

Who is Powerful? Examining Preferences and Testing Sources of Bargaining Strength at
European Intergovernmental Conferences

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Abstract:

Previous studies have proposed competing theories to explain European intergovernmental conference (IGC) outcomes, but they fail to test these theories against one another. I examine the literature on IGC bargaining and derive several testable hypotheses. Using data on member state preferences at the IGC leading to the Treaty of Amsterdam, I first examine which member states favor integration and which are most skeptical of integration. I also determine which member states face the highest domestic ratification restraints. I then test the competing hypotheses found in the literature by calculating the bargaining strength of member states. I find that large member states have no more bargaining strength than the average member state; instead, domestic ratification restraints seem to confer power. States preferring less integration do not appear to outperform states desiring more integration. Supranational actors, as expected, have little power.

Keywords: Amsterdam Treaty, Domestic constraints, Intergovernmental bargaining, Two-level games

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European constitutional decisions have enormous impact on everyday lawmaking within the European Union (EU).¹ Despite the immense importance of constitutional negotiations, scholars know little about the ability of individual members to influence intergovernmental conference (IGC) outcomes. Many theories in EU literature, and in comparative and international relations literature more generally, purport to explain why some member states possess more bargaining power than others. However, few of these studies perform rigorous empirical tests to back their claims, and no one has tested competing theories against one another. Some studies attempt to explain several IGC negotiations through one theoretical lens (e.g. Moravscik 1998). Others use a single IGC negotiation as one of several case studies to support broader theoretical claims (e.g. Milner 1997, Martin 2000). I take a different approach. I examine one IGC, the 1996 IGC leading to the 1997 Treaty of Amsterdam, and I use issue level data to explore and test competing theoretical hypotheses about member state power.

My findings have significant ramifications for future studies of European integration. By highlighting which member states are powerful and why, I hope to provide empirical backing to important theoretical claims about IGCs, and to direct future research on EU bargaining by suggesting new tests of bargaining strength. First, I review the most important literature on constitutional bargaining in the EU. Second, I derive testable hypotheses based on this literature. Third, I describe my data and propose proper statistical tests to pit the competing hypotheses against one another. At the Amsterdam IGC, I find that while large member states have no more power than the average member state, states with skeptical parliamentary ratification pivots tend to perform well at the

¹ Tsebelis and Yatangas 2003 discuss the Nice triple majority voting rules and their potential to create gridlock in European decision making process. For a more general discussion of the importance of institutional rules on legislative outcomes see Tsebelis and Garrett 2000 and 2002.

bargaining table. Supranational actors, on the other hand, have little say over the constitutional bargain.

These findings underscore the need to examine the preferences of all actors when explaining bargaining outcomes. To fully understand IGC bargains, EU scholars should not simply examine the preferences of large member states. Second, this paper highlights the important role that domestic political actors, specifically parliaments, play in shaping international outcomes. We must pay more attention to the preferences of domestic institutions across of all member states. Finally, these findings should have ramifications for bargaining in the expanded EU. My findings suggest that even though the new member states tend to be small, they may still have bargaining strength if they face domestic constraints.

Sources of Bargaining Power in the Literature

The literature on IGC bargaining in the EU focuses on three main sources of power. Many studies argue that bargaining strength is directly related to a country's size: larger member states have more bargaining power. A second literature suggests that countries that must appease an isolationist domestic actor may have more strength at the table. Finally, some literature suggests that supranational actors, such as the European Commission and the European Parliament (EP), may have power. I will examine each of these claims more closely.

The Power of Large States

Andrew Moravcsik makes the strongest argument for the “large member states” approach to the study of European bargaining. He argues that the history of European integration is best understood as a series of important intergovernmental bargains among the EU’s three largest member states: Germany, France, and the UK (Moravcsik 1998). Moravcsik derives member state bargaining preferences by closely examining the preferences and influence of powerful domestic actors. In Moravcsik’s liberal intergovernmentalist model, supranational institutions do not advance EU integration. Instead they are a method for creating credible commitments when an incomplete contracting problem exists. States create rigid supranational institutions through which they hope to protect their future interests (Moravcsik 1998, p73).

Moravcsik (1998) finds empirical support for his claims in the EU’s five largest intergovernmental bargains from 1955 to 1992. Through case studies, he identifies the main domestic actors and their preferences across the three large member states. Moravcsik and Nicolaidis (1999) apply the same liberal intergovernmentalist approach to explain the outcome of the negotiations leading to the Treaty of Amsterdam. They examine substantive issues discussed at the negotiations: immigration and policing policies, social and employment policies, foreign policy, defense policy, and several others. They find that the preferences of the large states explain the bargaining outcome relatively well.

The Power of Domestic Constraints

Literature on international bargaining has long held that domestic actors may tie the hands of international negotiators, conferring power to the constrained state. This idea

was first expressed by Thomas Schelling and has come to be known as the Schelling conjecture (Schelling 1960). Robert Putnam's article "Diplomacy and Domestic Politics: The Logic of Two-Level Games" sparked renewed interest in the Schelling conjecture during the 1990s (Putnam 1988). Putnam argues that hawkish domestic ratification restraints shrink the winset of an international bargain. This has two effects. First, under complete information, a domestic constraint strengthens the constrained bargaining team. As all bargainers know what domestic actors will and will not ratify, the negotiating partners must appease the most skeptical domestic actor, or the treaty will fail. Second, under incomplete information, a smaller winset may increase the likelihood of ratification failure, what Putnam terms "involuntary defection." When the bargaining set is not empty, involuntary defection makes all actors worse off. While Moravcsik's argument clearly relies on the preferences of domestic actors, the logic of domestic constraints suggests that focusing on large states is insufficient for understanding bargaining outcomes. A small state may be powerful if it has a domestic constraint.

Inspired by Putnam, formal theorists have identified conditions under which domestic constraints and divided government may confer power to the constrained bargaining team. Most find that the Schelling conjecture holds under some conditions.² However, very little empirical work has been done to support these findings. Helen Milner (1997) tests the two state bargaining model she develops with Peter Rosendorff (Milner and Rosendorff 1996, 1997) through a series of case studies. She finds support

² For general models suggesting the power of domestic constraints, see Milner and Rosendorff 1996 and 1997, Iida 1993 and 1996, and Mo 1994 and 1995. Further studies focus specifically on the EU. Pahre 1997 examines permanent parliamentary oversight mechanisms across different European countries. He argues these provide a credible domestic constraint and confer power. Pahre 2001 refines the Milner and Rosendorff model and applies it to the dual monarchies of Austria-Hungary and Sweden-Norway and the EU today. Schneider and Cederman (1994) develop a model of EU IGC bargaining which demonstrates that, under certain conditions, a non-integrationalist member state with a ratification restraint can force other member states to accept a less integrationalist treaty.

for her model in those cases, but her analysis leaves room for more rigorous and thorough testing.

Lisa Martin (2000), using logic similar to Milner's, finds that domestic constraints lead on the one hand to tougher international negotiations, but on the other hand to stronger, more credible commitments once the treaty has been ratified. She also tests her theory through a series of case studies and finds that domestic actors do in fact matter. Moreover, constraints affect parliamentary and presidential regimes similarly. Unfortunately, her analysis brings us no closer to understanding who matters, under what circumstances do they matter, and how much.

