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Andreas Warntjen

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The Council Presidency

Power Broker or Burden? An Empirical Analysis



Andreas Warntjen

University of Twente, The Netherlands

ABSTRACT

The potential impact of the EU Council Presidency on legislative decision-making has been frequently identified. This article provides an empirical analysis of the Presidency's influence on decision outcomes based on a large-n data set. Two counterfactuals are used to represent consensual decision-making and hard bargaining in the Council. The role of supranational actors is controlled for directly. The findings show that a member state benefits from holding the Presidency during the final stages of the legislative proceedings. Besides the support of supranational actors, the regression analysis controls for the voting threshold, the type of proposal and salience.

KEY WORDS

- Council of the European Union
- Council Presidency
- EU legislation
- power



Introduction

It is commonly held that the Council Presidency plays a special role in legislative negotiations in the European Union (EU). Consequently, whether or not the system of rotation for the Presidency should be kept was one of the most contentious topics during recent discussions on treaty reform. In this article, I investigate whether or not the Presidency has a disproportionate influence on decision outcomes. A member state might benefit from holding the office of the Presidency owing to its prerogatives of making proposals and/or informational asymmetry. However, the powers of the Presidency are limited. Some authors even argue that the Presidency's spot in the limelight puts pressure on the member state at the helm to make extraordinary concessions. Which one of these contending theoretical perspectives is correct can be decided only upon analysing empirical evidence. This article presents evidence with regard to the Presidency's influence on legislative outcomes based on a large-*n* study of legislative decision-making. In line with the theoretical literature on the concept of power, a counterfactual outcome based on general bargaining models is established to investigate whether or not a member state exercised disproportionate influence. A member state is deemed influential if the actual outcome frequently deviates from the counterfactual in the direction of the actor's ideal position. It would suggest that the office of the Presidency adds to the power of a member state if this happens more frequently when a member state is holding the Presidency.

Previous quantitative studies based on the 'Decision-making in the European Union' data set have found a Presidency effect for the final stage of negotiations (Schalk et al., 2007; Thomson, 2008). However, these analyses are based on a direct comparison of policy distances across different issues and proposals. As I argue below, owing to the measurement technique, comparisons across issues can lead to misleading results. To avoid these problems, the analysis presented in this article proceeds at the issue level. Furthermore, previous studies have assumed consensual bargaining in the Council when choosing the counterfactual. However, it is still unclear how best to characterize decision-making in the Council. Thus, this analysis utilizes two bargaining models, representing both consensual decisionmaking and hard bargaining. Although the results confirm earlier findings with regard to the impact of the Presidency, evidence is also found for the impact of the supranational actors. This result is in line with the general empirical literature on legislative decision-making.

The paper proceeds as follows. After discussing the theoretical bases of the different claims with regard to the effect of the Presidency, I explain my research design. I include a discussion of the measurement of power in spatial



models and the two baseline models that are used. I then describe the data and explain why a comparison of policy distances across issues could lead to misleading results. Lastly, I present the empirical analysis and the results.

The Council Presidency: Power broker, neutral chair or burden?

There is broad consensus in the literature that the Council Presidency provides the member state that is holding it with an opportunity to influence legislative decision-making (Kirchner, 1992; Schout, 1998; Dinan, 1999; Hix, 1999; Peterson and Bomberg, 1999; Westlake, 1999; Sherrington, 2000). Consequently, the issue of the rotating Presidency was one of the most contentious topics in the discussions on institutional reform at the constitutional convention (König et al., 2006). However, it has been pointed out that the Presidency's powers are limited. Some scholars have even argued that a member state has to make extraordinary concessions during its term at the helm.

The Presidency gives an informational and procedural advantage to a member state during its six months in office (Tallberg, 2003, 2006). Because of its central role, the Presidency can acquire private information about the concessions member states would be willing to make (Hayes-Renshaw and Wallace, 2006: 144, 150; Tallberg, 2006: 114-15). According to some scholars, the co-decision procedure has further empowered the Presidency, which acts as a representative of the Council in the informal 'trialogues' between the Council and supranational actors (Peterson and Bomberg, 1999: 35; Farrell and Heritier, 2004: 1203; Tallberg, 2006: 145). The Presidency can, for example, misrepresent the position of the European Parliament in the final stages of the legislative proceedings to further its own interests (Tallberg, 2006: 145). In procedural terms the Presidency has the prerogative of making proposals (Tallberg, 2006: 116–17; Warntjen, 2008). Proposal power gives a first-mover advantage to the Presidency; thus the member state holding the Presidency can reap disproportionate benefits.

