

Sweden and the Sleeping Beauty of Europe

A theory testing case study on Sweden's path into, and current perceptions of, PESCO

Abstract

Sweden joined the EU defence framework Permanent Structured Cooperation (PESCO) upon its inception at the end of 2017. With its tradition of scepticism towards EU defence integration and history of non-alignment this was a significant step for Sweden. This thesis will follow earlier analyses of the EU's defence cooperation and tests Sweden's membership against the theory of Liberal Intergovernmentalism (LI). With data provided by elite interviews with politicians, civil servants and experts, supplemented by official documents, this theory testing case study analysis traces Sweden's path into PESCO and its current engagement along the analytical framework of LI. National Preference Formation, Interstate Bargaining and Institutional Choice as well as the Outcomes are traced throughout the development, concluding that LI provides a strong but not all encompassing theoretical lens for the initial decision of Sweden's entry into PESCO. The framework struggles to explain the current engagements beyond the initial bargaining outcomes. Rival angles on European Integration were found to account for some of LI's explanatory weaknesses. Approaching single-country studies or European Defence Integration with a more holistic theoretical approach in the future might therefore more accurately capture the nuances of "high politics" better than LI can do on its own.

Key words: PESCO, Sweden, Liberal Intergovernmentalism, Defence Integration, Theory testing

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List of Abbreviations

PESCO - Permanent Structured Cooperation

CARD - Coordinated Annual Review on Defence

EDF - European Defence Fund

ESDP - European Security and Defence Policy

CSDP - Common Security and Defence Policy

EDA - European Defence Agency

LI - Liberal Intergovernmentalism

pMS - Participating Member States

MFA - Ministry of Foreign Affairs

MoD - Ministry of Defence

FMV - Försvarets Materielverk (Swedish Defence Material Administration)

EPF - European Peace Facility

EDTIB - European Defence Technological Industry Base

FOI - Totalförsvarets forskningsinstitut (Swedish Defence Research Agency)

EDIP - European Defence Industrial Programme

1. Introduction

States do strictly national defence planning, in splendid isolation, and without much regard for either the EU or NATO. Possibilities for cooperation are only explored afterwards, by which time opportunities are precluded by national choices already made. [...] PESCO can turn this around. (Biscop 2017:7)

Biscop was not alone in his optimistic belief in the autumn of 2017 as a new form of European defence cooperation lurked on the horizon. Attempts at a common European defence architecture traces its origins back long before there was thought of coordinating project level defence schemes. European states had together conceived planes (Eurofighter Typhoon, A400M), ships (Horizon Frigate) and helicopters (Eurocopter Tiger), but for every success a myriad of failed projects attested to the lack of legislative framework surrounding cooperation (Cózar-Murillo 2022: 1308-1309). In the Treaty of Lisbon (2009) the European Union (EU) introduced a framework that encouraged cooperation with legally binding commitments in Article 42(6). This provided the legal foundation for a structured permanent cooperation as it spells out that the Council may unanimously decide to start permanent structured cooperation based on the requirements and military capabilities defined in protocol No. 10 to the Treaty. As a voluntary but binding framework, PESCO was designed around commitments to increase defence spending and develop joint capabilities (Fiott et al. 2017:44-46). But, the framework lay dormant as no state had the will to drive the issue after the financial crisis, instead focusing on the building of new institutions (Fiott et al. 2017:19-20; Andries 2011:4-5). As the security situation worsened, former head of the Commission Jean-Claude Juncker famously called upon members to awaken this “sleeping beauty” in 2017 (European Commission 2017). That year, together with the launching of the European Defence Fund (EDF), CARD, and the implementation of the EU Global Strategy, PESCO became part of the rapid development of new EU defence architecture (Blockmans & Crosson 2021:89).

The idea of PESCO was introduced at the Convention on the Future of Europe (2002-2003) and carried over into the Treaty of Lisbon, where it was formalized (Biscop & Coelmont 2011:153-154). The Cooperation was built around flexible and voluntary participation but with higher capability requirements and more binding commitments, benefiting all operational frameworks; CSDP, NATO and UN (Biscop 2018b:174). It was envisioned to help consolidate defence spending for members during a time where budgets were being slashed (Biscop & Coelmon 2011:163-164). France and the UK originally envisaged a high-speed vanguard that would provide a select number of participants with common capabilities (Biscop & Coelmon 2011:153-154). This was, however, rejected and replaced by a more inclusive framework focused on small contributions (Blockmans & Crossons 2021:90-91, Rutigliano 2023:769). The structure in itself was a compromise between German ambition towards inclusiveness and French wishes of cutting-edge expertise (Hagström Frisell & Sundberg 2018:9). It was seen as a game-changer at the time, including all but two current Member States in a step towards European defence integration (Fiott et al. 2017:41, Biscop 2018b:162). Each round of calls involves Member States proposing projects deemed strategically relevant, with others choosing to join as collaborators or observers; all members are required to participate in at least one project (Fiott et al. 2017: 44). The European Defence Fund EDF is a core instrument in the EU's increasing industrial and technological involvement in defence, supporting the integration of small and medium-sized enterprises into calls for projects to further expand EDIP (Rieker 2026:34). PESCO projects benefit from preferential co-financing, receiving up to 30% from EDF compared to the 20% available to bilateral projects (Hagström Frisell & Sundberg 2018:23).

The full-scale war in Ukraine has renewed interest in PESCO as part of a broader consolidation effort among Member States responding to external pressures, most notably Denmark's decision to abandon its opt-out (Rieker 2026:29-30; Rutigliano 2023:768). This renewed momentum has highlighted PESCO's potential to pool resources for capability development, while preserving national sovereignty over military assets. As of 2025 it

encompassed 74 active projects across multiple domains with non-EU states increasingly participating in select projects (European Defence Agency 2025).

This thesis will consider a single country, Sweden. Its way into, and perceptions of PESCO. As a historically non-aligned country, Sweden only joined the EU due to a five-point difference in a referendum in 1994 (Regeringskansliet 2026). Non-alignment was not merely a policy position but political identity (Fiott 2019:72). A sceptic of the institutionalisation of an EU defence architecture, it nonetheless joined PESCO at its founding and has since become a value member, according to respondents interviewed for this study. Sweden is one of six states that together account for 80% of the EU defence market giving it significant leverage in negotiations on common defence (Fiott 2019:61). Two government agencies under the Ministry of Defence (MoD) coordinate the projects in PESCO; the Swedish Defence Materiel Administration (FMV) and the Armed Forces (Försvarsmakten).¹ Since joining NATO the operational requirements now originate from NATO's capability goals, as a respondent confirmed. This thesis therefore examines an engagement that began under one set of conditions, where PESCO was one of few available multilateral frameworks, whereas it now is one among many.

While PESCO has generated substantial academic literature, most of the existing work analyses the framework as an institution looking at its design (Biscop 2018a; Fiott et al. 2017; Wulz 2021), projects (Hagström Frisell & Sundberg 2018; Lundberg et al. 2025), relationship to other frameworks (Tardy 2018; Biscop 2018b) or integrationist elements (Houdé & Wessel 2022). Single members analysis of specific engagements across the full preference formation, bargaining and outcome array have been rare. Much of the single member analyses have been focused on the changes on neutral (Ireland & Austria) or otherwise disengaged (Denmark) countries. In many analyses Liberal Intergovernmentalism (LI) is used as the default theory to research the inter-state nature of PESCO. This thesis will also use LI but instead apply it systematically to a single case, rendering a differentiated opinion of where it holds and where it needs augmentation. The Swedish case fills the gap well, as it combines a relevant case due to its

¹ Respondents describe the difference between projects chosen by the Agencies as follows: The Armed Forces refine capabilities and develop structures around existing capabilities while FMV works, in conjunction with other actors, on delivering new capabilities.

historically large defence industry and rapid security reorientation in recent years, with access to respondents and sources that give meaningful insight. Through elite interviews with civil servants and politicians providing insights into deliberations and assessments, the thesis moreover has a significant empirical contribution by systematically touching upon the gap between public framing and the internal reality of defence cooperation and bargaining. Given the above the following research question and sub-research question will guide the analyses at hand:

RQ: Why does Liberal Intergovernmentalism succeed or fail in explaining Sweden's engagement with PESCO from preference formation through to institutional outcomes?

Sub-RQ: Where does Liberal Intergovernmentalism's explanatory power reach its limits in accounting for Sweden's engagement with PESCO, and what factors does it fail to capture?

Andrew Moravcsik's LI will be the theoretical framework this thesis bases its claims on. It holds that European Integration is best understood as a series of rational choices by national governments based on domestically formed preferences, intergovernmental bargaining, and institutional design choices to preserve state control by ensuring the highest degree of sovereignty while still facilitating beneficial cooperation (Moravcsik & Schimmelfennig 2019:67-68). As defence is considered among “the highest of politics”, where states are least likely to surrender sovereignty (Hoffmann 1966: 874), PESCO lends itself well to an analysis on integration. The empirical material the analysis will be based on is derived from eight semi-structured elite interviews held in the spring of 2026 with Swedish civil servants and political representatives as well as official documents available from the government on the accession process (Bill, Reports and Debates in Parliament). The combination allows the internal reality of preference formation to be measured against the public framing.

The thesis will begin with a review of the existing literature where the history of Sweden and PESCO will be outlined. Following, LI will be illustrated with its three-stage model and known limitations. The methodological section will thereafter justify the case selection further, introduce the coding framework used and the analytical approach. The main analysis will then

test LI across three analytical pillars, structured around LI's predictions and the evidence the material provides. The findings will then be discussed in relation to other proposed theoretical alternatives. Lastly, a conclusion will offer an assessment on LI's explanatory power and its limits as well as suggestions for further research.

2. Literature Review

2.1 General approaches to PESCO

The European Defence architecture has due to its unique, multi-layered character, been the subject of research for as long as the EU/EC has existed. Central to the early works is Herbert Luethy's (1955) *France Against Herself*, tracing the failures of the French initiative of a European Defence Community (EDC) in 1954 as a consequence of the still today ongoing struggle between desires for deeper integration and the inherent fear of lost sovereignty. After the Lisbon Treaty there were scholars writing in favour of permanent cooperation suggesting it might be precisely what Europe needs (Biscop & Coelmon 2011). The initial academic optimism surrounding the possibilities PESCO offered are exemplified by the quote chosen to commence the thesis. Biscop (2017) and Fiott et al. (2017) were among those framing the "sleeping beauty" as having been awakened by external shocks, focusing on the positive integration, finally having binding commitments in place and the "carrot" of EDF funding. Evaluating PESCO over the years, Biscop (2017; 2018a; 2018b), has returned to the continued debate on the ambition of the cooperation, highlighting the very real potential the framework offers if states commit ample resources. But the lack of non-nuclear options facing non-follow-through leaves those less willing able to free-ride. The Armament Industry European Research Group launched a series of policy papers following the launch of PESCO detailing different country's paths into the cooperation, including a profile on Sweden by Schmidt-Felzmann (2019).

The cultural shift was seen to be imminent after a compromise between French ambition and German inclusivity signalled the perceived seriousness of the matter (Hagström Frisell &

Sundberg 2018: 9). This attempt has been framed by much of the literature as *differentiated integration*, allowing states to choose the projects they want to participate in (Schichlein 2023; Cózar-Murrillo 2022; Blockmans & Crosson 2021), as a way to overcome the unanimity bottlenecks of wider CSDP policy (Wulz 2021: 35-36; Rieker 2026). However, optimism has not carried over into the new decade as the initial progress was judged to be modest and overly bureaucratic (Wulz 2021: 47; Cordet 2025: 2). Projects and the strategic focus were perceived to have been diluted by inclusivity as high-capability development remained outside of the frameworks (Sweeney & Winn 2020: 232-233).² The emergence of supranational actors in recent years, and especially the increased funding provided by the Commission through the EDF and other sources in a “web of cooperation” of supporting mechanisms, has significantly increased the rates of progress for defence projects (Schichlein 2023: 27). Cordet (2025: 4) points to a shift after the full-scale invasion of Ukraine and the second Trump administration where strategic reviews are expected to streamline PESCO operations. Despite this, there is a broad consensus that at the core of PESCO's problems, the pMS reluctance to commit to it to the same extent across the board, is the central obstacle for the cooperation from its inception until today (Biscop 2018: 162, Cordet 2025: 2-3).

2.2 The Swedish Case

For Sweden joining PESCO was a significant step that caught the attention of academia and led to different inferences as to what perpetrated the decision. Sweden's position within the EU in general and the CSDP specifically has been characterized as that of an “engaged sceptic” (Fägersten et al. 2018: 3; Walldén & Woxö 2019). Fägersten et al. (2018) have however traced the gradual change towards further EU defence integration and Sweden's increased engagements due to the identified need of keeping the Swedish export oriented, third-country owned defence industry within the European Defence and Technological Institutional Base (EDTIB). Lovcalic (2019) and Hardell (2018) have in separate theses shown that the domestic political debate might have resulted in a clear vote for participation in PESCO, but that joining

² PESCO does not aid pMS in constructing military hardware directly. It serves as a forum to refine specifications and wishes that then can be passed on to the industry.

was a pragmatic, largely economically motivated decision with a normative and discursive shift in the rhetorical use of non-alignment.