By contrast, Simon Hug and Thomas Koenig attempt to detail the nature and power of domestic actors with respect to the EU. Hug and Koenig (2002) study the Treaty of Amsterdam negotiation process. They specify the importance of the ratification hurdles present in each country. These hurdles range from a simple majority in parliament, the UK for example, to high qualified majorities and the possibility of a public referendum, as is the case in Denmark. The preferences of domestic actors are also integral to determining whether constraints are important in the negotiation process. A country such as Germany has a relatively high ratification hurdle, but all its domestic parties favor EU integration. Therefore, German negotiators are not constrained at the table. However, in the UK, which only requires a simple majority in the parliament, Euro-skeptic parties may make ratification difficult. Using data on the treaty outcome, governmental bargaining preferences, and the preferences of domestic ratification pivots, they find support for the hypothesis that the preferences of domestic ratification pivots

matter in treaty negotiations.³ However, they only examine a subset of issues addressed at the IGC and they do not test other competing hypotheses.

The Power of Supranational Actors

Some EU literature suggests that supranational actors may have power at IGCs. Authors who examine the power of these supranational actors have taken different methodological approaches. The most common approach is constructivism. “Garbage can theories” view treaty negotiation as a process in which member states, key non-governmental actors, and supranational actors compete to frame the treaty (see Mazey and Richardson 1997). There is no fixed agenda for treaty negotiation, and actors of all types compete for influence and in turn are influenced by other actors. Treaty negotiations are very unpredictable as it not clear who has power or for what reason.

Similarly, historical institutional approaches argue that treaty negotiations cannot be understood outside of the particular circumstances under which they were designed (see Sverdrup 2002). To understand the current treaty negotiation process one must have extensive knowledge of previous supranational agreements. Both of these theories directly attack the assumptions of Moravcsik’s liberal intergovernmentalism. While they allow supranational institutions to shape treaty bargains to some degree, these approaches do not clearly specify how. Sources of bargaining power are constantly changing and may be different from negotiation to negotiation.

³ Other studies demonstrate that domestic constraints mattered in the negotiations leading to the Maastricht treaty. Hosli 2000 argues that Germany tried to affect the size of its domestic winset through issue linkage. Koenig and Hug 2000 provide empirical evidence that ratification constraints mattered when negotiating opt out clauses for Denmark and the UK on economic issues.

Pollack (1999) offers a different explanation for the power of supranational actors at EU treaty negotiations. He examines the informal agenda-setting powers of supranational actors at the Amsterdam IGC. The supranational institutions were quite active during the Amsterdam negotiations; however Pollack reminds us, “activity is not influence” (p14). While the supranational actors could, in theory, have informal agenda setting powers, Pollack finds little clear evidence of supranational influence on the final treaty outcome. He concludes the supranational actors were at best informal agenda setters with marginal influence.

Finally, Hix provides a model in which supranational actors have influence over IGC outcomes without having any direct bargaining power at treaty negotiations (Hix 2002). Using the Treaty of Amsterdam as his case study, he argues that the European Parliament (EP) can set the constitutional agenda long before IGC bargaining begins. The Treaty of Amsterdam vastly increased the power of the EP. However, Hix argues that this change was largely a formality. The treaty simply solidified an operational change the EP had made itself following the signing of the Maastricht treaty. Unhappy with the Maastricht rules, the EP reinterpreted them in its favor. After operating according to its favorable interpretation for a number of years, the EP was able to present the Amsterdam IGC with its rules changes as a *fait accompli*. This suggests that supranational actors have power over treaty negotiation outcomes, even when they have little or no negotiation power at IGCs.

Hypothesizing IGC Power

The literature suggests many different potential sources of bargaining strength, but fails to test these hypotheses against one another. To perform such a test, I must first define bargaining power. Power refers to a member state's ability to move the treaty outcome closer to its ideal point and away from the ideal points of others. To have power, a member state must have influence. A member state may come close to realizing its ideal point if it prefers a treaty centrally located in the bargaining space or has preferences similar to those of a powerful actor. This, however, is more luck than power. To test potential sources of power, I first derive clear hypotheses based on the literature and demonstrate what implications they would have on IGC bargaining.

H₀: All member states have equal power at treaty negotiations.

To begin, I hypothesize that no member state wins or loses more often than any other member state at negotiations, and that the composition of a winning coalition does not affect the coalition's size.

H₁: Large member states have more power.

By focusing on large member states, Moravcsik's work implicitly suggests that these states have more power than smaller member states (see Moravcsik 1998 and Moravcsik and Nicolaidis 1999). It is plausible that Germany, France and the UK have more power than the other member states by virtue of their larger populations and economies. If true, coalitions containing the large states would need to contain fewer member states to win.

H₂: Member states with domestic constraints are more powerful.

The works of Schelling, Putnam, and many formal modelers following them suggest that domestic constraints confer power to negotiators. They argue that ratification

restraints form the winset of treaty negotiations. Thus, on average, those states with higher ratification restraints should win more often than those without restraints. If a restrained state is in a winning coalition, the coalition may be smaller all else equal.

H₃: Member states whose preferences are closest to the status quo are more powerful.

Spatial bargaining models, such as the one presented by Milner and Rosendorff (1996), suggest that proximity to the status quo confers power. This would imply that negotiating teams close to the status quo win more often. This is related to, but substantially different from H₂. In H₂ we are concerned with the proximity of domestic constraints to the status quo, while here we are concerned with the position of governments.

H₄: Supranational actors have power.

Finally, Pollack (1999), Hix (2002), and numerous works in the constructivist and historical institutionalist traditions suggest that the presence of supranational actor in a coalition should provide the coalition additional strength.

This final hypothesis is the most difficult to test. Constructivist scholars argue preferences are not static and are constantly reshaped during the course of treaty negotiations, making them difficult to quantify.⁴ Moreover, they argue that member states may be influenced by supranational actors, meaning we may mistakenly attribute supranational influence to member states. Even if supranational actors do shape IGC outcomes, many argue that their power is most evident before the IGC, not at it.

⁴Moravcsik and Nicolaidis (1999) argue that constructivists are wrong to suggest that preferences are constantly changing. By examining debates that occurred at different points in the negotiating process, the authors conclude that the preferences of the large member states remained constant during the bargaining period.

Having derived these hypotheses from the comparative and international relations literature on EU bargaining, the next step is to weigh the evidence for each of these hypotheses against the evidence for the others.

The Data

My dataset includes the preference of each member state's international bargaining team on each issue discussed at the Amsterdam IGC, the preference of the pivotal party in each member state's parliament over the different types of issues discussed, preferences of EP and the Commission, and the outcome of treaty.⁵ Following Hug and Koenig (2002), I examine issue subtraction. Over the course of the IGC, bargaining teams discussed numerous treaty drafts including 228 issues; however, not all these issues were included in the final treaty. Those that were too contentious were left out. Of the original 228 draft issues, 69 were fully included in the treaty. The bargainers came to a lesser compromise on an additional 15 issues, and 144 issues were dropped entirely, leaving the status quo.⁶ By examining which issues were subtracted and which remain, as well member state preferences over these issues, we can learn about member state bargaining power.