The Presidency, however, does not reign freely during its term in office (Hayes-Renshaw and Wallace, 2006: 148). The supermajoritarian voting threshold and the need to reach a unanimous consensus in the Council in some cases diminish the impact of proposal power. In addition, depending on the legislative procedure, the position of the Commission and the European Parliament might also have to be taken into account (Tallberg, 2006: 117-19). Furthermore, the information advantage of the Presidency might diminish as negotiations go on and all member states learn about their respective positions. Similarly, a member state might be able to sound out colleagues on an issue that is of high importance to it. The same can be true with regard to the position of the European Parliament (see Garman and Hilditch, 1998: 279). Furthermore, the Commission is represented at the 'trialogues' and regularly attends Council meeting (Hayes-Renshaw and Wallace, 2006: 34), putting it into a good position to spoil the tactical manoeuvrings of the Presidency. In addition, member states hold the office of the Presidency for only six months. Member states might prefer to wait for the next country to take over, which might have preferences closer to their own, rather than make concessions to the current Presidency. Finally, the Presidency can act only on an inherited agenda.

Because of these constraints, the overall effect of the Presidency on decision outcomes might be negligible. Furthermore, chairing the office of the Presidency puts a member state into the limelight, which might induce it to make extraordinary concessions. If the member state holding the Presidency values a reputation for being neutral, then its ability to defend its own national interests would be impaired (Wallace, 1985: 15-17; Kirchner, 1992: 107-9; Christiansen, 2006: 157; Elgström, 2003; Nugent, 2003: 163). In addition, member states might be induced to make national sacrifices in order to be perceived as a productive and efficient Presidency (Dinan, 1999: 245-6). As Peterson and Bomberg (1999: 35) put it: 'each presidency is judged by how "productive" it is, thus often inducing the state holding the chair to compromise its own national preferences to get deals agreed.' Thus, instead of being powerful or seeing its powers limited in practice, the Presidency might even feel pressure to make extraordinary concessions.

In sum, although the potential impact of the Presidency is widely acknowledged, there is no agreement on whether or not the Presidency successfully influences EU legislation. The literature highlights the voting threshold, the legislative procedure and the support of the European Commission and European Parliament as factors affecting the power of the Presidency. The voting threshold affects the range of actors that have to be taken into account to adopt legislation. The role of the Council Presidency also differs across legislative proceedings. Hence, both factors have to be controlled for in the empirical analysis. Furthermore, an actor might not benefit from being in office but might benefit from the support of the supranational actors. The influence of the supranational actors in legislative decision-making is subject to considerable theoretical debate (Hörl et al., 2005; Steunenberg and Selck, 2006). Previous empirical studies have pointed to the impact of both the Parliament and the European Commission on legislative decisions (Tsebelis et al., 2001; Selck and Steunenberg, 2004; König et al., 2007). Thus, the support of the supranational actors should also be included in the empirical analysis.

The most comprehensive empirical studies on the impact of the Presidency on decision outcomes so far are based on data gathered by the 'Decision-making in the European Union' (DEU) project (Thomson et al., 2006). The data set contains information on the preferences of all Council members, the European Commission and the European Parliament, as well as decision outcomes for 66 Commission proposals pending in 1999-2001. The positions are represented on a standardized issue continuum ranging from 0 to 100.

Thomson (2008) analyses whether or not decision outcomes are closer to member states that held the Council Presidency during the legislative process. His regression analysis includes control variables for the extremity of the member state's position and the average extremity of all actors. Extremity of an actor is defined as the average distance between the position of an actor from the positions of all other actors weighted by their voting power and the importance they attach to a given issue. In addition, the voting power (Shapley-Shubik) of an actor, the legislative procedure and the applicable voting threshold in the Council were controlled for. The findings show that decision outcomes are closer to the member state that held the Presidency at the time a proposal was adopted (p < = .1). The effect of holding the Presidency during the negotiations depends in some instances on the member state's relative position and the voting threshold.

Schalk and colleagues estimate whether or not holding the Presidency leads to outcomes closer to a member state's ideal point, using a weighted mean as a baseline model (Schalk et al., 2007). The weights used are voting power (Shapley-Shubik) and salience. They also find that holding the Presidency benefits a member state only during the adoption stage of a proposal. The Presidency's power is not affected by salience, voting power or the proximity of the Presidency's ideal point to the Commission's position.

