

# Governmental Positions on European Treaty Reforms: Towards a Dynamic Approach.

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## **Abstract**

Governmental positions are a powerful predictor of European treaty reforms. Yet, few empirical studies analyze the conditionalities between positions over different issues or conflict dimensions. If governmental positions are conditional upon the real or expected outcome on other issues, the sequence of decisions becomes increasingly important for our understanding of European treaty reforms. So far, not many studies analyze the sequence of intergovernmental decisions.

In the present paper, I argue that governmental preferences over the reform of the EU decision rule dependent on the delegation of competences to the EU and vice versa. Moreover, I present a statistical model which allows for estimating this conditionality. Subsequently, I apply this model to an extensive data set of reform positions revealed by national governments at the Intergovernmental Conferences (IGC) 2003/4. Next, I analyze the sequence of decision taken by this particular IGC in chronological order. For this purpose, I predict the change of governmental position in response to the decisions over subsets of issues and I compare these predictions to public statements issued by governmental leaders at the time. Finally, I discuss the implications for our understanding of the intergovernmental bargaining outcome.

## Introduction

The intergovernmental standard approach to European treaty reform follows three steps. First, a task-force or delegation of experts sets the reform agenda. Second, the Council presidency resolves the less contentious issues via bilateral shuttle diplomacy or preliminary meetings of the responsible ministers. Third, the most controversial issues are saved for negotiation at the final summit. The Intergovernmental Conferences (IGC) of Amsterdam and Nice followed this procedure. Both times governments agreed on reforms at the least common denominator (Yataganas 2001; Baldwin et al. 2001; Finke 2009a). The Amsterdam IGC produced the infamous “Amsterdam-leftovers” pertaining to institutional reforms. The Nice IGC, widely considered the last attempt to ensure efficient and effective decision making before enlargement, failed to deliver crucial reforms (Heinemann 2003). Tony Blair summarized the generally pessimistic appraisal of the Nice Treaty as follows: “As far as Europe is concerned we cannot do business like this in the future” (BBC News, 11 December 2000).

One year later the European Council at Laeken suggested an encompassing revision of the Nice Treaty (Giering 2003: 6). Acknowledging the failure of the standard approach, the Council suggested a novel method to prepare the next IGC and invoked the Convention on the Future of Europe. The plan was to overcome the intergovernmental stalemate by broadening the political discussion and involve representatives of national parliaments, the European Parliament (EP), elder statesmen and academics. As regards the outcome, the Convention lived up to these expectations by presenting a coherent and progressive proposal for a “Treaty Establishing a Constitution for Europe”.

Technically the subsequent IGC could have altered each and every article, but de facto the masters of the treaties agreed on a very short list of modifications. Most important, they lifted the QMV threshold up to 55% of the member states and 65% of the EU's population;<sup>1</sup> they delayed the reduction of the number of Commissioners to the year 2014 instead of 2009 and they weakened the role of the Commission President in the appointment of the Commissioners (Milton et al. 2005: 51; König et al. 2008). Subsequently, the No-vote of the French and Dutch voters caused ratification failure, followed by a two year period of reflection. Finally, in October 2007 the 27 heads of state and government agreed on a mitigated version, now referred to as the Lisbon Treaty<sup>2</sup>. This time the Irish voters hanged the ratification process when rejecting the Lisbon Treaty in June 2008.

Against this background I analyze the IGC which convened from October 2003 until June 2004. In particular, I raise the question why and how governments agreed on a relatively progressive treaty reform which caused lasting difficulties for the domestic ratification processes. What explains

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<sup>1</sup>The draft Constitution suggested 50% of the member states and 60% of the EU's population.

<sup>2</sup>Essentially the Lisbon Treaty drops any reference to and symbols of a fully fledged constitution. Furthermore, it provides the possibility for opt-outs from the Charter of Fundamental Rights and from Justice and Police Cooperation and delays the reform of the Council voting rules (König et al. 2008).

the de facto agenda setting power of the Convention? Why did some governments even sign the reform treaty although they preferred the status quo under the Treaty of Nice? I answer these questions in three steps. First, I identify the two most important patterns of intergovernmental conflict. Second, I estimate the non-separability of governmental preferences over both conflict dimensions. Third, I analyze the sequence of decision taken at the IGC 2003/4. For this purpose, I predict governments' expected reaction to each intermediary decision and compare them to public reaction of governmental leaders. My sequential analysis adds to our understanding of the intergovernmental bargaining dynamics and the negotiation outcome.

## **Literature**

When it comes to European treaty reforms, it is broadly acknowledged that governments are the most relevant actors (Moravcsik 1998; Slapin 2008). Nevertheless, intergovernmentalists are criticized for their exclusive focus on governments. One group of critics argue that supranational institutions exert a significant influence on the outcome of European treaty reforms. In particular, the Commission and the EP hold agenda-setting powers and influence the drafting of the legal document by their exclusive knowledge about the EU's decision-making mechanisms (Benedetto 2006; Maurer 2007: 46 ff.). However, compared to the increasing importance of the Commission and the EP in EU legislative politics, neither of the two supranational actors possesses formal voting or even veto rights with regard to treaty revisions.

Moreover, a growing body of literature finds domestic actors to be relevant at the international bargaining table. These studies examine the relationship between domestic and European levels. They argue that the unitary-actor assumption is not warranted (e.g., König and Hug 2000; Hug and König 2002; König and Finke 2007). Their main argument concerns the ratification process, and they maintain that governments can credibly tie their own hands by referring to skeptical domestic ratification actors. Theoretically, these studies elaborate on Schelling's (1960) "paradox of weakness", which has been prominently discussed in the literature on two-level games (e.g., Pahre 1997; Iida 1993, 1996).

Furthermore, theories differ with regard to the power ascribed to particular member states. Moravcsik (1998) argues that treaty reforms from Messina to Maastricht are sufficiently explained by analyzing the preferences of the three largest and most powerful member states (Germany, France, UK). If necessary, these large countries will offer either "financial side payments or symbolic concessions" to the smaller ones to achieve their grand economic bargains (ibid.: 65f.). However, Moravcsik's original work deals with a maximum of 12 member states. In contrast, the Northern (1995) and Eastern (2004/7) enlargements added another 15 small to medium-sized countries to the

EU, the majority of which had relatively weak economies at the time they entered. Given this shift in the balance of economic power, the making of financial side payments to smaller countries appears to be a less feasible strategy. Against this background, it comes as little surprise that recent researcher on intergovernmental bargaining finds large and small member states to be equally important for our understanding of EU treaty reforms (e.g., König and Hug 2006; Slapin 2008).

Moreover, intergovernmentalists perceive bargaining as “subject to essentially no procedural constraints” (Moravcsik 1998: 61). In other words, treaty reforms are a result of pure and unconstrained bargaining. This perspective is challenged by enlargement because the efficiency of such an unstructured intergovernmental bargaining game decreases with the number of participants. Furthermore, the agenda shifted from economic coordination towards institutional reforms, which turned out substantially more difficult to solve.

Finally, the Convention on the Future of Europe constitutes a procedural innovation which not only prolonged the negotiation process, but left governments with imperfect and incomplete information. Specifically, the importance of the Convention was unclear in the beginning and the success of which was critically dependent upon its president, Giscard d’Estaing (Norman 2005; Tsebelis 2008). Furthermore, the Convention intermingled the domestic coordination and the international negotiation phase, thereby broadening the number and heterogeneity of relevant actors (Göler and Marhold 2003; König and Slapin 2006). Indeed, the analysis by Tsebelis and Proksch (2008) shows that the president availed himself of private information in his approach to managing the Convention, i.e. he left the delegates uncertain about the rules of the game. Finally, the governments at Laeken did not expect the Convention to produce a coherent draft constitution. Instead they expected a report of more or less unbinding recommendations and suggestions.

While these findings support the increasing importance of smaller countries and the fact that process mattered for the preparation of the IGC 2003/4, we know relatively little about the role of process during the IGC itself. Traditionally, negotiations take place behind closed doors hiding the information required by strategic bargaining theory such amendment, voting and recognition rule (Slapin 2008: 6). Information is available as either of two types. First, official documents which are issued along the way to structure the discussion safeguard intermediate compromises or reinforce the credibility of arguments via public commitment. Second, public statements and comments issued by those who attend the closed meeting. Obviously, the latter cannot be taken at face value because they are often issued strategically, masking actors sincere intention. Subsequently, I utilize both types of information plus a unique data set containing governments’ official positions over 60 of the most hotly contested issues (König and Hug 2006).

One literature which takes process and the sequence of decision seriously is the theory of non-separable preferences (Enelow and Hinich 1984). As regards the IGC 2003/4 previous studies find that intergovernmental conflicts over European treaty reforms can be reduced to two primary dimensions: the level of European integration and the reform of the decision rule (Hix and Crombez 2005; Finke 2009a). The assumption of separable preferences implies that a government's most preferred level of integration is independent of the de facto or expected design of the decision rules. Or, vice versa, a government's preference over the design of EU decision rules is independent from the competences delegated to the EU. However, as regards European treaty reforms the assumption of separable or unconditional preferences appears to be unrealistic. For example, France might prefer deeper cooperation in justice and home affairs *only if* decision making in this area will become more efficient by extending majority voting and lowering the voting thresholds. Ireland, on the other hand, might prefer deeper cooperation in the same area *only if* it retains its veto right. One important consequence of this bidirectional conditionality is that it may reduce the size of the win set for potential reforms (Finke 2009b).

As a consequence of non-separable preferences the sequence of decisions matters (Enelow and Hinich 1984; Lacy 2001). Actors will adjust their ideal position on one issue dimension in response to the de facto or expected outcome on the other dimensions. Take the above examples: In case France encounters a far less progressive reform of the decision rule than it had originally hoped for, it would in response prefer less cooperation in justice and home affairs. In case Ireland has to face QMV applicable to justice and home affairs, it will adjust its position and reject any cooperation in this policy area. Accordingly, the theory of non-separable preferences is considered an endogenous explanation for preference changes. Below, I argue that decisions over non-separable dimensions of European treaty reforms had been taken consecutively. Analyzing this sequence of decision provides additional insights into the dynamics of intergovernmental bargaining.

In the remainder I first present a statistical model which allows for an explicit estimation of the non-separability of governments' reform preferences. Thereafter, I present the data and the results of my statistical estimates. Finally, I simulate governments' conditional preferences along the sequence of decisions taken at the IGC 2003/4. I compare the predicted preference change to the public statements issued by governmental leaders after each intermediate decision.

### **Statistical Model**

In recent years, the statistical modeling of ideal point estimation has experienced significant progress. Most frequently these models have been deployed to roll call votes in the US congress (e.g. Pool and Rosenthal 2000; Clinton et al. 2004), in the US Supreme Court (Martin and Quinn 2002; Quinn et al.

2007), in the UN General assembly (Voeten 2005; Kim and Russett 1996), in the EP (Han 2007; Hix et al. 2007), in the Council of Ministers (Hoyland and Hagemann 2008).

Currently the most frequently used model resembles the two-parametric item response model which has been developed in psychometrics. In this model it is assumed that each legislator has an ideal point  $\mathbf{x}_i$  and chooses the alternative closest to this ideal point. Moreover, each issue (or item) is assumed to have a difficulty parameter,  $\alpha_j$ , and a discrimination parameter,  $\beta_j$ . Where the first captures the overall difficulty across all actors to agree to a reform proposal on issue  $j$ , the latter captures in how far issue  $j$  discriminates between the latent dimensions of a given proposal space. Theoretically the two-parametric item response model corresponds to the Euclidean voting model as follows. Let the  $d$ -dimensional conflict space be defined by the choices of  $i = 1, 2, \dots, n$  actors over  $j=1,2,\dots,m$  issues and let a legislator's preference on an alternative follow a quadratic utility function, then his observed choice  $Y_{i,j}^*$  accords to the following latent utility calculation:

$$Y_{i,j}^* = U_i(\mathbf{sq}_j) - U_i(\mathbf{o}_j) = \sqrt{(\mathbf{x} - \mathbf{sq})'(\mathbf{x} - \mathbf{sq})} + \eta_{i,j} - \sqrt{(\mathbf{x} - \mathbf{o})'(\mathbf{x} - \mathbf{o})} + v_{i,j} \quad (1.1)$$

$$= 2(\mathbf{o}_j - \mathbf{sq}_j)' \mathbf{x}_i - \mathbf{o}_j' \mathbf{o}_j + \mathbf{sq}_j' \mathbf{sq}_j + \eta_{i,j} - v_{i,j} \quad (1.2)$$

$$= -\alpha_j + \beta_j' \mathbf{x}_i + \varepsilon_{i,j} \quad (1.3)$$

where  $\mathbf{o}_j$  denotes the reform proposal and  $\mathbf{sq}_j$  the status quo on issue  $j$ <sup>3</sup>;  $v_{i,j}$  and  $\eta_{i,j}$  are the errors terms of the utility calculation<sup>4</sup>.