I calculate the preferences of the parliamentary ratification pivots by aligning the parties in each member state's parliament on a left-right dimension according to their preferences on 12 different issue areas, constructed to match questions asked on the Eurobarometer polls. I calculate party positions by assuming that parties' preferences

⁵ The data were provided to me by Thomas Koenig. The issue space, member state preferences and the position of the status quo were coded based on a report written by a European Parliament taskforce just prior to the start of treaty negotiations. All coding was done by graduate student researchers at the University of Konstanz, Germany. A portion of this dataset was used by Koenig and Hug 2002.

match constituency preferences, which are calculated using responses to the Eurobarometer poll 41.7 conducted just prior to the IGC. Respondents were asked about their party identification along with several questions corresponding to the different issue areas. The assumption is that party preferences match the preferences of the party's mean voter. After aligning the parties, the member state's ratification procedure determines which party is pivotal.⁷

The issues areas are divided between substantial issues and institutional and procedural issues. Substantial issue areas involve a predictable one-time change to policy immediately following the implementation of the treaty. These issues fall into seven different categories. Institutional and procedural issues concern rules and structural changes that will have a long-term effect on EU decision-making processes. These fall into five categories. All issue areas are listed in Table 1 and a more detailed description can be found in the appendix.⁸

Table 1 Here.

After linking these issue areas to questions on the Eurobarometer and determining the position of the ratification pivots, I create two variables to measure the degree of constraint a member state faces- *pivotal distance* and *divided government*. *Pivotal distance* is defined as the position of a member state's parliamentary ratification pivot in relation to the ratification pivots of other member states. I calculate the mean pivotal position across states for each issue area. I then subtract each individual member-state's

⁷ In bicameral legislatures where the agreement of both houses is necessary for ratification, I compare the positions of the pivots in the upper and lower houses and use the position of the least integrationalist pivot.

⁸ The substantial issues were originally separated into the categories by Hug and Koenig 2002. The institutional and procedural issues were placed into categories by Koenig and Slapin 2004.

pivot from the mean pivot for that issue area. The more negative *pivotal distance* is, the more constrained a member state is for that issue area.

This approach sacrifices information about the absolute position of the pivots. We do not know the general status quo bias of the pivots on any particular issue. However, we gain information about their position relative to one another. Instead of simply stating that for a particular issue area one member state is domestically constrained while another is not, we can quantify precisely how much more one member state's pivot desires the status quo compared to all others. For the purposes of this paper, I take the average pivotal distance across all issue areas to determine which member states are most constrained for the treaty as whole.

To capture the distance between the ratification pivot and the position of the member state government, I create the variable *divided government*. This measures the distance between the ratification pivot and the position of parties in government, weighted by the percentage of seats they bring to the government.⁹ A negative value reflects a pivot closer to the status quo than the average position of the parties in the government. Table 2 reports *pivotal distance* and *divided government*.

Table 2 Here.

The table confirms that the most constrained states at the time of the Treaty of Amsterdam are the three Scandinavian countries, followed by Austria. The pivots of

⁹ I also calculated *divided government* by using the distance between the ratification pivot and the party in the government closest to the status quo. On this measure, Sweden is the most constrained state and Austria is the third most constrained. However, Finland is the second least constrained and Denmark falls in the middle. The measure of dividedness correlates poorly with both *pivotal distance* and the *divided government* variable I present in Table 2.

Denmark and Finland have the greatest status quo bias both compared with the other EU countries and with their own governments. Luxembourg and Italy also have pivots near the status quo compared to their home governments; however, this is due to the pro-EU stance of their governments rather than an anti-EU stance by the pivots. When compared to other member states, the Italian ratification pivots prefer the most ambitious treaty of all and Luxembourg's are somewhere in the middle. Leaving Italy and Luxembourg aside, Finland, Denmark, Sweden, and Austria, are the most constrained by both measures. There is moderate correlation between the two variables including Spain and Italy ($r = .50$), but it grows stronger when Luxembourg and Italy are excluded ($r = .64$).

Evidence

To test my hypotheses, I first present some simple summaries of the data. I then report several models that examine why some member states win at treaty negotiations more often than others. I begin by examining how many times each actor preferred a change in the status quo and how often each member state got what they wanted. These summaries are presented in Tables 3 and 4.

Table 3 Here.

The European Parliament favors the most ambitious treaty of any actor. The Commission, the Benelux countries, Italy, and Spain also favor a large number of status quo changes. The most constrained states, like the Scandinavian countries, want a less ambitious treaty. The correlation between the number of issues supported and *pivotal*

distance is .62. It is quite interesting to note, though, that Austria, a state which faces relatively a high domestic constraint, prefers an ambitious treaty. Some less constrained states like Ireland and the UK prefer a treaty located closer to the status quo. Finally, there is little difference between types of issues. States that want less ambitious substantial changes also want less ambitious institutional changes. The correlation between substantial issues and institutional issues is .92.

Next, Table 4 displays the actors' winning percentages. This equals the number of times the treaty outcome matches a member state's ideal point divided by the number of issues. A 1 indicates that the actor received its ideal point on all 228 issues. A zero indicates that the actor never realized its ideal point. I calculate winning percentages for the treaty as whole and also for substantial and institutional issues separately.

Table 4 Here

Some actors clearly perform better than other actors. Again, the Scandinavian actors fare very well. The Netherlands and Luxembourg also perform surprisingly well. The Netherlands was the host of the IGC and held the rotating Council Presidency during the period of treaty negotiation. It is possible that this was a source of power. It is unclear why Luxembourg would have power. Most likely, it happened to get lucky by having the right preferences on the right issues. France, Germany, and the UK all fall near the bottom of the list. It is particularly surprising that Germany performs 10 percentage points worse than Sweden, the actor with the highest winning percentage. The supranational actors do not perform especially well, either. The EP performs the worst of

all actors and the Commission falls in the middle. Again, there seems to be little variation across issue types. The correlation between all issues and substantial issues is .9. The correlation between institutional and procedural issues and all issues is .61.

This preliminary evidence tends to support H_2 and fails to support H_0 , H_1 , and H_4 . There may be some support for H_3 . The domestically constrained Scandinavian states win most frequently, while the large member states perform worse than expected. Supranational actors, especially the EP, exert little influence during the bargaining process. Some states close to the status quo perform well, but the UK, one of the states closest to the status quo, has a relatively low winning percentage. Of course, the results I present here are simple calculations and bivariate correlations. We must develop a more rigorous test that is better able to pit these competing theories against one another.

I suggest a probit model that allows me to use individual issues as my level of analysis, preserving more of the data. My dependent variable is simply a 1 for issues included in the treaty, and 0 for excluded issues.¹⁰ To test my null hypothesis, I create a variable called *support*. This is simply the sum of the preferences of all member states on a given issue. It can range between 0, when no one supports an issue, to 15 when every member state supports that issue. I then create a second variable, *csupport*, which weights every member state's preference by its Council voting weight. For example, since Germany had a Council voting weight of 10 at the time of the IGC, when Germany supports an issue the issue receives 10 votes. If Luxembourg supports an issue, the issue only receives 2 votes. *csupport* can range from 0 if no member states support an issue to 87 if all states support it. Below are histograms of these two variables.

¹⁰ 15 issues, which were neither fully included in the treaty nor excluded, take on intermediate values. Because there are so few of these issues, an ordered probit model does not perform significantly better than a probit model, so I opt for the simpler model.

Figure 1 Here .

As expected, these variables have very similar distributions. Both are right-skewed, implying that most issues received little support. More than 100 issues received support from five member states or fewer. Likewise, approximately 80 issues were supported by 20 council votes or fewer. However, a number of issues did receive broad support. More than 50 issues received support from at least two thirds of the member states, and about the same number of issues had at least 60 Council votes behind them.