The analysis presented here is also based on the DEU data set but differs in three substantial ways from previous studies. First, my analysis proceeds on the issue level and hence does not involve a comparison of policy distances across issues. Owing to the measurement technique, which attributes the same value for the maximum distance to all issues regardless of its content, distances between two positions and changes therein (such as a shift of policy towards the ideal position of an actor) cannot be compared directly across issues (see below). Not taking this into account can lead to misleading results. Second, I use a complementary research strategy to account for the different characterizations of Council negotiations as consensual decision-making or hard bargaining. Third, I develop a measure to control directly for the support of both supranational actors - the European Parliament and the European Commission – to distinguish further between power and luck. The role of the supranational actors in legislative decision-making is subject to an ongoing debate; thus we need to control for their influence separately from the impact of other Council members.

Research design: The measurement of power

Power is often attributed to an actor who benefits from a given outcome: cui bono? More specifically, power is commonly understood as the capacity to influence events towards desirable outcomes (Harsanyi, 1962; Dahl, 1968; Morriss, 1987; Dowding, 1996). The measurement of power involves two difficulties. To start with, it is an inherently counterfactual concept. In order to measure it we need to establish what the outcome would have been without an actor exercising power. Additionally, we need to distinguish between power and luck. An outcome might be beneficial to several actors, obscuring who was decisive in bringing it about.

Power has been famously defined as 'the chance that one actor within a social relationship will be in a position to carry out his own will despite resistance, regardless of the basis on which this chance rests' (Weber, 1922: 28, my translation). Weber's definition refers to the possibility of resistance, which would be overcome by a powerful actor. This is crucial; a powerful actor has to be decisive in bringing about the outcome. Thus, power 'gives its possessor the opportunity to change outcomes from what they would otherwise have been, in the direction that the possessor wishes' (Barry, 1991: 272). This highlights the counterfactual nature of power. If there is a change that is beneficial to the actor and if that change would not have occurred without the involvement of this actor, we think of that actor as influential and hence powerful.

To establish the counterfactual outcome I rely on two general bargaining models, the pivot model and the compromise model. An actor can be considered to be influential if an outcome regularly deviates from the model prediction towards the ideal position of the actor and this is not owing to the influence of another actor (luck). The counterfactual models include the positions of other member states but do not account for differences between member states due to Presidency. If member states exercise a disproportionate amount of influence while holding the Presidency, this would suggest that the office of the Presidency is powerful. To account for the potential impact of the supranational actors, their support of a member state's position will be controlled for directly.

I use two different models to establish the counterfactual outcome in the Council because decision-making in the Council can be characterized as either a consensual process or hard bargaining (Mattila and Lane, 2001; Lewis, 2003; Hayes-Renshaw and Wallace, 2006: Ch. 11). The first type of model is represented by the compromise model (Van den Bos, 1991). It is based on the assumption that a group collectively optimizes its utility from a decision. Furthermore, it assumes that reaching any agreement is strongly preferred to the status quo by all actors. Thus, divisions between member state governments on the exact outcomes are secondary to agreement on the necessity to adopt any EU legislation. The argument is that all member states value the existence of the Union per se and are thus willing to make sacrifices on individual policies (Achen, 2006: 101–4). However, the member state governments represented in the Council are arguably more interested in being re-elected in the domestic arena. Hence they have rather short time horizons and might view the European Union as a mere instrument for changing policies. In addition, after decades of EC/EU legislation, policies that are universally accepted as superior have already been adopted. Thus, division over how to amend existing EU legislation will be dominant in decision-making rather than consensus on the desirability of EU law. Furthermore, decision-making in the Council arguably takes place issue by issue (König, 2005: 368; Thomson and Stokman, 2006: 51). The fragmentation of decision-making in the Council and changes in the Council's composition owing to national elections impair vote-trading or other mechanisms that would secure collective agreements (Moravcsik, 1993: 505; Golub, 2002). Hence, actors would insist on their positions and maximize any bargaining advantage they might have. This can be captured by the pivot model described below.

