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THE TREATY OF AMSTERDAM AND THE CODECISION PROCEDURE

by

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1 Introduction

In June 1997 European Union (EU) government leaders agreed to yet another round of EU treaty changes and approved the Treaty of Amsterdam. Even though the Treaty is considered by some as only a minor step toward further European integration, it contains once again a number of important institutional changes. In particular, it alters the codecision procedure, which was introduced by the Treaty of Maastricht (1992).[1]

The codecision procedure intended to give the Parliament a more important role in the EU legislative process.[2] It provided for negotiations between the Parliament and the Council in case they approved different versions of a proposal. Crombez (1997a) concluded that the Parliament became a legislator equal in stature to the Council under codecision. The Parliament (European Parliament 1992) claimed, however, that the procedure failed to provide for real codecision "since the Council [was] allowed to act unilaterally in the absence of an agreement" with the Parliament.

The Parliament's conclusions were echoed in the literature. Curtin (1993) found that "the effective balance of power [was] indisputably weighed towards the Council." Tsebelis (1997) concluded that the codecision procedure stripped the Parliament of the conditional agenda setting powers it enjoyed under the cooperation procedure.

The Treaty of Amsterdam alters the codecision procedure to meet this type of criticism. In this paper I show that, rather than increasing the Parliament's power, the new procedure renders the Commission irrelevant, threatens to increase indecision (the EU's inability to act), and may actually reduce the Parliament's power (its ability to obtain a policy that is close to its ideal policy).

The EU legislative process has received widespread attention in recent years. The literature includes theoretical analyses of the legislative procedures, amongst others by Steunenberg (1994), Tsebelis (1994), and Crombez (1996, 1997a). These models formulate conclusions in terms of equilibrium EU policies, and the equilibrium policies depend on the preferences of the Commission, the Parliament and the countries.

Crombez (1997b) endogenizes the Commission's preferences by studying the Commission appointment process. He characterizes sets of effective Commissions, i.e., Commissions that can be appointed and can successfully propose their own ideal policies, as functions of the ideal policies of the countries and the Parliament. Crombez (1998) provides a theoretical analysis of logrolling in the EU legislative process.

This paper presents spatial models of codecision in the EU. Alternative EU policies are represented by points in a policy space and policy makers are assumed to have preferences over these points. The countries, Members of the European Parliament (MEPs) and Commissioners have complete and perfect information. The models yield equilibrium policies as functions of the countries', MEPs' and Commissioners' preferences, and the location of the status quo. I present unidimensional and multidimensional models of the old and new codecision procedures, i.e., the procedure that is used today and the procedure that will be used after the adoption of the Treaty of Amsterdam.[3] The unidimensional modes are simplified versions of the multidimensional models. In the unidimensional models the Parliament and the Commission are represented as unitary actors.

In the next section I introduce the models. The third section studies the old codecision procedure. It characterizes equilibrium EU policies and sets of successful proposals under the old codecision procedure, i.e., sets of policies the Commission can successfully propose. In the fourth section I analyze the

new codecision procedure. I characterize equilibrium EU policies and sets of successful joint texts, i.e., sets of policies the Council and Parliament Presidents can successfully propose. The fifth section presents the conclusions.

The conclusions of the multidmensional models can be summarized as follows. I find that under the old codecision procedure the Commission President successfully proposes the policy he prefers most among the policies that satisfy the following three conditions: (1) a qualified majority in the Council and a majority of the MEPs prefer it to the status quo, (2) no policy is preferred to it by the Parliament and Council Presidents, a qualified majority in the Council and a majority of MEPs, and (3) a majority of the Commissioners prefer it to the policy that would be implemented if they rejected it. Furthermore, I show that the Parliament becomes a genuine colegislator with the Council, and that the Commission has substantial agenda setting powers under the old codecision procedure.[4]

By contrast, I conclude that the Commission's role is irrelevant under the new codecision procedure. Under that procedure the Parliament and Council Presidents choose the EU policy from among the policies that satisfy the first two conditions mentioned above. I also conclude that the changes to the codecision procedure may weaken the Parliament's power. Furthermore, I show that the new codecision procedure threatens to increase indecision in the EU.

2 The Models

I present spatial models of EU policy making under the codecision procedure. Alternative policies are represented by points in an n-dimensional policy space. Each dimension corresponds to a specific policy issue, such as the allowable noncocoa fat level in chocolate or the length of daylight saving time. Policy making can then be thought of as choosing a point in the policy

space. I assume that countries have Euclidean preferences over the EU policy $p(p^1,\ldots,p^n)$, with ideal policy $\hat{p}_k(\hat{p}_k{}^1,\cdots,\hat{p}_k{}^n)$ for country k. Each country has an ideal policy and prefers policies that are closer to, rather than farther away from, its ideal policy. The MEPs and Commissioners are also assumed to have Euclidean preferences over EU policies.

I study the old codecision procedure, as introduced by the Treaty of Maastricht and in use today, and the new codecision procedure, as altered by the Treaty of Amsterdam. I present unidimensional as well as multidimensional models of both procedures. The multidimensional models of the procedures are shown in Figure 1. First, the Commission President proposes a policy.[5] Subsequently, the Commissioners vote on the proposal. If the proposal obtains the support of a simple majority of the Commissioners, it is sent to the Parliament and the Council. If the proposal fails to obtain the support of a majority of the Commissioners, a status quo proposal is sent to the Parliament and the Council.

---Figure 1 about here---

The MEPs and the countries, as represented in the Council, can together approve an amendment, referred to as a joint text.[6] In particular, the Parliament President can propose a joint text in the third stage. If the Council President approves the joint text in the fourth stage, it is subsequently voted on in the Council and the Parliament in the fifth and sixth stages. The joint text needs the support of a qualified majority in the Council and a majority of MEPs for adoption.[7] A qualified majority in the Council consists of 62 out of a total of 87 votes.[8] The new codecision procedure ends with the countries' and MEPs' votes on the joint text. The status quo then prevails, if no joint text is adopted. The old codecision procedure consists of two more stages, however. In particular, the countries and MEPs vote on the original Commission proposal in the seventh and eighth stages of the old codecision procedure, if

no joint text was adopted. The countries and MEPs compare the proposal to the status quo. To be adopted the proposal needs the support of a qualified majority in the Council and a majority of the MEPs. If no proposal is adopted, the status quo prevails.

