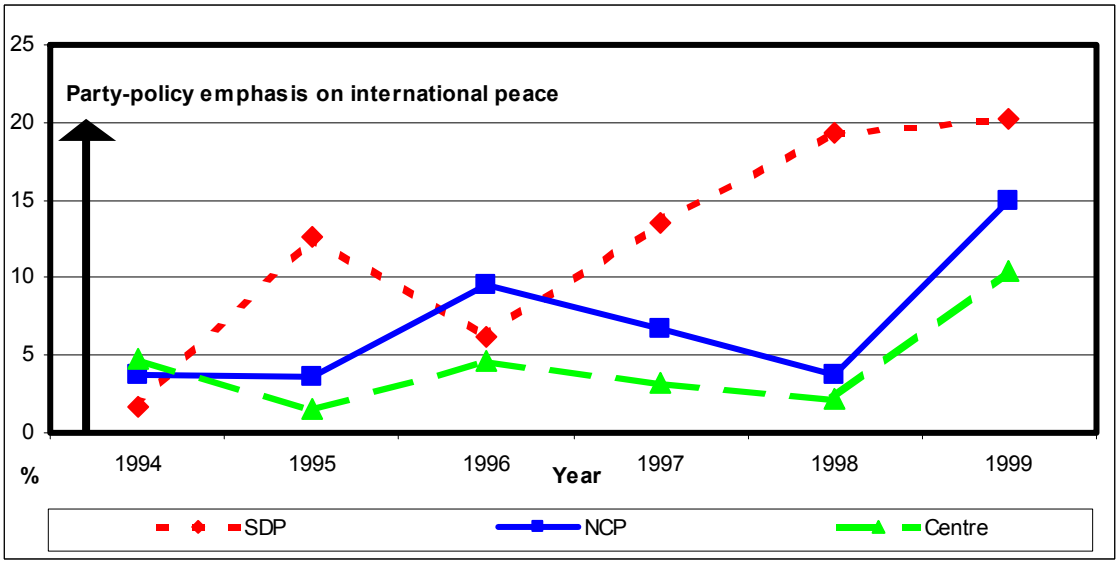
Figure 18: Average Emphasis on Social Conservatism in the Party Documents, 1994–1999



Note: The social-conservatism index was compiled by adding the percentage references of the following categories: constitutionalism (103), effective authority (104), national way of life, differentiated into one sub-category (110), retaining the national way of life in Europe, the EC/EU (1101), traditional morality (111), law and order (112) and social harmony (113).

Figure 19 reveals an emphasis on international peace. In spite of the SDP's very much higher value on international security in 1997–1999, the positions of the parties remained very close. International peace remained the Social Democrats' flagship issue. The EMU stand of the SDP signalled its emphasis on *internationalism* and other transnational issues.

Figure 19: Average Emphasis on International Peace in the Party Documents, 1994–1999



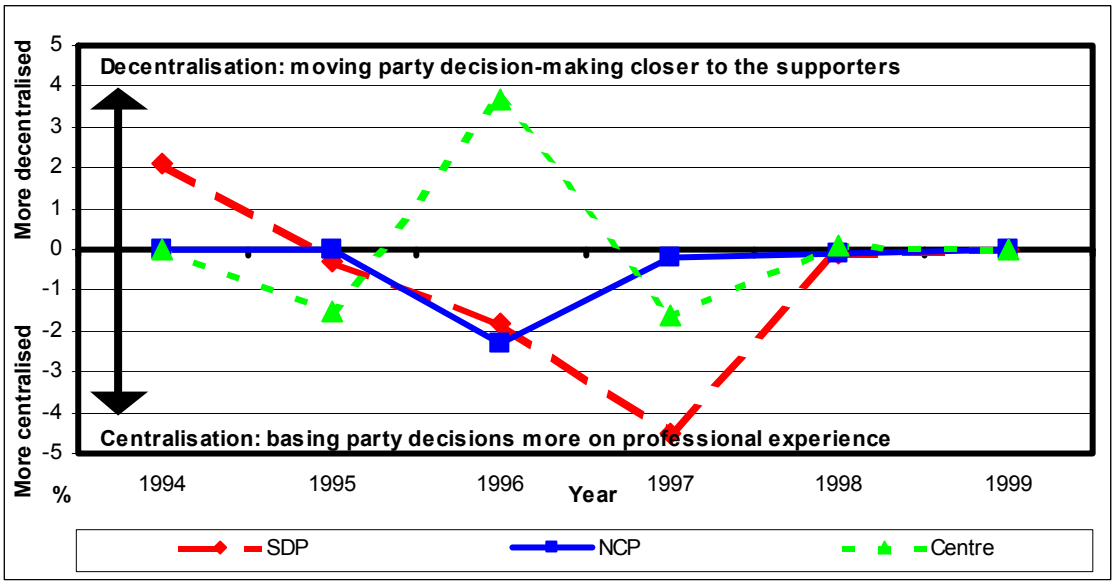
Note: The peace and co-operation index was compiled by adding the percentage references of the following categories: decolonisation, anti-imperialism (114), anti-military (115), peace (116) and internationalism (117).

In general, the figures discussed confirm perceived general impressions about the development of EMU party policy during 1994–1999. It could be said that neoliberalism emerged in the party positions focusing on a reduced role for government and acceptance of a free market. For instance, the most striking difference was the stronger emphasis of all three major parties on a market economy than on a planned economy: they all converged on this issue. Meanwhile, there were differences in views on welfare and international peace. In terms of welfare, the SDP continued to show its traditional support, and there was a clear differentiation between it and the other two major parties from 1996 onwards. Similarly, international peace was ultimately the Social Democrats' distinctive issue: its EMU stand signalled its emphasis on *internationalism* and other transnational issues, for instance. Meanwhile, there were some distinctions in terms of social conservatism. Both the SDP and the Centre, however, markedly increased their emphasis on this during the 1990s to an extent that helps to account for its overall rightward moves. Surprisingly, the NCP did not prioritise the values of social conservatism in its positions.

5.3 The Strongest Supporters Are at the Highest Elite Level

The hypothesis on the role of internal elites states that the strongest supporters of European integration are to be found on the top level of the internal structures. More specifically, the more specialist knowledge and cosmopolitan personal experiences people have, the greater their tendency to support centralised political and administrative procedures. Figure 20 clearly illustrates that the EMU policy-making in the SDP and NCP organisations remained centralised, especially in 1996 and 1997.

Figure 20: Average Emphasis on Decentralisation and Centralisation in the Centre, SDP and NCP Party Documents, 1994–1999



Note: The index of decentralisation and centralisation in a political party organisation was formed by subtracting the sum of the decentralisation (2011) percentages from the sum of the centralisation (2021) percentages.

The Centre also favoured centralised procedures in 1995 and 1997. During these years the parties continued to professionalise, introducing, following or expanding expert recommendations in their political and adminstrative procedures. In brief, they based their EMU decisions more on professional expertise than on the opinions of their supporters. As Figure 20 shows, the available quantitative evidence supports the common view that EMU policy-making was centralised. Generally, it seems that the preparatory or advisory work was done by a small group of individuals surrounding the party leadership, which then drew up the EMU position, based in part on the underlying party ideology but also on its interpretations of what was most marketable. Within the SDP, the so-called integration group became the central organ for drafting the party's stand on European integration in the early 1990s. This group eventually came under the influence of an expert working group led by Jukka Pekkarinen, an economist. In fact, it was a committee set up by the Government of Finland to study the advantages and disadvantages of Finland's EMU membership for the national economy. The SDP party secretary Markku Hyvärinen expressed this point well:

> The integration group of the party played a central role when the SDP formed its EMU stand during the 1990s. The composition of the group, which was chaired by Ulf Sundqvist, was broadly based. For instance, it drafted a unanimously positive stand which was later accepted at the meeting of the party council. The group also acted as a central organ for the SAK: experts were consulted on a range of issues during the decision-making process.[79]

The role of specialist knowledge and the tendency to favour centralised political and administrative procedures are clearly visible in the EMU Report of the expert working group chaired by Jukka Pekkarinen. For instance, according to the SDP party leader Paavo Lipponen, the reports of the expert working groups, especially *Finland and EMU* (1997), had a tremendous influence on the party's EMU stand. Interestingly, Lipponen emphasised that if the conclusions or the recommendations in the report had been clearly critical it would have had a tremendous influence on the whole EMU process.[80] The role of specialist knowledge was also quite clearly shown in the discussion among the SDP elite at the meetings of the party executive committee in 1996:

> The Government of Finland has set up an expert working group with the primary task of compiling a draft report to explore the potential risks of EMU. The party's decision on whether we support EMU membership will be reached before the decision of the labour movement in the late spring or autumn of 1997.[81]

> The party council will draft a principle EMU stand in early spring. The debate is ongoing inside the party and the labour movement. I think it would be best to make sure that we have all the expertise available, for instance Jukka Pekkarinen, and others too, as widely as possible. Jukka Pekkarinen's report will not be published until the end of May.[82]

[79] Interview with Markku Hyvärinen 5.6.2007.
[80] Interview with Paavo Lipponen 14.6.2007.
[81] The protocol of the party executive committee of the SDP 14.11.1996.
[82] The protocol of the party executive committee of the SDP 9.1.1997.

The party executive committee highlighted the need for Jukka Pekkarinen's EMU Report in 1997: it would provide background information that would help in preparing *the Government Report on EMU,* for example.[83] The tendency to support centralised political decision-making was clearly evident at the council meeting on 24 September 1997, when it announced its positive EMU stand. The party leader Paavo Lipponen emphasised the role of the leadership during the position-taking process:

> Today, it is time to decide on the Social Democrats' EMU stand on whether Finland should join the third phase of EMU or not. The party's chairmen and executive directors reached a unanimous decision yesterday. It states that Finland should be among the first EU member states to join the EMU in the third phase.[84]

The conclusions of Jukka Pekkarinen's expert working group were influential in the contribution of the SDP parliamentary group to the debate on the *Government Report on EMU* on 20 May 1997. The main message in Erkki Tuomioja's speech was that expert reports had clearly provided information on the beneficial factors of EMU: "Pekkarinen's Report effectively destroys the illusion that it is possible and justified to practise a stable inflation policy with a zero-inflation target as a non-EMU member state". Tuomioja also clearly stated that the economy would be more efficient and cost-effective if Finland belonged to the common currency area, and talked about the risks if the country did not become an EMU member state.[85]

There was clearly a common tendency within the NCP to utilise specialist knowledge and to adopt centralised political and administrative procedures. For instance, the fact that *centralisation in a political organisation* ranked ninth in 1996 of the top ten issues covered during 1994–1999 indicates that the party favoured centralised political procedures during the EMU position-taking process. The party leader Sauli Niinistö expressed his thoughts as follows: "Most of the expert groups were uninfluential. On the other hand, if most of the reports had been sharply negative towards EMU, then we would have discussed what to do".[86] This was almost identical to the position of the SDP party leader Paavo Lipponen. At the parliamentary group meeting on 3 February 1997 the NCP took the stand that it was still unwise to make a final decision on EMU, and decided to focus attention on *the Government Report on EMU,* which looked closely at the guidelines set out in Pekkarinen's Group Report.[87] The speaker of the NCP parliamentary group, Ilkka Kanerva, neglected to mention the conclusions of Jukka Pekkarinen's Report during the Parliamentary debate on the *Government Report on EMU* on 20 May 1997.[88] Moreover, the party failed to refer to the EMU report produced by Jukka Pekkarinen's group or to any other reports during the Parliamentary debate on *the Government Statement on EMU* in spring 1998.

[83] The protocol of the party executive committee of the SDP 13.2.1997 and 24.4.1997.
[84] The speech by the chairman at the party executive committee of the SDP 24.9.2007.
[85] The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 20.5.1997.
[86] Interview with Sauli Niinistö 14.6.2007.
[87] The protocol of the parliamentary group of the NCP 3.2.1997.
[88] The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 20.5.1997.

The role of specialist knowledge in the internal structures of the Centre was shown quite clearly when the party executive committee and the parliamentary group debated and formed its EMU stand. Compared to the other two major parties in this study, the Centre emphasised the role of Mauri Pekkarinen's EMU report more strongly than that of Jukka Pekkarinen's counterpart study. The party also took account of the results of the report of the expert committee chaired by Lars Calmfors, a Swede, and Hannu Tervo. Basically, it took three steps in collecting its arguments on EMU during the position-taking process.[89] First, the party politicians made use of the Chamber of EU Affairs of Parliament, which produced information on EMU for decision-making purposes. Secondly, they adopted the conclusions of the working group for Finance Policy, which viewed the EMU process as part of Finland's economic policy. Thirdly and most importantly, they adopted the conclusions of Mauri Pekkarinen's expert working group, which was set up in February 1997 by the party executive committee in order to produce a political manifesto on the advantages and disadvantages of EMU.[90]

It is worth noting that Mauri Pekkarinen's group played a key role in the party's position-taking process because it influenced how the Centre would react with regard to EMU.[91] For instance, Mauri Pekkarinen was characterised as one of the key influencers inside the party organisation, and it was the leader Esko Aho who ordered him to clarify the party's EMU stand.[92] The executive committee concluded that the timetable for deciding on its stand depended on the findings of the Chamber for EU Affairs, the finance-policy group and Mauri Pekkarinen's expert EMU group.[93] In the end, Mauri Pekkarinen's group recommended to the executive committee and the congress that Finland should not be among the first EU member states to join the EMU.[94]

Nonetheless, Mauri Pekkarinen presented the key findings of his group's EMU report at the party executive committee meeting in Helsinki on 19 June 1997. The most significant conclusion was that Finland should not join the EMU during the first phase if Sweden decided to oppose it, but should not stay outside for any length of time if Sweden was an EMU member state. In addition, there was a need for an adaptation programme for Finland.[95] Finally, the party congress reached a unanimous decision on the party's EMU stand in September 1997.[96] Most significantly, it decided to adopt the same wording as in the conclusions of Mauri Pekkarinen's EMU Report: "if EMU consists of only a small number of countries, Finland should not be among the first EU member states to join".[97] The Centre pointed out that Mauri Pekkarinen's report provided them with the necessary guidelines and

[89] The protocol of the parliamentary working group of the Centre 6.3.1997.
[90] The expert working group chaired by Mauri Pekkarinen was a committee which was set up by the Centre to study the advantages and disadvantages of Finland's EMU membership for the national economy. The party congress of the Centre had already decided in 1996 that and an extraordinary congress would decide on its EMU position in 1997. Interview with Eero Lankia 4.6.2007. The protocol of the working group of the party executive committee of the Centre 6.2.1997 and 7.3.1997.
[91] The protocol of the parliamentary working group of the Centre 6.3.1997.
[92] Interview with Eero Lankia 4.6.2007.
[93] The protocol of the working group of the party executive committee of the Centre 13.3.1997.
[94] Interview with Eero Lankia 4.6.2007.
[95] The protocol of the party executive committee of the Centre 19.5.1997.
[96] Interview with Eero Lankia 4.6.2007.
[97] The protocol of the parliamentary working group of the Centre 18.–19.8.1997.

the arguments for its EMU stand.[98] It gave them credibility in line with the change in public opinion.[99] Similarly, Aho said that expert reports played an important role during the position-taking process, confirming that the formulation or wording of the party's stand was based on Mauri Pekkarinen's EMU Report.[100]

It is worth noting that Mauri Pekkarinen was widely consulted by experts close to the party during the EMU report-writing process. A typical example was Paavo Okko, who specialised in the relationship between EMU and the regions of Finland.[101] Further, during the Parliamentary debate on *the Government Report on EMU* on 17 June 1997 the speaker of the Centre parliamentary group, Matti Vanhanen, referred to the integration research work done by Professor Hannu Tervo, singling out his conclusions that local areas specialised in certain economic issues were strongly influenced by possible asymmetric shocks.[102] Furthermore, the party reviewed and intensely debated the findings of Lars Calmfors' EMU report, which explored the advantages and disadvantages of membership for Sweden.[103] One of the main conclusions, which the party highlighted centred on the argument that as an EMU member state there were more risks for Finland than for Sweden due to its high unemployment rate and simple economic structure.[104]

Surprisingly, during the Parliamentary debate on *the Government Statement on EMU* on 19 February 1998 the speaker of the Centre parliamentary group, Mauri Pekkarinen, strongly criticised the report of the expert working group chaired by Jukka Pekkarinen, his main point being that it consisted of facts produced by bureaucrats.[105] Consequently, this report played a minor role compared to Mauri Pekkarinen's counterpart report during the party's position-taking process. The Centre's opposition leader Paavo Väyrynen also highlighted the role of the expert opinions and confirmed that party executives were tremendously influenced by the reports.[106] He used expressions such as, "the working group on economic affairs of the Centre and EMU articles in the press had an influence on the party executives' EMU stand".[107] The role of specialist knowledge and the tendency to favour centralised political and administrative procedures was encapsulated rather well by Mauri Pekkarinen:

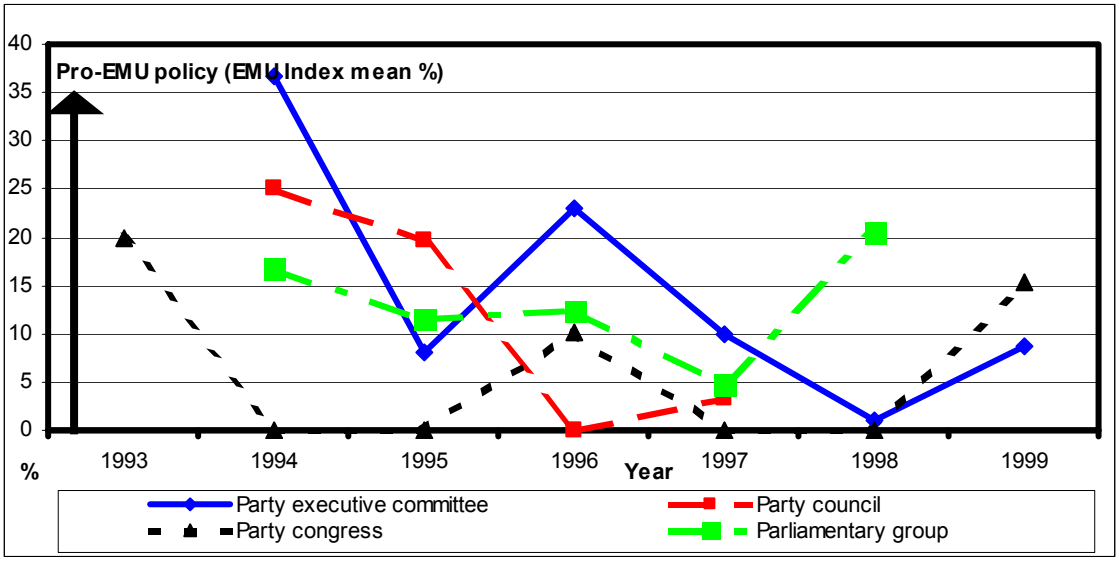
> The expert reports were influential, and the most influential one was the one produced by Calmfors, a Swede. Basically, the similarity and uniformity of the economic structures in Finland, Sweden and Denmark played a central role in the arguments. For instance, asymmetric shocks were feared to be one of the risks in the common currency area. Thus, if Finland and Sweden are to join the common currency policy area, they are already used to similar currency policy shocks. In our experience, asymmetry has already been present with regard to EMU because the euro has been either too strong or too weak. The EMU report

[98] The protocol of the working group of the party executive committee of the Centre 15.5.1997.
[99] The protocol of the working group of the party executive committee of the Centre 5.6.1997.
[100] Interview with Esko Aho 30.8.2007.
[101] Interview with Pekka Perttula 30.5.2007.
[102] The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997.
[103] The protocol of the party executive committee of the Centre 7.11.1996.
[104] The protocol of the parliamentary working group of the Centre 22.5.1997 and 2.10.1997.
[105] The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 19.2.1998.
[106] Interview with Paavo Väyrynen 13.6.2007.
[107] Interview with Paavo Väyrynen 13.6.2007.

> of the group I chaired was a draft paper that tied together the EMU stands of the Centre Party and Sweden. We were consulted by all the best Finnish and Swedish experts during the EMU process. The nature of the process could be characterised as professionalised.[108]

Similarly, Raimo Sailas, the permanent secretary at the Ministry of Finance, agreed with Mauri Pekkarinen's argument on centralised EMU policy-making inside the parties. He believed that the report produced by Jukka Pekkarinen's report was the most influential one.[109] He admitted that there were others too, but they were technical in nature. He used expressions such as: "The representation of Jukka Pekkarinen's EMU Group was at a high level"; "It can be characterised as a top expert report, and it had a significant influence on the decision-making"; and "If the EMU report of the group chaired by Jukka Pekkarinen had taken an unsupportive stand, it would certainly have had an influence on the decision-making".[110] With regard to the different organs in the party organisations, the proposition on the role of internal elites is of relevance, although the results are mixed. While there is a lack of quantitative hard evidence in the case of the Centre, it is consistent as far as the NCP and the SDP are concerned. First, in general the NCP and SDP executive committees and councils were more favourable to EMU than the party congresses, as illustrated in Figures 21 and 22. Therefore, these findings are consistent with the proposition and suggest that the executive committees, including the party leaders, were more supportive of EMU than the party at large such as represented by the congress. It is worth noting that in some cases the salience moves down to zero in certain years due to the fact that congresses were not held every year during the 1990s, for instance. Furthermore, the quantitative evidence in the case of the Centre is unclear.

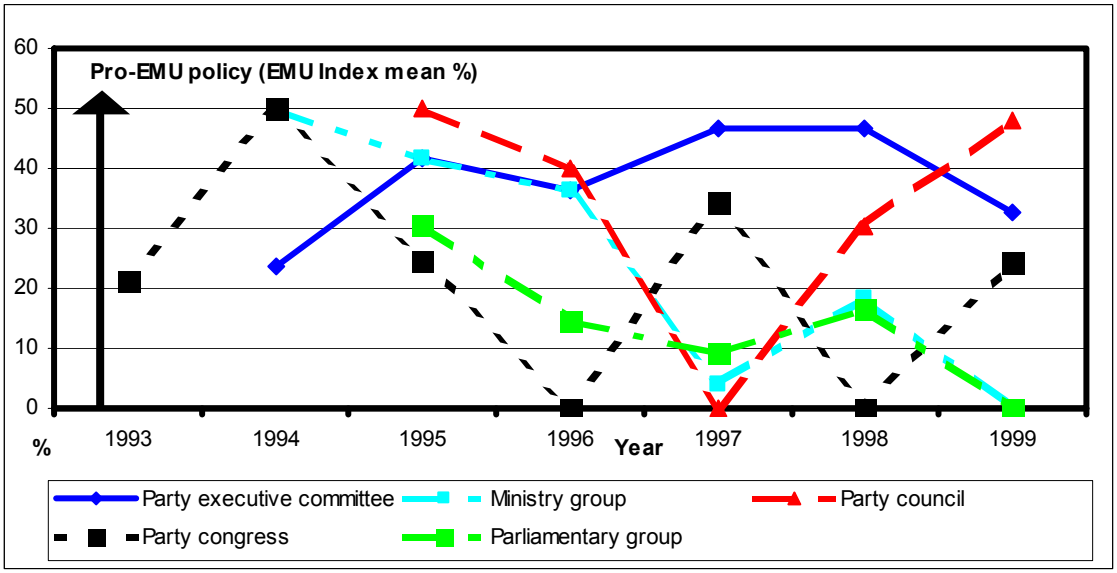
Figure 21: Average Emphasis on Decentralisation and Centralisation in the SDP Party Documents, 1993–1999



Note: The index of decentralisation and centralisation in the political party organisation was compiled by subtracting the sum of the decentralisation (2011) percentages from the sum of the centralisation (2021) percentages.

[108] Interview with Mauri Pekkarinen 15.6.2007.
[109] Interview with Raimo Sailas 18.6.2007.
[110] Interview with Raimo Sailas 18.6.2007.

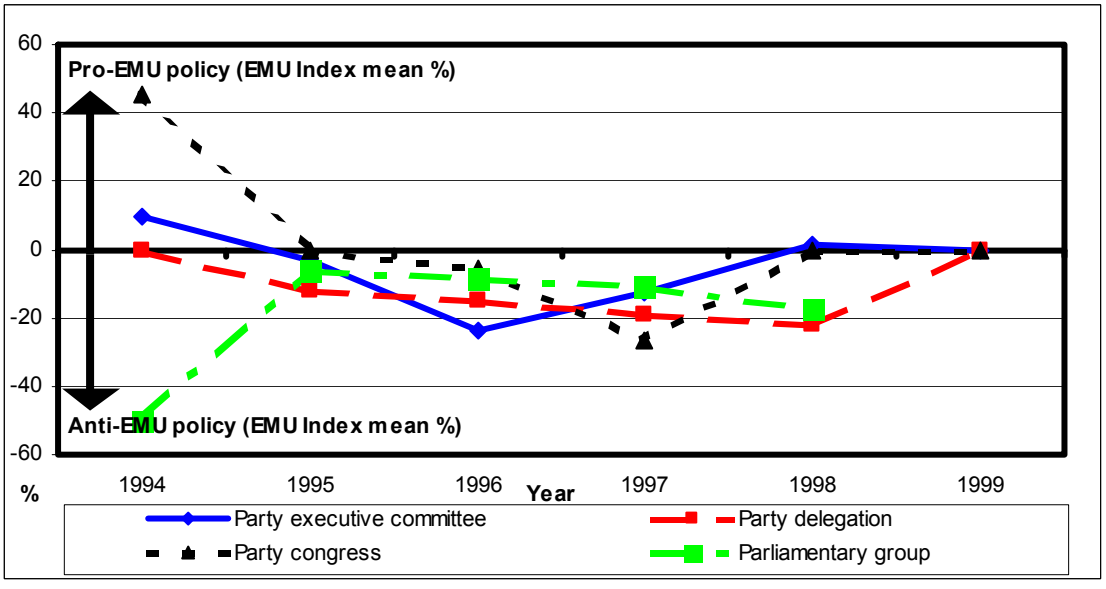
Figure 22: Average Emphasis on Decentralisation and Centralisation in the NCP Party Documents, 1994–1999



Note: The index of decentralisation and centralisation in the political party organisation was compiled by subtracting the sum of the decentralisation (2011) percentages from the sum of the centralisation (2021) percentages.

As Figure 23 shows, there are signs that the EMU positions of the different party organs did not differ at all in the case of the Centre, with a surprising exception in 1994 when the emphasis of the party congress and the party executive committee were slightly favourable to EMU in contrast to the negative EMU stand of the parliamentary group.

Figure 23: Average Emphasis on Decentralisation and Centralisation in the Party Documents of the Centre, 1994–1999



Note: The index of decentralisation and centralisation in the political party organisation was compiled by subtracting the sum of the decentralisation (2011) percentages from the sum of the centralisation (2021) percentages.

The EMU positions of the party congresses and the executive committees thus offer interesting insights that support other hypotheses examined in this research. The most surprising finding is that in

the case of the Centre there was support for EMU in 1994 when the party was in government, but this changed when it was in the opposition in 1995–1999.

In sum, the general proposition states that the strongest supporters of European integration were to be found at the elite level in the internal structures of the party organisation: the greater the extent of specialist knowledge and the more cosmopolitan the personal experiences, the greater would be the tendency to favour centralised political and administrative procedures. The findings of the present study seem to broadly confirm the core assumption of the strong influence of the party elite and professional experts, especially the party leader, on the official party EMU line and on its supporters. More precisely, the results are consistent with the centralisation argument that parties introduced, followed or expanded recommendations made by professional experts in their political and adminstrative procedures during the EMU process. This was clearly evidenced during 1995–1999 in the NCP and the Social Democrats. Furthermore, the Centre also favoured centralised procedures in 1995 and 1997 despite the fact that there is clear evidence of an emphasis on democratic issues, as shown in Chapter 5.1.

The interview data clearly shows the impact of specialist knowledge when the major parties considered the EMU reports of Jukka Pekkarinen, Mauri Pekkarinen and Paavo Okko. Interestingly, the SDP leader Paavo Lipponen pointed out that if the conclusion or the recommendation of Jukka Pekkarinen's group had been clearly critical of EMU, it would have tremendously influenced the EMU process.[111] Similarly, the NCP leader Sauli Niinistö claimed that if most of the expert reports had been sharply negative, then the party would have discussed what to do.[112] Meanwhile, the Centre party leader Esko Aho acknowledged that the expert reports played an important role during the position-taking process. The formulation or wording of the party's stand was derived from Mauri Pekkarinen's EMU Report in which he used expressions such as: "The nature of the EMU process can be characterised as professionalised"; and "The party's professionalised viewpoint was very strong during the EMU process".[113] Thus, as Raimo Sailas, the permanent secretary of the Ministry of Finance, explained, Matti Vanhala, Sirkka Hämäläinen, Paavo Lipponen and Sauli Niinistö were the four key players in Finland's EMU decision-making process.[114] He described the significant role of the political and administrative elite quite clearly:

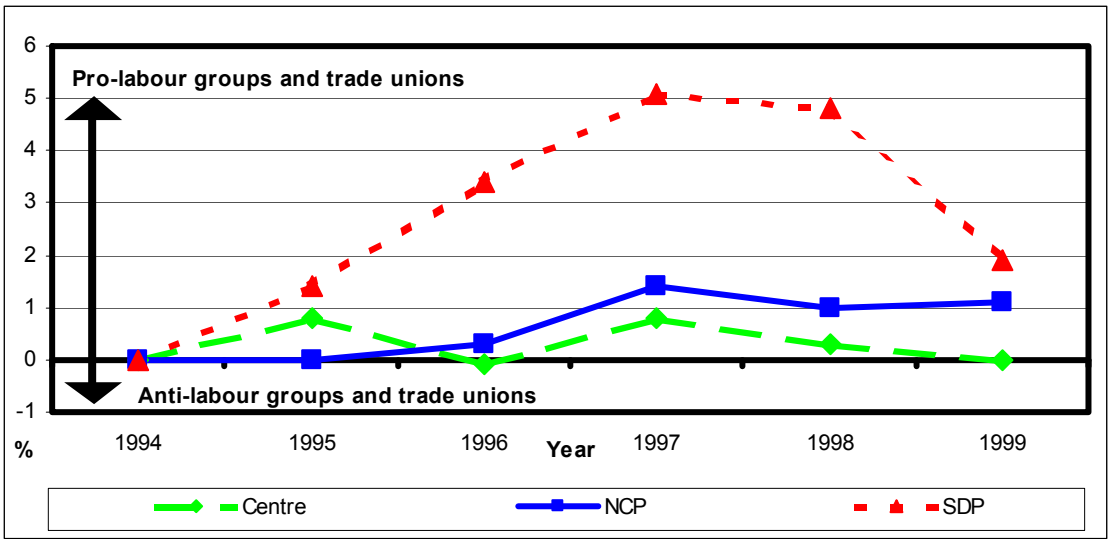
> There was a clear political will among the political elite. EMU was personified by Paavo Lipponen and Sauli Niinistö. It could be said that it was difficult to see whether there might have been other suitable politicians available to push forward the EMU process. Others would probably not have had as good a level of preparedness as they did. In the context of Finland's path to EMU, it was a decisive step when Paavo Lipponen, Iiro Viinanen and his successor Sauli Niinistö became convinced that, eventually, Finland would have to join. Therefore, they started to work systematically towards this goal.[115]

[111] Interview with Paavo Lipponen 14.6.2007.
[112] Interview with Sauli Niinistö 14.6.2007.
[113] Interview with Mauri Pekkarinen 15.6.2007 and Esko Aho 30.8.2007.
[114] Interview with Raimo Sailas 18.6.2007.
[115] Interview with Raimo Sailas 18.6.2007.

5.4 The High-level Influence of Worker's Trade Unions

It was hypothesised, in broad terms, that political parties respond to interest-group influence. For instance, labour groups associated with trade unions played an important role during the EMU position-taking process in Sweden in the late 1990s, some of them being strongly against it.[116] The proposition states that the closer the party is professionally or electorally to the interest group, the greater the tendency to be influenced. It therefore follows that social-democratic parties are influenced by workers' trade unions [the Central Organisation of Finnish Trade Unions (SAK)], centre parties by agrarian interest groups [the Central Union of Agricultural Producers and Forest Owners (MTK)], and right-wing parties by employer interest groups [Finnish Industry and Employers (TT)]. This assumption is supported to some extent by the available quantitative evidence. It certainly held in the case of the Social Democrats, as Figure 24 illustrates. Labour groups associated with trade unions reached their peak position of the decade on the Social Democrats' agenda in 1997, the year that both the SDP and the SAK decided on their official EMU stand. On the other hand, labour groups associated with trade unions played a minor role in the cases of the NCP and the Centre.

Figure 24: Average Emphases on Labour Groups in the Party Documents, 1994–1999



Note: The Index for labour groups was compiled by subtracting the sum of the labour groups: positive (301) from the sum of the labour groups: negative (302) percentages.

As far as the SDP was concerned, it seems that labour groups associated with trade unions played an important role in its EMU policy-making. For much of the 1994–1999 period the party maintained very close relations with trade unions such as SAK, and its representatives had powerful positions in its committee structure. For instance, the position of SAK on European integration strongly influenced the initial policy-making phase of the party's integration working group.[117] SAK was unsupportive of Finland's EMU membership from the outset because their demands were not met during the position-taking process. It eventually became supportive when the parties approved buffer funds to eliminate the risks of asymmetric shocks. The central policies of the SDP and SAK were identical - they were

[116] Interview with Paavo Väyrynen 13.6.2007.

both pushing to create buffer funds in order to minimise the effects of asymmetric shocks and ensure the positive development of employment in the common currency area.[118] Interestingly, the SDP party secretary Markku Hyvärinen recalled that the European Movement in Finland also had an influence during the position-taking process because it was co-operating closely with the trade unions.[119] The party leader Paavo Lipponen admitted that the opinion of SAK had an influence on the party's EMU stand.[120] The reason for its anti-EMU criticism may have been its duty as an interest group.[121] On the other hand, there were also different kinds of opinions in economic life.[122]

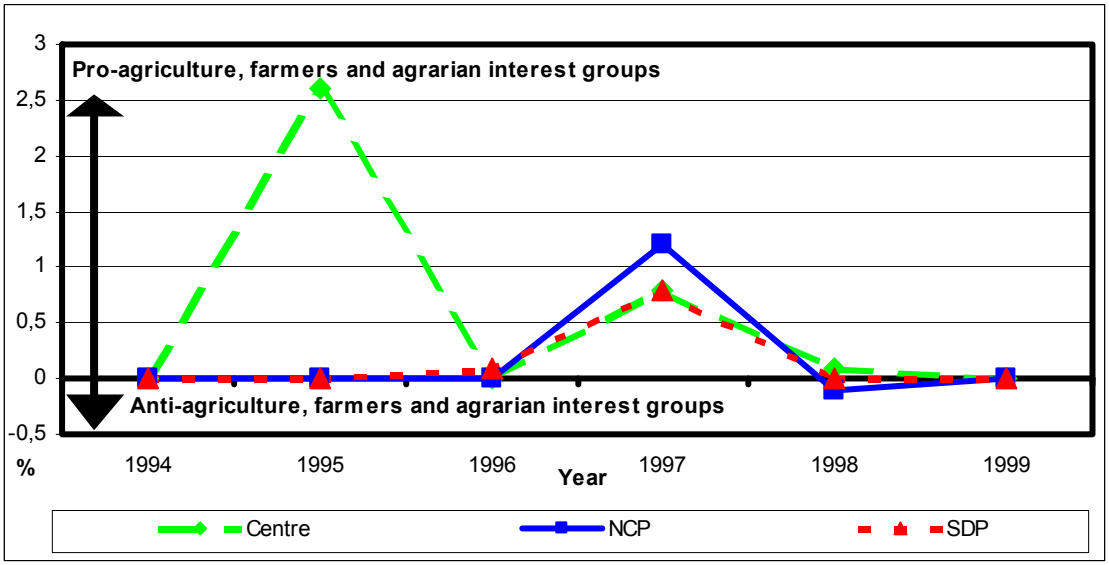
The SDP seemed to follow the SAK's EMU stand so closely that it even planned its timetable for position-taking to coincide with the process in SAK, which was identical to that of the Swedish Socialists.[123] Most importantly, the Social Democrats in their EMU stand followed the basic principle of the labour movement.[124] This is highlighted quite clearly in the policy pursued by the executive committee in expressions such as: "The position of the SAK's Council on EMU sounds rather down-to-earth"; "We should pursue the party's internal decision-making in order to reach the decision before SAK does in late spring or early autumn in 1997"; "Therefore, timing plays the key role"; and "We should develop the principle EMU stand of the party before SAK decides on its own stand".[125] The SDP closely considered SAK attitudes on buffer funds in June 1997 in order to review its own stand.[126] At the council meeting on 24 September 1997, Lipponen highlighted the historical role of the labour movement in the party's EMU stand, stating that it had generally favoured membership.[127] Earlier, during the Parliamentary debate on *the Government Report on EMU* on 17 June 1997 the speaker of the Social Democrats' parliamentary group, Johannes Koskinen, emphasised the common EMU manifesto that the interest groups had released in May.[128]

With regard to its relationship with the agriculture sector, farmers and agrarian interest groups it seems that the Centre seriously considered its opinions and the EMU policies of MTK only in 1995. As Figure 25 shows, they were amazingly low on the agenda in 1997 when it decided its official EMU stand at the extraordinary party congress.

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[117] Interview with Markku Hyvärinen 5.6.2007.
[118] The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 17.6.1997.
[119] Interview with Markku Hyvärinen 5.6.2007.
[120] Interview with Paavo Lipponen 14.6.2007.
[121] Interview with Paavo Lipponen 14.6.2007.
[122] Interview with Paavo Lipponen 14.6.2007.
[123] The protocol of the party executive committee of the SDP 9.1.1997 and 10.4.1997.
[124] The protocol of the party executive committee of the SDP 9.1.1997.
[125] The protocol of the party executive committee of the SDP 14.11.1996 and 9.1.1997.
[126] The protocol of the party executive committee of the SDP 5.6.1997
[127] The speech by the chairman at the party council of the SDP 24.9.1997.
[128] The protocol of the party executive committee of the SDP 22.5.1997. The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 17.6.1997.

Figure 25: Average Emphases on Agriculture and Farmers in the Party Documents, 1994–1999



Note: The index for agriculture and farmers was compiled by subtracting the sum of the agriculture and farmers: positive (3031) from the sum of the agriculture and farmers: negative (3032) percentages.

According to the quantitative evidence, the NCP also took slight account views of the views of its core supporters in the agriculture sector: during the June 17 debate on *the Government Report on EMU* the speaker of the parliamentary group, Kimmo Sasi, highlighted the role of MTK, which was supportive.[129] On the other hand, the agriculture sector played a marginal role for the SDP: during the same debate the speaker of the parliamentary group, Johannes Koskinen, said that they were grateful to MTK for their constructive and positive approach during the position-taking process.[130] The influence of the agrarian trade unions on the Centre is encapsulated in Mauri Pekkarinen's description of whether the party took account of the EMU policies of MTK. He used expressions such as: "I don't remember any differences in EMU positions between MTK and SAK"; "We took account of their position, and they provided us with background information"; "But the party's professionalised viewpoint was very strong during the EMU process"; and "Nevertheless, the Centre took a positive stand on buffer funds".[131]

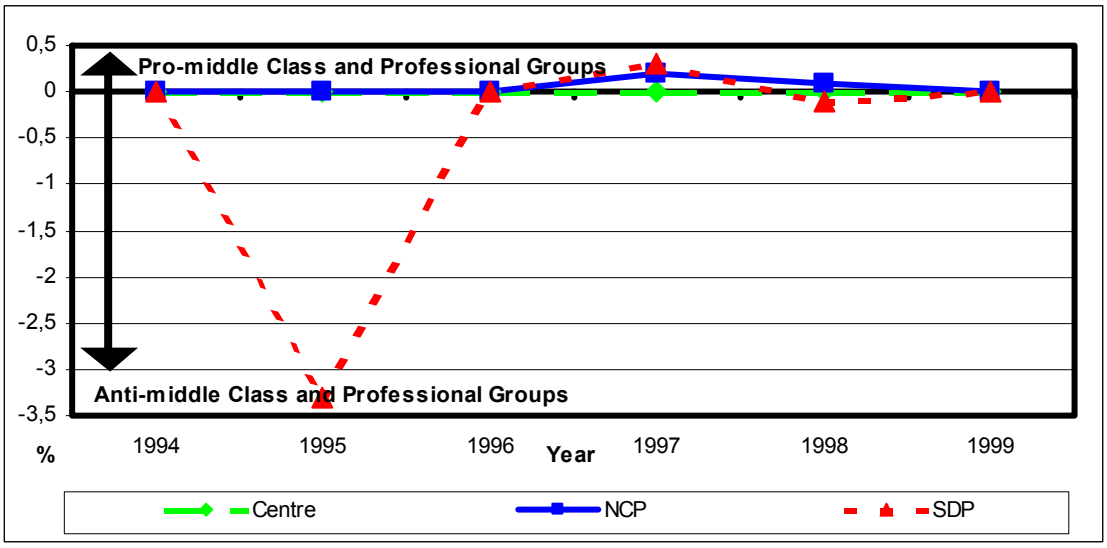
The Centre leader Esko Aho, the party secretary Pekka Perttula and the party opposition leader Paavo Väyrynen all agreed with Mauri Pekkarinen on the minor role of MTK during the position-taking process.[132] There was no strain between the Centre and MTK.[133] Väyrynen claimed that the EMU policy of MTK was vague.[134] On the other hand, the party debated the differences in position that MTK had taken towards the EU and the EMU.[135] For instance, it opposed Finland's EU membership in 1994, but surprisingly favoured EMU membership in 1997.[136] Nevertheless, the party secretary Eero

[129] The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997.
[130] The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 17.6.1997.
[131] Interview with Mauri Pekkarinen 15.6.2007.
[132] Interview with Esko Aho 30.8.2007, Pekka Perttula 30.5.2007 and Paavo Väyrynen 13.6.2007.
[133] Interview with Pekka Perttula 30.5.2007.
[134] Interview with Paavo Väyrynen 13.6.2007.
[135] The protocol of the working group of the party executive committee of the Centre 6.2.1997.
[136] The protocol of the working group of the party executive committee of the Centre 6.2.1997.

Lankia admitted that the Centre had shown an interest in the position-taking process in MTK.[137] During the Parliamentary debate on *the Government Report on EMU* on 20 May 1997 the speaker of the parliamentary group, Mauri Pekkarinen, emphasised that there would be severe risks to the agriculture sector if Finland faced economic disturbances in the common currency area.[138] The party pointed out that the marketing of agricultural products may be more competitive in the common currency area than in Finland.[139] Interestingly, the Centre seemed to be surprised by SAK's supportive EMU stand, although it played a minor role in its position-taking process.[140] Aho claimed that labour groups associated with trade unions were more influential on the question of whether to join the EU in 1994 than during the EMU process.[141] According to Väyrynen, the trade unions were silently supportive of EMU due to the traditional consensus policy in Finland, while Lankia said that the SAK's EMU stand was identical to the stand of the rainbow government coalition.[142]

With regard to the relationship between the NCP and the middle-class and professional groups associated with the employers' union, the question arose of how strongly the party should emphasise these groups, which had traditionally been electorally close it. As Figure 26 shows, middle-class and professional groups associated with the employers' union had marginal relevance during the EMU position-taking process in 1997 and 1998.

Figure 26: Average Emphases on Middle-class and Professional Groups in the Party Documents, 1994–1999



Note: The index for the middle-class and professional groups was compiled by subtracting the sum of the middle-class and professional groups: positive (3033) from the sum of the middle-class and professional groups: negative (3034) percentages.

It is also worth noting that, as illustrated in Figures 24 and 25, the labour groups, the agriculture sector and the farmers had insignificant roles when the NCP formed its EMU stand. Surprisingly, as Figure

[137] Interview with Eero Lankia 4.6.2007.
[138] The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997.
[139] The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997.
[140] Interview with Pekka Perttula 30.5.2007.
[141] Interview with Esko Aho 30.8.2007.

26 shows, the SDP was openly critical of these groups, especially in 1995, due to the hostility of the employers' union to its EMU policies: it claimed that the union was too eager to push Finland's EMU membership with no regard to the effects on unemployment.[143] The NCP leader Sauli Niinistö described the relationship between the EMU policies of the party and the labour groups, farmers and the middle-class as follows: on the one hand, the EMU positions of the employers' union, TT and SAK, provided a good basis on which the party could build during its position-taking process, but on the other hand, labour groups associated with trade unions and the agrarian trade unions played a minor role when the party formed its EMU stand.[144] Niinistö claimed that the central policy of the trade unions was to tactically influence the EMU decision-making process, and that, most importantly, the supportive EMU positions of the employers' union, the trade unions and the NCP strengthened public opinion in favour of EMU membership.[145]

The central policy of the NCP was to attack the Centre for its intention to introduce buffer funds to prevent asymmetry shocks, claiming that a well balanced budget would be the way to prevent a recession.[146] During the Parliamentary debate on *the Government Report on EMU* on 17 June 1997 the speaker of the NCP parliamentary group, Kimmo Sasi, highlighted the role of the trade unions and lobbying groups on the party's supportive stand on EMU membership.[147] He used expressions such as: "It is significant that Akava (the Confederation of Unions for Professional and Managerial Staff in Finland), Kirkon sopimusvaltuuskunta (the Delegation of the Church of Finland), Kunnallinen työmarkkinalaitos (the Commission for Local Authority Employers), Palvelutyönantajat (the Confederation of Service Industries), SAK (the Central Organisation of Finnish Trade Unions), STTK (The Finnish Confederation of Salaried Employees), TT (the Confederation of Finnish Industry and Employers) and Valtion työmarkkinalaitos (the Office for the Government as an Employer) have released a common manifesto concerning the consequences of EMU. Moreover, MTK supports EMU membership with certain conditions".[148]

In general, the EMU policy of SAK played the most prominent role during the EMU position-taking process of the parties, especially the SDP. According to Raimo Sailas, the permanent secretary at the Ministry of Finance, as the largest trade union SAK played the most critical role.[149] It had a positive influence on the whole EMU process due to its supportive stand, which it took, however, only after difficult negotiations on the use of buffer funds to eliminate risks of asymmetry shocks. Sailas considered it worth noting that the vote in favour of EMU among the core members of the Left Alliance influenced SAK in its support because they were represented in its organs.[150]

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[142] Interview with Eero Lankia 4.6.2007 and Paavo Väyrynen 13.6.2007.
[143] The protocol of the party executive committee of the SDP 18.5.1995.
[144] Interview with Sauli Niinistö 14.6.2007.
[145] Interview with Sauli Niinistö 14.6.2007.
[146] The protocol of the party council of the NCP 17.5.1997.
[147] The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997.
[148] The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997.
[149] Interview with Raimo Sailas 18.6.2007.
[150] Interview with Raimo Sailas 18.6.2007.