Sweden's entry has also been theorized using Graham Allison's rational actor and governmental politics models by Walldén and Woxö (2019: 14). The factors identified to have driven the engagement were structural as Sweden feared marginalization post-Brexit and a loss of influence rather than wishes of strategic autonomy (Hagström Frisell & Sundberg 2018: 26). The major identified tension was the nature of Sweden's defence industry as much of it is foreign-owned. Hägglunds and Bofors are owned by the British Conglomerate BAE Systems, SAAB relies on US patents for its fighter planes and Volvo Aero is owned by British company GKN Aerospace. Schmidt-Felzmann (2019: 11-12) and Håkansson (2021: 84-85) highlight the fears that significant EDF funding could have eluded Swedish firms had Sweden not joined PESCO. Instead, Sweden actively had to bargain for the inclusion of third-country solutions (Hagström Frisell & Sundberg 2018: 23-24; Fägersten et al. 2018: 6-7). Once inside the framework Sweden's initial engagement was reduced to projects that were selected based on maturity and novelty (Hagström Frisell & Sundberg 2018: 25-26), prioritizing "low cost, high benefit" (Military Mobility, Medical Commands Structures) while avoiding projects that would conceivably threaten the non-alignment identity (Schmidt-Felzmann 2019: 17).

2.3 Post-NATO Context

The majority of the Swedish literature presented above predates Sweden's accession to NATO in 2024, which is also reflective of a wider, but understandable (given its recency) gap in the literature. This leads to unresolved questions how the relevance of PESCO changes for Sweden since the primary commitment in defence now is NATO. Lundberg et al. (2025) provide rare empirical data on the broader Swedish experience of the EDF. While the overall assessment is that Sweden is functional in its management and yields good financial returns, they disclose how administrative friction and late decisions create bottlenecks that other states do not have. Longer studies connecting the pre-NATO preferences in accession to the current state are missing to the best of this author's knowledge.

2.4 Research Gap

The existing literature presented above shows the gravity of Sweden's entry into PESCO constituted a shift in policy well worth studying to explore the wider question of why states join EU cooperation in a field shaped by intergovernmental preferences like defence. For the purposes of this thesis, a gap has been identified well worth exploring. As discussed in greater depth in the next section, LI, a well-established lens in the field, has yet to be applied to this case. It is still being used to analyse current events, as Zachova (2025) uses it to explain the EUs responses to the full-scale invasion of Ukraine. The existing literature tends to address Sweden's accession decision non-theoretically, or to engage with its subsequent participation in descriptive rather than analytical terms. This thesis, given the additional scope, sets out to apply LI systematically across both dimensions, adding to the existing broader literature on LI analysis of European Defence Industrial Cooperation and the Swedish literature considering the entry into PESCO as a case study.

3. Theoretical framework

This section will provide an introduction to the central theory, LI, explaining its origins, substance, and specific usage in the thesis through three steps of analysis. Research has pointed to the importance of state preference and intergovernmental bargaining (Fiott 2019; Pósfai 2018; Gillingham 1999; Tallberg 2008; Zachová 2026; Schimmelfennig 2015) as well as the possibility of defence integration creating its own momentum through supranational actors and structural pressures (Calcara 2020b; Schichlein 2023) and as driven by identity (Brøgger 2023; Riddervold & Rieker 2024). This thesis takes a position on this debate by adopting LI as its primary framework and subjecting it to empirical testing. LI is suited to analysing PESCO since, as Hoffmann (1966) identifies, defence is seen as the area most resistant to supranational delegation. PESCO's introduction as a new stepping stone for EU members in common defence and security makes it a significant case for analysis. Brøgger (2025) points to the increasing struggles of research to align EU security and defence cooperation within purely

intergovernmentalist lenses, analysing a more recent framework with LI if it satisfies integrational criteria therefore makes both the case, the theory and the combination of the two relevant within the research gaps of prior literature.

3.1 Foundations

The intellectual origins of LI emerged in the 1960s as an alternative to the prevalent theory of functionalism (Moravcsik & Schimmelfennig 2019:64). An intellectual precursor is provided by Hoffmann (1966) arguing that nation-states persist despite integration pressures because they retain control over so-called “high politics”, meaning foreign policy, defence and security, that cannot be bargained away, whereas in “low politics” however functional integration may advance. It has since then evolved into a baseline theory of integration studies against which new theories are tested and remains the standard reference point for state-centric accounts of European integration (Moravcsik & Schimmelfennig 2019:64-65).

From these premises Andrew Moravcsik (1993) laid the foundations for LI with two distinct assumptions. First, that states are critical actors pursuing goals through intergovernmental negotiations and bargaining, thereby remaining themselves the “Masters of the Treaty”, retaining control over vital interests (Moravcsik & Schimmelfennig 2019:65). Secondly, states are deliberate in their actions and to a degree rational, cooperating when it serves their interests through calculated collective outcomes (ibid.). Notably, in describing states as rational LI should not be convoluted with classical Realism as national security is not seen as the dominant motivation for states actions. Instead, they act to maximize interests shaped by domestic actors and economic interdependence rather than systemic security pressures alone (Fiott 2019: 54-55, Moravcsik & Schimmelfennig 2019:65-66). Interestingly for this thesis, is that cooperation defence is considered as not being reliant on economic concerns (Moravcsik & Schimmelfennig 2019:66-67). The central point of reference for the thesis will therefore, in accordance with Moravcsik, be that EU integration is best understood as a series of rational choices made by national governments based on issue-specific societal

interests, asymmetrical interdependence and institutions reinforcing the credibility of commitments (Moravcsik 1993:480-481, Moravcsik & Schimmelfennig 2019:69-70).

3.2 The three stages of LI

The process of LI integration is linear as it follows three consecutive steps to explain why states choose to integrate. It is the organisational foundation of contemporary LI analyses on European defence industrial integration (Fiott 2019: 57) and the present thesis as well.



Figure 1 - “The liberal intergovernmental model” (Fiott 2019: 55)

The first stage that affects how states interact in international bargain is on the national level as preferences are formed from domestic factors. Preferences are specific to a issue and therefore neither fixed nor uniform. They originate from domestic societal groups, mainly economic interests, which are then aggregated by governments into national positions. In defence policy the picture becomes slightly more opaque as Moravcsik and Schimmelfennig (2019:66-67) point out there may be consideration based on concerns that are not purely economic. This flexibility has to be included in analysing the way national preferences on defence are formed. As defence is “the most nationalistic of all economic activities”, defence companies still play a significant role in shaping how governments view issues (Fiott 2019: 57). But Figure 2 shows how preferences are aggregated from different societal actors, not only defence, firms into a unified position.

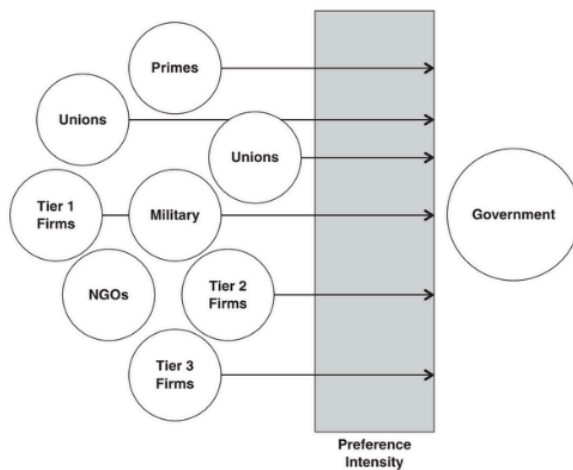


Figure 2 - “step one’ - domestic preference formation” (Fiott 2019: 58)

After a unified national position has been aggregated by the government, the bargaining then moves to the interstate level in step two. A successful bargaining is determined by relative bargaining power between states through asymmetrical interdependence (Moravcsik 1993:517, Moravcsik & Schimmelfennig 2019:67). Within this status quo the states positioned most advantageously on the issue exact concessions from others. Size, economic weight and structural power are classic signifiers of aggregate structural power that tilt negotiations (Tallberg 2008: 13-19). While size and population might be indicators, parameters have to be adapted to the issue at hand where states with high preference intensity often outperform larger states, allowing medium states to punch above their weight (Tallberg 2008: 19). The bargain includes leverages of coalitions. Fiott (2019: 61-62) indicates that exclusion from a coalition is more powerful than a single state’s threat of non-agreement. Calcara (2020b) furthermore showed that defence bargaining in particular is plagued by concerns over who gets fair return and technological leadership as relative gains.

The final stage described by Moravcsik’s model details the institutional outcomes and the choices they reflect. The purpose of institutional cooperation, according to LI, is to reduce transactional costs, facilitate information flows and enable credibility pre-commitment (Moravcsik 1993:512, Moravcsik & Schimmelfennig 2019:69). Since national efforts bear responsibility for implementing rules that fall outside the EU Commission’s limited core competences, deeper delegation remains an exception rather than routine occurrence.

(Moravcsik & Schimmelfennig 2019:69-70). Once an institution is established it gives states security as it locks in compliance against defection by future governments, easing the predictability and flow of information on where other states stand (Fiott 2019: 61). Relevant to the present case is the introduction of New Intergovernmentalist claims that European integration has occurred more through issue specific de novo bodies that retain intergovernmental structures, like PESCO, rather than empowering the Commission (Bickerton et al. 2014; Blockmans & Crosson 2021).

3.3 Limitations

Discussing limitations of theories is always prevalent in research but a theory-testing theory must engage seriously with its primary framework's known weaknesses before applying it. Forster (1998) discusses the perceived simplicity of the model in analysing the British negotiations for the Treaty of Maastricht (1992), claiming it should consider more factors like non-sequential bargaining, issue linkage and symbolic concessions. LI is furthermore seen to underestimate domestic complexities when discussing bargaining beyond national preference formation, smoothing over any divisions that may be relevant. A major struggle many scholars have noted is the “snapshot problematic” as LI struggles to explain engagements beyond “individual intergovernmental bargaining episode(s)” (Schimmelfennig 2015: 178), providing only a snapshot of negotiation moments rather than accounting for how institutions evolve and feed back into state behaviour.

3.4 Explaining the research questions

Having established what LI predicts and where it is known to struggle, the research question that will guide the thesis asks for a verdict on LI's explanatory capacity that will be analysed across the three-stage sequence. This is not meant to produce a generalizable verdict, but show the explanatory power in this limited case study. The question requires that the analysis establishes at each stage whether the evidence is consistent with LI's predictions beyond just describing the findings of the material. If the three stages are well-confirmed, providing evidence of differentiated views will be elementary. As Schimmelfennig (2015: 191-192) notes,

LI should be used jointly with other frameworks to remedy its weaknesses. Covering both the initial phase of accession and the current perceptions allows for confirmation or rejection of the “snapshot” problematic. Only after the research question has established where LI holds and where it doesn’t, the sub-question becomes answerable.

With LI as the baseline theoretical framework, traceable shifts in identity, institutional dynamics and normative shifts are hard to capture so by highlighting the limits of the theory its robustness can be tested. As previous scholars have noted LI’s limitations in accounting for certain aspects of European Integration, this question aims to situate the thesis within that body of literature.

4. Methods

4.1 Research Design and Approach

For the purpose of this study on the perceived perceptions and expectations on the Swedish engagement with PESCO, a qualitative theory testing case study based on interviews with relevant actors will be the applied method.

When designing the methodology based on a theoretical approach it is important to consider that the research question posed is explanatory (“why”) in nature looking at the temporal dimensions previous to Sweden joining PESCO and current perceptions. This makes it an appropriate candidate for using a case study analytical method (Yin 2018:4). Case studies investigate contemporary phenomena (the *case*) in-depth and within their real-world limits (ibid.). Although case studies allow for multiple epistemological orientations, this thesis will assume a critical realist view, assuming an external reality that’s not perfectly accessible but approximations about it are possible (ibid.). LI makes claims about this reality which the thesis will confirm, deny or refine for a single case. Process tracing (Tansey 2007) serves as a secondary methodological inspiration for interviewing techniques; however, the study’s principal aim remains testing the validity of LI.

The single case of Sweden is justified as a most likely case for LI where its strong tradition of intergovernmentalism, scepticism toward supranational authority, and preferences for state-driven cooperation (Fägersten et al. 2018:2) make it an appropriate case for the theoretical logic spelt out by LI. With the theory as a foundation, a deductive model has been chosen to apply a pre-established theoretical framework using the concepts from its three steps adopting coding categories, that allow interpretive flexibility while maintaining theoretical direction. Correctly using the theory in a single-case study allows for the study to produce external validity and show generalizability (Yin 2018:51-52).

Lastly, a short recognition of the researcher's own active role in the research is required. Choices made during the process of data collection and analysis, whether voluntarily or not, have shaped the representation of findings. Integral crossroads were always approached with the guidance of the theoretical framework in mind to justify the deductive path the thesis strives for. They have to the best of the author's abilities been approached with potential biases in mind, but responsibilities for any and all lapses are nonetheless obliged to the author.

4.2 Sampling and Participants

For the study of human affairs or actions, interviews are one of the most important sources of case study evidence (Yin 2018:118) but one has to include important considerations when selecting a sampling strategy.

Elite interviews have in this study been chosen for their additive function in providing new information, tailored to the specific question, that can be used in addition to written sources. Gathering rich details about elites' thoughts without the restraint of surveying allows one to make inferences about larger groups, if the group is too large to interview individually (Tansey 2007:766). In this case it allows the experiences of Swedes working in and around PESCO in different capacities to speak for Swedish developments.

Interviews about political processes allow a researcher insight into the debates and considerations preceding a decision or action (Tansey 2007:767). In this way, one compensates for the natural limitations of written sources as they most often simply give results, possibly implying consensus. The uniqueness of an interview allows for questions to be tailored

according to theoretic preferences of the study. By allowing respondents to answer anonymously, thereby removing any concerns of disclosure, the data for this study provides internal validity about the causal relationships studied.