Proponents of the consensual view point to the frequent occurrence of unanimous votes in the Council even when qualified majority voting is applicable (e.g. Achen, 2006: 102). However, the recorded votes represent only a fraction of the decisions taken in the Council, and the mechanism underlying voting behaviour in the Council remains unclear (Hayes-Renshaw and Wallace, 2006: Ch. 10). Similarly, the high proportion of legislation that gets accepted in the EU might be the result of the lack of time limits at the firstreading stage, which means that proposals can be taken up again after governments have changed, rather than of a culture of consensus. Furthermore, the Commission might tailor its initial proposal to the preferences of the member states to ensure adoption (König and Bräuninger, 2002). Thus, whether legislative decision-making in the Council is a consensual process or hard bargaining is still an open question. To account for this, the analysis utilizes two bargaining models to establish the counterfactual outcome: the compromise model represents consensual decision-making, the pivot model hard bargaining.

The pivot model postulates that the outcome of decision-making will be either the ideal position of the pivotal voter positioned closest to the status quo or no change in policy. Consider a committee that has to make a decision

on a one-dimensional policy space, as in Figure 1. For ease of exposition, assume that all members have one vote. If no actor is privileged by the rules (e.g. no one has agenda-setting power) and the decision is made by simple majority, then the outcome would be the ideal point of the median voter (i.e. P₄). Under the simple majority rule, the median voter is the pivot, the actor whose support is crucial in passing a decision (Krehbiel, 2006).

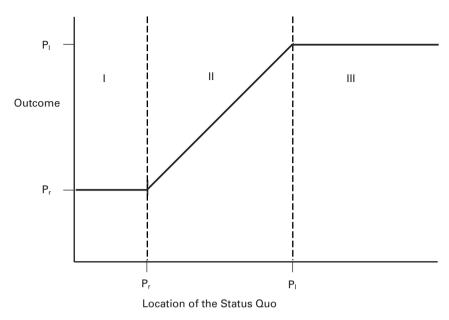
Now consider the situation in Figure 1 if the approval of 5 out of 7 members is needed to enact new legislation. To shift policy to the right, the approval of the fifth committee member from the right (i.e. P₃) is pivotal. Indeed, this will be the outcome given the location of the status quo (SQ). Any rightward move from the status quo that is supported by the pivot (P₃) would also get the support of the actors to its right (P₄ to P₇). Together they form a sufficient majority. The pivot can successfully insist on his/her ideal position because he/she benefits from a status quo bias (Hopmann, 1998: Ch. 4; Napel and Widgren, 2006: Proposition 1). To illustrate the logic behind this, consider the ideal point of P₄ as an alternative outcome. A sufficient majority (P_3 to P_7) would prefer P_4 to the status quo. However, because the appreciation of the status quo varies among the members of this coalition, they have a different impact on the decision outcome. P₃ is 'less eager' (Napel and Widgren, 2006: 136) than P₄ to P₇ on replacing the status quo and can hence successfully insist on his/her ideal position. The same logic applies to shifts to the left. Thus, the pivot model represents a situation of hard bargaining where actors utilize all advantages they have and insist on their ideal position, rather than opting for a compromise.

Whether or not a change in policy (i.e. a shift to the left or right) is viable depends on the location of the status quo. This is illustrated by Figure 2. We can distinguish three scenarios. If the SQ is located to the left of the pivot for rightwards shifts P_r (I), the outcome will be the position of P_r. Conversely, if the SQ is located to the right of P₁ (III), the pivot for leftward shifts, the outcome will be the ideal point of P₁. If the SQ is located in the gridlock interval between P₁ and P_r (II), the SQ will prevail, because there is no sufficient majority to move it in either direction.



P_{1...7}: ideal position of players 1 through 7; SQ: status quo

The Pivotal Actor and Decision Outcomes.



 P_1 = pivot, movement to the left P_r = pivot, movement to the right

Figure 2 Prediction of Decision Outcomes based on the Pivot Model.

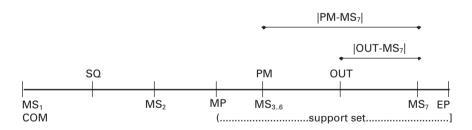
The origins of the compromise model can be traced to several formal and informal theories of bargaining (Achen, 2006), in particular to the exchange models proposed by Coleman (1990). He argued that decision-making is determined not only by the distribution of the preferences and the location of the SQ, as the pivot model would have it, but also by the intensities of these preferences (salience). Van den Bos (1991) extended this notion to derive the compromise model, which is defined as:

$$outcome = \frac{\sum_{i=1}^{n} s_i v_i p_i}{\sum_{i=1}^{n} s_i v_i},$$

where s_i , v_i and p_i refer to, respectively, the salience, (voting) power and position of actor i. In effect, the compromise model is the mean of the positions of all actors involved in a decision weighted by their (voting) power and the intensity of their preferences. According to the model, the more powerful an actor is and the more importance he/she attaches to a decision (salience), the closer the outcome will be to his/her position. If an actor is not interested in a decision ($s_i = 0$) or does not have any power ($p_i = 0$), then the decision will be reached without taking his/her position into account. Following Thomson et al. (2006), I use the Shapley–Shubik power index.