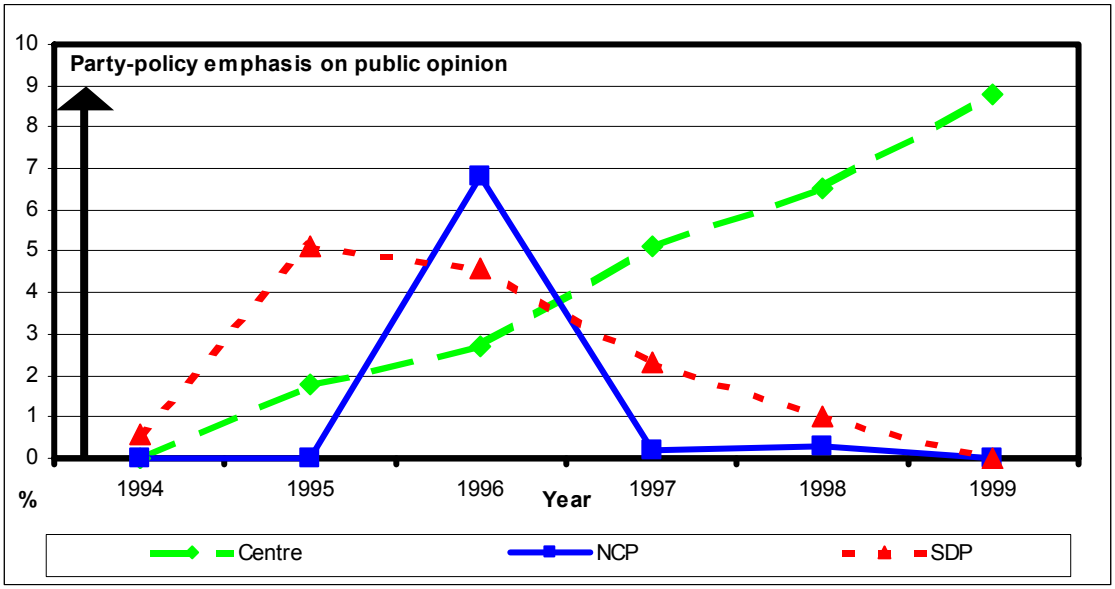
In sum, the findings of the present study partly support the assumption that political parties are more likely to be in contact with interest groups with similar policy preferences than groups with divergent preferences. One weakness in this study arises from the fact that the influence of interest groups was not uniform: it only reveals a strong relationship between the EMU policy-making of the SDP and SAK. There is clear evidence of this during 1994–1999 in the Social Democrats case, and slight evidence in the Centre's case in 1995 and 1997. For instance, it appears from the quantitative and interview data that the SDP would have been unsupportive of EMU if SAK had been unfavourable to the common currency: for much of the 1994–1999 period the party maintained very close relations with labour groups, and their representatives played a large role in its committee structure.

The SDP followed SAK's EMU stand so closely that it even planned its timetable for drafting its own EMU stand in accordance with the SAK decision-making process. Interestingly, *labour groups* as an issue moved very much higher on the Social Democrats agenda in 1997, the year that the SDP and SAK decided on their official positions. In contrast, the middle-class and professional groups associated with the employers' union were marginally relevant to the NCP in 1997 and 1998. The agriculture sector and farmers associated with agrarian unions such as MTK played insignificant roles when the Centre formed its EMU stand. It seems from the interview data that the SAK played the most important role when the parties decided on their EMU positions.

5.5 Leading the Debate Is Most Significant

The hypothesis on the relationship between the EMU policies of the major parties and public opinion states that, in general, the political parties are responsive. More precisely, the parties closely followed public opinion, which had an impact on their EMU policies. This assumption is partly supported by the available quantitative evidence. Figure 27 shows the development of the emphasis on public support for EMU membership during the 1990s. The discussion in the Centre on public opinion consistently intensified throughout the decade. It also moved up on the NCP's agenda in 1996, but lost relevance later on during the 1990s. Meanwhile, the SDP markedly strengthened its emphasis on public opinion in 1995, but while in government and with Paavo Lipponen as the Prime Minister, the party moved it down the agenda during 1996–1999.

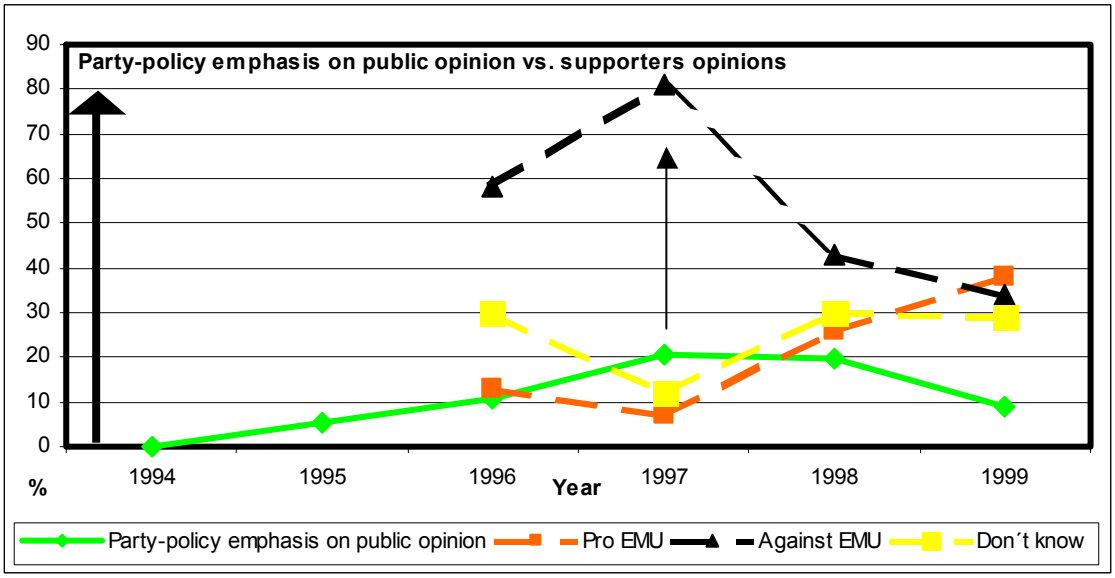
Figure 27: Average Emphases on Public Opinion in the Party Documents, 1994–1999



Note: The public-opinion index was compiled by adding the percentage references to public support for EMU membership (1181).

A closer look at Figures 28, 29 and 30 reveals how the overall public-opinion stances of the parties compare with the results of opinion polls measured during 1996-1999. In the Centre's case, the proposition certainly holds in that the party showed interest in the opinions of its supporters: as Figure 28 shows, it increased its emphasis on public opinion in 1997, the same year when more than 80 per cent of its core supporters were against EMU membership, as evidenced by the EVA opinion poll.

Figure 28: Centre Party Emphasis on Public Opinion in 1994–1999 (sum %) vs. its Supporters' Opinions in 1996–1999



Note: The public-opinion index was compiled by adding the percentage references to public support for EMU membership (1181). Source of the opinion poll: Finnish Business and Policy Forum 1988–1999.

For much of the 1994–1999 period the Centre seems to have reflected to the attitudes of Finns and the opinions of its supporters, perhaps more closely than the SDP and the NCP. It adopted a

pragmatic stance on EMU, emphasising the role of public opinion. On numerous occasions the party leaders emphasised in their speeches the need for positive public support of Finland's EMU membership:[151] in fact, it was the precondition for membership and without it the EMU project would fail. The Centre insisted that all Finnish citizens should be involved in the decision-making and in the public debate on Finland's EMU membership.[152] It also strongly emphasised that, according to the latest opinion surveys, Finns were critical towards EMU.[153] Negative public opinion should be taken into account.

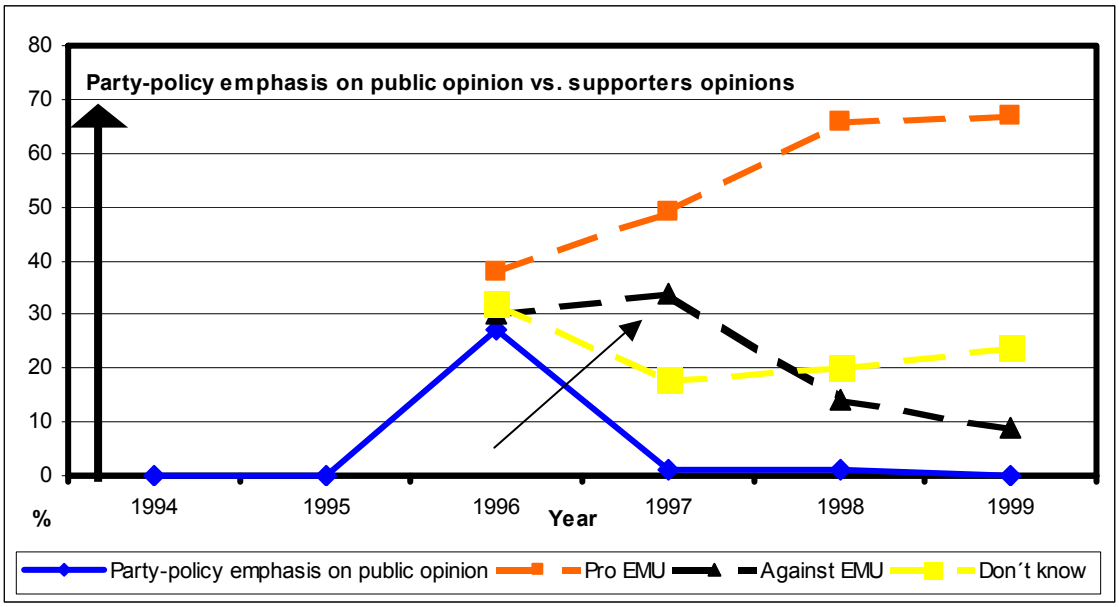
The Centre party leader Esko Aho said in an interview that a democratic party always takes developments in public opinion into account.[154] The party secretaries Eero Lankia and Pekka Perttula admitted that the party showed an interest in public opinion on EMU, Perttula claiming that it was better to agree with public opinion than to act against it.[155] In the main, the party's core supporters were against EMU.[156] Perttula and Mauri Pekkarinen claimed that public opinion played an insignificant role during the position-taking process, the latter emphasising that the party rather reached its decision mainly on a professional level.[157] According to the party's opposition leader Paavo Väyrynen, public opinion played a role in its EMU stand in spite of opposition within the party.[158] Väyrynen expressed this quite clearly, claiming that the party leadership was supportive in the early phase of the position-taking process:

> The party executives were reluctant to show any interest in the public opinion of the core supporters. Their goal was to support Finland's EMU position. They postponed the decision-making in order to assist the decision-making of the coalition government on the same issue. As a result, there was internal opposition to EMU membership and acknowledgement of hostile public opinion. Therefore, the opponents had a chance to mobilise public opinion against the EMU process. Eventually the party executives agreed to be unsupportive of EMU.[159]

[151] The speech by the chairman of the Centre at the extraordinary party congress 28.9.1997. The speech by the deputy chairman of the Centre at the party delegation 26.–27.4.1997. The speech by the chairman of the Centre at the party delegation 22.–23.11.1997.
[152] The position of the Centre at the party congress 5.–7.6.1998. The position of the Centre at the party delegation 22.–23.11.1997. The speech by the chairman of the Centre at the party delegation 18.19.4.1998. The position of the working group of the party executive committee of the Centre 7.12.1995. The protocol of the working group of the party executive committee of the Centre 15.5.1997 and 10.6.1999. The protocol of the party executive committee of the Centre 22.11.1997. The parliamentary group speech of the Centre; The Government Report on the Intergovernmental Conference in Parliament 27.2.1996. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[153] The protocol of parliamentary working group of the Centre 3.2.1998. The protocol of the working group of the party executive committee of the Centre 4.9.1997. The speech by the chairman of the Centre at the party delegation 22.–23.11.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997.
[154] Interview with Esko Aho 30.8.2007.
[155] Interview with Eero Lankia 4.6.2007 and Pekka Perttula 30.5.2007.
[156] Interview with Eero Lankia 4.6.2007.
[157] Interview with Pekka Perttula 30.5.2007 and Mauri Pekkarinen 15.6.2007.
[158] Interview with Paavo Väyrynen 13.6.2007.
[159] Interview with Paavo Väyrynen 13.6.2007.

Analysis of the data reveals that public opinion had virtually no generalisable force in the NCP's EMU policies, and the party markedly increased its emphasis only in 1996. As Figure 29 reveals, opposition to EMU among its supporter's strengthened in 1997, while public opinion lost relevance from 1996 onwards.

Figure 29: NCP Emphasis on Public Opinion in 1994–1999 (sum %) vs. its Supporters' Opinions in 1996–1999



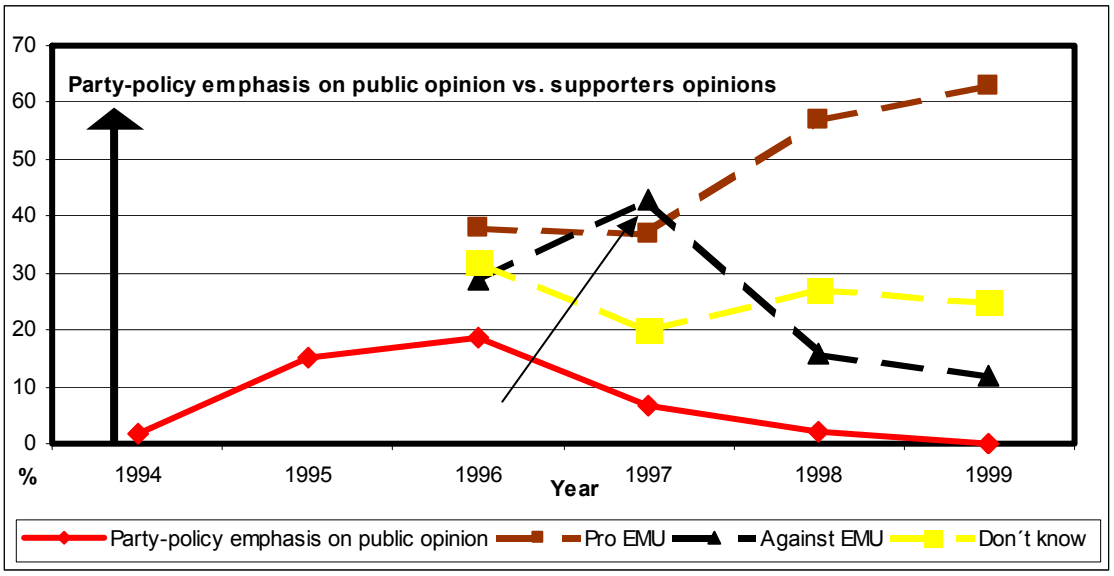
Note: The public-opinion index was compiled by adding the percentage references to public support for EMU membership (1181). Source of the opinion poll: Finnish Business and Policy Forum 1988–1999.

In developing its EMU policy for the 1994–1999 period the NCP did not very closely reflect to the attitudes of Finnish public opinion, although there are a few references in which the emphasis on public opinion is clearly shown. When the ministry group of the parliamentary party met on 6 March 1996 the party executive intensely argued that public interest had decreased to an alarming level.[160] During the Parliamentary debate on *the Government Statement on EMU* on 14 April 1998 the speaker of the NCP parliamentary group, Kimmo Sasi, highlighted the positive development of public opinion on EMU, insisting that public attitudes to EMU were becoming increasing positive. This was a sign that Finnish citizens were supportive of the government's EU policy.[161] The party leader Sauli Niinistö encapsulated the role of public opinion in relation to the party's EMU policies in expressions such as: "We actually showed interest in the development of public opinion"; "Most surprisingly, the majority of Finns were never supportive of EMU"; and "Overall, none of the decisions on EMU were based on information from opinion polls".[162] On the other hand, he admitted that the unsupportive EMU stand of the Centre was understandable from the electoral point of view because the majority of citizens were against it.[163] This could have had an effect on the future electoral success of the NCP.[164] The evidence is far more ambiguous on the role of public opinion in the Social Democrats' EMU policies.

[160] The protocol of the ministry group of the NCP 6.3.1996.
[161] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[162] Interview with Sauli Niinistö 14.6.2007.
[163] Interview with Sauli Niinistö 14.6.2007.

As Figure 30 shows, opposition among its core supporters strengthened in 1997, while public opinion began to slip down the party's agenda from 1996 onwards.

Figure 30: Social Democrat Emphasis on Public Opinion in 1994–1999 (sum %) vs. their Supporters' Opinions in 1996–1999



Note: The public-opinion index was compiled by adding the percentage references to public support for EMU membership (1181). Source of the opinion poll: Finnish Business and Policy Forum 1988–1999.

In developing its EMU policy for the 1994–1999 period the SDP did not reflect the attitudes of Finnish public opinion very closely. On the other hand, there are few references. The party emphasised the need for public debate, but never acknowledged the importance of public opinion in its stand or other relevant manifestos. The relevance of public debate on EMU membership is reflected in the speeches of the parliamentary group during 1995–1997.[165] The SDP emphasised the positive development of the EVA public-opinion survey and claimed that public attitudes were becoming increasingly positive.[166] For instance, the executive committee interpreted the results of the survey as indicating that Finns would like join to EMU if a large number of other countries also favoured membership.[167]

Quite amazingly, the SDP stated that it was a rather weak argument that we had to take a nonsupportive stand due to low public support for EMU membership.[168] The executive committee referred to what happened in Sweden, where the Government had formed its unsupportive stand based on low public support for EMU membership.[169] In this case the SDP characterised public opinion as "a difficult animal".[170] The executive committee stated that, given the continuing nature of

[164] Interview with Sauli Niinistö 14.6.2007.
[165] The protocol of the party executive committee of the SDP 15.6.1995, 14.11.1996 and 5.6.1997. The parliamentary group speech of the SDP; The Prime Minister's Announcement on ERM in Parliament 24.10.1996. The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 17.6.1997.
[166] The protocol of the party executive committee of the SDP 30.10.1997. The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 14.4.1998.
[167] The protocol of the party executive committee of the SDP 30.10.1997.
[168] The protocol of the party executive committee of the SDP 5.6.1997.
[169] The protocol of the party executive committee of the SDP 5.6.1997.
[170] The protocol of the party executive committee of the SDP 22.5.1997.

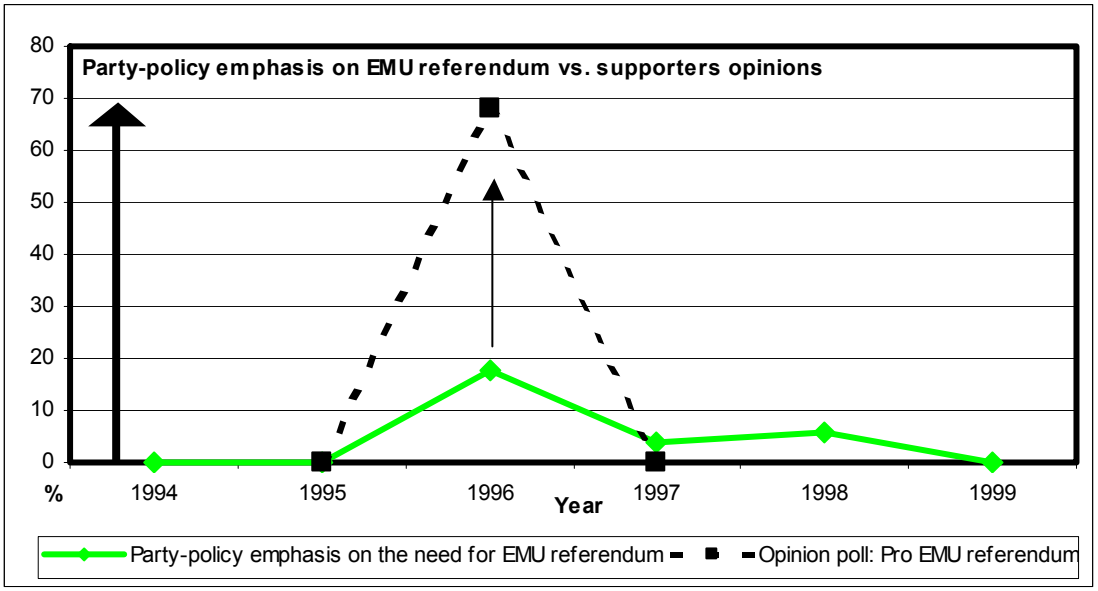
the EMU project, it was too early to conclude that the results of opinion polls reflected the final stand of citizens.[171] Moreover, basing a negative EMU stand on the arguments of the Swedish Government was rather awkward because the Finnish government had not yet taken a clear stand.[172]

The SDP party leader Paavo Lipponen admitted in an interview that the SDP was certainly interested in the development of public opinion, but denied that it influenced its EMU stand.[173] He argued that the most important thing was to lead the discussion rather than to follow the development of public opinion.[174] This was almost identical to the central policy of the party executive committee, which basically stated that it was more relevant to discuss the opinions of the decision-makers who mould public attitudes.[175] The party secretary Markku Hyvärinen agreed with Paavo Lipponen, saying that public opinion played a minor role during the position-taking process.[176]

How did the overall feeling about a referendum on EMU compare with the opinions measured in a poll in 1996? In the Centre's case the hypothesis certainly holds in that the party showed interest in the opinions of its supporters. Figure 31 shows how it increasingly emphasised the need for a referendum in 1996, when nearly 70 per cent of its core supporters were in favour of holding one, as evidenced in a Suomen Gallup opinion poll. On the other hand, according to the quantitative results, the need for a referendum was marginally emphasised by both the SDP and the NCP. It is significant that over half of the SDP's supporters and almost 30 per cent of the NCP's supporters were in favour of a referendum according to the opinion poll. For much of the 1995–1998 period the Centre reflected the perceived need for a referendum more than the SDP and the NCP, and insisted on several occasions that it was seeking to put the EMU issue to a consultative referendum.[177]

[171] The protocol of the party executive committee of the SDP 5.6.1997.
[172] The protocol of the party executive committee of the SDP 5.6.1997.
[173] Interview with Paavo Lipponen 14.6.2007.
[174] Interview with Paavo Lipponen 14.6.2007.
[175] The protocol of the party executive committee of the SDP 22.5.1997.
[176] Interview with Markku Hyvärinen 5.6.2007.
[177] The protocol of the party congress of the Centre 15.6.1996. The speech by the chairman of the Centre at the party congress 15.6.1996. The position of the party congress of the Centre 14.–16.6.1996. The position of the additional party congress of the Centre 28.9.1997. The position of the party delegation of the Centre 23.–24.11.1996. The speech by the chairman of the Centre at the party delegation 22.–23.11.1997. The protocol of the parliamentary working group of the Centre 6.3.1997 and 23.10.1997. The protocol of the working group of the party executive committee of the Centre 6.6.1996 and 16.1.1998. The protocol of the party executive committee of the Centre 22.11.1997 and 18.4.1998. The parliamentary group speech of the Centre; The Government Report on the Future of the EU in Parliament 2.10.1996. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.

Figure 31: The Centre's Emphasis on the Need for an EMU Referendum in 1994–1999 (sum %) vs. its Supporters' Opinions Measured in 1996



Note: The EMU referendum index was compiled by adding the percentage references to the need for a referendum (1182). Source of the opinion poll: Suomen Gallup 1996. Public opinion survey on the EMU referendum conducted by Suomen Gallup in 1996.

The central policy of the SDP was to show that the government and opposition had reached agreement before the elections in March 1995 that Parliament would eventually decide on Finland's EMU membership.[178] Therefore, there was no need for a EMU referendum. The party secretary Markku Hyvärinen pointed out that Finland was on the edge of a precipice, and a vision for the future was needed.[179] It was senseless to base the EMU decision on a referendum.[180]

The NCP shared the Social Democrats view.[181] During the Parliamentary debate on *the Government Statement on EMU* on 19 February 1998 the speaker of the NCP parliamentary group, Ben Zyskowicz, emphasised that Parliament had unanimously decided during the process of EU membership in 1994 that it would eventually decide on Finland's EMU membership.[182] He said that it was important to remember that Members of Parliament had the right to make difficult decisions if necessary. It was also their duty.[183] Consequently, Raimo Sailas, the permanent secretary of the Ministry of Finance, suggested that key decision makers in the 1990s took less account of opinion polls than than they do nowadays. It seemed that citizens had no idea what EMU meant. There was a nodding acquaintance with it and reliance on expert reports.[184] The most decisive step towards membership was when Paavo Lipponen, Iiro Viinanen, and Viinanen's successor Sauli Niinistö,

[178] The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 19.2.1998.
[179] Interview with Markku Hyvärinen 5.6.2007.
[180] Interview with Markku Hyvärinen 5.6.2007.
[181] The protocol of the parliamentary group of the NCP 6.4.1995 and 3.2.1998. The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997.
[182] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998.
[183] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998.
[184] Interview with Raimo Sailas 18.6.2007.

became convinced that Finland should join.[185] This political elite then worked systematically to push it forward.[186] On the other hand, the negative public opinion strengthened the view that party politicians had to keep citizens informed about the continuing process.[187] As a result, there was a political will in Finland to be among the first EMU member states.[188]

In sum, the findings of the present study with regard to public opinion are partly consistent with the tendency among political parties to respond to changes by changing their policy positions. However, no valid generalisations can be made from the data. On the one hand, the Centre revised its EMU policy when the attitudes of the public, and especially of its core supporters were negative, while on the other hand, the SDP and the NCP were only marginally affected by the attitudes of their core supporters. However, public opinion moved up the NCP agenda in 1996, but lost relevance later on during the 1990s. Interestingly, the SDP markedly increased its emphasis in 1995, but it moved down the agenda again during 1996–1999. With regard to an EMU referendum, the Centre increased its emphasis on public opinion in 1997, when more than 80 per cent of its supporters were against membership. It also increased its support for a referendum in 1996, in line with the opinions of more than 60 per cent of its supporters.

On the other hand, the need for an EMU referendum was marginally touched on by both the SDP and the NCP. It seems from the interview data that public opinion played a minor role when the parties formed their EMU stands. According to Mauri Pekkarinen, a Centre Party member of Parliament, the party based its EMU decision mainly on professional opinions rather than by taking account of public opinion.[189] Similarly, the NCP leader Sauli Niinistö admitted that overall, none of the EMU decisions were based on information from opinion polls.[190] Amazingly, the SDP insisted that it was rather weak to state that it had to have a nonsupportive EMU stand due to the negative development in the public-opinion polls.[191] Likewise, the party leader Paavo Lipponen denied that public opinion influenced its EMU stand.[192] In practice, Lipponen insisted that it was more important to lead the discussion than to focus on public opinion.[193]

5.5.1 Issue Groups Within the Parties

Were the parties internally divided over the EMU issue during the 1994–1999 period? It is quite obvious from the study of Finnish opinions conducted by the Centre for Finnish Business and Policy Studies (EVA) that the core supporters of the NCP and the SDP tended to be more supportive than those in the Centre. Surprisingly, as Figure 7 shows, 50 per cent of the former but less than 10 per

[185] Interview with Raimo Sailas 18.6.2007.
[186] Interview with Raimo Sailas 18.6.2007.
[187] Interview with Raimo Sailas 18.6.2007.
[188] Interview with Raimo Sailas 18.6.2007.
[189] Interview with Mauri Pekkarinen 15.6.2007.
[190] Interview with Sauli Niinistö 14.6.2007.
[191] The protocol of the party executive committee of the SDP 5.6.1997.
[192] Interview with Paavo Lipponen 14.6.2007.
[193] Interview with Paavo Lipponen 14.6.2007.

cent of the latter were in favour of EMU in 1997. Nevertheless, the numbers in favour in each of these parties increased slightly during the following year.

Internal dissent may lead to factionalism, which in turn takes many forms. In the context of European integration it might be better to speak of issue groups rather than factions. Factions are solidly organised, discplined, self-aware groups enjoying a relatively stable and cohesive membership over time (Hine 1982, 38–39). Issue groups seek to influence the way in which power is exercised by others on given questions. One way of coping with factionalism is to allow intra-party rivalry. In short, while the party may formulate an EMU manifesto, the leadership may still indicate, either willingly or because it hardly has no choice that there is scope for conscientious objection.

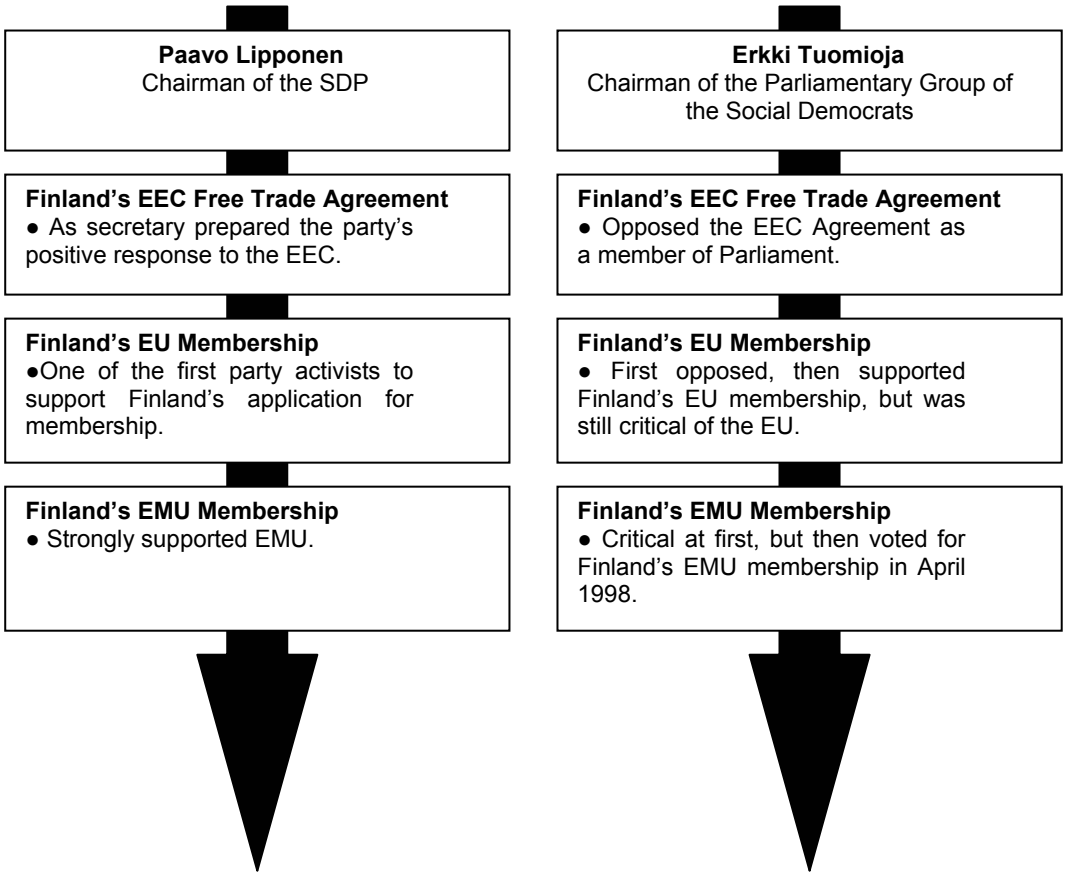
The NCP was the only one of these three major political parties that was united and unanimous in its EMU support (Järventie 1997). It recommended without reservation that Finland should make sure it fulfilled the criteria that would enable it to among the first EU member states to join the EMU (ibid.), and none of its members of Parliament were against membership (Hämäläinen 1997a, 1998). There was little opposition in the party because nearly all of its members of Parliament were publicly favourable before *the Government Report on EMU* was released in spring 1997 (Hämäläinen 1997b). Moreover, they all voted for membership in April 1998 when the Finnish Government released *the Statement on EMU in Parliament* (Kouvolan Sanomat 1998). The NCP party leader Sauli Niinistö summarised this point quite clearly:

> We had the feeling that the majority of the party's core supporters were favourable towards EMU. Clearly, the majority were supportive. I don't recall anyone being unfavourable in the official party organisations or among the Members of Parliament. Our supporters working in the agricultural sector were also noncritical.[194]

The SDP and the Centre, on the other hand, clearly had opposing issue groups in their midst. Table 18 illustrates the different issue groups of the SDP led by the party leader and the then Prime Minister Paavo Lipponen, and Erkki Tuomioja, a member of Parliament (Hämäläinen 1997b). The Centre party leader Esko Aho and the opposition leader Paavo Väyrynen were comparable rivals in the Centre. Tuomioja's basic stand was that Finland should not be among the first EU member states to join in January 1999 (Nurmilaakso 1997). He stressed that EMU would be bad for businesses given the exchange-rate risk. For instance, Finland would suffer from asymmetric shocks due to the differences in the economic structures in the common currency area (ibid.). On the other hand, Lipponen claimed that the SDP debate was rather open.[195]

[194] Interview with Sauli Niinistö 14.6.2007.
[195] Interview with Paavo Lipponen 14.6.2007.

Table 18: The Leaders of the SDP Issue Groups

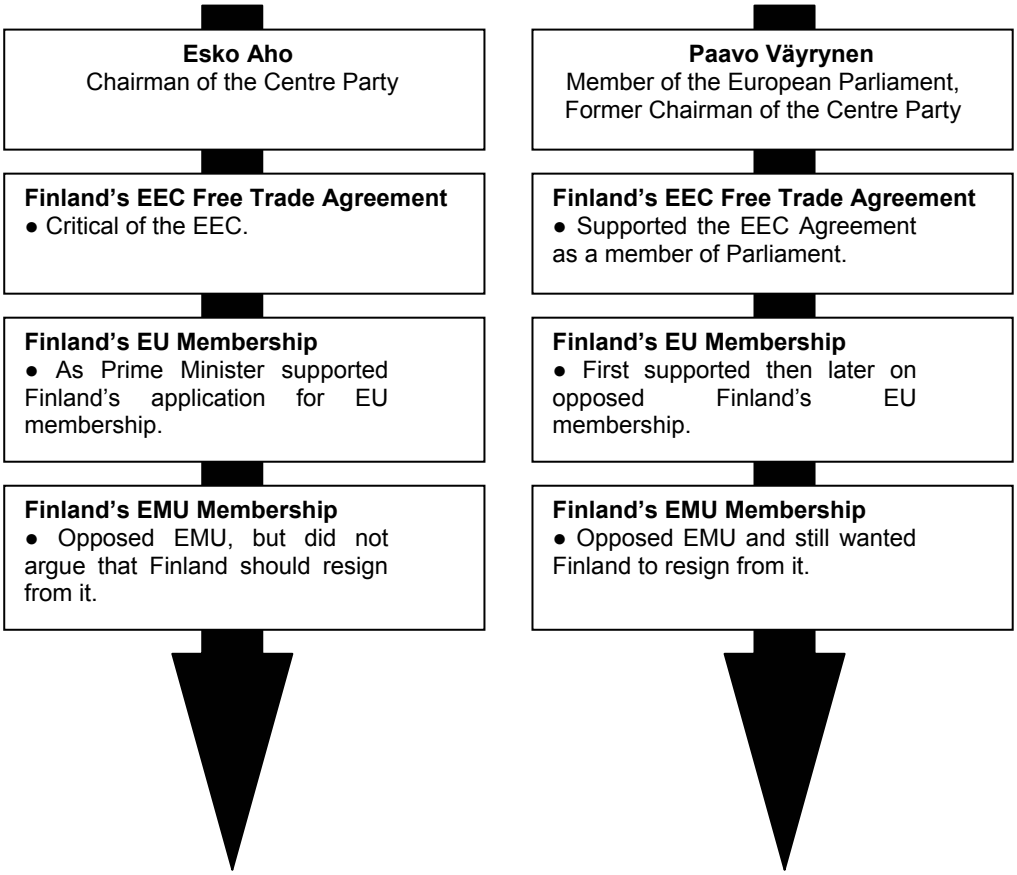


Lipponen claimed that there was not such strong criticism in the party.[196] The council unanimously approved the party's stand that Finland should be among the first EU member states to join the EMU (Kukko-Liedes 1997). Opposition was minimal in that only one Social Democrat member of Parliament publicly opposed EMU membership before the Government Report was released in Parliament in spring 1997 (Hämäläinen 1997a). Some of its members shared a platform with the biggest labour group, SAK (Järventie 1997), but only one voted against membership in April 1998 when the Government released *the Statement on EMU in Parliament* (Kouvolan Sanomat 1998).

Meanwhile, the Centre was divided over its EMU stand. The euro-critics did not form their own organisation, and the opposition mainly centred around Paavo Väyrynen, a member of the European Parliament and former party chairman and Foreign Minister. Table 19 lists the main issue groups of the Centre led by Esko Aho and Paavo Väyrynen (Hämäläinen 1997b). The party was sharply divided after the difficult process and the referendum leading to EU membership in 1994, and the the party congress eventually unanimously approved its unsupportive EMU stand.[197] In fact, for much of the 1994–1999 period there were three issue groups in the Centre.

[196] Interview with Paavo Lipponen 14.6.2007.
[197] Interview with Pekka Perttula 30.5.2007.

Table 19: The Leaders of the Issue Groups in the Centre



The Centre party opposition leader Paavo Väyrynen pursued an EMU stand emphasising the main reasons why Finland should not belong to the common currency area. On the other hand, the party leader Esko Aho emphasised the pragmatic arguments. Significantly, the party secretary Pekka Perttula and Väyrynen claimed that Aho was, in fact, favourable to EMU, but was reluctant to say so publicly due to his position as the chairman and the opposition inside the party.[198] Moreover, Olli Rehn promoted liberal and positive attitudes to EMU.[199] Aho pointed out that the stands of the chairman and, eventually, the party were greatly influenced by the core supporters.[200] He summarised this point quite clearly:

> The pressure in the party during the EMU process was not as great as it was in the case of Finland's EU membership. It would have been very strange if the Centre Party had approved the EMU solution given the critical opinions. Personally, I agreed with its EMU stand. Paavo Väyrynen was strongly against membership. On the other hand, there were some Centre Party supporters who were supportive.[201]

[198] Interview with Pekka Perttula 30.5.2007 and Paavo Väyrynen 13.6.2007.
[199] Interview with Pekka Perttula 30.5.2007.
[200] Interview with Esko Aho 30.8.2007.
[201] Interview with Esko Aho 30.8.2007.

Eventually, the Centre unanimously took an unsupportive stand at the party congress. None of its leading politicians were in favour of EMU.[202] Its core supporters approved of the stand proposed by the party executive committee stating that Finland should not be among the first EU member states to join. There was only one exception: Mikko Alkio disagreed and proposed that Finland should join the EMU at the outset (Pohjolan Sanomat 1997). However, Alkio withdrew his proposal and the party congress unanimously approved, without a vote, the proposal of the executive committee (ibid.). Väyrynen criticised the party's EMU stand and claimed that it should have been more negative (ibid.). He pointed out that Finland could resign from the EMU later on even if it now entered the common currency area (ibid.).

It is worth pointing out that Aho as party chairman did not have the same role during the EMU process as he had when the party's EU stand was formed in 1994.[203] Väyrynen strongly criticised the chairpersons of the Centre because they were reluctant to take into account the opinions of their supporters.[204] Hence, the party executives supported Finland's EMU membership. He pointed out that the issue group led by him managed to mobilise negative attitudes to EMU, and eventually the chairpersons had to endorse an unsupportive stand.[205] Väyrynen summarised this point clearly:

> The party executives made tactical moves in order to decide on the precise EMU decision-making timetable. They strived to have the party congress to decide on its EMU stand at the latest possible moment in order not to disturb the Government's EMU decision-making, and were reluctant to make this decision-making more difficult. Furthermore, they were reluctant to run a campaign against EMU membership. Esko Aho was personally committed to supporting the Government's stance on EMU. His view was that Finland should join. (Mauri) Pekkarinen was critical, but supported the stance of the party executive. I was the leader of the opposition issue group, which had lots of party supporters, but nobody from the executive level.[206]

Väyrynen claimed that the party executive was reluctant to take a stand publicly.[207] The issue was kept open until the extraordinary congress that eventually approved its unsupportive position. The party chairpersons emphasised economic and timetable-related arguments more than political arguments.[208] Opposition to EMU played a strong role in the party because nearly all of its members of Parliament publicly opposed membership before *the Government Report on EMU* was released in spring 1997 (Hämäläinen 1997a). Furthermore, almost all of them voted against membership in April 1998 when the Government released *the Statement on EMU in Parliament* (Kouvolan Sanomat 1998). There was only one exception: one of its members of Parliament abstained (ibid.).

In sum, the Centre was the most divided party over the EMU issue for the 1994–1999 period. Generally, it is quite obvious that the supporters of the NCP and the SDP tended to be more

[202] Interview with Mauri Pekkarinen 15.6.2007.
[203] Interview with Esko Aho 30.8.2007.
[204] Interview with Paavo Väyrynen 13.6.2007.
[205] Interview with Paavo Väyrynen 13.6.2007.
[206] Interview with Paavo Väyrynen 13.6.2007.
[207] Interview with Paavo Väyrynen 13.6.2007.
[208] Interview with Paavo Väyrynen 13.6.2007.

supportive. Less than 10 per cent of the Centre supporters were in favour in 1997, while 50 per cent of the SDP and NCP sympathisers were supportive. Nevertheless, the amount of support in each of these parties increased slightly during the latter half of the 1990s. It appears from the media material and the interview data that the NCP was the only one of these three major political parties that was united and unanimous in its support of EMU (Järventie 1997).[209]

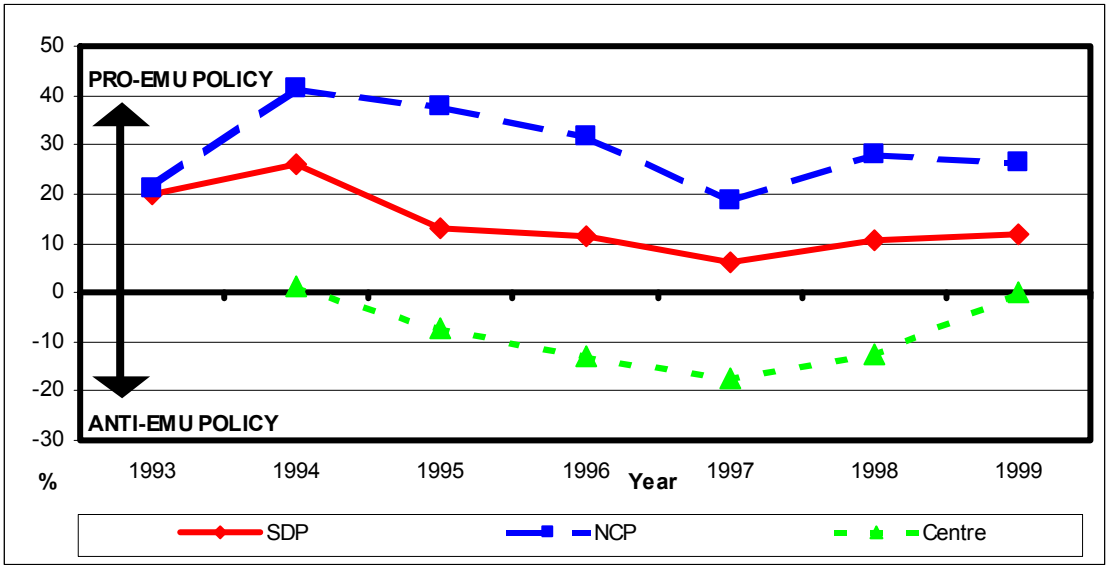
On the other hand, there were clearly opposing issue groups in both the SDP and the Centre. Those in the SDP were led by the party leader Paavo Lipponen and Erkki Tuomioja, a member of Parliament. Tuomioja's main point was that Finland should not be among the first EU member states to join the EMU in January 1999 (Nurmilaakso 1997). On the other hand, Lipponen pointed out that there was not such strong criticism in the party.[210] For instance, the council unanimously approved the party's stand that Finland should be among the first EU member states to join (Kukko-Liedes 1997). Only one Social Democrat member of Parliament voted against EMU membership in April 1998 when the Government released *the Statement on EMU in Parliament* (Kouvolan Sanomat 1998). The main issue groups of the Centre were led by the party leader Esko Aho and the opposition leader Paavo Väyrynen, who emphasised the critical reasons why Finland should not enter the common currency area. On the other hand, Aho focused on pragmatic arguments. Significantly, the party secretary Pekka Perttula and Väyrynen claimed that Aho was actually in favour of EMU, but was reluctant to give his views publicly due to his position as party chairman and the opposition inside the party.[211] Eventually, the Centre unanimously took an unsupportive EMU stand at the extraordinary party congress. Nearly all of its Members of Parliament voted against membership in April 1998 when the Government released *the Statement on EMU in Parliament* (ibid.).

5.6 EMU Policy In Opposition

The general hypothesis on government and opposition roles states that whether a political party is in government or in opposition is likely to have an impact on its EMU policy. More precisely, a political party in government or with long experience of being in government is likely to be more supportive than parties in opposition. As Figure 32 shows, this certainly held for the Social Democrats and the NCP support for the EMU project was clearly greater than that of the other two major parties during the 1990s, although the SDP was less favourable. The Centre represented the skeptics. While in government the NCP (1991–1999) and the SDP (1995–1999) tended to be supportive, although on closer examination it seems that the NCP increased its emphasis on EMU support during 1994–1996 while in government with the Centre (1991–1995) and the SDP (1995–1999). On the other hand, while in opposition during the 1990s the Centre continued its strong opposition.

[209] Interview with Sauli Niinistö 14.6.2007.
[210] Interview with Paavo Lipponen 14.6.2007.
[211] Interview with Pekka Perttula 30.5.2007 and Paavo Väyrynen 13.6.2007.

Figure 32: Average Emphasis on EMU in the Party Documents, 1993–1999



Note: The EMU index was compiled by subtracting the sum of the EMU-positive (5015) percentages from the sum of the EMU-negative (5016) percentages.

During 1994–1999 the NCP clearly pursued a policy emphasising its positive attitude to EMU membership. It already expressed its strong support on 27–28 August 1994 at the party congress,[212] using expressions such as "EMU increases stability and, eventually, it will be beneficial to Finland".[213] It was stressed that preparations for the third phase would be unproblematic.[214] It continued to express strong support on several occasions during the 1990s. For instance, the party clarified its EMU stance on 5 April 1995 during negotiations with Prime Minister Paavo Lipponen on forming the new government.[215] Its central policy was to support membership according to the objectives defined.[216] This was almost identical to the position it took during the Parliamentary debate on *the Interpellation Answer on EMU* on 13 June 1995.[217]

The party stressed on several occasions that Finland should be among the first EU member states to join the EMU from the beginning of the third phase in January 1999.[218] It gave a strong Yes during the Parliamentary debates on *the Government Report on EMU* on 20 May and 17 June 1997 and *the*

[212] The position of the party congress of the NCP 27.–28.8.1994.
[213] The position of the party congress of the NCP 27.–28.8.1994.
[214] The protocol of the ministry group of the NCP 22.11.1995.
[215] The protocol of the ministry group of the NCP 5.4.1995.
[216] The protocol of the ministry group of the NCP 5.4.1995. The protocol of the parliamentary group of the NCP 24.10.1996.
[217] The parliamentary group speech of the NCP; The Interpellation Answer on EMU in Parliament 13.6.1995.
[218] The protocol of the parliamentary group of the NCP 14.–15.8.1995. The position of the party council of the NCP 30.3.1996. The position of the party congress of the NCP 9.–11.6.1995. The speech by the chairman of the NCP at the party congress 11.6.1995. The speech by the party secretary of the NCP at the party congress 6.6.1997. The position of the party congress of the NCP 6.–8.6.1997. The parliamentary group speech of the NCP; The Government Report on EU in Parliament 15.2.1995. The parliamentary group speech of the NCP; The Prime Minister's Announcement on ERM in Parliament 24.10.1996. The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 20.5.1997.