The unidimensional models of the old and new codecision procedures are simplified versions of their multidimensional counterparts. The Commission and the Parliament use majority rule, and there are no restrictions on amendments. As a consequence, the analysis of policy making on dimension i can be simplified by focusing on the ideal policies of the median Commissioner and the median MEP. Suppose the status quo q^i on dimension i is to the right (left) of the median Commissioner's ideal policy $\hat{p}_c{}^i$. The median Commissioner and all Commissioners on his left (right) then want a move to the left (right). As a result, any policy is defeated in the Commission by policies that are closer to the median Commissioner's ideal policy. Similar reasoning applies to voting in the Parliament. With respect to policy making on dimension i the Commission and the Parliament can thus be treated as unitary actors with ideal policies equal to their median voters' ideal policies, $\hat{p}_c{}^i$ and $\hat{p}_p{}^i$ respectively.[9]

The Council is not represented as a unitary actor because it uses qualified majority rule. Nonetheless, the analysis of policy making on dimension i can be simplified by focusing on the countries that are pivotal under the qualified majority rule. The country a^i that is pivotal for a move to the right on dimension i thus has an ideal policy to the left of the country with the median vote. In particular, country a^i is the country with the 26th vote (from the left). Country a^i and the countries to its right then have 62 votes, and the countries to its right do not constitute a qualified majority without country a^i. The country b^i that is pivotal for a move to the left is the country with the 62nd vote.

In other respects the unidimensional models, shown in Figure 2, are similar to their multidimensional counterparts. First, the Commission proposes a policy. The Parliament can then offer a joint text, which becomes EU policy if a qualified majority in the Council approves it. The new codecision procedure ends with this vote. The status quo then prevails if the joint text does not obtain the support of a qualified majority in the Council. Under the old codecision procedure the countries vote on the Commission proposal in the fourth stage, if no joint text is approved. If a qualified majority accepts the proposal and the Parliament approves it in the fifth stage, the proposal then becomes EU policy. Otherwise, the status quo prevails.

----- Figure 2 about here-----

The models incorporate complete and perfect information. The actors, i.e., the institutions, countries, MEPs and Commissioners know each other's preferences, the location of the status quo, the impact of proposed policies, the sequential structure of the models, and the actions taken in prior stages of the models.

An equilibrium consists of a strategy for each actor. Strategies tell the actors what actions to choose in the relevant stages of the procedure, given the actions taken in prior stages. The equilibrium concept is subgame perfect Nash. In a Nash equilibrium, no actor can achieve a higher utility by choosing another strategy, given the other actors' strategies. In a subgame perfect Nash equilibrium, actors can do no better than stick to their strategies in any stage of the procedure, even if an actor deviated from the equilibrium strategy in a prior stage.

3 The Old Codecision Procedure

In this section I present the unidimensional and multidimensional models of the old codecision procedure. For each model I go through the different steps of the procedure. I determine sets of successful proposals and equilibrium policies, for any configuration of ideal policies and for any location of the status quo. I also discuss the institutions' powers and the extent of indecision.

3.1 The Unidimensional Model of Old Codecision

Under the old codecision procedure the Commission starts policy making on dimension i by proposing a policy p^i, as shown in Figure 2. It wants the policy to be as close to its ideal policy as possible.[10] This does not imply, however, that the Commission proposes its ideal policy. The Commission understands the role the Council and the Parliament play in the next stages of the procedure and takes these into account when it makes its proposal.

In the fourth and fifth stages the countries and the Parliament vote on the Commission proposal. The proposal is adopted if the Parliament and a qualified majority in the Council approve it. They approve the Commission proposal if they prefer it to the status quo. The set $P(q^i)$ of policies the Parliament approves in the fifth stage, is thus the set of policies the Parliament prefers to the status quo. Similarly, the set $Q(q^i)$ of policies a qualified majority in the Council approves in the fourth stage, is the set of policies a qualified majority prefers to the status quo.

To illustrate policy making on dimension i I use the configuration of ideal policies shown in Figure 3. Country a^i, the Parliament and the Commission, with ideal policies $\hat{p}_a{}^i$, $\hat{p}_p{}^i$ and $\hat{p}_c{}^i$ respectively, have ideal policies to the right of the status quo. For simplicity, the status quo q^i is assumed to be equal to zero. The Parliament has an ideal policy to the left of countries a^i and b^i that are pivotal under the qualified majority rule, whereas the Commission is

located more to the right. In Figure 3 the Parliament, country a^i and thus a qualified majority prefer a move to the right. The set $P(q^i)$ of policies that the Parliament approves in the fifth stage is then the set of policies the Parliament prefers to the status quo. It contains all policies that are closer to the Parliament's ideal policy than is the status quo. Similarly, the set $Q(q^i)$ of policies that a qualified majority in the Council approves in the fourth stage is the set of policies country a^i prefers to the status quo.

----- Figure 3 about here-----

A proposal that belongs to the sets $P(q^i)$ and $Q(q^i)$ does not necessarily reach the last two stages of the old codecision procedure, however. In the second stage the Parliament can propose a joint text, and this joint text becomes EU policy if a qualified majority approves it in the third stage. Since the countries think ahead, they compare the joint text to the proposal in the third stage. The joint text is then adopted if a qualified majority prefers it to the proposal.

The Parliament can thus successfully propose a joint text in the second stage if there are policies a qualified majority prefers to the proposal. The Parliament uses this opportunity if it prefers such policies to the proposal. As a result, the proposal does not reach the last two stages of the procedure if there are policies the Parliament and a qualified majority prefer to it.

Proposition 1 presents the conclusions of the unidimensional model of the old codecision procedure.