The exercise of influence is identified in the empirical analysis through the deviation of the actual outcome from the model prediction towards the ideal position of an actor. This is illustrated in Figure 3, which shows a one-dimensional policy space with the ideal position of seven member states (MS₁ to MS₇), the European Parliament (EP) and the European Commission (COM). It also shows the location of the status quo (SQ) and the outcome (OUT). PM denotes the position of the pivotal member state.

In the example of Figure 3, the outcome is closer to the ideal position of MS₇ than we would expect given the prediction of the pivot model. Thus, MS₇ could have exercised disproportionate influence, possibly because it holds the Council Presidency. However, we also need to take the distinction between power and luck into account. Even if an outcome departs from the counterfactual towards the position of an actor, this might not be owing to the powers of this actor (Barry 1991; Dowding 1991). As Dowding puts it: 'Just getting what you want is not enough to demonstrate power, for one may simply be lucky' (1996: 52). In the example of Figure 3, MS₇ might not have exercised any influence but rather might have benefited from being close to the position of the European Parliament (EP). The EP moved the outcome closer towards its position and MS₇ was just lucky to have a similar preference. Note that the positions of the other member states are already included in the counterfactual outcome. If a supranational actor supports the same



Defining success for MS₇ relative to the pivot model

Success = 1 if
$$|PM - MS_7| - |OUT - MS_7| > 0$$

= 0 if $|PM - MS_7| - |OUT - MS_7| < = 0$

COM: European Commission, EP: European Parliament; MS_{1...7}: member states; PM: pivotal member state; OUT: outcome; SQ: status quo

Figure 3 Measuring Power.

change in policy as a member state, we have to control for the possibility that it - rather than the member state - has been decisive in bringing about the outcome. A supranational actor supports the same policy change as a given member state if it agrees on the merits of the outcome relative to the SQ. This is the case if they are both on the same side of the midpoint (MP), which is defined as the point halfway between the SQ and the outcome (MP = (SQ + OUT)/2). If a supranational actor is on the same side of the midpoint as a member state, they are both in favour of adopting the new policy rather than sticking to the SQ because both of them would benefit from this particular change. In the example of Figure 3, a supranational actor occupying any position to the right of the midpoint (i.e. in the half-open interval ranging from the midpoint [excluded] to the right pole [included]) supports MS₇. MS₇ has the support of the European Parliament but not of the Commission (COM). Thus, MS₇ might not have had a disproportionate influence on the decision outcome but could simply have been lucky.

Data

The empirical analysis presented in this article uses the data set gathered by the 'Decision-making in the European Union' project (Thomson et al., 2006). The data set contains information on 66 legislative proposals and the decision outcome. All proposals were subject to either consultation or co-decision, were pending in 1999 and/or 2000, and raised some controversy.

As I will argue below, owing to the measurement technique used in gathering the DEU data set, comparisons of policy distances across issues could be misleading. Yet, existing empirical studies of the Council Presidency effect using the DEU data set are based on a direct comparison of policy distances across issues. Schalk et al. (2007) fit the prediction of the compromise model to the data with one free parameter for the Presidency effect to see if the distances between the model prediction and the actual outcome are decreased by allowing for a Presidency effect. They also compare the mean distances across all issues between the ideal positions of an actor and the mean voter position, the Commission position and the actual outcome. Thomson's (2008) dependent variable is the distance between member states' ideal positions and the actual outcome. His control variables include the distance between an actor's positions and the prediction of the compromise model.

The analysis presented in this paper is also based on the utility change relative to a counterfactual model prediction and controls for the discrepancy in actors' positions. However, the analysis proceeds on the issue level rather than comparing average values of policy distances across issues. Owing to the measurement technique used in gathering the DEU data, distances between (ideal-)points cannot be directly compared across issues. There are two reasons for this. First, the end poles have arbitrarily been assigned the same values (0, 100). Although they have been coded using the same numerical values, the extreme poles of the issue continua do not represent the same policies. Rather than labelling the end poles of all continua with the same numbers, different values could have been used for different policy issues. As a result, distances between policy positions cannot be compared directly across different issues.