Government Statement on EMU on 19 February and 14 April 1998.[219] The party leader Sauli Niinistö said that the EMU stand among its supporters certainly changed during the 1990s on account of the painful economic events at the beginning of the decade. He expressed the relationship between long experience in government and support for EMU quite clearly:

> Belief in EMU was quite weak in 1994 and 1995. According to the initial plan it was supposed to be launched in 1996 and 1997, but this timetable was rejected. There was speculation in 1997 and 1998 in the United States that EMU would not be implemented. On the other hand, belief in it strengthened. The core NCP party supporters were favourable in the early 1990s. Finland's EMU membership began to appear self-evident due to the recession, the devaluation of the Finnish markka and its subsequent flotation.[220]

During 1994–1999 the SDP pursued a policy emphasising positive attitudes to EMU membership. However, the policy aired at party congress on 3–6 June 1993 portrayed it as a problematic objective for Finland.[221] The party was worried about unemployment, which could rise to an alarming level if Finland did join, and therefore highlighted the need for employment to be used as a membership criterion.[222] It expressed strong support for Finland's EMU membership on several occasions during the 1990s. The central policy of the party congress was to support membership in order to increase stability, economic growth and welfare.[223] Later on, the SDP clarified its position, stating that the party supported EMU membership according to the objectives defined.[224] The criteria were seen as a way of strengthening Finland's economy.[225]

The party stressed on several occasions during the 1990s that Finland should be among the first EU member states to join the EMU in January 1999 at the beginning of the third phase.[226] It gave a strong Yes during the Parliamentary debate on *the Government Report on EMU* on 17 June 1997 and *the Government Statement on EMU* on 14 April 1998.[227] The party leader Paavo Lipponen denied that there was any change or difference in its EMU policies when the party was in opposition in 1991–1995 and in government in 1995–1999. In his view, EMU was originally a strategic question.[228] For instance, the SDP based its stand on economic issues while still in opposition during the early 1990s and before

[219] The protocol of the parliamentary group of the NCP 15.5.1997. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[220] Interview with Sauli Niinistö 14.6.2007.
[221] The position of the party congress of the SDP 3.–6.6.1993.
[222] The position of the party congress of the SDP 3.–6.6.1993.
[223] The position of the party congress of the SDP 3.–6.6.1993. These arguments were also emphasised in the position of the party congress of the SDP 6.–9.6.1996.
[224] The position of the party council of the SDP 18.5.1994.
[225] The parliamentary group speech of the SDP; The Government Report on the Accession Treaty to the European Union 6.9.1994. The parliamentary group speech of the SDP; The Government Report on EU in Parliament 15.2.1995. The position of the party congress of the SDP 6.–9.6.1996.
[226] The protocol of the party council of the SDP 23.11.1995. The speech by the chairman at the party council of the SDP 24.9.1997. The protocol of the party executive committee of the SDP 15.6.1995 and 22.11.1995. The speech by the chairman at the party congress of the SDP 6.–9.6.1996. The position of the party congress of the SDP 6.–9.6.1996. The parliamentary group speech of the SDP; The Government Report on the Intergovernmental Conference in Parliament 8.5.1996.
[227] The parliamentary group speech of the SDP. The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 14.4.1998.
[228] Interview with Paavo Lipponen 14.6.2007.

its period in government in 1995–1999.[229] It was not looking for quick-draw prizes when in government.[230] The party secretary Markku Hyvärinen revealed that its period in opposition in 1991–1995 and its period in government in 1995–1999 had an insignificant effect on its principle EMU stand.[231] In fact, he described this point rather clearly:

> Naturally, we had to make certain kinds of changes in the party's position when we were in government rather than in opposition. The party had drawn up an enormous programme that had to be implemented if Finland was to recover from the recession. Ideologically Lipponen wanted to get close to the core European countries. The Government formed by Prime Minister Esko Aho was the first in Finland's history that was reluctant to discuss foreign and security policy with the opposition.[232]

The second proposition - that the strongest criticism came from political parties in opposition - is strongly supported according to the available evidence. As Figure 32 indicates, the Centre's criticism reached its peak in 1997 when the extraordinary party congress decided on its official stand: the party had been in opposition since 1995. According to the third proposition, the changes and differences in EMU policy were related to whether the party was in government or in opposition. Figure 32 shows that the Centre was supportive during its period in government in 1991–1995, and as evidenced in 1995 it took a more sceptical stance when it went into opposition. Paradoxically, in 1994–1999 it pursued a policy emphasising both the positive and negative sides of membership, the idea being to avoid taking a fixed line.[233] The party wanted a stand that would not tie its hands in the long run, and would not give the major government parties the opportunity to criticise its position.[234] It decided to use EMU as a way of opposing government policy.[235] On the other hand, it was considered a non-tactical party-political issue.[236]

The Centre stressed on several occasions that its EMU criteria were in line with the objectives of the Finnish economy.[237] Its Minister for Foreign Affairs, Heikki Haavisto, revealed in his speech at the party congress on 17 June 1994 that EMU offered a way to increase competitiveness.[238] Likewise, on 6 April 1995 the executive committee highlighted party support of the EMU criteria because they provided a starting point for the balanced development of the economy. The party believed that EMU was inevitable because Finland was already an EU member state.[239] In the Parliamentary debate on *the Government Report on EMU* on 20 May 1997 the speaker of the Centre parliamentary group, Mauri Pekkarinen, stressed that membership had certain benefits.[240] He used expressions such as:

[229] Interview with Paavo Lipponen 14.6.2007.
[230] Interview with Paavo Lipponen 14.6.2007.
[231] Interview with Markku Hyvärinen 5.6.2007.
[232] Interview with Markku Hyvärinen 5.6.2007.
[233] The protocol of the party executive committee of the Centre 31.1.1996.
[234] The protocol of the working group of the party executive committee of the Centre 18.9.1997.
[235] The protocol of the party executive committee of the Centre 30.11.1995.
[236] The protocol of the working group of the party executive committee of the Centre 18.8.1997.
[237] The protocol of the parliamentary working group of the Centre 26.1.1995.
[238] The speech by Heikki Haavisto at the party congress of the Centre 17.6.1994.
[239] The protocol of the parliamentary group of the Centre 21.4.1994 and 12.10.1995. The parliamentary group speech of the Centre; The Government Report on the Accession Treaty to EU in Parliament 6.9.1994.
[240] The parliamentary group speech of the Centre. The Government Report on EMU in Parliament 20.5.1997.

"Finnish business life would benefit from being able to compare costs and prices in the common currency area," and "the exchange-rate risks would decrease".[241] Nevertheless, he claimed that no speeches given at the party congress in 1994 supported EMU.[242] He went into more detail on this point:

> Paavo Väyrynen criticised the party's expert report on EMU chaired by myself due to the fact that it was too supportive. Nevertheless, the 1997 party congress was unanimous in its EMU stand, and there was no vote. None of the leading party politicians were supportive of EMU membership.[243]

The EMU policy was based in several respects on the argument that Finland should not join. For instance, it should not enter the common currency area without Sweden, Denmark and the United Kingdom.[244] The Centre clarified its official stance in September 1997, announcing that Finland should not be among the first EU member states to join.[245] During the Parliamentary debate on *the Government Statement on EMU* on 14 April 1998 the speaker of the Centre parliamentary group, Esko Aho, stressed that EMU was not a good option for Finland.[246] Expressions such as: "EMU would not be in the interests of Finland"[247] and "EMU is bad for Finland" were used.[248] Finally, in 1999 when Finland had become an EMU member, the party rejected the policy goal that it should resign.[249]

According to the Centre party secretary Pekka Perttula, its EMU policies varied when it was in government and in opposition:[250] they were more carefully considered when it was in government.[251] The Centre had to make difficult decisions that went against the wishes of its supporters during the deep recession and its period in government in 1991–1995. On the other hand, Perttula believed that policy-making in opposition was a necessary relief: there was more opportunity for criticism, more space in which to move and more room for different opinions. Then again, one did not need to worry

[241] The parliamentary group speech of the Centre. The Government Report on EMU in Parliament 20.5.1997.
[242] Interview with Mauri Pekkarinen 15.6.2007.
[243] Interview with Mauri Pekkarinen 15.6.2007.
[244] The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The position of the party congress of the Centre 14.–16.6.1996. The protocol of the parliamentary group of the Centre 23.5.1996. The protocol of the party executive committee of the Centre 30.5.1996, 19.5.1997 and 27.9.1997. The protocol of the working group of the party executive committee of the Centre 5.6.1997 and 7.8.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997.
[245] The protocol of the party executive committee of the Centre 26.9.1997. The speech by the chairman of the Centre at the party congress 28.9.1997. The position of the party congress of the Centre 28.9.1997. The position of the party delegation of the Centre 25.–26.11.1995. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997.
[246] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[247] The protocol of the party delegation of the Centre 23.–24.11.1996. The position of the party delegation of the Centre 23.–24.11.1996 and 26.–27.4.1997. The parliamentary group speech of the Centre; The Government Report on the Intergovernmental Conference in Parliament 27.2.1996. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 19.2.1998.
[248] The protocol of the party congress of the Centre 15.6.1996. The protocol of the parliamentary group of the Centre 11.2.1997. The protocol of the parliamentary working group of the Centre 18.–19.8.1997. The protocol of the parliamentary group of the Centre 6.6.1996. The protocol of the party executive committee of the Centre 13.2.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 19.2.1998. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[249] The protocol of the parliamentary group of the Centre 6.4.1999.
[250] Interview with Pekka Perttula 30.5.2007.
[251] Interview with Pekka Perttula 30.5.2007.

that different views were not represented.[252] The party leader Esko Aho argued that its EMU stand changed when it moved into opposition in 1995,[253] adding that it formed its stand in a different way in government and in opposition. For instance, public opinion played a more prominent role in opposition.[254] Likewise, the party secretary Eero Lankia said that they were able to follow an independent policy while in opposition.[255] He explained this point more clearly:

> It was easier to express opinions in opposition. Governing parties warned us that our road from opposition to government would be difficult if the party's EMU stand was different than the stand of the mainstream parties. I'm not sure if that statement was expressed by the NCP or the SDP. It's also worth noting that Aho tied his party chairmanship to the vote for EU membership at the party congress in 1994. We didn't ask for Finland's resignation from EMU even though Paavo Väyrynen thought that, in principle, it was not a beneficial solution for Finland.[256]

The Centre party opposition leader Paavo Väyrynen claimed that it would have been easier for the executive to bolster support for EMU if the party had been in government,[257] and that the party would have supported EMU membership in that case.[258] However, there would have been intensive discussion before the decision-making.[259] Meanwhile, Raimo Sailas, the permanent secretary at the Ministry of Finance, agreed with Aho on the idea that the Centre opposed EMU because it was in opposition during 1995–1999. Its opposition was a big surprise, however, given that Finland joined the EU in 1994 during Esko Aho's premiership.[260] According to Sailas, the unsupportive EMU stand of the Centre in 1997 suggests that the party was disappointed with the policy-making in opposition: there was total silence following the decision-making process.[261] Furthermore, the Centre was reluctant to discuss EMU during the period of Aho's government in 1991–1995.[262] It is worth remembering that Finland was committed to EMU when it decided to join the EU in 1994.[263] Nevertheless, Lankia and Mauri Pekkarinen claimed that the party debate on EMU before the EU referendum in 1994 was superficial.[264]

According to Lankia and Mauri Pekkarinen, the central policy of the Centre during the 1990s was based on the need for a separate EMU decision in Parliament.[265] On the other hand, Väyrynen claimed that the party emphasised the existence of an EMU reservation, which was agreed during Finland's EU membership negotiations.[266] This meant that there had to be a separate decision on EMU membership. However, the Finnish reservation was weaker than the one lodged by Sweden.

[252] Interview with Pekka Perttula 30.5.2007.
[253] Interview with Esko Aho 30.8.2007.
[254] Interview with Esko Aho 30.8.2007.
[255] Interview with Eero Lankia 4.6.2007.
[256] Interview with Eero Lankia 4.6.2007.
[257] Interview with Paavo Väyrynen 13.6.2007.
[258] Interview with Paavo Väyrynen 13.6.2007.
[259] Interview with Paavo Väyrynen 13.6.2007.
[260] Interview with Raimo Sailas 18.6.2007.
[261] Interview with Raimo Sailas 18.6.2007.
[262] Interview with Raimo Sailas 18.6.2007.
[263] Interview with Raimo Sailas 18.6.2007.
[264] Interview with Eero Lankia 4.6.2007 and Mauri Pekkarinen 15.6.2007.
[265] Interview with Eero Lankia 4.6.2007 and Mauri Pekkarinen 15.6.2007.
[266] Interview with Paavo Väyrynen 13.6.2007.

According to Väyrynen, the main aim of the SDP leader Paavo Lipponen was to show that EMU membership was already agreed during the EU negotiations: he thought that there was a commitment. The Centre stated that there was no commitment, however. Väyrynen believed that the Centre Party executives emulated the EMU stand of the government and the governing parties.[267]

According to Sailas, in general, Finland had no reservation on EMU membership.[268] Most importantly, it committed to EMU in *the 1995 Government Programme*. The new separate stand was approved in April–May 1995 by the government, whose central goal was to fulfil EMU criteria. Ministers were reluctant to discuss EMU during the period of Aho's government in 1991–1995, the general feeling being to "have a look at EMU, then, in the future". Sailas argued that Aho's main aim was to show that Finland's EU membership was the first step: the issues had to be discussed later on. Certainly, in 1993 and 1994 the Government ministers felt that EMU was an unclear process and an unrealistic goal.[269]

In sum, the findings of the present study seem broadly to confirm the relationship between the changes and differences in EMU policies depending on whether the party was in government or in opposition. The SDP and the NCP in government, and with long experience of being in government, were more supportive than parties in opposition. There was a clear supportive trend when the NCP (1991–1999) and the SDP (1995–1999) were in government. In fact, upon closer examination it seems that the NCP increased its emphasis on support during 1994–1996 while in government with the Centre in 1991–1995 and the SDP in 1995–1999. When interviewed, the party leader Sauli Niinistö confirmed that its stand certainly changed during the 1990s due to the dire economic situation early in the decade. Its core supporters were favourable to EMU in the early 1990s, but Finland's membership began to appear self-evident following the recession, devaluation and the floating of the Finnish markka.[270] On the other hand, the SDP leader Paavo Lipponen and the party secretary Markku Hyvärinen denied that there had been changes or discrepancies in its EMU policies between its period in opposition in 1991–1995 and in government in 1995–1999. Lipponen believed that EMU was originally a strategic question,[271] and the SDP had declared its stand on economic issues long before its period in government in 1995–1999.[272] He emphasised that the party did not look for 'quick-draw' prizes when in government.[273]

The strongest criticism came from those in opposition, in this case the Centre. Its main policy was then to oppose EMU for tactical reasons. In fact, its criticism reached its peak in 1997 during its period in opposition in 1995–1997, which was when the extraordinary congress decided on the party's EMU stand. Paradoxically, during 1994–1999 the Centre had pursued a policy emphasising both positive

[267] Interview with Paavo Väyrynen 13.6.2007.
[268] Interview with Raimo Sailas 18.6.2007.
[269] Interview with Raimo Sailas 18.6.2007.
[270] Interview with Sauli Niinistö 14.6.2007.
[271] Interview with Paavo Lipponen 14.6.2007 and Markku Hyvärinen 5.6.2007.
[272] Interview with Paavo Lipponen 14.6.2007.
[273] Interview with Paavo Lipponen 14.6.2007.

and negative attitudes to EMU membership. It did not take a fixed position,[274] but rather wanted something that would not tie their hands in the long run or give the main government parties the chance to criticise.[275] One of the goals was to use EMU as a way of opposing the government's policy.[276] On the other hand, the party stressed on several occasions that EMU criteria were similar to the objectives of the Finnish economy.[277] It seems from the interview data that the Centre took a different approach when in opposition. The party secretaries used expressions such as: "When the party was in government the positions were more clearly considered";[278] "When the party was in opposition there was more criticism, more space to move and more room for different opinions",[279] and "The party could follow an independent policy while in opposition".[280] Furthermore, the opposition leader Paavo Väyrynen claimed that it would have been easier for the executive to promote EMU if the party had been in government,[281] and that in that case the Centre would have supported membership.[282]

The third proposition states that the changes and differences in EMU policy were related to whether the party was in government or in opposition. The quantitative results are largely consistent with this argument. For instance, when in government during 1991–1995 and as evidenced in 1994, the Centre was slightly supportive of EMU, but when it went into opposition in 1995 it became much more sceptical. On the other hand, Mauri Pekkarinen, a Centre Party member of Parliament, said that there were no supportive speeches given at the party congress in 1994,[283] and that the party dealt lightly with EMU before the EU referendum in 1994.[284] He recalled that none of the leading politicians were supportive of EMU membership.[285] Meanwhile, Esko Aho claimed that the party's EMU stand changed when it moved into opposition in 1995.[286] He said that it formed its stand differently depending on whether it was in government or in opposition. For instance, public opinion played a more important role when it was in opposition.[287] Sailas agreed with Aho on the fact that the Centre opposed EMU because it was in opposition during 1995–1999. This was a big surprise to him because Finland joined the EU in 1994 during Aho's premiership.[288] He recalled, however, that the party was reluctant to discuss EMU in 1991–1995.[289] It is worth noting that Sailas stressed the fact that Finland was committed to EMU after the positive result of the EU referendum in 1994.[290]

[274] The protocol of the party executive committee of the Centre 31.1.1996.
[275] The protocol of the working group of the party executive committee of the Centre 18.9.1997.
[276] The protocol of the party executive committee of the Centre 30.11.1995.
[277] The protocol of the parliamentary working group of the Centre 26.1.1995.
[278] Interview with Pekka Perttula 30.5.2007.
[279] Interview with Pekka Perttula 30.5.2007.
[280] Interview with Eero Lankia 4.6.2007.
[281] Interview with Paavo Väyrynen 13.6.2007.
[282] Interview with Paavo Väyrynen 13.6.2007.
[283] Interview with Mauri Pekkarinen 15.6.2007.
[284] Interview with Mauri Pekkarinen 15.6.2007.
[285] Interview with Mauri Pekkarinen 15.6.2007.
[286] Interview with Esko Aho 30.8.2007.
[287] Interview with Esko Aho 30.8.2007.
[288] Interview with Raimo Sailas 18.6.2007.
[289] Interview with Raimo Sailas 18.6.2007.
[290] Interview with Raimo Sailas 18.6.2007.

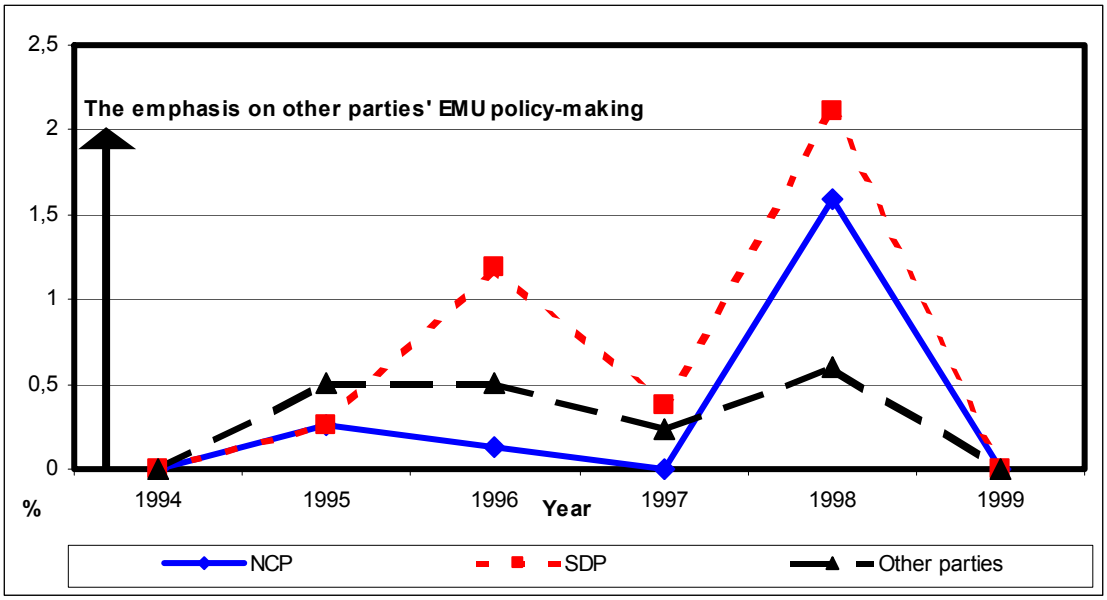
6 Influences From the Wider Political System

6.1 The Desire to Sharpen Policy Differences between Government and Opposition

It was hypothesised that, in general, the behaviour of other parties influences the EMU policy-making of a given political party. More precisely, there are three sets of circumstances that increase this tendency: if the party enters into an alliance, if other parties might achieve electoral success, and if the government might influence a political party that is not part of it.

For much of the 1994–1999 period the Centre tended to show more interest in the EMU policy-making of the two major parties than the other parties. This argument is consistent with the proposition suggesting that changes and differences in EMU policy are related to whether the party is in government or in opposition (see Chapter 5.6). For instance, Figure 33 reveals that during 1995–1999 the Centre reacted most strongly to the EMU policy-making of the SDP compared to the significance of the NCP, the SDP and the group of other parties. Primarily, the Centre seemed to scrutinise the SDP's EMU policy-making in 1996 and 1998 in particular. The EMU policy of the NCP assumed more importance on the party's agenda in 1998. The hostility of the Centre to EMU and its strong scrutiny of the governing parties - the NCP and the SDP - during 1995–1999 could have reflected its desire to sharpen the differences between government and opposition. In brief, the general proposition is partly supported in the Centre's case, although this may be largely attributable to the fact that it was not part of the government formed by the SDP and the NCP.

Figure 33: Average Emphasis on Other Parties' EMU Policy-Making in the Centre Party's Documents



Note: The indexes were compiled by adding the percentage references of the political authority: the SDP (4012), political authority: the NCP (4013) and political authority: other political parties (4014).

According to the party protocols, the central policy of the Centre was to attack the other two major parties for following Germany's EMU stance too closely.[291] The executive committee claimed that the Germans gave instructions to the SDP leader Paavo Lipponen and the NCP leader Sauli Niinistö on how Finland's EMU project should proceed in the near future.[292] The Centre's politicians also debated on how the party should defend itself against the arguments of the SDP and the NCP. For instance, it delivered a major attack on these two major parties concerning their claim that the Centre was closely tied to Sweden in its EMU stand.[293] The party discussed the timetables of other parties, such as the Greens, the Left Alliance and the SDP, as to when they would release their EMU stands.[294] Interestingly, it strongly believed that the majority of Social Democrats were unsupportive.[295]

Mauri Pekkarinen, a Centre Party member of Parliament, claimed in his interview that the EMU policies of other parties were not influential.[296] The party leader Esko Aho agreed and emphasised that EMU was a very independent issue.[297] He pointed out that the Centre was the only significant opposition party, and added that there was no need for the opposition parties to present a united stand.[298] On the other hand, the party secretaries Pekka Perttula and Eero Lankia described how the Centre criticised the EMU stances taken by the SDP party leader Paavo Lipponen in particular.[299] Lankia summed up the SDP policy towards the Centre:

> Clearly, the Social Democrats' stand on EMU strenghtened when the labour movement approved the EMU project. Moreover, Lipponen seemed to be pushing Finland into the core group of EU member states. This policy divided the Social Democrat supporters. The Social Democrats were accompanied by the Left Alliance.[300]

The Centre party opposition leader Paavo Väyrynen said that the stances of other parties played a minor role in the EMU policy-making process of the party executives and opposition.[301] He claimed that the executives seemed to emulate the stances of the government parties.[302] The essential difference between the EMU policies of the Centre and the SDP concerned the reservation in *the EU Accession Treaty*. The Centre claimed that Finland negoatiated an EMU reservation during the EU membership negotiations stating that, eventually, there would be a separate decision on EMU. However, that reservation was weaker than Sweden's.[303] On the other hand, Väyrynen argued that the SDP party leader Paavo Lipponen promoted the interpretation that Finland had already decided on

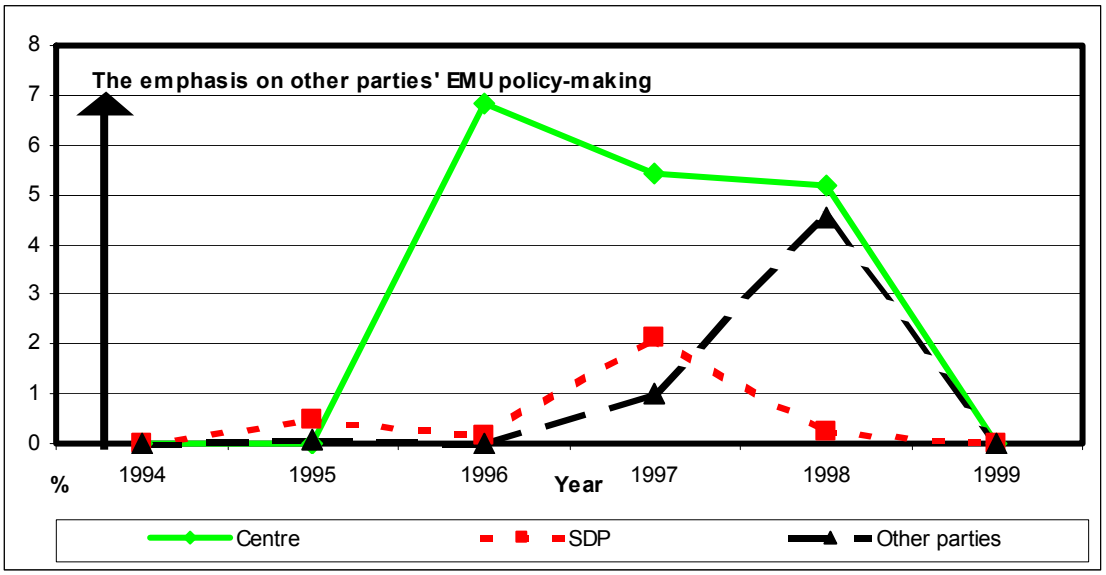
[291] The protocol of the working group of the party executive committee of the Centre 15.5.1997 and 20.3.1997.
[292] The protocol of the working group of the party executive committee of the Centre 15.5.1997 and 20.3.1997.
[293] The protocol of the working group of the party executive committee of the Centre 15.5.1997.
[294] The protocol of the party executive committee of the Centre 12.10.1995, 6.6.1996, 7.3.1997 and 21.11.1997. The protocol of the parliamentary working group of the Centre 18.–19.8.1997.
[295] The protocol of the party executive committee of the Centre 24.10.1996.
[296] Interview with Mauri Pekkarinen 15.6.2007.
[297] Interview with Esko Aho 30.8.2007.
[298] Interview with Esko Aho 30.8.2007.
[299] Interview with Pekka Perttula 30.5.2007.
[300] Interview with Eero Lankia 4.6.2007.
[301] Interview with Paavo Väyrynen 13.6.2007.
[302] Interview with Paavo Väyrynen 13.6.2007.
[303] Interview with Paavo Väyrynen 13.6.2007.

EMU membership during the EU negotiations, thereby claiming that it had already made a commitment.[304]

For much of the 1994–1999 period the NCP tended to scrutinise the EMU stand of the Centre more than the SDP and the other parties did. As Figure 34 shows, the Centre's emphasis on EMU policy-making in particular increased sharply in 1996 and 1997, but declined in 1999. It seems that the NCP scrutinised other parties more closely than the SDP did. In brief, the proposition is partly supported, although it may be largely attributable to the fact that the Centre was not part of the government formed by the SDP and the NCP. The NCP party leader Sauli Niinistö expressed this point well with regard to the EMU policy-making of the Centre:

> The Government of Finland committed to EMU in *the Government Programme* of 1996. The Social Democrats were our major partner in government from 1995. We felt that the Centre Party's EMU stand was awkward because the majority of citizens did not support it. Therefore, it was awkward in terms of future electoral success. The Left Alliance and the Green League had already approved the objectives of the EMU project in government. We ignored the stances of the other parties.[305]

Figure 34: Average Emphasis on Other Parties' EMU Policy-Making in the NCP Documents



Note: The indexes were compiled by adding the percentage references of the political authority: the Centre (4011), political authority: the SDP (4012) and political authority: other political parties (4014).

According to the party protocols, the NCP intensely debated other parties' stances on the EMU decision-making process in Parliament.[306] In the early phase it criticised the SDP for placing too much

[304] Interview with Paavo Väyrynen 13.6.2007.
[305] Interview with Sauli Niinistö 14.6.2007.
[306] The protocol of the ministry group of the NCP 1.10.1997, 19.2.1997 and 26.11.1997. The protocol of the parliamentary group of the NCP 15.5.1997, 22.5.1997 and 19.2.1998. The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 20.5.1997.

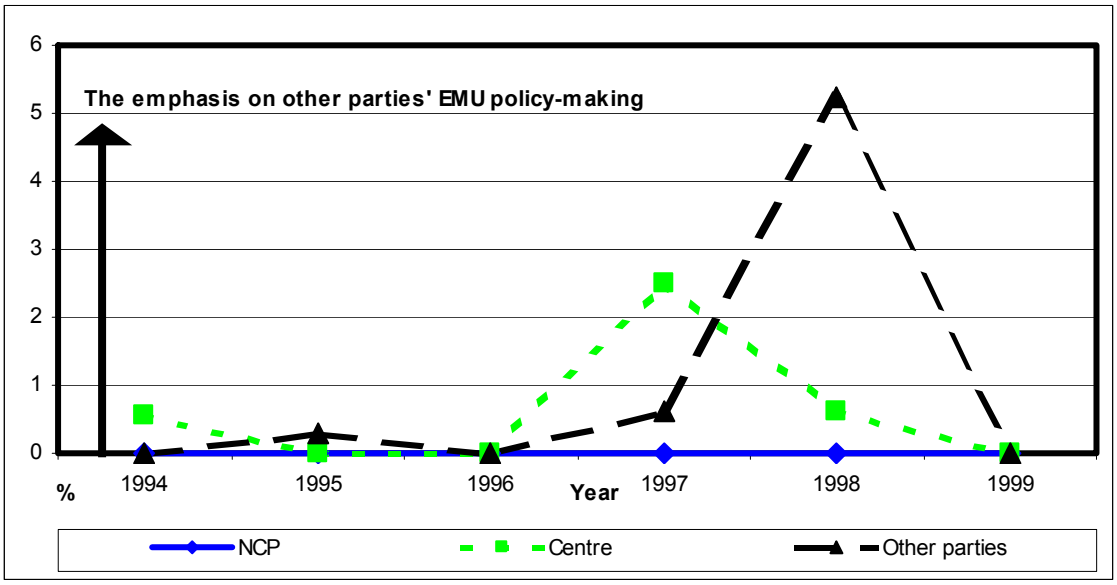
stress on employment.[307] During the Parliamentary debate on *the Government Statement on EMU* on 19 February 1998 the speaker of the NCP parliamentary group, Ben Zyskowicz, disagreed with the Centre on the need for an EMU referendum.[308] Thus the NCP delivered an attack against the Centre, the main thrust of which was based on two arguments. First, it further criticised the Centre's change in EMU position during the 1990s,[309] on the grounds that Parliament had already approved Finland's EU membership according to *the Maastricht Treaty* in 1994. It could be said that the government formed by Prime Minister Esko Aho actually approved Finland's EMU membership in 1994 because EMU was included in *the Maastricht Treaty.*[310] Secondly, there was no need for an EMU referendum because Parliament had already decided unanimously on Finland's path during the process of EU membership in 1994. Parliament would eventually decide on EMU membership.[311] In addition to that, the NCP criticised other parties on several occasions for a lack of united effort and solidarity: they should reach an agreement that Finland would join the EMU as an EU member state.[312] During the Parliamentary debate on *the Government Statement on EMU* on 14 April 1998 the speaker of the NCP parliamentary group, Kimmo Sasi, suggested that the opposition of the Centre to EMU was a tactical move.[313]

For much of the 1994–1999 period the SDP tended to scrutinise the EMU policy-making of the other parties more than the other governing party, the NCP, or the main opposition party, the Centre. As Figure 35 indicates, the SDP emphasised this most strongly, especially in 1998 when it was high on the party's agenda. Before that it seemed to focus on the policy-making of the main opposition party, the Centre. The figure also suggests that the EMU policy-making of the major governing partner, the NCP, was irrelevant to the SDP. In contradiction of this quantitative evidence, the SDP leader Paavo Lipponen claimed that the party primarily showed interest in the EMU policy-making of other major governing parties such as the NCP.[314] According to the party secretary Markku Hyvärinen, the other parties' stances played a minor role despite the fact that the SDP tended to show an interest in them.[315] From the party protocols it seems that the attacks on other parties' EMU policies were almost identical to those of the NCP. In general, the speculation in the party executive committee on when

[307] The protocol of the parliamentary group of the NCP 6.4.1995 and 2.11.1995. The protocol of the parliamentary working group of the NCP 13.5.1997. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[308] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The protocol of the parliamentary group of the NCP 3.2.1998.
[309] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[310] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[311] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The protocol of the parliamentary group of the NCP 3.2.1998.
[312] The protocol of the parliamentary group of the NCP 5.6.1997. The speech by the chairman of the NCP at the party council 28.9.1998. The speech by the chairman of the NCP at the party congress 8.6.1997. The protocol of the ministry group of the NCP 14.1.1998. The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[313] The protocol of the ministry group of the NCP 17.6.1996. The protocol of the parliamentary group of the NCP 6.5.1997. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[314] Interview with Paavo Lipponen 14.6.2007.
[315] Interview with Markku Hyvärinen 5.6.2007.

other parties such as the Left Alliance and the Greens Party would release their EMU stands was intense.[316]

Figure 35: Average Emphasis on Other Parties' EMU Policy-Making in the SDP's Documents



Note: The indexes were compiled by adding the percentage references of the political authority: the SDP (4012), political authority: the NCP (4013) and political authority: other political parties (4014).

The central thrust of the attacks was based on two main arguments. First, the SDP further criticised the Centre's changed EMU stand during the 1990s.[317] During the Parliamentary debate on *the Government Report on EMU* on 17 June 1997 the speaker of the Social Democrats' parliamentary group, Johannes Koskinen, stated that Parliament had already approved Finlands' EU membership according to *the Maastricht Treaty* in 1994. It could be said that the government formed by Prime Minister Esko Aho actually approved Finland's EMU membership in 1994 because EMU was included in *the Maastricht Treaty*. Secondly, the executive committee debated the Centre's EMU stand, which emphasised that Finland should belong to the same reference group as Sweden, the United Kingdom and Denmark.[318] During the Parliamentary debate on *the Government Statement on EMU* on 14 April 1998 Johannes Koskinen stated that the other parties lacked the consensus and solidarity required to reach agreement that Finland should join EMU as an EU member state.[319] The differences in EMU policies were reflected in the tensions between the SDP leader Paavo Lipponen and the Centre leader Esko Aho.[320] These tensions were evident during the negotiations in Parliament between the opposition and the government on the EMU process.

In sum, the findings of the present study do not offer such clear evidence of the impact of other political parties' EMU policies. Nevertheless, it seems that the differences between being in

[316] The protocol of the party executive committee of the SDP 18.9.1997, 11.12.1997 and 15.1.1998.
[317] The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 17.6.1997.
[318] The protocol of the party executive committee of the SDP 5.6.1997.
[319] The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 14.4.1998.

government and in opposition was most significant in the Centre and the NCP. The Centre was openly hostile and strongly debated the stand of the governing parties. This hostility might have been related to the desire to sharpen the differences between the government and the opposition. However, according to the interview data the EMU policy-making of the other parties played a minor role.[321] The party leader Esko Aho emphasised that EMU was a very independent issue.[322] It is clear from the party protocols that the central thrust of the attacks against other parties was based on three main arguments. First, the two major governing parties were too concerned with Germany's EMU stand.[323] Secondly, the party had to refute the arguments of the SDP and the NCP. Finally, it needed to be aware of when other parties such as the Greens, the Left Alliance and the SDP would release their EMU stances.[324]

The NCP was concerned about the electoral success of the main opposition party, the Centre. The party leader Sauli Niinistö referred to the Centre's hostile EMU stand, saying that it might jeopardise future electoral success because the majority of Finns were against EMU. Therefore, the EMU policies of the other parties were more relevant than the policy of the other governing party, the SDP. It is evident from the party protocols that the main thrust of the attacks was based on two arguments. First, the NCP extended its criticism of the Centre's change in its EMU stand during the 1990s,[325] and secondly it criticised other parties for their lack of effort to reach agreement that Finland should join the EMU as an EU member state.[326] Surprisingly, the Social Democrats tended to scrutinise the EMU policy-making of other parties more than the major governing party, the NCP. This is strikingly contradictory to the interview data. For instance, the SDP leader Paavo Lipponen claimed that the party was primarily interested in the policy-making of the other major governing parties such as the NCP.[327] Nonetheless, the party secretary Markku Hyvärinen described the EMU policy-making of other parties as irrelevant. According to the party protocols, the argumentation in the attacks was identical to that used by the NCP. Most significantly, the policy differences were reflected in the tensions that arose between the party leaders Paavo Lipponen and Esko Aho.

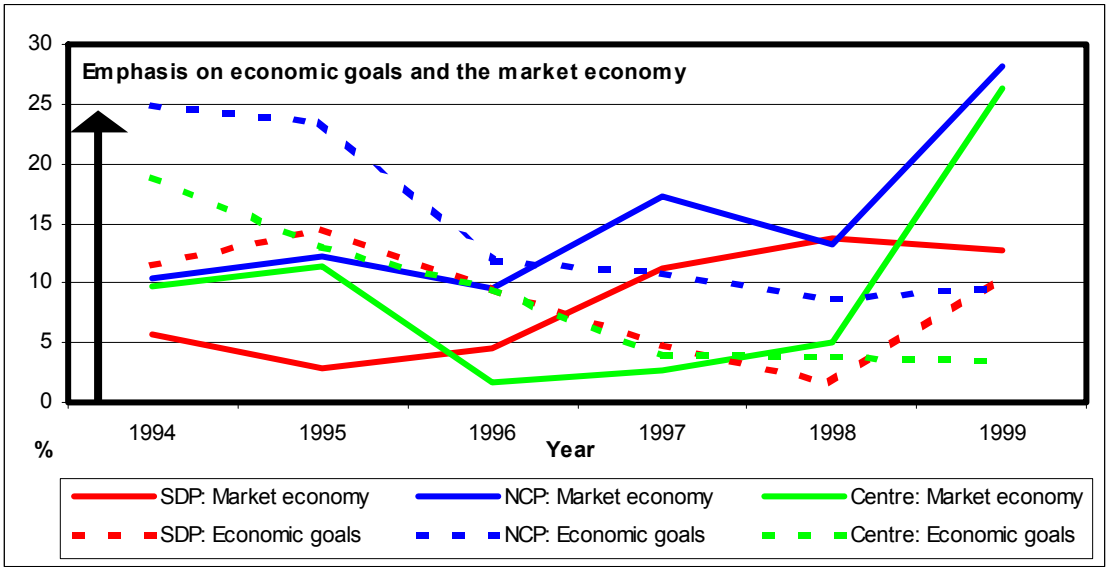
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[320] The protocol of the party executive committee of the SDP 15.5.1997, 22.5.1997 and 5.6.1997.
[321] Interview with Mauri Pekkarinen 15.6.2007, Esko Aho 30.8.2007 and Pekka Perttula 30.5.2007.
[322] Interview with Esko Aho 30.8.2007.
[323] The protocol of the working group of the party executive committee of the Centre 15.5.1997 and 20.3.1997.
[324] The protocol of the party executive committee of the Centre 12.10.1995, 6.6.1996, 7.3.1997 and 21.11.1997. The protocol of the parliamentary working group of the Centre 18.–19.8.1997.
[325] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[326] The protocol of the parliamentary group of the NCP 5.6.1997. The speech by the chairman of the NCP at the party council 28.9.1998. The speech by the chairman of the NCP at the party congress 8.6.1997. The protocol of the ministry group of the NCP 14.1.1998. The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[327] Interview with Paavo Lipponen 14.6.2007.

6.2 A Strong Emphasis on Economic Goals

In terms of economic interests, the general form of the hypothesis states that questions of costs and benefits influence the EMU policy of a political party. More precisely, the more the economic interests concern a particular region, the greater the tendency to reflect them in the EMU policy. The general proposition is strongly supported, although there were differences between the parties. As already shown in Chapter 5.1, the most striking feature is the strong emphasis by all parties on *economic goals*,[328] which nearly always ranked either first or second. Furthermore, there was stronger emphasis on economic issues in the NCP than in the Centre and the SDP. As Figure 36 shows, the emphasis on *economic goals* seemed to weaken during the 1990s in all parties, but on the other hand, *the market economy* was the subject of more frequent debate.

Figure 36: Average Emphasis on Economic Goals and the Market Economy in the Party Documents, 1994–1999



Note: The index of economic goals was compiled by adding the percentage references to economic goals (501). The market-economy index was compiled by adding the percentage references to the following categories: free enterprise (105), economic incentives (106), anti-protectionism (107), economic orthodoxy (108) and social services limitation (109), respectively in Appendix 5.

There was a steady tendency for economic goals to move down the party agendas during the 1990s. Most surprisingly, *the market economy* moved sharply upwards in 1999. The NCP seems to have held more frequent debates on *the market economy* in their organisations than the other two major parties, especially in 1997 and 1999. On the other hand, it featured continuously in the SDP debate in 1997–1999. The Centre gave it as much attention as the NCP in 1994 and 1995, but suddenly during 1996–1998, before drastically assuming more importance, it lost relevance. Raimo Sailas, the permanent secretary at the Ministry of Finance, summarised this point quite clearly: "Those who pushed the EMU project forward were market-economy minded."[329]

[328] Table 14 shows the left-right movement of the political parties and lists the top ten issues in their manifestos of political parties during 1994–1999, in terms of sentences counted in the separate categories specified in the Appendix.
[329] Interview with Raimo Sailas 18.6.2007.

The NCP supported EMU entry for several reasons. Its central policy was to emphasise economic growth, stability and welfare on its economic agenda.[330] The party leader Sauli Niinistö believed that EMU was an opportunity, and that it would bring economic success and practical benefits for companies, the national economy, consumers - everyone in fact.[331] It was seen as a logical step towards increased competitiveness, employment and growth.[332] According to Niinistö, the stability of the currency value was the primary economic goal during the EMU process.[333] This was clearly summarised at the meeting of the parliamentary group on 15 May 1997 when Ilkka Kanerva outlined the main themes in its presentation.[334] The economic goals of EMU membership were efficiency, economic stability, and the predictable and stable development of low interest rates. The central tenet was that the common currency would be a competitive advantage for business. Consequently, there was no exchange-rate-related risk at all.[335] The party also discussed previous devaluation cycles and stressed the benefits of having a stable currency regime with low interest rates.[336] On several occasions it referred to the benefits for the national economy when EU member states strived to fulfil EMU criteria.[337]

For much of the 1994–1999 period the economic interests of the Social Democrats were almost identical to those of the NCP. The party frequently focused on stability, economic growth, employment and welfare in its debates on the economic aspects of EMU.[338] Its leader Paavo Lipponen described the most common economic goal as the need to stabilise the economy by using finance, monetary and labour-market measures.[339] He pointed out that EMU would stabilise interest rates and eliminate

[330] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the NCP; The Prime Minister's Announcement on ERM in Parliament 24.10.1996. The protocol of the party council of the NCP 24.2.1995. The position of the party congress of the NCP 27.–28.8.1994.
[331] Interview with Sauli Niinistö 14.6.2007.
[332] The protocol of the ministry group of the NCP 1.4.1999. The protocol contained the answers of the NCP to Mr Paavo Lipponen who was about to form the new government. The protocol of the party council of the NCP 30.3.1996. The protocol of the party executive committee of the NCP 28.9.1998 and 4.6.1998. The position of the party congress of the NCP 6.–8.6.1997. The speech by the chairman at the party congress of the NCP 22.5.1999. The position of the party congress of the NCP 21.–23.5.1999. The parliamentary group speech of the NCP; The Government Report on EU in Parliament 15.2.1995. The parliamentary group speech of the NCP; The Prime Minister's Announcement on ERM in Parliament 24.10.1996. The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997.
[333] Interview with Sauli Niinistö 14.6.2007.
[334] Ilkka Kanerva, M.P. was due to give a speech during the the debate on the Government Report on EMU on 20 May 1997.
[335] The protocol of the parliamentary group of the NCP 15.5.1997.
[336] The protocol of the parliamentary group of the NCP 15.5.1997, 11.–12.8.1997 and 3.2.1998. The speech by the chairman at the party council of the NCP 17.5.1997. The protocol of the party council of the NCP 21.3.1999. The parliamentary group speech of the NCP; The Government Report on EU in Parliament 15.2.1995. The parliamentary group speech of the NCP; The Interpellation Answer on EMU in Parliament 13.6.1995.
[337] The protocol of the parliamentary group of the NCP 14.–15.8.1995. The speech by the chairman of the NCP at the party congress 7.6.1997. The parliamentary group speech of the NCP; The Government Report on EU in Parliament 15.2.1995. The parliamentary group speech of the NCP; The Interpellation Answer on EMU in Parliament 13.6.1995.
[338] The speech by the chairman of the SDP at the party council 24.9.1997. The protocol of the party executive committee of the SDP 22.11.1995, 6.–9.6.1996 and 8.4.1999. The position of the party congress of the SDP 3.–6.6.1993. The speech by the chairman of the SDP at the party congress 6.–9.6.1996. The position of the party congress of the SDP 6.–9.6.1996 and 26.–30.5.1999. The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 19.2.1998.
[339] Interview with Paavo Lipponen 14.6.2007.

insecurity, which in turn would influence consumer behaviour.[340] The central policy was to secure low interest rates.[341] The party secretary Markku Hyvärinen agreed with Lipponen on the importance of stable and secure development in interest rates.[342] Moreover, the SDP frequently discussed the importance of EMU criteria: it was vital for Finland to strive towards fulfilling these criteria in order to be among the members of the common currency area.[343] EMU was seen as a way to increase the competitiveness of small and medium-sized companies in this area.[344] Lipponen added that competitiveness also played an important role during the position-taking process.[345] The party emphasised in its policy that devaluation and inflation cycles must be stopped.[346] The most important thing was to achieve the right balance in the ERM system during the mid-1990s.[347]

For much of the 1994–1999 period the anti-EMU policy of the Centre Party was based on economic rather than political or ideological issues.[348] The party secretary Eero Lankia claimed that economic arguments played a more important role than ideological ones in its EMU stances, as indicated in the conclusions of *the Centre EMU Report edited by Mauri Pekkarinen*.[349] The party leader Esko Aho strongly focused on economic arguments in his speech of September 1997 at the extraordinary party congress, which officially took a negative stand.[350] The opposition leader Paavo Väyrynen agreed with Lankia that economic goals were more relevant than political aims during the position-taking process.[351] During the Parliamentary debate on *the Government Statement on EMU* on 19 February 1998 the speaker of the Centre Party parliamentary group, Mauri Pekkarinen, outlined the key economic reasons behind the negative stand on EMU membership:[352] the structure of the Finnish economy, experiences of past disturbances in economic cycles and the flexibility of the economy. Later on these reasons surfaced again in the Centre's negative stand on EMU membership.[353] Mauri Pekkarinen illustrated this point quite clearly:

> The three most important economic reasons for the party's negative EMU stand derive from asymmetrical economic shocks, the structure of the economy and the desire to be part of our own reference group. This reference group consists

[340] Interview with Paavo Lipponen 14.6.2007.
[341] Interview with Paavo Lipponen 14.6.2007.
[342] Interview with Markku Hyvärinen 5.6.2007.
[343] The protocol of the party council of the SDP 22.–23.11.1995. The protocol of the parliamentary group of the SDP 11.4.1995. The protocol of the party executive committee of the SDP 18.5.1995 and 5.9.1996. The speech by the chairman at the party council of the SDP 24.9.1997. The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 19.2.1998.
[344]The speech by the chairman at the party council of the SDP 24.9.1997.
[345] Interview with Paavo Lipponen 14.6.2007.
[346] The parliamentary group speech of the SDP. The Government Report on EU in Parliament 15.2.1995.
[347] Interview with Paavo Lipponen 14.6.2007.
[348] The speech by the chairman at the party congress of the Centre 15.6.1996. The position of the party delegation of the Centre 25.–26.11.1995. The protocol of the party delegation of the Centre 23.–24.11.1996, 23.5.1996 and 30.5.1996. The protocol of the working group of the party executive committee of the Centre 8.8.1996. The position of the party delegation of the Centre 26.–27.4.1997.
[349] Interview with Eero Lankia 4.6.2007.
[350] Interview with Eero Lankia 4.6.2007.
[351] Interview with Paavo Väyrynen 13.6.2007.
[352] The protocol of the party executive committee of the Centre 27.9.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 19.2.1998.
[353] The protocol of the party executive committee of the Centre 27.9.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 19.2.1998.