Proposition 1 *Under the old codecision procedure the set* CD^i_{old} *of successful proposals on dimension i is the set of policies that satisfy the following requirements: (1) they are preferred to the status quo by the Parliament and a qualified majority, and (2) no policy is preferred to them by the Parliament and a qualified majority. The*

Commission successfully proposes the policy $p_{old}{}^{i}$ *that belongs to the set* CD^{i}_{old} *and is closest to its ideal policy.*

In Figure 3 the Parliament successfully proposes a joint text if the proposal is to the left of its ideal policy. The Parliament, country a^i and thus a qualified majority then prefer a policy to the right of the proposal. If the proposal is to the right of country b^i's ideal policy, the Parliament also successfully proposes a joint text. The Parliament, country b^i and thus a qualified majority then prefer a policy to the left of the proposal. If the proposal is between the ideal policies of the Parliament and country a^i, the Parliament cannot successfully propose a joint text. The Parliament prefers policies to the left of the proposal, whereas a qualified majority in the Council prefers policies to the right. If the proposal is between the ideal policies of countries a^i and b^i, the Parliament cannot successfully propose a joint text either, since the Council cannot agree on a policy change by a qualified majority. In Figure 3 the set CD^{i}_{old} of successful policies is thus the set of policies between the ideal policies of the Parliament and country b^i. The Commission successfully proposes country b's ideal policy, i.e., $p_{old}{}^{i} = \hat{p}_b{}^{i}$.

3.2 The Multidimensional Model of Old Codecision

In the multidimensional model of the old codecision procedure the Commission and the Parliament are not considered as unitary actors. The Commission President makes the proposal and presents it to his fellow Commissioners. The Parliament President then proposes a joint text and he

presents it to the Council President. In other aspects the multidimensional model is similar to the unidimensional model.

In the seventh and eighth stages the countries and MEPs vote on the Commission proposal. They compare it to the status quo. The set $P(q)$ of policies the Parliament approves in the eighth stage of the old codecision procedure, as shown in Figure 1, is the set of policies a majority of MEPs prefer to the status quo. Similarly, the set $Q(q)$ of policies a qualified majority in the Council approves in the seventh stage, is the set of policies a qualified majority prefers to the status quo.

Figure 4 shows the sets $P(q)$ and $Q(q)$ for a particular configuration of ideal policies in a two-dimensional policy space. In Figure 4 the two policies that the EU is addressing during the Commission's term are (1) market liberalization (economic policy) and (2) cohesion (social policy). The ideal policies of the countries and MEPs were chosen for illustrative purposes but correspond to reality. The "southern" countries (Spain, Greece, Ireland, Italy and Portugal) want to move far on cohesion, but want little change on market liberalization. They have a total of 31 votes in the Council. The United Kingdom, with 10 votes, wants a lot more liberalization, but little change on cohesion. The "core" countries (Belgium, Germany, France, Luxembourg, the Netherlands and Austria), as well as the "northern" countries (Denmark, Finland and Sweden) have intermediate positions on both issues. They have 36 and 10 votes respectively.

---Figure 4 about here---

Figure 4 also presents the ideal policies of the two principal political groups in the Parliament. These groups are the group of the Party of European Socialists (PES) and the conservative European People's Party (EPP).[11] In Figure 4 I consider these two groups as unitary actors, as they tend to be cohesive. In

practice, for a policy to receive the support of a majority of MEPs, the approval of the two main political groups in the Parliament is needed. The set $P(q)$ is thus the set of policies that are preferred to the status quo by the PES and EPP groups. It is bounded by the dotted parts of the indifference curves of these groups through the status quo.

In the Council the core countries as well as the southern countries represent a blocking minority in Figure 4, i.e., without them no qualified majority can be formed. Together the core and southern countries form a qualified majority. The set $Q(q)$ is thus the set of policies that are preferred to the status quo by the core and southern countries. It is bounded by the dashed parts of the indifference curves of these countries through the status quo. As a result the set $P(q) \cap Q(q)$ of policies that are preferred to the status quo by a majority of MEPs and a qualified majority in the Council is the set of policies that are preferred to the status quo by the PES and EPP groups, the southern countries and the core countries. It is bounded by the indifference curves of these groups and countries through the status quo.

A proposal that belongs to the set $P(q) \cap Q(q)$ does not necessarily reach the last two stages of the old codecision procedure, however. In the third stage the Parliament President can propose a joint text, and this joint text becomes EU policy if the Council President, a majority of MEPs and a qualified majority approve it. Since the Council President, the MEPs and the countries think ahead, they compare the joint text to the proposal. The joint text is then adopted if the Council President, a majority of MEPs and a qualified majority prefer it to the proposal.

The Parliament President can thus successfully propose a joint text in the third stage if there are policies the Council President, a majority of MEPs and a qualified majority prefer to the proposal. The Parliament President uses this opportunity if he prefers such policies to the proposal. As a result, the

proposal does not reach the last two stages of the procedure if there are policies the Parliament and Council Presidents, a majority of MEPs and a qualified majority in the Council prefer to it.

Suppose that in Figure 4 the Parliament President belongs to the EPP group and that a core country is Council President. The set *JT(q)* of proposals that get through the last six stages of the old codecision procedure is then the trapezoid formed by the ideal policies of the PES and EPP groups and the core and southern countries. Suppose the Commission proposal belongs to the set *JT(q)*. The Parliament President then does not propose a joint text, because there is no policy the Council President, the southern and core countries and the PES and EPP groups prefer to the proposal. The proposal is approved by a majority of MEPs and a qualified majority in the Council, and becomes EU policy.

In the second stage the Commissioners vote on the proposal. Suppose a majority of MEPs and a qualified majority in the Council prefer it to the status quo. Suppose furthermore that there are no policies the Parliament and Council Presidents, a majority of MEPs and a qualified majority in the Council prefer to the proposal. If the Commissioners reject the proposal, a status quo proposal is sent to the Council and the Parliament. The Parliament President then successfully proposes the policy *jt(q)* he prefers most among the policies that are preferred to the status quo by the Council President, a majority of MEPs and a qualified majority in the Council. The proposal thus moves on to the third stage if a majority of the Commissioners prefer it to the policy *jt(q)*. In Figure 4 the policy *jt(q)* is equal to the EPP's ideal policy. If the Commission proposes the status quo, the Parliament President can successfully propose any joint text that belongs to the set $P(q) \cap Q(q)$. In particular, he successfully proposes his own ideal policy.