Following previous studies I expect that the IGC 2003/4 is best characterized along two intergovernmental conflict dimensions, i.e. vertical integration and the decision rule. To account for the potential non-separability between the two dimensions the Euclidean utility function is appended by positive semi-definite 2x2 matrix  $\mathbf{A}$ . In the main diagonal of  $\mathbf{A}$  ( $a_{11}, a_{22} \geq 0$ ) we find the salience a government attaches to each of the two dimensions. The higher the value, the more important the dimension will be for the government's overall utility calculation. The elements  $a_{12}$  and  $a_{21}$  of the secondary diagonal capture the non-separability in government's utility calculation over both dimensions. Formula (1.4) depicts the complete Euclidean utility function.

<sup>3</sup> The extension to more than two alternatives is straightforward (Johnson and Albert 1999: 182ff.).

<sup>4</sup> More precisely the parameters correspond as follows (Clinton et al. 2004) :

$$\beta_j = 2(\mathbf{o}_j - \mathbf{sq}_j); \quad -\alpha_j = \mathbf{o}_j' \mathbf{o}_j + \mathbf{sq}_j' \mathbf{sq}_j; \quad \varepsilon_{i,j} = \eta_{i,j} + v_{i,j}$$

$$U_i(\mathbf{o}_j, \mathbf{s}\mathbf{q}_j) = \sqrt{(\mathbf{x} - \mathbf{s}\mathbf{q})' \mathbf{A} (\mathbf{x} - \mathbf{s}\mathbf{q})} - \sqrt{(\mathbf{x} - \mathbf{o})' \mathbf{A} (\mathbf{x} - \mathbf{o})}. \quad (1.4)$$

Most existing statistical models are built on the assumption of separable preferences, i.e., an actor's choice on one issue does not depend on the collective outcome on other issues (Enelow and Hinich 1984). Instead, they assume that both dimension are equally salient and separable, hence  $\mathbf{A} = \begin{bmatrix} 1 & 0 \\ 0 & 1 \end{bmatrix}$ . The two-dimensional Euclidean voting model with non-separable preferences transforms into the following model<sup>5</sup> (Finke 2009b):

$$Y_{i,j}^* = U_i(\mathbf{s}\mathbf{q}_j) - U_i(\mathbf{o}_j) = \sqrt{(\mathbf{x} - \mathbf{s}\mathbf{q})' \mathbf{A} (\mathbf{x} - \mathbf{s}\mathbf{q})} + \boldsymbol{\eta}_{i,j} - \sqrt{(\mathbf{x} - \mathbf{o})' \mathbf{A} (\mathbf{x} - \mathbf{o})} + \mathbf{v}_{i,j} \quad (1.5)$$

$$= -\alpha_j + \beta_{1j} x_{1i} + \beta_{2j} x_{2i} \quad (\text{see formula 1.3})$$

$$-2a_i x_{1i} (o_1 - sq_1) + 2a_i x_{2i} (o_2 - sq_2) + 2a_i (o_1 o_2 - sq_1 sq_2) + \boldsymbol{\eta}_{i,j} - \mathbf{v}_{i,j} \quad (1.6)$$

$$= -\alpha_j + \beta_{1j} x_{1i} + \beta_{2j} x_{2i} + q_j a_i + a_i (\beta_{1j} x_{2i} - \beta_{2j} x_{1i}) + \varepsilon_{i,j} \quad (1.7)^6$$

where  $a_i$  indicates the sole element of the secondary diagonal of the matrix  $\mathbf{A}$ <sup>7</sup>. Once estimated it tells us in how far actor  $i$ 's preferences are non-separable across dimensions 1 and 2. On the other hand  $q_j = (o_1 o_2 - sq_1 sq_2)$  gives information about the importance of item  $j$  for the latent construct of non-separability.

The theoretical benefit and challenge of this model is that non-separability conditions an actor's preferences on one dimension upon the outcome of other dimensions. In the two dimensional example the conditional ideal point on dimension 1,  $x_1^*$ , can be calculated by the following formula (Enelow and Hinich 1984):

$$x_1^* | o_2^{\sim} = x_1 - \left( \frac{a_{12}}{a_{11}} \right) (o_2^{\sim} - x_2) \quad (1.8)$$

Where  $o_2^{\sim}$  defines the observed outcome on the second dimension,  $a_{11}$  is the relative salience the actor attaches to dimension 1 and  $a_{12}$  indicates the strength and direction of the non-separability between both dimensions. On the one hand, formula (1.8) provides a possible explanation for observed positional changes which is endogenous to the negotiation process. On the other hand, it

<sup>5</sup> In a  $d$ -dimensional space the observed choices  $Y^*$  are modelled accordingly (suppressing indices over actors  $i$  and items  $j$ ):  $Y^* = -\alpha + \beta' x + \sum_{h=1}^d \sum_{k=h+1}^d q_{hk} a_{hk} + a_{hk} (\beta_h x_k + \beta_k x_h) + \varepsilon$

<sup>6</sup> The two new terms bear the following intuition:  $a_i (\beta_{1j} x_{2i} - \beta_{2j} x_{1i})$  estimates in how far an actors agreement to a reform of item  $j$  depends on the interaction of his ideal point with the item parameter of the other dimension. The second new term,  $q_j a_i$ , corrects actors  $i$ 's nonseparability for each issues  $j$ . In other words, if  $q_j$  is negative it indicates that an actor with positive (negative) complementary preferences is less (more) likely to agree on reform of issue  $j$ .

<sup>7</sup> Here I assume that  $a_{12} = a_{21}$  which intuitively means "that the effect of the expected level of one policy on the marginal value of another is the same, regardless of which policy is fixed first. It is worth noting, that there is nothing inherent in the model that requires  $\mathbf{A}$  to be symmetric." (Hinich and Munger 1999: 216).

tremendously complicates the estimation because it makes identification of the statistical model impossible. In any case, I am interested in how far the concept of non-separability adds to the explanatory power of the standard model. Therefore I suggest a two-stage estimator. The first stage estimates the standard two-parametric item response model. The second stage constrains the item and the person parameters to the values resulting from stage 1, but estimates those parameters capturing the effects of non-separability ( $a_i$ ,  $q_j$ ), the item difficulty parameter and the cut-off points if applicable.

This two-stage estimation process has one well-known drawback. The potential bias of the second stage error term must, in most cases, be considered interdependent to the error resulting from the first stage (e.g. Lewis and Linzer 2005). Fortunately, the MCMC framework provides a straightforward way to carry over the error term from the first to the second stage by simply drawing the item and person parameters from their posterior distribution. In other words, for estimating the non-separability parameters the distribution of the person and item parameters are fixed to the results of the first stage, i.e. the posterior distributions. Accordingly, the error terms of these distributions carry over causing larger uncertainty of the second stage estimates. Estimations of both stages deploy a Probit-link function and are based on 10,000 burn-in iterations and 15,000 draws from the posterior distribution<sup>8</sup>.

## **Empirical Analysis**

For the empirical analysis, I use the DOSEI data set, which contains information about member states' reform positions on 65 of the most prevalent issues discussed at the IGC 2003/4 (for a description of DOSEI data gathering, see König and Hug 2006). These interview data were gathered from 82 experts, 47 of whom (57%) were from inside the government (König and Hug 2006). The questionnaire was constructed by thorough document analysis. Pretests and the high response rate support the construct validity of the questionnaire on the whole set of discussed issues (for methodological details of the DOSEI data, see EUP special issue, König 2005). The scale of all issues (items) is ordinal, with a majority of them being dichotomous, and none having more than five categories. Appendix A1 gives a short description of the 61 issues used for the present analysis.<sup>9</sup> For all issues in the data set, the DOSEI researchers have coded the Treaty of Nice, the Conventional Draft and the Constitutional Treaty as signed by the heads of state and government in October 2004.

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<sup>8</sup> In order to check the convergence the algorithm has been restarted several times with varying length of iterations.

<sup>9</sup> National governments revealed consensus on the reform of four issues, which therefore are useless for the determination of the latent conflict space.



The standard model (first stage) correctly classifies approximately 76% of the cases, whereas 33% of the cases would be classified correctly by chance<sup>10</sup>. *Figure 1* depicts the results of the first stage; i.e., member states' ideal positions within the two-dimensional latent conflict space. Interpretation of the intergovernmental conflict space follows that of earlier studies (see Hix and Crombez 2006; König and Finke 2007). According to this framework, a first conflict is defined by issues that alter the vertical division of competences and powers between the domestic and the European level of government. In contrast, a second conflict is defined by a group of issues associated with the reform of the decision rule. Empirically, the vertical dimension in *Figure 1* reveals large positive parameters for issues that refer to the EU's political mandates: the division of competences, the employment objective, citizenship, and fundamental rights. The horizontal dimension reveals large item parameters for issues associated with the decision rule and the internal distribution of power: the composition of the European Commission, instigation rules for enhanced cooperation, the extension of qualified majority voting, the voting threshold, voting weights, and the allocation of seats in the EP. For a complete list of item discrimination parameters, please see Appendix 1.

Next to the estimates of governments' ideal points, Appendix 2 depicts the estimates of governments' non-separability parameter  $a_i$ . Overall, confidence intervals for  $a_i$  turn out large in comparison to those for the governmental positions. But then this is not surprising given that they are inflated by combining the errors of the first and the second stage of the estimation. Nevertheless, I find the non-separability parameter significant at the 10% level in more than half of the observed cases. Elsewhere, I argue that large and economically powerful member states are more likely to reveal positive complementary preferences over the design of the decision rule and the level of vertical integration<sup>11</sup>. The statistical results support this argument (Finke 2009b).

However, in this paper I am less interested in the origins of governments' non-separable preferences, but in the consequences thereof. In particular, I analyze the role of the Convention and the sequence of decision taken by the subsequent IGC. Regarding the empirical evaluation of my theoretical claims I must decide on whether or not the DOSEI data contains information on governments' unconditional preferences. The assumption of truly unconditional preferences would imply that when formulating their positions governments and all other relevant domestic actors

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<sup>10</sup> For comparison: A one dimensional model correctly classifies around 58% of the cases whereas a third dimension would increase this number to almost 80%.

<sup>11</sup> Briefly summarized my argument is the following (Finke 2009b): Substantially, the conflict over the decision rule dealt with the veto threshold for and the applicability of QMV. Both reforms could have reduced all governments veto power and, as a consequence, upgraded the importance of other power resources, in particular the power of the purse. This gives an advantage large and affluent economies are in advantage. Therefore, governments of small and poor member states were less eager to give up their veto power when confronted with a higher level of integration (negative complementary), whereas governments from economically powerful states would press for an even lower voting threshold and an extension of QMV (positive complementary).

ignore the status quo. This assumption appears highly unlikely. Instead, I assume that domestic preference formation takes place against the background of the status-quo. In other words, I assume that the DOSEI data contains governments' positions on European treaty reforms conditional upon the status quo. To account for this assumption I reorganize formula (1.8) such that it allows for calculation of the unobserved unconditional positions  $x_1$  and  $x_2$  under the assumption that all actors attach equal salience to either of the two dimensions, i.e.  $a_{22} = 1$  and  $a_{11} = 1$ .

$$x_1 = \frac{a_{12}x_2^* + a_{12}^2sq_1 - a_{12}sq_2 - x_1^*}{(a_{12}^2 - 1)} \text{ and } x_2 = \frac{a_{12}x_1^* + a_{12}^2sq_2 - a_{12}sq_1 - x_2^*}{(a_{12}^2 - 1)} \quad (1.9^{12})$$

*Figure 2* shows these unconditional positions which differ from *figure 1* in three aspects. First, one group of governments is located in the upper left corner (Greece, Denmark, Finland, Austria, Belgium, Latvia, Czech Republic, Slovakia). These governments prefer more EU competences, but are eager to maintain extensive veto rights. Unsurprisingly, this group primarily consists of smaller countries as most proposals for reforming the decision rule would have strengthened the proportionality between voting power and population size. Second, the unconditional position of the German, French, Spanish and Portuguese governments is extremely close to the Convention proposal and the Constitutional Treaty. In particular, the positions of the French and German government are less integrationist than what they revealed in consideration of the status quo, i.e. the Treaty of Nice. Finally, under the assumption that all governments attach equal salience to both dimension, *figure 2* suggest that four countries should have preferred the status quo over the Constitutional Treaty: Ireland, Poland, Hungary and Estonia.

Next, I evaluate governmental positions conditional upon three decisive steps along the process of intergovernmental negotiations: 1.) the Convention proposal; 2.) the incomplete compromise reached under the Italian Presidency in December 2003; 3.) the compromise reached ahead of the final summit under the Irish Presidency in 2004. First, I locate the intermediate decisions of the IGC within the two-dimensional space. Subsequently, I predict governments' positional shifts in response to the intermediate decisions. Next, I compare governments' public reactions to my predictions. Finally, I discuss the implications of these dynamics for our understanding of the international negotiations over European treaty reforms.