> primarily of Finland and Sweden, and secondarily of Finland, Sweden, Denmark and the United Kingdom.[354]

Aho agreed with Mauri Pekkarinen on these most important reasons. On the other hand, he stressed the finance and wage policy that would eventually be available to Finland as an EMU member state when it faced external shocks.[355] He wondered whether Finland had enough self-discpline then, and later on, to meet EMU objectives.[356] Meanwhile, the party secretary Pekka Perttula claimed that the greatest fear was that as an EMU member state Finland would lose its independence. Similarly, Väyrynen said that EMU was a political decision because it involved a transfer of power to the EU.[357] He believed that the EMU member states would eventually have a common finance policy following the development of a common monetary policy.[358] Perttula claimed that the party's EMU policy-making concerning economic interests centred on economic cycles with devaluations, interest-rate developments, a regional policy and shocks in the labour market.[359] Likewise, Väyrynen reasoned that it was justifiable for Finland to keep its currency: the Finnish economy was more dependent on the exchange rate between the Finnish markka and the US dollar than the currencies of other countries.[360] As an EMU member state it would face problems related to business cycles.[361]

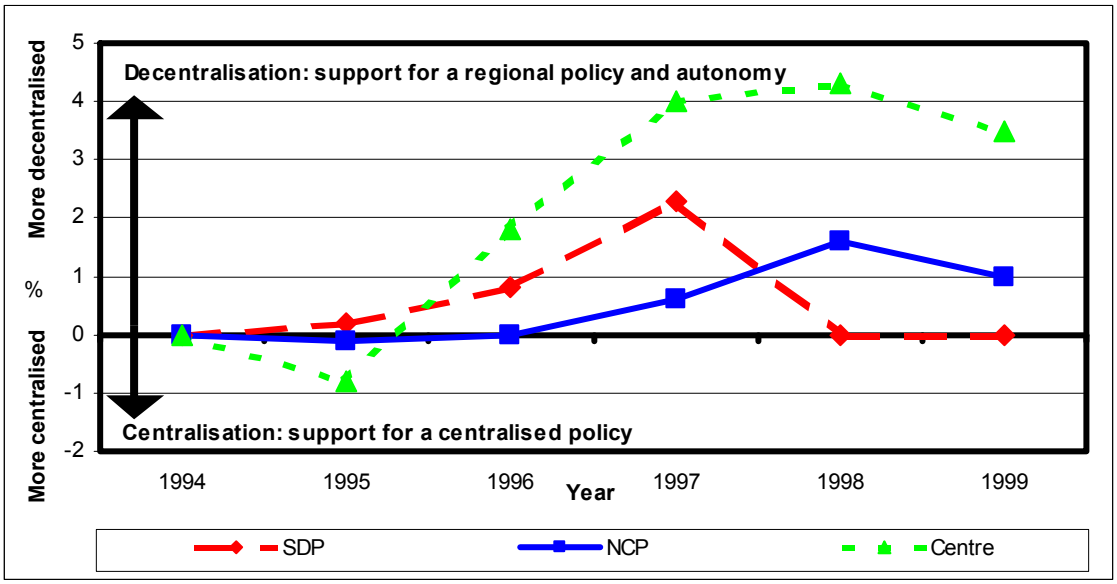
During the early EMU phase in 1995 the Centre had intensive discussions on the economic advantages of the criteria, which it saw positive and as a starting point for a balanced economic policy.[362] Later on, in 1999, it stressed growth, employment and stability in the common currency area during the negotiations on forming the new Finnish Government under Prime Minister Paavo Lipponen.[363] This was almost identical to the position of the SDP and the NCP. It is worth noting that the Centre started to pursue this policy in 1999 when Finland had already decided to join the EMU. Consequently, economic interests arguably played an important role. Raimo Sailas, the permanent secretary at the Ministry of Finance, summarised this point rather well, suggesting that the major economic arguments in favour of EMU membership focused on stabilisation, stabilisation and stabilisation.[364] He explained how these economic arguments were emphasised during the EMU process, and that other arguments seemed to be irrelevant. Speculation about the value of the currency and the interest rate played a role in this discussion. As Sailas pointed out, the cycles in the construction sector had always been strong, but on the other hand, they had weakened during the EMU era due to the stabilisation of the interest rate and the value of the currency.[365]

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[354] Interview with Mauri Pekkarinen 15.6.2007.
[355] Interview with Esko Aho 30.8.2007.
[356] Interview with Esko Aho 30.8.2007.
[357] Interview with Paavo Väyrynen 13.6.2007.
[358] Interview with Paavo Väyrynen 13.6.2007.
[359] Interview with Pekka Perttula 30.5.2007.
[360] Interview with Paavo Väyrynen 13.6.2007.
[361] Interview with Paavo Väyrynen 13.6.2007.
[362] The protocol of the party executive committee of the Centre 22.9.1994 and 26.1.1995. The protocol of the working group of the party executive committee of the Centre 6.4.1995. The parliamentary group speech of the Centre; The Government Report on EU in Parliament 15.2.1995.
[363] The protocol of the working group of the party executive committee 6.4.1999.
[364] Interview with Raimo Sailas 18.6.2007.
[365] Interview with Raimo Sailas 18.6.2007.

The proposition that the more economic interests concern a particular region, the stronger the response to EMU policy is strongly supported, although there were differences between the parties. As Figure 37 illustrates, the striking feature is that decentralisation played a more important role in the Centre than it did in the SDP and the NCP. In brief, the issue of decentralisation concerned party-policy emphasis on more regional autonomy, and the giving of special consideration to local areas and local expertise. The SDP and the NCP paid scant attention to decentralisation in 1994–1996, but it moved slightly up the Social Democrats' agenda in 1997 and the NCP's agenda in 1998 and 1999.

Figure 37: Emphasis on Decentralisation in the Party Documents, 1994–1999



Note: The decentralisation index was compiled by subtracting the sum of the decentralisation (201) percentages from the sum of the centralisation (202) percentages.

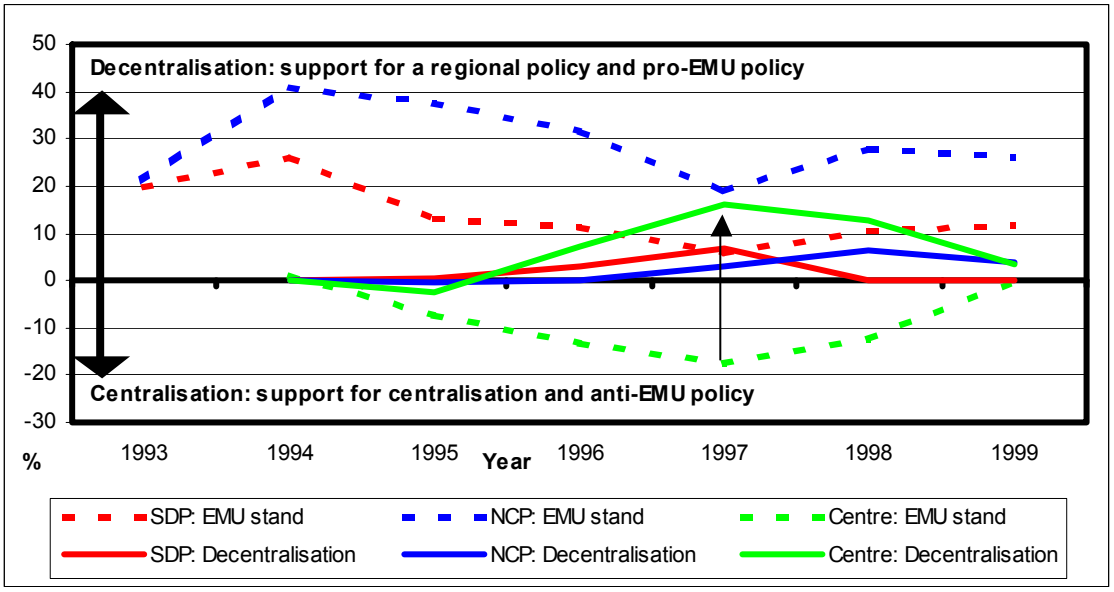
Figure 38 shows that the more the economic interests concerned local areas and regions, the greater the tendency in the Centre's policy to oppose EMU. Inter-party comparison suggested that the tendency was the strongest in the Centre's case: the party had its most intensive debates on decentralisation during the 1990s, and especially in 1997 when emphasis on opposition to EMU reached its peak. In the case of the Social Democrats, support for EMU moved down the agenda in 1997, to its lowest level of the 1990s. During the same year the party debated decentralisation more frequently than at any other time during the decade. Support for EMU moved down the NCP agenda in 1997, as decentralisation increased slightly in relevance.

With regard to regional policies, the Social Democrats emphasised the importance of the balanced development of local areas for much of the 1994–1999 period.[366] Its central policy was to show that Finland would have better chances of receiving financial subsidies for local areas as an EMU member state.[367] Likewise, the NCP stated that EMU was unproblematic for local areas.[368] During the

[366] The protocol of the party executive committee of the SDP 6.–9.6.1996. The position of the party congress of the SDP 6.–9.6.1996. The parliamentary group speech of the SDP; The Prime Minister's Announcement on ERM in Parliament 24.10.1996.
[367] The protocol of the parliamentary group of the SDP 12.8.1996.

Parliamentary debate on *the Government Statement on EMU* on 14 April 1998 the speaker of the NCP parliamentary group, Kimmo Sasi, stated that Finland would be able to pursue an independent regional policy in the common currency area.[369]

Figure 38: Emphasis on Decentralisation in the Party Documents (sum %) and the Average EMU Index, 1993–1999



Note: The decentralisation index was compiled by subtracting the sum of the decentralisation (201) percentages from the sum of the centralisation (202) percentages. The EMU index was compiled by subtracting the sum of the EMU-positive (5015) percentages from the sum of the EMU-negative (5016) percentages.

The Centre's policy had a strong regional and structural emphasis in a bid to solve problems in underdeveloped areas.[370] The main themes were unemployment, centralised policy-making, regional differences and labour migration. The prime aim was to raise awareness that unemployment was one of the major structural problems in underdeveloped areas,[371] and that it would rise if regional problems were not solved.[372] There was intense discussion on the EMU tendency to centralise political decision-making.[373] It was alleged that the strongest regions would gain the most benefit from EMU, which in consequence would increase regional differences in the country and, eventually, lead to a division between the weak and the strong.[374] During the Parliamentary debate on *the Government Report on*

[368] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[369] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[370] The position of the party congress of the Centre 14.–16.6.1996. The protocol of the working group of the party executive committee of the Centre 7.12.1995 and 8.8.1996. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[371] The protocol of the working group of the party executive committee of the Centre 7.12.1995.
[372] The speech by the chairman of the Centre at the party delegation 26.–27.4.1997. The protocol of the parliamentary working group of the Centre. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The protocol of the parliamentary working group of the Centre 2.4.1998.
[373] The position of the party delegation of the Centre 25.–26.11.1995. The speech by the chairman of the Centre at the party delegation 18.–19.4.1998. The protocol of the party executive committee of the Centre 27.9.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[374] The speech by the chairman of the Centre at the party congress 28.9.1997. The position of the party delegation of the Centre 21.–22.11.1998. The protocol of the parliamentary working group of the Centre 2.9.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The

EMU on 17 June 1997 the speaker of the Centre parliamentary group, Matti Vanhanen, used expressions such as: ”The more specialised the economies in a regional area are, the more responsive the regional areas are to asymmetric shocks”.[375]

During the Parliamentary debate on *the Government Statement on EMU* on 19 February 1998 the speaker of the Centre parliamentary group, Mauri Pekkarinen, claimed that labour migration would tend to accelerate if EMU was less advantageous to weak regions in the country.[376] In his interview the Centre party secretary Pekka Perttula emphasised the special consideration of regional development as one of the reasons for the Centre's unsupportive EMU stand.[377] None of the other interviewees from the three parties emphasised the issue of decentralisation. It is worth noting that the centralisation-decentralisation dichotomy in political-party organisation was strongly emphasised in the context of the role of internal elites, as described in Chapter 5.3.

In sum, the findings of the present study seem to broadly confirm the core assumption of the strong influence of economic costs and benefits on EMU party policies. As evidenced, the most striking feature is the strong emphasis by all parties on *economic goals*, which ranked either first or second on their agendas almost all the time during 1994–1999. The NCP emphasis was stronger than that of the Centre or the SDP. Interestingly, *economic goals* lost relevance during the 1990s among all parties, but on the other hand there was more frequent debate on *market-economy*-related issues. The NCP emphasised economic growth, stability and welfare when discussing the economic aspects of EMU. Surprisingly, in terms of logic this reflected the economic interests of the SDP, which had intensive debates on stability, economic growth, employment and welfare.[378]

In contrast, the Centre emphasised economic reasons in arguing why Finland should reject the EMU project.[379] Its main anti-EMU policy policy being based more on economic than political or ideological questions.[380] It focused on the structure of the Finnish economy, past experiences of disturbed economic cycles, and the need for a flexible national economic policy. During the early EMU phase in

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parliamentary group speech of the Centre; The Government Report on EU in Parliament 15.2.1995. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 19.2.1998.

[375] The parliamentary group speech of the Centre. The Government Report on EMU in Parliament 17.6.1997.

[376] The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 19.2.1998.

[377] Interview with Pekka Perttula 30.5.2007.

[378] The speech the chairman at the party council of the SDP 24.9.1997. The protocol of the party executive committee of the SDP 22.11.1995, 6.–9.6.1996 and 8.4.1999. The position of the party congress of the SDP 3.–6.6.1993, 6.–9.6.1996 and 26.–30.5.1999. The speech by the chairman at the party congress of the SDP 6.–9.6.1996. The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 19.2.1998.

[379] The protocol of the party executive committee of the Centre 27.9.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 19.2.1998.

[380] The speech by the chairman of the Centre at the party congress 15.6.1996. The position of the party delegation of the Centre 25.–26.11.1995. The protocol of the party delegation of the Centre 23.–24.11.1996. The protocol of the parliamentary working group of the Centre 23.5.1996 and 30.5.1996. The protocol of the working group of the party executive committee of the Centre 8.8.1996. The position of the party delegation of the Centre 26.–27.4.1997.

1995 the party had intense debates on the economic advantages of the joining criteria.[381] Later on, in 1999, it stressed growth, employment and stability in the common currency area during the negotiations with Prime Minister Paavo Lipponen on the formation of the new Finnish Government.[382] On these matters its position was almost identical to that of the SDP and the NCP.

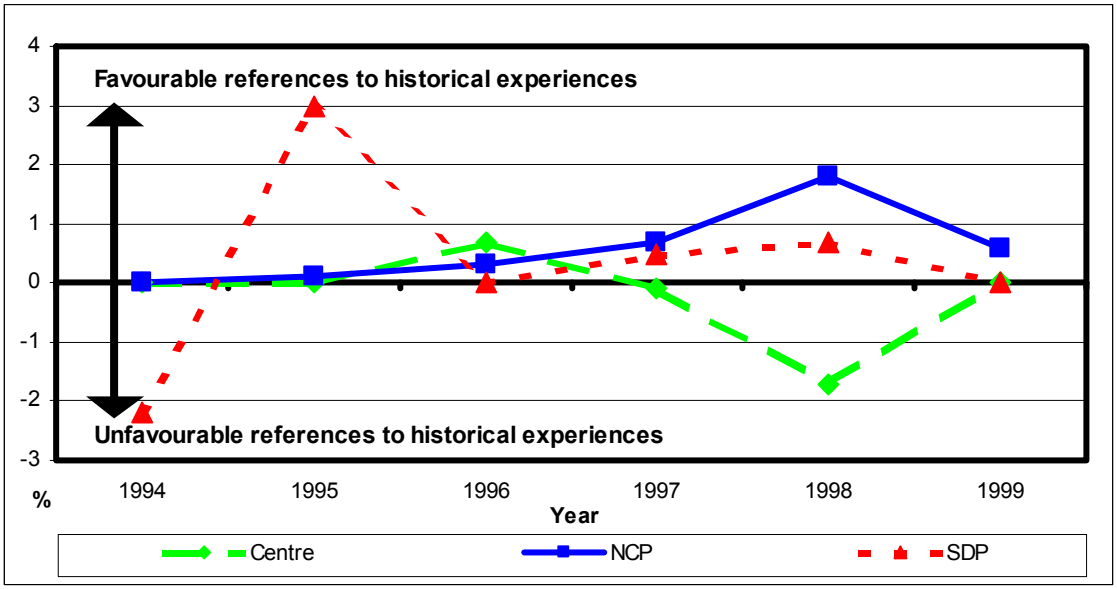
Consequently, the findings give strong partial support to the assumption that the more the economic interests concern a particular region, the stronger the response to EMU policy. The Centre apparently opposed EMU for particular regional reasons, mainly to do with unemployment, centralised policy-making, regional differences and labour migration. For much of the 1994–1999 period the SDP pursued a policy emphasising the importance of the balanced development of local areas.[383] Meanwhile, the NCP stated that EMU was unproblematic for local areas,[384] while the Centre strongly emphasised its regional and structural policy in addressing the problems in underdeveloped areas.[385] Most surprisingly, none of the Centre, NCP and the SDP interviewees emphasised the issue of decentralisation.

6.3 Historical Dynamism Increased Opposition to EMU

The general form of the hypothesis on historical dynamism states that historical themes related to national experiences influence the EMU policy of a political party. More specifically, the greater the number of unsupportive historical references, the stronger is the tendency to oppose supranational policy. The findings suggest that this particular hypothesis was of marginal relevance, although as Figure 39 shows, in the Centre's case the proposition holds. The Centre strongly emphasised negative historical experiences when they formed their unsupportive EMU stand in 1998. Apparently, there had been historical and cultural experiences that had tended to increase opposition in the party. In contrast, the NCP debated historical issues slightly more frequently than the SDP during 1996–1999, the exception being in 1995 when there were more favourable historical themes on the agenda. There seem to have been historical and cultural experiences that had the effect of increasing support for EMU in these two major parties.

[381] The protocol of the party executive committee of the Centre 22.9.1994. The protocol of the working group of the party executive committee of the Centre 26.1.1995 and 6.4.1995. The parliamentary group speech of the Centre; The Government Report on EU in Parliament 15.2.1995.
[382] The protocol of the working group of the party executive committee of the Centre 6.4.1999.
[383] The protocol of the party executive committee of the SDP 6.–9.6.1996. The position of the party congress of the SDP 6.–9.6.1996. The parliamentary group speech of the SDP; The Prime Minister's Announcement on ERM in Parliament 24.10.1996.
[384] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[385] The position of the party congress of the Centre 14.–16.6.1996. The protocol of the working group of the party executive committee of the Centre 7.12.1995 and 8.8.1996. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.

Figure 39: Average Emphasis on the Historical Context in the Party Documents, 1994–1999



Note: The historical-context index was compiled by subtracting the sum of the historical experiences and cultural integration: positive (601) percentages from the sum of the historical experiences and cultural integration: negative (602) percentages.

In terms of historical experiences, the main policy of the Centre Party was to highlight the historical momentum behind the EMU decision, past experiences of disturbed business cycles and exchange rates, and the convergent economies of the Nordic countries. At the extraordinary congress of 28 September 1997, the party leader Esko Aho emphasised the historical significance of the decision to join the EMU using expressions such as: "EMU is a historic decision, and therefore a referendum is vital in order to assess public opinion".[386] Later on, during the Parliamentary debate on *the Government Statement on EMU* on 19 February 1998, Aho, the speaker of the Centre parliamentary group, stated that it was essential to involve citizens in the decision-making process because EMU had historic significance.[387]

The party executive committee pursued a policy emphasising general disturbances in business cycles in the past, and the similar kind of economic structure and flexibility in the Nordic countries and the United Kingdom.[388] Mauri Pekkarinen, a Centre Party member of Parliament, alluding to previous business cycles, said that economic development in the Nordic countries was in same direction. For instance, devaluation cycles were very common, especially in the forest industry.[389] The party secretary Eero Lankia claimed that there was a lack of national monetary measures in the common currency area, such as devaluation, that would safeguard export competitiveness. In contrast, many

[386] The speech by the chairman of the Centre at the party congress 28.9.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[387] The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[388] The protocol of the party executive committee of the Centre 27.9.1997.
[389] Interview with Mauri Pekkarinen 15.6.2007.

EMU supporters argued that, eventually, we would get rid of the inflation-devaluation cycle.[390] Esko Aho said that the interests of the forest industry were of paramount importance due to its past significance in the Finnish economy.[391] Therefore, the core party supporters were afraid that as members of an EMU state, foresters would be faced with higher costs and, eventually, higher prices due to external shocks.[392]

The central policy was to emphasise what the countries belonging to the same reference group as Finland were going to decide. During the Parliamentary debate on *the Government Statement on EMU* on 14 April 1998, Aho, the speaker of the Centre parliamentary group, said that Finns should be aware of the forthcoming disturbances in economic life if the country became an EMU member state.[393] For instance, the policy of a strong Finnish markka based on a fixed currency system was a failure during the early 1990s.[394] According to the interview data, historical experiences concerning relations with Russia, the neighbouring country to the east, were irrelevant to the position-taking process of the Centre.[395]

The central policy of the NCP was to highlight the need for closer single-market relations, the cycles of devaluation in the past, and security policy. For much of the 1995–1998 period it had pursued a policy promoting close single-market relations with other EU member states. Therefore, EMU would be a logical step to strengthen integration with other core member states.[396] In contrast to the Centre, historical themes such as devaluation cycles and currency value tended to increase support for EMU among the core supporters of the NCP and the SDP. On several occasions the speakers of the parliamentary groups highlighted the role of devaluation cycles in the past when emphasising the need for a stable currency.[397] The NCP leader Sauli Niinistö said that the core party supporters were afraid of speculation with regard to the currency of a small country such as Finland, mentioning George Soros as a potential threat.[398] He noted that the party's EMU stand had become more supportive by the end of the 1990s due to painful historical events early in the decade, using expressions such as: "EMU membership began to be self-evident after the experiences of recession and devaluation, and when the Finnish markka was left to float".[399] Most surprisingly, he believed that it was imperative to argue in favour of EMU because the common currency area also seemed to be a security solution.[400]

[390] Interview with Eero Lankia 4.6.2007.
[391] Interview with Esko Aho 30.8.2007.
[392] Interview with Esko Aho 30.8.2007.
[393] The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[394] The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998.
[395] Interview with Esko Aho 30.8.2007, Eero Lankia 4.6.2007, Mauri Pekkarinen 15.6.2007 and Paavo Väyrynen 13.6.2007.
[396] The protocol of the ministry group of the NCP 5.4.1995. The speech by the chairman of the NCP at the party congress 9.6.1998 and 8.6.1997. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998.
[397] The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[398] Interview with Sauli Niinistö 14.6.2007.
[399] Interview with Sauli Niinistö 14.6.2007.
[400] Interview with Sauli Niinistö 14.6.2007.

Relations with Russia, the neighbour on the eastern border, did play a role during the position-taking process.

With regard to the relationship between EMU policies and historical experiences, the central themes of the SDP and the NCP were almost identical. The most significant ones covered the need for closer single-market relations with other EU member states and the cycles of devaluation and fluctuating currency. For much of the 1997–1998 period the SDP had pursued a policy emphasising the importance of EMU as an opportunity to deepen integration with other core EU member states.[401] During the Parliamentary debate on *the Government Report on EMU* on 17 June 1997 the speaker of the parliamentary group, Johannes Koskinen, stated that there was an urgent need to get rid of devaluation cycles and move to a more stable currency system.[402] The party leader Paavo Lipponen claimed in the interview that past experience of economic cycles was the most decisive factor.[403] It was therefore essential to stabilise the economy.[404] According to the party secretary Markku Hyvärinen, historical experiences were insignificant during the position-taking process.[405] He used expressions such as: “None of us are free from history” and ”EMU was more of an analysis of the future than a looking back at historical experiences”.[406] Lipponen stated in his speech to the party council meeting on 24 September 1997 that EMU was a responsible decision, and that the party was looking ahead to the coming years in its responsibilities to Finnish citizens.[407] Disagreeing with the NCP party leader Sauli Niinistö, Lipponen said that past experience concerning relations with Russia was an insignificant factor.[408]

It is worth noting that the NCP’s and the SDP’s EMU policies promoted a vision of closer single-market relations with other EU member states. In practice, this reflected the ideology President Urho Kekkonen had followed since the early 1950s, and a commitment not to allow Finland to be left behind tariff walls. Moreover, Sweden should not have a stronger position, especially in the forest industry, than Finland.[409] This commitment to EMU disengaged Finland from the post-war thinking allying it with the Soviet Union. It was seen as a natural step in the country’s post-war trade policy of securing the conditions of Finnish economic life: the first step was the signing of the EFTA and EEC agreements, which eventually resulted in Finland’s joining the EU and the EMU.[410]

[401] The speech by the chairman at the party council of the SDP 24.9.1997. The protocol of the party executive committee of the SDP 10.4.1997. The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 19.2.1998.
[402] The protocol of the party council of the SDP 23.11.1995. The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 17.6.1997.
[403] Interview with Paavo Lipponen 14.6.2007.
[404] Interview with Paavo Lipponen 14.6.2007.
[405] Interview with Markku Hyvärinen 5.6.2007.
[406] Interview with Markku Hyvärinen 5.6.2007.
[407] The speech by the chairman at the party council of the SDP 24.9.1997.
[408] Interview with Paavo Lipponen 14.6.2007.
[409] Interview with Raimo Sailas 18.6.2007.
[410] Interview with Raimo Sailas 18.6.2007.

In sum, the findings of the present study do no support the core argument on the influence of historical dynamism on EMU policies. In particular, historical themes had marginal relevance given the light emphasis compared to other policy issues covered in this study. However, in the Centre's case, historical lack of support seemed to increase opposition to a supranational policy. This was only evidenced in 1998 when the party emphasised negative historical experiences when it formed its EMU stand. The criticism was partly based on the fact that economic integration would limit the sovereignty of the nation-state. The main policy of the Centre was to emphasise the historical significance of an EMU decision, to refer to past experiences of disturbed business cycles and fluctuating exchange rates, and to show the convergent economies of the Nordic countries. The NCP, in turn, focused on the need for closer single-market relations, the cycles of devaluation and currency fluctuation in the past, and security. The central policy themes of the SDP seem to have been almost identical to those of the NCP. The most significant historical themes included the need for closer single-market relations with other EU member states and the cycles of devaluation and currency fluctuation.

The Centre focused on the interests of the forest industry, having in the past used devaluation in order to increase competitiveness. Past experiences regarding relations with Russia on the eastern border played an insignificant role. Nevertheless, the NCP leader Sauli Niinistö maintained in his interview that it was crucial to argue in favour of EMU because it seemed to represent a security solution.[411] This suggests that relations with the eastern neighbour played a role during the position-taking process. It is worth noting that the NCP's and the SDP's EMU policies included a vision of closer single-market relations with other EU member states, which was seen as a natural step in the post-war trade policy aimed at securing the conditions of Finnish economic life: the first step was the signing of the EFTA and EEC agreements as a result which Finland eventually joined the EU and the EMU.[412]

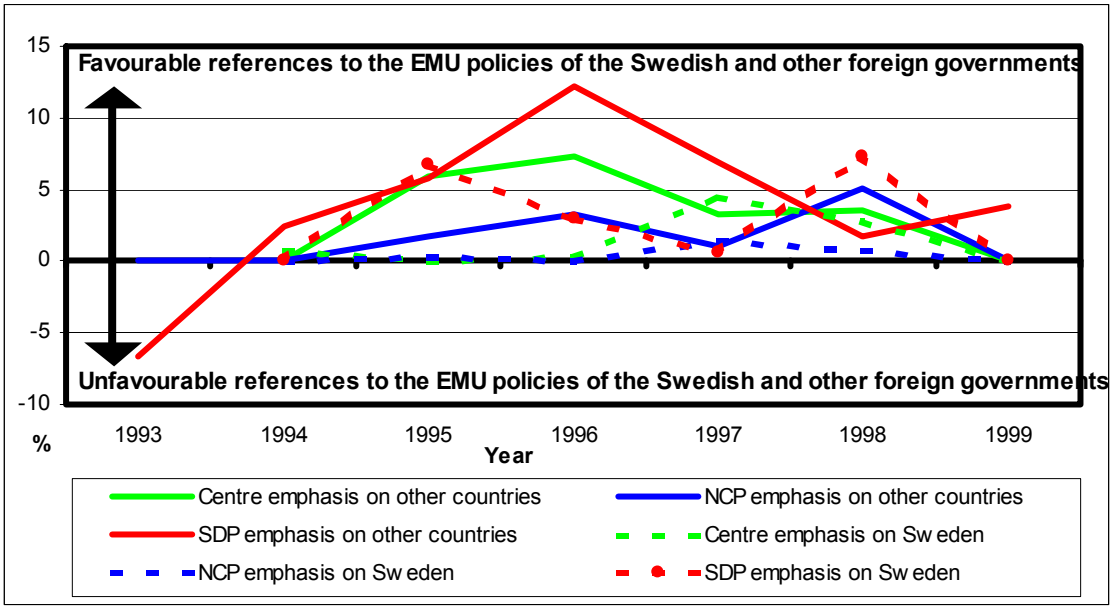
[411] Interview with Sauli Niinistö 14.6.2007.
[412] Interview with Raimo Sailas 18.6.2007.

7 The External Dimension

7.1 The Varying Impact of Internationalism

According to the general form of the hypothesis, external actors such as foreign governments, and counterveiling ties with non-EU countries influenced the political parties in their policy-making. More precisely, the proposition states that the more special the relationship with the foreign country is, the greater the tendency for influence. As Figure 40 shows, the three major party organisations tended to look more closely at the EMU policy-making of foreign governments other than those governments with which Finland had a more special relationship, such as Sweden. Therefore, the proposition is supported more in terms of the EMU policy-making of other foreign governments and external events than with regard to the EMU policies of the Swedish government. However, there were exceptions in the cases of the SDP in 1998 and the Centre in 1997, for instance.

Figure 40: Average Emphasis on the EMU Policies of Sweden and of other Foreign Countries in the Party Documents, 1993–1999



Note: The index for other foreign countries was compiled by subtracting the sum of the special relationships: positive (701) percentages from the sum of the special relationships: negative (702) percentages. The index for Sweden was compiled by subtracting the sum of the special relationships, Sweden: positive (7011) percentages from the sum of the special relationships, Sweden: negative (7021) percentages.

The Finnish Social Democrats seem to have debated on the EMU policy-making of other foreign countries more frequently than the other two major parties. It moved up on the party's agenda, especially in 1996, because for much of the 1995–1997 period the SDP was looking very closely at the EMU policy-making of Germany, France and the United Kingdom. According to its leader Paavo Lipponen, the party showed an interest in the general EMU policy-making in the core European countries and ignored Sweden.[413] The policy of the party executive committee was to show that

[413] Interview with Paavo Lipponen 14.6.2007.

Germany and France were the most decisive forces pushing forward the third EMU stage in Europe.[414] Lipponen stated in his speech to the party congress on 6–9 June, 1996 that Germany was particularly committed to the EMU project in its determination to prevent disturbances in the currency market and to increase competitiveness.[415]

Likewise, Lipponen stated at the party council meeting on 24 September 1997 that close relations between Germany and France would eventually secure implementation of the EMU project as part of the decision-making process in the European Union.[416] The SDP party secretary Markku Hyvärinen also felt that Germany's EMU stand played an important role all the time,[417] claiming that there was an ecxellent and close relationship between the German CDU party leader Helmut Kohl and Lipponen.[418] On the other hand, the SDP believed that the United Kingdom would become one of the EMU member states when the third stage began in January 1999.[419] Nevertheless, the United Kingdom was not considered one of the driving forces behind the EMU process.

On the other hand, the SDP seemed to debate the EMU policy-making of Sweden more than the policies of other foreign countries during the years between 1995 and 1997. In Hyvärinen's view, Sweden and the other Nordic countries had comprised the most important reference group for the SDP since the beginning of the 1990s.[420] The Social Democrats in the respective countries tended to draw up their European policies in common working groups, and to hold meetings in conjunction with SAMAK.[421] The party stated on several occasions that Sweden's entry into the EMU was seen as a hopeful goal in terms of Finland's accession.[422] As Figure 40 shows, surprisingly, in 1998 the Finnish Social Democrats debated the EMU policy-making of Sweden's Government more frequently than that of other foreign governments. This was probably because the Swedish SDP announced in 1997 that Sweden would not join the EMU at the third stage in 1999. The Swedish Parliament had decided to reject the third stage due to the low public support for membership. Nevertheless, the Social Democratic Government stated that it was leaning towards a pro-EMU position and indicated that the door would remain open for entry later on.

The interests of the Finnish and the Swedish Social Democrats increasingly diverged. It could be said that the turning point was in August 1997 when the Finnish party was informed that Sweden would take a negative EMU stand.[423] The central policy of the party executive committee was based on the belief that Sweden would ignore Finland's EMU stand when the political elite discussed

[414] The protocol of the party executive committee of the SDP 5.6.1997.
[415] The protocol of the party executive committee of the SDP 10.4.1997, 2.10.1997 and 30.10.1997. The speech by the chairman of the SDP at the party congress 6.–9.6.1996.
[416] The speech by the chairman at the party council of the SDP 24.9.1997.
[417] Interview with Markku Hyvärinen 5.6.2007.
[418] Interview with Markku Hyvärinen 5.6.2007.
[419] The protocol of the party executive committee of the SDP 5.6.1997.
[420] Interview with Markku Hyvärinen 5.6.2007.
[421] Interview with Markku Hyvärinen 5.6.2007.
[422] The protocol of the party council of the SDP 23.11.1995. The protocol of the party executive committee of the SDP 15.6.1995. The protocol of the parliamentary group of the SDP 15.6.1995 and 12.8.1996. The speech by the chairman at the party council of the SDP 24.9.1997.
[423] The protocol of the parliamentary group of the SDP 8.8.1996.

membership.[424] Lipponen stated at the party council meeting on 24 September 1997 that Finland should decide on EMU membership in accordance with its national interests.[425] In addition, the Finnish Social Democrats delivered a major attack against Sweden's unsupportive stand.[426] The party executive committee strongly criticised the Swedish Prime Minister and SDP leader Göran Persson for referring to EMU as an unstable project.[427] Sweden's EMU stand was of no consequence to the EMU project in other countries.[428] This is also reflected in Lipponen's memoirs, in which he strongly criticises the EMU policies of Sweden and Denmark because, given their unsupportive stand, they could be described as standing with only one foot in the EU (Boxberg 2004, 193). In his speech to the council in September 1997 Lipponen described rather well the minor role of the Nordic countries and the United Kingdom in the party's position-taking process, using expressions such as: "Co-operation with the Nordic countries and the United Kingdom (in currency policy) would not give any real options, as historical experiences have shown".[429]

For much of the 1994–1999 period the Centre seems to have focused more in its debates on the EMU policies of foreign countries other than Sweden, with one exception: it focused on Swedish policy-making in 1997. The policy-making of other foreign countries was still, in general, a more frequent agenda item. The central EMU policy of the party was to emphasise the importance of close relations with Sweden, Denmark and the United Kingdom. It stated on several occasions that it was vital for its and Finland's EMU stand to know which EU member states would eventually join.[430] The importance of this argument was evident given the negative views on EMU, especially in the United Kingdom and France.[431]

For much of the period of 1995–1998 the Centre insisted that it was relevant in terms of the national interest to belong to the same reference group as Sweden, Denmark and the United Kingdom.[432] The

[424] The protocol of the party executive committee of the SDP 24.4.1997.
[425] The speech by the chairman at the party council of the SDP 24.9.1997. The protocol of the party executive committee of the SDP 17.10.1996, 5.6.1997 and 24.9.1998.
[426] The protocol of the party executive committee of the SDP 5.6.1997. The parliamentary group speech of the SDP; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the SDP; The Government Statement on EMU in Parliament 14.4.1998.
[427] The protocol of the party executive committee of the SDP 5.6.1997.
[428] The protocol of the party executive committee of the SDP 5.6.1997.
[429] The speech by the chairman at the party council of the SDP 24.9.1997.
[430] The position of the party congress of the Centre 14.–16.6.1996. The position of the party delegation of the Centre 25.–26.11.1995. The parliamentary group speech of the Centre; The Government Report on the Intergovernmental Conference in Parliament 8.5.1996. The parliamentary group speech of the Centre; The Government Report on the Future of the EU in Parliament 2.10.1996. The protocol of parliamentary working group of the Centre 6.3.1997.
[431] The protocol of the parliamentary working group of the Centre 17.3.1994, 7.12.1995 and 31.1.1996.
[432] The speech by the chairman of the Centre at the party delegation 18.–19.4.1998. The protocol of the parliamentary working group of the Centre 6.6.1996, 23.5.1996, 18.–19.8.1997 and 7.8.1997 and 7.5.1998. The protocol of the party executive committee of the Centre 27.9.1997 and 13.2.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 19.2.1998. The parliamentary group speech of the Centre; The Government Statement on EMU in Parliament 14.4.1998. The speech by Mauri Pekkarinen at the party delegation of the Centre 24.–25.4.1999.

party frequently discussed pursuing an EMU policy resembling that of Sweden.[433] It increasingly emphasised the importance of Sweden's EMU stand in 1997, the year in which the extraordinary party congress decided its official EMU stand. Its main argument was that Sweden, the United Kingdom and Denmark had had a similar economic-structure and disturbance history as Finland during the post-war period. This was shown quite clearly during the preparatory work before the extraordinary party congress in September 1997.[434] The Centre politicians decided to collect the position papers of the Swedish Social Democrats and the Government of England as background material in drafting the party's EMU stand. Mauri Pekkarinen, a Centre Party member of Parliament, said that the most important reference group in terms of economic and monetary policy comprised countries such as Finland and Sweden.[435] In fact, Finland, Sweden, Denmark and the United Kingdom belonged to the second most important reference group.[436] The party secretary Pekka Perttula described its position-taking argumentation as follows:

> The Swedish position was very important because Sweden is important to Finland by way of economic competition. We referenced the Swedish EMU position to our own stand. During economic cycles Sweden would retain the option of making various decisions concerning the value of its currency if it stayed outside the EMU. As members we would be tied to the economic cycles of central Europe.[437]

The Centre party secretary Eero Lankia and the party opposition leader Paavo Väyrynen agreed with Mauri Pekkarinen and Perttula that the Centre tended to show an interest in the EMU policy-making of Sweden, Denmark and the United Kingdom.[438] For instance, there were similarities in the Finnish and Swedish economic structures, social-security systems and export markets, and the two countries should therefore have identical EMU stands.[439] Consequently, it would be best if Finland did not join if Sweden and Denmark decided not to.[440] The party leader Esko Aho stated that Sweden was the only foreign country whose EMU policy-making the Centre seemed to have tracked.[441] On the other hand, he pointed out that EMU enjoyed wide support in Europe, where radically anti-EMU opinions were stifled.[442] The strong relationship between the Centre Party's position-taking process and Sweden's EMU stand was shown quite clearly during the Parliamentary debate on *the Government Report on EMU* on 20 May 1997.[443] Mauri Pekkarinen, the speaker of the Centre parliamentary group, attacked the report and expressed quite clearly the party's attitude to the EMU policies of foreign countries:

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[433] The protocol of the parliamentary working group of the Centre 23.5.1996, 6.3.1997, 24.4.1997, 22.5.1997 and 5.6.1997. The protocol of the party executive committee of the Centre 15.2.1996 and 7.11.1996. The protocol of the working group of the party executive committee of the Centre 7.3.1997, 13.3.1997, 5.6.1997 and 13.8.1997. The protocol of the party executive committee of the Centre 19.5.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997. The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 17.6.1997.
[434] The protocol of the parliamentary working group of the Centre 18.9.1997.
[435] Interview with Mauri Pekkarinen 15.6.2007.
[436] Interview with Mauri Pekkarinen 15.6.2007.
[437] Interview with Pekka Perttula 30.5.2007.
[438] Interview with Eero Lankia 4.6.2007 and with Paavo Väyrynen 13.6.2007.
[439] Interview with Eero Lankia 4.6.2007.
[440] Interview with Paavo Väyrynen 13.6.2007.
[441] Interview with Esko Aho 30.8.2007.
[442] Interview with Esko Aho 30.8.2007.
[443] The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997.

> Core EMU member states such as France, Germany, the Benelux countries and Austria would create an incompatible currency area as far as Finland was concerned. On the other hand, it would also be problematic for Finland as an EMU member state if Sweden and the United Kingdom were not members. Sweden has a similar kind of economic and production structure, and the United Kingdom is a significant trading partner. If both of them decided to join the EMU, then Finland would also have to join.[444]

The attitudes of the NCP towards the EMU policies of foreign countries seem to have been almost identical to those of the SDP, although it tended to debate them less than the other two major parties. The party leader Sauli Niinistö claimed that the party ignored the EMU stands of foreign countries,[445] using expressions such as: "I would say that foreign countries did not have an influence on our stand in terms of saying Yes or No to EMU", and "However, foreign countries, and especially Germany, gave strong support to our stand".[446] However, the EMU issues of foreign governments moved up on the party's agenda in 1998 in particular on account of its belief that the economic crisis in Asia during 1997–1998 had had a positive influence on public opinion on EMU and further, on the party's EMU stand.[447] EMU must be seen as "medicine" that would prevent this kind of economic crisis from happening in Europe.[448] Overall, it seems that the NCP tended to show more interest in the EMU stances of foreign governments such as Germany than in Sweden's stand.

For much of the 1994–1999 period the NCP emphasised the importance of events occurring in Germany, the United Kingdom, France and Asia, as evidenced above. During the Parliamentary debate on *the Government Report on EMU* on 17 June 1997, Kimmo Sasi, the speaker of the NCP parliamentary group, strongly expressed his belief that Germany was the driving force behind the EMU project.[449] He claimed during the Parliamentary debate on *the Government Statement on EMU* on 14 April 1998 that France was able to meet the EMU criterion on budget deficit,[450] but suggested that EMU was seen as some kind of peace project among the Germans.[451] According to Niinistö, Theo Weigel, the German Secretary of Finance, started, in public, to use Finland as an example of a country with self-confidence.[452] He recognised that here was an opportunity to increase the profile of Finland as an EU member state: Finns believed in their ability, and that they were responsible people.[453]

Sweden's EMU stand played an irrelevant role for the NCP. Niinistö stated at the party congress meeting on 7 June 1997 that Finland had to decide on EMU membership in the light of its own national

[444] The parliamentary group speech of the Centre; The Government Report on EMU in Parliament 20.5.1997.
[445] Interview with Sauli Niinistö 14.6.2007.
[446] Interview with Sauli Niinistö 14.6.2007.
[447] The protocol of the ministry group of the NCP 14.1.1998. The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[448] The protocol of the parliamentary group of the NCP 3.2.1998.
[449] The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 17.6.1997.
[450] The parliamentary group speech by Kimmo Sasi of the NCP; The Government Report on EMU in Parliament 17.6.1997.
[451] The parliamentary group speech by Kimmo Sasi of the NCP; The Government Statement on EMU in Parliament 14.4.1998.
[452] Interview with Sauli Niinistö 14.6.2007.
[453] Interview with Sauli Niinistö 14.6.2007.

interests, and that Sweden's EMU stand was therefore irrelevant.[454] He summarised this point rather well in the congress position paper, stating that it was Finland's national interest to join EMU despite the fact that Sweden would take an unsupportive stand.[455] Raimo Sailas, the permanent secretary at the Ministry of Finance, shared Niinistö's view on the role of national interests, and expressed his point clearly:[456]

> Naturally we were interested in Sweden's EMU stand. But I would say that we were not actually interested in the EMU stances of external governments. In fact, EMU was clearly a national and independent solution in which Finland disengaged itself from the community of the Nordic countries. Finland decided to reposition itself and join the group of core European countries.[457]

During the Parliamentary debate on *the Government Report on EMU* on 20 May 1997, Ilkka Kanerva, the speaker of the NCP parliamentary group, admitted that it would be positive for Finland if Sweden decided to join the EMU at the third stage.[458] He suggested that Sweden would have to adopt a strict finance policy as a non-EMU member state due to the fear of high interest rates.[459] During the Parliamentary debate on *the Government Statement on EMU* on 14 April 1998, Kimmo Sasi, the speaker of the NCP parliamentary group, criticised Sweden's stand and predicted that EMU would be beneficial for Finland. As a result, Sweden would face serious challenges.[460] Paradoxically, Niinistö believed that Sweden's decision to take an unsupportive stand gave support to Finland's stand, using expressions such as: "As the only Nordic country belonging to the EMU, I saw an opportunity for Finland to increase its status among European countries".[461]

In sum, the findings of the present study are partly consistent with the notion that political parties tend to respond to external events. More precisely, with regard to the proposition stating that the more special the relationship with the foreign country, such as that with Sweden, the stronger the influence would tend to be. No valid generalisations can be made from the data because the influence of external events varied considerably from one party to another. The three major party organisations tended to look at the EMU policies of the core EU member states more closely than that of Sweden. The attitudes of the NCP and the SDP towards the EMU policies of foreign countries seem to have been almost identical: for much of the 1994–1999 period these two major parties mainly emphasised the importance of events occurring in Germany, the United Kingdom and France. One surprising feature is the heavy emphasis of the SDP on the external dimension compared to the other two major parties: for instance, the EMU issues of foreign governments moved up the party's agenda in 1996 in particular. The reason for this was that for much of the 1995–1997 period the SDP looked very closely at the EMU policy-making in Germany, France and the United Kingdom.