Proposition 2 presents the conclusions of the multidimensional model of the old codecision procedure.

Proposition 2 *The set CD_{old} of successful proposals under the old codecision procedure is the set of policies that satisfy the following requirements: (1) they are preferred to the status quo by a majority of MEPs and a qualified majority in the Council, (2) no policy is preferred to them by the Parliament and Council Presidents, a majority of MEPs and a qualified majority in the Council, and (3) a majority of the Commissioners prefer them to the policy jt(q) the Parliament President prefers most among the policies that are preferred to the status quo by the Council President, a majority of MEPs and a qualified majority in the Council. In the first stage the Commission President successfully proposes the policy p_{old} that belongs to the set CD_{old} and is closest to his ideal policy.*

The first requirement ensures that the proposal receive final approval in the Council and the Parliament. The second requirement makes sure that the proposal not be amended by the Council and the Parliament, whereas the third requirement states that the proposal needs to receive Commission approval.

Suppose that in Figure 4 all countries appoint Commissioners with ideal policies equal to their own, and that the Commission President's ideal policy is equal to the core countries' ideal policy. There are then seven Commissioners with ideal policies equal to the southern countries' ideal policy. Eight Commissioners have ideal policies equal to the core countries', three Commissioners are at the northern countries' ideal policy, and two at the UK's. The set CD_{old} of successful proposals under the old codecision procedure is then the shaded area. It is a subset of the set *JT(q)*. The policies in the northwestern part of the set *JT(q)* are not preferred to the policy *jt(q)* by a majority of the Commissioners: only the Commissioners of the southern countries prefer them. The policies in the set *JT(q)* southeast of the UK's

indifference curve through the policy *jt(q)*, are preferred to that policy by a majority of the Commissioners and thus constitute the set CD_{old}. The Commission President then successfully proposes his own ideal policy as EU policy p_{old}. The Commissioners of the core and northern countries and the UK approve it, because they prefer it to the policy *jt(q)*. The Parliament President does not propose a joint text, because there is no policy the Council President prefers to the proposal. All countries, the PES and EPP groups, and thus a majority of MEPs, approve it because they prefer the proposal to the status quo.

3.3 Discussion of the Old Codecision Procedure

In this subsection I discuss the countries', Commissioners', MEPs' and institutions' powers and the extent of indecision under the old codecision procedure. An institution's power, given a configuration of ideal policies and status quo, is defined as its ability to obtain a policy that is close to its ideal policy. It is measured by the distance between its ideal policy and the equilibrium policy, a smaller distance indicating more power. Countries', Commissioners' and MEPs' powers are measured analogously. Indecision is defined as the EU's inability to act to alter the status quo. It is measured by the set of status quos that cannot be changed through equilibrium play of the procedure.

The Commission, in particular its President, has considerable agenda setting powers under the old codecision procedure. The Commission President can choose any policy that satisfies the requirements summed up in Proposition 2. The Parliament becomes a genuine colegislator equal in stature to the Council. Both institutions need to approve Commission proposals, and they can together amend them in the Conciliation Committee. The Council can unanimously amend a Commission proposal before it reaches the Parliament,

but it is unlikely that all countries prefer another policy in the set CD_{old} to the policy p_{old}. The use of absolute majority rule in the Parliament, rather than simple majority rule, does not create a relative disadvantage for the Parliament either, as the Council also uses a super majority rule.

The EU is unable to act in four instances: (1) if no qualified majority in the Council agrees on a new policy, (2) if no majority of MEPs agrees, (3) if a majority of MEPs does not agree with a qualified majority in the Council, and (4) if neither a majority of the Commissioners nor the Council and Parliament Presidents agree with a majority of MEPs and a qualified majority in the Council.

4 The New Codecision Procedure

4.1 The Unidimensional Model of New Codecision

The new codecision procedure looks like the old procedure without the last two stages, as shown in Figure 2. The countries and the Parliament cannot return to the Commission proposal if they fail to agree on a joint text. As a result the countries compare the joint text to the status quo rather than to the Commission proposal in the third stage of the procedure. The joint text is adopted if a qualified majority prefers it to the status quo.

The Parliament can thus successfully propose a joint text in the second stage if there are policies a qualified majority prefers to the status quo. The Parliament uses this opportunity if it prefers such policies to the status quo. In particular, it proposes the policy it prefers most among the policies that belong to the set $Q(q^i)$ of policies that are preferred to the status quo by a qualified majority. This policy is approved by a qualified majority in the Council and becomes EU policy. The Commission proposal is irrelevant

under the new codecision procedure, as it is no longer the reversion policy if no joint text is approved. In Figure 3 the Parliament proposes its own ideal policy as a joint text. This policy is adopted, as a qualified majority prefers it to the status quo.

In reality the Parliament does not necessaily get the chance to propose the joint text. Countries could also get the opportunity to propose the joint text. Moreover, the Parliament and the countries can propose amendments to the joint text. In equilibrium the proposer of the joint text, whether it be the Parliament or a country, thus proposes the policy it prefers most among the policies that satisfy the following two requirements: (1) they are preferred to the status quo by the Parliament and a qualified majority in the Council, and (2) no policy is preferred to them by the Parliament and a qualified majority in the Council.

Proposition 3 presents the conclusions of the unidimensional model of the new codecision procedure.

Proposition 3 *Under the new codecision procedure the set* CD^i_{new} *of successful joint texts on dimension i consists of the policies that satisfy the following two requirements: (1) they are preferred to the status quo by the Parliament and a qualified majority in the Council, and (2) no policy is preferred to them by the Parliament and a qualified majority in the Council. It is equal to the set* CD^i_{old} *of successful proposals under the old codecision procedure. The proposer of the joint text, whether it be the Parliament or a country, successfully proposes the policy it prefers most among the policies that belong to the set* CD^i_{new}. *The Commission is irrelevant under the new codecision procedure.*

4.2 The Multidimensional Model of New Codecision

The multidimensional model of the new codecision procedure is like the multidimensional model of the old codecision procedure without the last two stages, as shown in Figure 1. As in the unidimensional model no policy is adopted if the Council and the Parliament fail to agree on a joint text.