The selection of sampling strategy in the case of elite interviews infers either probability sampling or non-probability sampling. Probability sampling introduces an element of randomization, in practice drawing a representative sample from a wider population, that allows for generalizations to the whole population (Tansey 2007:768). Including this element of randomness, the researcher can be assured that the selection was not affected by bias. Non-probability sampling on the other hand relies on the subjective judgement of the researcher and removes randomization from the selection. Taking control over the selection process enables inclusions of important actors as it simultaneously eliminates the potential for generalization. If, however, the aim of the study is not to generalize, as with this theory testing case study, then it might be suitable for precisely that reason, as it narrows and focuses the scope of the research to the topic at hand and not much beyond that. Striving for randomness could be a hindrance if it leads to the exclusion of the most important people to the case. As Tansey (2007:767) points out in regard to non-probability sampling:

The goal [...] will not be to draw a representative sample in order to use interviews to make generalizations about the characteristics, beliefs, or actions of the full population of relevant actors, but rather to obtain the testimony of individuals who were most closely involved in the process of interest.

From the many types of non-probability sampling this study will make use of convenience sampling (availability sampling) (Tansey 2007:769). It entails a selection of respondents based on the availability of interesting subjects for the study until a sufficient sample size is fulfilled.

For the thesis eight interviews with actors close to or knowledgeable about Sweden's involvement in PESCO and European Defence have been selected. The interviews can be divided into two broad groups of respondents; elite respondents, including civil servants and

politicians, and experts, including academics and journalists.³ This selection of participants ensures a qualitative depth and richness of information from different actors with different views and proximities to PESCO, providing both insider access and analytical distance. The respondents were identified and recruited through either direct outreach based on their roles and positions or, in the case of the agencies involved, based on the recommendation of a central point of contact for the agency (as recommended by Lileker 2003:209).

When using elite interviews, one also has to keep certain limitations in mind that may affect the production of usable data. One has to be conscious of the reliability of answers when interviewing elites who may misrepresent their own positions (Tansey: 767). Further human elements, like simple lapses in memory, could impede the validity and need to be acknowledged. In order to minimize these effects, choosing a relevant sampling strategy is important.

4.3 Data Collection - Interviews

The interviews held were shorter case study interviews (Yin 2018:119-120). Eight semi-structured interviews were conducted primarily via video calls with the exception of one in person interview, lasting between 24 and 58 minutes. This reflects the practical constraints of elite interviews, discussed by Harvey (2011:433), accessing senior respondents across different geographical locations. All interviews were conducted in Swedish, ensuring the respondents could articulate nuanced positions without linguistic adjustment, and were simultaneously recorded. To ensure response validity could be maximised open-ended questions were chosen. Aberbach and Rockman (2002:674) illustrate that elite respondents favour articulating answers within their own frameworks. Open-ended questions therefore mean favouring conversational depth over strict comparability. Given the nature of the different positions the respondents held or hold, that made them fruitful the analysis, the temporal focus was adjusted, i.e., either centred on Sweden's path into PESCO, its current

³ Even though the respondents will be fully anonymized it should be noted that they include respondents with close proximity to and insight into the accession process, the current engagement and its standing in a broader EU context. Although not named, they signify an encompassing picture of Swedish involvement in PESCO.

perceptions or in some cases both. The interviews were structured along Brinkmann's (2022:63) suggested three phases; stage setting, interviewing and debriefing. The first phase building rapport and explaining the study, then conducting the main interview and finally allowing for additions or clarifications. All respondents have been fully anonymized to protect professional positions and encourage candour, particularly given the sensitive nature of EU defence cooperation.

4.4 Transcription

Using the recorded interviews to produce an accessible cluster of material the spoken data had to be converted into written text through transcription, making it easier to analyse and interpret (Point & Baruch 2023:1). Being conscious of the theoretical, interpretive, selective and representational ramifications is imperative to affirm the decision that will affect the final representation of data. The raw audio files were initially transcribed in Swedish with a university-provided tool ("Sunet Scribe"), which deletes transcriptions shortly after completion. The automated transcription was then corrected manually to ensure accuracy (Point & Baruch 2023:7; Azevedo et al. 2017:4-5) and then translated. When translating the interviews into English it was more important to preserve meaning rather than literal translation. The transcriptions were made with a denaturalised (thin) approach, prioritising verbal content over non-verbal elements such as pauses and intonation, (Point & Baruch 2023:2) given most interviews were conducted via video calls it mitigated risks of misinterpretation.

Again, the interpretive nature associated with transcription has to be noted as it is not a neutral process. It is inherently selective and representational as the decisions of what to include or exclude affect the final representation of data. Point & Baruch (2023:1-2) draw attention to the underreporting of transcription procedures in qualitative research, which this section hopefully resolves.

4.5 Documents

The interviews were supplemented with three documents (government bill 2017/18:44; 2017/18 UFöU3; Prot. 2017/18:44) that already feature in previous analyses of the Swedish PESCO process (Lovcalic 2019, Hardell 2018, Walldén & Woxö 2019). Primarily their analytical usage was to triangulate findings and compensate for any gaps in the interviews. These sources include the initial government bill proposed to parliament on the 22nd of November 2017 on Sweden joining PESCO, the joint foreign and defence committees report presented on the 30th of November 2017 and the subsequent parliamentary debate on the issue held on the 6th of December 2017. This serves to strengthen the analytical foundation for the period leading up to the decision to join, given that the validity of interview subject matter diminishes nine years removed from the events in question.

4.6 Data analysis

The deductive analytical approach detailed above was operationalized through a standardized coding scheme inferred from the three pillars of LI as national preference formation, interstate bargaining, and institutional choice, alongside a fourth section for outcomes and a fifth for challenges. The broad theoretical categories were initially derived deductively from LI (Fiott 2019:62). However, the specific coding scheme was further refined and operationalized after a preliminary review of interview transcripts and documents. This process ensured that the codes captured the empirical nuances of the Swedish case while upholding theoretical rigor. The coding scheme was organized along the five distinct blocks (see Appendix A) corresponding to the timeline set out by LI and theoretical challenges to this timeline. From the coding strategies for elite interviews highlighted by Aberbach & Rockman (2002:675), manifest coding was chosen as the most appropriate to test the theoretical framework. Within manifest coding the responses are coded in relation to the interviews themes and later supplemented by underlying coding where respondents' broader orientations and framings are analytically relevant. The risk of confirmation bias is inherent in deductive research

(Brinkmann 2022:78). From the outset this has been mitigated by remaining open to findings that complicate or challenge the LI's, insofar as including a separate coding category.

4.7 Ethical considerations

Before the start of the recorded interview all respondents were asked for verbal consent to be included in the study and for the interviews to be recorded. The study's purpose and data usage were explained to ensure informed consent. In the transcripts all information about the respondents beyond the institutional affiliation was anonymised fully to prevent identification (as recommended by Lilleker 2003:212-213). Considering the different angles included in the analysis from different institutional players involved in the approaches to PESCO, affiliations have not been anonymised, to allow analytical depth. This was judged as a minor concession given the size of the institutions involved. Confidentiality was in this case considered particularly important given the sensitivity of EU defence cooperation and the positions of the respondents. Furthermore, the data was stored and handled in accordance with university research ethic guidelines with the transcription conducted using a university-provided program to ensure security.⁴

4.8 Limitations and validity

Finally, several limitations have to be recognized that have affected the study. Even though the response-rate was above what was expected and some senior respondents were reached, direct outreach does not guarantee responses from the most relevant individuals (Lilleker 2003:209, Tansey 2007:769-770). Subsequently those who participate may not fully represent the range of views within Swedish defence and foreign policy circles. The sensitivity of the topic may moreover have constrained what some respondents were willing to say professionally (Harvey 2011:436-437), which was partly accounted for in the interpretation of the findings. The conscious research design as a most likely case strengthens the internal validity, as the absence of LI's explanatory power, would still be analytically significant. This however to the contrary means that this study is limited in its generalisability to other member states. Maintaining

⁴ "Riktlinjer för behandling av personuppgifter i examensarbeten vid Samhällsvetenskapliga fakulteten" (STYR 2023/1572)

transparency throughout the analytical process as well as the faithfulness to respondents' perspectives and a clear documentation of the link between research design, data collection and analysis has confidently ensured trustworthiness.

5. Analysis - A Swedish view on PESCO

5.1 National Preference Formation

The first stage of LI integration concerns how preferences are formed at domestic levels before states engage in international negotiations. For the sake of answering the research question the analysis therefore has to begin at the national level and then be moved to the EU-level. This will help determine from what starting point Sweden entered into negotiations, looking at how the Swedish position came to be what it was. For this purpose, the interviews and the documents were coded, surveying both the answers of persons that were part of the process of Sweden joining, and sources from the legislative process, from the Government Bill to the debate in parliament, giving insight into what drove the engagement before the EU-level negotiations. This section will also encompass the motivations that shape the deeper involvement of the ongoing Swedish engagement in the PESCO and its perceived place in European Defence Architecture where relevant. Official documents represent publicly stated preferences from politicians while the interviews shed more light on the internal reality, making any gaps analytically significant.

5.1.1 Security Shaped Preferences

The first factor influencing national preference formation that was considered was security-driven preference formations. Here the aim was to establish whether perceptions of external threats shaped Swedish society into positions of seeking cooperation. For Sweden the position that was mentioned repeatedly both across the interviews and the documents was Russia's status as the structurally dominant threat driver. The Government's Bill (2017) states: "Russia's aggression against Ukraine and its illegal annexation of Crimea fundamentally challenge the European Security order". Russia has a central role in shaping the positions of

Sweden in relation to common defence as explained by a respondent: “Should Russia attack a Baltic country, [...] admittedly a NATO country, fine, but if we entertain the idea, that would absolutely have an influence on Swedish security”. So, the Russian invasion of Crimea in 2014 became the first watershed moment where Sweden began to reconsider the posture of territorial defence, turning away from the outspoken goals of defending Swedish interest abroad, as confirmed by a civil servant: “[...] Crimea in 2014, which created a totally new security situation in Europe, for Sweden. When we went back to territorial defence in 2015.” The notion of “shocks” causing PESCO to reappear on the agenda is challenged by a central voice in the analysis. One critical respondent instead points to gradual, already ongoing developments:

[...] I can’t say it was global political events or anything like that that drove this [Inception of PESCO] [...] I don’t think it was Russian Easter⁵ or Brexit or whatever else it might be. Rather, I think it was simply an old issue driven by some powerful forces within the EU.

This provides an interesting and significant challenge to the notion of a linear causal relationship between “shock” and a shift in preference. Looking beneath the surface suggests preferences might have been forming incrementally before. This point of analysis will reappear and be explored in greater depth later.

A second watershed moment in this regard was the full-scale invasion of Ukraine in February of 2022, evolving the political atmosphere and accelerating cooperation further. Notably the effects of these external shocks have to be distinguished as Crimea gradually reshaped internal preferences (Sweeney & Winn 2020:230; Wulz 2021:13) while the full-scale invasion produced rapid and publicly visible reorientations (Schichlein 2023:5; Michaels & Sus 2024:389). A respondent described the position the entire EU found itself in as follows:

⁵ Russian Easter refers to events on the 29th of March 2013 when during an air exercise, Russian bombers flew attack formations against targets on the Swedish mainland, simulating nuclear attacks, only turning away about 35 km from Swedish Airspace. Sweden had no planes ready to meet the Russian jets, as there were not enough pilots and working hours had been restricted in peace-time (Gotowska 2013).

“When the war came it was a huge breaking point for the union where many things happened that previously seemed unimaginable.” Another respondent expanded on this from the Swedish perspective: “And then, of course, with Sweden’s accession to NATO and Russia’s renewed aggression [...] the entire context changed. Suddenly it became more important to collaborate.” Another more gradual and subsequently sudden change was the unpredictability of the United States under the presidencies of Donald Trump. While this cannot be corroborated in the sense of the behaviour of an adversary, it instead represents a second axis of insecurity around alliance reliability that gained more prominence during the ongoing second Trump term. A respondent pointed out: “So the pressure on Europe to take responsibility increased further [...] It’s not an invention by Trump. Earlier administrations have also pointed this out, [...] so it has also grown but become more urgent we can say, since Trump’s second administration”.

Looking at the pattern this provides for an LI analysis both ahead of joining PESCO and current consideration, the interviews and documents provide evidence that threat perceptions played a part in the formation of Swedish preferences ahead of joining PESCO and still do so today. The government bill (2017) includes references to the security dimension, stating that: “Europe is currently facing the greatest and most complex security challenges it has encountered in a very long time. No European country can tackle today’s security challenges on its own”. Understanding how Sweden relates to its surroundings and external shocks carries weight when discussing the security implementations and choosing to cooperate. There is, however, also an outspoken hesitation about multilateral defence cooperation even as the threat perception rose. As a respondent explained: “And to be honest, the fact is that from the start, we in Sweden weren’t particularly enthusiastic about this idea of PESCO cooperation. We perhaps saw it more as an obstacle than an opportunity”. This indicates that the security concern alone was not sufficient to push Sweden to join PESCO in the first place and uphold its engagement today.

5.1.2 Economic and Industrial interests

Looking at the potential economic and industrial interests of Sweden serves to add an important layer of nuance to the analysis considering Moravcsik's expectation that non-economic concerns may factor higher in forming national preferences on defence than expected by LI. Fiott (2019:59) conversely points to the central role economic considerations play in steering governments towards defence integration. For Sweden the economic considerations have always been a strong factor in EU engagements as a respondent illustrated in regard to Sweden joining the Union: “[...] the economic reasons were maybe the primary reasons to join. Becoming a part of the internal market [...] Sweden is a tiny export-dependent country and that becomes profitable”. Defence being the “most nationalistic of all economic activities” (Fiott 2019:57-58), and Sweden having a defence industry that ranks among the six biggest in Europe despite its average size of population and GDP, lead to questions of what role this sector played in the policy formation towards EU integration. Sweden’s place as a top-tier defence industrial nation by European standards with companies like SAAB, BAE Systems Bofors and Kockums as prominent exporters of Swedish defence materials should then, according to LI, play a part in the considerations when joining PESCO.