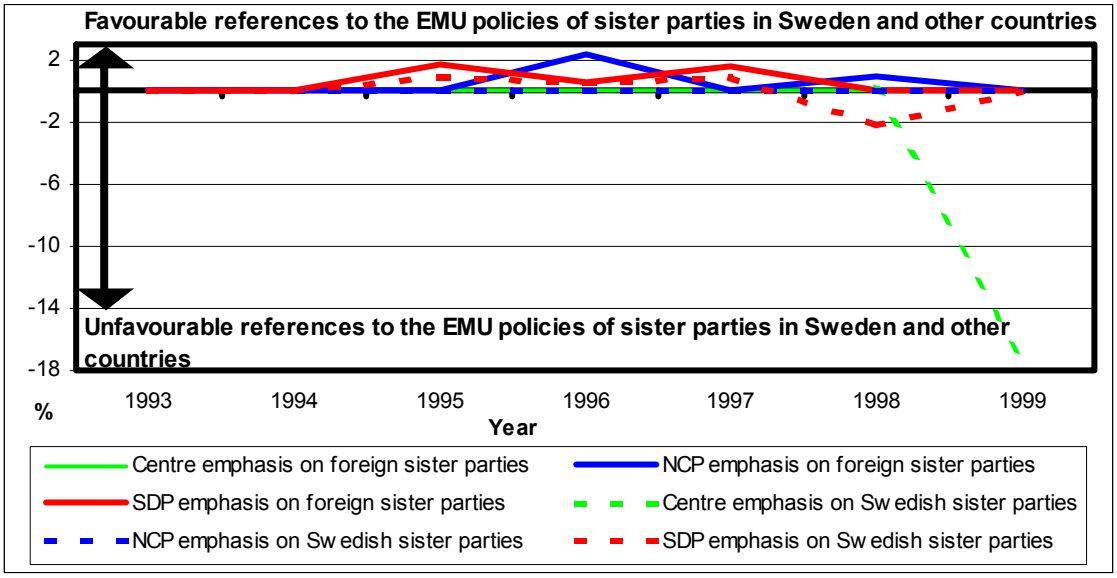
[454] The speech by the chairman of the NCP at the party congress 7.6.1997.
[455] The position of the party congress of the NCP 6.–8.6.1997.
[456] Interview with Raimo Sailas 18.6.2007.
[457] Interview with Raimo Sailas 18.6.2007.
[458] The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 20.5.1997.
[459] The parliamentary group speech of the NCP; The Government Report on EMU in Parliament 20.5.1997.
[460] The parliamentary group speech of the NCP; The Government Statement on EMU in Parliament 14.4.1998.

On the other hand, the NCP tended to debate the EMU policy-making of foreign countries less frequently than the other two major parties, and Sweden's stand was irrelevant. Most surprisingly, the Centre tended to show more interest in the policies of the core EU member states than in the policy-making of Sweden, with one exception: it focused more attention on the Swedish process in 1997. For much of the 1994–1999 period its core EMU policy was to emphasise the importance of maintaining close relations with Sweden, Denmark and the United Kingdom, and in its official stand it emphasised the importance of achieving similarity in the stances of Finland and Sweden.

7.2 The Low-level Influence of the Sister-party Network

It was hypothesised that, in general, transnational sister parties would influence the EMU policy-making of any political party. More precisely, the proposition states that the more special the relationship, the greater is the tendency for influence. As Figure 41 shows, these propositions have marginal relevance, but on closer examination it seems that they are not completely without foundation. The SDP discussed the EMU policy-making of its foreign counterparts most frequently in 1995 and 1997, and, in fact, debated transnational sister-party issues slightly more frequently than the other two major parties.

Figure 41: Average Emphasis in the Party Documents on Sister Parties in Sweden and other Foreign Countries, 1993–1999



Note: The index of sister parties in foreign countries was compiled by subtracting the sum of the transnational links: positive (801) percentages from the sum of the transnational links: negative (802) percentages. The index of Swedish sister parties was compiled by subtracting the sum of the transnational links, Sweden: positive (8011) percentages from the sum of the transnational links, Sweden: negative (8021) percentages.

For much of the 1994–1999 period the Finnish SDP pursued a policy emphasising the importance of the social-democratic policy in Europe overall, and of maintaining close relations with the German Social Democrats. Quite surprisingly, it showed more interest in the EMU policy-making of particular sister parties in countries such as Germany than in the EMU stances of the Swedish Social

[461] Interview with Sauli Niinistö 14.6.2007.

Democrats. The party executive committee emphasised that the network of Social Democrats throughout Europe played a strong role as a common denominator in EMU-policy issues,[462] and almost all of them seemed to be supportive. The Finnish party tended to look very closely at the EMU stances of the Germans, the French and the Italians.[463] The executive committee highlighted the role of the German sister party due to its positive EMU stand and its policy aimed at creating jobs and increasing competitiveness throughout Europe.[464] At the party congress on 6–9 June 1996, the SDP leader Paavo Lipponen compared the supportive EMU stand of the Labour Party in the United Kingdom with the less favourable stand of the Conservatives.[465]

With regard to Sweden, during the years 1994–1999 the Finnish Social Democrats tended to consider the stances of the Swedish party due to the fact that the chairman of the Swedish Socialists, Göran Persson, was the country's Prime Minister. The party secretary Markku Hyvärinen claimed that the close relations between the Social Democrats in the Nordic countries played a strong role, and they would typically draft common manifestos. He used expressions such as: ”We used to draw up common memoranda and positions on European integration at SAMAK”.[466] The Finnish Social Democrats discussed the EMU policy of their Swedish counterparts on several occasions. The executive committee thought that the Swedish party was favourable to EMU and that Sweden would therefore join during the third stage from the beginning of January 1999.[467] Furthermore, the Social Democrats had a similar kind of decision-making process in both countries in that the principle EMU stand connected the labour movement and the social-democratic parties.[468]

On the other hand, the party executive committee thought it strange when, in June 1997, the Swedish Social Democrats took an unsupportive EMU stand due to the low level of public support.[469] The Finnish Social Democrats strongly criticised their Swedish counterparts, suggesting that they had faced serious challenges in recent years and were somewhat lost.[470] They wondered whether there were domestic-policy issues involved, and internal pressures in the SDP. Moreover, the Swedish Socialists were still badly divided over the desirability of EU membership.[471]

It is interesting that the tone of the Finnish Social Democrats' discussion was favourable towards their Swedish counterpart in 1995 and 1997, but suddenly turned aggressive in 1998 following its announcement in 1997 that Sweden would not join the EMU in January 1999. Moreover, the Swedish Parliament had reached the decision that Sweden would not join during the third phase due to the low level of public support. Nevertheless, the Swedish Social Democratic Government stated that it was

[462] The protocol of the party executive committee of the SDP 5.6.1997.
[463] The protocol of the party executive committee of the SDP 24.4.1997 and 5.6.1997.
[464] The protocol of the party executive committee of the SDP 17.10.1995 and 10.4.1997
[465] The protocol of the party executive committee of the SDP 24.4.1997. The speech by the chairman at the party congress of the SDP 6.–9.6.1996.
[466] Interview with Markku Hyvärinen 5.6.2007.
[467] The protocol of the party executive committee of the SDP 17.10.1996.
[468] The protocol of the party executive committee of the SDP 9.1.1997.
[469] The protocol of the party executive committee of the SDP 15.5.1997 and 5.6.1997.
[470] The protocol of the party executive committee of the SDP 24.9.1998.
[471] The protocol of the party executive committee of the SDP 5.6.1997.

principally supportive of EMU, and that the door must be left open. On the other hand, Lipponen clearly showed the marginal relevance of the sister parties when he claimed that the EMU debate was mostly at the intergovernmental level and not the party level.[472] He emphasised that national interests were the top priority during the position-taking process of the SDP.[473]

Similarly, the NCP showed more interest in the EMU stances of their sister parties in countries such as Germany than in Sweden: the policy of the Swedish Moderate Party was irrelevant. The party leader Sauli Niinistö emphasised the relations between the NCP and its German conservative sister parties, the CSU and the CDU.[474] Thus, he and the CSU party leader Theo Waigel had close personal relations. Niinistö expressed this point rather clearly, saying that the form of influence was to support the EMU stand, which was already clear. Germany was the EU member state that was pushing the EMU process forward. At the same time, the Moderates of Sweden were quite silent because they did not have any chance of influencing policy. Later on, Niinistö said that the NCP offered support to the Swedes.[475]

In the Centre's case, as Figure 41 shows, foreign sister parties played a minor role. Most surprisingly, the Finnish Centre attacked the EMU stand of the Swedish party in 1999. It strongly criticised the stances of its counterparts in Norway and Sweden,[476] both of which were unfavourable to EMU during the 1990s. For instance, the executive committee strongly criticised the Swedish party due to its unclear and unstable EMU position.[477] Mauri Pekkarinen, a Centre Party Member of Parliament, succinctly described the role of foreign sister parties as insignificant, the Swedish Centre Party being so small. On the other hand, he said that the party was well aware of the EMU stances of its sister parties, but that they played an insignificant role.[478] The party leader Esko Aho, the party secretaries Pekka Perttula and Eero Lankia, and the opposition leader Paavo Väyrynen strongly agreed with Mauri Pekkarinen on the weak relationship between the EMU policies of its sister parties and the Centre's EMU stand.[479] The Norwegian and Swedish parties were both smaller than their counterpart in Finland, and they were unfavourable towards EMU during the 1990s.[480] Perttula was astonished that the Swedish Centre Party tended to be more concerned with the EMU stand of its Finnish counterpart than vice versa.[481]

In sum, the findings of the present study are inconsistent with the core assumption concerning the influence of transnational sister political parties on EMU policies across EU member states. These propositions are of marginal relevance given the light emphasis on these issues compared to other

[472] Interview with Paavo Lipponen 14.6.2007.
[473] Interview with Paavo Lipponen 14.6.2007.
[474] Interview with Sauli Niinistö 14.6.2007.
[475] Interview with Sauli Niinistö 14.6.2007.
[476] The protocol of the parliamentary working group of the Centre 11.2.1997 and 23.4.1998.
[477] The protocol of the party executive committee of the Centre 19.8.1999.
[478] Interview with Mauri Pekkarinen 15.6.2007.
[479] Interview with Esko Aho 30.8.2007, Pekka Perttula 30.5.2007, Eero Lankia 4.6.2007 and Paavo Väyrynen 13.6.2007.
[480] Interview with Eero Lankia 4.6.2007 and Pekka Perttula 30.5.2007.
[481] Interview with Pekka Perttula 30.5.2007.

issues covered in this study. Nonetheless, on closer examination it seems that these expectations were not completely without foundation. As with the propositions concerning external events, the three major party organisations tended to look more closely at the EMU policies of their sister parties in core EU member states such as Germany rather than in Sweden. Moreover, in this case too, the Finnish Social Democrats debated the EMU policies of its transnational sister parties slightly more frequently than their two competitors: its policy was to emphasise the importance of its counterparts in Europe in general. Quite surprisingly, the Finnish Social Democrats were more concerned with the EMU policy-making of particular sister parties in countries such as Germany than with the stances of the Swedish Social Democrats. It is interesting that, again, the tone of the debate was favourable in 1995 and 1997, but turned aggressive in 1998 following the announcement in 1997 by the Swedish SDP, the governing party, that Sweden would not join the EMU in January 1999. The SDP party leader Paavo Lipponen showed quite clearly the marginal relevance of the sister parties when he said that the EMU debate among the member states was mostly at the intergovernmental rather than the sister-party level. Again he emphasised the top priority given to national interests. Similarly, the NCP showed more interest in the EMU stances of its sister parties in countries such as Germany than in the stance of its Swedish counterpart. The policy of the Swedish Moderate Party was irrelevant as far as the NCP was concerned. Meanwhile, as Figure 41 shows, foreign sister parties were of minor significance in the Centre's case. Most surprisingly, the Finnish Centre Party attacked the EMU stand of its Swedish counterpart in 1999, and also strongly criticised its sister party in Norway.

8 Conclusions and Discussion

This final chapter presents the conclusions that have been drawn and considers the implications that would seem to follow from them. More precisely, it assesses which general theories these conclusions call into question and which ones they reinforce, and highlights the broader historical questions they raise or settle. Finally, it suggests possible areas for further research.

8.1 Major Findings

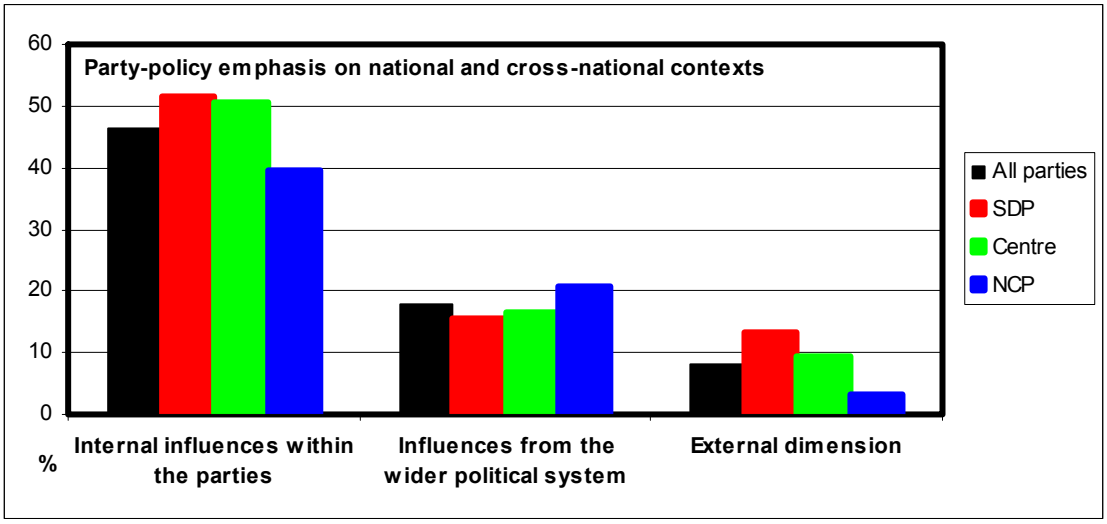
The purpose of the present study was to identify the factors that shaped the EMU policies of the major Finnish political parties, and eventually Finland's EMU policy, during the 1990s. The rationale motivating the study was the fact that it is the first to use evidence from the classified party documents of the Centre, the NCP and the SDP in describing the policy emphasis on EMU. The approach was based on an amalgamation of the work of many party-policy scholars such as Featherstone (1988) and Katz and Mair (1995). This study proposes no new theory, nor does it provide a detailed or definitive historical description of particular events or developments in the political parties concerning the EMU decision-making process. The aim was rather to forge a general understanding of the main factors affecting their attitudes towards European integration. In general, governments are composed of political parties whose primary goal is to be re-elected. As a result, they seek EMU policies that are in line with their electoral commitments, accord with domestic public opinion, or directly benefit their voters and supporting interest groups. Therefore, explaining party emphasis on EMU will help to reevaluate general findings concerning political parties and their behaviour.

In terms of EMU policy-making, political parties are important for two main reasons. First, they play a vital role in the democratic process, especially when it comes to the making of public policy (Bryce 1921; Hix & Lord 1997; Johansson & Raunio 2001; Schattschneider 1942; Schumpeter 1942). Secondly, the pro- and anti-EMU cleavage has become manifest in EU politics, with winners and losers emerging as a result of EU policies (Hix & Lord 1997; Johansson & Raunio 2001; Ray 1999; Stubb 2005; Wüst 2005). The paradoxical feature of the Finnish party organisations was the erosion of the EMU orientation during the 1990s. The major findings of this study make a substantive contribution in terms of understanding the factors that shaped the EMU policies of the Finnish political parties and eventually, Finland's EMU policy during the 1990s. The research questions addressed were: "How far were the EMU policies of the major Finnish political parties shaped by factors unique to their own national and cross-national contexts during 1994–1999? More precisely, to what extent were they determined by cross-national influences, especially from countries with which Finland has a special relationship such as Sweden? Therefore, what are the main factors that shaped partisan emphasis on EMU during 1994–1999?"

On the contextual level, the results support the importance of the national context for the EMU policies adopted by the major political parties. As Figure 42 shows, the parties pursued a national response to

EMU. The most striking feature in the evidence is that it was the internal influences within the parties that most noticeably shaped their EMU policies during 1993–1994. In contrast, the so-called external dimension or cross-national variables or trends played a minor role.

Figure 42: Average Emphasis on the National and Cross-national Contexts in the Party Documents, 1993–1999



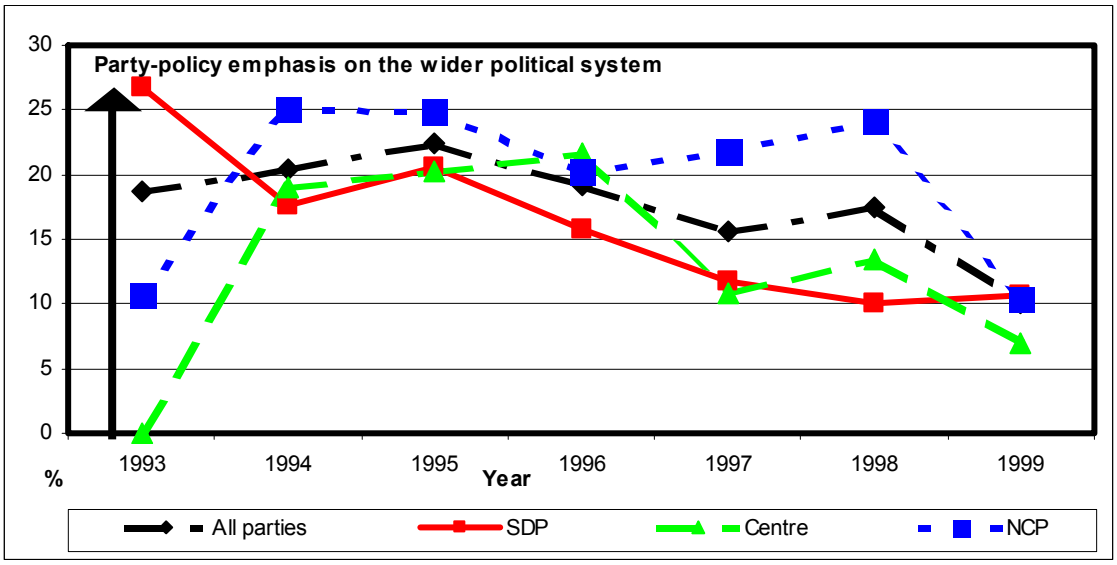
Note: The following codes were excluded: 5013 Single Market: positive, 5014 Single Market: negative, 5015 European Monetary Union/ European Currency: positive, 5016 European Monetary Union/ European Currency: negative, 5017 Europe, European Community/Union: positive and 5018 Europe, European Community/Union: negative.

The findings of the present study regarding the importance of national circumstances are consistent with previous findings in the context of party attitudes towards European integration (Featherstone 1988; Geyer 1997; Johansson & Raunio 2001; Katzenstein 1985). The common feature is the lack of cross-national influences, which highlights the importance of the individual national context. The findings seem to substantiate the findings of the broader historical study conducted by Katzenstein (1985), in which he claims that small European states felt a greater impact of international factors on their domestic structures than the large industrial states. On the other hand, he emphasises the fact that international factors did not determine political strategies or domestic structures. Consequently, external events induced convergence, while internal events drove countries to make different responses (Katzenstein 1985, 37). According to the party protocols and the interviews with the leaders, national interests played the most important role when Finland decided on EMU membership.[482] Quite paradoxically, the NCP leader Sauli Niinistö said that Sweden's decision not to join supported Finland's EMU position.[483] The marginal relevance of sister parties was indicated quite clearly by the SDP leader Paavo Lipponen, who claimed that the EMU was mostly debated on the intergovernmental level and not on the sister-party level.[484] Nevertheless, there were differences between the parties. As Figure 43 shows, it appears that the NCP placed more emphasis on influences from the wider political system than the other two major parties. In practice, it was reflected

[482] The speech by the chairman at the party council of the SDP 24.9.1997. The protocol of the party executive committee of the SDP 17.10.1996, 5.6.1997 and 24.9.1998. The speech by the chairman at the party congress of the NCP 7.6.1997. Interview with Raimo Sailas 18.6.2007 and Paavo Lipponen 14.6.2007.
[483] Interview with Sauli Niinistö 14.6.2007.
[484] Interview with Paavo Lipponen 14.6.2007.

in the stronger emphasis on *economic goals*, which seemed to be the central argument in the EMU policy of the NCP: they were ranked first on the party's agenda almost every year. In addition, values close to neoliberalism such as *economic orthodoxy, free enterprise* and *economic incentives* seemed to increase in relevance during the 1990s.

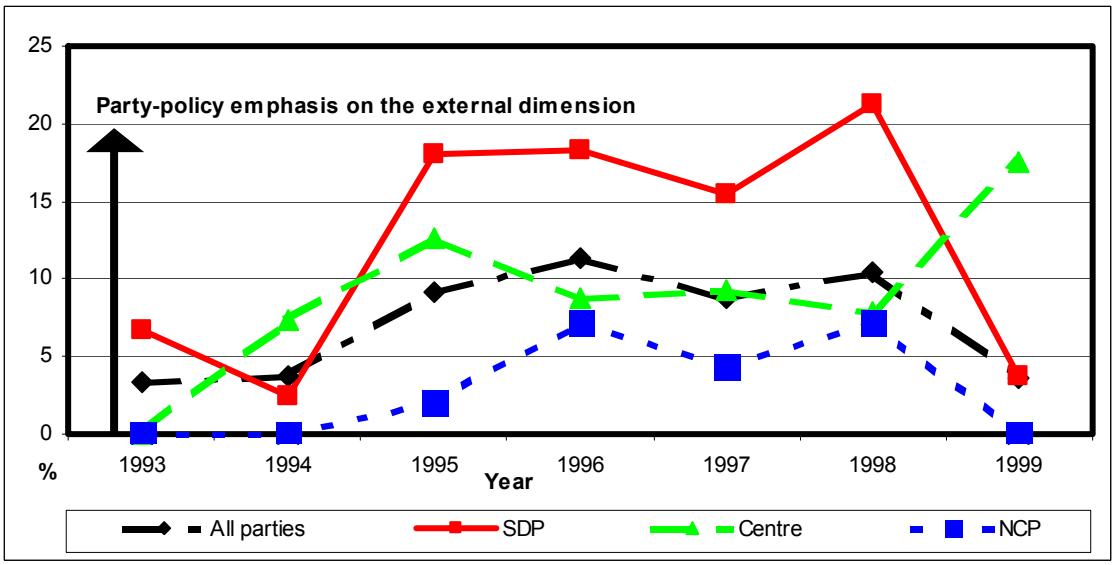
Figure 43: Average Emphasis on the Wider Political System in the Party Documents, 1993–1999



Note: The following codes were included: 401–602. However, the following were excluded: 5013 Single Market: positive, 5014 Single Market: negative, 5015 European Monetary Union/European Currency: positive, 5016 European Monetary Union/European Currency: negative, 5017 Europe, European Community/Union: positive and 5018 Europe, European Community/Union: negative.

Figure 44 reveals that the SDP placed more emphasis on international factors, especially during 1995–1998, than the other two major parties.

Figure 44: Average Emphasis on the External Dimension in the Party Documents, 1993–1999

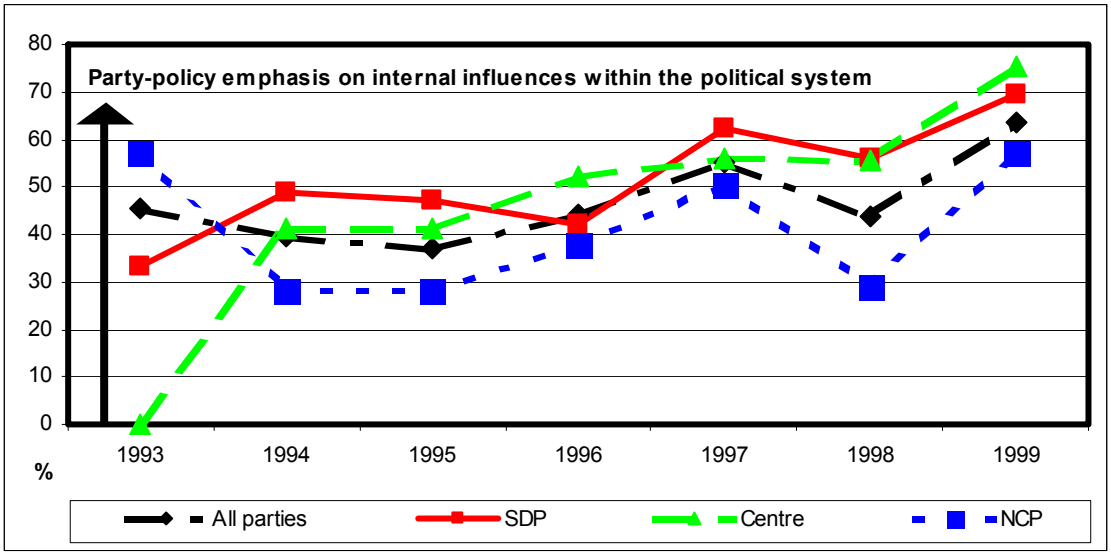


Note: The following codes were included: 701–8021.

Generally, the external dimension was reflected in the stronger debate on *the EMU stand of foreign countries* and *transnational sister parties*. In other words, the SDP took more account of transnational issues such as *the EMU policies of foreign countries* than the other two major parties. The impact of international issues is reflected in the high proportion of arguments that came under *internationalism*.

Figure 45 shows that the SDP and the Centre were relatively close on issues to do with internal structures during 1994–1999. The reason for this is that democratic issues were of more importance to them than to the NCP. This, in turn, stemmed from the continuing strong debate in the Centre during the 1990s on *democracy* as a method or goal, and on the involvement of citizens in decision-making. The most striking finding is that the NCP continued to fall behind the other two major parties throughout 1994–1999. It is significant that there was a similar trend regarding internal influences within the political system in all three major parties during the same period.

Figure 45: Average Emphasis on Internal Influences within the Political System in the Party Documents, 1993–1999



Note: The following codes were included: 101–3037.

On the internal party level, this research on EMU emphasis has produced some important findings on the relationship between actors and their institutional and strategic environment. In particular, the EMU policy-making of the political parties compared on the left-right scale seems to confirm the lack of relationship between left-right attitudes and European integration. Similarly, as revealed in the interviews with the party leaders, ideology played an irrelevant role during the EMU process.[485] Thus, these findings are in line with prior research on the diminishing role of party ideology (Bell 1962; Caul & Gray 2000; Hix & Lord 1997; Katzenstein 1985; Kirchheimer 1966; Krouwel 1999). The quantitative analysis and the interview data seem to confirm the conclusions reached in the broader historical study conducted by Katzenstein, who went as far as to argue that since 1945 small European states tended to differ from both the less developed countries and large advanced industrial states in their

[485] Interview with Markku Hyvärinen 5.6.2007, Sauli Niinistö 14.6.2007 and Mauri Pekkarinen 15.6.2007. The speech by the chairman at the party council of the SDP 24.9.1997.

conservative orientation (Katzenstein 1985, 47). For instance, small states such as Finland and Sweden, have favoured a pragmatic over an ideological orientation. Therefore, political partisanship on questions of economic policy plays a less important role in these states than in large industrial countries (ibid., 103). Nevertheless, there was a slight exception in the present study: in the case of the NCP in 1995, the results could support the hypothesis that the shift to the right prompted a more favourable EMU policy. Previous studies in the area emphasise the connection between European integration policy and left-right attitudes (Cafruny 1997; Featherstone 1988; Geyer 1997; Johansson 1999; Ladrech & Marlière 1999).

In terms of the development of party policy areas, it could be said that neoliberalism emerged in the EMU positions, centred on a reduced role for government and an acceptance of the market economy. For instance, *economic goals* moved down on the party agendas at the end of the 1990s, but on the other hand, market-economy issues were debated more frequently. These findings seem to increase the relevance of Mair's (1997) argument that ideological convergence results mainly from the dominance of neoliberal economic policies throughout Europe: international agreements further narrowed the policy options available to individual countries. This result also calls into question the hypothesis on party ideology, which should focus on whether the party supports regulated or neo-liberal capitalism. This hypothesis could have more explanatory value in terms of evaluating the relationship between ideological tendencies and European integration (Johansson & Raunio 2001, 227). Furthermore, the rural-urban divide tended to become more relevant in Finland during the 1990s than the left-right dimension, largely because European and foreign-policy issues emerged in the internal party debates due to Finland's EU membership (ibid., 231).

With regard to the internal structures at the party-organisation level, the findings of the present study seem to broadly confirm the core assumption of the strong influence of the party elite and professional experts, and especially of the leader, on the official party line and on its supporters. These findings are consistent with the relevant research of scholars who have been focusing their attention on the cartelisation of politics in the hands of party, group, and bureaucratic elites since the 1950s (Alho 2004; Aylott 2002; Hix 2005; Featherstone 1988; Guyomarch 1995; Haas 1958; Johansson & Raunio 2001; Katz 2001; Slater 1982; Wessels 1995; Wood 1997). The findings are also in line with prior research on the high level of centralisation and professionalisation in political-party organisations (Detterbeck 2005; Farrell & Webb 2000; Katz & Mair 1994, 1995; Mancini 1999; Scarrow et al. 2000). The centralisation, or the basing of decisions more on professional experience, showed quite clearly when the party leaders emphasised the EMU reports drafted by Jukka Pekkarinen, Mauri Pekkarinen and Paavo Okko. For instance, the SDP leader Paavo Lipponen emphasised that if Jukka Pekkarinen's group had been clearly critical of EMU, it would have had a tremendous influence on the process.[486] Likewise, the NCP leader Sauli Niinistö claimed that if most of the expert reports had been sharply negative, then the party would have rethought its position.[487] Likewise, the Centre leader Esko Aho said that the formulation of the party's EMU stand was largely based on Mauri Pekkarinen's

[486] Interview with Paavo Lipponen 14.6.2007.

Report.[488] The findings seem to support Katz and Mair's (1995) dimensions of the organisational and, to some extent, the political role of the cartel party. These scholars claim that the party leadership tends to dominate the executive organs and internal decision-making procedures. Therefore, party activists have only marginal influence (Detterbeck 2005, 173–191).

On the other hand, the findings are consistent with the broader historical tendency towards strong oligarchy in small European states. Katzenstein (1985) claims that political power is concentrated in the hands of a few decision makers, and rests with strong interest groups and strong parties. According to the interview data, the policy-making process with regard to EMU membership seems to have been based on the articulation of interests by the small political and administrative elite. Raimo Sailas, the permanent secretary at the Ministry of Finance, said that Matti Vanhala, Sirkka Hämäläinen, Paavo Lipponen and Sauli Niinistö were the four key persons playing the central role in Finland's decision-making process towards EMU membership.[489] This is in line with what Sauli Niinistö indicated in his memoirs: that the top-secret preparations for EMU membership during 1995–1996 were concentrated in the hands of the political and administrative elite (Niinistö 2005, 73–77).[490] Similarly, Aylott (2002) and Johansson and Raunio (2001) found that the elites of the mainstream parties on the left and the right, in government and in opposition, decided to join forces in Scandinavia on the issue of adopting the single currency.

In terms of interest groups, the findings of the present study partly support the assumption that political parties are more likely to be in contact with groups with similar policy preferences than with groups with divergent preferences. This is consistent with previous findings on the relationship between core party supporters and various interest groups associated with them (Detterbeck 2005; Featherstone 1988; Hix 2005; Johansson & Raunio 2001; Mair, Mûller & Plasser 2004; Schmitter 1974; Schmitter & Lehmbruch 1979; Wessels 1999). One weakness in this study arises from the fact that the influence was not uniform: there was a strong relationship regarding EMU policy-making only between the SDP and the workers' trade union, the Central Organisation of Finnish Trade Unions (SAK). Significantly, the labour groups moved up in importance on the Social Democrats' agenda in 1997 when both the party and the SAK decided on their EMU stands. In sum, the SDP would have been unsupportive of EMU if SAK had been against the common currency.

In contrast, the findings do not support a strong connection between the Centre and the NCP, and the interest groups associated with them. This is in line with recent research work on the weak relationship between right-wing parties and business interest groups (Webb 2004, 44), and on the diminishing role of traditional interest groups (Kirchheimer 1966; Poguntke 1998). The results seem to support the dimension of the political role of the cartel party developed by Katz and Mair (1995), who argue that

[487] Interview with Sauli Niinistö 14.6.2007.
[488] Interview with Esko Aho 30.8.2007.
[489] Interview with Raimo Sailas 18.6.2007.
[490] These persons were the Prime Minister Paavo Lipponen, the Secretary of Finance Sauli Niinistö, the Governors of Bank of Finland Sirkka Hämäläinen and Matti Vanhala, and the following civil servants from the Ministry of Finance: Johnny Åkerholm, Lasse Aarnio and Seppo Moisio. Niinistö 2005, 73–77.

such parties are weakly involved in discussing day-to-day politics with historically related interest groups (Detterbeck 2005, 173–191; Katz & Mair 1995, 23). The results in the Social Democrats' case seem to confirm the notion of democratic corporatism developed by Katzenstein (1985), who points out that such partnerships are based on an ideology that is shared by both business and unions, and expressed in national politics (ibid., 87). As a result, political power is concentrated in the hands of a few decision makers, and rests with strong interest groups and strong parties (ibid., 90).

On the question of public opinion, the findings of the present study are somewhat consistent with the assumption that political parties have a tendency to respond to changes in public opinion by changing their policy positions. This is in line with prior research regarding the relationship between changes in public opinion and party-policy positions (Caul & Gray 2000; Dalton & Wattenberg 2000; Farrell & Webb 2000; Featherstone 1988; Müller 1994). However, no valid generalisations can be made from the data. On the one hand, the Centre did revise its EMU policy when the public attitude was negative, especially among its core party supporters. On the other hand, the attitudes of the core party supporters were marginally touched on by the SDP and the NCP. For instance, the main policy stance of the Centre was that there had to be public support for Finland's EMU membership.[491] This finding is in line with what the party leader Esko Aho wrote in his memoirs – that national commitment to EMU was essential (Aho 1998, 163). On the other hand, the NCP leader Sauli Niinistö admitted that none of the EMU decisions were based on information from opinion polls.[492] Quite amazingly, the SDP stated that it was rather weak to suggest that the party had to have a negative EMU stand because of negative public opinion.[493] In fact, the party leader Paavo Lipponen claimed that the most important thing was to lead the discussion rather than to show an interest in the opinion polls.[494] In general, the results seem to question the conclusions reached by Featherstone (1988). He suggested, for instance, that the social-democratic parties may well have been closer to their supporters on European matters than any other party family within the European Community (ibid., 317). Similarly, the results are inconsistent with the recent tendency of parties to become more cognisant of citizen opinion and demands (Caul & Gray 2000; Farrell & Webb 2000).

The findings concerning experience of government office and support for integration, seem broadly to confirm the relationship between changes and differences in party EMU policies and whether the party is in government or in opposition. This in line with prior research on the impact of government and opposition roles (Featherstone 1988; Johansson & Raunio 2001). On the one hand, the SDP and the NCP in government, and with long experience of government, were more supportive of EMU than those in opposition. On the other hand, the strongest criticism came from those in opposition, in this case the Centre. In practice, the Centre opposed EMU for tactical reasons while in opposition. This is in line with the main findings reported by Kääriäinen in his PhD Thesis, suggesting that the party took

[491] The speech by the chairman of the Centre at the additional party congress 28.9.1997. The speech by the deputy chairman of the Centre at the party delegation 26.–27.4.1997. The speech by the chairman of the Centre at the party delegation 22.–23.11.1997.
[492] Interview with Sauli Niinistö 14.6.2007.
[493] The protocol of the party executive committee of the SDP 5.6.1997.
[494] Interview with Paavo Lipponen 14.6.2007.

an unsupportive EMU stand due to its move from government to opposition (Kääriäinen 2002, 355). Furthermore, it became much more skeptical towards EMU when it went into opposition in 1995. Consequently, it was reluctant to take a firm EMU stand, and stated that it had more scope for criticism, more space in which to move, and more room for different kinds of opinions while in opposition.[495] These findings are consistent with those of Featherstone, although the connection between a party in opposition and criticism of European integration has not previously been consistently validated (Featherstone 1988, 317–319). The results seem to confirm the assumption inherent in the model of competitive democratic government (Schattschneider 1942; Weber 1946) – that losing opposition parties try to demonstrate the failings of the politicians in government.

On the wider level of the political system, the findings of the present study do not offer such clear support concerning the impact of other political parties. Nevertheless, it seems that the differences between being in government and in opposition played the most important role in the Centre's and the NCP's case. These findings are consistent with previous research on the influence of governments of which the party is not a part (Featherstone 1988, 319). For instance, the Centre was openly hostile to EMU, and strongly debated the governing parties' stand. In terms of logic, this EMU policy-making could be related to the desire to sharpen the differences between government and opposition.[496] In the context of party response to changes in the electoral competition, Sjöblom (1968) argues that political parties may respond by redefining their relations with their other competitors. For instance, the NCP was concerned about the electoral success of the opposition party, the Centre: the party leader Sauli Niinistö drew attention to its hostile EMU stand, which seemed inconsistent in terms of any future electoral success because the majority of Finns did not support EMU.[497] In other words, Niinistö was worried about the party's future electoral success because the majority of Finns were against the common currency area. At the same time, the NCP was one of the driving forces behind Finland's EMU membership.

In terms of economic interests, the findings of the present study seem broadly to confirm the core assumption of the strong influence of economic costs and benefits on EMU policies. As evidenced, the most striking feature was the strong emphasis by all of the parties on *economic goals,* which ranked either first or second on their agendas nearly all the time during 1994–1999. The NCP gave this the strongest emphasis. For instance, it stressed economic growth, stability and welfare in its discussion on the economic aspects of EMU. Surprisingly, this logic was similar to that of the Social Democrats, who debated stability, economic growth, employment and welfare with some intensity. These findings are in line with prior research regarding the costs and benefits of monetary union (Cameron 1997, 1998; De Grauwe 2003; Eichengreen 1990; Featherstone 1988; Hix 2005; Mundell 1961). By way of contrast, the Centre emphasised the following reasons why Finland should reject the EMU project: the structure of the Finnish economy, experiences of disturbed economic cycles, and the need for a flexible national economy. This is in line with memoirs of the Centre party leader Esko Aho, in which

[495] Interview with Pekka Perttula 30.5.2007.
[496] Interview with Raimo Sailas 18.6.2007.
[497] Interview with Sauli Niinistö 14.6.2007.

he claims that it was in Finland's interest to pursue an independent monetary policy given the possible occurrence of asymmetry shocks (Aho 1998, 163–164). The findings also support previous research on negative influences in a monetary union (Caporale 1993; De Grauwe & Vanhaverbeke 1993; Dornbusch 1990; Eichengreen 1990; Feldstein 1992; Hix 2005; Krugman 1990, 1998; Mundell 1961; Poole 1970).

The results seem to confirm the conclusion reached by Katzenstein (1985) in his broad historical study. He claims that small, open economies had only one overriding political interest: a liberal international economy (ibid., 69). He also discovered that the tariff levels of small European states had been well below those of large industrial states. Consequently, the findings of this study partly support the assumption that the more economic interests concern a particular region, the greater the tendency to oppose an EMU policy. The strongest emphasis on this proposition was found in the Centre's case: the party opposed EMU for particular regional reasons. This is in line with prior research regarding the relationship between economic interests and regional characteristics (Featherstone 1988, 321). Interestingly, *economic goals* moved down the party agendas at the end of the 1990s, but on the other hand issues related to the market economy were debated more frequently. It could be said that neoliberalism emerged in the EMU positions centred on a reduced role for government and acceptance of the market.

The findings of the present study do not support the core argument concerning the influence of historical dynamism on EMU policies. In particular, historical themes had marginal relevance due to the light emphasis placed on them compared to other policy issues covered in this study. However, in the Centre's case past experiences seemed to intensify the negative responses in its EMU policy, at least in 1998 when the party mentioned historical experiences during its EMU position-taking process. This is reflected in the memoirs of the party leader Esko Aho, who believed that EMU would be untenable solution for Finland due to the negative reactions during negotiations with the trade unions in 1991: it was an account of these historical experiences that it was difficult to find concern for the public interest among the trade unions (Aho 1998, 164). The findings support previous research on the relationship between distinctive national histories and different reactions to European integration (Featherstone 1988; Paloheimo 1995). They also seem to substantiate Katzenstein's (1985) argument on the relationship between historical themes and small European states: themes such as the depression, fascism and World War II fundamentally reorganised the politics of these states (ibid., 9). Similarly, Paloheimo (1995) found that the basic arguments for Finland's EU membership were based on security - for historical reasons.

On the one hand, the SDP and the NCP wanted to see an end to past devaluation cycles and to move to a more stable currency system, while the Centre focused on the interests of the forest industry, which in the past had used devaluation in order to improve competitiveness. It could be said that the main criticism was based on the fact that economic integration limited the sovereignty of the nation-state. Generally, the party leaders seemed to be unanimous in their opinions that past experiences

regarding relations with the eastern neighbour, Russia, played an insignificant role during the EMU process. As Katzenstein points out, for instance, small European states, unlike the less developed countries and the large advanced industrial nations, chose security strategies that matched their strategies in economic matters (Katzenstein 1985, 47). Nevertheless, the NCP emphasised the importance of EMU as a security solution. It seems that it was a natural step in post-war trade policy, the focus in which was to safeguard the interests of Finnish economic life.

Finally, on the external dimension, the findings of the present study are partly consistent with the notion that political parties respond to external events, and are in line with prior research regarding the close relationship between such events and parties' EMU policies (Featherstone 1988; Garrett 1998; Geyer et al. 2000; Haahr 1992; Johansson & Raunio 2001; Ladrech 1993). However, no valid generalisations can be made from the data because the influence of external events varied considerably from one party to another. In general, the three major party organisations tended to look more closely at the EMU policies of core EU member states such as Germany, France and the United Kingdom than at Sweden's policy. This strengthens Johansson and Raunio's argument that the major British, French and German political parties were key actors in the integration process (Johansson & Raunio 2001, 230). On the other hand, one surprising feature in the data is the heavy emphasis of the SDP on the external dimension compared to the other two major parties. These findings are consistent with the results of Featherstone's (1988) case study on social-democratic parties in Europe. However, Featherstone discovered that external factors were influential in so far as they reinforced existing attitudes to European integration.

Most surprisingly, the Centre tended to show more interest in the EMU policies of the core EU member states than in the policy of Sweden. Nevertheless, the party emphasised the close relationship between the EMU stances of Finland and Sweden, especially in 1997 when it held an extraordinary party congress during which the official EMU stand was decided. This is in line with the views the party leader Esko Aho expressed in his memoirs: it was in Finland's national interest to join the EMU, especially if Sweden, Denmark and the United Kingdom joined (Aho 1998, 163). The results seem to confirm findings mentioned in Katzenstein's historical study (1985) that small European states tended to feel the impact of international factors on domestic structures more than the large industrial states. Nevertheless, he points out that international factors have not determined political strategies or domestic structures. Thus, external events induced convergence, while internal events drove countries to make different responses (ibid., 37). This logic reflects the interview data supplied by the party leaders in the present study: the policy they pursued was that Finland had to decide on EMU membership on the basis of its national interests.[498] Quite paradoxically, Niinistö claimed that Sweden's decision not to join the EMU supported Finland's EMU position.[499]

[498] The speech by the chairman at the party council of the SDP 24.9.1997. The protocol of the party executive committee of the SDP 17.10.1996, 5.6.1997 and 24.9.1998. The speech by the chairman at the party congress of the NCP 7.6.1997. Interview with Raimo Sailas 18.6.2007.
[499] Interview with Sauli Niinistö 14.6.2007.

The findings of the present study are inconsistent with regard to the core assumption that transnational sister parties influenced EMU policies across the EU member states. In this respect they are in line with prior research on the weak role of transnational party federations in the political system across Europe (Hix & Lord 1997; Featherstone 1988; Katz and Mair 1992). Nevertheless, as in the case of external events, the three major party organisations tended to look more closely at the EMU policies of its sister parties in core EU member states such as Germany than at the policy of its Swedish counterpart. This reflects Johansson and Raunio's argument that the major British, French and German political parties were key actors in the integration process (Johansson & Raunio 2001, 230). As in the case of external events, the strongest emphasis on transnational sister parties was found in the Social Democrats. Amazingly, the Finnish Social Democrats criticised the strange argument of their Swedish counterpart attributing their unsupportive EMU stand to negative public opinion.[500] One striking feature is the strong negative attitude of the Finnish Centre Party to its Swedish counterpart.

The results seem to confirm the findings of Katz and Mair (1992), who discovered that the national party organisations still dominated the system due to the connections between the domestic organisations and the actors in the European institutions. The marginal relevance of the sister parties was illustrated quite clearly by Lipponen, who stated that member states debated the EMU mostly at the intergovernmental level rather than the sister-party level.[501] He emphasised that national interests played the most important role when the Social Democrats formed their EMU stand.[502] Similarly, Hix and Lord point out that party organisations at the European level are still relatively underdeveloped compared with the national party systems (Hix & Lord 1997, 61). More recently, scholars discovered that most party families do not have united positions on European integration across all EU states (Aspinwall 2002; Marks & Wilson 2000; Marks, Wilson & Ray 2002). On the other hand, party federations are expected to play a crucial coordinating role in the adoption of more medium- and long-term EU policy goals, such as consolidating attitudes towards EMU (Hix & Lord 1997, 170).