In the fifth and sixth stages the countries and MEPs vote on the joint text. They compare it to the status quo. The set $P(q)$ of joint texts the Parliament approves in the fifth stage, is the set of policies a majority of MEPs prefer to the status quo. Similarly, the set $Q(q)$ of joint texts a qualified majority in the Council approves in the sixth stage, is the set of policies a qualified majority prefers to the status quo. Figure 4 shows the sets $P(q)$ and $Q(q)$ for a particular configuration of ideal policies, as mentioned above.

In the fourth stage the Council President approves the joint text, if he prefers it to the status quo. The Parliament President can thus successfully propose a joint text in the third stage if there are policies the Council President, a majority of MEPs and a qualified majority prefer to the status quo. The Parliament President uses this opportunity if he prefers such policies to the status quo. In particular he proposes as a joint text the policy he prefers most among the policies the Council President, a majority of MEPs and a qualified majority prefer to the status quo. This joint text is approved by the Council President, a majority of MEPs and a qualified majority in the Council. As a result, it becomes EU policy. As in the unidimensional model the Commission proposal is irrelevant, because the countries and MEPs cannot turn back to it if they fail to agree to a joint text. In Figure 4 the Parliament President successfully proposes his ideal policy, which is equal to the EPP's ideal policy.

In reality the Parliament President does not necessaily get the chance to propose the joint text. The Council President could also get the opportunity to propose the joint text. Moreover, the Parliament and Council Presidents can propose amendments to the joint text. In equilibrium the proposer of the joint

text, whether he be the Parliament or Council President, thus proposes the policy he prefers most among the policies that satisfy the following two requirements: (1) they are preferred to the status quo by the Parliament and Council Presidents, a majority of MEPs and a qualified majority in the Council, and (2) no policy is preferred to them by the Parliament and Council Presidents, a majority of MEPs and a qualified majority in the Council.

Proposition 4 presents the conclusions of the multidimensional model of the new codecision procedure.

Proposition 4 *The set CD_{new} of successful joint texts under the new codecision procedure consists of the policies that satisfy the following two requirements: (1) they are preferred to the status quo by the Council and Parliament Presidents, a majority of MEPs and a qualified majority in the Council, and (2) no policy is preferred to them by the Council and Parliament Presidents, a majority of MEPs and a qualified majority in the Council. The proposer of the joint text, whether he be the Parliament or Council President, successfully proposes the policy he prefers most among the policies that belong to the set CD_{new}. The Commission is irrelevant under the new codecision procedure.*

In Figure 4 the set CD_{new} is the trapezoid formed by the ideal policies of the southern and core countries and the PES and EPP. It is a superset of the set CD_{old}.

4.3 Discussion of the New Codecision Procedure

The Commission loses its agenda setting powers under the new codecision procedure. It becomes completely irrelevant. Under the old procedure the Commission President could choose a policy that would be approved by a majority of his fellow Commissioners, would not be amended in the Conciliation Committee and would receive final approval in the Parliament

and the Council. The Commission President cannot choose EU policy under the new procedure, because his proposal no longer provides a reversion policy in case the Conciliation Committee fails to agree to a joint text. If no joint text is approved, the status quo prevails. The Commission proposal is thus irrelevant during the negotiations in the Conciliation Committee.

Under the new procedure the Council and Parliament Presidents have agenda setting powers, rather than the Commission. The proposer of a joint text can successfully propose any policy that satisfies the two requirements mentioned in Proposition 4. The first requirement ensures that the joint text receive final approval in the Parliament and the Council. The second requirement makes sure that the joint text not be amended by the Council and the Parliament.

Whether the procedural changes do indeed lead to an increase in the MEPs' and countries' powers depends on the configuration of ideal policies and their bargaining powers within the Conciliation Committee. Countries and MEPs gain power if the proposer of the joint text chooses a policy that is closer to their ideal policies, than is the policy the Commission President would choose under the old procedure. Similarly, MEPs and countries gain power if they have much bargaining power in the Conciliation Committee. The MEPs thus lose power if the Council President proposes the joint text under the new procedure and has an ideal policy that is further from their ideal policies than are the Commissioners' ideal policies.

There is more indecision under the new than under the old procedure. The EU is unable to act in four instances: (1) if no qualified majority in the Council agrees on a new policy, (2) if no majority of MEPs agrees, (3) if a majority of MEPs does not agree with a qualified majority in the Council, and (4) if the Council and Parliament Presidents do not agree with a majority of MEPs and a qualified majority in the Council. The fourth requirement is stricter than under the old procedure, because the Council and Parilament Presidents have

to agree to a change even if a majority of the Commissioners agrees. Moreover, indecision increases if the bargaining process in the Conciliation Committee is not well specified. The status quo prevails if the Committee does not reach agreement.

5 Conclusions

This paper presents spatial theories of the codecision procedure in the EU. It analyzes the old codecision procedure, as introduced by the Treaty of Maastricht, and the new version of that procedure, as proposed in the Treaty of Amsterdam. The paper studies unidimensional as well as multidimensional models of the old and new procedures. It characterizes equilibrium EU policies, sets of successful proposals, i.e. policies the Commission can successfully propose, and sets of successful joint texts, i.e. policies the Parliament and Council Presidents can successfully propose, as functions of the countries', MEPs' and Commissioners' ideal policies and the location of the status quo.

Under the old codecision procedure a policy is successful if (1) a qualified majority in the Council and a majority of MEPs prefer it to the status quo, (2) no policy is preferred to it by the Parliament and Council Presidents, a majority of MEPs and a qualified majority in the Council, and (3) a majority of the Commissioners prefer it to the policy that would be implemented if the Commmission proposed the status quo. The Commission President successfully proposes the policies he prefers most among the policies that satisfy these requirements.

Under the new codecision procedure the Commission proposal is irrelevant. A joint text becomes EU policy if (1) the Parliament and Council Presidents, a qualified majority in the Council and a majority of MEPs prefer it to the status quo, (2) no policy is preferred to it by the Parliament and Council Presidents,

a majority of MEPs and a qualified majority in the Council. The equilibrium EU policy is not chosen by the Commission President, but rather it is determined by the Parliament and Council Presidents and depends on their respective bargaining powers in the Conciliation Committee.