The first important consideration that became evident were the structural limitations and possibilities the Swedish defence industry has in comparison with others, notably the French. As a respondent explained: “[...] where Sweden has stood out is maybe above all how our defence industry looks. [...] firstly, it’s privately owned. Secondly, the ownerships are partly British and American, which is problematic for the EU when it wants to roll out these industrial initiatives”. The respondent went on to explain how this has created a constant uphill battle against countries that want to exclude third parties from EU industrial initiatives. So, for the Swedish government a two-sided pressure impacts considerations on integrating the defence sector. The multinational ownership structure created vulnerabilities from the start while the defence industry expressed an interest in Sweden joining PESCO as a civil servant affirmed: “[...] the Swedish defence industry tried to lobby and to be active towards the government when PESCO arrived. They tried to be very clear about the necessity for openness

[...] they saw a risk that other countries would choose to disregard Swedish companies [...].” So, from the outset Sweden had to spend much political capital in the initial phases of PESCO negotiations to ensure Swedish companies with third-party ownership could be included. France and Sweden found themselves on opposite sides of the spectrum in this regard but found a compromise in which certain intellectual property rights were not allowed to leave the EU, which a respondent assumed left Swedish negotiators quite content. The Government therefore went on to underline the defence-industrial benefits to PESCO in their Bill to parliament, highlighting the goal of making the industry more efficient, reducing duplication and creating added value on EU territory (Government of Sweden 2017).

Beyond the preferences of the industry itself, the financial logic of the state adds a further, more transactional dimension to the calculus. The financial returns concerned state actors. The Ministry of Finance, the Ministry of Defence and the Ministry of Foreign Affairs all had different interests in joining PESCO as a respondent described: “And from the Ministry of Finance [...] we had submitted this large contribution - or rather fee you paid to the EDA. It was 400-500 million, 600 million [Swedish Crowns] [...] And now, through PESCO, you could get it back. [...] They don’t care much about the rest.” In response the MoD had to immediately and somewhat begrudgingly start looking for projects while simultaneously being engaged in many other things to consider, like NATO host-nation support. This shows how macro-economic preferences from a department factored in beyond just the industries voicing their opinions. Relating to the LI framework, it shows an interesting, purely transactional side to the state interest formation. While acknowledging the promotion of industrial integration, however, the Joint Defence and Foreign Relations Committee also makes a point of explicitly leveraging article 346 TFEU.⁶ Mentioning this protection shows that there ultimately was a need to uphold security above industrial factors.

⁶ Article 346 TFEU allows EU members to take measures to protect their essential security interests related to the production of or trade in arms, munitions, and materials, exempting such actions from normal EU internal market rules. These measures cannot seriously distort competition in the common market for non-military products, and the Council can set limits on how far this exemption extends.

Taking the accounts in sum, PESCO represented an attractive gateway for Swedish industry into further market advances, and this filtered upward into governmental and departmental considerations. Yet, another notable respondent pushed back on a purely industry-driven reading, insisting that the defence industry has never been supported for reasons of employment or industrial policy, but only for reasons of defence and security. For a respondent with insight into the process, joining quickly was less about industrial gain and more about ensuring decisions were not made on non-technical biases, preserving “the quality and direction of the program”. This tension is difficult to resolve. What the Swedish case suggests is that the economic and security rationales were not competing but mutually reinforcing. The absence of state ownership meant industrial interests could never fully substitute for security logic, making the two harder to disentangle than LI's framework typically allows for.

5.1.3 Domestic Political Agreement

Derived from Moravcsik's (1993) framework, the level of political consensus within countries factors into the subsequent bargaining on an intergovernmental level. This stems from the assumption that states only commit internationally when the domestic actors are aligned to a sufficient degree. It is therefore crucial for an LI analysis to consider the process of internal consensus-building prior to engagements at the EU level. For this the documents, especially the joint committee statements and parliament debate, have been instrumental in shedding light on the divisions within Swedish politics and how they were overcome.⁷ The interviews additionally shed light on the broader context within which these discussions were held.

The minister of defence, Peter Hultqvist, a Social Democrat, was sceptical to any expansion of the EU into defence, as a respondent explained: “Peter Hultqvist [...] liked to point out in regard to this; that the EU was an intergovernmental cooperation. It shouldn't go too deep into matters of defence”. Instead, the “Hultqvist doctrine” aimed at building a mainly bilateral web of collaborations instead of using multilateral EU structures. There was also much

⁷ The Social Democratic and Green minority government by Prime Minister Stefan Löfven had at this point in its tenure been struck by a series of challenges mainly surrounding the influx of refugees to Europe. As a minority government it is an especially interesting case to examine as the inter-party bargaining was a necessity, not an optional feature, of policy formation.

historical precedent for this. The Swedish pattern of initially resisting change and then engaging pragmatically in the EU was mentioned across many interviews as a recurring occurrence. In the case of PESCO there was an agency-level scepticism opposed to the suggestion. Respondents claimed the Armed forces and FMV initially doubted the longevity of political will behind the project, fearing that they would invest in structures that would be abandoned, while the Ministry of Foreign Affairs saw it as a top priority. Strong political commitment was therefore necessary in order to also convince the agencies.

The path of the government bill to join PESCO was not as sudden as the timeline of the council decisions might suggest. There is a discrepancy between how the respondents perceived the change. One respondent explained that “[...]it had been discussed much longer within the EU than that, so we were quite well prepared when it finally came up [...] there had been a relatively long political discussion beforehand”. A different respondent however pointed out “It all happened pretty quickly. [...] it wasn’t something the Ministry of Defence was pushing”. This points to the change that happened being initiated top-down as the shift toward PESCO was driven by political leadership not bureaucratic consensus. The mentioned pre-mediated political consensus is most evident in the government bill and the subsequent joint-committee statement. The bill suggests that the time for motions in parliament should be shortened in order to hold a vote before the deciding European Council session ensuring that Sweden could participate from the start (Government of Sweden 2017). This sense of urgency and political unity was accepted by large parts of the opposition.

On the 6th of December 2017, 13 days before the Council decision, Riksdagen debated the issue of Sweden joining PESCO. There was consensus for a swift accession to PESCO from the government parties as well as the two liberal parties, Centerpartiet (C) and Liberalerna (L), and most importantly the biggest opposition party, the centre right Moderaterna (M). Across the big political blocs only the right-wing Sweden Democrats (SD) and the left-wing Left Party (V) expressed concerns. For both, Sweden’s positions as historically neutral and non-aligned was the central line of argumentation. Mikael Jansson (SD) argued that: “PESCO is yet another cooperation that brushes against the border of what non-aligned countries can afford to do”.

Lotta Johnsson Fornave (V) asserted: “We can serve as an international voice for peace and disarmament [...] but we cannot do so unless we remain credible in our non-aligned status. We cannot join PESCO [...] because doing so would undermine our credibility as a mediating party”. Replying to this Kerstin Lundgren (C) countered: “No one outside our borders sees any non-alignment; they only see that the Social Democrats and the Green Party fear NATO’s security guarantee”. Notably, the governing Social Democrats also argued with the help of non-alignment, but instead claiming that PESCO was a way to protect it. Hardell (2018:34) shows how the debate surrounding PESCO saw a notable normative and discursive shift in the usage of non-alignment as a rhetorical tool. Ultimately the Bill passed with 241 MPs voting in favour and 65 against.

Viewed through the LI framework, the domestic consensus achieved prior to Sweden’s PESCO accession offers a nuanced picture. The cross-bloc majority confirms some of the core LI claims that sufficient domestic alignment enables international bargaining as it provided the Swedish government with a mandate when arriving at the EU-table. The sources indicate that this consensus was not organic but manufactured under time-pressure as the shortened debate window signals that political leadership drove alignment rather than waiting for it to emerge bottom-up. Tellingly, the rhetorical gymnastics surrounding non-alignment, invoked simultaneously by supporters and opponents to opposite ends, reveal that the parliamentary consensus was more procedural than substantive, concealing real disagreement beneath a shared vocabulary.

5.1.4 Strategic Culture

The final element of the national preference formation extrapolated from Moravcsik’s framework concerns the shift in strategic culture. In this section the attempt has been made to examine the material to resolve the tension at the core of Swedish integration into a multilateral security framework; the historical commitment to non-alignment. It represents more than a policy position; it was a constitutive element of Swedish political identity. Sweden joined the EU on the premise that it could keep its non-alignment. Looking to see if there are

signs of a shift in this regard helps to infer if and how this change induced a national preference ahead of the EU-level negotiations.

Non-alignment has been the defining lens through which Sweden has historically filtered all EU defence questions. A respondent confirmed that: “[...] given our history of neutrality and, eventually, non-alignment, we haven’t exactly been the ones at the forefront of agreements on defence cooperation.” When, as put by a respondent, Sweden “reluctantly backed into” EU integration and joined PESCO it was a reactive move due to the lack of political capital to refuse entirely. Across the sources there was not a strong sense of conviction, instead a predominant pragmatic sense of necessity commanded the argumentation.

The key political move in the wake of PESCO negotiations was a reinterpretation rather than an abandoning of non-alignment. By repeatedly emphasizing the intergovernmental and voluntary character of PESCO the government argued that it was continuing the Swedish tradition of international activities in defence (Hardell 2018). When asked if PESCO presented new responsibilities, a respondent argued: “I don’t think the responsibility is that great, because Sweden has a long tradition of internationalism. We’re involved in various international collaborations, but when we commit to them, we do so with great dedication.” This begs the question if an abandonment of non-alignment at the time would have been too high a domestic cost?

Sweden’s current engagement in PESCO alludes to the conclusion of the shift away from non-alignment, but the identity as a multinational defence player is still recent, as a respondent explained:

[...] Sweden is more focused on getting into NATO properly, than to evolve what happens in the EUs cooperation on defence and PESCO and alike, where it feels like they haven’t quite become comfortable. They are still quite fresh in NATO, it’s noticeable that the Swedish NATO-delegation which sometimes is so new that they don’t dare to say what they are dealing with even though much of it is not something secret but they are still learning the ropes.

The strategic culture shift that has slowly been relinquished since abandoning outspoken neutrality in favour of joining the EU in 1995, might have found its institutional endpoint in joining NATO but the culture is still in the process of adapting.

The shift in strategic culture through an LI lens could be accommodated by framing it as a preference filter. This filter constrained which institutional options were politically viable for the government. An incremental reinterpretation which happened rhetorically can be accommodated through LI by lessening the importance ascribed to strategic culture and not treat it as a rational calculator, instead assuming that it simply is a variable shaping preference formation over time. The material, however, presents a picture where rational calculation cannot be analytically abandoned in favour of LI assumptions. With the purposeful and recurring rationalisation by the government that PESCO would not mean an abandonment of non-alignment the strategic culture considerations have to be included when discussing the domestic preference formation.

5.1.5 Domestic Preferences as LI

After presenting the dimension of national preference formation deduced from Moravcsik's framework an LI perspective gives a synthesis of how these are not four separate explanations for framing a preference but instead dimensions of a single layered and complex preference. These dimensions then formed the preferences which led to Sweden arriving at the bargaining table ready to join PESCO. The security threat provided a political space within which the move towards EU defence cooperation was possible. The industrial interest shaped the specific form that Swedish engagement took, defining the agenda. Political consensus determined the pace and institutional form of the commitment. Finally, the strategic culture set the outer limits on what level of commitment could be achieved.

The analysis confirms central LI predictions that Sweden entered an EU-level engagement with domestically formed, clearly articulated preferences rather than arriving open to supranational persuasion. The picture is nuanced as preferences were articulated bottom-up as they in part emerged from industry and agencies but were ultimately consolidated by political leadership. Sweden slowly and deliberately “marinating”, as a respondent called it, reflects a

state that takes preference formation seriously, not rushing into institutional commitments before securing domestic positions.

On the other hand, where LI reaches its limits, is mainly in regard to the normative, identity driven considerations associated with non-alignment that Sweden faced. The LI rationalist model assumes preferences are formed through cost-benefit calculation (Brogger 2025:408-409), but in this case the strategic culture meant that choices had to be filtered through normative considerations before a rational calculation could begin. Furthermore, the described gradual nature, confirmed by persons involved in the decision making, sits uneasily with LI's implicit assumption that fast external developments produce discrete preference shifts (Moravcsik 1993: 483). The Swedish case suggests that preferences evolved continuously and were formalised by events rather than created by them. The internal agency level distinctions, between MFA and MoD, also reveal the nuance in state positions and allude to the fact that outward facing national preferences might not be a single unified position but a negotiated internal compromise. This precise divide has interestingly been seen as non-applicable in Germany in regard to PESCO (Major & Mölling 2019:4). Examples of Crimea and the Russian Invasion of 2022 show how preference formation and preference expression might be distinguished as distinct as the publicly visible moment of commitment may significantly lag the actual moment of preference change.

5.2. Interstate Bargaining

Having considered the circumstances within which the Swedish position was formed domestically, states then entered intergovernmental bargaining where the outcomes are determined by relative powers⁸ and bargaining skill of the participating governments (Moravcsik & Schimmelfennig 2019:66). The central analytical question this section will consider relates to whether Sweden achieved what it wanted and if so, how. Looking at the

⁸ Bargain power will in this thesis be framed using Tallberg (2008), drawing on bargaining in the European Council and the sources he discusses; state source of power, institutional sources of power and individual sources of power. Tallberg concludes that power varies by topic, with France and the UK being dominant in security issues due to their military power.

distance between the preferences when entering and the achieved outcomes to measure the level of bargaining success. The Swedish case will be analytically intriguing as a medium-sized country bargaining in a framework dominated by big players. Whether Sweden therefore managed to convert its non-size-based assets into leverage will therefore be a test of LI's prediction that power derives from the strategic value a state brings, not merely from GDP or military size (Fiott 2019:62). Notably, however, the landscape in European defence bargaining has changed considerably since 2017 as Sweden has, beyond the accession to PESCO, continued to bargain over industrial policy, third-country access and EDF rules all the while strategic autonomy has become widely accepted across the EU (Krastec & Leonard 2025). This section will be focused on the PESCO accession but the general overlap with domains and forums cannot be disregarded if a comprehensive picture is to be presented.