### ***The Convention Proposal***

*Table 1* documents the sequence of intergovernmental decisions. In particular, it sorts the 65 issues contained in the DOSEI data set according to their last appearance in official documents. Though obviously an ex-post judgment, I assume this to be the date the issues had been settled. *Table 1*

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<sup>12</sup>Here the outcome upon which governments condition their position equals the status quo, hence  $o_1^* = sq_1$  and  $o_2^* = sq_2$ .

indicates that almost half of the issues have been resolved during the Convention. Among them are many low conflict issues such as the rejection of an extended right of initiative for EP and national parliaments, the extension of the Co-decision procedure to all areas except for regional policy, the definition of the EU's political objective, the general applicability of the subsidiarity principle, but also the definition of the Union's competences in the fields of foreign as well education policy. Likewise, the limited extension of QMV to the areas of economic, currency and employment has been settled during the Convention. Most of these issues are last mentioned in official documents issued between the 12 May and 12 June 2003, just ahead of the Convention's concluding debate on 13 June 2003.

The essential question is in how far the Convention proposal altered governments' expectations over the outcome of the IGC. In technical terms this is the quest for  $\sigma^*$ , the expected outcome on which a government conditions its position. Given the public statements and bilateral negotiations before the start of the IGC, it appears that governments had a fair idea which set of issues would be excluded from the intergovernmental bargaining table. Hence, the expected reform  $\sigma^*$  was located somewhere between the Treaty of Nice ("ToN") including the modification on the 29 issues already settled by the Convention ("Jun03") and the far reaching Convention proposal ("Conv"). *Figures 3 and 4* depict governments' positions conditioned upon either end of this spectrum. In particular, *figure 4* shows the shift of governmental positions from being conditional upon the status quo ("ToN") to being conditional upon the minimum reform as defined by the 29 issues settled by the Convention in June 2003 ("Jun03"). The governments of Ireland, Italy, Latvia, Malta Luxembourg, Estonia and the Slovak Republic shift their position in lockstep to the location of the minimal compromise. By contrast, their colleagues from Denmark, Sweden, Poland, the Czech Republic, Belgium, France and Greece move in the exact opposite direction. Moreover, all governments would have preferred the minimal compromise over the Treaty of Nice, with the Irish being more or less indifferent.

Yet, the Convention Proposal was far more progressive. *Figure 3* presents governmental positions conditional upon the Convention Proposal („Conv“). Most obviously, the French and German governments would have preferred the complete package. Hence, it comes as little surprise that Schröder (“I could sign it as it is.<sup>13</sup>”) and Chirac (“It is the best possible synthesis.<sup>14</sup>”) were mutually outbidding each other in praise for the Convention's work. Likewise, the British Labor government (“A good balance which ought not be rattled.<sup>15</sup>”) would have preferred the complete proposal over the minimum compromise. The Spanish Prime Minister Aznar and his Portuguese counterpart Barroso restricted their criticism to the symbolic issues of adding a reference to

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<sup>13</sup>Source: Philippe Gelie, „Les vingt-cinq chefs d'Etat et de gouvernement ont adopté hier à Salonique le projet de Constitution comme ' document de base““, Le Figaro, 21 June 2003.

<sup>14</sup>Sources: Yannick Laude, „Europe. Giscard réussit son grand oral“, Le Télégramme, 21 June 2003.

<sup>15</sup> Source: ibid.

Christianity in the preamble<sup>16</sup>. Supporting *figure 3* the Italian government, represented by Prime Minister Berlusconi, reacted to the Convention proposal by demanding an even more radical extension of majority voting. „We, too, would like to expand the qualified voting rule at the expense of unanimity. We will try to go into this direction, but we all must be pragmatic and realistic<sup>17</sup>“.

Many other member states reacted less enthusiastically to the presentation of the Convention Proposal. Specifically, *figure 3* implies that the governments of Austria, Latvia, Denmark, Sweden, Hungary, the Netherlands, Finland and Poland shifted their positions towards 'less reform' on both dimensions. For example, the Austrian Chancellor Schüssel stated that his country had "fundamental concerns" on several institutional reforms, in particular the planned office of a permanent Council president as well as the downsizing of the Commission<sup>18</sup>. Likewise, the Hungarian government repeatedly demanded to retain the "one country, one Commissioner" principle, and rejected any plans to distinguish between voting and non-voting Commissioners. In a joint statement both governments warned that the reform of the voting threshold proposed by the Convention, i.e. a simple majority of member states and 60 percent of the enlarged EU's population, harms the interest of small countries<sup>19</sup>. The Dutch Prime Minister Balkenende expressed his concerns that "the European Council should not become the exclusive preserve of the large member states" and should not be turned into „a new Legislative Council“ acting „as the pivot of the European legislative process.<sup>20</sup>“ Along the same lines, the Finish President Halonen called for more balanced changes to the institutional elements of the constitution by setting limits on the powers of the European Council and its president. Furthermore, the Finish government openly criticized the possibility for a smaller group of countries to form a "core group" in defense policy<sup>21</sup>. The Irish government declared that it would pursue "a few important problems in the IGC" such as the plans to harmonize criminal law, to create a European public prosecutor and to abolish the national vetoes on taxation<sup>22</sup>. As regards the latter issue it was strongly supported by the Estonian government.

According to *figure 3* the Danish and Swedish governments should have opposed the Convention Proposal most radically. They reveal the largest positional shift and should have rejected

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<sup>16</sup> Source: „ Saturday, From the top: how the member states' leaders view the new draft constitution“, The Times (London), June 21 2003.

<sup>17</sup> Source: „Giscard passe le témoin européen à l'Italie“, Le Temps, 19 July 2003.

<sup>18</sup> Source: Anja Hauser, „Das Gipfeltreffen von Thessaloniki - Eine neue Seite der Europäischen Geschichte wird aufgeschlagen“, Konrad-Adenauer-Stiftung e.V. (Hrsg.), 30. Juni 2003. Available at: [http://www.kas.de/proj/home/pub/9/1/year-2003/dokument\\_id-2130/index.html](http://www.kas.de/proj/home/pub/9/1/year-2003/dokument_id-2130/index.html) (3.12.2008).

<sup>19</sup> Source: „Hungary and Austria exchange views on Constitution“, Hungarian News Agency (MTI), July 16 2003.

<sup>20</sup> Source: Speech by the Prime Minister, Dr Jan Peter Balkenende, Eurocities Conference on European and Local Governance, The Hague, 23 June 2003. Available at: [http://www.minaz.nl/Actueel/Toespraken/2003/06/Speech\\_by\\_the\\_Prime\\_Minister\\_Dr\\_Jan\\_Peter\\_Balkenende\\_Eurocities\\_Conference\\_on\\_European\\_and\\_Local\\_Governance\\_The\\_Hague](http://www.minaz.nl/Actueel/Toespraken/2003/06/Speech_by_the_Prime_Minister_Dr_Jan_Peter_Balkenende_Eurocities_Conference_on_European_and_Local_Governance_The_Hague) (20.12.2008).

<sup>21</sup> Source: „From the top: how the member states' leaders view the new draft constitution“, The Times (London), June 21 2003.

<sup>22</sup> Source: „ From the top: how the member states' leaders view the new draft constitution“, The Times (London), June 21 2003.

any further integration under the proposed decision rule. Even more so, they should have rejected any extension of majority voting given the proposed level of integration. However, the public statements issued by both governments in response to the Convention do not support this prediction. The statements issued by the Danish Prime minister Anders Fogh Rasmussen read rather diplomatic calling the Convention proposal „impressive and very ambitious“ and a „good foundation for negotiations<sup>23</sup>“. His Swedish colleague Göran Persson was also rather positive „despite the fact that the Swedish representatives at the Convention had been very critical“<sup>24</sup>.

One explanation for this lack of open criticism is the increasing pressure by their domestic opposition. As regards Denmark, the awareness of the upcoming referendum on the Constitutional Treaty may partly rationalize the reluctance to criticize the draft. Presenting the result of an uncomplicated IGC, which embraces the Convention’s results, was considered an advantage for the advocates of the yes-vote, i.e. the government. A similar logic might apply to Sweden, where the governing Social Democratic party was internally divided on many of the reform issue (Finke and König 2009). Likewise, the Finish government came under increasing pressure by the domestic opposition. According to its critics, the Lipponen government had moved from the wrong assumption that the "real" negotiations on the new Constitutional Treaty would have been conducted in the IGC. In response, opposition leaders publicly challenged the Finnish government to take a more active role in the IGC<sup>25</sup>.

In contrast to Denmark and Sweden, the Polish government pursued an entirely different strategy. President Kwasniewski repeatedly denounced the Convention Proposal as a decisive step towards a federal European super state<sup>26</sup>. Instead of soft-pedaling international conflict to be in a better marketing position domestically, both president and government fueled the Euroskeptic movements within Poland in order to gain domestic electoral support and to improve their international bargaining position. Regarding the international level *Figure 3* reveals that this was a credible strategy indeed. No other country’s position was located so close to the status quo. This perspective culminated in the infamous battle cry „Nice or Death“ by Jan Rokita the leader of the conservative opposition. Specifically, the Polish government rejected any reforms which would have reduced the Polish veto power in the Council of Ministers. In addition, it strongly rejected any steps towards a European defense policy which it thought to weaken the collaboration within the NATO<sup>27</sup>.

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<sup>23</sup>Sources: „Le président de la Convention a remis le projet de Constitution européenne au sommet de Salonique; Le succès européen de Giscard“, Le Figaro, 21 June 2003.

<sup>24</sup>Source: Danmarks Radio P1, Copenhagen, in Danish, 1400 gmt, 20 June 2003 (text report).

<sup>25</sup>Source: „Country Report Sweden“, The Convention Watch, available at: <http://eucon.europa2004.it/Watch2ed/Answer1-1.htm> (11.01.2009).

<sup>26</sup>Source: „Poland will not accept a Federal Europe“, The Baltic Times, July 10 2003.

<sup>27</sup>Source: Anja Hauser, Konrad-Adenauer-Stiftung e.V. (Hrsg.), „Das Gipfeltreffen von Thessaloniki - Eine neue Seite der Europäischen Geschichte wird aufgeschlagen“, 30. June 2003. available at: [http://www.kas.de/proj/home/pub/9/1/year-2003/dokument\\_id-2130/index.html](http://www.kas.de/proj/home/pub/9/1/year-2003/dokument_id-2130/index.html) (3.12.2008).

Bottom line, the Convention Proposal induced endogenous positional changes which polarized European governments. One group was eager to support the complete package, whereas another group wanted to slash down the list of reforms. In retrospective, a list of 29 issues had been settled once and for all by the Convention. *Figure 4* indicates that all governments would have preferred this minimal compromise („Jun03“) over the status quo („ToN“).

### ***The Incomplete Italian Compromise***

Under the leadership of Prime Minister Silvio Berlusconi the Italian Council Presidency had scheduled the decisive summit of the IGC for December 12-13, 2003. In preparation of the summit, the Presidency issued a document which recorded consent over nine additional issues (*table 1*). Governments had agreed to maintain the current division of competences in tax, social and agricultural policy as well as the voting rule over social and defense policies. However, they established the “Permanent Structured Cooperation” which allows for Enhanced Cooperation in security and defense matters, but has to be agreed by unanimity in the European Council. Furthermore, governments agreed on far reaching harmonization of national policies in the areas of migration and asylum policy and they settled on minor extensions of the European education and research policy. Finally, they introduced a right to withdraw membership unilaterally. Nevertheless, on early Saturday morning it became clear that the summit would not be able to resolve the remaining issues which correspond to another 23 variables of the DOSEI data set. As a consequence, governments agreed to postpone the negotiations to the upcoming Irish Presidency.

*Figure 5* locates the incomplete compromise of December 2003 („Dec03“) in the intergovernmental conflict space. Furthermore, it depicts my prediction of how governmental positions should have shifted in response. Overall, *figure 5* indicates the trend observed in *figures 3 and 4*. In particular, Denmark, Sweden Poland, Latvia, France, Greece and Belgium move downward, i.e. towards less integration. The governments of the Slovak Republic, Cyprus, Ireland, Malta and Italy adjust their position in the opposite direction. On the horizontal dimension the positional shifts turn out rather small in comparison. With the exception of the Irish government, all others would have preferred the incomplete compromise reached in December 2003 over the Treaty of Nice.