The changes to the codecision procedure agreed to in Amsterdam reduce the Commission's powers. In fact, the Commission becomes irrelevant under the new codecision procedure. Whether countries' and MEPs' powers increase depends on the bargaining within the Conciliation Committee and on their ideal policies. Countries and MEPs with little bargaining powers and preferences similar to the Commissioners' lose powers. The other countries and MEPs gain power.

Rather than strengthening the Parliament's powers and reducing the Council's powers, as the changes intended, they have thus reduced the Commission's powers. Moreover, they decrease the Parliament's powers, insofar as the Parliament can be considered as having preferences similar to the Commission's, as is often supposed, and as having little bargaining power compared to the Council. Indecision increases under the new procedure.

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[1] The codecision procedure is one of the three principal legislative procedures in the EU. The other two procedures are the consultation and cooperation procedures. The codecision procedure accounts for about 15 percent of EU legislation (34 first readings in 1997). The consultation procedure accounts for about two thirds (154 opinions in 1997), and the cooperation procedure for about 10 percent (19 first readings in 1997).

[2] The Council, the Parliament and the Commission are the three principal institutions involved in the EU legislative process. The Council is an intergovernmental body. It consists of representatives of the member countries' national governments. It is the main legislative institution in the EU. The Parliament is directly elected. It co-legislates with the Council under some of the EU's legislative procedures. The Commission is the EU's executive. It is appointed by the Council and the Parliament. It proposes and implements EU legislation. Currently, the Council has 15 members, the Parliament 626, and the Commission 20. The five largest countries (Germany, Spain, France, Italy and the United Kingdom) have two Commissioners each, the other countries have one each. See Nugent (1994) for a more detailed description of the EU institutions.

[3] The unidimensional model of the old codecision procedure and its conclusions were presented earlier by Crombez (1997a).

[4] When I mention an institution's power in a multidimensional context, I am referring to the power of the institution's President.

[5] I assume that the Commission President makes a proposal within the Commission. This seems reasonable given the Commission President's prominent role in the Commission.

[6] A joint text is worked out in the Conciliation Committee and then voted on in the Council and the Parliament. The Conciliation Committee consists of the members of the Council and an equal number of representatives of the Parliament. The Council and Parliament Presidents (or their representatives) take turns at chairing the Committee's meetings. Both Presidents also convene prior to the Committee's meetings to agree on a compromise. Therefore, it seems

reasonable to assume that the Presidents present a joint text they agree on to the Council and the Parliament. In the model I assume that the Parliament President proposes the joint text. This assumption does not affect the conclusions. See Corbett et al. (1995) on the functioning of the Conciliation Committee.

[7] The Parliament uses absolute majority rule. As I disregard abstentions, absolute majority rule is equivalent to simple majority rule. Therefore, I omit the adjective "absolute" throughout this paper.

[8] France, Germany, Italy and the United Kingdom have 10 votes each; Spain 8; Belgium, Greece, Portugal and the Netherlands 5 each; Austria and Sweden 4 each; Denmark, Finland and Ireland 3 each; and Luxembourg 2.

[9] In other words Black's median voter theorem applies (Black 1958).

[10] As seen above, the ideal policy of the median Commissioner (MEP) on dimension i can be thought of as the Commission's (Parliament's) ideal policy on dimension i.

[11] Currently the PES group consists of 214 members, whereas the EPP group has 200 members in the 626 member Parliament.

Figure 1:The Codecision Procedure: Multiple Dimensions.