5.2.1 Sweden's Bargaining Power

Analysing Sweden's relative bargaining power in Europe on defence one first has to acknowledge the apparent paradox in its possibilities to act. As a medium-sized country without a major military it punches above its weight consistently in the EU defence negotiations (Lundberg et al. 2025:39-40) where large states usually dominate (Tallberg 2008:703). For Sweden its industrial weight was the primary source of leverage, as a respondent confirmed: "We are one of the six biggest defence industrial nations in Europe and without a doubt our position is unique compared to the size of our country". Being a top six defence industrial nation gave Sweden something other states wanted in the form of advanced capabilities, test infrastructure and interoperability. A respondent discussed how this created a genuine bargaining power: "[...] precisely because the Swedish defence industry is so large, Sweden probably has a fairly strong position, a significant and influential one, in fact." A concrete example that was featured in multiple sources was the access to Vidsel in northern Sweden, Europe's largest overland proving ground (FMV Test and Evaluation 2026), with a restricted airspace marginally smaller than the size of Cyprus. It became a non-replicable asset that could be leveraged as Sweden offered shared access to infrastructure that others could not easily build themselves.

Furthermore, Sweden brought an initial quality-based power capability fixed on its existing compliances with NATO standards and interoperability. The government bill framed Sweden as a “net-contributor”, signalling that it would not be freeriding and thereby reducing the transactional costs for other members seeing this as the basis for the CSDP framework. The reputational asset furthermore relied on Sweden signaling “high ambitions” as a strategy to build credibility. The government had an outspoken commitment to staff its projects and deliver results, as a respondent explained: “[...] we have very high ambitions. And because we don’t do things halfway [...] it ultimately means that our staff has to work extremely hard”. Sweden perceiving and presenting itself as a serious actor that will uphold its end of any bargain furthermore contributes to its relative bargaining power. Whether it is also perceived in that way by other actors at the table cannot be adequately substantiated from the Swedish sources but a civil servant claimed: “I think Sweden is in a good position. We’re competent. We have expertise [...] So I think that for Sweden it’s easy to put together a good team. [...] I think we are a valued participant, whenever we are involved.” Over time this seems to have held up as a respondent explained how it has become clear Sweden has become a significant European defence player as the Swedish chiefs of defence and military representatives are seen as much more influential now than they were 10 years ago.

Through the interviews and the documents, a trend of multidimensional power in institutional bargaining became evident. The relevant insight for an LI analysis might conclude that the ability to impose costs or provide benefits take many forms. A state that is indispensable in one dimension can exert influence disproportionate to its size, as bargaining theory predicts (Tallberg 2008:17-19). The Swedish government’s bargaining power was considered high by Swedish sources at the negotiations upon entering PESCO and perhaps even higher currently. A mixture of unique capabilities on offer and a self-imposed obligation to contribute once committed provided and still provides Sweden bargaining power in European defence matters.

5.2.2 The Franco-German Axis and Brexit

The matters of European defence integration have historically been at the mercy of three distinct wills that predate any attempts at PESCO (Fiott 2019:69-73; Calcara 2020b:574-575; Cózar-Murillo 2022:1320; Tardy 2018:124-125; Wulz 2021:30-32). A French perspective, centred around European sovereignty in security and defence with a strong emphasis on building cutting edge expertise above all else. A German perspective, often seeing common defence and security as a vessel to further promote European integration alongside strong transatlantic ties. And lastly a British perspective, seeing NATO as the undisputed forum for defence and security, therefore refusing any discussions on separate EC/EU centred defence initiatives. As the UK left the EU the French and German came to be the power centre of European defence cooperation, as the government's bill (2017) stated. The relationship was summed up by a respondent as follows: "Germany and France [...] If they don't want something it won't happen. If they want something, it mostly happens." No Swedish source contests this distribution of power. It therefore has to be considered the structural starting point of an analysis of the bargaining arena in defence matters.

It is important to reiterate that the structure and purpose of the PESCO framework in itself was a big point of contention between France and Germany. France's preferred model would have seen PESCO as a coalition of the willing, delivering advanced technology (Cózar-Murillo 2022:1312; Calcara 2020b:385-386; Blockmans & Crosson 2021:91) warning that US and UK firms could gain access to EDF funds (de France 2019:11). Germany on the other hand preferred a model designed as a broad integration tool through cohesion (Blockmans & Crossons 2021:91; Wulz 2021:32; Major & Mölling 2019). Ultimately the German approach edged out the French one as all EU members joined PESCO apart from Malta (due to constitutional limitations), Denmark (due to its CSDP opt-out) and the UK (due to ongoing Brexit) (Hagström Frisell & Sundberg 2018:6; Rutigliano 2023:768). This internal disagreement within the dominant axis of PESCO was the most important structural feature that created bargaining space for Sweden and other medium-sized states.

While many Swedish actors view France, as illustrated by President Emmanuel Macron's advocacy for European strategic autonomy, as the true motor of European defence, Swedish reactions to this vision remain rather sceptical, as one respondent explained:

[...] the one I most often hear about, especially in the background [...] They see it as when Macron talks about strategic autonomy, he means what will favour France. Meaning, that we shouldn't buy from elsewhere. We should buy from the EU and when he says we should buy from the EU he means we should buy from France.

This is further underlined by a different respondent:

Also, if we ask Swedish representatives of defence, maybe France isn't always their favourite. [...] They are very set on everything being in a French kind of way and they can often say, 'yes, very good we don't need to produce as many different tanks in Europe as we do now, because it's enough with these French ones'.

A respondent disclosed that this strategy to use EU frameworks to channel defence contracts toward French state-owned firms at the expense of private competitors from other states did not sit well with Sweden and many other pMS, echoing Spanish concerns established in previous analysis (Arteaga 2018:7-8). Multiple respondents describe it as Sweden finding itself on one end of the spectrum with other more liberal market-oriented countries and France on the other end. This has also increased Sweden's importance, according to respondents, as a counterweight and strong advocate of other countries who might otherwise be steamrolled by the industrial weight of France, giving it relative power and leverage in negotiations.

Sweden's resistance to French pushes for structural autonomy are framed by the sources as both principled and strategic. There is consensus among respondents, that Sweden genuinely favours open global competition and sees protection as economically harmful. Instead of becoming self-sufficient Sweden opts for reducing harmful dependencies in response to the multitude of crises. There is also, as respondents admit, strategic value in limiting French

industrial dominance that could directly disadvantage Swedish firms in competitions for EDF funding. Just because the Swedish defence industry is not state-owned does not mean the government is not concerned with giving them a fair attempt at competition.

The initial formative phase of PESCO gave Sweden and Germany a concrete bargaining success over France. President Macron's and the HR/VP Mogherini's wish to make PESCO into a supernatural project (Calcara 2020a; Macron 2017) was firmly rejected by the Swedish government, making it an early bargaining success for Sweden. As a part of the coalition that ensured PESCO would remain distinctly intergovernmental in design, Sweden participated actively in reaching contested outcomes instead of passively waiting for results.

Another important consideration that influenced the bargaining process with its absence was Brexit, a significant structural transformation to the bargaining environment in the EU for PESCO (Sweeney & Winn 2020; Biscop 2017; Fägersten et al. 2018). It did not merely change one variable but altered the entire power distribution and coalition possibilities within which the negotiations took place. For decades the UK had been Sweden's primary shield in EU defence questions. The fervent British resistance against institutionalising EU defence had been powerful enough to steer these questions away from the EU's agenda entirely. Sweden and the UK were like-minded on many issues as a respondent explained: "Sweden really did vote a lot, there are good statistics on that, we voted just like England almost the whole time in the EU[...]." Throughout the interviews the notion was also conveyed that this dynamic created a passive-freeriding relation where Sweden could maintain a sceptical posture towards EU defence cooperation while bearing little of the political cost of obstruction. With the British decision to leave the EU, the arrangement was dissolved and Sweden was forced to step forward and defend its own positions directly, fundamentally changing the cost of resistance. The transformation from passively resisting to choosing to actively start shaping the new format is evident of a strategic response. The calculation that lone or at least being a part of much weaker resistance from the outside would be disadvantageous for Sweden and its industry instead of participating on its negotiated terms is a classic LI view of rationalising resistance strategies (Fiott 2019:118-119). The insight of "not burning capital being unruly" shows

clearly that in a post-Brexit EU, being a dissident outlier carried reputational costs, so being a constructive insider was worth more than a principled outsider.

The industrial interdependence created yet another layer to this relationship, a uniquely Swedish-British bond that further complicated negotiations. The deep integration of Swedish and British defence firms meant that PESCO rules excluding the UK would effectively also exclude parts of Sweden's own defence industry. British companies like BAE Systems that have a substantial market share in Sweden could not have benefitted from these frameworks. This gave Sweden a specific interest in securing third-country participation provision in relation to the UK to a degree not shared by other states.

In driving significant bargaining in PESCO and other arenas of defence the Franco-German engine has proven to be real, but it's not unconstrained. The foundational (German) nature of PESCO as a partly integrationist project produced informal bargaining rules that states abide by. As a respondent explained: "Everyone knows the rules of the game a little. So, there won't be any mad proposals that would infringe upon the neutrality of Malta. That just doesn't work and everyone knows that, so there's no use in trying". To a degree disproving Juncos and Pomorskas (2021) considerations that norms in CFSP have been increasingly contested. Sweden has strategically exploited the division in the Franco-German axis alongside other liberal-market oriented states, demonstrating the medium-sized states can punch above their weight when great power preferences diverge. Though not the main point of analysis, the considerations that Brexit brought to the case is still relevant to LI findings as it illustrated how coalitions breaking alters distributions of power and preferences within institutional bargaining. Accounting for the dynamic adaptations of Sweden's strategy in the face of a changing structural environment is one of LI's analytical strengths.

5.2.4 Strategic positioning and coalition building

Having in the previous section set the scene with the most important players and the circumstances within which Sweden would enter into bargaining, it is appropriate to continue by looking at the evidence provided relating to how Sweden bargained. Again, it is worth noting that the Swedish government had, as a respondent noted, dealt with the emergence of

PESCO for a longer time than the relatively short timeline of the European Council decisions show. The public expression of the ongoing preference formation meant that Sweden arrived at the table with a worked-out position aiding in their negotiating. In this section evidence of Sweden's stated decisions across the negotiations are retraced. Coalitions are in LI viewed as important steps in the bargaining process as medium states may aggregate their preferences (Fiott 2019:61-62). Here LI draws on rationalist coalition theory, predicting that states seek the smallest coalitions necessary to achieve their outcomes (Moravcsik 1993:499) and expecting that coalitions will be quit if a bilateral deal with a great power offers better terms.

The primary coalition that influenced and continues to be relevant for Sweden in questions of defence and industry is "the new Hanseatic league".⁹ This grouping of states include the Nordic and Baltic states, the Netherlands, Ireland and sometimes Poland and Czechia. It represents a coherent liberal-market bloc that shares preferences on open competition, third-country access and resistance to French protectionism. Within this coalition Sweden occupies an analytically significant role as a leading voice that can articulate the group's concern in ways that carry weight. The reflection of the industrial leverage into political leadership within the coalition is described by a respondent: "[...] [The new Hanseatic League] I think they are happy to have Sweden on board as a major player, one with a bit more sway, given the weight of the defence industry behind it."

Germany played a less visible role for Sweden in the negotiation process in contrast to France but its role as an ally in key questions has meant it is still analytically relevant. A respondent stated that earlier research had shown that Germany was active in getting Sweden to participate in PESCO by pushing for its engagement. This also factored into turning the initially lukewarm Swedish position into an active one. The previously discussed German integrationist approach was not fully aligned with Swedish interest but the steadfast support of third-country inclusion and specifically the transatlantic connection made it a useful ally for Sweden in the negotiations with France. Similarly, the Netherlands was throughout the

⁹ In 2017, Sweden along with seven other Northern European States formed an initiative to counter an increasingly unchallenged Franco-German bloc in the EU. It stands for free trade values and maintaining a balanced budget (de Carlos Sola n.d.)

interviews frequently mentioned as the most likeminded Swedish ally. The bilateral alignment was described as being “as usual” also in regard to PESCO and Sweden quickly joined the Dutch led Air Mobility project once PESCO started.

In the negotiations the central bargaining battle, as described by the interviews, concerned the previously described compromise surrounding third-country participation. The outcome is also the fundamental Swedish bargaining achievement. Sweden, together with Germany (Major & Mölling 2019) and the Netherlands (Zandee 2018), on the opposite end of France, the compromise of allowing third-country participation as long as EU-funded technology remained within the EU, representing a genuine logrolling result where both sides achieved core objectives without either capitulating. The preference for “reducing harmful dependencies” rather than achieving “European self-sufficiency” as a liberal economic position gave Sweden a constructive agenda to advance, as a respondent explained, rather than merely a French position to resist.

From an encompassing LI perspective Sweden’s bargaining success was the product of three reinforcing factors. Initially the clear pre-formed preferences gave the Swedish government a unified mandate to negotiate. The industrial leverage then provided genuine power resources during negotiations and in current operations. Lastly the coalition-building with likeminded states amplified the leverage with which consensus-based solutions were found across the different spheres of interest within the EU. Taken together this so far provides the strongest confirmation of an LI bargaining stage.