In how far do governments’ public reactions as recorded in December 2003 correspond to *figure 5*? The French and German government made no secret of their disappointment. Both, Schröder and Chirac observed that the adoption of reforms was primarily blocked by a number of smaller states (Denmark, Sweden, Austria, Estonia, Latvia, Hungary) and, most vehemently, Poland. As a consequence the two leaders deployed a twofold strategy. First, they revived the idea of a core

Europe, a "pioneer group" of nations which could move forward with closer cooperation on areas such as the economy, justice and defense. According to Chirac, "It will be the motor. It will set the example, allow Europe to go faster, better."<sup>28</sup> Second, they publicly blamed the Polish government for its „inflexibility“ and its unwillingness to discuss any solution of the QMV reform based on the principle of a double majority<sup>29</sup>. The ultimate purpose of this double strategy was to raise the costs of continuous opposition or, as German chancellor Schröder had put it in his unrivaled rhetoric, to initiate a „learning process“ in Warsaw<sup>30</sup>.

The British Labour government confronted a situation far more complex. On the one hand, it would have welcomed further reforms, in particular extended applicability and reform of the majority rule. On the other hand, it strongly opposed any plans of a core Europe, not least because it believed that the new member states would share British market liberalism and oppose future European regulation policies. Hence, it comes as little surprise that Tony Blair welcomed the decision to postpone the negotiations, arguing that it is better „to give it some time, for countries to have some time to find an accord.“ Britain, he continued, would continue to work towards the successful creation of a constitution for the European Union, despite the collapse of talks<sup>31</sup>. The reaction of the conservative Spanish government was very similar. On the one hand, Aznar rejected any responsibility for the failed summit by highlighting his „constructive willingness to negotiate until the last moment“. On the other hand, he nourished the hopes that all 25 governments would find an agreement under the Irish presidency<sup>32</sup>.

Considering *figure 5* it comes as no surprise that the Portuguese government turned out very unsatisfied with the failure of the summit, but hoped for a coherent proposal along the outcome of the Convention<sup>33</sup>. The Belgian Foreign Minister, Louis Michel, was more plainly venting his anger: „Yes, I am disappointed and angry. This decision was the first that we had to take in the EU25. Some had preferred national interests over those of Europe.“<sup>34</sup>

As regards Austria, the Franco-German threat of a core Europe apparently hit the mark. Chancellor Schüssel emphasized Austria's commitment to being at the "heart of a new Europe" ("It's

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<sup>28</sup>Source: Paul Ames, „European Constitution Summit Collapses“, Associated Press Online, 14 December 2003.

<sup>29</sup>Source: Knut Pries, „Herz vor Verstand: Auf der Suche nach den Schuldigen für das Brüsseler Debakel werden die Akteure überall fündig“, Frankfurter Rundschau, 15 December 2003.

<sup>30</sup>Source: Alois Berger, „Der EU-Verfassungsgipfel ist geplatzt“, Sonntagszeitung, 14 December 2003.

<sup>31</sup>Source: „EU Summit: Blair says leaders should take time find right constitution deal“, AFX.COM, 13 December 2003.

<sup>32</sup>Source: „Les principales déclarations du sommet de Bruxelles“, Agence France Presse, 14 December 2003.

<sup>33</sup>Sources: „BBC Monitoring Europe – Political“, BBC Worldwide Monitoring, 14 December 2003.

„Portuguese premier says no one country to blame for EU summit failure“, RDP Antena 1 radio, Lisbon, 13 December 2003 (English summary).

<sup>34</sup>Source: „Synthèse Echec du sommet européen sur la Constitution Les intérêts nationaux ont prévalu sur celui de l'Europe“, SDA - Service de base français, 13 December 2003.

in our interest to belong to the core group of Europe.<sup>35</sup>) As before, the Danish and Swedish governments were rather cautious in their public statements. However, the Danish Prime Minister Rasmussen did not join the critics of the Italian presidency, but complimented them on the well founded substantial preparation<sup>36</sup>. His evaluation matches with *figure 5*, where Denmark would have been more or less indifferent between the 38 issues settled until December 2003 and the Treaty of Nice.

Unsurprisingly, the Polish government refused any responsibility for the failed summit. Furthermore, Prime Minister Leszek Miller threatened to continuously veto any reform which would reduce Poland's relative voting power: „We said: 'Let us take all these good things from the constitutional treaty (the simplification of treaties, a joint foreign policy, greater power for the European Parliament) and this one fragment from the Nice Treaty, that is the division of votes.' They did not agree, so as a punishment they have got all of Nice!<sup>37</sup>”

In sum, the Italian Presidency pushed the compromise to the limit of what would have been acceptable to all governments – but not beyond. The Presidency was unable to reconcile the polarization caused by the Convention Proposal.

### ***The Irish Presidency and the Constitutional Treaty***

In January 2009 the Irish government took over as Council Presidency. They scheduled the second summit to settle the intergovernmental dispute over the Constitution for June 17-18, 2004. Until this date governments agreed over eleven more issues, the majority of which had been settled at two meetings of the Foreign Ministers end of May 2004 (*Table 1*). In particular, they agreed to maintain the current division of competences as regards health policy. Furthermore, governments finally rejected any extension of QMV to the area of social security rights. With regard to the appointment of Commissioners the new wording carefully strengthened the role of the EP<sup>38</sup>. Furthermore, the compromise provided that the Commission President-elect would first select his Commissioners on the basis of suggestions made by the national governments and this body should then be approved by the EP. Governments agreed on an extended cooperation in criminal and justice proceedings and that a European Public Prosecutor could be introduced at a later date, but only if all member states and the EP. Furthermore, they enabled mutual defense commitments among subgroups of member states and established a European Foreign Minister to be accountable to and appointed by the Commission in cooperation with the Council president, but without further approval of the EP.

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<sup>35</sup>Source: « EU SUMMIT Austria's Schuessel says committed to position at 'heart of Europe' », AFX.COM, December 13, 2003 Saturday.

<sup>36</sup>Source: Kristian Klarskov and Henrik Kaufholz, „EU-Fiasko: Fogh: Trist Dag for Europa“, Politiken, 14 December 2003.

<sup>37</sup>Source: „Premier says Poland made constructive proposals in Brussels“, BBC Worldwide Monitoring, 16 December 2003.

<sup>38</sup> According to the Constitution the EP "elects" instead of "approves".



Finally, only four days ahead of the summit, governments agreed on a preamble to include a religious reference, but not to Christianity.

*Figure 6* depicts the location of this compromise in the two-dimensional conflict space ("Jun04"). In particular, the extension of QMV and the agreement over the organization of the Council presidency as well as the Foreign Minister caused a significant rightwards shift. In reaction to these developments, governments' adjusted their position on vertical integration. In particular, the positions of the Slovak, Slovenian, Cypriote, Italian, Maltese, Irish, Estonian and Spanish government moved upward. i.e. towards more integration. By contrast, the Danish, Swedish, Polish, Czech, Belgian, Greek, Finish, Dutch, Lithuanian and Latvian government moved downwards, i.e. towards less integration. So did the French, the German and the Portuguese government, but for a different reason. Whereas the former group confronted more drastic reforms of the decision rule than they had originally hoped for, the opposite was true for the latter three governments. Finally, the Irish government was about to formulate a reform package beyond a minimal compromise. In particular, the compromise which emerged just ahead of the final summit moved beyond what Denmark, Sweden, Estonia, Latvia and Poland would have preferred to the Treaty of Nice.

Ultimately, the Irish Presidency provoked open resistance when launching its compromise proposal for the outstanding issues, in particular the reform of the QMV rules, ahead of the final summit. A qualified majority was now defined as at least 55 per cent of the member-states, comprising at least 15 of them and representing at least 65 per cent of the EU's population. As compared to the provision under the Treaty of Nice the new rules would have raised the population threshold, at least until the EU takes in new members. Unsurprisingly, many of the smaller states felt being passed over by the Irish presidency. The Finish and Slovene Prime Minister called the proposal „unacceptable“. The Austrian chancellor seconded that this proposal were putting to much emphasis on population size and, in effect, strengthening the position of the larger member states<sup>39</sup>. Poland's Prime Minister Marek Belka demanded that any voting rule should be responsive to the opposition of at least 30 per cent of the EU's population or 40 per cent of member-states. He demanded that an appropriate declaration should be added to the treaty<sup>40</sup>. Beside the reform of QMV rules, the opposition concentrated on the proposed reform of the Commission. Here, the limit of what smaller member states were willing to tolerate was a declaration of intent to reassess the current size of the Commission in due time.

French President Chirac emerged as the spokesman of the larger countries. Referring to the compromise reached ahead of the concluding summit, he said: „From now on limits exist which we

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<sup>39</sup>Source: Radio Slovenia, Ljubljana, 18 June 2004 (English summary).

<sup>40</sup>Source: „We need compromises, but we don't want a dog's dinner of a document“, The Irish Times, 19 June 2004.

cannot overstep. We will not accept any deviation from the proposals presented by the Irish presidency.“ Naturally, this point of view was supported by the German and Italian government<sup>41</sup>.

By and large, the final summit followed the Presidency's proposal. In addition, the Constitutional Treaty provided for a smaller college of 18 Commissioners by the year 2014. It strengthened the involvement of the EP in the annual budgeting procedure. Moreover, governments concurred that a team of three member states would preside over the Council for 18 months. Each member of the team would hold the presidency for a period of six months, being assisted by the other two states on the basis of a common program. The European Council would be chaired by a President appointed for two and a half years appointed by unanimity of Council members, renewable once. Governments did not extend majority voting to foreign and tax policy, a decision particularly important to ensure the support of Ireland, Estonia and Poland. Likewise, governments did not extend the Union's competences in the areas of employment, social and economic policy

*Figure 7* locates the final compromise, the Constitutional Treaty („IGC“), in the two-dimensional conflict space. In reaction, I predict the positions of the Slovak, Irish, Cypriote, Maltese and Finish government to move up and rightwards, whereas the French, Greece, Belgian, Danish, Swedish and Latvian governments should have moved in the opposite direction. As a result, the Constitutional Treaty is located very close to Portugal, Germany, France and Spain. By contrast, governments of the following eight states would have preferred the Treaty of Nice: Denmark, Sweden, Poland, Latvia, Estonia, Ireland, Austria and, though marginally, Hungary.

Against this background it comes as little surprise that some governments hailed the Constitutional Treaty, in particular the German chancellor („a historic decision which increases the Union's unity and governability“<sup>42</sup>) and the French president Chirac („a good agreement for Europe and a good agreement for France“<sup>43</sup>). At the same time Chirac was careful enough to portray the result as a compromise: "We, it's true, would have liked to have gone further still down the road of harmonization in social and fiscal areas, but of course we had to take everyone's opinions into account.“<sup>44</sup> The only government to evaluate the treaty even more euphorically was the Portuguese calling it „splendid for Europe“ and „splendid for Portugal, because the fundamental interests (...) have been fully enshrined in the European constitution.“<sup>45</sup> This puff piece on the Constitutional Treaty matches with the Portuguese position *in Figure 7*. Moreover, the statement of the British and

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<sup>41</sup>Source: Andreas Schnauder, „Verfassung: Späte Einigung nach zähem Ringen“, Die Presse, 19 June 2004.

<sup>42</sup>Source: „Staats- und Regierungschefs einigen sich auf Verfassung für Europa“, Agence France Presse – German, 19 June 2004.

<sup>43</sup>Source: „Chirac: la Constitution "est bonne pour l'Europe et pour la France“, Agence France Presse, 19 June 2004.

<sup>44</sup>Source: Robert Wieleaard, „EU leaders face a hard sell of constitution in parliaments and streets of Europe“, The Associated Press, 19 June 2004.

<sup>45</sup>Sources: „Portuguese premier hails agreement on EU constitution „, BBC Worldwide Monitoring, 19 June 2004. RDP Antena 1 radio, Lisbon, 19 June 2004 (English summary).

Spanish government were also very positive, with the Spanish Prime Minister Zapatero highlighting that the IGC had „avoided a directorate in the EU<sup>46</sup>“.

The eight member states which, according to *figure 7*, should have preferred the status quo can be subdivided in three groups. First, some member states found it hard to veto the final compromise because they had been favoring a rather integration friendly position earlier on in the IGC and committed themselves to the Convention Proposal. In particular, this is true for Denmark, Sweden, Austria and Latvia. Accordingly, these countries found it hard to veto the Constitutional Treaty over reforms they supported earlier on in the process. Besides an unfavorable utility balance, such a veto would have created significant credibility and reputation costs. Therefore, we observe cautiously positive evaluations from these governments, mostly emphasizing the importance of an agreement as an end in itself as well as a proof of and „guarantee for efficiency after enlargement“<sup>47</sup>.