Despite the fact that the present study is limited to the three major parties in Finland, the findings appear plausible. As illustrated above, the Centre, the SDP and the NCP have been the major political parties since the 1991 elections. They differ ideologically and represent social-democratic, agrarian/centre and conservative policies in the party-family map. The cases clearly demonstrate that all parties strongly stressed *economic goals* when they formed their EMU stands during 1994–1999. The most striking difference between the three major parties concerned democratic, economic and international issues. Democratic issues played a much more important role for the Centre, due in part to the continuing intensive debate on *democracy* as a method or goal and the involvement of citizens in decision-making. On the other hand, *economic goals* were up on the NCP's agenda almost all the time. Its strong emphasis on *centralisation in the party organisation* indicates that it favoured centralised political and adminstrative procedures when forming its stand. Meanwhile, the SDP

[500] The protocol of the party executive committee of the SDP 15.5.1997.
[501] Interview with Paavo Lipponen 14.6.2007.
[502] Interview with Paavo Lipponen 14.6.2007.

favoured traditional leftist *pro-labour* values and *labour groups*. More significantly, *internationalism* and issues related to *external events* were high on its agenda. The fact that the emphasis on *labour groups* strengthened during the 1990s indicates the link between the Social Democrats and the labour movement. In brief, all this helps in terms of understanding the factors that predominantly shaped the EMU policies of the major Finnish political parties, and eventually Finland's EMU policy, during the 1990s.

In sum, four major conclusions were drawn from the research findings:

1) The quantitative and interview data reveals the importance of the internal influences within the parties that most noticeably shaped their EMU policies during the 1990s. By way of contrast, cross-national events played a minor role. In terms of external influences, however, Finland was apparently aiming to dissociate itself from Sweden's negative EMU stand. The most striking feature is the strong emphasis by all parties on *economic goals.* However, it is noteworthy that the factors manifest differences between economic, democratic and international issues across the three major parties.

2) From the contextual perspective to the internal level within the parties, the empirical evidence would seem to indicate that the parties transformed into centralised and professional organisations in terms of EMU policy-making. The weight and direction of the EMU strategy increasingly tended to be located within the party leadership and a few administrative elites. This could imply changes in their institutional environment. Eventually, parties may appear generally less differentiated and more standardised in their policy-making.

3) Surprisingly, in the case of the Social Democrats the traditional organisational links continued to exist between the left and the trade unions in terms of EMU policy-making. Hence, it could be that the parties had not yet moved beyond the conventional affiliate organisation.

4) Strikingly, the empirical evidence indicates that the parties, to some extent, ignored voters' opinions and demands concerning EMU. This could imply some conflict arising from the changes in the strategic environment. Hence, the parties seemed to take more account of the political competition between the parties (party-party relationships) than of public attitudes to EMU (party-voter relationships).

The following section considers the implications for party policy-making and future research that the conclusions of the present study would seem to suggest.

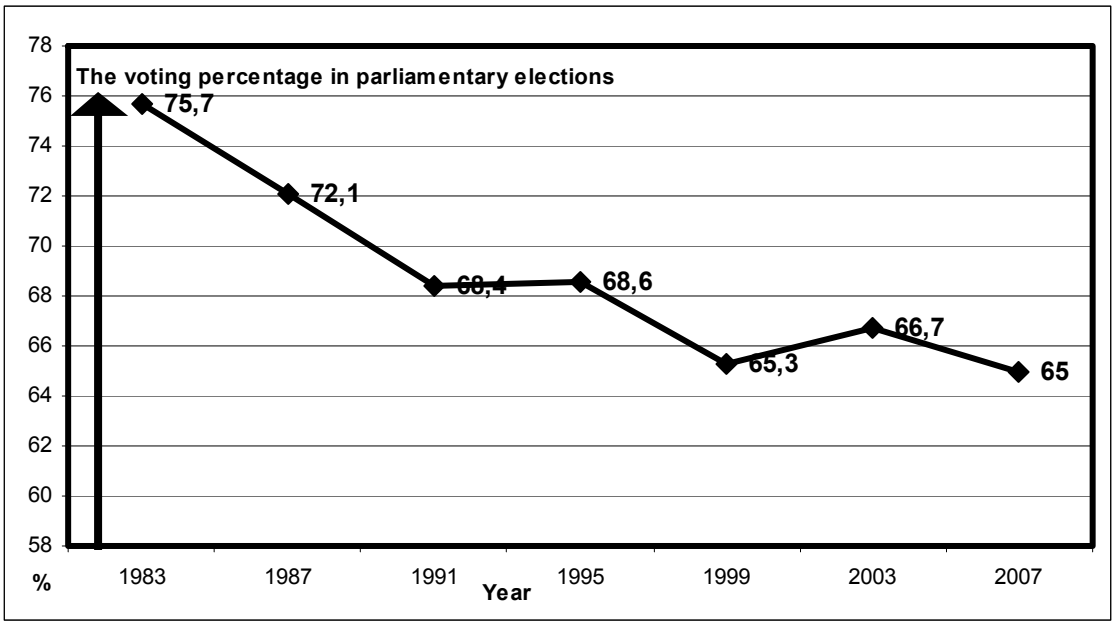
8.2 What does the EMU Process Teach Us About Political Science?

The implications of the empirical analysis should be considered in the light of the fundamental changes that are transforming the role of political parties in advanced industrial democracies. According to the literature, these changes are affecting the role of political parties in Europe:

> It would be an overstatement to write the parties' political obituary, but a pattern of partisan decline – or at least a transformation in the role played by parties – is increasingly apparent in almost all advanced industrial democracies (Dalton & Wattenberg 2000, 3).

In general, the party-transformation phenomenon is based on the eroding linkage between parties and the electorate. Party-policy scholars have recently argued that this stems from turnout, party identification and party membership (Dalton & Wattenberg 2000, 262–266; Raunio 2002, 405–422). For instance, attempts to cover the party change in the Finnish political system is reported in General Intellect (2008), Kuusela and Rönkkö (2008), Paloheimo and Raunio (2008), and Uschanov (2008). First, as Figure 46 shows, Finnish citizens turn out to vote in lower numbers than before, a trend has been relatively consistent since the early 1980s (Blais & Dobrzynska 1998; Wattenberg 2000).

Figure 46: Voting Percentages in the Parliamentary Elections in Finland 1983–2007

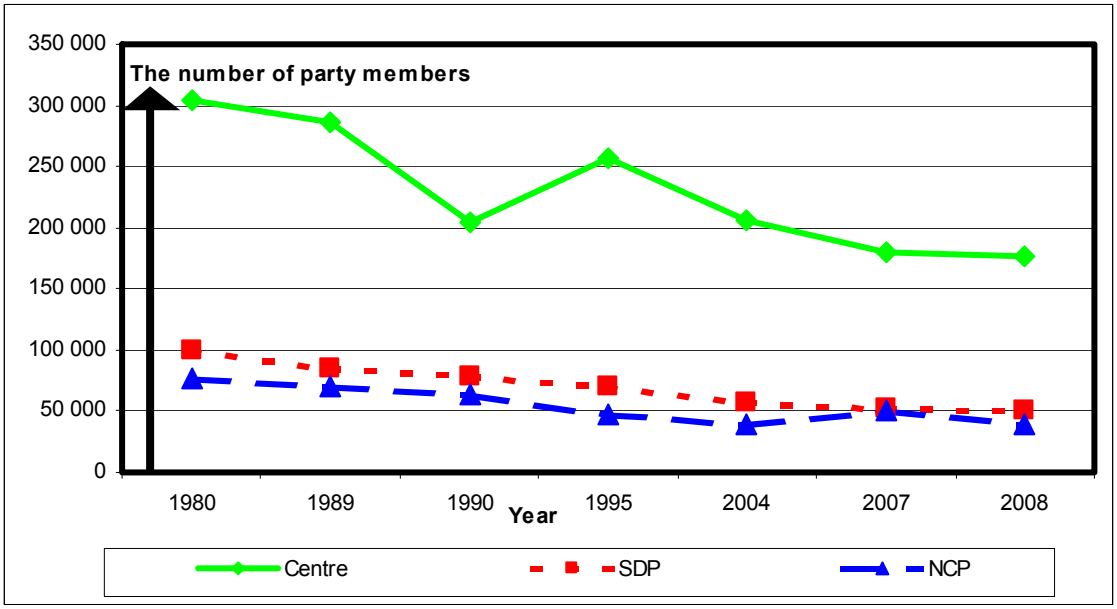


Source: Statistics Finland.

Secondly, longitudinal survey data shows that identification with and attachment to parties has declined. For instance, according to the 1981–2000 World Values Survey, in 2000 only 14 per cent of Finns expressed confidence in political parties as institutions (Web-page of the Church Research Institute). Thirdly, as Figure 47 shows, registered party membership has halved in Finland since the early 1980s. This development implies that fewer voters are attending party meetings or participating in election campaigns. Weaker linkages have, in turn, increased electoral volatility. It could be said that electoral volatility is facilitated by ideological convergence. As shown earlier in Figure 10, the ideological distances between the three major Finnish party organisations have diminished, and individual parties and party families have gradually moved towards the political centre. Mair (1997) argues that such ideological convergence results mainly from the dominance of neoliberal economic policies throughout Europe. It may be that international agreements are further narrowing the policy options available to individual countries. Consequently, links with the civilian society have weakened,

and as a result, parties have become more dependent on the state for their collective survival – hence the label cartel party (Katz & Mair 1995).

Figure 47: The Development of Mass Party Membership in Finland, 1980–2008



Source: Hämeen Sanomat 2007; Web-page of Kansanvalta.fi; MTV3.fi 2001; Sundberg 1996; Aamulehti 2008.

Kitschelt (2000), however, has strongly questioned the cartel-party thesis based on the fact that parties are more responsive to voters' preferences than before. The reason for this is that the competitive and unpredictable political environment puts much greater pressure on politicians to remain representative of their electoral constituencies than in the past (ibid., 164). On the one hand, it seems that more and more voters are now potentially available to all parties, but at the same time, more and more parties are now potentially available to all voters. It could be said that the three recent developments that are reflected in how parties organise and make decisions are the eroding links with the voters, electoral volatility spurred on by ideological convergence, and strong ties with the state. In the light of recent partisan change and the findings of the present study, it is worth asking what kind of implications for policy-making in general the conclusions would seem to offer. It appears from my empirical analysis of EMU policy-making that some of the theoretical factors are more or less consistent across the three major political parties. I will now highlight some of the forces identified in the present study that could be linked to the general partisan changes discovered in recent political-science literature.

The empirical evidence of this study is significant in terms of the relationship between the electorate and the political parties**. In particular, the major parties, or at least their leaderships, have had to learn to become more flexible and responsive. Thus the party leaders have to remain on their toes, and to be ready to quickly adapt their message to new circumstances.** For instance, Dalton and Wattenberg bring into the discussion the rising level of education, cognitive mobilisation, and new issue concerns (Dalton & Wattenberg 2000, 10–11). Strikingly, it is shown in this study that the parties

neglected citizens' opinions and demands with regard to EMU. According to the quantitative data, the Centre revised its EMU policy when public opinion - especially as reflected in the attitudes of their core party supporters - was unsupportive. On the other hand, the SDP and the NCP paid little attention to the opinions of their core party supporters.

It seems from the interview data that public opinion played a minor role during the position-taking process for all of the three major political parties. For instance, Mauri Pekkarinen, a Centre Party member of Parliament, said that the party reached its EMU decision mainly on the professional level.[503] Similarly, the NCP leader Sauli Niinistö admitted that, in general, none of the decisions on EMU were based on information from opinion polls.[504] Amazingly, the Social Democrats held that it was rather weak to say that they had to have an unsupportive EMU stand due to the low level of public support.[505] Likewise, the SDP leader Paavo Lipponen argued that the most important thing was to lead the discussion rather than to focus on the development of public opinion.[506] It could be said that the findings of the present study regarding the SDP and the NCP are at odds with the changing role of the electorate in advanced industrial societies. For instance, Niedermayer (1995) produced evidence that a large majority of the electorate would like to be aware of their government's efforts to promote further integration. In addition, Dalton and Wattenberg show that rising levels of education and the process of cognitive mobilisation lessen the functional values of party cues to the voter (Dalton & Wattenberg 2000, 11). On the other hand, new issue concerns and weakening group ties attenuate the long-term bonds between the public and the parties.

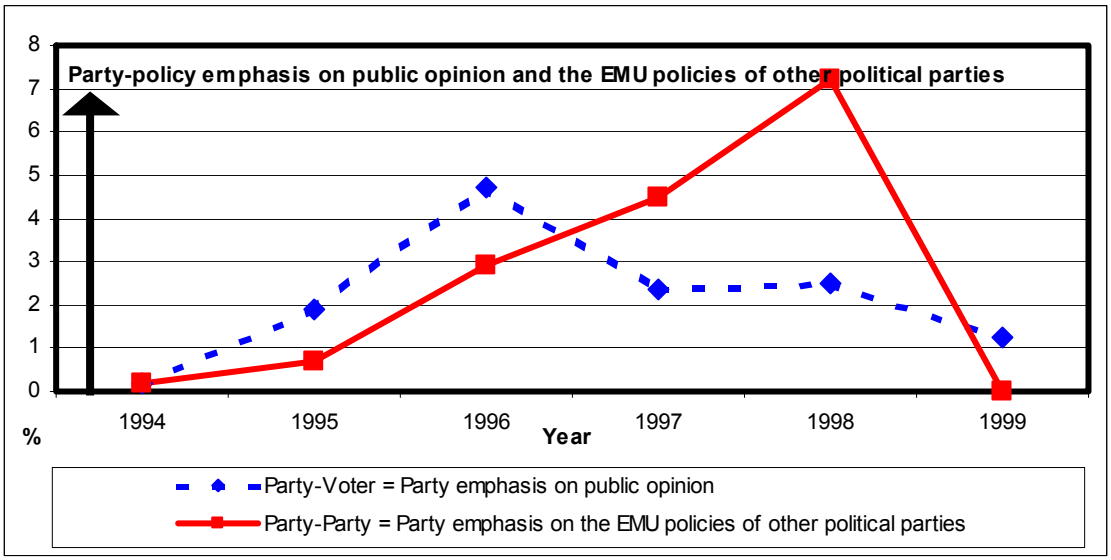
As evidenced, the parties neglected public opinion and demands with regard to EMU. This could imply conflict with the changes in the strategic environment. Hence, **the major parties seemed to focus more on political competition between them (party-party relationships) than on public attitudes to EMU (party-voter relationships).** The recent trend seems to be that parties have had to build up their resources, to expand their staffing levels, and to professionalise their organisations (Dalton & Wattenberg 2000, 11–12). One of the ways in which they have responded to their changed circumstances is that they have learned to campaign more often and more intensively, and have invested more in their competitiveness.

Interestingly, as Figure 48 shows, the major political parties investigated in this study placed more emphasis in their EMU policies on party-party relationships than on party-voter relationships, especially in 1997–1998. As a result, they may have given a further impetus to voters who felt neglected in representational terms. Mair, Müller and Plasser claim that the major implication is that the set of responses that parties have developed in order to deal with a dealigned electorate may be one of the factors that is currently stimulating the growth of anti-party sentiment (Mair et al. 2004, 273).

[503] Interview with Mauri Pekkarinen 15.6.2007.
[504] Interview with Sauli Niinistö 14.6.2007.
[505] The protocol of the party executive committee of the SDP 5.6.1997.
[506] Interview with Paavo Lipponen 14.6.2007.

In other words, party response to one set of problems may have provoked other problems, which might well prove more difficult to resolve.

Figure 48: Average Emphasis on Party-Party and Party-Voter Relationships in the Party Documents, 1994–1999



Note: The index of party-voter relationships was compiled by subtracting the sum of public support for EMU membership (1181) percentages. The index of party-party relationships was compiled by subtracting the sum of the political authority: the Centre (4011), political authority: the SDP (4012), political authority: the NCP (4013) and political authority: other political parties (4014) percentages.

Mair, Müller and Plasser suggest the need for flexibility in the changing environment of coalition formation (Mair et al. 2004, 266): parties must always be ready to forge new alliances, and all options must now be held open. In both electoral and parliamentary arenas they are struggling to free themselves from traditional constraints. This struggle reinforces the need for greater leadership autonomy and versatility (ibid., 266). As evidenced in the case of the Social Democrats, traditional organisational links continued to exist between the left and the trade unions in terms of EMU policy-making.

It has been said recently that the traditional link between the SDP and the labour movement was one of the reasons why the SDP received 21.4 per cent of the vote and lost eight seats to bring its total number down to 45 (Virkkunen 2008). In fact, it was the first time the party had finished in third place since 1962. On the other hand, voter support can no longer be taken for granted, and traditional loyalties can no longer be assumed. In the future, listening to voters will be more important than listening to members. This pattern requires a substantial reallocation of organisational resources, and the development of other competences. Recently, parties have moved beyond the notion of the party mass, enhanced the power and flexibility of the leadership, and streamlined the party organisation through the provision of state resources and a more generalised form of partitocrazia. As a result, the political leaders may have responded effectively to the burgeoning uncertainties within the electoral markets. Mair, Müller and Plasser conclude that, at the same time, they may have unwittingly exposed themselves to the criticisms of an increasingly disenchanted electorate (Mair et al. 2004, 273).

According to the empirical evidence of this study, **the three major political parties transformed themselves into more and more centralised and professionalised organisations in their EMU policy-making.** As a result, the weight and direction of the EMU strategy increasingly tended to be located within the party leadership, or the professionals near to it, and the party activists had only marginal influence. These general findings are in line with the general shifts taking place in the roles of societal actors. First, Swanson and Mancini (1996) and Wattenberg (1998) found that the media had shifted their campaign focus away from the political parties towards the candidates. Secondly, several studies have identified a trend towards increasing professionalisation and institutionalisation within contemporary political parties (Farrello 1994; Katz & Mair 1995; Scarrow 1996). These changes have tended to result in a decline in mass membership. For instance, increasing professionalisation may further marginalise the value of party membership to the organisation. Moreover, hiring campaign consultants may shift even more resources to media-centred campaigning. This implies that the way in which the parties present themselves in the electoral markets is becoming more and more a matter for professional media consultants (Dalton & Wattenberg 2000, 12). It used to be the case, in the 1960s and 1970s, that the party rank and file was much more influential (Mair et al. 2004, 265), the major implication being that the leadership had to be much more careful to ensure that the members and core voters accepted the party strategy. It seems that the parties were increasingly leadership and professionally driven during the EMU position-taking process.

To the extent that these patterns are more or less common, the findings on centralised and professionalised policy-making also imply that **the major political parties are growing to resemble one another.** As a result, the parties become their leaders. What this also implies, of course, is that they appear less differentiated and more standardised (Mair et al. 2004, 265). They speak with just one voice and impart just one message to the broader public. For instance, as noted in the context of economic interests, the NCP emphasised growth, stability and welfare when considering the economic aspects of EMU. Surprisingly, the SDP expressed a similar logic in its debate on stability, economic growth, employment and welfare. Later on, in 1999, the Centre stressed growth, employment and stability in the common currency area during the negotiations with Prime Minister Paavo Lipponen on forming the new Government. Again, this was almost identical to the position of the SDP and the NCP.

In terms of historical dynamism, the central policy of the NCP was to show the need for closer single-market relations and avoidance of the cycles of currency devaluation of the past. These themes were identical to those of the Social Democrats. In the area of external events too, the attitudes of the NCP and the SDP towards the EMU policies of foreign countries seemed to be almost identical. For much of the 1994–1999 period these two major parties mainly emphasised the importance of events that occurred in Germany, the United Kingdom and France. It could be said that, in general, traditional differentiations are fading into the background, and old shibboleths are becoming undermined. On the other hand, Lappalainen (2006), Mickelsson (2006) and Paloheimo (2008) claim that parties still appear differentiated, and that ideologies have not disappeared. For instance, their values, identities and histories remain specific, as do the labels under which they campaign. However, the ways in

which they campaign, and in which they seek to appeal to voters, are becoming standardised. This brings them closer to the status of centralised electoral machines, in which the leadership has a high degree of autonomy and the internal organisation works according to the top-down principle (Mair et al. 2004, 272–273).

The empirical evidence also shows that **the major political parties did not move beyond their conventional affiliate organisations in terms of their EMU policy-making.** The general shift in the roles of societal actors means that political parties are more and more likely to go beyond their conventional affiliate organisations (Poguntke 1998). Similarly, Katz and Mair predict that established interest groups will often prove unwilling or unable to express some demands. This could lead to the rise of alternative organisations, which are often short lived and strident (Katz & Mair 1995, 23). A myriad special-interest groups and single-issue lobbies have assumed some of the parties' roles in representing public interests (Dalton & Wattenberg 2000, 12). Like traditional interest groups, these groups may work with political parties. Nevertheless, these new-wave public-interest groups often pursue their own interests without relying on partisan channels.

For instance, the paper manufacturer Stora Enso announced its decision to close down the Kemijärvi pulp mill in October 2007. Protesters and local residents in the northern community of Kemijärvi have opposed these plans to close down the local mill. They have actively defended the plant, bringing new points of view into the debate. Interestingly, they have pushed forward their interests without relying on partisan channels (Helsingin Sanomat 2008a). The protests are set to continue, and local representatives hope to travel to Brussels to meet with Stora Enso customers. Therefore, the central argument concerns the weakening traditional organisational links between parties and interest groups, and particularly between the left and the trade unions. Surprisingly, in the case of the SDP, it was shown in this study that traditional organisational links continued to exist between the party and the workers' trade union, the Central Organisation of Finnish Trade Unions (SAK), in terms of EMU policy-making. However, as far as the NCP is concerned, the findings are in line with recent research on the weak relationship between right-wing parties and business interest groups (Webb 2004, 44), and the diminishing role of traditional interest groups (Kirchheimer 1966; Poguntke 1998).

8.3 Implications for the Design of Legitimised Intra-Party Policy-Making

Finally, turning to the normative implications of partisan change regarding the policy-making in a political party, I would like to ask the following question: **How should we democraticise the policy-making of a political party?** As the present study shows, a fundamental constraint in the EMU policy-making was that the shape of the political party was not conducive to intra-party democracy. The empirical evidence would seem to indicate that the parties were transformed into centralised and professional organisations for this purpose. The weight and direction of the EMU strategy increasingly tended to be located within the party leadership and a few administrative elites. This could imply changes in the institutional environment, as a result of which parties may appear less differentiated and more standardised in their overall policy-making. How they respond to these developments, and

whether they perceive them as problematic is obviously a different matter. Nevertheless, any reforms that strengthen legitimised intra-party policy-making should be welcomed by those who are concerned about the party role in structuring the policy-making process.

Since Schattscheider's (1942) assertion in the early 1940s that democracy is unthinkable except in terms of parties, the relationship between political parties and the democrative process has changed in two important respects. In the ideal case of party democracy, there is growing disillusionment with the role of political parties. Rather than competing with each other, rival party elites have formed cartels and use the powers and resources of the state to strengthen their collective dominance in the political system. Instead of party democracy, the result is partitocrazia (partitocracy) (Katz & Mair 1994; 1995). Consequently, is there not the danger that strong centralised policy-making will undermine intra-party democracy? For instance, Hix and Lord assert that the traditional ideological divisions between political parties have effectively disappeared (Hix & Lord 1997, 215). Almost all of those on the left now fully accept the rigours of the free market, and hence advocate the privatisation of state monopolies. Moreover, the vast majority of parties on the right now accept the social reforms of the 1960s, including equal rights for women, abortion rights, the liberalisation of divorce laws, and rights for homosexuals. Consequently, Hix and Lord wonder how, if there is very little difference between right- and left-wing parties, can they present real choices to the electorate (ibid., 215). Nonetheless, it seems that the democratic political party cannot function without organisations to structure electoral choices, and hence link popular opinion to public policy-making. Most importantly, political parties are the only organisations that can really fulfil these roles (ibid., 215).

It seems that we still know very little about where the party programmes, positions and manifestos come from, and particularly about the role of intra-party democracy in the process. Nevertheless, a huge body of research literature on intra-party powers has emerged since the 1940s. For instance, intra-party democracy is most valued as an end in itself by those who emphasise the participatory aspects (Scarrow et al. 2000, 130). According to this perspective, decision-making structures are important because they provide opportunities for citizens to influence the choices voters are offered, as well as broad opportunities for expanding civic skills. The more elitist models of democracy posit that the most essential contribution of parties is to offer voters clear electoral choices (ibid., 130). Schattschneider suggests that on the one hand it is less interesting to ask whether parties' internal structures are democratic, and on the other hand that democracy is not to be found in them, but between them (Schattschneider 1942, 60). According to the main model of post-war party transformation, the role and influence of ordinary members have been reduced as parties have begun paying more attention to the process of courting voters (Kirchheimer 1966). More recently, May (1973) showed that party leaders were driven by vote-maximising imperatives, whereas activists or sub-leaders were motivated by purposive incentives. This pattern creates intra-party tensions and management difficulties. As a result, an electoralist party leadership will want to limit the internal powers of the membership as much as possible, especially with regard to policy-making.

Nevertheless, policy-making tends to have been overlooked in comparative studies of organisational change in political parties. For instance, very little attention is paid to this in the Katz and Mair (1992) data set. One good reason for this gap in the literature is the general expectation that one should find little if any change in this dimension. Party-policy scholars also claim that the ordinary members have more a say in candidate and leadership selection than in policy-making (Scarrow et al. 2000, 145). In sum, leaderships are anxious to keep a tight rein on policy-making, and this is even more true of electoralist parties. While party policy generally is supposed to be set out by the conference, in reality the leadership is likely to hold greater sway in its positions, election programmes and other manifestos. The principal focus in this study was the official party position on EMU, the elements of the policy that were packaged for presentation to voters. The findings point to a common tendency for party leaderships to dominate the position-taking process. Generally, the final determination of position content is the responsibility of a small group surrounding the electoral leadership, which draws up the position. This position is based in part on underlying party ideology, but also on the leadership's interpretations of what is most marketable, for instance, when the party is in opposition.

A typical example in this study concerned the impact of specialist knowledge. This was shown quite clearly when the party leaders took account of the EMU reports of Jukka Pekkarinen, Mauri Pekkarinen and Paavo Okko.[507] More significantly, the formulation or wording of the Centre's stand was derived from Mauri Pekkarinen's EMU Report. He used expressions such as: "The nature of the EMU process can be characterised as professionalised", and "The party's professionalised viewpoint was very strong during the EMU process".[508] Thus, Raimo Sailas, the permanent secretary at the Ministry of Finance, encapsulated the role of the political and administrative elite during the position-taking process.[509] He claimed that Matti Vanhala, Sirkka Hämäläinen, Paavo Lipponen and Sauli Niinistö were the four persons with the main roles in Finland's decision-making process with regard to joining the EMU. In general, the available evidence shows that the policy-making was centralised, and as the parties continue to professionalise it is pretty clear that this process will inevitably continue.

The extent to which the electoral leadership has flexibility in terms of determining the party's election programme is very much context-dependent. For instance, the leadership has much more influence over the process when the party is in government. This point was shown quite clearly in the highlighted connection between government office and support for integration: the SDP and the NCP in government, and with long experience of government, were more supportive of EMU than the opposition, the Centre. The strongest criticism came from those in opposition, in this case the Centre. On the one hand, its main policy was to oppose EMU for tactical reasons while in opposition. It did not take a firm stand, preferring a position that would not tie its hands in the long run or give the main governing parties the opportunity to criticise it. On the other hand, one of the policy goals was to use EMU as a way of opposing government policy. Furthermore, the party's opposition leader Paavo Väyrynen believed that it would have been easier for the party executive to promote EMU if it had

[507] Interview with Paavo Lipponen 14.6.2007, Sauli Niinistö 14.6.2007 and Esko Aho 30.8.2007.
[508] Interview with Mauri Pekkarinen 15.6.2007.
[509] Interview with Raimo Sailas 18.6.2007.

been in government.[510] Most surprisingly, Väyrynen claimed that the Centre would then have supported EMU membership. This suggests that an electoral party leadership could use the opportunity provided by a position to emphasise certain policies that would appeal to the party's voters, and de-emphasise those that might prove electorally damaging. This strategy is consistent with the ideas behind salience theory (Budge & Farlie 1983).

The essential question concerns the efforts to democratise the policy-making itself. The party leaderships may have retained strong control over position content, but did they try to be more inclusive, allowing individual members some influence? This is the crucial issue. Thus, as Scarrow, Webb and Farrell (2000) discovered, modern electoralist parties are challenged to find ways of responding to growing internal and external demands for extending grass-roots participatory rights. Today's parties are subject to increasing pressure to retain or enhance their strategic autonomy in order to compete effectively in an increasingly volatile electoral market. One way to achieve a balance between leadership autonomy and procedural democracy is to pursue models of intra-party democratisation. This model effectively dilutes the influence of the most ideologically radical members by strengthening the impact of those who are less active, and supposedly more moderate. Mair (1994, 16) described this approch as follows:

> It is not the party congress or the middle-level elite, or the activists, who are being empowered, but rather the ordinary members, who are at once more docile and more likely to endorse the policies (and candidates) proposed by the party leadership… The activist layer inside the party, the traditionally more troublesome layer, becomes marginalised… In contrast to the activists, these ordinary and often disaggregated members are not very likely to mount a serious challenge against the positions adopted by the leadership (ibid., 16).

The challenge, therefore, is to design intra-party policy-making that strengthens party organisations where it is needed and in ways that increase their legitimacy. I will hence focus on three main suggestions for institutional reform that could contribute to the emergence of legitimised policy-making: **measures to increase greater inclusiveness, measures to adopt new technologies in order to facilitate the policy-formation process, and measures to prevent party domination.**

In terms of greater inclusiveness, **the major political parties should bring more members into the policy-making process.** Prior research shows that this is not necessarily in contradiction with centralisation. Indeed, several parties have introduced mechanisms for membership consultation that at least formally increase the powers of ordinary members (Scarrow 1999). Nevertheless, although decentralisation may make policy-making more difficult, it also serves the interests of party leaders through giving ordinary members a reason to continue their membership (Scarrow 2000; Scarrow et al. 2000; Strom 1990, 577; Strom & Müller 1999, 16–17). For instance, Mair (1997) claims that greater inclusiveness through primaries or postal ballots atomises membership organisation, because the

[510] Interview with Paavo Väyrynen 13.6.2007.

integrated national elite faces a disorganised mass of members. Similarly, Scarrow, Webb and Farrell also interpret greater inclusiveness as a means of stifling internal debate (Scarrow et al. 2000, 148):

> The policy-making process inside the parties seems to remain centralised; indeed, if anything it is becoming more centralised. At the same time, there are signs that policy-making is becoming more inclusive, perhaps in part because this helps to emasculate the bothersome activists (ibid., 148).

Nevertheless, the extension of participatory rights primarily concerns candidate and leadership selection, not policy-making. It is in the area of policy-making that the electoralist party leadership has the most obvious need to retain control, for this activity bears directly upon the core party goal of effective party competition (ibid., 136). It is worth noting that, in the light of the present study, it would be better to focus here on intra-party policy-making and to exclude candidate and leadership selection. My concern lies with the core of the party programme that is incorporated into an official manifesto or statement. What is the manner in which such statements are adopted? For instance, the party leadership may seek grass-roots legitimation of the manifesto in a formalised process of consulting the mass membership. One way of achieving this is to hold a membership ballot. The party congress is a significant step towards greater inclusiveness in that it involves delegates from various party levels and representing various internal interests. It is through this forum that the activists have usually been able to hold sway, setting party policy, influencing the party's position and strategies, and bringing their influence to bear on the leadership. Scarrow, Webb and Farrell (2000) claim that more inclusive still are the parties that give a direct voting role to their dues-paying membership, while the furthest point along the continuum of inclusiveness is occupied by organisations that offer a decisive role to its voters and sympathisers in the electorate at large (Scarrow et al. 2000, 137).

The most significant scope for change is in the development of broad policies. This is the stage that could entail consultation with grass-roots members. For instance, the practice is that the parties take a year to deliberate the programme. The grass-roots members are consulted and the draft is debated at the party congress (Svåsand, Strom & Rasch 1997, 106). One way of limiting inclusiveness over policy-making is to establish forums for debate on national policy, for instance with business and youth (Dalton & Wattenberg 2000, 280). The objective is to make the policy process more consensual and inclusive. As a result, non-members are also given the opportunity to have some input. These forums have tended to reduce the incidence of highly public conflict at party congresses. On the other hand, the leadership should continue to travel around the country discussing topics with ad hoc groups of members and sympathesisers, or knowledge centres. Another way of involving the public directly in policy-making would be to use referendums. Sometimes these forms of direct democracy are integrated into a partisan framework, but more often they are developed as an alternative to partisan politics. Referendums have recently been used to decide crucial issues of public policy, such as whether Finland would join the EU. On the other hand, this form of direct democracy may further challenge a system of representative democracy based on political parties as the agents of interest aggregators (ibid., 280).

It could be said that **the major political parties should open up the policy-formation process, and adopt new technologies, particularly the Internet, to facilitate this process.** According to the recent political-science literature, researchers focusing on party policy have been forecasting a trends towards some form of direct democracy centred around the communication capabilities of the new media since the 1990s (Abramson, Aldrich & Rohde 1998; Grossman 1995). Thus, it is expected that there will be increased use of referendums and public initiatives, far greater attention to the accumulation of citizen feedback, and possibly moves towards more complex, two-way electronic interaction on individual issues (Budge 1996, 132). As a result, party-policy messages could become even more specific and targeted at particular groups with particular interests (Farrell & Webb 2000, 267). Alternatively, citizens would be able to take advantage of this information resource and would become better informed about the issues that concern them. In practice, the use of new technolocy gives non-members the opportunity to get involved in the party's internal policy-making process. Nowadays, all the major parties have their own websites. These are used to varying degrees to facilitate two-way communication in which the parties may form discussion groups on specific policy issues. One possibility is to openly discuss basic party programmes via the Internet. For instance, the Green League of Finland used this approach in the 2008 local elections in the regions of Vantaa and Espoo. Furthermore, parties could develop policy positions based, in part, on feedback from an Internet discussion group. Of course, websites are generally accessible to all on-line subscribers, and there are few if any limits on who can seek to influence the party programme.

With regard to preventing party domination, it seems that interest-group pluralism is being undermined because parties have traditionally dominated the legislative process. This inevitably prevents policy makers from benefiting from the opinions of a wider public, and allows special groups close to the parties to monopolise policy initiatiatives (Hix & Lord 1997, 219). Consequently, **the major political parties should actively seek to involve all private interest groups in the policy-making process.** More precisely, their electoral needs should encourage them to bring together a wide variety of interest groups, and to forge a common policy that these groups could support. In this way, public interest groups, lobbying groups and other societal communities would reinforce the fragmentation of public interests and the political agenda: they would be better equipped than ever before to reach and organise their potential members through direct mailings, the mass media and the Internet, for example. Regrettably, prior research shows that the parties have recently played a diminishing role as the articulators and assemblers of diverse political interests (Dalton & Wattenberg 2000, 283). The main reasons for this are the lack of stable electoral coalitions, the weakening bonds with social support groups, and the internal changes within the parties. Scholars therefore conclude that political actors, at the moment, fail to bring interests together for the common good (ibid., 283). This pattern results from the changing nature of interest articulation due to the increasing influence of voter interest groups and the mass media.

Another factor is the changing relationship between parties and society. The characteristics of cartel parties weaken their ability to represent diverse interests and negotiate among members of the

alliance. It could be said that the shift in focus from selling to marketing thus weakens the party function of representing the voter (Dalton & Wattenberg 2000, 283). As a result, parties have centralised and professionalised their offices. At the same time, they make less and less effort to mobilise the public to take part in policy-making and to understand the democratic process. Running elections and governing according to marketing principles may be successful in the short term, but this strategy may well undermine the democratic process in the long term. Therefore, other agents of interest articulation, such as interest groups, are needed to counterbalance the potential loss of representation.

Some people are already shifting their efforts to other forms of political participation. For instance, participation in unconventional political actions has generally increased in recent years (Jennings & van Deth 1989; Topf 1995). Generally, citizens are more likely to work with others in their community to address a shared problem, to belong to a public interest lobby, and to contact officials directly about their concerns (Dalton 1996, Chapters 3–4). Consequently, interested individuals might join action groups or social movements, or take other forms of direct action: self-help groups, women's groups, consumer groups and other grass-roots movements continue to proliferate, for instance. On the other hand, party-policy scholars expect to see changes in the nature of party links with associated collateral organisations. For example, Poguntke empirically demonstrated that the electoral value of maintaining close ties with specific interest organisations has diminished. The main reason for this is that social change has weakened the capacity of collateral organisations such as trade unions to aggregate and deliver votes. Therefore, parties have become less interested in according them representation in forums such as national executive committees (Poguntke 1998, 176). Turning to the recent challenges between political parties and interest groups, Raunio (2002) predicts that European integration will weaken the links between national parties and such groups. On the one hand, he argues that an increasing number of important policy decisions are being taken at the European level, and as a result interest groups tend to lobby the European Commission and national governments represented in the Council. On the other hand, EU directives and competition rules tend to set limits on patronage (Luther & Deschouwer 1999, 261).

In sum, broad cross-national patterns of partisan change present new challenges to intra-party democracy. The fall in turnout, other forms of political participation and the cartel-party thesis imply the need for political parties to involve all of their constituency members, especially those with fewer political resources and skills. Given the will to legitimise policy-making, political parties will be better equipped to survive and to strengthen their relationship with all of their voters. As Lipset pointed out, legitimacy is the capacity of the system to reflect the values of society (Lipset 1959, 77). If the three major political parties are to increase the legitimacy of their policy-making, they have to strengthen the link, for instance, between policy-making with regard to EMU and public opinion on the matter. The essential factor is not to allow the party leadership to dominate the policy-making or to undermine national, cultural and territorial interests. In sum, a major dilemma in the policy-making of the political party is to make effective and efficient decisions that are at the same time accountable to its

supporters. Hix and Lord cynically suggest that this seems to have been an age-old issue for democratic politics (Hix & Lord 1997, 219). As evidenced in this study, in the 1990s, the policy-making process regarding EMU membership was primarily based on the articulation of interests by the political and administrative elites and professional experts near the leadership.

8.4 Suggestions for Further Research

The demise of left-right as the main dimension of politics, which started in the 1950s, has received a huge amount of scholarly attention (Bartolini & Mair 1990; Bell 1960; Budge et al. 1987; Castles & Mair 1984; Franklin 1992; Giddens 1994; Huber & Inglehart 1995; Laver & Budge 1992; Laver & Hunt 1992). However, some authors argue that the dispersion of all parties along this dimension has weakened since 1950 (Caul & Gray 2000, 208–237). More recently, Hix and Lord discovered that, whereas parties in different European states from the same party family tend to have similar views about the role of the state (the left-right question), they are likely to have different views on European integration (Hix & Lord 1997, 26). This is consistent with the notion that the role of ideology has weakened as many parties in advanced industrialised democracies have adopted vote-maximising strategies that have promoted centrist politics (Caul & Gray 2000, 208–237). In the present study, a causal link was suggested between being more left-wing and being anti-EMU, but this hypothesis received very little support. Future research should devote more effort to the question whether the party supports regulated or neo-liberal capitalism. This hypothesis could have more explanatory value in terms of evaluating the relationship between ideological tendencies and economic and monetary integration. Furthermore, as evidenced in the 1990s, the long-term trend has been towards greater support for the EMU process, but current debate might highlight significant policy differences over its future role and purpose. Basically, the further strengthening of supranationality has been one of the controversial areas. Therefore, more attention should be focused on the issue of acceptance of or opposition to supranationalism and its extension.

As a review of recent literature indicates, most of this academic research work has involved national case studies on party policies towards European integration. More research attention should be focused firmly within the tradition of comparative European politics. Consequently, there is a gap to be filled in the area of comparative research on the EMU policies of the Swedish and Finnish major political parties. The theme of cross-national influences from Sweden to Finland is strongly debated in the editorial pages with given the current interest in Sweden's membership of EMU (Baer 2008; Helsingin Sanomat 2008b; Helsingin Sanomat 2008c; Helsingin Sanomat 2008d; Mauno 2008). This framework would be fruitful because even Jonung and Sjöholm (1996) argue that Finland and Sweden are economically similar countries, which is why they have to have a similar kind of integration solution. Johansson and Raunio recently analysed party responses to European integration in the two countries, but failed to take account of the party organisations (Johansson & Raunio 2001, 225–249). Clearly, different types of political parties also differ in their responsiveness to some of the factors examined in this study.

In terms of sharpening content-analysis techniques, as illustrated in Chapter 3, the party-policy documents were coded on the basis of the procedure described in the Appendices and a set of seventy-nine categories of policy, summarised in Appendix 4. Possible further studies should apply a different kind of coding scheme. It should perhaps be more hierarchical, thereby allowing for categories to be amalgamated more systematically. For example, the category of *economic goals* should consist of lower-level categories such as economic growth, which would help in terms of identifying policy differences related to this sub-category. Furthermore, more attention should be focused on a scheme that would incorporate exclusively directional categories. The scheme applied in this study included categories, such as *free enterprise*, that were simply designed to tap issue salience and had no clear directional character. If the focus of interest is in the relative positions of political parties on each issue rather than their relative salience, the coding scheme should be organised differently.

The findings of the present study demonstrate the importance of the national context in the EMU policies adopted by the three major political parties. Nevertheless, research work on the protocols of the transnational party federations might produce interesting insights into the roles and policy emphasis of the Finnish party leaders. For instance, summit meetings among the national party leaders have become the main decision-making organs within the EPP, the ELDR and the PES (Hix & Lord 1997). Possible further studies could consider the changes in the degree to which Finland is economically integrated with the rest of the world. In particular, more research attention should be given to the effects of international economic integration on monetary policy-making. The suggestion here is to examine how increasing economic internationalisation has changed Finnish monetary politics since the 1980s. It might be interesting to address the research question of whether economic internationalisation has altered political divisions over monetary policy. It could also be fruitful to examine which particular party organisations or other institutions in the political community are the most responsive to broad trends in an open economy. Indeed, this would require more data on the economic and political effects that are diffused abroad.

One way of extending this research would be to explore the EU policies of other Finnish political parties. One could also adopt a more explanatory approach to policy-making towards European integration. More research attention should be given to identifying the key persons who play a decisive role across political parties, interest groups, external governments and foreign sister parties. To this end, it would be useful explore the impact of European integration on power relations within parties. In conclusion, as a field of study, party policy towards European integration offers a challenging research path.

Appendices

Appendix 1: Sources of the Party Documents used in the Quantitative Analysis[511]

A) THE NCP

THE PARTY CONGRESS, 1993, 1994, 1995, 1997, 1999:
The position of the party congress in 1993.
- EMU luo edellytykset tasapainoiselle talous- ja työllisyyskehitykselle 11.–13.6.1993.

The position of the party congress in 1994.
- Kokoomuksen EU-teesit 27.–28.8.1994.

The positions of the party congress in 1995.
- Speech by the party chairman Sauli Niinistö, 9.6.1995.
- Valmistautuminen Euroopan unionin hallitustenväliseen konferenssiin vuonna 1996, 9.–11.6.1995.
- Speech by the party chairman Sauli Niinistö, 11.6.1995.

The positions of the party congress in 1997.
- Tie turvatumpaan tulevaisuuteen. Tulevaisuusohjelman keskusteluasiakirja 6.–8.6.1997.
- Speech by the party chairman Sauli Niinistö, 7.6.1997.
- EMU:n kolmas vaihe: Suomen etu on olla mukana kovassa ytimessä 6.–8.6.1997.
- Speech by the party chairman Sauli Niinistö, 8.6.1997.

The positions of the party congress in 1997.
- Speech by the party chairman Sauli Niinistö, 22.5.1999.
- Kilpailukykyinen ja työllistävä kasvu 22.5.1999.
- Speech by the party chairman Sauli Niinistö, 22.5.1999.

THE PARTY COUNCIL, 1995–1999:
The protocols of the party council, 1995, 1996, 1997, 1998 and 1999: positions, speeches and summaries of the meetings.

THE PARTY EXECUTIVE COMMITTEE, 1994–1999:
The protocols of the party executive committee, 1994, 1995, 1996, 1997, 1998 and 1999: positions, speeches and summaries of the meetings.

THE MINISTRY GROUP OF THE PARLIAMENTARY GROUP, 1994–1999:
The protocols of the ministry group of the parliamentary group, 1994, 1995, 1996, 1997, 1998 and 1999: positions and summaries of the meetings.

THE PARLIAMENTARY GROUP, 1994–1999:
The protocols of the parliamentary group and the parliamentary working group, 1994–1999.
Parliamentary group speeches:
- The Government Report on EU presented in Parliament, 15.2.1995.
- The Interpellation Answer on EMU given in Parliament, 13.6.1995.
- The Government Report on the Intergovernmental Conference presented in Parliament, 27.2.1996 and 8.5.1996.
- The Government Report on the Future of the EU presented in Parliament, 2.10.1996 and 2.4.1997.
- The Prime Minister's Announcement on ERM given in Parliament, 24.10.1996.
- The Government Report on Security Policy presented in Parliament, 17.3.1997 and 27.5.1997.
- The Government Report on EMU presented in Parliament, 20.5.1997 and 17.6.1997.
- The Government Statement on EMU presented in Parliament, 19.2.1998 and 14.4.1998.

THE ELECTION PROGRAMME:
Kansallinen Kokoomus rp.: Tavoiteohjelma 1999–2003. Kannanotto vaaleihin 1999.

[511] The author also coded some documents from before the year 1994, such as those covering the party congress of the SDP in 1993. The reason for this is that the SDP did not hold a party congress in 1994.

B) THE CENTRE

THE PARTY CONGRESS, 1994, 1996, 1997:
The position of the party congress in 1994.
- Speech delivered by the Secretary of State Heikki Haavisto, 17.6.1994.

The positions of the party congress in 1996.
- The protocol of the party congress, 15.6.1996.
- Speech delivered by the party chairman Esko Aho, 15.6.1996.
- EMU-ratkaisu taloudellisin perustein ja kansanvaltaisesti 14.–16.6.1996.

The positions of the extraordinary party congress in 1997.
- Speech delivered by the party chairman Esko Aho, 28.9.1997.
- Vastuullinen valinta – Ei ensimmäisten joukossa 28.9.1997.

THE PARTY DELEGATION, 1994–1998:
The position of the party delegation in 1994.
- The position, 26.–27.11.1994.

The position of the party delegation in 1995.
- Suomen Keskustan kannanotto EU:n tulevaan kehitykseen 25.–26.11.1995.

The positions of the party delegation in 1996.
- Speech delivered by the party chairman Esko Aho, 23.–24.11.1996.
- The position, 23.–24.11.1996.

The positions of the party delegation in 1997.
- The position, 26.–27.4.1997.
- Speech delivered by the party deputy chairman Maria-Kaisa Aula, 26.–27.4.1997.
- Speech delivered by the party chairman Esko Aho, 26.–27.4.1997.
- Speech delivered by the party chairman Esko Aho, 22.–23.11.1997.
- The position, 22.–23.11.1997.

The positions of the party delegation in 1998.
- Speech delivered by the party chairman Esko Aho, 18.–19.4.1998.
- The position, 21.–22.11.1998.

THE PARTY EXECUTIVE COMMITTEE AND WORKING GROUP, 1994–1999:
The protocols of the party executive committee and the working group, 1994, 1995, 1996, 1997, 1998 and 1999: positions, speeches and summaries of the meetings.