5.2.5 Interstate LI Bargaining

An overall verdict may conclude that Sweden entered the PESCO negotiations from a position of asymmetric strength. It had neither the size nor the overall economic muscles but the strategic value for the question at hand made it a major player. The outcomes reflect this strength as many of the outcomes closely mirror the pre-formed preferences: third-party participation provisions, the intergovernmental design, voluntarism and the property right compromise. Sweden’s success as a leading part in a market-liberal coalition and exploiting internal disagreement between France and Germany allows for an overall possible confirmation

of the bargaining stage laid out by LI. As predicted by LI, state power and rational adaptations to structural changes have been features of the process (Moravcsik 1993:517).

5.3 Institutional Choice and Outcomes

For the final part following LI's analytical structure the attention is now turned toward the choices made in the institutional structures and an evaluation of the outcomes. The design choices Sweden accepted will be assessed and then be evaluated against the outcomes Sweden anticipated as a maximisation of national interest.

This section carries a notable temporal element not as clear as in the previous sections, whereas the other sections briefly touched upon the current situation, mainly as a point of comparison or in relation to an analysis of previous decisionmaking. The current section will purposefully have to switch between the positions in 2017 and the present in order to track the evaluation of PESCO. The institutional choices made stretch from the beginning of PESCO until today, through the changes and shocks of the past nine years, while the outcomes are a snapshot of the perceptions during the time of writing. The perceived outcomes have changed and will continue to do so.

At the core of the final analytical LI section an interesting tension can be found. As established previously Sweden largely got the institutional design it wanted as a voluntary, intergovernmental, sovereignty-preserving institution. However, as the following section will show, the resulting institution has delivered mixed and, in some areas disappointing functional returns. The two sets of code have been analysed in this section in cohesion to better assess what kind of institutions Sweden accepted and what it has gotten from it. This enables stringent argumentation as opposed to referencing back and forth between sections, showing how the outcomes reveal a more nuanced picture than the institutional choices would suggest initially.

5.3.1 Functional Efficiency

First, to test the LI assumption that institutions are tools to facilitate cooperation under state control, PESCO has to be analysed if and how it reduces the burden on national states and what duplications it thwarts. The government bill (2017) explicitly frames PESCO with these expectations:

The participating states view PESCO as a key instrument for ensuring continuity, coordination, and cooperation in this area, based on agreed political guidelines and with annual follow-up. [...] Commitments under PESCO also include defence industry-related elements; for example, unnecessary overlaps should be avoided.

This framing of PESCO shows that efficiency was never stated as a secondary benefit but a primary justification for the institutional commitment. European defence cooperation was seen as wasteful, fragmented and protectionist. As a respondent explained there were 17 different types of aircraft being manufactured in Europe at the time. PESCO was to provide the incentives to break down these mindsets and achieve coordination that purely bilateral arrangement could not.

The initial proposals of shared infrastructure constitute the most intuitive example of the efficiency argument. Sweden sharing its test range in Vidsel is emblematic of the idea to share existing infrastructure instead of each pMS having to build their own. This represents the kind of non-duplicative cooperation that requires an institutional framework to coordinate but does not require supranational authority to deliver (Rutigliano 2023:770). Elimination of redundant national programmes through coordinated training represents a genuine saving that PESCO's coordination function was to enable. These examples of joint programmes lead to cautiously positive overall assessments of PESCO that convey a viewpoint beyond just that Sweden has "gotten its money back". From an agency perspective a civil servant summarised it as: "[...] PESCO is rather a very good format for harmonizing requirements and designing what we call CONOPS - that is, the concept of operations, how should we use this capability?" This baseline verdict should be kept in mind as the restrictions are discussed in the following.

Initially when respondents discussed the efficiency of PESCO, the issue of funnelling EU-funds to projects was questioned. A civil servant questioned whether EU money is partly spent on projects that would happen bilaterally anyway or in other settings. This introduces the question of how much of the projects are relabelled to unlock Commission funding. By being labelled as a PESCO project, they can get up to 30% of the costs co-financed by the EDF as opposed to the usual 20%. For Research and Development (R&D) and prototype development the Commission has earmarked €1 billion in 2026 alone (DG Defence Industry & Space 2026). However, another respondent disagreed: “You can get money, but it’s very little money. Compared to today, especially, given what you get from the appropriation letter¹⁰, it’s not worth the money, I’d claim. The money is not a driving factor. You can get a lot more money elsewhere.” So, from Sweden’s perspective it seems that the financial incentives today are not strong on a project basis regardless of the Commission’s incentives, as it still stands in no relation to the money available through national allocation.

Working closely with potentially 26 other states, on the definition of capabilities has further ramifications in regard to the distribution of technological processes. The respondents largely noted an uneven technological progress across Member States that could cause delays instead of the envisioned streamlining. These potential delays could therefore possibly eliminate the efficiency gains the cooperation was designed to produce. Waiting for partners to catch up or having to catch up means the coordination costs could exceed the coordination benefits.

A respondent described the EUs current defence architecture “bewildering” in its complexity for anyone not familiar with the processes. As a part of this architecture PESCO, from a Swedish perspective, does not have the efficiency-related benefits once imagined. The Swedish position was summarised as follows:

I want to highlight that today PESCO is a very small part of what we’re working with. Quite a marginal part. But on a project level it can be very interesting [...] But that has very little to do with the general policy changes and what happens at a higher level in the EU. So, 10 years

¹⁰ *Regleringsbrevet* (Appropriation letter) is the annual government decision on which agency gets how much money toward what goal.

ago it was much more important I believe because there was nothing else. But now there is so much that is much, much bigger and much, much more important. [...] It's not PESCO that's driving policy development. Rather PESCO is fading at an EU-level.

This strong comparative judgement encapsulates the feeling throughout many interviews that PESCO, although politically viable as a way to foster a shared European sense of cooperation, has been outgrown by other formats and constellations.

Reviewing the findings from an LI perspective the expectation would be that states would favour institutions that reduce costs and deliver beneficial returns (Moravcsik 1993:514-515). Interestingly the mixed assessment by Swedish actors of PESCOs efficiency record may be seen as a confirmation of this logic. As other more pressing challenges have presented themselves, requiring fast and distinct actions, Sweden has progressively recalibrated its engagements away from the forum while still being committed to participating in projects. The formats and projects that deliver clearer and faster returns are prioritised, which would be consistent with the rational institutional evaluation of defence engagements over normative commitments.

5.3.2 Sovereignty Preservation

Beyond benefitting the efficiency of R&D, Sweden's clearest achievement of the institutional design was the voluntary, intergovernmental, unanimity-based character of PESCO. This was not a default outcome, but a condition Sweden and likeminded states actively imposed on the institutional design. From the government's bill (2017) stating: "Participation in PESCO is voluntary and does not affect national sovereignty", the concern was evident from the beginning. These were not reassuring claims but structural design features that Sweden wanted to secure and that still continue to govern the way the institution operates. The purely state-to-state characterisations was a deliberate exclusion of supranational actors as supranational institutions are kept at arm's length from PESCO's core decision-making. That way the cooperation remained a sum of national parts rather than evolving independent momentum. As discussed previously, defence on an EU level has been under-resourced since

the inception of the EDA as an active sovereignty preservation strategy. A civil servant explained:

[...] Sweden is quite sceptical against an overreach from the institutions. These questions should preferably be handled on an intergovernmental level. [...] introduction of the European Defence Agency in 2004 [...] it has been treated quite shabbily by the member states, among them Sweden.

The commitments made to PESCO have in hindsight been unenforceable, binding as they might be. Another civil servant pointed out that there are virtually no consequences to ignoring the commitments. So the legal commitments should accordingly be taken with, as a respondent put it, a “grain of salt”. PESCO is today described as voluntary and “pretty harmless”, which reveal preferences behind Sweden’s continued engagement. The nature of the framework to selectively engage in projects of Sweden’s own choosing, means sovereignty is preserved at a calculated risk with engagements possible where chosen. Although being described as harmless, a shift towards spending goals and joint procurement is seen as problematic by Sweden, as it does not want to see itself constrained in its procurement abilities. This constitutes the biggest current sovereignty concern as the framework has developed, leading to possible emerging tensions. From a perspective of retaining sovereignty there is a broad confirmation of the predictions as Sweden and likeminded countries designed the institution to preserve state control and continue to operate within it in ways that maximise flexibility and minimize binding commitment. Simultaneously these findings are in line with earlier New Intergovernmentalism findings that states, since the Maastricht Treaty, favour de novo bodies rather than further empowering the Commission (Bickerton et al. 2014:705).

5.3.3 Institutional Alternatives

Upon its inception, PESCO was not placed in a vacuum, but in an already crowded institutional landscape for Sweden that kept getting more complex. The Joint Expeditionary Force (JEF), NORDEFCO, the Northern Group, bilateral agreements and NATO host nation support are just a few of the frameworks within which Sweden navigated when joining

PESCO. It is therefore valuable to examine the material for evidence of the Swedish view of PESCO within this landscape. As LI predicts states will only cooperate in institutions to facilitate interactions, PESCO must have been a way to fill an unsatisfied need.

Across the material, both interviews and official documents, NATO's position as the hard defence actor in Europe has been a non-negotiable standpoint for Sweden even before accession. Sweden's stance in 2017 was described by a respondent as: "Swedish decisionmakers saw NATO as the actor responsible for collective defence. The cooperation with NATO was deepened during this time. It was important that the EU did not build structures that were in competition to NATO." For Sweden to accept PESCO it was therefore elementary to not challenge this hierarchy. The government bill framed PESCO as being complementary to NATO, which in turn would continue to be the forum for collective defence of the EU members. Any perceived competition with NATO would have feasibly triggered preference constraints established previously. A view shared by states like Poland (Terlikowski 2018) and the Netherlands (Zandee 2018).

The current relation of PESCO projects to other formats has proven to display a lack of clear operational distinction. As a respondent pointed out, Sweden's goal is to build military capabilities, and how that is done, is of secondary concern. Within what framework the projects Sweden participates in are put, is not always clear even to the agencies working with them. Political decisions may direct agencies to cooperate on issues where cooperation already exists but change the labels to, for example, PESCO, as another respondent disclosed. The lack of distinctions between why a project is launched in PESCO, NATO, as an EDA-CAT-B, or in other formats, presents an analytical problem when exploring the functional side as the political motivations behind are harder to determine. Respondents also spoke of functionally not seeing any difference between PESCO projects and other multilateral projects. As NATO is the source of operational requirements for Sweden, its influence becomes overarching.

When discussing the institutional choices found during the research the assessment that "PESCO is fading" is the most significant revelation. This assessment points to the institution that Sweden helped design now being outcompeted by simpler, more targeted formats.

Voluntarism and breadth have made PESCO flexible but also diluted its distinctive contribution as the pace of rearmament is increased. PESCO is still seen as a tool by respondents that can help in the implementation of standards set by NATO. The complementary nature it now clearly has for Sweden, also on the operational side, to NATO allows it to fade in and out of relevance when called upon by the pMS. This sides with an LI perspective that states treat institutions instrumentally. PESCO is evaluated by Sweden against its alternatives and efforts are redirected if other formats offer better returns. The acceptance of PESCO fading shows institutional flexibility to pursue its defence objectives through other channels.

5.3.4 Outcomes: Costs, Benefits and National Interest Maximisation

Discussing the outcomes, as appraised by the respondents, the LI framework faces its most demanding empirical test to determine whether states act rationally in maximisation of national interests. In the following the theory must now account for what Sweden actually got from PESCO and whether it matches what it sought.

The outcome of financial returns produces a mixed picture across the interviews. It is not negative as Sweden, according to a respondent, had recouped its EDA fees. By funding the PESCO projects themselves, Sweden and other pMS retain cost-control but also limit the transformative potential of cooperation. This can be seen as a rational trade-off consistent with LI (Moravcsik & Schimmelfennig 2019). The fiscal realities of EU and Swedish defence spending has undergone comprehensive reversals in preference. Sweden's departure from fiscal conservatism for Ukraine-related security questions points to an analytically significant finding.¹¹ Importantly, this points to the stakes threshold at which financial calculations are suspended as being lower than LI's rationalist assumptions might suggest.

It is also interesting to look at the comparative nature of the PESCO engagement, strategically contrasting the relation to other states and not wanting to be left behind. These potential relative gains are mostly seen in a defensive participation logic. Part of Sweden's logic

¹¹ Sweden accepted common loans to aid Ukraine, which a respondent indicated was for security reasons as well as normative reasons. This reveals that security rationales can override the cost-benefit logic that may govern Swedish institutional engagement.

in joining was, as described by respondents close to the process, to prevent others, namely France and Germany, to capture disproportionate benefits. Secondly, there were clear traces of Sweden bandwagoning on existing momentum as the push from Germany reflects a social dimension that sits uneasily with purely rational calculation. Post-accession the industrial mandate to maximise EDF project participation is evidence of a relative gains logic continuing to operate. Sweden is working to ensure its share of EU defence funding does not shrink relative to larger competitors.

Respondents explained that capability enhancement is at the top of Swedish defence priorities so considering the perceived outcomes is of the utmost importance. PESCO's contribution is assessed not in abstract terms but against specific operational requirements for collective and territorial defence. As the source of the capability is seen as secondary to the goal, a LI instrumentalist logic can be identified from the start when discussing Swedish capability enhancement. The examples mentioned by respondents of concrete capability outputs, Military Mobility and European Medical Command, are the strongest evidence that PESCO delivers value on a strategic level. These projects are also notable as they, according to respondents, could be seen in the light of civilian operations as well and therefore be argued with the non-alignment rhetoric discussed previously. But they are unmistakable tangible results to Sweden's operational environment as this is the kind of harmonising projects PESCO was expected to realize. Recognition that single states no longer can afford certain heavy platforms, as pointed out by a respondent, point to a potential deepening of integration beyond PESCO but the format remains aspirational.