Second, Ireland and Estonia have been appeased by a favorable solution to a single, but vital issue. As low-tax countries, both governments were united in their opposition against any attempt to European tax harmonization or, even worse, the extension of QMV to this area (Gwiazda 2006; Finke 2006). It appears of little help to interpret the reactions of the Irish Presidency which, naturally, hailed the final compromise. However, the Estonian reactions to the final outcome were characterized by relief that the „red line“ of tax harmonization has not been crossed. The government expressed „satisfaction with the fact that an article on direct taxation was dropped from the Convention Proposal at the IGC and in the area of indirect taxation unanimity was preserved.(...) Retaining unanimity voting in the area of taxation was one of the most important issues for Estonia at the IGC.<sup>48</sup>“ Indeed, *table 1* reveals that the voting rule on taxation was among the last issued to be resolved. Accordingly, the Estonian Foreign Minister judged the final agreement to be „no doubt a compromise, but favorable to Estonia<sup>49</sup>“.

Third, the consent of Hungary and, in particular, Poland to the final outcome remains difficult to explain. Certainly, reputation costs are an important factor to understand the last minute consent of the Polish government. The leader of the Polish Social Democrats stated that Poland had "achieved a maximum on what was to be achieved". (...) Refusal to accept a compromise in a situation where 24 EU countries were ready to agree would have led to Poland's isolation from the rest of the union<sup>50</sup>. Another explanation points to the effect of decision sequence, in particular the

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<sup>46</sup>Source: „EU wakes up to new constitution battle“, Channel News Asia, 19 June 2004.

<sup>47</sup>Source: Per Stig Møller, „Det Genforenede Europas Traktat“, Jyllands-Posten, 10 July 2004.

<sup>48</sup>Source: „Convention Watch“, No. 1, available at: [www.eu-consent.net/library/EU25Watch/EU-25\\_Watch-No1.pdf](http://www.eu-consent.net/library/EU25Watch/EU-25_Watch-No1.pdf) (11.01.2009).

<sup>49</sup>Source: „European Council endorses EU Constitutional Treaty“, Baltic News Service, 19 June 2004.

<sup>50</sup>Sources: „President says Poland "moral victor" in battle for EU Constitution“, BBC Worldwide Monitoring, 21 June 2004. PAP news agency, Warsaw, 21 June 2004 (English summary).

late Polish rise at a time all other governments had committed themselves to the compromise proposed by the Irish presidency. Besides, the Polish government had been well aware that a veto would not have terminated the reform process once and forever. Indeed, Prime Minister Marek Belka's justified his final approval along this line of arguments: "But having derailed summits twice - and that's how it would have been interpreted by circles hostile to Poland - our position in negotiating the budget and the constitution (in another attempt) would have been very bad."<sup>51</sup> In this comment he referred to the upcoming negotiations over the multiannual financial framework 2007-2013. However, the negative reaction by the Law and Justice party which, already strong, would provide the next president (Lech Kaczynski) and the next Prime minister (Jaroslaw Kaczynski) indicated potential ratification problems<sup>52</sup>.

## Discussion

Governmental positions are a powerful predictor of European treaty reforms (Moravcsik 1998; König and Hug 2006; Slapin 2008; Finke 2009a). Yet few empirical studies analyze the interdependence between governmental positions on different issues and conflict dimensions. If governmental positions are conditional upon the real or expected outcome on other issues, the sequences of decisions gain importance for our understanding of European Treaty reforms. Furthermore, if positions are conditional, the winset for reforms changes along the sequence of decisions. So far, few studies analyze the sequence of intergovernmental decisions.

Previous research found that the intergovernmental negotiations in 2003/4 centered around two dominant conflict dimensions, namely the level of European integration and the design of the decision rule. In this paper, I argue that governmental preferences on both dimensions can hardly be conceived independent. By contrast, governments' position on the design of the decision rule depends on the real or expected level of integration. Vice versa, governments' position on the level of integration depends on the real or expected design of the decision rule. In the first part of this paper, I analyze the extent and direction of this non-separability effect for the IGC 2003/4. Thereafter, I analyze the sequence of decisions taken by the IGC 2003/4. In particular, I predict governments' reactions to each intermediate decision and compare them to public reactions.

First, I advance the statistical models of ideal point estimation such that they allow for an explicit estimation of non-separability effects (Finke 2009b). The model uses patterns of ex ante survey responses to draw inferences about the conditionality of member states' preferences between two

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<sup>51</sup>Source: „Poland's prime minister says he accepted EU constitution to secure Polish influence“, Associated Press Worldstream, 21 June 2004.

<sup>52</sup> Source s: „Polish opposition leader attacks EU constitution "capitulation"“, BBC Worldwide Monitoring, 19 June 2004. „Europe Has Constitution, But Belka is in Trouble“, Polish News Bulletin, 21 June 2004.

latent, orthogonal conflict dimensions. I then apply this statistical model to data on governmental positions revealed at the IGC 2003/4. The results confirm that richer member states tend to reveal a positive complementary preference between the decision rule and the level of vertical integration (Finke 2009b).

Thereafter, I provide a sequential analysis of the negotiations over the Constitutional Treaty. For this purpose, I simulate governments' positions as being conditional upon the Treaty of Nice, the Convention Proposal, the minimal compromise reached under the Italian presidency (December 2003) and the compromise reached just ahead of the final summit in June 2004. By and large, the predicted change of governmental positions matches with the public statements issued by governmental leaders at the time.

Previous IGCs at Amsterdam (1997) and Nice (2000) ended with reforms at the least common denominator. As a consequence, governments invoked the Convention on the Future of Europe. Unexpectedly, the Convention proposed a coherent and progressive reform treaty. Retrospective governments considered almost half of the reform issued to be settled before starting the IGC. However, governments haggled over the bindingness of the Convention Proposal which polarized the conflict among them. One group advocated the adoption of the complete reform package, whereas a second group reacted by opposing further reforms altogether. The failure of the summit headed by Italian Council Presidency gives proof to this conflict.

The decisions taken until December 2003 would have improved all 25 governments as compared to the Treaty of Nice. Yet, in the end the Irish Presidency brokered a deal which eight countries should have rejected. My analysis reveals that the Austrian, Danish, Swedish and Latvian government found it hard to revoke their commitment to vertical integration stipulated by the Convention Proposal even when confronted with unfavorable reforms of the decision rule. As regards Ireland and Estonia the sequence of decisions matters in so far as both low-tax countries had a vital interest that matters of taxation would not be decided by QMV. This issue remained on the bargaining table until the final summit in June 2004. At the same time, the existence of vital issues reveals the limit of my statistical approach. Finally, my sequential analysis contributes to our understanding why the Hungarian and Polish approved the Constitutional Treaty. Essentially, both governments did not succeed in forming a powerful opposition early on in the process. In the end, they feared the negative reputational effect of vetoing the compromise. Moreover, they expected adverse consequence for the upcoming negotiations over the EU budget. In other words, financial side-payments may have played an important role after all.

In the end, the Constitutional Treaty was almost identical to the Convention Proposal. Hence, it must be considered a landslide victory for the French and German as well as the Spanish and

Portuguese governments. As regards the intergovernmental level they eventually succeeded in overcoming the minimal compromises of Amsterdam and Nice. Yet, considering the subsequent ratification failure and the unfinished ratification of the Lisbon Treaty, it remains an open question whether this 'success' will carry over to the domestic arena.

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**Table 1: Sequence of Intergovernmental Decisions**

<i>Reform Issues (DOSEI- data collection)</i>	<i>Last Appearance in Official Document, Document ID</i>
<b>Decisions until Final Summit under Irish Presidency (June 2004)</b>	
QMV	18.06.2004, CIG 82-85/04
Number of commissioners	18.06.2004, CIG 82-85/04
Presidency of the European Council	18.06.2004, CIG 81/04
Voting rule (council) for Tax harmonization	18.06.2004, CIG 81/04
Voting rule (council) for Common Foreign Policy	18.06.2004, CIG 81/04
Rights of EP in the adoption of the budget	18.06.2004, CIG 81/04
Charter of Fundamental Rights	18.06.2004, CIG 82-85/04
Scope of ECJ jurisdiction	18.06.2004, CIG 81/04
Level of competence for Structural and Cohesion policies	18.06.2004, CIG 84-85/04
Level of competence for Freedom, Security and Justice	18.06.2004, CIG 81,83-85/04
Level of competence for Economic Policy	18.06.2004, CIG 82-85/04
Level of competence for Employment Policy	18.06.2004, CIG 82-85/04
Level of competence for Social Policy	18.06.2004, CIG 81/04
Voting rule (council) for Stability and Growth Pact	18.06.2004, CIG 82-85/04
Religious reference in the preamble	14.06.2004, CIG 80/04
Decision rule (EP) for Structural and Cohesion policies	24.05.2004, CIG 79/04
Level of competence for Health Policy	24.05.2004, CIG 79/04
Appointment of Commissioners (role of EP)	17.05.2004, CIG 75/04
Voting rule (Council) for Area of Freedom, Security and Justice	17.05.2004, CIG 75/04
Voting rule (Council) for Social security rights	17.05.2004, CIG 75/04
Presidency of the European Council (nomination)	13.05.2004, CIG 76/03
Appointment of Commission President (role of Council, EP or nat. parliaments)	13.05.2004, CIG 76/03
Minister of Foreign Affairs (role of Commission in appointment)	13.05.2004, CIG 76/03
Voting rule (Council) for Structural and Cohesion politics	13.05.2004, CIG 76/03
Voting rule (Council) for Defense Policy	13.05.2004, CIG 76/03
External representation	29.04.2004, CIG 73/04
<b>Decisions until Summit under Italian Presidency (December 2003)</b>	
Enhanced cooperation	12.12.2003, CIG 60/1/03
Level of competence for Tax harmonization	12.12.2003, CIG 60/1/03
Voting rule (Council) for Social Policy	27.10.2003, CIG 38/03
Voting rule (Council) for Defense Policy	27.10.2003, CIG 38/03
Right to withdraw from the Union	27.10.2003, CIG 37/03
Level of competence for Agriculture	27.10.2003, CIG 37/03
Level of competence for Environment Policy	27.10.2003, CIG 37/03
Level of competence for research, technological development & space	27.10.2003, CIG 37/03
Migration and Asylum	27.10.2003, CIG 37/03
<b>Decisions taken in the Convention (until June 2003)</b>	
Legislative initiative for citizens	12.06.2003, CONV 797/1/03
Minister of Foreign Affairs (role of EP in appointment)	12.06.2003, CONV 797/1/03
Economic objectives: competitiveness	12.06.2003, CONV 797/1/03
Subsidiarity	30.05.2003, CONV 724/1/03
Legislative initiative for Council	30.05.2003, CONV 727/03
Voting rule (Council) for Monetary policy	30.05.2003, CONV 727/03
Voting rule (Council) for Economic Policy	30.05.2003, CONV 727/03
Decision rule (EP) for Area of freedom, security and justice	30.05.2003, CONV 727/03
Decision rule (EP) for Tax harmonization	30.05.2003, CONV 727/03
Decision rule (EP) for Monetary policy	30.05.2003, CONV 727/03
Decision rule (EP) for Economic Policy	30.05.2003, CONV 727/03
Decision rule (EP) for Common Foreign Policy	30.05.2003, CONV 727/03
Decision rule (EP) for Defense Policy	30.05.2003, CONV 727/03
External borders (management)	30.05.2003, CONV 727/03
Economic objectives : market economy	30.05.2003, CONV 724/1/03
Economic objectives : employment	30.05.2003, CONV 724/1/03
Level of competence for Foreign Policy	15.05.2003, CONV 748/03
Voting rule (council) for Agriculture	12.05.2003, CONV 729/03
Voting rule (Council) for Internal market	12.05.2003, CONV 729/03
Voting rule (Council) for Employment Policy	12.05.2003, CONV 729/03
Decision rule (EP) for Agriculture	12.05.2003, CONV 729/03
Decision rule (EP) for Internal market	12.05.2003, CONV 729/03
Decision rule (EP) for Employment Policy	12.05.2003, CONV 729/03
Decision rule (EP) for Social Policy	12.05.2003, CONV 729/03
Decision rule (EP) for Social security rights	12.05.2003, CONV 729/03
Legislative initiative Commission	24.04.2003, CONV 691/03
Legislative initiative for European Parliament	24.04.2003, CONV 691/03
Legislative initiative for National parliaments	24.04.2003, CONV 691/03
Level of competence for Education Policy	06.02.2003, CONV 528/03

Source: Data collection of the DOSEI-Project and own research (König and Finke 2007).