Examining the distribution of the *support* variable by issue area, I find that while most issue areas have a distribution similar to that in the treaty as a whole, some issue areas received more support than others. Issue areas S2, S3, and S4 received the broadest support. On average, 10 of the 15 member states supported issues in these issue areas. The issue areas receiving the least support were S5, S6, and IP3. Issues in these areas only received support from 5 member states on average. The type of issue, substantial vs. institutional and procedural, seemed to matter little when determining support. Substantial issue areas were both the most and the least supported. On the other hand, issue areas with similar content, such as S7 and IP2, have very similar distributions.

In the aggregate, treaty outcomes also seem to correspond closely with overall issue area support. As we would expect, issue areas that received broader general support had a higher percentage of their issues included in the final treaty. Figure 2 displays the percentage of issues included in the final treaty by issue area as a function of the percentage of issues the average member state wished to include from that issue area. For

example, in issue area S4, the average member state wished to include approximately 66% of the issues negotiated. The final treaty included 71% of the issues.

Figure 2 Here .

We expect a one-to-one relationship between these variables, and this is not far from what we find. The regression line falls very close to the $y=x$ line. Nevertheless, some issue areas lie farther from the line than others. Many more issues from S5 are included in the final treaty than we would expect, and fewer are included from S1 and IP4.

These aggregate data demonstrate that there a clear relationship higher general support and issue inclusion, but they cannot explain why any particular issue is more or less likely to be included in the treaty. Moreover, they do not help us compare the hypotheses I laid out earlier. However, this analysis does show that variables that capture general support levels are important controls. If we find other important variables that better test our hypotheses, even after controlling for general support, we can be much more confident in our analysis.

My other independent variables are simply the preferences of different member states and supranational actors across all 228 issues. Like the outcome of the treaty negotiations, these preferences are coded between 0 and 1, where 0 indicates a preference for the status quo and 1 represents a desire to change the status quo. Preferences on most issues are either 0 or 1, but occasionally actors have intermediate preferences. I choose actors that are important for testing the hypotheses listed above. For example, I include the largest member states, member states close to the status quo, the Council President,

supranational actors, and the member states with the highest ratification pivots. I also include a variable *large state*. This variable multiplies the preferences of the three largest states. When one of the three large states has a preference for the status quo, this variable becomes a 0. If all three large states prefer to include an issue, this variable is a 1. This tests whether large states must all agree on an issue to have power over the treaty outcome. Table 5 displays the results of several models that explain issue inclusion at the Treaty of Amsterdam.

Table 5 Here.

Models 1 and 2 once again suggest that overall support is very important when determining which issues are included in the final treaty. Both of my support variables, *support* and *csupport*, work equally well. Figure 3 displays the rise the in probability of issue inclusion as the size of the support coalition increases.

Figure 3 Here.

The probability of issue inclusion rises dramatically as the level of support rises. It makes no difference if we count member states as equal players or if we weigh them by their Council vote¹¹. Model 3, however, begins to give us some insight into how a member state's size affects its bargaining strength. When I include *support* and *csupport* in the same model, the coefficient on *support* becomes larger and remains highly significant

¹¹ I do not include a graph based on Model 2 (which uses the CSUPPORT variable) as it looks virtually identical to the graph based on Model 1.

($p < .01$); however, the coefficient on *csupport* changes sign. A negative coefficient implies that a member state is punished for having more council votes. In other words, the probability of issue inclusion still increases as the number of member states in the support coalition grows, but it is better to have smaller member states in the support coalition than larger states.

The next step is to determine which member states are powerful and which have only a small effect on the treaty outcome. Model 4 includes variables to capture the preferences of all member states which may have power. Because of collinearity, *support* loses significance, but it does remain positive. Denmark and Austria have positive coefficients that are significant at the $p < .1$ level. Surprisingly, none of the coefficients on the large member states- Germany, France and the UK- attain statistical significance. The UK's coefficient is even negative. I suggested earlier that the Netherlands and Ireland may have power because they held the rotating Council Presidency during the year prior to the IGC. Ireland is also the member state located closest to the status quo. The Netherlands' coefficient is positive but fails to attain statistical significance. Ireland's coefficient is both negative and fails to reach significance. It appears that neither of these states is overly influential. To reduce collinearity, I drop these two states from Model 5. *Support* regains significance and the coefficients on the remaining states are similar to the coefficients in Model 4. Models 6 and 7 run the domestically constrained states separately from the large member states. A ratio test between Models 5 and 7 fails to differentiate between the two models ($R=1.18$, $p=.76$). Adding the large member states to Model 7 provides little additional explanatory power. Finally, Model 8 includes the *large state* variable. This coefficient, too, is negative and insignificant. It appears that even

when all three large states agree, they still provide little added value to a support coalition.

Because this is a nonlinear model, the magnitude of the coefficients is difficult to interpret directly. I have attempted to explain what the signs of the coefficients suggest. Now I provide some figures to describe with greater clarity the effects of including individual member states in support coalitions. I first examine Denmark. Denmark has both a high ratification pivot and supports relatively few changes to the status quo. Both of these traits may be sources of bargaining power. Figure 4 presents three graphs displaying Denmark's strength.

Figure 4 Here.

The first figure displays the probability of issue inclusion as overall member-state support rises when Denmark is in the support coalition. The second shows the probability of issue inclusion as support rises when Denmark is not in the support coalition.¹² The third figure is a graph of first differences that shows the jump in the probability of issue inclusion when Denmark is in a support coalition of a given size, compared with a support coalition of the same size without Denmark. A flat line at zero would mean that Denmark has no power. If this were true, the probability that issue *i* is included in the treaty when a coalition of size *x* with Denmark supports inclusion is the same as when a

¹² To generate these figures, I must hold the other independent variables at a set value. I weigh each member state's preference by the size of the coalition. When the coalition is smaller, the preference of each member state is weighted less. When the coalition is larger, the preferences are weighted more. This means that for any given size of support coalition, I care only whether Denmark is in the coalition. I am not concerned about the coalition's remaining composition. Denmark's coalition partners are assumed to be the average of all the remaining member states.

coalition of size x without Denmark supports inclusion. The fact that Denmark has a positive value for coalitions of all sizes indicates power. If a coalition has approximately 10 members, the probability of issue inclusion rises approximately .2 when Denmark joins the coalition. We notice that Denmark's power is greatest in coalitions of approximately 9 or 10 member states. This is expected. When everyone opposes an issue, Denmark should not have much strength. The same is true when everyone supports an issue. However, when two-thirds of member states support an issue and one-third oppose, Denmark has a great deal of power. It is important to notice that for all coalition sizes, the 95% confidence interval never includes 0. For all coalition sizes, Denmark has more power than the average member state.

I next examine Austria's power. Austria has a high domestic constraint but its government favors a relatively ambitious treaty. This may help separate the effects of domestic constraints and distance from the status quo. Figure 5 presents Austria's power.

Figure 5 Here.

Like Denmark, Austria seems to have a great deal of power in coalitions of all sizes. Again, Austria's power is magnified in coalitions where approximately two-thirds of member states support an issue. When 10 member states support an issue, the probability of that issue's inclusion jumps by .2 when Austria is one of those 10 states. The 95% confidence interval does not include 0. Austria's power tends to suggest that proximity of the negotiators to the status quo is less important in determining bargaining strength than domestic constraints.

The last two domestically constrained states are Sweden and Finland. Figure 6 presents graphs of their first differences.

Figure 6 Here.

Although it is slightly less than Denmark's and Austria's, Sweden's power is relatively large. Again, it is greatest when the support coalition is approximately 10 member states. Sweden is the third most constrained member state and the sixth closest to the status quo. It seems that domestic constraints may again be a source of power, although we cannot rule out the importance of proximity to the status quo. However, Sweden's 95% confidence interval does just barely include 0.