The measurement of policy positions for the Socrates Directive (Steunenberg and Selck, 2006) can serve as a good illustration of this point. There were three issues, of which one referred to the level of funds and another referred to the terminology used. According to the scale imposed on the experts' judgements, a position of 0 implied no funding on the one dimension and the wording 'European Dimension of Education' on the other dimension, whereas a position of 100 implied assigning €2.5 billion to this policy and referring to a 'European Education Area'. It would be heroic to assume that the difference between no funding and €2.5 billion is equivalent to changing from the wording 'European Dimension of Education' to 'European Education Area' because both are equivalent to 100 units in the imposed policy space. Averaging policy distances across different issues is roughly analogous to calculating the mean profit for a multinational company across different currencies without accounting for the variation in the value of currencies. Obviously, a direct comparison of the values would lead to misleading conclusions.

Secondly, the range of possible values for policy distances varies across issues. The data set includes dichotomous issues. For these issues the range of values of utility change is restricted to two, owing to the binary nature of the decision. For continuous issues, in contrast, distance measures can take on a broader range of values. Thus, the values between the same distance measures might vary across issues not because the actor exercised a different amount of influence but rather because the number of feasible outcomes differs across issues. Furthermore, the range of values for utility change depends on the position of the actor. If the actor favours a position right in the middle between the two poles, his/her utility change has a maximum value of 50. If his/her position is at one of the extreme poles themselves, however, his/her utility change has a maximum value of 100 (Bueno de Mesquita, 2004). Thus, the analysis should proceed on the issue level to avoid treating values that represent de facto different policy distances as equal.

To calculate the counterfactual compromise model, which is a weighted arithmetic mean, the level of measurement has to be at least interval-scaled (Blalock, 1960). To derive the measurement of positions, experts were asked to identify the most extreme positions advocated on any given issue. Subsequently, they located the positions of political actors on a standardized issue continuum according to their estimate of the 'political distance' between the various positions and were asked to justify their assessment (Thomson and Stokman, 2006: 35–6). This data-gathering technique is similar to the rating questions familiar from survey research (Fowler, 1995), which typically yield interval-scaled responses (Westermann, 1985). Thus, on each individual issue, the data can reasonably be treated as interval-scaled, which allows the calculation of the compromise model. Because the policy distances on each issue cannot be directly compared across issues, however, the overall analysis has to proceed on the issue level.

Table 1 describes the data. The unit of analysis is member state issue to compare across the performance of member states, some of which held the Presidency at various stages of the decision-making process. For each issue in a given proposal there are potentially 15 positions of member states, which form the basis of the analysis. I excluded from the analysis issues where the positions of more than two member states or information on the SQ or outcome were missing, as well as proposals that were not generally binding (decisions). For each of the 94 remaining issues, there are up to 15 member state positions, i.e. 1410 observations. The position of Belgium, France, Germany, Italy, Portugal, Spain and the UK is represented in the data set for all 94 issues. For most of the other countries, their position on an issue is

Table 1 Descriptive Statistics

Legislative Procedure	Consultation	Codecision	Missing	<i>Total</i>
	703 (51%)	678 (49%)	0	1,381 (100%)
Voting threshold	<i>QMV</i>	<i>Unanimity</i>	Missing	<i>Total</i>
	1,014 (73%)	367 (27%)	0	1,381 (100%)
Legal form	Directive	Regulation	Missing	<i>Total</i>
	647 (47%)	734 (53%)	0	1,381 (100%)
Type of proposal	New	Amending	Missing	<i>Total</i>
	877 (64%)	504 (37%)	0	1,381 (100%)
Support by	<i>Yes</i>	<i>No</i> 510 (37%) 395 (29%)	Missing	<i>Total</i>
Commission	841 (61%)		30 (2%)	1,381 (100%)
Parliament	680 (49%)		306 (22%)	1,381 (100%)



missing in one (Denmark, Netherlands, Sweden) or two cases (Finland, Greece). The position of Luxembourg, Austria and Ireland is missing in ten, nine and three cases respectively. Because of these missing data for individual country positions, 1381 observations will be used in the analysis.