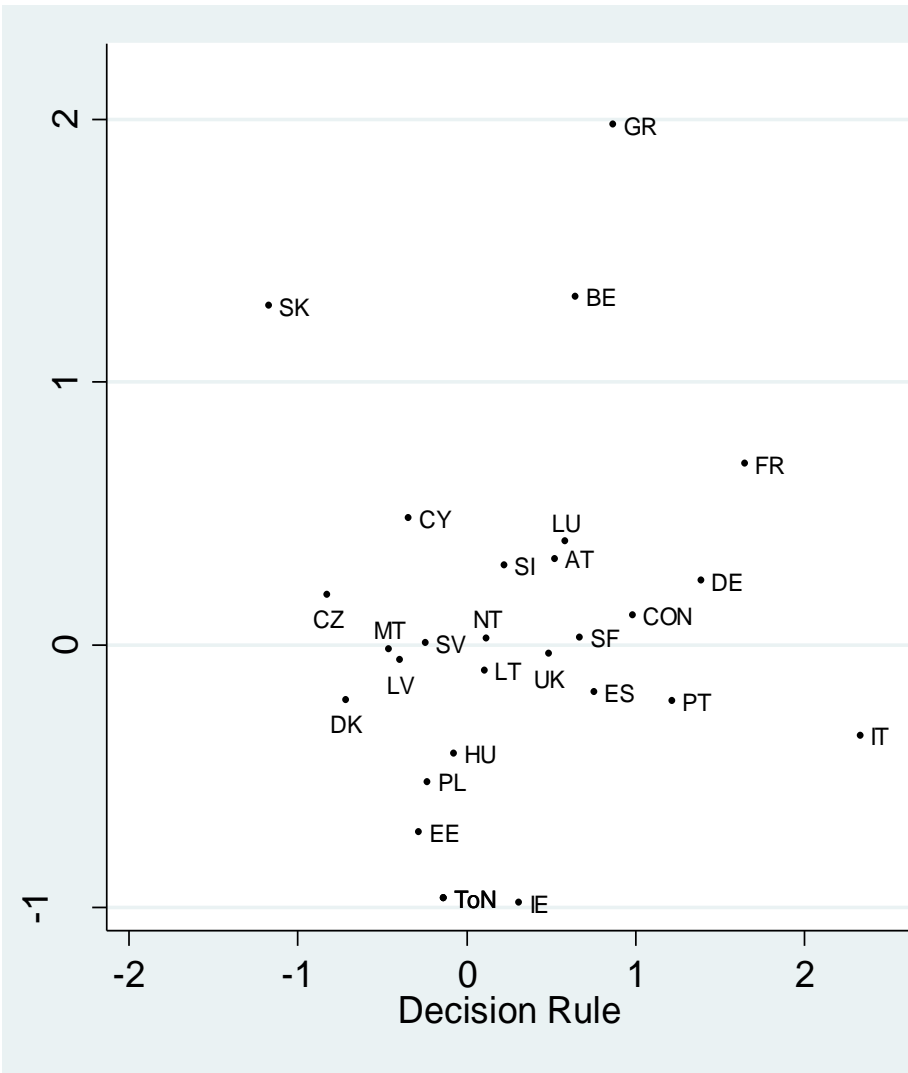


Figure 1 Governmental Positions (conditional upon Treaty of Nice).

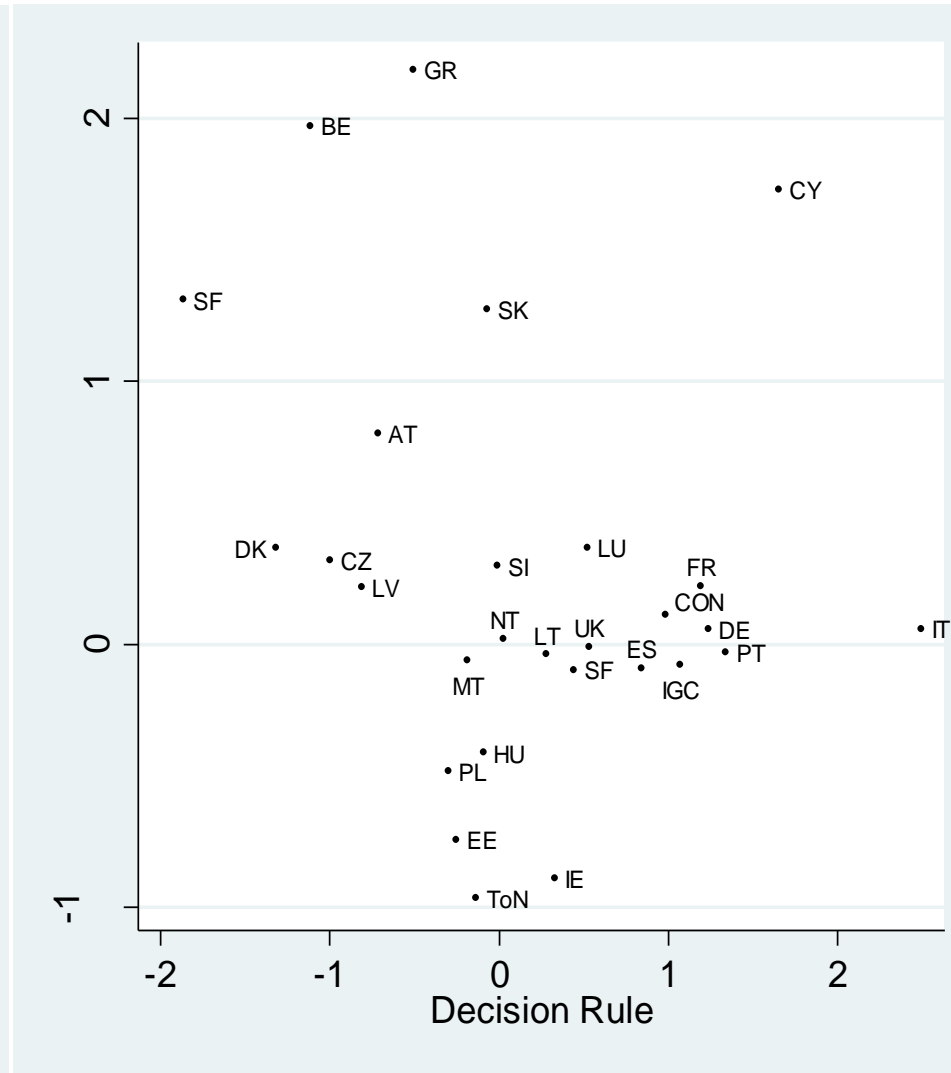
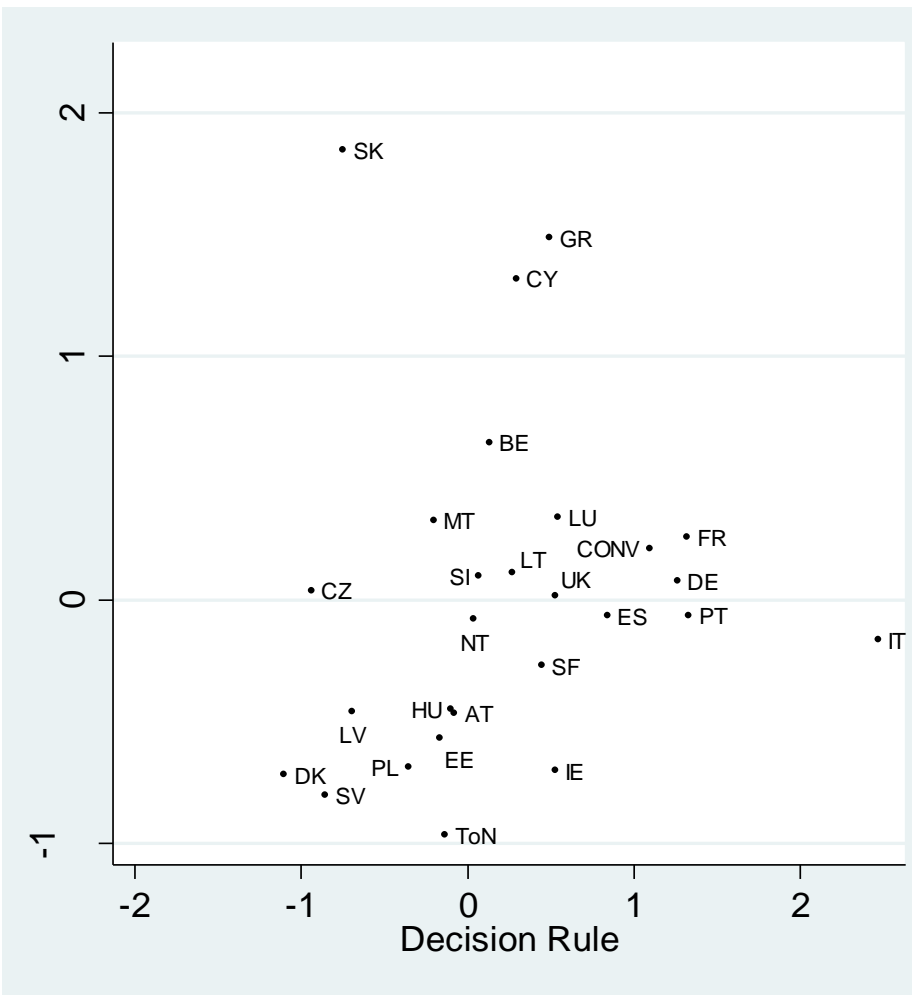
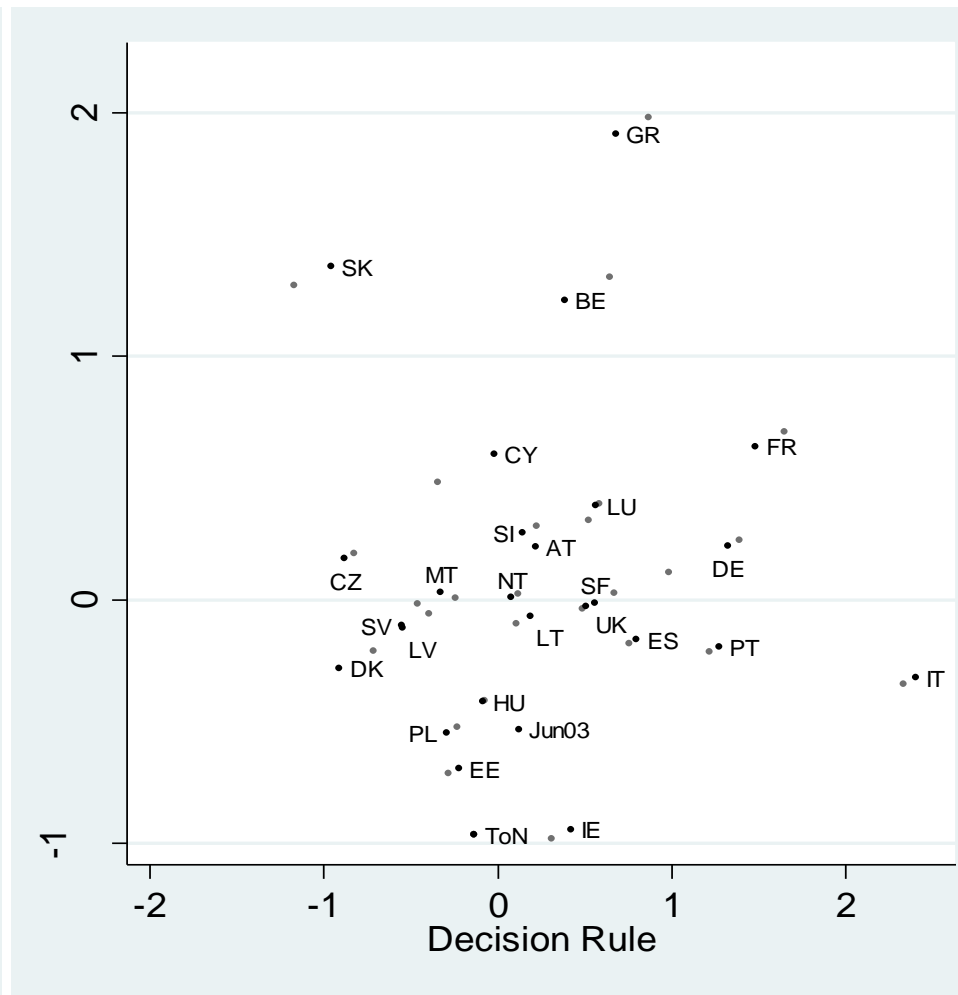