Finland, however, is a surprising case. It has the highest domestic constraint of any member state and it is the fifth closest member state to the status quo, yet it appears to have very little power. For coalitions of all sizes, its power hovers around 0. If we look back to table 4, we see that Finland has a relatively high winning percentage, but this is probably because of the proximity of its preferences to Austria, Denmark and Sweden. It is unclear why these three states would exhibit power but Finland would not. Perhaps Finland is highly constrained on some types of issues but not on others. This will require a more in depth investigation. So far, my examination of Denmark, Austria, and Sweden has revealed strong support for H_2 , but H_3 also suggests that Finland is powerful. This does not appear to be the case.

Next, I present my findings for the three largest member states. Contrary to much of the literature on EU integration, the large member state exhibit little power at the

bargaining table. I find little support for H_1 . Figure 7 displays the graphs of first differences for Germany, France, and the UK.

Figure 7 Here.

Germany's and France's power is slightly positive on average, but 0 is clearly within the 95% confidence interval. The relationship between coalition size and member state power is not as U-shaped as it was for other countries. Their power is clearly less than that of Denmark, Austria, and Sweden for all coalition sizes. The UK's power is almost exactly zero. Table 3 revealed that both the UK and France lie close to the status quo. This suggests that proximity to the status quo (H_3) may not be a sufficient condition for bargaining power at IGCs.

Discussion

The null hypothesis states that all member states are equally powerful. My initial analysis of winning percentages suggests, however, that not all member states are created equal. Some clearly realize their desired preference more often than others. While Sweden gets its way nearly 70 percent of the time, Italy does only slightly better than it would by flipping a coin. In the probit results, we find that three of four domestically constrained states have high winning percentages because they are actually powerful. They are not simply the beneficiaries of lucky positioning. While the SUPPORT variable, which weighs each member state equally, explains the Amsterdam outcome fairly well,

the preferences of Denmark and Austria reach statistical significance even after controlling for general support. It seems unlikely that the null hypothesis is correct.

Following Moravcsik, H_1 suggests that the preferences of large states matter the most in IGC bargaining. My most surprising finding is that H_1 seems to be false. Size does not seem to matter for IGC bargaining strength. Member states with a high number of Council votes actually appear to make poor coalition partners. None of the large member states perform particularly well. They do not even seem to very successful when all three desire the same outcome. This is in spite of the fact that the UK and France prefer the status quo on a great number of issues. It is worth noting that none of these states have high domestic constraints.

The data provide the most support for H_2 : domestically constrained states appear to perform well. Denmark, Austria, and Sweden exhibit substantial power, especially over issues that enjoy two-thirds support from the other states. When ten states support an issue, a yes vote from a constrained state greatly increases the probability that the issue will be included, while a no vote means the status quo is more likely. While I find that most constrained states are powerful, domestic constraints do not always confer power. Finland is highly constrained but exhibits little bargaining strength.

H_3 suggests that member states (or negotiating teams) with preferences near the status quo may win more often than other states. However, this does not appear to be the case. The preferences of Ireland, the UK, and France all fall close to the status quo, but these states appear to be relatively weak. While proximity to the status quo confers power, it appears to be the ratification pivots' proximity to the status quo rather than the bargaining teams' that matters.

Finally, I hypothesized that supranational actors may have some power (H₄). While this hypothesis is difficult to test, my data suggest that they have very little influence at IGCs. The European Parliament consistently desires integration over all issues. Because of this, it has the lowest winning percentage of any actor. The Commission performs little better. Nevertheless, my data cannot answer many of the claims in the literature about the power of these actors. I cannot address whether supranational actors affect the agenda long before the IGC as Hix (2002) suggests, or whether supranational actors sway the opinions of other actors, as the constructivist literature argues.

Conclusion

This paper has derived five hypotheses based on bargaining literature. While most studies focus on one theory and attempt to find evidence for it by using IGCs as case studies, I take a micro approach. Using data from one IGC, I test competing theories against one another. I have presented my data and provided evidence both for and against the most common hypotheses in the literature. My most significant finding is that large member states seem to have no more power than the average member state at the IGC bargaining table. I also find that supranational actors lack power the bargaining table, confirming a common assumption in the literature. My last finding is that domestically constrained actors, with the exception of Finland, have a great deal of power. They are most able to affect whether an issue is included in the treaty or not when approximately two-thirds of member states support an issue. In other words, if a support coalition has approximately 10 members and it wishes make sure that an issue is included, it is better

off courting the votes of Denmark and Austria than it is courting Germany or the UK. Not all coalition partners are equal.

More work must be done to draw definitive conclusions about the degree to which these hypotheses are correct. For example, large states may indeed have power when setting the IGC agenda. Perhaps if it had not been for Germany, France, and the UK, the bargainers would have faced a very different set of 228 issues to bargain over. My data cannot address this claim. I have already discussed the difficulties faced when trying to rule out supranational influence as well.

Nevertheless, I have presented some plausible tests and uncovered some surprising results. We should be more skeptical of studies which explain IGC bargains on the basis of just three member states. To understand IGC bargaining, we must carefully examine the preferences of domestic institutions across all member states. Finally, in the new EU with 25 member states, we should not be surprised when new, smaller member states flex their muscles at constitutional bargains, as Poland did at the recent constitutional convention. If new member states face high ratification restraints, they may indeed a significant bargaining advantage. This analysis provides further insight into sources of bargaining power at IGCs, an under-researched area, yet one which has extraordinary consequences for the daily functioning of EU institutions.

Appendix: *Description of issue areas.*

S1 contains issues such as the inclusion of a treaty chapter on basic and human rights, a nondiscrimination clause, and a clause protecting the equality of women. Issues concerning the protection of minorities are included here, as is an issue that seeks to strengthen EU citizenship.

S2 primarily deals with third pillar issues such as border politics, political asylum, and visas. It also includes issues concerning international policing and anti-terror measures.

S3 contains issues concerning working conditions within the EU, unemployment levels, and a measure aimed at increasing European competitiveness.

S4 covers environmental issues such as sustainable development, the ability to strengthen national environment regulations, and better environmental impact testing prior to economic development projects.

S5 contains any remaining substantial issues which do not fit well into the listed categories.

S6 primarily concerns agriculture and includes issues about fisheries as well as protection from catastrophe.

S7 covers issues concerning the Common Foreign and Security Policy (CFSP). It also covers EU defense policy and includes issues concerning the development of an EU armament policy and a proposal that would allow the Western European Union to serve as the European pillar at NATO.

IP1 contains remaining issues that could not fit in the other IP categories. The majority of issues concern the institutional role of national parliaments in EU decision making.

IP2 covers rules changes within the CFSP, such as the introduction of an initiation right for the Commission and a move to qualified majority voting on CFSP decisions.

IP3 covers issues that would alter the power of the Committee of Regions and the Economic and Social Committee. It also contains issues that refer to the power of the European Court of Justice (ECJ).

IP4 refers to changes to the structure and power of the Commission. Issues include the reduction in the number of Commissioners, the election of Commission president through the EP, and a simplification of the comitology structure.

IP5 covers issues that would alter the strength of the Council in relation to the EP. Issues in this area include the expansion of codecision procedure to the CFSP and to the budget.