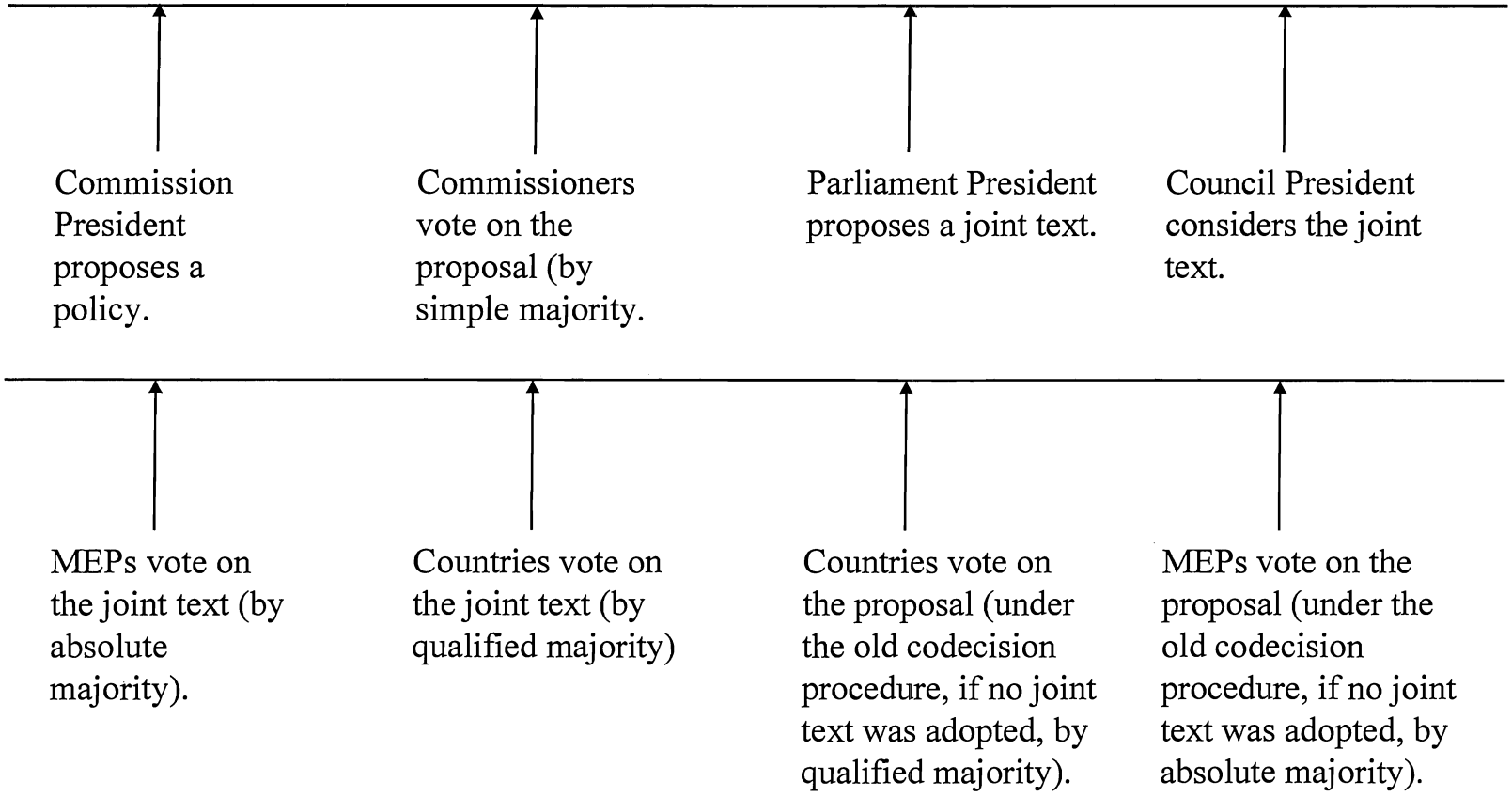

Figure 2: The Codecision Procedure: One Dimension.

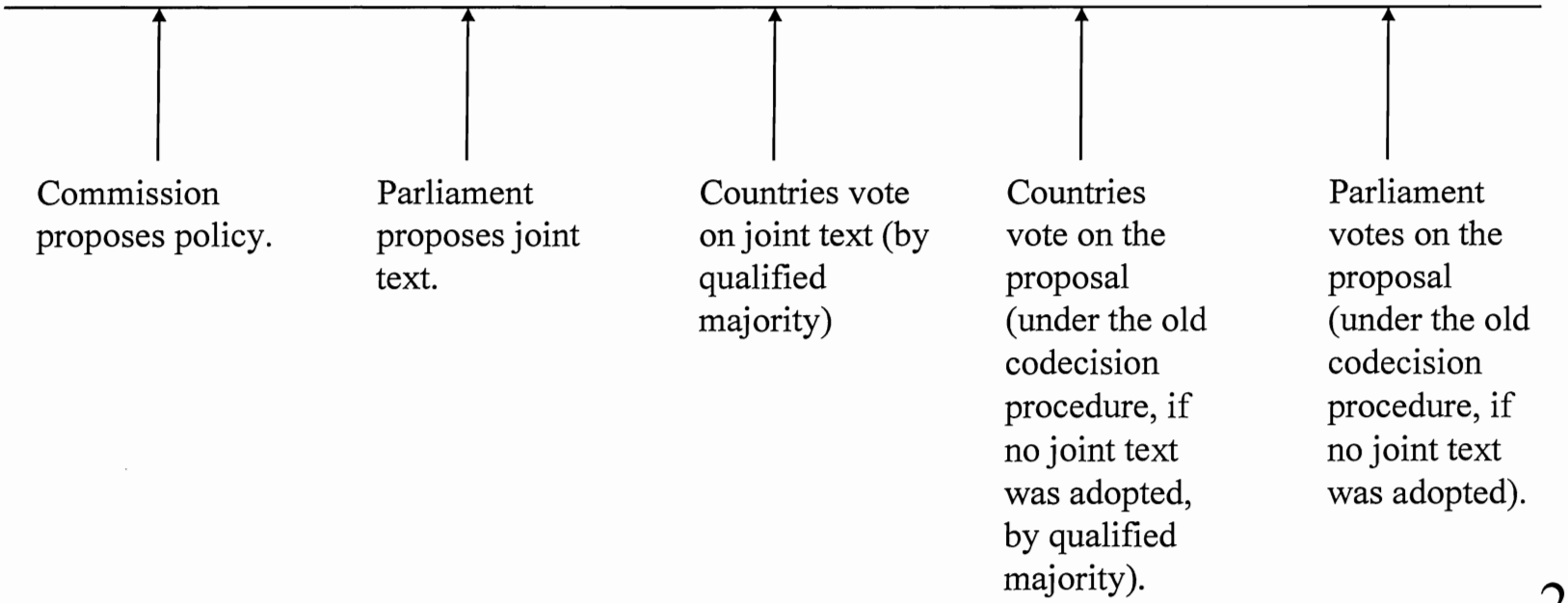

Figure 3: Policy Making: One Dimension.