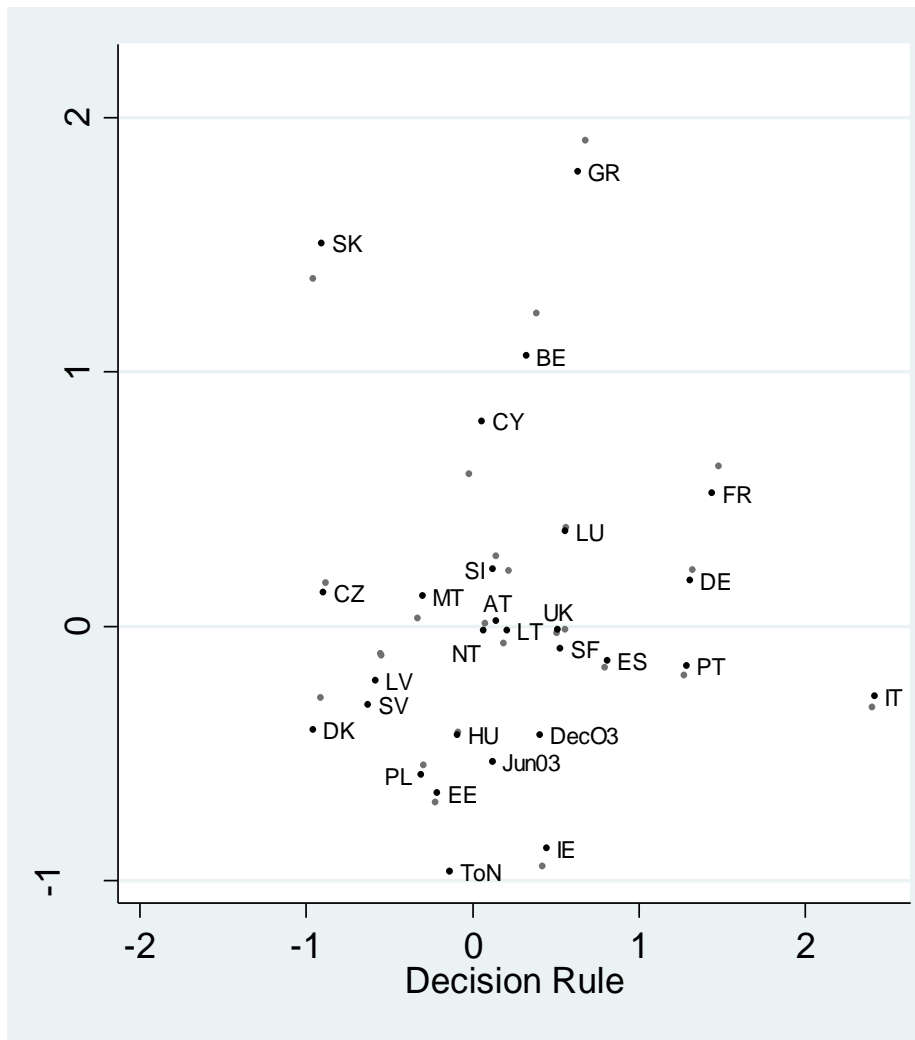
Figure 2 Governmental Positions (unconditional).



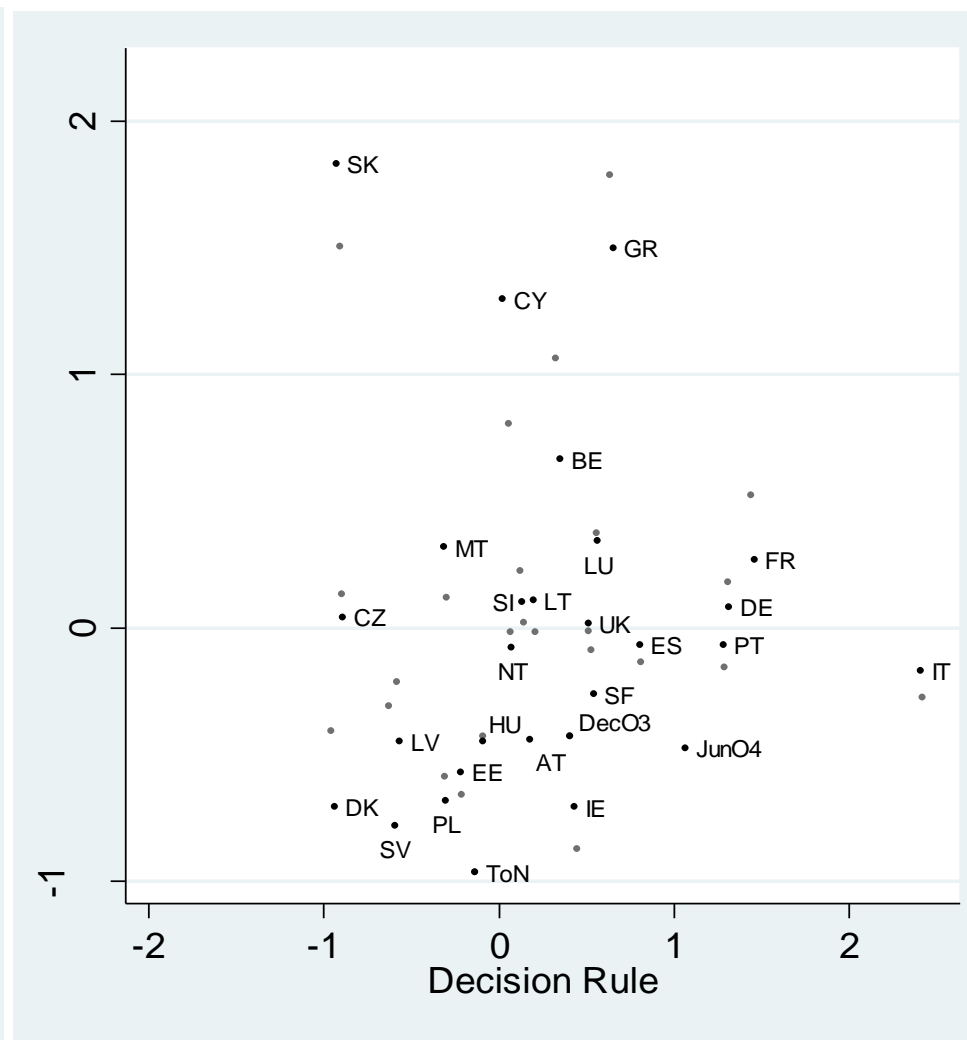
**Figure 3** Governmental Positions (conditional upon the Convention Proposal).



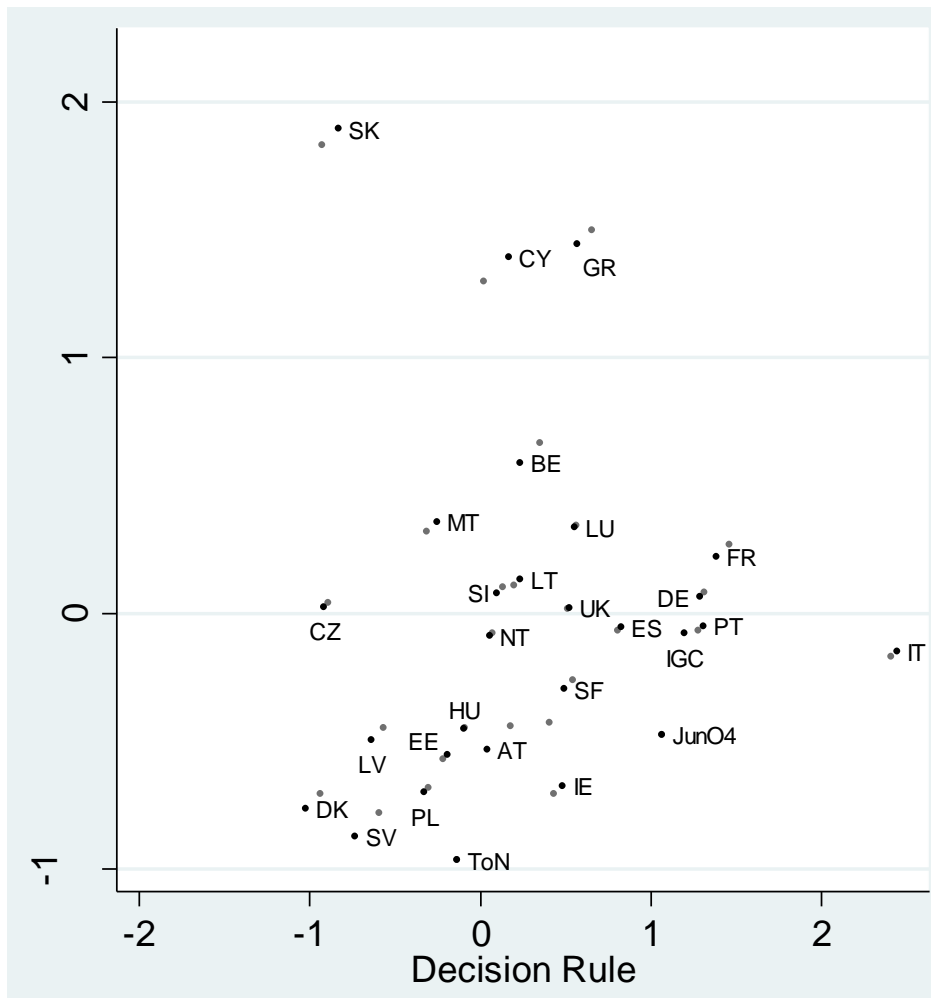
**Figure 4** Governmental Positions (conditional upon minimal compromise reached in June 2003; Note: unlabeled dots equal to Figure 1).



**Figure 5** Governmental Positions (conditional upon the compromise reached in December 2003; Note: unlabeled dots equal to Figure 4).



**Figure 6** Governmental Positions (conditional upon minimal compromise reached in June 2004; Note: unlabeled dots equal to Figure 5).



Note:

AT=Austria; BE=Belgium; CY= Cyprus; CZ= Czech Republic; DE= Germany; DK= Denmark; EE=Estonia; ES= Spain; FR=France; GR=Greece; HU=Hungary; IE= Ireland; IT=Italy; LU=Luxembourg; LV=Latvia; LT=Lithuania; MT=Malta; NT=Netherlands; PT=Portugal; PL=Poland; SI= Slovenia; SF= Finland; SK= Slovak Republic; SV=Sweden; UK=United Kingdom

ToN= Treaty of Nice; IGC= Constitutional Treaty; Conv= Convention Proposal; Jun03= Compromise reached in June 2003 (see Table 1); Dec03=Compromise reached in December 2003 (see Table 1); Jun04 = Compromise reach in June 2004 (see Table 1)

**Figure 7** Governmental Positions (conditional upon the Constitutional Treaty);

Note: unlabeled dots equal to Figure 6).