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Table 1. Issue Areas

S1	Rights, Citizenship and Voting
S2	Subsidiarity
S3	Worker's Rights and Unemployment
S4	Environment
S5	Issues Not Covered by Eurobarometer
S6	Agriculture
S7	Foreign and Defense Policy
IP1	Issues Not Covered by Eurobarometer
IP2	Military and Defense
IP3	Supranational Strength
IP4	Commission Strength
IP5	Council Strength

Note: S designates substantial issues. IP designates institutional and procedural issues.

Table 2. Average Degree of Member State Constraint across All Issue Areas

Measures of Member State Constraint

Member State	<i>Pivotal Distance</i>	<i>Divided Government</i>
Denmark	-0.15	-0.08
Finland	-0.15	-0.05
Sweden	-0.10	-0.04
Austria	-0.09	-0.04
UK	-0.07	0
France	-0.02	0.01
Luxembourg	0.01	-0.05
Portugal	0.02	0
Germany	0.06	-0.03
Greece	0.06	-0.01
Ireland	0.06	0.01
Netherlands	0.06	-0.02
Belgium	0.09	-0.02
Spain	0.10	0
Italy	0.12	-0.04

Table 3. Number of Status Quo Changes Each Member State Supports.

Member State	Total Treaty	Substantial Issues	Institutional and Procedural Issues
EP	170.375	74	96.375
Belgium	127.875	58	69.875
Italy	126	54.5	71.5
Austria	115.875	49	66.875
Spain	113.75	46.875	66.875
Commission	110	51.875	58.125
Netherlands	108.625	41.375	67.25
Luxembourg	107.875	45.5	62.375
Greece	107.625	48.5	59.125
Portugal	98.75	41	57.75
Germany	96.75	34.25	62.5
Sweden	82.75	32.5	50.25
Finland	82.25	34.125	48.125
France	79.25	33.125	46.125
Denmark	72.75	28.75	44
UK	69.875	26	43.875
Ireland	68.625	27.125	41.5

Table 4. Winning Percentages by Actor and Issue Type.

	All Issues	Substantial Issues	Institutional and Procedural Issues
Sweden	0.69	0.72	0.66
Netherlands	0.67	0.74	0.59
Denmark	0.66	0.68	0.64
Luxembourg	0.66	0.71	0.61
Finland	0.65	0.68	0.62
Austria	0.64	0.64	0.64
Portugal	0.63	0.59	0.67
Ireland	0.63	0.64	0.61
Commission	0.61	0.57	0.65
Belgium	0.61	0.60	0.61
France	0.61	0.55	0.66
Germany	0.59	0.56	0.62
UK	0.59	0.62	0.56
Greece	0.58	0.63	0.54
Spain	0.58	0.55	0.62
Italy	0.56	0.55	0.56
EP	0.50	0.46	0.55

Table 5. Probit: Issue Inclusion in the Treaty of Amsterdam

Independent Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8
Constant	-1.66*** (0.2)	-1.56*** (0.19)	-1.62*** (0.2)	-1.74*** (0.22)	-1.70*** (0.21)	-1.66*** (0.2)	-1.70*** (0.21)	-1.70*** (0.21)
Support	0.17*** (0.02)		.33*** (0.1)	0.09 (0.08)	.11** (0.05)	.19*** (0.03)	.12*** (0.03)	.12*** (0.04)
CSupport		.028*** (0.0039)	-.03* (0.017)					
Denmark				.48* (0.26)	.46* (0.26)		.42* (0.24)	.44* (0.25)
Austria				.50* (0.27)	.43* (0.25)		.41* (0.24)	.40* (0.24)
Sweden				0.38 (0.3)	0.27 (0.29)		0.2 (0.28)	0.19 (0.28)
Finland				-0.06 (0.28)	-0.1 (0.27)		-0.1 (0.27)	-0.11 (0.27)
UK				-0.26 (0.26)	-0.26 (0.25)	-0.18 (0.24)		
Germany				0.04 (0.27)	0.06 (0.26)	-0.18 (0.24)		
France				0.15 (0.26)	0.1 (0.24)	0.01 (0.24)		
Netherlands				0.38 (0.32)				
Ireland				-0.28 (0.32)				
Large State								-0.14 (0.34)
Log Likelihood N=228	-111.82	-116.42	-110.4	-106.24	-107.85	-111.25	-108.44	-108.35

Note: Standard errors are given in parentheses. * p<.10 two-tailed z-test, ** p<.05 two-tailed t-test, ***p<.01 two-tailed z-test

Figure 1.

Histograms of Support Variables

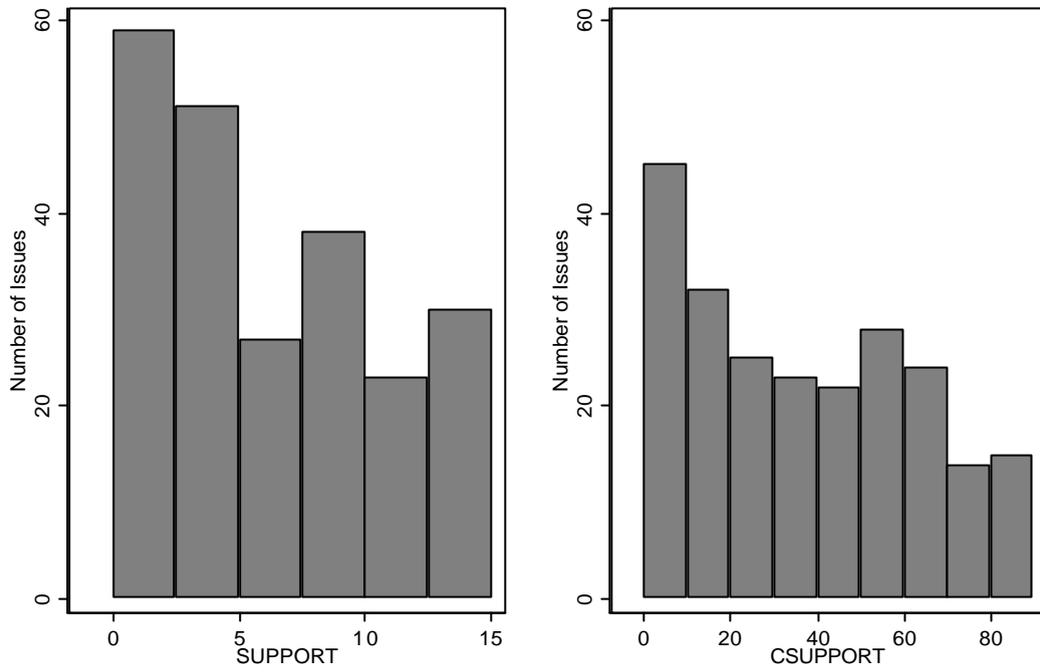


Figure 2.