Lastly, mentions of outcomes indicating the upholding of strategic autonomy for Sweden or the EU was assessed. The relevant distinction is that respondents have shown how Sweden supports practices that might shift toward European strategic autonomy in practice without necessarily the outspoken political framing. There is little evidence to support explicit links between PESCO and the Swedish turn toward a higher degree of acceptance of European Autonomy. The EU Commission's more active role in defence is noted by Swedish actors and

still seen as a point of contention, but the usefulness of forums like PESCO to, on a strategic level, define capabilities in conjunction with others is welcomed.

5.3.5 LI choices and outcomes

The institutional choice and outcome finding presented above can overall be seen as confirming the broad lines of LI integration's third stage. Sweden got the institutional design it wanted: a voluntary, intergovernmental, sovereignty preserving and NATO-complementing framework and the outcomes broadly reflect the preferences it entered with. The central point of contention remains the gap between design success and performance success. The admittance of PESCO fading combined with mixed efficiency returns and the Commission's overall expanding encroachment on the domain suggest that the institution Sweden helped design is evolving in directions the bargaining in 2017 did not fully anticipate or not adapt as necessitated by these changes. The new reality of NATO membership and renewed Russian aggression give options when choosing to cooperate. As a civil servant explained, the influx of money into the system has an effect: "More Money, things need to be done faster, as quickly as possible. There's a focus on speed. My view is that PESCO isn't the tool you should use to increase the pace."

For a theoretical verdict two central points have to be considered here. Firstly, the Swedish evaluation of outcomes is continuous and rational rather than normative and perpetual. PESCO cooperation is constantly being subjected to cost-benefit analysis. The projects based nature enable Sweden to make decisions based on national interest and PESCO's structure is seen as having benefited from countries' selectiveness as a civil servant explained: "[...] the fact that they've now started looking into it and ending projects is a sign that we're also results-oriented in this format, and that makes it more attractive for member states to participate." Secondly, the debate on strategic autonomy represents an unresolved distributional conflict that the 2017 institutional design did not settle but which through external factors has been pushed further into the spotlight. US political volatility and a significantly heightened threat perception from Russia are factors not implemented in the

redundancy of the institution leading to it becoming less attractive unless states feel it can be adapted to their needs.

Significantly several important analytical absences also factor into the reading of institutional choices and outcomes. The interviews give no evidence of preferences being transformed directly by the participation in PESCO on a larger scale. The project-based nature may form connections on a personal level but the significance ascribed to it by the political stances pre-accession have not held. That is however hardly surprising given the changing Swedish embrace of bigger multilateral defence cooperation.

Having assessed the three stages laid out by Moravcsik's LI framework and having found ample confirmation but also significant limitations, the analysis will in the next part turn to the challenge hypotheses based on other frameworks. This is a vital step, not to arbitrate between theories, but to establish where LI's explanatory power ends and where supplementary frameworks are needed to account for variation the three-stage model cannot uphold, looking to answer the sub-research question.

5.4 Challenge Hypothesis

For the purposes of this final analytical section challenge hypotheses based on other frameworks than LI serve not as alternatives, but diagnostic tools in discussing the material. Earlier analyses has among others assessed Sweden in PESCO from a rational actor model (Wallén & Woxö 2019), or a normative discursive approach (Lovcalic 2019, Hardell 2018). Alternative approaches are presently used to identify where LI's explanatory power reaches its limits and how other frameworks can account for variation Moravcsik's model leaves unexplained. The asymmetry is therefore apparent from the start as LI has been tested across the previous parts. Here the question is where LI is complete and not whether it is right. By testing LI where it is weakest, the results produced are more robust than a purely confirmatory analysis.

The three frameworks are deducted from notions of the interviews and previous usage in literature. First Neofunctionalism challenges LI's assumption that integration is

state-controlled and calculated. Then Constructivism challenges beliefs that preferences are rationally formed rather than identity-filtered. Lastly, Institutionalism challenges expectations that institutions are passive instruments rather than active agenda-setters.

5.4.1 Neofunctionalism

Neofunctionalism has fundamentally different ontological assumptions than LI, assuming that integration changes the nature of people and institutions over time (Niemann et al. 2019:46-47). It predicts that integration generates its own momentum through functional spillover between areas of cooperation (Niemann et al. 2019:48-49). One area creates pressures for adjacent areas to integrate, this progressively expands the scope of supranational authority beyond what states originally intended or authorised. First mentions of spillovers within PESCO itself have been probed for, looking for mentions of PESCO being used for more than it was intended through institutional expansion, treaty workarounds and networking effects. Secondly, broader strategic autonomy dynamics searching for mentions of the mainstreaming of autonomy rhetoric and the EU having to act on its own have been examined.

The strongest evidence found for Neofunctionalist rationale is the unmistakable alignment between PESCO and the EDF. The introduction of the EDF may have created a linkage between intergovernmental project-commitments and supranational financing. With a 10 percentage points increase in funding if a project is linked to PESCO decided on by the independent EDF Program Committee and additional bonuses for small and medium-sized companies to be included. The EDF has become a financial driver outside of direct national control. Now Sweden could feasibly find projects being shaped by Commission funding rather than purely national capability assessments. Respondents have expressed different opinions on how important this funding is for Swedish participation in PESCO projects. A respondent stated:

This means the Commission encourages the link between EDF projects and PESCO. They reason that if there is coordination, more Member States are likely to actively support this EDF project. [...] We monitor EDF projects specifically to try to ensure - provided that the

member states involved in the EDF project are also participants in the PESCO project - that information and results from the EDF project can be shared with the PESCO project.

However, this has been contradicted by other respondents which nuance the picture and see less of a direct link. One respondent pointed out that the EDF fund between 2021 and 2027 is only half of the current annual Swedish defence budget, which does not have to be shared among 27 member states. Yet another respondent saw that there is a possible association but that, “That link is too weak today for these to be effective sequential steps. That link exists primarily in regard to this 10-percent bonus.” So, there is disagreement on the degree of importance as some see the big picture developments as being close to inconsequential. While the Neofunctionalist take on these contexts is not clear cut between the actors either, the existence of such a linkage is reason enough to consider the institutional spillover and subsequent pressures created. By implementing workarounds of the treaties via the EPF and SAFE loans the EU’s formal prohibition on defence spending has been circumvented. As the political momentum might have outpaced the functional needs as a respondent claimed that “[...] a lot was forced into the projects. Maybe too much.” As integration creates its own political momentum, in line with Neofunctionalist inferences (Niemann et al. 2019:48-49), expansion produced institutional strain rather than smooth expansion.

The most significant evidence to the contrary of Neofunctionalism however, is the strong statements made pointing to the declining relevance of PESCO. This is the single most damaging find to a Neofunctionalist view. If functional spillovers were operating as the theory predicts, PESCO should be gaining institutional authority and member state investment as it over time grows beyond original compromises made. Instead, it is evidently losing ground to bilateral and other multilateral alternatives, being unable to match the speed and needs placed on new capability requirements as there is more money but less time. State control is evidently not eroding as Sweden is redirecting and increasing engagement in other areas.

In conjunction with LI the material allows for a reading in which Neofunctionalist dynamics emerge but are not standalone. Neofunctionalism should in the context of this

inquiry best be understood as a potential forward-looking framework, describing where the EUs defence integration might be heading rather than where it currently stands. For the analysis at hand LI retains stronger explanatory claims.

5.4.2 Constructivism

As opposed to LI, Constructivism looks beyond material interests shaping states behaviours and instead emphasizes identities, norms and shared understandings (Risse 2019:129-130). Importantly it does not constitute a theory and does not in itself make substantive claims about integration. Instead, it is a rationalist ontology emphasizing the construction of reality (Risse 2019:131). For constructivists preferences are not a given but socially constructed and the constitution of social structures and agents is mutual (ibid). While Neofunctionalism challenges the institutional dynamics, Constructivism challenges LI's account of preference formation.

Within EU defence institutions normative, rules-based interaction has been pointed out by respondents as evidence of norm internalisation rather than just strategic constraints. The comment that no one would bring proposals that threaten Malta's neutrality is one such instance. Internalisations of what is appropriate within the institutional setting beyond pure rationalisation of proposals reflect core constructivist claims of how institutions shape behaviour (Risse 2019:133). This builds reputational motivations as Sweden is seen as a steadfast partner alongside the other Nordic States and the Baltics. Respondents acknowledge that something like a shared EU defence discussion culture is forming, even if it remains a mix of national positions and growing common norms. Although not explicitly mentioned, a possible desire to be recognised as a certain type of actor reflects claims of identity beyond just strategic positioning.

Conversely the initial split between the MoD and MFA, as described by respondents, consolidated the normative commitment within a certain part of the state. With respondents confirming the MoD still operating on a plainly stated transactional logic the norm internalisation is nuanced within the European defence arena. The uneven distribution across the state apparatus reveals a significant limitation to how far a Constructivist account can be

taken in this regard without having to account for domestic structural disparities when discussing national preference formation.

In sum, Constructivism operates at a different level than LI and therefore cannot replace it. It explains the outer limits of what domestically viable options exist, that are the identity constraints within which the rational calculation occurs. For the present case this includes mentions of a negotiation culture within EU defence frameworks emerging as the same people meet in different formats, as a respondent explained. The framework's strength therefore lies in examining how these working relationships evolve, shaping PESCO and other formats. This would require more detailed empiricism but would certainly lead to interesting results merely hinted at in the present material.

5.4.3 Institutionalism

The last alternative to be considered in complement with LI is Institutionalism, which presents a credible and empirically grounded addition to LI in this material. Both Rational Choice and Historical Institutionalism challenge LI at its core assumptions. Rieker (2026:33) calls PESCO “the institutional backbone of EU defence cooperation”, so testing the claim against the material is of great analytical value. Neofunctionalism and Constructivism test LI's assumption about integration dynamics and preference formation respectively. Institutionalism, however, disagrees with LI's hypothesis regarding institutions, claiming that they are actors that develop their own interests over time, capabilities and capacity to shape the bargaining environment (Pollack 2019:110-111). They may create winners over time who defend them and losers who challenge them, thereby producing positive feedback effects that might make them more stable over time or negative feedback, undermining themselves (Pollack 2019:113).

Of the tools at the EU institutions disposal that respondents referenced, the EDF funding has emerged clearly as the strongest and most concrete evidence of autonomous institutional influence. This leverage managed by the Commission might not constitute enormous amounts of money in the realm of defence but its existence and possible influence with which projects

might get prioritised is still worth considering. The competence creep¹² to allow an expanding Commission footprint into a policy space is noted by Swedish respondents even if its influence is downplayed from a national perspective. Although EDF and PESCO are only politically linked, not legally (Simon & Marrone 2021:2) the potential for EDF funding to trigger PESCO projects which previous literature has considered is rebutted a respondent:

[...] the EDF is decided independently by the Commission's EDF Program Committee, which means there isn't a direct link to us taking these steps in PESCO. We harmonize requirements and develop a picture of what it should look like and what we need it for. Then we issue a call for proposals to industry via the EDF, and then we gain the capability where the equipment is developed [...]

Another source on the other hand nuanced the picture from a Swedish perspective:

Since the EDF was introduced, there has been a targeted focus on ensuring the alignment between PESCO projects and EDF projects. And it's probably not the case that EDF projects are created by PESCO projects. Rather it's more a matter of identifying various EDF projects in calls for proposals or areas that we know have been addressed in the EDF. To utilize them, so to speak. [...] the EDF has made it possible to now focus more on PESCO projects

Even if the opinions are not fully aligned between the two respondents the notable shift in EU institutional actorness driven by the Commission is noted as having an effect on the landscape, regardless of how big its impact is judged as. Constructing the EDF outside of the formal budget is a sign of institutional entrepreneurship. Furthermore, using industrial and research policy competences is acknowledged as the institutional actors having more impact. Not passively executing member state mandates but actively expanding its footprint it is a concrete and observable competence creep.

¹² Competence creep refers to the gradual expansion of EU supranational authority into areas of member state competence beyond what the Treaties explicitly confer, driven by cross-cutting governance structures and the strategic behaviour of national governments (Garben, 2017).

However, the competence creep has however not been without resistance from Sweden as the respondents note a strong Swedish defiance against the overreach. The formal sovereignty over defence decisions remain unchallenged as the Commission's influence operates at the margins and in the funding architecture. The Institutional reading of the case at hand is interesting when examining how the state-centric defence frameworks have changed since 2017. By adding these perspectives, an analysis of PESCO gains further depth when discussing the current network of forums and cooperation Sweden has to navigate where it, as a sovereign state, now is joined by other actors in the process.

5.4.5 Synthesis of alternative frameworks

As mentioned initially the three alternative frameworks discussed above are not seen as equal explanatory models to each other or to LI. They operate at different levels of analysis and address different gaps in LI's account of Sweden's PESCO involvement.

With the empirical material of the interview and documents at hand, a Neofunctionalist reading would operate downstream of the LI approach. The functional pressures it describes may be taking EU defence integration beyond what it is now but on the existing evidence it has the weakest claim.

The Constructivist view would operate upstream of LI as it lays out the constraints on the decisionmakers that shape how national preferences are formulated. Again, this would not replace the view of LI on bargaining and institutional choice but enhance the perceptions of where preferences originate when Sweden discussed joining PESCO.

Institutionalism mirrors LI more as it operates alongside it, identifying growing capacities for autonomous actions within EU institutions that reshape how states bargain. It modifies the LI state-centric view without displacing it by showing that institutional behaviour from states feature back into preferences in ways not fully anticipated.