## Appendix

**A1:** Complete list of item parameters. Mean of posterior distribution plus lower and upper bound of 95% HPDs.

Code	Short Description	$\beta_1$			$\beta_2$			$q$			$\alpha$		
		lo95	mean	up95	lo95	mean	up95	lo90	mean	up90	lo95	mean	up95
Q1	Charter of Fundamental Rights	-0,24	0,30	0,89	0,43	1,04	1,69	-1,13	-0,24	0,64	-1,39	-1,04	-0,70
Q2	Subsidiarity	-0,87	-0,30	0,22	0,47	0,93	1,45	-0,34	0,36	1,08	0,58	0,88	1,21
Q3	Religious reference	-0,19	0,10	0,38	0,35	0,67	1,02	-0,08	0,38	0,87	-0,24	0,04	0,32
Q4	Right to withdraw from the Union	0,21	0,53	0,90	0,28	0,62	1,00	-1,90	-1,24	-0,65	-1,46	-1,05	-0,70
Q5.A	Economic objectives : market economy	0,35	0,84	1,40	0,00	0,48	0,98	-0,04	0,62	1,41	0,73	1,09	1,50
Q5.B	Economic objectives : employment	-0,30	-0,01	0,28	0,67	1,03	1,44	-1,39	-0,83	-0,30	0,76	1,08	1,46
Q5.C	Economic objectives : competitiveness	-0,75	-0,24	0,23	-0,32	0,19	0,69	-0,13	0,61	1,36	0,36	0,67	1,01
Q6	Presidency of the European Council (organization)	-0,01	0,26	0,56	0,44	0,84	1,29	-0,28	0,22	0,67	-0,74	-0,48	-0,22
Q7	Presidency of the European Council (nomination)	-1,07	-0,58	-0,16	0,16	0,55	1,00	-0,60	0,03	0,58	1,04	1,45	1,90
Q8	QMV	0,27	0,56	0,89	0,44	0,86	1,31	-0,19	0,27	0,75	-0,26	0,03	0,34
Q9	Number of commissioners	0,63	1,13	1,70	-0,31	0,13	0,57	-1,11	-0,42	0,32	-0,75	-0,40	-0,09
Q10	Appointment of Commission President (role of Council, EP or nat. parliaments)	-0,58	-0,14	0,24	-0,34	0,06	0,46	-0,59	0,07	0,77	-1,05	-0,74	-0,45
Q11	Appointment of Commissioners (role of EP)	0,10	0,49	0,92	0,62	1,14	1,72	-1,65	-0,84	-0,12	0,38	0,66	0,96
Q12	External representation	0,16	0,52	0,99	0,44	0,87	1,33	-0,58	0,10	0,78	-0,70	-0,42	-0,15
Q13.a	Minister of Foreign Affairs (role of Commission in appointment)	-0,06	0,54	1,21	0,25	0,87	1,55	-1,33	-0,50	0,30	0,45	0,80	1,21
Q13.b	Minister of Foreign Affairs (role of EP in appointment)	-0,65	-0,29	0,05	-0,79	-0,35	0,06	-1,07	-0,40	0,22	-0,96	-0,65	-0,37
Q14	ECJ Jurisdiction	-0,76	-0,37	-0,03	0,36	0,75	1,22	0,31	0,86	1,45	-1,81	-1,32	-0,90
Q15.B	Legislative initiative for European Parliament	-1,41	-0,80	-0,25	0,13	0,62	1,12	-0,61	0,06	0,71	-1,56	-1,17	-0,83
Q15.C	Legislative initiative for Council	-0,30	0,13	0,56	-0,45	0,04	0,51	-0,92	-0,22	0,48	0,32	0,65	0,98
Q15.E	Legislative initiative for citizens	0,15	0,49	0,86	0,24	0,66	1,14	-1,06	-0,42	0,20	0,54	0,89	1,29
Q16	Enhanced Cooperation	0,90	1,51	2,16	0,46	1,02	1,60	-0,98	-0,43	0,10	-0,63	-0,29	0,03
Q17.1	Level of Competence for Agriculture	-0,64	-0,28	0,05	0,34	0,72	1,12	-1,49	-0,89	-0,32	0,66	1,07	1,51
Q17.2	Level of Competence for Structural and Cohesion Politics	-1,25	-0,64	-0,09	0,67	1,18	1,75	-1,73	-0,89	-0,12	-1,95	-1,48	-1,06
Q17.3	Level of Competence for the Area of Freedom, Security and Justice	0,22	0,66	1,15	0,51	1,05	1,63	-1,24	-0,57	-0,12	-0,31	0,02	0,36
Q17.4	Level of Competence for Foreign Policy	0,41	0,89	1,45	0,68	1,26	1,88	-1,46	-0,71	0,03	0,07	0,35	0,64
Q17.5	Level of Competence for Economic Policy	-0,34	0,07	0,46	0,83	1,36	1,99	-1,51	-0,75	-0,04	0,15	0,47	0,80
Q17.6	Level of Competence for Tax Harmonization	-0,21	0,22	0,65	0,93	1,49	2,11	-1,39	-0,62	0,10	0,16	0,50	0,84
Q17.7	Level of Competence for Employment Policy	-1,34	-0,70	-0,17	0,95	1,55	2,22	-1,26	-0,38	0,41	0,33	0,64	0,97
Q17.8	Level of Competence for Social Policy	-0,49	-0,03	0,43	1,06	1,64	2,29	-1,37	-0,41	0,47	0,00	0,28	0,55
Q17.9	Level of Competence for Health Policy	-0,29	0,07	0,43	0,45	0,91	1,44	-1,76	-0,98	-0,26	-0,16	0,10	0,37
Q17.10	Level of Competence for Environment Policy	-1,49	-0,86	-0,30	0,81	1,35	1,94	-1,02	-0,22	0,48	0,02	0,32	0,63
Q17.11	Level of Competence for Education Policy	-0,98	-0,42	0,08	0,69	1,19	1,75	-1,23	-0,38	0,35	0,72	1,11	1,61

Code	Short Description	$\beta_1$			$\beta_2$			$q$			$\alpha$		
		lo95	mean	up95	lo95	mean	up95	lo90	mean	up90	lo95	mean	up95
Q17.12	Level of Competence for Research, Technological Development & Space	-0,04	0,41	0,86	0,90	1,49	2,13	-1,91	-1,13	-0,35	-1,89	-1,42	-1,01
Q18.A2	Voting rule (Council) for Structural and Cohesion Politics	-0,31	0,25	0,87	0,01	0,66	1,34	-0,77	0,08	0,91	-0,64	-0,36	-0,09
Q18.A3	Voting rule (Council) for Area of Freedom, Security and Justice	-0,03	0,35	0,75	0,10	0,54	1,01	-0,60	0,07	0,77	0,29	0,60	0,95
Q18.A5	Voting rule (Council) for Tax Harmonization	0,65	1,18	1,79	0,37	0,93	1,52	0,04	0,83	1,76	-1,00	-0,66	-0,35
Q18.A6	Voting rule (Council) for Monetary policy	-0,22	0,21	0,68	0,71	1,32	2,00	0,43	1,04	1,69	-0,56	-0,27	0,00
Q18.A7	Voting rule (Council) for Economic Policy	-0,31	0,09	0,52	0,62	1,18	1,80	0,05	0,66	1,30	-1,74	-1,29	-0,90
Q18.A8	Voting rule (Council) for Employment Policy	0,24	0,90	1,62	0,49	1,18	1,87	-0,63	0,19	0,92	-0,69	-0,37	-0,09
Q18.A9	Voting rule (Council) for Social Policy	0,62	1,18	1,86	0,03	0,56	1,14	-0,09	0,57	1,32	-1,06	-0,72	-0,42
Q18.A10	Voting rule (Council) for Social Security Rights	0,10	0,52	1,02	0,63	1,22	1,83	0,48	1,17	1,92	0,17	0,46	0,75
Q18.A11	Voting rule (Council) for Common Foreign Policy	0,86	1,45	2,08	0,22	0,83	1,48	0,21	0,96	1,73	0,90	1,28	1,70
Q18.A12	Voting rule (Council) for Defense Policy	0,61	1,07	1,61	0,47	1,07	1,67	-0,38	0,36	1,16	0,91	1,29	1,70
Q18.B1	Decision rule (EP) for Agriculture	-0,94	-0,50	-0,12	0,01	0,41	0,82	-1,06	-0,34	0,36	-1,76	-1,28	-0,89
Q18.B2	Decision rule (EP) for Structural and Cohesion Politics	-0,79	-0,32	0,16	0,39	1,07	1,81	-1,29	-0,50	0,38	-0,50	-0,23	0,04
Q18.B3	Decision rule (EP) for Area of Freedom, Security and Justice	-0,49	-0,07	0,32	0,58	1,11	1,72	-0,76	-0,12	0,45	-1,63	-1,14	-0,73
Q18.B4	Decision rule (EP) for Internal Market	-1,07	-0,52	-0,04	0,62	1,27	1,97	-0,62	0,23	1,05	0,49	0,82	1,17
Q18.B5	Decision rule (EP) for Tax Harmonization	0,01	0,47	0,99	1,13	1,77	2,44	0,06	0,73	1,45	-0,33	0,03	0,36
Q18.B6	Decision rule (EP) for Monetary policy	-1,30	-0,67	-0,16	0,56	1,11	1,71	0,79	1,41	2,14	-0,25	0,13	0,50
Q18.B7	Decision rule (EP) for Economic Policy	-1,75	-0,90	-0,30	0,46	1,03	1,66	1,06	1,71	2,42	-0,77	-0,45	-0,16
Q18.B8	Decision rule (EP) for Employment Policy	-0,53	-0,10	0,32	0,76	1,35	1,98	0,06	0,63	1,29	-0,67	-0,40	-0,14
Q18.B9	Decision rule (EP) for Social Policy	-0,06	0,31	0,75	0,38	0,89	1,47	0,00	0,59	1,25	-0,12	0,18	0,47
Q18.B10	Decision rule (EP) for Social Security rights	-0,38	0,04	0,45	0,68	1,20	1,79	0,27	0,97	1,75	-0,76	-0,49	-0,23
Q18.B11	Decision rule (EP) for Common Foreign Policy	-0,91	-0,32	0,21	0,56	1,04	1,57	-0,01	0,63	1,31	-0,72	-0,38	-0,07
Q18.B12	Decision rule (EP) for Defense Policy	-0,85	-0,31	0,21	0,57	1,05	1,57	0,00	0,62	1,28	-1,13	-0,81	-0,52
Q19	Rights of EP in the adoption of the budget	-0,22	0,01	0,23	-0,01	0,31	0,66	-0,75	-0,16	0,38	-1,19	-0,83	-0,51
Q20	SGP I (flexibility)	-0,59	-0,26	0,04	-0,14	0,25	0,63	-1,16	-0,45	0,17	-0,64	-0,36	-0,09
Q21	SGP II (debt/ GDP criterion)	-0,29	0,05	0,40	0,04	0,48	0,97	-1,44	-0,64	0,15	-1,92	-1,47	-1,08
Q22	Defense Cooperation	0,99	1,51	2,11	0,94	1,46	2,03	-0,92	-0,36	0,18	0,90	1,25	1,64
Q23	External Borders (management)	0,12	0,40	0,71	0,21	0,54	0,92	-1,27	-0,62	-0,02	-1,74	-1,30	-0,92
Q24	Migration and Asylum	0,64	1,00	1,42	0,21	0,62	1,07	-1,20	-0,64	-0,03	-0,08	0,17	0,42
mean		-0,28	0,18	0,65	0,39	0,90	1,44	-0,70	0,00	0,68	-0,15	0,17	0,51
stdev		0,64	0,61	0,65	0,38	0,43	0,51	0,71	0,67	0,69	0,83	0,83	0,87
mean		0,54	0,50	0,70	0,46	0,89	1,40	0,82	0,56	0,74	0,77	0,70	0,72

**A2:** Complete list of estimated person parameters. Mean of posterior distribution plus lower and upper bound of 90% HPDs.

		$X_1$			$X_2$			$a_{12}$		
		lo95	mean	up95	lo95	mean	up95	lo90	mean	up90
<b>Austria</b>	AT	-0,035	0,447	0,978	0,078	0,356	0,614	0,410	0,970	0,394
<b>Belgium</b>	BE	0,129	0,627	1,126	0,985	1,289	1,606	0,037	0,302	0,220
<b>Cyprus</b>	CY	-0,808	-0,296	0,180	0,219	0,450	0,732	-2,330	-1,505	-0,499
<b>Czech Republic</b>	CZ	-1,285	-0,817	-0,424	-0,004	0,229	0,483	-0,007	0,173	0,167
<b>Denmark</b>	DK	-1,226	-0,842	-0,486	-0,424	-0,164	0,107	-0,055	0,116	0,136
<b>Estonia</b>	EE	-0,727	-0,251	0,196	-1,009	-0,708	-0,426	-0,513	-0,293	-0,217
<b>Finland</b>	SF	0,226	0,608	1,018	-0,200	0,062	0,295	-0,041	0,169	0,164
<b>France</b>	FR	1,068	1,539	2,054	0,312	0,652	0,968	-0,046	0,097	0,124
<b>Germany</b>	DE	0,975	1,431	1,943	-0,118	0,210	0,490	-0,107	0,024	0,062
<b>Greece</b>	GR	0,220	0,837	1,474	1,512	1,916	2,416	-0,083	0,161	0,160
<b>Hungary</b>	HU	-0,490	-0,132	0,238	-0,634	-0,363	-0,126	0,108	0,581	0,305
<b>Ireland</b>	IE	-0,019	0,355	0,763	-1,273	-0,946	-0,656	-0,410	-0,146	-0,153
<b>Italy</b>	IT	1,669	2,306	2,982	-0,942	-0,400	0,024	-0,184	-0,072	-0,107
<b>Latvia</b>	LA	-0,708	-0,367	-0,039	-0,248	-0,040	0,171	-0,136	0,101	0,127
<b>Lithuania</b>	LT	-0,240	0,109	0,457	-0,290	-0,085	0,112	-0,633	-0,331	-0,230
<b>Luxembourg</b>	LU	0,280	0,666	1,082	0,147	0,366	0,588	-0,490	-0,263	-0,205
<b>Malta</b>	MT	-0,737	-0,357	0,021	-0,248	-0,028	0,209	-0,725	-0,434	-0,263
<b>Netherlands</b>	NL	-0,192	0,149	0,494	-0,204	0,006	0,201	-0,458	-0,077	-0,111
<b>Poland</b>	PL	-0,587	-0,243	0,099	-0,721	-0,482	-0,261	-0,123	0,110	0,133
<b>Portugal</b>	PT	0,774	1,252	1,782	-0,584	-0,226	0,064	-0,204	-0,047	-0,087
<b>Slovakia</b>	SK	-1,620	-1,112	-0,653	0,884	1,237	1,686	-0,720	-0,432	-0,263
<b>Slovenia</b>	SI	-0,267	0,097	0,474	0,143	0,360	0,578	-0,072	0,294	0,217
<b>Spain</b>	ES	0,344	0,704	1,126	-0,437	-0,185	0,056	-0,395	-0,161	-0,161
<b>Sweden</b>	SV	-0,601	-0,253	0,099	-0,198	0,007	0,224	0,117	0,641	0,320
<b>United Kingdom</b>	UK	0,034	0,327	0,626	-0,210	-0,015	0,170	-0,180	0,039	0,078
	<i>mean</i>	-0,153	0,271	0,704	-0,139	0,140	0,413	-0,290	0,001	0,012
	<i>stdev</i>	0,772	0,804	0,870	0,622	0,630	0,677	0,507	0,455	0,225