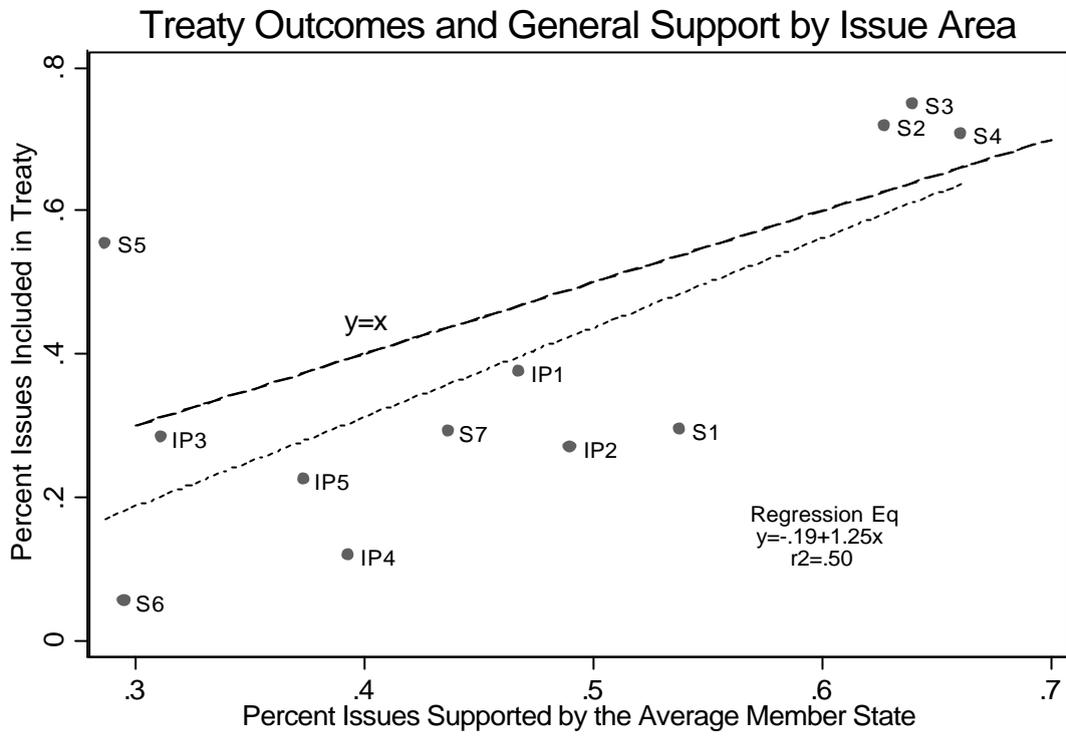
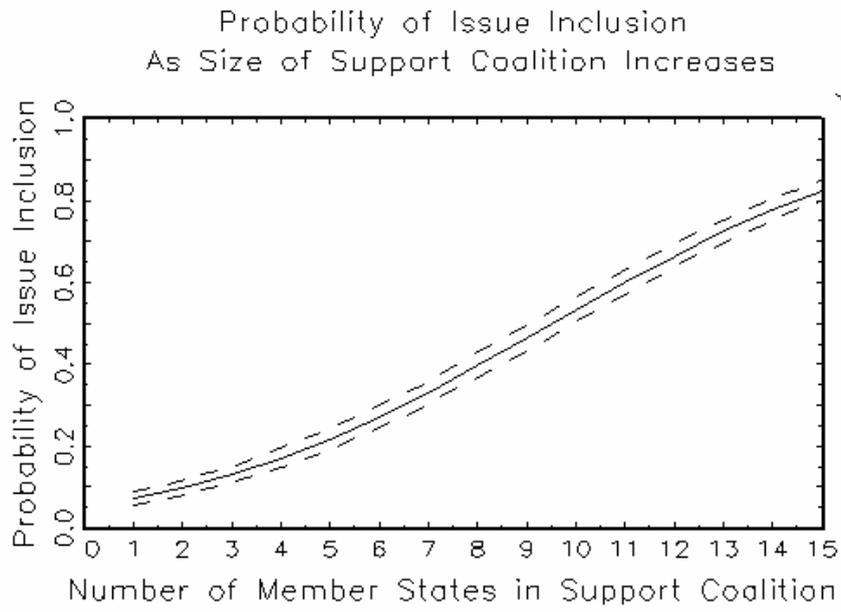
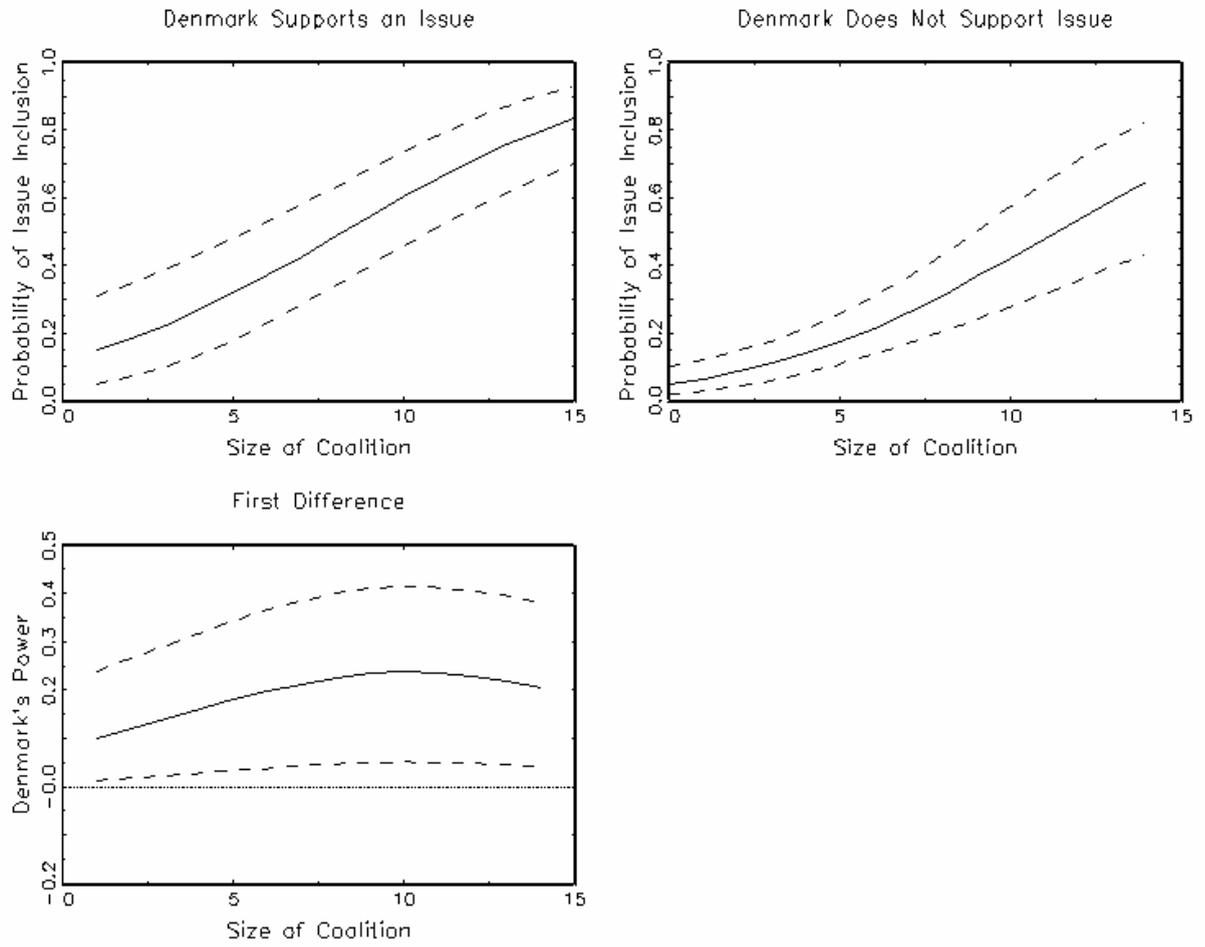


Figure 3.