Decisions subject to the co-decision and consultation procedures are about equally represented in the data, as are directives and regulations. Most of the proposals were subject to qualified majority voting; 64% of the observations involved a new proposal that was not amending existing legislation. Member states often enjoyed the support of the supranational actors for their positions. The position of the European Parliament is missing in 22% of the cases; hence the multivariate analysis including a control variable for the support of the Parliament will be restricted to 1075 observations.

The data collected encompass proposals that were pending in 1999 and 2000. Two countries - Denmark and Greece - did not hold the Presidency at any stage of the decision-making process for the proposals under scrutiny. All other member states were involved as the Presidency in the decisionmaking at some stage. On average, member states were not involved in decision-making when holding the Presidency on about 70% of the issues for which their position is recorded. We can distinguish the involvement of a member state as the Council Presidency during the introduction of a proposal by the Commission, when political agreement was reached in the Council (during the first reading), during the final stages of the legislative process, and during other time periods in between. In the empirical analysis, dummy variables are used to denote if a member state held the Presidency at these stages of the legislative process of a given proposal. Under co-decision, political agreement in the Council in the first reading is an important step towards the final act because the discussions in subsequent readings are based on it. Under consultation, some time might pass between political agreement and the formal adoption of an act in the Council because the latter sometimes involves clarification of language issues. Thus, political agreement might be achieved under one Presidency but the formal adoption falls under another one. Including a separate category for political agreement allows us to control for this effect. To code involvement during the final stages, the date of the signature was used. Hence, a member state is coded as being involved as the Presidency in the final stages when a bill was signed into law by the Council (or Council and Parliament in the case of co-decision) during its time in office. Other time periods refer to the times during which an issue was pending but it was neither introduced, decided upon in the first reading nor adopted.

In the 31% of observations in which a member state was involved as the Presidency, it was mainly while the proposal was just pending (44%). During its term in office a member state was nearly as often involved when a bill was



introduced (21%) as during the final stages (22%). In 13% of the cases, a member state held the Presidency when a political agreement was reached in the first reading. There is some overlap between these categories. Particularly in the consultation procedure, the final adoption of a law and political agreement might fall under the same Presidency. In 39 instances, a member state held the Presidency both when a political agreement was reached in the first reading and during the final stages of decision-making. In 5 cases, a member state held the Presidency during the introduction, the first reading agreement and the signature of a bill.

Results

In order to investigate the effects of the Council Presidency empirically, I compare the performance of an ordinary member state with that of member states that held the Presidency during the legislative negotiations. The question is whether or not a member state benefits from holding office. A member state successfully exercises disproportionate influence if the outcome is closer to its ideal position than the model prediction. If member states benefit from the powers of the Presidency, they should make disproportionate gains relative to counterfactual models more often when they are in the chair. If the Presidency is a burden, requiring the member state at the helm to make extraordinary concessions, the reverse should be true. Finally, the office of the Presidency might not have any impact on the influence a member state can exercise with regard to decision outcomes, in which case it fares neither better nor worse when in office.

Besides the support of the European Parliament and the Commission, the regression analysis introduces control variables for the legislative procedure, voting threshold, type of proposal (legal form, new/amending) and salience. Note that the measurement based on counterfactuals already includes the voting weights (or voting power in the case of the compromise model) of a member state. The compromise model also includes the importance (salience) an actor attributes to a given issue. To account for other characteristics of a member state, control variables (fixed effects) for the member states are included in all of the calculations. Observations within the same proposal are not completely independent of each other. To take this into account, robust standard errors have been used.

Table 2 presents the results of the logistic regression. The dependent variable is coded 1 if the utility of a member state increased relative to the prediction of the bargaining model. Models 1 to 5 are estimated for the prediction of the pivot model; the remaining estimates are based on the