THE PARLIAMENTARY GROUP, 1994–1998:
The protocols of the parliamentary working group, 1994–1998.
Parliamentary group speeches:
- The Government Report on the Accession Treaty to EU presented in Parliament, 6.9.1994.
- The Government Report on EU presented in Parliament, 15.2.1995.
- The Interpellation Answer on EMU given in Parliament, 13.6.1995.
- The Government Report on the Intergovernmental Conference presented in Parliament, 27.2.1996 and 8.5.1996.
- The Government Report on the Future of the EU presented in Parliament, 2.10.1996 and 2.4.1997.
- The Government Report on EMU presented in Parliament, 20.5.1997 and 17.6.1997.
- The Government Statement on EMU given in Parliament, 19.2.1998 and 14.4.1998.

THE ELECTION PROGRAMME:
The party delegation: Vaaleissa valitaan Keskustan uudistuslinjan tai suurtyöttömyyden ja leikkausten välillä. 21.–22.11.1998. Kannanotto vaaleihin 1999.

C) THE SDP

THE PARTY CONGRESS, 1993, 1996, 1999:
The positions of the party congress in 1993.
- Kannanotto Euroopan integraatiosta 4.6.1993.
- Ulkopolitiikan uudet haasteet muuttuvassa maailmassa. Suomi Euroopan yhteisöön 3.–6.6.1993.

The positions of the party congress in 1996.
- Speech delivered by the party chairman Paavo Lipponen, 6.–9.6.1996.

- Kannanotto Eurooppa-politiikasta 9.6.1996.

The positions of the party congress in 1999.

- Speech delivered by the party chairman Paavo Lipponen, 27.5.1999.
- Julkilausuma kansainvälisestä politiikasta. Työtä ja hyvinvointia eurooppalaisella yhteistyöllä 26.–30.5.1999.
- Kannanotto Eurooppa-politiikasta. 26.–30.5.1999.

THE PARTY COUNCIL, 1994–1997:

The protocols of the party council, 1994, 1995, 1996 and 1997: positions, speeches and summaries of the meetings.

THE PARTY EXECUTIVE COMMITTEE, 1994–1999:

The protocols of the party executive committee, 1994, 1995, 1996, 1997, 1998 and 1999: positions, speeches and summaries of the meetings.

THE PARLIAMENTARY GROUP, 1994–1998:

The protocols of the parliamentary group and the parliamentary working group, 1994–1998.

Parliamentary group speeches:

- The Government Report on the Accession Treaty to EU presented in Parliament, 6.9.1994.
- The Government Report on EU presented in Parliament, 15.2.1995.
- The Interpellation Answer on EMU given in Parliament, 13.6.1995.
- The Government Report on the Intergovernmental Conference presented in Parliament, 27.2.1996 and 8.5.1996.
- The Prime Minister's Announcement on ERM made in Parliament, 24.10.1996.
- The Government Report on EMU presented in Parliament, 20.5.1997 and 17.6.1997.
- The Government Statement on EMU given in Parliament, 19.2.1998 and 14.4.1998.

THE ELECTION PROGRAMME:

Tavoitteena täystyöllisyys. SDP:n vaalijulistus 25.–26.11.1998. Kannanotto vaaleihin 1999. The party council of the SDP.

Appendix 2: Coding Procedure

The present study has designed a classification scheme to allow for the coding of all the content of policy documents for the 1994–1999 period in the Centre, the SDP and the NCP. During 1994–1999 these parties drafted party documents which described their positions across a broad range of policies involving the EMU. This study uses an established content analysis technique to turn these documents into numerical data representing political party emphasis at national party level and party organisation level on specific issues. It describes how the emphasis on EMU of the parties have changed during 1994–1999. It uses the party document data to evaluate how political parties differentiate themselves from each other and over time in the policy areas and whether this is in accordance with the expectations of the propositions.

The purpose next is to describe the specific form of content analysis to be undertaken in the research work. The specific kind of internal, quantitative analysis is derived from the question as to what ideas, policies, issues, and concerns parties stress in their party documents from the theoretical point of view of my study. The methods of coding are designed to be comparable over a wide range of parties. Therefore, a classification scheme with invariant general categories is used to cover the total content of party documents by identifying the statements of preference expressed in the party documents. This classification scheme contains 79 different categories grouped into 3 major policy domains. Each of the 79 categories sums up related issues in a way that changes over time can be measured across parties. Thus, the coding procedure comprises a quantification (how many statements do parties make?) and a classification (what kind of statements do parties make?) of party documents.

Quantification: The Coding Unit

The coding unit in a given program is the quasi-sentence, defined as an argument. An argument is the verbal expression of one political idea or issue. In its simplest form, a sentence is the basic unit of meaning. Therefore, punctuation can be used as a guideline for identifying arguments. In its shortest form, a sentence contains a subject, a verb and an attribute or an adjective.

Examples: ”We will limit expenditures on social services.”
”We will reduce our budget deficit.”

Obviously, these two sentences contain two different arguments which are easy to identify and to distinguish. But unfortunately, languages are more complex, and it is a question of style how to express the same political ideas.

Example: ”We will limits expenditures on social services and reduce our budget deficit.”

In this case, the two statements are combined in one sentence, but for our purposes are still treated as two different arguments. Long sentences are decomposed into “quasi-sentences” if the sense changes within the sentence. In most cases, one sentence which covers two (or more) arguments can be easily transformed into two (or more) quasi-sentences by repeating substantives and/or verbs. Thus, a “quasi-sentence” is a set of words containing one and only one political idea. It stops either at the end of an argument or at a full stop (period). In many cases, arguments are combined and related into one sentence.

Example: “Because we want to reduce our budget deficit, we need to limit expenditure on social services.”

These are two quasi-sentences, because there are two political goals, i.e. economic orthodoxy and social services limitation, which can be transformed into two quasi-sentences:

Examples: ”We want to reduce our budget deficit.”
”We need to limit expenditure on social services.”

Thus, long sentences may combine two or more arguments which are often contained by commas, semicolons or colons. A list of arguments, sometimes marked with hyphens or dots, is treated as if separated with full stops.

Example: “In international policy we shall take new initiatives. We will
- promote reduction of budget deficits;
- support for banking system;
- support for strong currency;
- promote free enterprise capitalism;
- increase superiority of individual enterprise over state;
- take action to protect private property rights.”

This text contains seven quasi-sentences. Three of the arguments (1. promote reduction of budget deficits; 2. support for banking system; 3. support for strong currency) express the same general idea, i.e. economic orthodoxy (108), but different issues in this policy field. Because distinct policies are mentioned for economic orthodoxy, three different quasi-sentences are identified. This list of policies may be given in the following way for which the same number of quasisentences is coded as for the list given above:

“In international policy we shall take new initiatives. We will promote reduction of budget deficits, support for banking system, support for strong currency, promote free enterprise capitalism, increase superiority of individual enterprise over state, and take action to protect private property rights.”

Thus, if different issues - however short - are dealt with in the same sentence they constitute different quasi-sentences even if they apply to the same policy field. On the other hand, the same argument may be very long and may occupy a lot of space, but still be only one quasi-sentence.

Step No 1: Identifying Quasi-Sentences

1. Take a look at the respective party program. Then, 2. start with reading the first paragraph, 3. look at each sentence of the first paragraph, 4. identify the number of arguments by transforming them into quasi-sentences, and 5. mark all quasi-sentences in the first paragraph. Some parts of the platform, like statistics, tables of content and section headings are not considered as text to be coded and, therefore, do not count as quasi-sentences. Introductory remarks by party leaders are equally ignored since the ideal-type of a platform is defined as authoritative statements of parties. All the other parts of a platform constitute the basis of analysis. The total number of units of analysis equals the total number of quasi-sentences identified for the relevant text of a given platform.

Classification

In the present study two types of comparisons are possible: (1) comparisons of changes in policy positions or in emphases over time within specific parties and (2) differences in policy positions or in emphases across parties. The basic data sought to support such comparisons are the shares of party positions devoted to each category in a set of standardised issue areas. Comparison requires standardisation. After reviewing the theoretical framework, this study has developed a coding system, whereby each quasi-sentence of every party position is coded into one, and only one, of 79 standard categories. The 79 categories were grouped into 3 major policy areas. The coding categories are designed, as far as possible, to be comparable between parties and time. The Coding Scheme (CS) is found in Appendix 3.

After identifying the quasi-sentences, the next stage of the coding procedure is to decide which of the standard categories of the CS a respective quasisentence expresses. Each category of the CS is specified by a set of typical issues and political ideas. Before starting the coding procedure, the coder should read through the CS and its defining ideas and issues several times. With 79 standard categories the CS is reasonably scarce so that titles of categories and their defining characteristics can be easily memorised. The better the coder can memorise the categories and their specifications, the easier and faster the coding procedure will be. For the example given above, the category numbers (117) internationalism, (105) free enterprise and (108) economic orthodoxy are noted down at the margin of the policy position document:

117 - In international policy we shall take new initiatives.
We will:
108 - promote reduction of budget deficits;
108 - support for banking system;
108 - support for strong currency;

105 - promote free enterprise capitalism;
105 - increase superiority of individual enterprise over state;
105 - take action to protect private property rights.

The present study coded and analysed separately party documents at different political level such as the party congress, the party delegation, the party executive committee, the parliamentary group, the ministry group of the parliamentary group and the party council. On the other hand, the present study also uses analysed party documents as a whole.

Step No 2: Classifying the Quasi-Sentences

Read the whole of the first paragraph before you start coding the first quasi-sentence because the context may give you hints how to code an otherwise ambiguous argument. Look to see whether one of the 79 standard categories definitely captures the sense of the first identified quasi-sentence and note down the respective number of the category at the margin of the page. Repeat this procedure for all the quasi-sentences of the first paragraph. Then proceed with the next paragraph by repeating step no 1.

Coding Problems and Difficulties

Not all of the arguments are as clear as the examples given above. Three difficulties may appear in the process of applying step no 2:

a. No category seems to apply.
b. More than one category seem to apply.
c. The statement seems unclear.

a. No category seems to apply

The coding frame was created to capture the total platform content. Nonetheless, it may be that no category is available for a particular problem. These quasi-sentences are treated as uncodable (000). It is important to realise that ”uncoded” does not necessarily mean that a sentence is devoid of meaning (although of course it may be), only that it cannot be fitted into the CS. However, the general rule is that sentences should be coded if at all possible. To follow this general rule there are a number of specific decision rules on how to tackle with difficult coding decisions. Some of the categories are not much used, but are vital for comparative reasons. Therefore, some categories may be left empty at the end of the coding procedure. On the other hand, categories used seldomly are the most difficult to handle.

Decision Rule No 1: Checking Definitions of all Categories in Policy Domains

Whenever tempted to treat a quasi-sentence as uncodable, reread the definitions of categories in the relevant policy domains because it might well be that the quasi-sentence contains a policy position that is only taken seldomly. Therefore, the specific definition of the respective category may just not be easily recalled. A quasi-sentence may be without meaning, but may nevertheless be part of the

discussion of a problem and has a stylistic or linking function, for example: ”Our party will do everything in its power to defend the national way of life of our citizens in Europe. To this end, we envisage several measures. Firstly, we will make sure that our national way of life is respected...” These are three quasi-sentences. The middle sentence itself is devoid of any policy-content, but is a part of the same argument. Therefore, category national way of life (110): is coded three times.

Decision Rule No 2: Identifying Connecting Sentences

Some sentences, which may otherwise be uncodable, may just be connecting sentences between two arguments (for instance: Therefore, we are going to do three things.) These connecting sentences themselves do not constitute meaningful arguments, but are part of an ongoing argument. Therefore, connecting sentences should be coded in the same category as surrounding sentences or as the bulk of the paragraph they appear in. Because of the general rule to classify quasi-sentences if at all possible, all quasi-sentences treated as uncodable must be checked again after coding the total program. Subcategories must always be nested into the 79 categories so that they can be aggregated up to one of the 79 categories. For instance, 1101 is nested into 110.

Decision Rule No 3: Creating Subcategories

Look at all uncoded sentences a second time and try to figure out whether some of these statements have an equivalent meaning. Make sure that there really is no related Standard Category that captures the sense of these quasi-sentences. Should many quasi-sentences contain the same arguments which are not subsumable under one of the 79 standard categories, note down a temporary 5-digit code and a temporary definition for a new subcategory. Do not create subcategories for each and every single issue because this is useless even when comparing parties from the same party system.

b. More than one category seem to apply

The opposite difficulty of uncodable sentences is that more than one category seems to apply. This difficulty can be dealt with by applying the following decision rules:

Decision Rule No 4: Section Headings as Guidelines

Look at the section heading of the quasi-sentence in question. Then, take the category which covers the topic of the section or the heading. Thus, section headings are taken as guidelines for coding although section headings themselves are not to be coded. If headings are not given or do not apply to the argument in question, a couple of decision rules are to be followed for the most common cases.

Decision Rule No 5: Specific Policy Positions Beat (401–4014) Political Authority

Whenever there is a choice between category political authority (401–4014), defined as the party’s general competence to govern or the general critique of opponent parties’ competence, on the one hand and another category from Policy Domains 1 to 3, the specific policy position is to be chosen.

Decision Rule No 6: Specific Policy Positions Beat (501) Economic Goals

Whenever there is a choice between a more specific policy position given in Policy Domains 1 to 3 and category economic goals (501), the specific policy positions (for instance, economic orthodoxy (108) is to be chosen instead of 501.

For all other cases in which more than one category seems to apply, the coder has to decide what the most important concern of the argument is since one, and only one, category has to be chosen for each argument. There is only one exception to the one-and only one rule:

Decision Rule No 7: EMU/EU Level and National/Regional Level

Policies at the European level may be discussed with respect to their impact at the national or regional level. In these cases, 5013 Single Market: positive, 5014 Single Market: negative, 5015 European Monetary Union/European Currency: positive, 5016 European Monetary Union/European Currency: negative, 5017 European Community/Union: positive and 5018 European Community/Union: negative as well as the specific national position in Policy Domains 1–3 have to be coded.

c. The statement seems unclear

Even after applying decision rules no. 1 to 7, one may still not be sure where an argument is leading. Many of these problems may be solved by taking the context of the ambiguous quasi-sentence into account. Coders should first of all take into account the following sentences because the first quasi-sentence may be part of an argument which is explicated in the next sentences. Therefore, it is always useful to start the coding procedure by reading the whole paragraph. In some cases, crucial decisions have to be made with respect to the manifest or latent content of statements. No inferences should be made with respect to the meaning of statements. The coder has to code what the statement says, not what he or she thinks it may lead to in the end. As with uncodable sentences, all unclear statements should be marked and reread at the end of coding. Some of the coding problems will be solved with growing experience.

The present study has used the spreadsheet format which eased the coding of new party documents, reduced clerical errors and facilitated the analysis of the coded material. It also facilitated comparisons between manual and computerised coding. Clearly, using this approach requires that party documents are in computer-readable format. While this may entail scanning printed document or writing them in word-processor, party documents were available on the World Wide Web sites maintained by the political parties and the Library of Parliament. The document files were copied or downloaded as electronic files and opened with a word-processor. The word-processor software was used to transform the original document into the quasi-sentences demanded by the MRG Coding Procedures. This process just means inserting a physical line break at the appropriate point in the text. Then, the text file was saved, and was copied to a spreadsheet program.

Appendix 3: Coding Scheme

DOMAIN 1: The internal influences within the parties

Domain 1.1: Ideology, the left-right scale

Right emphases (%)

101 Pro-military

Need to maintain or increase military expenditure; modernising armed forces and improvement in military strength; rearmament and self-defence; need to keep military treaty obligations; need to secure adequate manpower in the military; need for military co-operation within the EC/EU or the formation of EC/EC armed forces.

102 Freedom, human rights

Favourable mentions of importance of personal freedom; freedom from bureaucratic control; freedom from coercion in political and economic sphere; individualism in Europe, the EC/EU. Favourable mentions of importance of human and civil rights; freedom of speech in Europe, the EC/EU; supportive European refugee policies.

103 Constitutionalism

Support for specified aspects of constitution; use of constitutionalism as an argument for policy as well as general approval of the constitutional way of doing things in the manifesto country, in Europe, the EC/EU (as defined by the EC/EU treaties). Need for an European constitution.

104 Effective authority

Need for efficiency and economy in government and administration of the manifesto country, Europe or the EC/EU; cutting down civil service; improving governmental procedures; general appeal to make the process of government and administration cheaper and more effective.

105 Free enterprise

Favourable mentions of free enterprise capitalism; superiority of individual enterprise over state and control systems; favourable mentions of private property rights, personal enterprise and initiative; need for unhampered individual enterprises.

106 Economic incentives

Need for wage and tax policies to induce enterprise; encouragement to start enterprises; need for financial and other incentives.

107 Anti-protectionism

Support for the concept of free trade.

108 Economic orthodoxy

Need for traditional economic orthodoxy; e.g., reduction of budget deficits, retrenchment in crisis, thrift and savings; support for traditional economic institutions such as stock market and banking system; support for strong currency.

109 Social services limitation

Limiting expenditure on social services or social security; otherwise as 124, but negative.

1091 Job programs

Negative mention or proposal to cutback or suspend job-generating measures.

1092 Pensions

Negative mention or proposal to cutback or suspend pensions.

1093 Health care and nursing service

Negative mention or proposal to cutback or suspend health care or nursing services.

1094 Social housing

Negative mention or proposal to cutback or suspend social housing.

1095 Child care

Negative mention or proposal to cutback or suspend child care services.

110 National way of life

Appeals to patriotism and/or nationalism; support for established national ideas; suspension of some freedoms in order to protect the state against subversion.

1101 Retaining the national way of Life in Europe, the EC/EU

Emphasis on retaining the national way of life and national cultures in Europe or within the EC/EU.

111 Traditional morality

Favourable mentions of traditional moral values; prohibition, censorship and suppression of immorality and unseemly behaviour; maintenance and stability of family; religion.

112 Law and order

Enforcement of all laws; actions against crime; support and resources for police; tougher attitudes in courts.

113 Social harmony

Appeal for a national or European or general effort and solidarity; need for society to see itself as united; appeal for public spiritedness; decrying anti-social attitudes in times of crisis; support for the public interest.

Left emphases (%)

114 Decolonisation, anti-imperialism

Negative references to exerting strong influence (political, military or commercial) over other states; negative references to controlling other countries as if they were part of an empire; favourable mentions of decolonisation; favourable references to greater self-government and independence for colonies; negative references to the imperial behaviour of the manifesto and/or other countries.

115 Anti-military

Favourable mentions of decreasing military expenditures; disarmament; "evils of war"; promises to reduce conscription; otherwise as 101, but negative. No need for military co-operation within the EC/EU or EU/EC armed forces.

116 Peace

Peace as a general goal; declarations of belief in peace and peaceful means of solving crises; desirability of the manifesto country, the EC/EU or other countries joining in negotiations with hostile countries.

117 Internationalism

Need for international cooperation; need for aid to developing countries; need for world planning of resources; need for international courts; support for any international goal or world state; support for UN.

118 Democracy

Favourable mentions of democracy as a method or goal in organisations in the manifesto country, in Europe, the EC/EU, worldwide; involvement of all citizens in decision-making, as well as generalised support for the manifesto country's and Europe's democracy.

1181 Public support for EMU membership

Positive mentions of the public support for EMU membership.

1182 Need for the EMU referendum

Positive mentions of the referendum for EMU membership.

1183 Media

Mentions of the attitudes and news stories on the EMU membership.

119 Regulate capitalism

Need for regulations designed to make private enterprises work better; actions against monopolies and trusts, and in defence of consumer and small business; encouraging economic competition; social market economy.

120 Economic planning

Favourable mentions of long-standing economic planning of a consultative or indicative nature, need for the manifesto country's government or EC/EU to create such a plan.

1201 EC/EU structural fund: Positive

Need to maintain or to extend EC/EU funds for structurally underdeveloped areas.

121 Pro-protectionism

Favourable mentions of extension or maintenance of tariffs to protect internal markets; other domestic economic protectionism such as quota restrictions.

122 Controlled economy

General need for direct government control of economy; control over prices, wages, rents, etc.

123 Nationalisation

Government ownership, partial or complete, including government ownership of land.

124 Social services expansion

Favourable mentions of need to introduce, maintain or expand any social service or social security scheme. Note: This category excludes education.

1241 Pensions

Favourable mentions of need to introduce, maintain or expand pensions.

1242 Health care and nursing service

Favourable mentions of need to introduce, maintain or expand health care or nursing services.

1243 Social housing

Favourable mentions of need to introduce, maintain or expand social housing.

1244 Child care

Favourable mentions of need to introduce, maintain or expand child care services.

125 Education expansion

Need to expand and/or improve educational provision at all levels.

126 Pro-labour

The party's goal is to create jobs by economic means. Favourable mentions of the need to introduce, maintain or expand job-generating measures.

Domain 1.2: Internal elites

201 Decentralisation

Support for federalism or devolution in the manifesto country; more regional autonomy for policy, economy, and administration; support for keeping up local and regional customs and symbols; favourable mentions of special consideration for local areas; deference to local expertise.

2011 Decentralisation in a political party organisation

Favourable mentions to political decision-making at lower political levels in the manifesto country; opposition to professional experts in the political and administrative procedures.

202 Centralisation

Opposition to political decision-making at lower political levels in the manifesto country; support for more centralisation in the political and administrative procedures; otherwise as 201.

2021 Centralisation in a political party organisation

Favourable mentions of need to introduce, maintain or expand opinions of professional experts in the political and adminstrative procedures; otherwise as 2011.

203 Transfer of power to the EU: negative

No need for transfer of power and/or competences to the EU. The nation-state and its regions should retain their power, competences, and sovereignty. The loss of power, competences, and sovereignty of the nation-state and regions within is bemoaned.

204 Transfer of power to the EU: positive

Transfer of power and/or competences to the EU is supported. The fact that the nationstate and its regions will lose power, competences, and sovereignty, is not bemoaned.

Domain 1.3: Interest groups

301 Labour groups: positive

Favourable references to labour groups, working class, unemployed; support for workers' trade unions (SAK); good treatment of manual and other employees.

302 Labour groups: negative

Abuse of power of workers' trade unions; otherwise as 301, but negative.

3031 Agriculture and farmers: positive

Support for agriculture and farmers; any national policy aimed specifically at benefiting them. Support for agrarian trade union (MTK).

3032 Agriculture and farmers: negative

Unfavourable mentions of agriculture and farmers in the Manifesto Country, the EC/EU; criticism of any national policy aimed specifically at benefiting them. Abuse of power of agrarian trade unions; otherwise as 3031, but negative.

3033 Middle class and professional groups: positive

Favourable references to middle class, professional groups, such as physicians or lawyers; old and new middle class. Support for employers' union (TT).

3034 Middle class and professional groups: negative

Unfavourable references to middle class, professional groups, such as physicians or lawyers; old and new middle class. Abuse of power of employers' union; otherwise as 3033, but negative.

3035 Underprivileged minority groups

Favourable references to underprivileged minorities who are defined neither in economic nor in demographic terms.

3036 Immigrants and foreigners

Favourable mentions, support or assistance for immigrants or foreigners.

3037 Non-economic demographic groups

Favourable mentions of non-economic demographic groups, or need for, assistance to women, old people, young people; linguistic groups etc.; special interest groups of all kinds.

Domain 1.4: Government and opposition roles

401 Political authority

Favourable mentions of strong government in/for the manifesto country, Europe, the EC/EU, including government stability; manifesto party's competence to govern especially related to EMU decision in general.

4011 Political authority: Centre

Mentions on Centre's competence or lack of competence to govern especially related to EMU decision in general.

4012 Political authority: SDP

Mentions on SDP's competence or lack of competence to govern especially related to EMU decision in general.

4013 Political authority: NCP

Mentions on NCP's competence or lack of competence to govern especially related to EMU decision in general.

4014 Political authority: other political parties

Mentions on other political parties competence or lack of competence to govern especially related to EMU decision in general.

DOMAIN 2: Influences from the wider political system

Domain 2.1: Perceptions of economic interest

501 Economic goals

Statements of intent to pursue any economic goal not covered by other categories. Note: This category is created to catch an overall interest of parties in economic interest and, therefore, covers a variety of economic goals.

5011 Labour migration: positive

Favourable mentions of labour migration and/or foreign workers in economic terms.

5012 Labour migration: negative

Negative mentions of labour migration and/or foreign workers in economic terms.

5013 Single Market: positive

Favourable mentions or support for the common market/Single European Market.

5014 Single Market: negative

Negative mentions or rejection of the common market/Single European Market.

5015 European Monetary Union/ European Currency: positive

Favourable mentions or support for the European Monetary Union, a single European currency or the euro. Positive mentions of the European Central Bank.

5016 European Monetary Union/ European Currency: negative

Negative mentions or rejection of the European Monetary Union, a single European currency or the euro. Negative mentions of the European Central Bank.

5017 Europe, European Community/Union: positive

Favourable mentions of Europe, the EC/EU in general. The idea of a more integrated Europe/EC/EU is supported; “deepening of Europe”.

5018 Europe, European Community/Union: negative

Hostile mentions of Europe, the EC/EU in general. The idea of a more integrated Europe/EC/EU is rejected; no “deepening of Europe” necessary.

Domain 2.2: Historical context

601 Historical experiences and cultural integration to Europe, the EU: positive

Favourable mentions on cultural integration to Europe, the EC/EU; Geopolitical reasons to be part of EMU. Linguistic heritages within Europe, including special educational provisions.

602 Historical experiences and cultural integration to Europe, the EU: negative

Negative mentions on cultural integration to Europe, the EC/EU and geopolitical reasons to be part of EMU. Cultural diversity, plurality and pillarisation.

DOMAIN 3: The external dimension

Domain 3.1: External events and influences

701 Foreign special relationships: positive

Favourable mentions of particular countries with which the manifesto country has a special relationship. For example, in the Finnish case: the rest of Scandinavia, Germany and the United Kingdom excluding Sweden; the need for co-operation with and/or aid to such countries.

7011 Foreign special relationships, Sweden: positive

Favourable mentions of Sweden with which the manifesto country has a special relationship; the need for co-operation with and/or aid to such countries.

702 Foreign special relationships: negative

Negative mentions of particular countries with which the manifesto country has a special relationship; otherwise as 701, but negative.

7021 Foreign special relationships, Sweden: negative

Negative mentions of Sweden with which the manifesto country has a special relationship; otherwise as 7011, but negative.

Domain 3.2: Co-operation between parties

801 Transnational links to other sister parties in EU member states: positive

Favourable mentions of sister parties in particular countries with which the manifesto country has a special relationship. For example, in the Finnish case: the rest of Scandinavia, Germany and the United Kingdom excluding Sweden; the need for co-operation with sister parties.

8011 Transnational links to other sister parties in Sweden: positive

Favourable mentions of sister parties in Sweden with which the manifesto country has a special relationship; the need for co-operation with sister parties.

802 Transnational links to other sister parties in EU member states: negative

Negative mentions of sister parties in particular countries with which the manifesto country has a special relationship. For example, in the Finnish case: the rest of Scandinavia, Germany and the United Kingdom excluding Sweden; the need for co-operation with sister parties; otherwise as 802, but negative.

8021 Transnational links to other sister parties in Sweden: negative

Negative mentions of sister parties in Sweden with which the manifesto country has a special relationship. No need for co-operation with sister parties; otherwise as 8011, but negative.

Appendix 4: Category Headings and Domains used in the Comparative Coding of Party Documents

DOMAIN 1: The internal influences within the parties

Domain 1.1: Ideology, the left-right scale

Right emphases (%)

101 Pro-military
102 Freedom, human rights
103 Constitutionalism
104 Effective authority
105 Free enterprise
106 Economic incentives
107 Anti-protectionism
108 Economic orthodoxy
109 Social services limitation
1091 Job programs
1092 Pensions
1093 Health care and nursing service
1094 Social housing
1095 Child care
110 National way of life
1101 Retaining the national way of life in Europe, the EC/EU
111 Traditional morality
112 Law and order
113 Social harmony

Left emphases (%)

114 Decolonisation, anti-imperialism
115 Anti-military
116 Peace
117 Internationalism
118 Democracy
1181 Public support for EMU membership
1182 Need for the EMU referendum
1183 Media
119 Regulate capitalism
120 Economic planning
1201 EC/EU structural fund: positive
121 Pro-protectionism
122 Controlled economy
123 Nationalisation
124 Social services expansion
1241 Pensions
1242 Health care and nursing service
1243 Social housing
1244 Child care
125 Education expansion
126 Pro-labour

Domain 1.2: Internal elites

201 Decentralisation
2011 Decentralisation in a political party organisation
202 Centralisation

2021 Centralisation in a political party organisation
203 Transfer of power to the EU: negative
204 Transfer of power to the EU: positive

Domain 1.3: Interest groups

301 Labour groups: positive
302 Labour groups: negative
3031 Agriculture and farmers: positive
3032 Agriculture and farmers: negative
3033 Middle class and professional groups: positive
3034 Middle class and professional groups: negative
3035 Underprivileged minority groups
3036 Immigrants and foreigners
3037 Non-economic demographic groups

Domain 1.4: Government and Opposition Roles

401 Political authority
4011 Political authority: Centre
4012 Political authority: SDP
4013 Political authority: NCP
4014 Political authority: other political parties

DOMAIN 2: Influences from the wider political system

Domain 2.1: Perceptions of economic interest

501 Economic goals
5011 Labour migration: positive
5012 Labour migration: negative
5013 Single Market: positive
5014 Single Market: negative
5015 European Monetary Union/European currency: positive
5016 European Monetary Union/European currency: negative
5017 Europe, European Community/Union: positive
5018 Europe, European Community/Union: negative

Domain 2.2: Historical context

601 Historical experiences and cultural integration to Europe, the EU: positive
602 Historical experiences and cultural integration to Europe, the EU: negative

DOMAIN 3: The external dimension

Domain 3.1: External events and influences

701 Foreign special relationships: positive
7011 Foreign special relationships, Sweden: positive
702 Foreign special relationships: negative
7021 Foreign special relationships, Sweden: negative

Domain 3.2: Co-operation between parties

801 Transnational links to other sister parties in EU member states: positive
8011 Transnational links to other sister parties in Sweden: positive
802 Transnational links to other sister parties in EU member states: negative
8021 Transnational links to other sister parties in Sweden: negative

Appendix 5: Combination of 79 Policy Coding Categories into 29

Market economy
105 Free enterprise
106 Economic incentives
107 Anti-protectionism
108 Economic orthodoxy
109 Social services limitation

Planned economy
119 Regulate capitalism
120 Economic planning
1201 EC/EU structural fund: positive
121 Pro-protectionism
122 Controlled economy
123 Nationalisation

Welfare
124 Social services expansion
1241 Pensions
1242 Health care and nursing service
1243 Social housing
1244 Child care

Social conservatism
103 Constitutionalism
104 Effective authority
110 National way of life
1101 Retaining the national way of life in Europe, the EC/EU
111 Traditional morality
112 Law and order
113 Social harmony

Peace and co-operation
114 Decolonisation, anti-imperialism
115 Anti-military
116 Peace
117 Internationalism

EMU index (Positive-Negative)
5015 European Monetary Union/European currency: positive
5016 European Monetary Union/European currency: negative

Appendix 6: Themes Covered in the Interview Meetings

1) To what extent was your party's EMU stand influenced by ideological issues? If it was, what ideological factors influenced it and why? If not, why not?
2) To what extent was your party's EMU stand influenced by experts' reports?
3) To what extent was the party executive influenced by the opinions of its supporters when the party formed its EMU stand?
4) To what extent was your party's EMU stand influenced by the opinions of labour groups (such as SAK), employers' unions (such as TT) and other lobbying organisations (such as MTK)?
5) To what extent was your party's EMU stand influenced by general public opinion?
6.1) To what extent was the Centre Party's EMU stand influenced by the party's move from government to opposition in the elections of 1995?
6.2) To what extent was the National Coalition Party's EMU stand influenced by the party's long experience in government during the 1990s?
6.3) To what extent was the Social Democrats' EMU stand influenced by the party's move from opposition to government in the elections of 1995?
7) To what extent was your party's EMU stand influenced by the stand of other Finnish parties? Which parties, in particular?
8) Which economic reasons did you emphasise in particular, when your party's EMU stand was formed? What were the three most important economic reasons? And why?
9) To what extent was your party's EMU stand influenced by historical experiences and events?
10) To what extent was your party's EMU stand influenced by the stand of other EU member states? Which countries in particular? And why?
11) To what extent was your party's EMU stand influenced by the stands of your sister parties in other EU member states? Which countries and parties in particular? And why?

Appendix 7: A List and Description of the Interviewees

Permanent Secretary of State Raimo Sailas
Ministry of Finance

Raimo Sailas was interviewed as an expert informant due to his position as permanent secretary at the Ministry of Finance since 1995. The Ministry of Finance is part of the Government. It prepares economic and fiscal policy, drafts the annual budget and offers advice on tax-policy matters. It is responsible for drafting policies concerning the financial markets, and state employment and human resources, and for the overall development of public administration. It also participates in the work of the European Union and many international organisations.

Party Secretary (1994–1997) Pekka Perttula
The Centre Party

Pekka Perttula was interviewed due to his position as the party secretary of the Centre, 1994–1997.

Party Secretary (1997–2006) Eero Lankia
The Centre Party

Eero Lankia was interviewed due to his position as the party secretary of the Centre, 1997–2006.

Member of the Parliament (1979–) Mauri Pekkarinen
The Centre Party

Mauri Pekkarinen was interviewed due to his position as the chairman of the working group of the Centre, which drafted the expert report on EMU in 1997 just before the extraordinary party congress.

Party Secretary (1993–1996) Markku Hyvärinen
The Social Democratic Party

Markku Hyvärinen was interviewed due to his position as the SDP party secretary, 1993–1996.

Chairman (1980–1990) Paavo Väyrynen
The Centre Party

Paavo Väyrynen was interviewed due to his position as the Minister for Foreign Affairs, 1991–1993, and as chairman of the Centre, 1980–1990. He was also the leader of the opposition issue group.

Chairman (1993–2005) Paavo Lipponen
The Social Democratic Party

Paavo Lipponen was interviewed due to his position as the Prime Minister, 1995–2003, and the SDP chairman, 1993–2005. He is best known for being among those leading Finland into the EMU. He headed the so-called rainbow coalition government (SDP, NCP, Swedish People's Party, Left Alliance and Green League) in 1995–1999. He was elected chairman of the SDP in 1993, and he led the party to victory in the parliamentary election of 1995. He also headed the campaigns in 1999 and 2003.

Chairman (1994–2001) Sauli Niinistö
The National Coalition Party

Sauli Niinistö was interviewed due to his position as the Minister of Finance, 1996–2003, and as chairman of the NCP, 1994–2001. He is best known for being among those leading Finland into the EMU.

Chairman (1990–2002) Esko Aho
The Centre Party

Esko Aho was interviewed due to his position as the Prime Minister, 1991–1995, and the chairman of the Centre, 1990–2002. He is best known for being among those leading Finland into the EU. He headed the so-called conservative government (Centre, NCP, Christian Democrats and Swedish People's Party) in 1991–1995.

Appendix 8: Letters to the Interviewees

Helsingin Yliopisto
Valtio-opin laitos

Helsingissä 10.5.2007

Haasteltava

Arvoisa poliittinen päättäjä

HAASTATTELUPYYNTÖ VÄITÖSKIRJATYÖTÄNI VARTEN

Pyydämme Teitä kunnioittavasti osallistumaan haastatteluuni, jolla kerään ja täsmennän tietojani väitöskirjatyötäni varten. Aiheeni on Suomen suurimpien puoluepoliittisten organisaatioiden EMU-kannat kansallisissa ja ristikkäis-kansallisissa konteksteissa vuosina 1994–1999.

Työn viitekehys pohjautuu siihen, kuinka näitä kantoja ovat muovanneet sekä kansalliset että ristikkäiskansalliset tekijät. Viitekehys pohjautuu kolmeen päätekijään: sisäiset vaikutustekijät puolueessa, vaikutustekijät laajemmasta poliittisesta järjestelmästä ja ulkoiset vaikutustekijät. Päämetodina on kvantitatiivinen tutkimusmenetelmä, jota tukee haastatteluihin pohjautuva kvalitatiivinen metodi. Olen muun muassa jo käynyt läpi puoluepoliittisten (SDP, KOK, KESK) organisaatioiden pöytäkirjat ja kannanotot EMU-hankkeen etenemisestä. Nyt siis haluan vielä täsmentää tietojani. Haastattelen kaikkien kolmen puolueen johtohenkilöt vuosien 1994–1999 aikana.

Tutkimuksen ohjaajina toimivat Helsingin yliopiston valtio-opin laitoksella professorit Kyösti Pekonen ja Mikko Mattila. Tarvittaessa sopimuksen mukaan materiaalin viitataan väitöskirjassa siten, että tiedon lähde pysyy tuntemattomana.

Osallistumisenne on tärkeää tutkimuksen onnistumisen kannalta, ja toivomme Teidän suhtautuvan myönteisesti tähän haastattelupyyntöön. Haastattelun jälkeen lähetän vielä tarkastettavaksi litteroidun raportin haastattelun tuloksista. Tutkimuksen valmistuttua tutkimukseen osallistuneille lähetetään tutkimusraportista oma kappale.

Kunnioittavasti

Marko Karttunen
Jatko-opiskelija, VTM Marko Karttunen

Tutkimusta koskevissa asioissa voitte ottaa yhteyttä sähköpostitse marko.karttunen@helsinki.fi

University of Helsinki
Department of Political Science

Helsinki, May 10, 2007

Interviewee

REQUEST FOR AN INTERVIEW IN CONNECTION WITH MY PH.D. THESIS

I am writing to ask if you would be willing to be interviewed as an informant providing data for my PhD Thesis. My study will explore how far the EMU policies of the major Finnish political parties were shaped by factors unique to their own national and cross-national contexts during 1994–1999.

The theoretical framework is based on three major factors: internal influences within the parties, influences from the wider political system, and the external dimension. My main methodological tool is quantitative content analysis, but I will also use qualititative methods such as interviews. I have already studied party-policy documents in order to clarify the process of EMU. Now I would like to obtain additional insights through these interviews. I am hoping to interview the leaders of the three main parties (the SDP, the NCP and the Centre) during 1994–1999.

My supervisors are Professors Kyösti Pekonen and Mattila from the Faculty of Social Sciences at the University of Helsinki. The material you provide will remain confidential. If you wish, I will undertake to maintain your anonimity in any reference to the interview in the dissertation.

Your participation is crucial to the success of this study, and I would be very grateful for a positive response. All of the participants will receive a copy of the published research report.

Sincerely

Marko Karttunen
Postgraduate student, M.Sc.(Pol.)

Please contact me If you have any questions: marko.karttunen@helsinki.fi.

Appendix 9: Original Transcripts from Interviewees in Finnish

Appendix 9.1: Original Transcripts from Interviewees of the Centre

Interview transcript of Pekka Perttula 30.5.2007:

Ideologinen jännite löytyi Suomen Keskustassa Suomen itsenäisyydestä. Maassamme oli aikanaan sodittu, niin kentällä kysyttiin, että miksi myitte EU:lle. Tunnettiin, että oma raha oli symbolinen, joka nyt menetetään EMU-jäsenyyden yhteydessä. Lisäksi kentällä oli tuskaa ja pelkoa globalisaatioilmiötä kohtaan, samalla kun Paavo Lipposen hallitus leikkasi maatalouspakettia vuonna 1995. Teimme Mauri Pekkarisen johdolla EMU-selvityksen vuonna 1997. Pekkarinen kuunteli itsekin laajasti ja paljon asiantuntijoita ennen päätöksentekoa. Eräs tutkimus, joka on mielessäni, oli muistaakseni Paavo Okon aluepolitiikkaa sivuava tutkimus.

Keskustan omalla kannattajakunnalle isänmaa oli tärkeä arvo. Keskustalaisten suhde EU:hun oli henkisesti raastavaa ja jatkuvaa tasapainoilua EU-jäsenyyspäätöksestä EMU-päätökseen. EU-jäsenyyshakemus synnytti puolueen sisälle aika jäytävän vastakkainasettelun. Puolue oli hajanainen, ja haimme puoluestrategiatyössämme tasapainoisempaa suhdetta Euroopan unionin suhteen. Kenttä halusi purkaa EU-päätöstä ja se poti pahaa oloa. Kentällä oli tunne, että EU-ratkaisu oli viety runnomalla läpi. Keskustan omassa puolueessa EMU-kantaan muodostui kolme blokkia: Olli Rehnin vetämä keskustaliberaalinen ja myönteinen EMU-kanta, Paavo Väyrysen kriittinen EMU-kanta ja Esko Ahon johtama pragmaattinen EMU-kanta. Esko Aho oli Emuun kallellaan, vaikkakin hänen asemansa ja EU-ratkaisun takia puheenjohtajalle vaikea.

Ammattiyhdistysjärjestöjen mielipiteet eivät juurikaan vaikuttaneet Suomen Keskustan EMU-kantaan. Yllätyimme kuitenkin SAK:n myönteisestä EMU-kannasta. Ihmettelimme, miksi SAK ei kyennyt tuolloin tunnistamaan globalisaatiouhkia. MTK ei ollut suuressa roolissa oman kantamme muodostamisessa. MTK:sta ei tullut painetta Suomen Keskustaa kohtaan. Korostimme kylläkin alueellista tasapainoa ja hajauttamista kannassamme. Julkinen mielipide ei vaikuttanut Suomen Keskustan EMU-kantaan. Tarkkailimme ja seurasimme kuitenkin EMU-kannatuksen kehitystä. Tietysti on parempi olla kansan puolella kuin kansaa vastaan.

Siirtyminen hallituksesta oppositioon vaikutti Suomen Keskustan EMU-kantaan. Hallitusvastuussa kannanotot totta kai harkitaan ja suhteutetaan tarkemmin. Oppositioasemassa liikkumatila, kriittisyys ja mielipiteiden kirjot saavat enemmän tilaa. Oppositiossa ei tarvitse pelätä, että mielipiteitä löytyy enemmän. Muiden puolueiden kannat vaikuttivat jossakin määrin. Kokoomuksen myönteinen EMU-kanta oli selvä. SDP:n kantaa ja Paavo Lipposen linjaa seurattiin, ja tarvittaessa laitoimme kiilaa väliin ja toimme esiin omia näkemyksiämme. Taloudellisesti syistä nostan esiin rahan sielullisesta näkökulmasta, itsenäisyyden menettämisen, suhdannesyklien vaikutukset devalvaatioineen, korkotason, aluepoliittisen kehityksen ja häiriöt työmarkkinoilla.

Lähihistoria vaikutti sillä tavoin, että 1990-luvun alun oppositiosta siirryimme hallitusasemaan. Lama on päällä ja teimme kovia päätöksiä 1990-luvun alkuvuodet. Jouduimme tekemään päätöksiä oman kentän tahtoa vastaan. Oppositioasema oli helpottava ja välttämätön 1990-luvun puolivälissä. Euroopan ydinmaiden ja Pohjoismaiden EMU-kannat vaikuttivat Suomen Keskustan EMU-kantaan. Pohjoismaat olivat kuitenkin tärkein viiteryhmä. Ruotsin kanta oli tärkeä, koska Ruotsi oli tärkeä Suomelle taloudellisen kilpailun kautta. Tämä antoi argumentaatiopohjaa. Sidoimme Ruotsin EMU-ratkaisun omaan kantaamme. Ja toimme esiin EI-kannan perustelemisessa Ruotsin ja Suomen kilpailuasetelman. Ruotsille jäisi sykleissä mahdollisuus tehdä erilaisia päätöksiä liittyen valuutan arvoon, jos Ruotsi jää Emun ulkopuolelle. Emussa olisimme sidottu sykleihin, jotka liittyvät Keski-Eurooppaan. Norjan ja Ruotsin keskustapuolueet ovat tunnetusti EU-vastaisia. Muiden maiden Keskustan sisarpuolueiden kannat eivät juurikaan vaikuttaneet Suomen Keskustan EMU-kantaan. Pikemmin Ruotsin Keskusta sai vaikutteita meiltä kuin päinvastoin.

Interview transcript of Eero Lankia 4.6.2007:

Jäimme oppositioon vuoden 1995 vaalien seurauksena. Pääministeri Paavo Lipposen ideologia oli olla EU-ytimissä ja myös rahapoliittisen vallan ytimessä. Ideologia vaikutti tai sillä oli merkitystä myös Suomen Keskustan EMU-kantaan. Kuten muissakin eurooppapolitiikka-kysymyksissä, puolueessamme oli kansallismielisyyttä ja kriittisyyttä enemmän kuin muissa puolueissa keskimäärin. Halusimme seistä omilla jaloillamme. Oma valuutta ja oma rahapolitiikka olivat kansallisidentiteettiä luovia asioita. Meillä Keskustassa EMU-kantoja oli määritelty jo aiemmassa vuoden 1996 puoluekokouksessa, jossa päätettiin, että EMUsta tehdään päätös erikseen puoluekokouksessa. Mauri Pekkarisen johdolla teetimme selvityksen. Hän asettui esittämään ensin puoluehallitukselle ja sitten puoluekokoukselle, että Suomen ei tule liittyä EMU:un ensimmäisessä vaiheessa. Pekkarinen on aina ollut puolueessa luottomies. Aho laittoi hänet aikoinaan selvittämään EMU-kysymystä. Puoluekokouksessa teimme asiasta muistaakseni yksimielisen päätöksen.

Suomen Yrittäjien puheenjohtaja Risto Heikkilä ja Olli Rehn ja muutamat muut olivat jo vuoden 1996 Kouvolan puoluekokouksessa EMU-ratkaisun puolesta ja eri mieltä kuin Pekkarisen työryhmän mielipide sittemmin. Sinipuna rummutti EMUun menemisen puolesta ja korporaatiokenttä myötäili sinipunan EMU-kantaa. Näppituntuma oli se, että Keskustan oma kannattajakunta vierasti EMUa. Jo EU-jäsenyys nähtiin taloudellisesti kielteisenä viljelijäkentässä. Suomen Keskustassa oli EMUun myönteisesti suhtautunut Olli Rehnin nuorliberaalisuuntaus ja yrittäjäsiipeä johtanut Risto Heikkilä. En muista, että Aholla ja Pekkarisen välillä olisi ollut juopaa. Puoluejohto oli EMUa vastaan. Esko Aholla oli Paavo Väyrystä astetta lievempi kriittinen kanta. Omilla jaloillaan pitää seistä. Väyrynen oli kriittisimpiä ja oli aikoinaan ulkoministerinä selvittänyt EU:iin liittymisen ehtoja. Hän erosi ulkoministerin virasta ja vastusti EU-jäsenyyttä kun EU-jäsenyydestä vuonna 1994 Jyväskylän puoluekokouksessa päätettiin vedoten liittymissopimuksen heikkouteen muun muassa maatalouden osalta. Keskustan kenttä hyväksyi erimielisenä Jyväskylässä 1994 pääministeri Ahon linjan, joka sitoi Suomen EU-jäsenyyden kansanäänestyksen tulokseen siitä riippumatta, että oman väen enemmistö vastusti jäsenyyttä. Ajateltiin, että jos EU-hanke kaadetaan niin joudutaan oppositioon, ja tulee hallitus,

jonka johdolla joudutaan EU:hun vielä huonommilla ehdoilla. En muista Ahon koskaan varsinaisesti puolustaneen EMU-jäsenyyttä.