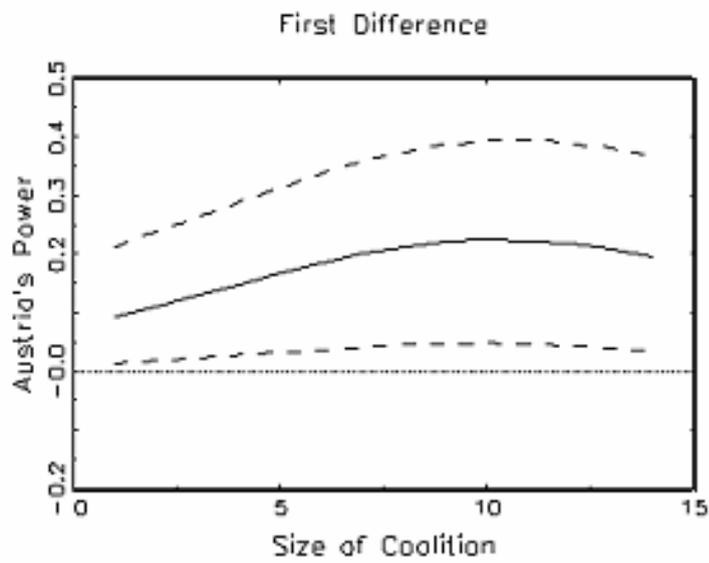
Note: figure is based on Model 1. The dashed lines reflect the 95% confidence interval

Figure 4. Denmark's Power



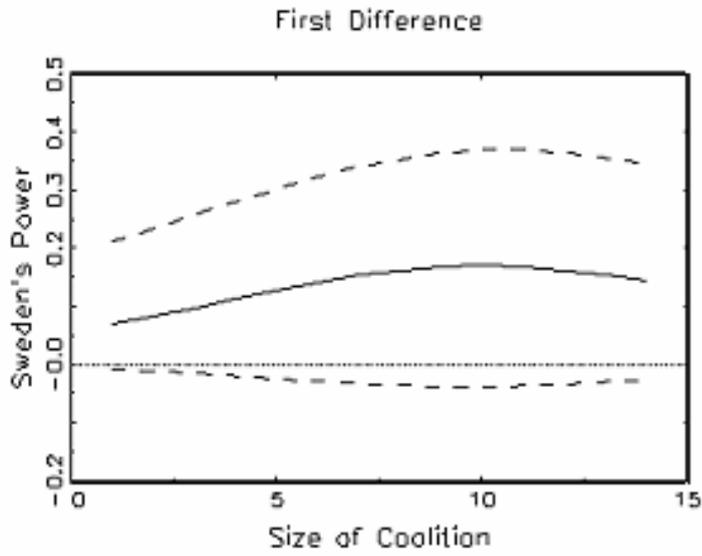
Note: Figures are based on Model 5. Dashed lines indicate the 95% confidence interval. The dotted line runs through 0.

Figure 5. Austria's power

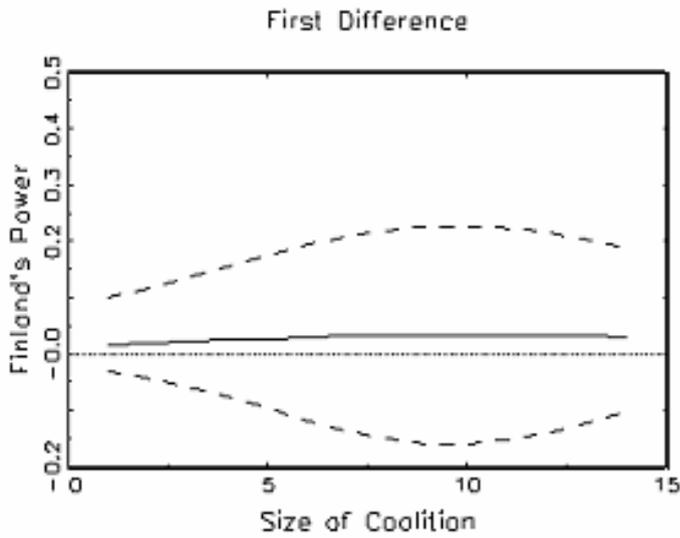


Note: Figure is based on Model 5. Dashed lines indicate the 95% confidence interval. The dotted line runs through 0.

Figure 6. Sweden's Power



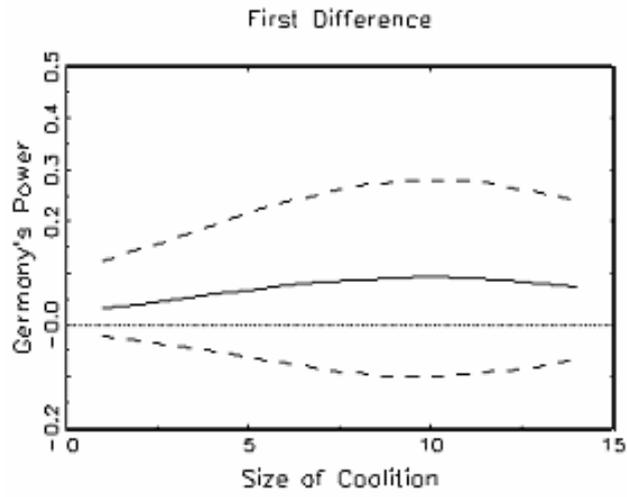
Finland's Power



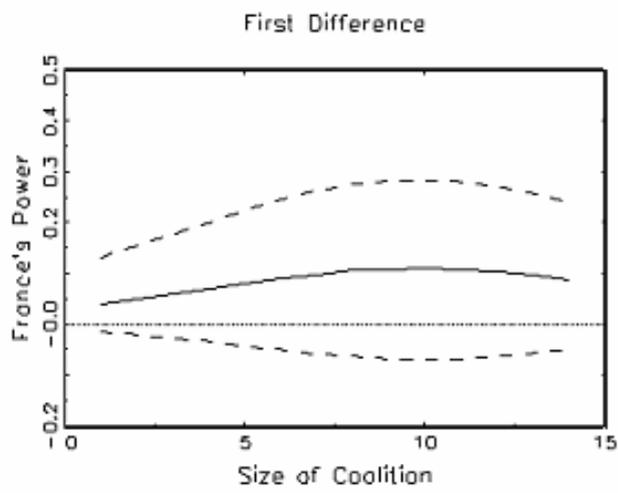
Note: Figures are based on Model 5. Dashed lines indicate the 95% confidence interval. The dotted line runs through 0.

Figure 7. Power of Germany, France and the UK

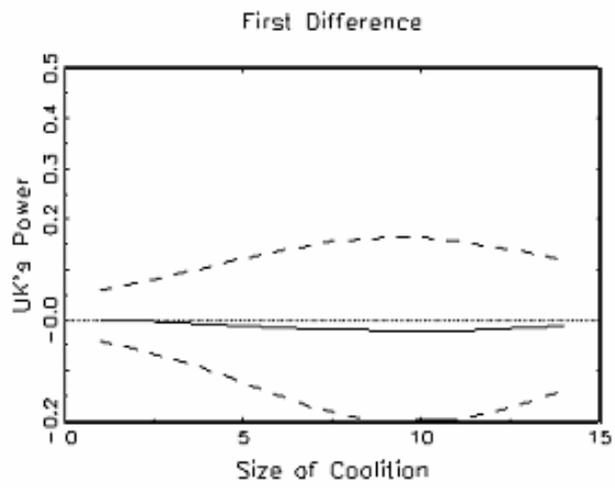
Germany



France



UK



Note: Figures are based on Model 5. Dashed lines indicate the 95% confidence interval. The dotted line runs through 0.