Together they don't strictly confirm or refute LI's claims but enhance the picture as gaps in LI are filled. Across the three stages LI is however in the present case confirmed as a prudent explanatory framework to engage with Sweden's PESCO commitment. The three stages

capture the significant steps in the development and where they reach their limit the other discussed frameworks are useful to fill the gaps. In the discussion the temporal aspect is however relevant. LI performs the strongest for 2017; the bargaining and negotiating of institutional ramifications. This explanatory power is, by nature of the framework, reliant on political insights through sources that get harder to obtain over time or are subject to other source criticism. For the current period LI is weakened as the issues become intertwined and complex, so the alternative frameworks become progressively more relevant with time. As such it would be foolish to disregard them for future analysis but when discussing the origin of intergovernmental cooperation LI still holds a strong and credible position.

6. Discussion of Results & Conclusions

The present analysis has shown the distinct ways in which Sweden's journey within the PESCO-framework can be described within a Liberal Intergovernmentalist standpoint. The purpose of the thesis has been to test, with new material, whether LI adequately explains why Sweden joined PESCO in 2017 and its activities in the framework since then. Establishing where the framework holds and where it requires supplementation sets the theory-testing nature of the analysis. Importantly, the findings are grounded in the specific experiences of Swedish participation in PESCO and do not imply making larger assumptions about EU defence integration as a whole.

6.1.1 Central Finding

The central finding of the analysis is that LI provides a robust and largely accurate explanation for Sweden's initial engagement in PESCO. Overarchingly, it has been a credible perspective with which to view the development, but it is more complete for the accession and initial bargaining, than for the ongoing developments. The analysis has shown that across the three stages of LI, as described by Moravcsik (Moravcsik & Schimmelfennig 2019), the core predictions hold. The preferences with which Sweden entered into negotiations on PESCO were subject to a domestic formative process before EU engagement began on an official scale.

These positions were then carried into the bargaining, where they were to a high degree achieved as the institution Sweden helped design reflects many of its preferences. As a multilateral institution with an axis of strong integrationists, it is no trivial feat that a medium-sized state was able to influence the shaping of institutional designs and secure its red lines.

The first stage of LI is the most robustly confirmed, as the interviews have shown how Sweden arrived at EU-level negotiations with preferences formed by security threat perceptions, industrial interest, domestic consensus-building and strategic culture adaptation. The economic rationale was present as the Swedish government feared losing out on opportunities and funding, thereby managing economic interdependence through negotiated policy coordination (Fiott 2019:54). With a reorientation from international missions to territorial defence, new cooperation and institutional frameworks could help carry the burden. Notably, there was disagreement, as some respondents involved in the process claimed that PESCO had been on the table for quite some time before its activation. A further in-depth inquiry would help shed light on the process within which it appeared. The industrial interests did evidently shape not just the decision to engage but the specific chosen form. Discussions held and stances articulated were reflective of a Swedish position to not let the industry miss out on potential collaboration. An industrial perspective would have further increased the potential to examine the formation of national preference as Fiott (2019:54-55) sees the cumulative expression for different societal factors as the force behind a unified national preference in defence. The filter through which the formation had to sift was non-alignment, which was redefined rhetorically as compatible with voluntary international cooperation (as shown by Hardell 2018), a shift LI's rationalist model does not fully account for.

The second stage is moreover well-confirmed and produces analytically alluring findings into Sweden's influence as a medium-sized state in EU institutional negotiations. Sweden managed to convert industrial weight, technical competence and reputational reliability into bargaining leverage that eclipse what the overall economic weight would predict in a purely rational analysis. The divergent Franco-German preferences created a bargaining space for

Sweden through new coalitions within its geographical and ideological proximity amplifying effective power after its primary partner disappeared post-Brexit. Sweden's adaptation further confirms LI predictions that rational states adjust strategies to changes in power distributions. As a product of the preparation, industrial leverage and coalitions, Sweden performed well in the bargaining.

The design Sweden helped create in PESCO reflects the preferences it entered with clearly. It got a voluntary, intergovernmental, NATO-complementary and sovereignty preserving institution, confirming LI predictions. This study has regrettably not been able to establish to what extent these were issues of contestation between the negotiating parties in the specific bargaining beyond broad sweeps of preferences. Insight into how contentious these negotiations were would have further strengthened the analytical weight of Sweden's achieved successes. Respondents gave an overall cautiously positive assessment of PESCO but the perception of its declining relevance relative to competing formats suggest the institution is not delivering returns that fully justify the investment. Interestingly the initial agency-level scepticism described by respondents has shifted into an hopeful assessment while the ministry in charge on the other hand downplay the overall importance of PESCO for wider European defence integration. As continuous cost-benefit discussions influence Swedish EU defence involvement while other commitments compete for resources, LI's rationalist assumptions are corroborated.

6.1.2 LI verdict

Over the course of the present analysis, LI has been confirmed as a strong possible account of Sweden's PESCO engagement across all three stages. The research question posed initially should therefore be considered answered to the affirmative, as the extent to which LI can account for Swedish engagement is extensive, but naturally not definitive. LI's core strengths in this case lie in the ability to account for domestically formed preferences which were then carried over into negotiations that were on an intergovernmental level, as a single position by the government. Insights that states can exercise significant influence through industrial

leverage and that states design institutions to preserve sovereignty especially in defence are in line with previous findings of LI's explanatory power (Fiott 2019, Calcara 2020b).

The noteworthy limitation touched upon throughout this case is temporal rather than structural. As LI's predictions are geared towards why states choose to cooperate, the initial accession is a more fitting case. Discussing the continued engagement has to include considerations on the changing institutional environment Sweden finds itself in, that a state-centric model was not designed to rationalize. The answer to the sub-research question is therefore that LI reaches its limits at these points, failing to capture the temporal shifts and nuances of engagement once an institution is constructed, confirming Schimmelfennig's (2015) "snapshot" critique. Although for this analysis LI is confirmed to be the right framework. It does not explain everything, but it explains the most important developments. The limits it has are traceable and not a red thread throughout the analysis.

Establishing LI as the assertive account, the three alternatives frameworks warrant brief acknowledgement as accounts of the residual variation LI leaves unexplained. They do not undermine LI's position but identify specific points where additional lenses add explanatory value, thereby refining it. Constructivism accounts for what LI cannot explain in the preference formation stage by identifying normative shifts in how Sweden understands its EU defence commitments. LI smooths over explanations of the reinterpretation of non-alignment and norms within PESCO. Meanwhile, Institutionalism accounts for the Commission's growing autonomous capacity. With EDF as leverage for PESCO and treaty workarounds through industrial policy the environment within which Sweden engages in PESCO is changing. This sheds light on influences beyond LI's state-centric view that make changes visible otherwise not accounted for. Lastly, Neofunctionalism points to a theoretically compelling direction of functional spillover which would require further research. The three alternatives don't replace LI but taken together they produce a more complete account than any single framework and could therefore be the basis for greater analyses on different or multiple countries.

6.1.3 Future research

This thesis has provided a theoretically structured and empirically grounded baseline account of a member state's path into PESCO engagement and subsequent developments. The groundwork laid could be a starting point for other comparative studies looking at similar sized countries. Analyses of the developments in the Netherlands or Poland, medium-sized countries with defence industrial interests, would provide for fitting comparisons. Testing whether preference formation, bargaining and outcome logics that hold for Sweden hold equally for other states with different profiles and history would expand the academic discourse on PESCO and its trailblazing place in EU defence architecture. A distinction between the pre-accession and current engagement would furthermore be recommended to track change over time and not treat PESCO engagement as a coherent analytical moment.

Several questions remain open in regard to the case at hand that would merit further poignant research. The Commission has been growing in autonomous capacity which puts significant pressures on LI's state-centric assumptions. Determining how far this development can go in the future and in what capacity it represents a structural shift would significantly advance understandings of whether LI's assumptions are holding on.¹³ The analysis, as mentioned, also lacks insight from industrial players directly. Complementing this type of research with a more direct understanding of the Swedish industrial preferences and political leverage, defence industries possess before multinational bargaining, would significantly increase the understanding of LI assumptions on national preference formations. As PESCO's future is uncertain on both an institutional trajectory and in competition with others in a contested space, the expansion or even revitalisation some respondents spoke of would be a relevant future subject. Using complementary theoretical frameworks might help discuss this development further.

¹³ Håkansson (2026) gives compelling recent insight into the Commission way forward, showing that it has a "meaningful enabling role" in defence even if control ultimately stays with member states

6.2 Closing statement

Starting from an interest sparked during a seminar that mentioned PESCO in passing, the present thesis has been the result of a long, educational and far from straight-forward journey. With interviews and documents as material footing Liberal Intergovernmentalism was chosen as the lens with which to tackle this intergovernmental cooperation on the highest levels of European politics. Many overlapping frameworks now crowd the field both within the EU (PESCO, EDF, EDIP & SAFE) and some outside (JEF, EI2, NORDEFCO and various others that have not been included in the analysis) (Rieker 2026:31). Soon celebrating its ninth anniversary PESCO slipped further and further away from the centre of the European scene with other frameworks coming into focus, certainly for Sweden after the accession to NATO. PESCO has not appeared in the news much recently but a few respondents were cautiously optimistic that possible new transatlantic rifts over the next few years, especially with major allies, could see a resurrection pushed by the Commission. In the academic world PESCO, seems not to have been forgotten as it is continuously approached from new angles. In that case future research on PESCO and defence integration will be more pressing than it already is as the EU might shift into becoming an even more central actor in security. In the tradition of Hardell (2018), Pósfai (2018), Lovacic (2019), Walldén & Woxö (2019), Wulz (2021) and many more, this has been a proud continuation of students expanding the literature on PESCO. Following the subject farther and having realized its potential this will hopefully be broadened even further, as the possible approaches are as endless as the interpretations of integration.

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Appendices

Appendix A - Coding Scheme

1. National Preference formation (Before EU) engagements

(LI assumption: Preferences are formed domestically before EU interaction)

<i>CODE</i>	<i>PREFERENCE</i>	<i>MEANING</i>	<i>INTERVIEWS/ SOURCES</i>	<i>Look for Mentions of...</i>
NPF1	Security-Driven	Threat Perception	Politician, Journalists	Need to strengthen defence
NPF2	Economic/ Industrial	Defence Industry, Procurement benefits	Politician, Journalists	Benefits for Sweden's Industry, directly or indirectly
NPF3	Domestic Political Agreement	Party Politics	Parliament Debates	Having a political consensus in Sweden
NPF4	Strategic Culture	Moving away from neutrality	Journalists, Parliament debates	Sweden's role in the EU evolving to cooperation

2. Interstate Bargaining

(LI assumption: Outcomes reflect bargaining power and preference intensity)

<i>CODE</i>	<i>PREFERENCE</i>	<i>MEANING</i>	<i>INTERVIEWS /SOURCES</i>	<i>Look for Mentions of...</i>
IB1	Sweden's Power	Capabilities and Credibility	Politician, Journalists, Civil Servant	Sweden's active role in the process
IB2	Role of Key States	France and Germany	Politician, Journalists	Other EU states having leverage
IB3	Strategic Positioning	Sweden's negotiated terms	Politician, Journalist, Civil Servant	Sweden's conscious negotiation of terms before joining
IB4	Shadow of Brexit	Loss of Sweden's closest ally	Journalist, Civil Servant	The UK leaving having relevance for anyone's bargaining power

3. Institutional choice

(LI assumption: Institutions are tools to facilitate cooperation under state control)

<i>CODE</i>	<i>PREFERENCE</i>	<i>MEANING</i>	<i>INTERVIEWS /SOURCES</i>	<i>Look for Mentions of ...</i>
IC1	Functional Efficiency	Reduces duplication	Politician, Civil Servants	Improved streamlining and less duplication
IC2	Sovereignty Preservation	Maintain national control	Politician, Civil Servants	Voluntary participation retaining national control
IC3	Institutional Alternatives	Comparison to NATO or bilaterals	Civil Servants, Politician	PESCO complementing NATO

4. Outcomes and National Interest Maximization (Looking at the results

(LI assumption: States act rationally to maximize national interests)

<i>CODE</i>	<i>PREFERENCE</i>	<i>MEANING</i>	<i>INTERVIEWS /SOURCES</i>	<i>Look for Mentions of ...</i>
ONI1	Cost-Benefit	Weighing of Pros and Cons	Politician, Civil Servants	Benefits outweighing the risks
ONI2	Relative Gains	Not being left behind	Politician, Civil Servants	Wanting to keep up with other states
ONI3	Capability Enhancement	Improving Sweden's defence	Civil Servants, Politicians	Strengthening Sweden's military/industrial capacity
ONI4	Strategic Autonomy	Strengthening EU/Swedish independence	Journalist, Political, Civil Servants	EU/Sweden stepping up in the world

4. Challenges

(Checking for arguments against LI over time)

<i>CODE</i>	<i>PREFERENCE</i>	<i>MEANING</i>	<i>INTERVIEWS /SOURCES</i>	<i>Look for Mentions of...</i>
CH1	Expanding Cooperation	Moving beyond initial scope	Civil Servants, Politicians (Neofunctionalism)	PESCO being used for more than intended
CH2	Normative Commitment	Defence framed as shared political goal	Civil Servants, Politicians (Constructivism)	Identity or value driven defence commitments
CH3	EU-Level influence	Increasing role of institutions	Civil Servants, Politicians (Institutionalism)	EU institutions having independent influence
CH4	EU strategic Autonomy	EU defence seen as independent strategic project	Civil Servants, Politicians (Neofunctionalism + Constructivism)	EU having to act autonomously

Appendix B - List of interviews:

Interview No.	Date of interview	Format	Length
1	05.03.2026	Video Call	31 minutes
2	06.03.2026	Video Call	31 minutes
3	06.03.2026	Video Call	39 Minutes
4	11.03.2026	Video Call	33 Minutes
5	13.03.2026	In Person, Stockholm, Respondents home	58 minutes
6	17.03.2026	Video Call	46 minutes
7	19.03.2026	Video Call	24 Minutes
8	17.04.2026	Video Call	45 Minutes