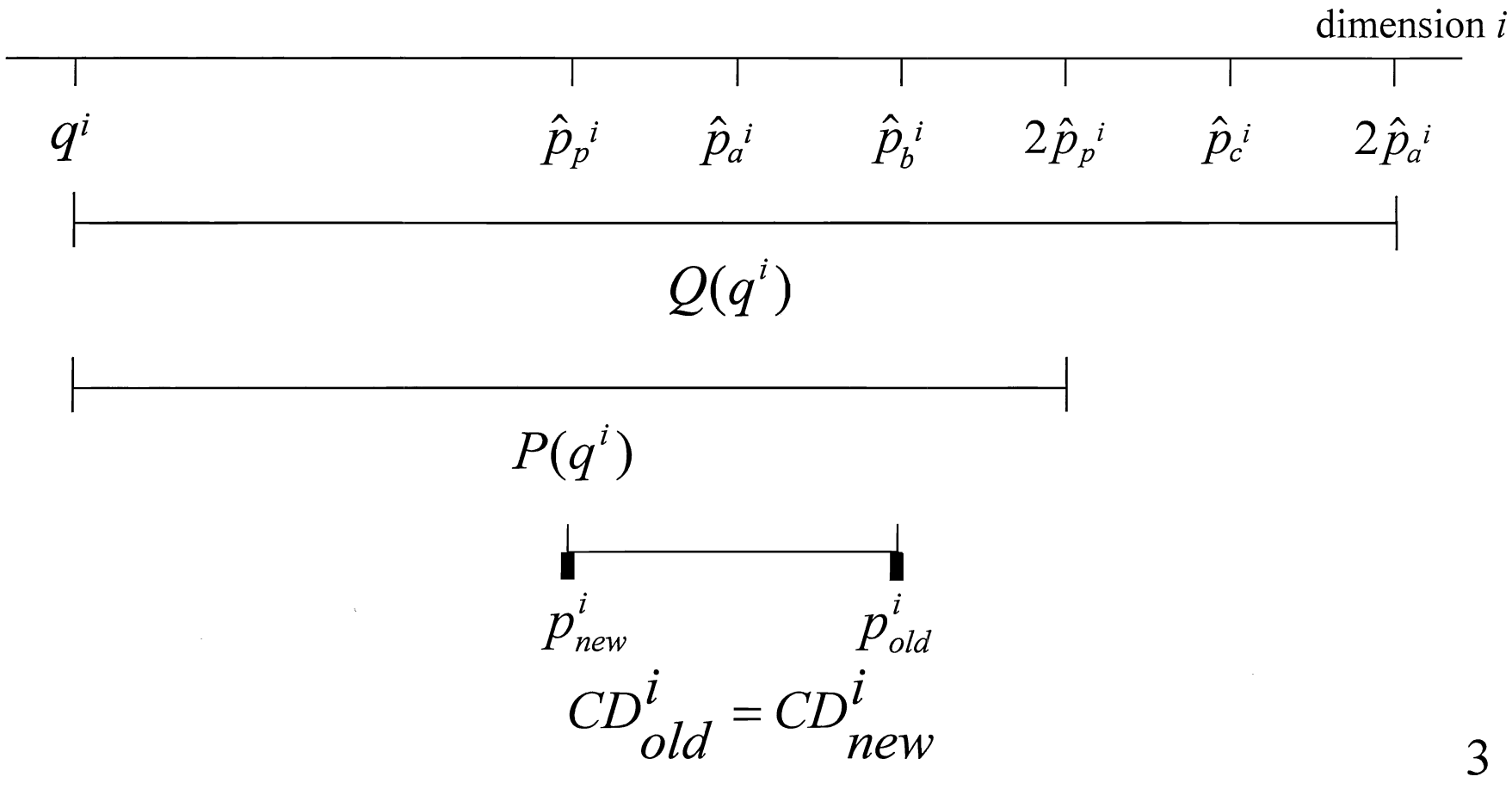
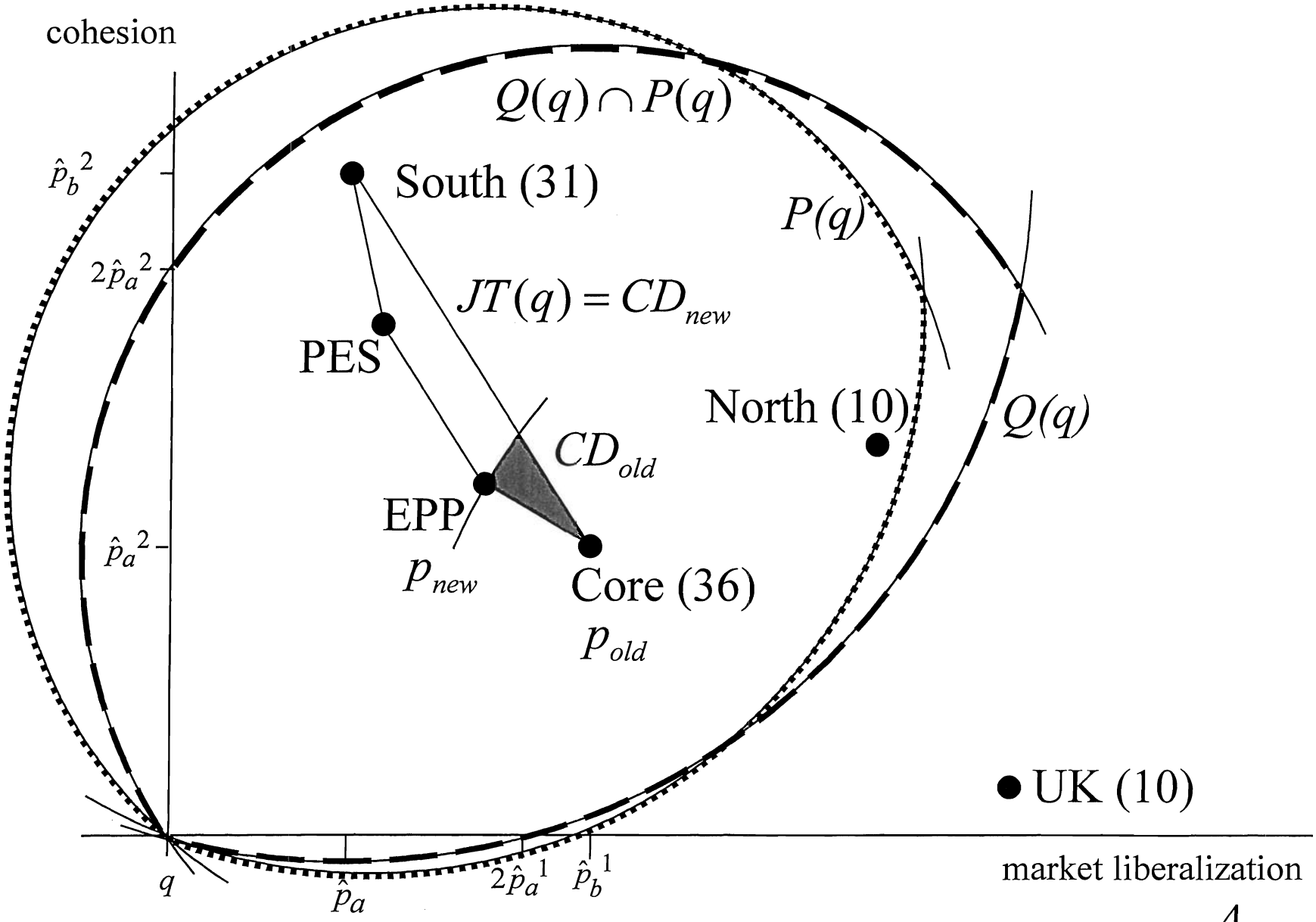
Figure 4:Policy Making: Multiple Dimensions.