Aho katsoi asiaa enemmän taloudellisilla argumenteilla kuin ideologisilla argumenteilla. Väyrynen katsoi asiaa enemmän ideologisesti. Keskustan kannalta oli hyvä, että saatiin koota rivit oman tahdon pohjalta. EU-jäsenyys jätti pahoja traumoja, koska se loukkasi monien tuntoja. EMU-puoluekokous oli hyödyllinen ja puolue saattoi tehdä asiassa oman ja itsenäisen päätöksen. SAK:n kanta myötäili sinipunan kantaa. MTK:ta kuunneltiin. Maatalousväestö piti EU-jäsenyyttä kielteisenä ja syvemmälle meneminen EMUun koettiin sekin kielteisenä. Sen pelättiin heikentävän metsäteollisuuden vientinäkymiä ja kantohintojen kehitystä.

Seurasimme julkista mielipidettä, mutta emme orjailleet sitä. Omat argumenttimme olivat vahvat. Julkinen mielipide rummutti EMUn puolesta. Selvitystyömme puhui puolestamme. Oppositiossa meillä oli mahdollisuus olla oma itsemme ja seistä omilla jaloillamme. Kun EU-jäsenyyttä ajettiin, niin silloin ei puhuttu mitään yhteisestä rahasta. Maastrichtin sopimus ei edellyttänyt, että siirrytään yhteiseen rahaan automaattisesti vaan tämä vaatii erillisen päätöksen. Oppositioasema helpotti oman mielipiteemme perustelemista. Silloiset hallituspuolueet varoittelivat, että Keskustan tie oppositiosta hallitukseen vaikeutuu, jos EMU-kanta on erilainen kuin valtavirran. En muista tuliko se Kokoomuksen vai demareiden puolelta. Aho sitoi oman jatkonsa puheenjohtajana EU-äänestyksessä Jyväskylän puoluekokouksessa kesällä 1994. Vuoden 1998 jälkeen emme vaatineet kuitenkaan eroa EMUsta. Paavo Väyrynen tosin edelleenkin teoretisoi, että EMU oli virheratkaisu. Otimme EMUn vastaan tietyllä tapaa alistuneina. Kokoomuksen myönteinen kanta oli alusta alkaen selvä. SDP:n kanta vahvistui sitä mukaan, kun ay-liike hyväksyi EMUn. Ay-liikkeelle ratkaisevaa oli päätös ns. puskurirahastojen muodostamisesta äkillisiä työllisyyshäiriöitä varten. Lipposella oli oma ideologiansa ytimiin menosta, mikä jakoi varmaankin demareiden kenttää. RKP oli liberaali näissä Eurooppa-kysymyksissä. Vasemmistoliittolaiset kulkivat demareiden talutusnuorassa.

Käsittelimme Pekkarisen raportissa lähinnä taloudellisia perusteita. Tärkeätä oli turvata viennin edellytykset. Isojen euromaiden paino yhteisvaluutassa saattaisi toimia Suomen vientirakennetta vastaan. Ahon puhe EMU-puoluekokouksessa 1997 oli hyvin voimakkaasti perusteltu taloudellisilla argumenteilla. Historiallisesti Eurooppa-politiikalla oli yhtenä ulottuvuutena merkitystä. Meillä ei enää EMU-ratkaisun jälkeen ollut kansallisia keinoja pelastaa viennin kilpailukykyä devalvaatiopäätöksillä. Monet EMU:n kannattajat perustelivat ratkaisua sillä, että päästään vihdoinkin irti inflaatio-devalvaatio-kierteestä. Poliittisilla idänsuhteilla ei EMU-ratkaisussa ollut merkitystä.

Pekkarisen raportissa viitattiin erityisesti Ruotsiin, Tanskaan ja Iso-Britanniaan. Niiden käyttäytymistä seurattiin ja samastuttiin niihin. Suomen ja Ruotsin yhteiskuntamallit olivat samantapaiset. Meidän pitäisi kulkea samaan suuntaan, koska sosiaaliturva ja vientirakenne olivat samankaltaiset. Haettiin samaistumista. Yhdessä ollaan vahvempia. Norjan ja Ruotsin keskustapuolueet olivat pieniä ja vaikuttivat enintään marginaalisesti. Niillä ei ollut roolia. Mielipiteitä kyllä vaihdettiin.

Interview transcript of Paavo Väyrynen 13.6.2007:

Suomen Keskustan EMU-kannan ratkaisi se, että me muutamat vaikutusvaltaiset henkilöt vastustimme sitä, että puolue olisi tukenut Suomen EMU-jäsenyyttä. Puoluejohto ei käynyt keskusteluja eikä perustellut kielteistä EMU-päätöstä poliittisilla argumenteilla vaan pelkästään taloudellisilla ja ajankohtaan liittyvillä argumenteilla. Meillä, jotka ratkaisimme puolueen EMU-kannan, oli sekä taloudellisia että ideologisia perusteluja. Taloudellisia perustelujamme olivat Suomen talouden rakenne, suhdanneherkkyys ja suhdannevaihtelujen eriaikaisuus verrattuna muuhun Eurooppaan. Poliittinen ja samalla ideologinen perustelumme oli, että yhtenäisvaluutta oli omiaan viemään unionia kohti liittovaltiota ja Suomea sen ytimeen. Tästä seuraisi taloudellisen itsenäisyyden menetys. Jälkikäteenkin arvioituna, olisi ollut järkevää säilyttää talouspoliittinen itsenäisyys, oma rahapolitiikka ja valuuttakurssipolitiikka. Päätöstä tehtäessä voitiin arvioida, etteivät kaikki EU:n jäsenmaat ehkä lähde mukaan rahaliittoon, jolloin unioni sisäisesti eriytyy. Näin on käynyt. Ruotsi ja Tanska eivät ole liittyneet, eikä Britanniassa asia ole ollut vakavasti edes esillä. Suomi on ainoana Pohjoismaana mukana.

Asiantuntijaraportteja tietysti seurattiin ja ne olivat puoluejohdon kannalta merkittäviä. Niiden perusteella puoluejohto katsoi, että ajankohta ei ollut oikea. Puolueella oli talouspoliittinen toimikunta. Siellä käydyt keskustelut vaikuttivat puoluejohdon näkemyksiin. Oli myös artikkeleita talousalan lehdissä ja sanomalehdissä. Puoluejohto ei aikonut kuunnella kentän mielipidettä. Puoluejohdon tarkoituksena oli tukea Suomen EMU-jäsenyyttä. Vastustajat saivat kuitenkin mobilisoitua yleistä mielipidettä puolueessa tätä hanketta vastaan. Lopulta puoluejohto joutui suostumaan kielteiseen EMU-päätökseen. Puolueen johto kikkaili päätöksenteon aikataululla. Johto pyrki siihen, että Suomen Keskustan puoluekokous ratkaisisi puolueen EMU-kannan mahdollisimman myöhäisessä vaiheessa, jotta se ei olisi estämässä Suomen hallituksen EMU-päätöstä. Ei siis haluttu vaikeuttaa hallituksen EMU-päätöksentekoa. Puolue ei myöskään halunnut käydä kampanjaa EMU-jäsenyyttä vastaan. Puheenjohtaja Aho oli ilmeisesti henkilökohtaisesti sitoutunut hallituksen suuntaan tukemaan sen EMU-linjaa. Tästä kertovat ainakin Paavo Lipposen jälkikäteiset kommentit.

Aho oli sitä mieltä, että Suomen pitää liittyä EMUun. Pekkarisella oli kriittinen asenne, mutta hän tuki puoluejohdon linjaa. Minä olin johtohahmo oppositiorintamassa, jossa oli myös runsaasti myös muita ihmisiä mutta ei puoluejohdon tasolla. Ylimääräisen puoluekokouksen ajoituksesta väännettiin kättä. Kääriäinen oli minun kanssani samaa mieltä puoluekokouksen ajankohdasta, joka olisi pitänyt pitää aikaisemmin. Puoluejohto ei ottanut julkisesti kantaa EMU-jäsenyyteen ja se pidettiin auki aina puoluekokoukseen asti. Lopulta asetuttiin EI-kannalle. Perustelut olivat puhtaasti taloudellisia ja puhtaasti ajankohtaan liittyviä. Ammattiliitot olivat myötäsukaisia ja hiljaa. Meillähän oli tässäkin asiassa konsensusajattelua. Etujärjestöjen kannanotoilla ei ollut minun mielestäni ratkaisevaa merkitystä Suomen Keskustaan päin. Toisaalta Ruotsissa osa ay-liikkeestä oli vastarintaliikkeen kärjessä. TT oli voimakkaasti puolesta. MTK:n kanta oli epämääräinen.

Puoluejohdon pyrkimyksenä oli se, että puolue olisi tukenut EMU-jäsenyyttä. Suomen Keskustan päätöksenteon lykkäyksellä haluttiin helpottaa hallituksen päätöksentekoa, eikä puoluejohto halunnut kampanjoida jäsenyyttä vastaan. Puolueen sisäinen oppositio vastusti EMU-jäsenyyttä ja otti huomioon yleisen mielipiteen, joka oli EMUa vastaan. Julkinen mielipide vaikutti puolueen sisäisen opposition kautta. Jos puolue olisi ollut hallituksessa ja johtava hallituspuolue, puoluejohdon olisi ollut helpompi ajaa EMU-tahtonsa läpi. Suomen Keskusta olisi hallituspuolueena kannattanut EMU-jäsenyyttä. Päätöksenteossa siitä olisi kuitenkin syntynyt tiukka vääntö. Keskusta ajoi EU-jäsenyysneuvotteluissa sitä, että meille tuli EMU-varauma, jonka mukaan EMU-jäsenyydestä päätetään erikseen. Se ei kuitenkaan ollut yhtä vahva kuin Ruotsin vastaava. Lipposen tulkinta oli se, että EMU-päätös ratkaistiin jo EU-jäsenyyspäätöksen myötä. Lipposen näkemys oli se, että EMU-päätökseen oli jo sitouduttu, ja meidän puolueemme näkemys oli se, ettei sitoumusta oltu tehty.

Toisten puolueiden EMU-kannat eivät vaikuttaneet puoluejohdon, eivätkä puolueen sisäisen opposition kantaan. Kun hallitus ajoi EMU-jäsenyyttä, puoluejohdolla oli pyrkimystä peesata hallituksen ja siis hallituspuolueiden EMU-kantaa. Olennainen meidän talouden rakenteemme liittyvä syy oli se, että Suomen talous on riippuvaisempi oman valuutan ja dollarin välisestä kurssista kuin muiden EU-maiden. Oman valuutan säilyttäminen oli perusteltua. Lisäksi suhdannevaihtelujen eriaikaisuus aiheuttaa ongelmia. Kokemusta tästä on jo saatu. EMU:ssa euro aluksi heikkeni voimakkaasti, mikä ylikuumensi Suomen taloutta. Pian mentiin toiseen suuntaan, ja eurosta tuli liian kallis, mikä puolestaan vaikeutti Suomen talouden tilannetta.

Näissä tilanteissa Euroopan keskuspankissa seurataan keskeisten Euroopan maiden talouskehitystä. Korkoja on viime aikoina nostettu lähinnä Saksan taloustilanteen perusteella. Suomen talouden suhteen korkoja ei olisi suomalaisten talousasiantuntijoiden mukaan ollut syytä nostaa ainakaan näin paljon. Ja sitten yleinen talouden itsenäisyys. Jos on yhteinen raha- ja valuuttakurssipolitiikka, niin syntyy kehitystä kohti yhteistä finanssipolitiikkaa. Näin siirtyy päätösvaltaa pois Suomesta. Koko kansantalouden kehitys kärsii. Historialliset syyt eivät vaikuttaneet, eikä idänsuhteilla ole ollut merkitystä.

Muiden Euroopan maiden EMU-kannat vaikuttivat. Nythän kävi niin, että eivät suinkaan kaikki EU-maat suinkaan lähteneet mukaan EMUun. Meidänkin olisi ollut viisasta jäädä pois, koska meille tärkeät maat, kuten Ruotsi ja Tanska, jäivät pois EMUsta. Sisarpuolueiden EMU-kannat eivät vaikuttaneet Suomen Keskustan EMU-kantaan. Puoluejohdon tasolla Liberaalisen internationaalin ja ELDR:n puolueiden kannat saattoivat vaikuttaa. Puolueen sisäisen opposition kannalta vaikutusta ei ollut.

Interview transcript of Mauri Pekkarinen 15.6.2007:

Meillä ei ollut EMU-prosessissa mitään ideologista sanomaa. Perustelimme EMU-kantaamme tasapainoisemman taloudellisen kehityksen argumentilla. Meillä oli hyvin pragmaattinen lähestymistapa. Asiantuntijaraporteilla oli merkitystä, erityisesti ruotsalaisen Calmforsin raportilla.

Keskeinen tekijä raporteissa oli talouden rakenteiden samanlaisuus ja yhdenmukaisuus Suomessa, Ruotsissa sekä Tanskassa. Riskinä ovat epäsymmetriset shokit yhteisellä valuutta-alueella. Samanlaisen rahapolitiikan piirissä olevat Suomi ja Ruotsi kohtaavat samanlaiset rahapoliittiset shokit. Epäsymmetria on toiminut EMUssa molempiin suuntiin: liian vahva euro ja liian heikko euro. Oma Pekkarisen raporttini oli se pohjapaperi, jolla sidottiin Suomen Keskustan EMU-kanta Ruotsin EMU-päätökseen.

Prosessissa kuunneltiin kaikkia Suomen ja eräitä Ruotsin parhaita asiantuntijoita. Suomen Keskustan EMU-kannan muodostumisen luonne oli professionaalinen. En muista suurta eroa MTK:n ja SAK:n EMU-kannoissa. Molempia kuunneltiin ja ne toimivat taustavaikuttajina. Professionaalinen näkökulmamme prosessissa oli painava. Keskusta suhtautui puskurirahastoihin myönteisesti. Suomen Keskustan EMU-kanta määräytyi lähinnä puoluetasolla. Julkinen mielipide ei vaikuttanut suuressa määrin raporttini selvitystyöhön. Etenimme professionaalisella tasolla. Vuoden 1994 puoluekokouksessamme ei käytetty EMU-myönteisiä puheenvuoroja. EMU käytiin läpi kevyellä käsittelyllä kokonaisuudessaan ennen EU-kansanäänestystä 1994. Otimme lopulta myönteisen kannan EU-jäsenyyteen, mutta ei EMU-jäsenyyteen, koska siitä tuli tehdä erillinen päätös. Kriittisesti asiaan suhtautui Paavo Väyrynen. Väyrynen arvosteli raporttiani liiallisesta EMU-myönteisyydestä, mutta vuoden 1997 puoluekokous oli EMU-kannassaan yksimielinen ja se ei johtanut muistaakseni äänestyksiin. Kukaan silloisista johtavista Keskustan poliitikoista ei ollut EMUun liittymisen kannalla.

Muut puolueet Suomessa eivät vaikuttaneet Suomen Keskustan EMU-kantaan. Kolme tärkeintä taloudellista syytä tai perustetta Suomen Keskustan EMU-kielteiselle kannalle olivat epäsymmetriset talousshokit, talouden rakenne ja halu olla osa omaa viiteryhmämme, johon kuuluvat ensisijaisesti Suomi ja Ruotsi ja toissijaisesti Suomi, Ruotsi, Tanska ja Iso-Britannia. Historia oli opettanut, että Pohjoismaiden talouskehitys etenee samaan suuntaan. Metsäteollisuuden piirissä devalvaatiosyklit olivat enemmän sääntö kuin poikkeus. Idänsuhteilla ei ollut merkitystä EMU-kantaamme. Tärkein oma talous- ja rahapoliittinen viiteryhmämme ovat ensisijaisesti Suomi ja Ruotsi sekä toissijaisesti Suomi, Ruotsi, Tanska ja Iso-Britannia. Muiden maiden sisarpuolueillamme ei ollut suurta merkitystä. Ruotsin Keskustan puolue oli niin pieni puolue. Aktiivisesti kyllä nämä muiden sisarpuolueiden kannat tiedostettiin, mutta niillä ei ollut suurta merkitystä.

Interview transcript of Esko Aho 30.8.2007:

Aina kun poliittinen puolue ottaa kantaa, niin ideologia vaikuttaa taustalla kannan muodostumiseen. Keskustan kohdalla merkittävä tekijä oli EU-ratkaisu, joka oli puolueessa sisäisesti vaikea ratkaisu. Tästä syystä Suomen Keskustassa oli EMU-kysymyksessä painetta hakea linjaus, jossa oltiin yhtä mieltä. Koetimme löytää linjauksen, joka vastasi enemmistön linjausta. Samat kysymykset, jotka vaikuttivat kantaamme EU-kysymyksessä, vaikuttivat myös EMU-kysymyksessä. EMU-ratkaisussa oli monimutkaisempi ja monitahoisempi päätöksentekomenettely kuin EU-ratkaisussa. Ideologiset näkemykset ovat moniulotteisempia kuin perinteinen jaottelu markkinatalouteen ja suunnitelmatalouteen. Jokainen poliittinen päätös on taustaltaan ideologinen. Jokainen poliittinen

puolue ja päättäjä toimivat yhteiskunnallisen näkemyksensä pohjalta. Suomen Keskustan EMU-kantaan vaikutti yhdistelmä seuraavia tekijöitä: ideologinen lähestymistapa, Suomen Keskustan siirtyminen hallituksesta oppositioon vuonna 1995 ja kielteinen EMU-mielipide. Vaikean EU-jäsenyyden jälkeen ei kenellekään ollut halua siihen, että ryhdytään tekemään EMUsta vaikeaa ratkaisua. Asiantuntijaraportit olivat kyllä tärkeitä perusjohtopäätöksen kannalta. Mauri Pekkarisen johdolla tehtyä pohjatyötä käytettiin pitkälti yksityiskohtien muotoiluun.

Suomen Keskustan kannattajakunnan mielipidettä kuunneltiin, ja se vaikutti EMU-kannan muodostumiseen. Puolue oli käynyt läpi vaikean prosessin EU-kysymyksessä. Puolueessa oli painetta jyrkkään kielteiseen kantaan. Taustalla oli myös se, että Suomen Keskusta oli jäänyt oppositioon vaikean EU-ratkaisun jälkeen. EMU-kysymyksessä paine kannattajakunnan keskuudessa ei ollut kylläkään niin vahva kuin EU-kysymyksessä. Olisi ollut hyvin poikkeuksellinen tilanne, jos Suomen Keskusta olisi laajasti hyväksynyt EMU-ratkaisun, koska mielipide puolueen sisällä oli selkeästi kriittinen. Itse henkilökohtaisesti olin valtavirran eli tämän Suomen Keskustan ratkaisun kannalla. Suomen Keskustassa oli yksittäisiä ääripäitä kuten Paavo Väyrynen, joka oli jyrkästi EMUa vastaan. Jonkin verran oli keskustalaisia, jotka olivat EMUn kannalla. Puoluehan otti yksimielisen kielteisen EMU-kannan puoluekokouksessaan. Itse henkilökohtaisesti näin EMUn hyvin kaksijakoisena ratkaisuna. Minulle tämä kielteinen EMU-lähestymistapa sopi, mutta minulla ei EMUn suhteen ollut mitään pelkoja. Olin valtavirran mukana ja vaikutin kantojen muodostumiseen. Minulla ei ollut samanlaista roolia Suomen Keskustan sisällä kuin EU-jäsenyyden kannan muodostumisessa, mikä oli hyvin puheenjohtajavetoinen.

Ay- ja etujärjestöillä ei ollut roolia Suomen Keskustan EMU-kannan muodostumisessa. Näiden järjestöjen rooli oli suurempi EU-ratkaisussa. MTK ei vaikuttanut missään tapauksessa Suomen Keskustan EMU-kannan muodostumiseen. Järjestökentän vaikutus poliittiseen päätöksentekoon oli pieni 1990-luvun puolivälissä. Julkinen mielipide vaikutti jonkin verran Suomen Keskustan EMU-kannan muodostumiseen. Demokraattinen puolue ottaa aina huomioon mielipiteen kehityksen. Siirtyminen hallituksesta oppositioon vaikutti Suomen Keskustan EMU-kannan muodostumiseen.

Oppositiossa kannan muodostuminen tapahtuu toisella tavalla kun ollaan hallituksessa tai päähallitusvastuussa. Yleisellä mielipiteellä on suurempi vaikutus kannan muodostumiseen, kun ollaan oppositiossa. Vuonna 1994 EU-jäsenyyspäätöksen yhteydessä meillä ei ollut varmuutta EMUn syntymisestä. Siksi teimme muotoilun EU-jäsenyyspäätökseen, että EMUsta tehdään erillinen päätös. Varauman luonteesta käytiin keskustelua. Suomella oli täysi vapaus tehdä oma valintansa ja ratkaisunsa EMUn suhteen. Voimakkain kritiikkimme kohdistuikin EMUn päätöksentekomenettelyyn. Muiden puolueiden kannoilla ei ollut merkitystä Suomen Keskustan EMU-kannan muodostumiseen. Niitä kyllä seurattiin. EMU oli hyvin itsenäinen ratkaisu. Olimme myös ainoa merkittävä oppositiopuolue. Opposition yhteiselle esiintymiselle ei ollut tarvetta.

Suurin yksittäinen taloudellinen tekijä oli huoli epäsymmetriashokeista. Talouden rakenteemme ovat kovin erilaiset verrattuna Keski-Eurooppaan. Tilannetta, jossa Suomen talous kohtaa epäsymmetriashokit, ei ole vielä kertaakaan testattu. Toinen taloudellinen tekijä oli rakenteiden erilaisuus. Suomen on siis vaikea tehdä ratkaisuja yhteisvaluutan olosuhteissa. Kolmanneksi tärkein tekijä oli se, että miten pystymme operoimaan jäljelle jääneiden finanssi- ja tulopoliittisten keinojen kanssa, jos ulkoiset paineet kohdistuvat Suomeen. Oliko meillä myös itsekuria, jota tarvitsemme EMU-olosuhteissa. Historiallisesta näkökulmasta varmaankin yksi keskeinen tekijä oli metsäteollisuus, jolla oli aluepoliittista merkitystä kannattajakuntamme keskuudessa. Sillä oli kansantaloutemme kannalta merkitystä. Kannattajillamme oli huoli siitä, mitä tapahtuu, jos kustannuskehitys karkaa käsistä. Miten sitä sitten hillitään? Aika monet metsänomistajat pelkäsivät sitä, että kustannuspaineet heijastuvat kantohintoihin. Idänsuhteilla ei ollut mitään merkitystä Suomen Keskustan EMU-kannan muodostumisessa. Vasemmistoliitossa käytiin kylläkin jonkin verran keskustelua idänkaupan roolista EU-kysymyksen yhteydessä, mutta ei EMUn yhteydessä.

Ruotsia seurattiin ja sillä oli jotakin merkitystä Suomen Keskustan EMU-kannan muodostumisessa. Emme seuranneet oikeastaan muiden maiden EMU-kannan muodostumista. EMU oli saanut laajan kannatuksen Euroopassa. Tämä hillitsi jyrkkiä EMU-mielipiteitä. Osa tiesi, että EMUun liittyi myös mahdollisuuksia. Suureksi osaksi mielipiteet olivat kuitenkin epäileviä. Voidaan sanoa, että todellinen testi EMUn suhteen on vielä näkemättä. Kun ensimmäinen talousshokki tulee, niin se on testi EMUn suhteen. Olisi ehkä ollut parempi, että emme olisi liittyneet EMUun vuonna 1999, vaan olisimme saaneet esimerkiksi viisi vuotta lisäaikaa niin, että olisimme voineet kehittää kansantaloutta eteenpäin. Olisimme kylläkin liittyneet myöhemmin EMUun niillä kokemuksilla, joita olemme nyt nähneet. EMU on lähtenyt käyntiin paremmin kuin osattiin kuvitella. Onneksi EMU tuli pitkän noususuhdanteen keskellä vuonna 1999, ja Suomen kansantalous oppi elämään sen kanssa. Ainoa kysymysmerkki on ollut eri maiden sitoutuminen EMUun. Paradoksaalista on se, että suuret jäsenmaat kuten Ranska ja Saksa ovat poikenneet eniten EMU-periaatteista. Ruotsin Keskustan EMU-kanta ei vaikuttanut Suomen Keskustan EMU-kannan muodostumiseen. Ehkä joidenkin yksittäisten henkilöiden mielipiteitä seurasimme.

Appendix 9.2: Original Transcripts from Interviewees of the SDP

Interview transcript of Markku Hyvärinen 5.6.2007:

EMU ei ollut ideologinen kysymys. Ideologisesti vaikutti sillä tavalla, että halusimme integraation kautta lisää kansainvälisiä yhteyksiä ja yhteistyötä. Kalevi Sorsan johdolla olimme luoneet uutta ulkopolitiikkaa ja panostimme kansainväliseen yhteistyöhön. Tunnettiin eurooppalainen maailma keskimääräistä paremmin. 1980-luvulta alkaen käytiin jo Brysselissä. Panostettiin perusarvoihin eli yhteistyöhön. Jo Rooman sopimuksessa luotiin ajatusta rauhan Euroopasta sekä turvallisuudesta. EMU lähensi eurooppalaisia maita entisestään. Halusimme luoda rauhan Eurooppaa ja turvallisuutta. SDP:n EMU-kannan muodostamisessa 1990-luvulla keskeinen toimija oli integraatiotyöryhmä, joka oli muodostettu hyvin laajapohjaisesti. Sitä johti alkuvaiheessa Ulf Sundqvist. Siihen oli koottu kaikki

näköalat. Se päätyi yksimieliseen myönteiseen kantaan SDP:n puoluevaltuustossa EU-jäsenyydestä. Se oli keskeinen elin SAK:n suuntaankin. Integraatiotyöryhmässä kuultiin laajasti asiantuntijoita. Työskentelytapa oli sellainen, että kuultiin asiantuntijoita ja laadittiin muistioita. Silloinhan EU tuotti hyviä asiakirjoja.

SDP:n EU- ja EMU-kanta syntyi yksimielisen onnistuneen järjestökeskustelun seurauksena. SDP:ssä oli opintokerhoja ympäri maata, keskusteluja ja lausuntokierroksia. EMUsta todella keskusteltiin. Saimme aikaan yhtenäisen kannan integraatiotyöryhmässä. 1980- ja 1990-luvun vaihteessa esimerkiksi Erkki Tuomioja vastusti Suomen jäsenyyttä. Hänkin ryhtyi kannattamaan Euroopan integraatiota.

Integraatiotyöryhmässä vaikutti myös vahvasti SAK:laisten kanta. SAK otti kielteisen kannan, kun se ei saanut vaatimuksiaan läpi. Kun se sai EMU-olosuhteissa muun muassa joustavat puskurirahastot läpi, se otti myönteisen kannan. Eurooppalainen Suomi -järjestö toimi myös läheisesti työmarkkinajärjestöjen kanssa. EMU on aika hieno esimerkki siitä, miten suomalainen yhteiskunta voi toimia laajan kansalaiskeskustelun seurauksena. Julkinen mielipide ei vaikuttanut SDP:n kantaan. Täytyy muistaa, että Suomi oli kuilun partaalla. Näköalaa piti olla tulevaisuuteen. Ei ollut järkevää viedä EMU-asiaa kansanäänestykseen.

Siirtyminen oppositiosta hallitukseen vuonna 1995 ei muuttanut SDP:n periaatteellista EMU-linjaa. Kun tuli hallituslinja, niin tämä johti tietenkin erilaisiin tarkistuksiin. Oli tehty valtavan iso ohjelmatyö, mikä pitää tehdä, että selvitään lamasta. Lipposen ideologia oli se, että Suomi viedään Eurooppaan niin pitkälle keskelle kuin päästään. Esko Ahon hallitus oli ensimmäinen hallitus Suomessa, mikä ei käynyt opposition kanssa minkäänlaista ulko- ja turvallisuuspoliittista keskustelua. Muiden puolueiden kannat eivät vaikuttaneet kantaamme, mutta totta kai niitä seurattiin. Ahon hallituksen aikana seurasimme erityisesti Kepua, joka oli hallituspuolue. Paavo Väyrynen muutti EU-kantaansa, kun hän lähti pois hallituksesta. Myönteisen EMU-kannan puolesta puhuivat Suomen talouden luonne, vientiriippuvaisuus ja integraation syventyminen. Trauma oli syvää 1990-luvun alun laman jälkeen. Tärkeää oli, että meillä on vakaa ja turvallinen korkokehitys. Voi sanoa, että kukaan ei tietystikään ole historiasta vapaa. Kyllä EMU oli enemmän tulevaisuusanalyysiä kuin historiaan katsomista.

1990-luvun alussa Ruotsi ja Pohjoismaiden yhteisö oli meille tärkeä viiteryhmä. Meillä oli yhteisiä työryhmiä ja kokouksia SAMAK:issa (Samarbetskommittee). Epäonnistuimme vaikuttaa Ruotsin EMU-kantaan. Muistan kyllä lähettäneeni sähköpostiviestin yhdelle puoluekaverille Ruotsiin, että jos Ruotsi ei lähde mukaan, niin Suomi voi aina toimia sillanrakentajana Euroopan unionin ja Ruotsin välillä. Koko ajan Saksa kanta oli myös tärkeä. Helmut Kohlilla ja Paavo Lipposella olivat erinomaiset hyvät henkilösuhteet. Pohjoismaissa suhteet sosiaalidemokraattisten puolueiden välillä olivat tiiviit. Teimme integraatiosta SAMAK:ssa eli Pohjoismaisten Sosialidemokraattisten puolueiden ja ammattiliittojen järjestössä yhteisiä muistioita ja kannanottoja.

Interview transcript of Paavo Lipponen 14.6.2007:[512]

Kyse oli Suomen talouden toipumisesta ja vakauttamisesta. EMU ei ollut itsetarkoitus, vaan väline, että voidaan talous vakauttaa ja saavuttaa uskottavuus. Sillä tavoin eliminoida riskejä ja saadaan aikaan parempi työllisyyskehitys. Asiantuntijaraportit todella vaikuttivat ja erityisesti ekonomisti Pekkarisen selvitystyö. Jos siinä olisi tullut jotakin selkeästi kriittistä, se olisi ehdottomasti vaikuttanut koko tähän prosessiin. Keskustelu puolueessamme oli varsin avointa ja ay-liikkeessäkin keskusteltiin. Meillä ei hyvin vahvaa EMU-kritiikkiä ollut oikeastaan lainkaan. Meidän kannattajakunnan kannalta oli erityisen tärkeätä saada talous vakautettua ja talous raiteilleen. Samalla voidaan eliminoida tulevaisuuden kriisejä.

Ammattiyhdistysliikkeen mielipiteellä oli merkitystä, mutta myös elinkeinoelämän piirissä oli erilaisia mielipiteitä. SAK:lla oli viran puolesta se kriittisyys. Julkisen mielipiteen kehitystä kyllä seurattiin. Näen sen asian niin, että tärkeätä on kuitenkin johtaa enemmän keskustelua kuin seurata oletettua mielipiteen kehitystä. Jo oppositiossa ennen hallitukseen siirtymistä valmisteltiin jo pitkään SDP:n talouspoliittista linjaa. Emmekä ryhtyneet hakemaan pikavoittoja, kun ollaan hallituksessa. EMU oli strateginen kysymys alun perin. Hallituksessakin oli erilaisia käsityksiä. Päähallituskumppani oli se tärkein puolue, jota seurattiin. Mutta myös elinkeinoelämää seurattiin.

Taloudellisista syistä yleisin peruste oli se, että tarpeellista oli talouden vakauttaminen finanssi-, raha- ja työmarkkinapoliittisin keinoin. Tämä tuo korkovakauden ja poistaa epävarmuuden, joka vaikuttaa kuluttajien käyttäytymiseen. Lisäksi tärkeätä oli tulla osaksi Euroopan unionissa stabiilia piiriä. Totta kai EMUa mietittiin kilpailukyvyn kannalta. Tärkeätä oli myös löytää ERM-kytkennälle oikea balanssi. Idänsuhteilla ei ollut merkitystä, vaan syklisyyshistoria oli ratkaiseva tekijä. Tärkeätä oli päästä vakaampaan tilanteeseen. Seurasimme Euroopan ydinmaiden yleistä linjaa emmekä vilkuilleet esimerkiksi Ruotsin suuntaan. Nämä asiat eivät ole puoluetason asioita sisarpuolueiden kesken, vaan EMU oli jäsenvaltioiden asia. Kansalliset ratkaisut ja intressit olivat lähtökohtana.

Appendix 9.3: Original Transcript from an Interviewee of the NCP

Interview transcript of Sauli Niinistö 14.6.2007:

Ideologisena tekijänä oli varmaankin vakaan talouden kunnioittaminen ja toisena tekijänä voimakas sitoutuminen Läntiseen Eurooppaan. Nämä ovat kylläkin ideologisia lähtökohtia, mutta myös käytännönläheisiä. Osa kokoomuslaisista varmaankin näki asian turvallisuuspoliittisena näkökulmana. Arvo sinänsä on ideologiakin, ja tietyn yhteiskunnallisen ja valuuttavakauden etsiminen. Markkinataloudellista näkökulmaa en muista. Asiantuntijaraportit kokonaisuudessaan, asiantuntijaraporttien enemmistöllä ei ollut kielteistä vaikutusta ja ne eivät kaataneet asiaa. Jos suurin osa asiantuntijaraporteista olisi ollut jyrkästi kielteisiä, olisi varmaankin pohdittu tarkemmin, missä

[512] During the data verification process it was agreed with Mr Paavo Lipponen that this study will not quote his interview transcript. But, on the other hand, this study can use it as a background material to clarify the EMU policies of the Social Democrats.

tässä ollaan. Ei mitattu. Mutta aistittavissa oli se, että valtaosa kokoomuslaisista oli EMUn kannalla. Aivan määräävä osa. En muista mitään kokoomuslaista soraääntä virallisissa puolue-elimissä enkä tässä kansanedustuslaitoksessa.

Ay-liike ei sinänsä vaikuttanut Kokoomuksen kannan muodostamiseen. Erityisesti TT:n ja SAK:n kanta vahvistivat yleistä mielipidettä ja Kokoomuksen kantaa. Ne olivat taktisia mielipiteitä ja niillä oli taktinen ajattelutapa. MTK:n kanta en kauhean hyvin muistakaan. Olikohan se epäilevä? Ei Kokoomuksen maatalousväestön suunnalta tullut ainakaan kritiikkiä. Julkista mielipidettä seurattiin. Missään vaiheessa se ei mennyt enemmistöön, että suurin osa suomalaisista olisi kannattanut. Kokoomuksessa ei tehty päätöksiä galluppien perusteella. TT:n ja SAK:n kanta koettiin hyvänä tukena.

EMU-kanta aivan varmasti muuttui hallituskauden ajan tapahtumien kautta siis 1990-luvun alkupuolen tuskallisista tapahtumista. Usko EMUn syntymiseen ei ollut kovin vahva vuonna 1994 ja 1995. Vuonna 1996 ja 1997 EMUn piti alkaa alkuperäisen suunnitelman mukaisesti. Siitä jo luovuttiin varhaisessa vaiheessa. Yhdysvalloissa vielä spekuloitiin vuonna 1997 ja 1998, että tuskinpa sitä saadaan vielä kasaan. Vuosina 1997 ja 1998 usko EMUun vahvistui. Kokoomuslaisilla oli 1990-luvussa perusmyönteisyyttä, mutta heti kun konkretia alkoi, niin lama, kelluttamiset ja devalvaatiot tekivät EMUsta kokoomuslaisille itsestään selvyyden. Hallitusohjelmassa 1995 sitouduttiin jo EMUun. Muita puolueita ei niinkään seurattu. Vuonna 1995 lähtien SDP oli mukana hallituksessa, ja Keskustan EMU-kanta koettiin hankalana, koska kansalaisten enemmistö oli vastaan, niin tietenkin poliittisen kannatuksen kannalta se oli hieman hankala. Vasemmistoliitto ja Vihreä Liitto olivat hyväksyneet hallituksessa EMU-tavoitteet.

Valuuttavakaus oli tuota primäärinen, joka kertoo oikeastaan pääasian. Kyllä EMU nähtiin myöskin taloudellisena mahdollisuutena, mitä se olikin taloudellisen menestymisen kannalta. Se tuo lisää taloudellista menestystä ja käytännön hyödyt yritysten, kansantalouden ja kuluttajien eli puhtaasti kaikkien kannalta. Kyllä 1990-luvun kokemukset aivan varmasti vaikuttivat. Ja varmaankin Soroksen rooli muistetaan siinä yhteydessä, että pienen maan valuuttaa pystyy heiluttelemaan. Idänsuhteista sen verran, että Kokoomuksen kannattajilla oli ajatuksia, että tämä oli myös turvallisuusratkaisu.

Ei kauheasti katsottu ulkomaihin. Sanoisin, että ulkomaat eivät vaikuttaneet niin kyllä tai ei-ratkaisuissa. Tuki kyllä näkemystämme voimakkaasti. Sanoisin kyllä Saksa. Ehkä paradoksaalista oli se, että Ruotsin poisjäänti tavallaan ehkä tuki eräällä tavalla Suomea. Näin sellaisen mahdollisuuden siinä, että Suomi pystyy saamaan lisää arvonnousua siitä, että Suomi on ainoana Pohjoismaana mukana. Ja muistan sellaisen tapauksen muistaakseni vuodelta 1996 siitä, että esimerkiksi Saksan valtiovarainministeri Waigel alkoi käyttää Suomea julkisena esimerkkinä itseluottamusta omaavana maana. Niistä puheista ehkä oivalsinkin, että tässä olisi eräänlaisen eurooppalaisen profiilin noston mahdollisuus. Että, luotetaan omiin kykyihin, ja otetaan vastuuta. Sisarpuolueista mainitsen Waigelin mukana CSU:n ja CDU:n myöskin Saksasta. Waigelhan oli baijerilainen. Vaikuttaminen oli lähinnä

kannustavaa vaikutusta ratkaisuun, mikä oli sinänsä jo selvä. Saksa oli prosessin selkeä veturi. Ruotsin Moderaatit olivat siinä vaiheessa muistaakseni suhteellisen vaitonaisia. Heillä ei ollut paljon vaikuttamisen mahdollisuuksia. Myöhemmin kylläkin ollaan oltu ruotsalaisia kannustamassa.

Appendix 9.4: Original Transcript from an Expert Interviewee

Interview transcript of Raimo Sailas 18.6.2007:

EMU-hanketta ajaneet olivat markkinatalousmyönteisiä. Pitää muistaa, että Suomen vei EMUun hallitus, joka oli sateenkaarihallitus. Markkinatalous versus suunnitelmatalous tai millään muullakaan ideologiaulottuvuudella mitattuna EMU oli epäideologinen hanke. Vaikea löytää ideologisia syitä. EMUssa irtaannuttiin sodanjälkeisestä ajattelutavasta, jossa Suomi oli lähellä Neuvostoliittoa. EMU oli luonteva jatko sodanjälkeiselle ulkomaankauppapolitiikalle ja politiikkaan, jossa turvattiin suomalaisen elinkeinoelämän kilpailuasema. EFTA- ja EEC-sopimukset olivat ensimmäiset vaiheet, mikä kulminoitui EU:n jäsenyyteen. EMU oli viimeinen vaihe. 1950-luvulla alkaneessa politiikassa Kekkosen ideologia oli se, että ei pidä jäädä tullimuurien taakse. Metsäteollisuudessa lähinnä kilpailijamaa Ruotsi ei saanut päästä ulkomaankauppapolitiikassa vahvempaan asemaan kuin Suomi.

Jukka Pekkarisen asiantuntijaraportti oli ylivoimaisesti vaikuttavin. Muitakin varmaan oli, mutta muut olivat lähinnä luonteeltaan teknisiä. Pekkarisen johdolla tehdyssä raportissa oli varsin korkeatasoinen edustus. Se oli kyllä ykkösasiantuntijaraportti ja sillä oli ratkaiseva merkitys. Jos Pekkarisen raportti olisi ollut kielteinen EMU:n suhteen, olisi se totta kai vaikuttanut. Palkansaajajärjestöistä SAK:lla oli suurimpana perusmyönteinen vaikutus. Ei ollut etukäteen selvää, minkälaisia kantoja SAK ottaa. Teollisuuden Keskusliitolla oli lähtökohtaisesti myönteinen kanta. Järjestöjen kanta oli selvä ja niillä oli vaikutusta. SAK:n kanta oli se kriittisin ja SAK asetti ehtoja. Muistini mukaan SAK ei jyrkästi missään vaiheessa vastustanut. Aika vaikeiden neuvottelujen jälkeen luotiin puskurirahastot. Eivät puskurirahastot merkityksettömiä ole olleet, vaikka niiden merkitystä silloin liioiteltiin puolin ja toisin.

Ehkä vähemmän kuin nyt luettiin gallupeja ja toimittiin niiden mukaan. Eihän ihmisillä voinut olla käsitystä, mitä EMU tarkoittaa. Siihen perehdyttiin systemaattisesti ja luotiin nämä asiantuntijaselvitykset. Hankkeen kannalta ratkaisevan tärkeää oli se, että Paavo Lipponen, Iiro Viinanen ja sitten hänen seuraajansa Sauli Niinistö olivat vakuuttuneita, että Suomen piti mennä tähän mukaan. Ja tekivät systemaattisesti töitä tämän eteen. Kielteinen julkinen mielipide ei vaikuttanut vaan pikemmin vahvisti sitä näkemystä, että pitää koettaa kertoa ihmisille. Poliittinen tahto oli olla EMUssa ensimmäisten joukossa. Oli hyvin tärkeätä tässä yhteydessä, että Vasemmistoliitto kannatti EMUa, koska SAK:ssa oli vasemmistosiipi. Vasemmistoliitossa oli jopa jäsenäänestys EMUun liittymisestä. Viimeisessä äänestyksessä myönteinen kanta voitti, mikä oli yllätys. Tällä oli vaikutusta SAK:n EMU-kannan muodostumiseen.

Lähtökohtana oli se, että jos oli EU:n jäsen, niin silloin Suomi on sitoutunut EMU:n jäseneksi. Suomella ei ollut mitään varaumaa. Vuoden 1995 hallitusohjelmassa Suomi sitoutui EMUun ja touko–

kesäkuussa 1995 hallituksessa hyväksyttiin erillinen kannanotto, jossa asiallisesti hallitus pyrkii toimimaan jatkossa niin, että Suomi aikoo täyttää EMU-kriteerit. Ahon 1991–1995 hallituksessa oli EMU:sta välttelevää keskustelua. Katsotaan EMU sitten. Koska Ahon mielestä EU-jäsenyys oli ensimmäinen steppi, joka piti saada aikaan ja muusta puhutaan sitten myöhemmin. Oli myös niin, että vuonna 1993 ja 1994 EMU koettiin epäselväksi eikä sen vielä uskottu toteutuvan. Taloudelliset perusteet EMU-jäsenyydelle olivat vakaus, vakaus ja vakaus. Tätähän korostettiin keskusteluissa. Muut perusteet olivat vähemmän tärkeitä. Tämän taustalla oli 1990-luvun korko- ja valuuttaheilahtelut. Nimenomaan entistä vakaampi talous. Sanotaan nyt vaikkapa rakennusala, jonka perinteisesti suhdannevaihtelut ovat olleet rajut ja nyt EMU-aikana ne ovat vähentyneet. Ala on ollut stabiilia vuoden 1995 jälkeen. Tämä johtuu korko- ja valuuttavakaudesta.

Koko sodanjälkeinen devalvaatiosykli oli keskeinen tekijä. Siitä irti pääseminen oli keskeinen motiivi. Tässä oltiin hakemassa regiimimuutosta koko sodanjälkeiseen talouspolitiikkaan. Devalvaatiosyklissähän ajetaan kustannukset ylös ja kaadetaan ongelmat muiden niskaan. Tämä oli lähinnä metsäteollisuuden ja paperityöntekijöiden intresseissä oleva asia. Laman aikana Kalevi Sorsan johdollahan yritettiin palkanalennusratkaisua 1990-luvun alussa, minkä SAK kertaalleen hyväksyi. Mutta se kaatui paperityöntekijöiden vastustukseen. Myös työntekijöiden puolella haluttiin devalvoida. EMUun ei liittynyt turvallisuuspoliittista aspektia. EMUssa kyllä pyrittiin pääsemään Euroopan ytimeen ja pöytiin, jossa päätökset tehdään. Kyllä, seurattiin koko prosessia ulkomailla ja muiden maiden kannanottoja. Tietenkin Ruotsi oli kiinnostava. Mutta en ottaisi muita maita esille. EMU oli selvä itsenäinen kansallinen ratkaisu, jossa irtaannuttiin Pohjoismaiden yhteistyöstä tai piiristä. Lähdettiin suoraan Euroopan ytimeen. Suomi asemoi uudelleen poliittisen asemansa.

EMU oli selvä poliittinen tahto, ja EMU henkilöityi Lipposeen sekä Niinistöön. Voi jopa sanoa niin, että oli vaikea nähdä, olisikohan ollut muita poliittisia henkilöitä tarjolla. Muilla ei ollut yhtä hyviä valmiuksia. Jäin miettimään, ketkä sitten EMUa loppujen lopuksi vastustivat. Suomen Keskusta vastusti, mikä oli hienoinen yllätys, koska Keskustan johdolla mentiin EU:n jäseneksi. Muistaakseni Suomen Keskusta ei tehnyt EMUsta suurta numeroa, eikä asiasta käyty raskasta debattia. Suomeenhan EMUsta ei syntynyt kansallista yksimielisyyttä. Asia pitää nähdä Keskustan regressiona. EU jätti jälkiä Keskustaan ja vieläkin on nähtävissä kahtiajakoa keskustalaisissa mielipiteissä. Keskustan kielteinen EMU-kanta vuonna 1997 voidaan nähdä osoituksena siitä, että ollaan pettyneitä, kun ollaan hallituksesta ulkona. Ja sitten kun EMU-ratkaisu oli sitten tehty, kaikki hiljenivät. Keskeiset neljä henkilöä Suomen EMU-päätöksessä olivat Matti Vanhala, Sirkka Hämäläinen, Paavo Lipponen ja Sauli Niinistö. EMU-päätös pitää nähdä Suomen ulkopolitiikan selvänä muutoksena, jossa Suomi viedään kohti Länsi-Eurooppaa, kohti Euroopan ydintä.

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ERRATA

Corrections by **Marko Karttunen**

Page 134, the sentence below Figure 35 should be:

Note: The indexes were compiled by adding the percentage references of the political authority: the Centre (4011), political authority: the NCP (4013) and political authority: other political parties (4014).