Table 2 Results of Logistic Regression Analysis

Model	(1)	(2)	(3)	(4)	(2)	(9)	(2)	(8)	(6)	(01)
Prediction			Pivot Model					Compromise Model		
Pseudo R ²	.01	90.	60.	1.	.13	.01	90.	90.	90.	90.
Member State held Presidency during										
Introduction	.571	398	4.	.291	.306	.148	.154	.161	.148	.185
	(.238)**	(.278)	(.29)	(.29)	(.296)	(.23)	(.277)	(.278)	(.278)	(.279)
First reading	369	522	496	54	536	13	193	182	193	195
	(.286)	(.331)	(.349)	(.347)	(398)	(.257)	(302)	(.307)	(306)	(308)
Final act	.671	.858	906.	.895	.963	.453	969.	.703	.701	.682
	(.257) ***	(.301)***	(.312)***	(.319)***	(.326)***	(.242)*	**(.299)	(.301)**	(.304)**	**(308)
Other time periods	.156	.191	.314	.132	.019	068	131	098	147	089
	(.189)	(.255)	(.274)	(.266)	(.268)	(.179)	(.241)	(.251)	(.249)	(.253)
Support for Member State Position by										
Commission		.937	66:	666.	1.04		1.014	1.024	1.019	.933
		(.162)***	(.166)***	(.167)***	(.168)***		(.141)***	(.144)***	(.146)***	(.148)***
Parliament		.477	.492	.514	.561		.104	.102	.103	.065
		(.156)***	(.159)***	(.163)***	(.168)***		(.139)	(.140)	(.141)	(.142)
Other control variables										
Consultation			.187	.634	.697			.053	.161	.071
			(.145)	(.173)***	(.177)***			(.133)	(.153)	(.156)
QMV			938	615	504			245	144	307
			(.157)***	(.170)***	(.180)***			(.141)*	(.156)	(.162)*
Directive				.799	.861				.229	.117
				(.176)***	(.182)***				(.156)	(.161)
New				.426	. 199				.078	.131
				(.164)***	(.171)				(.141)	(.149)
Salience					.014					005
				ļ	(.004)***	;				(.003)
13	1381 1	1075	1075	1075	1041	1381	1075	1075	1075	1041

Notes: Robust standard errors in parenthesis. All models include fixed effects for member states. *** = p < 0.01, ** = p < 0.05, * = p <

1 = Increase of utility relative to model prediction 0 = No increase of utility relative to model prediction

compromise model. In a first step (Models 1 and 6) only dummy variables for the Presidency have been included, distinguishing between a member state at the helm during the *introduction* of a proposal, when political agreement was reached in the Council in the first reading, during the signing of the final act, or during other time periods in which the proposal was pending (see above for details on coding). In a second step (Models 2 and 7), control variables for the support of supranational actors were added. These dummy variables are coded 1 if the member state has the support of the European Commission or the European Parliament, respectively. Support is coded as described in the Research design section. The other regression models include additional control variables for the legislative procedure, voting threshold in the Council, type of proposal and whether or not a proposal is new. Consultation is coded as 1 if the proposal is subject to the consultation procedure and 0 if it is subject to co-decision. A proposal can be decided upon in the Council either by QMV (= 1) or by unanimity. The proposals in the data set are either directives (= 1) or regulations. Furthermore, some proposals present new legislation (=1) whereas others amend existing laws. Salience captures the importance of an issue on a scale ranging from 0 to 100. A score of 100 indicates that an issue is of the highest importance to an actor. A score of 50 denotes a situation in which, according to the expert interviewed, an actor would use arguments but not power to change the outcome. In the data set, the values for salience range from 5 to 100. The mean lies at 60 (standard deviation = 22), and 59% of observations have a value higher than 50.

In all of the estimations based on the pivot model predictions (Models 1 to 5), holding the Presidency during the final stages of negotiations yields a positive effect that is statistically significant at the 1% level. The same is true for the support of both supranational actors. Controlling for all the other factors, a member state is more likely to win under consultation, on directives and when discussing a proposal that is important to the member state. All of these variables are statistically significant at the 1% level. So is the effect of the voting threshold. The variable *new* is not statistically significant once salience is included in the estimation.

Holding the Presidency during the final act of legislative decisionmaking is also beneficial according to the estimations based on the compromise model (Models 6 to 10). The coefficient is positive and statistically significant at the 5% level (Model 6 at the 10% level). In line with earlier studies on the impact of the supranational actors on legislative outcomes, the only other variable that consistently yields statistically significant estimates is the support of the Commission. The coefficient is positive and has a *p*-value below .01.



To appreciate the substantive effect of holding office during the final stages of negotiations, we can calculate the probability of success based on the regression estimates (Table 3). Based on Model 5, the probability of an ordinary member state without Commission support benefiting more from a decision than predicted by the pivot model is 14.5%. The calculations are based on mean values for all control variables and no (additional) involvement as Presidency during the introduction, first reading agreement or other time periods. This value increases by 16.3% if a member state holds the Council Presidency during the final act. In comparison, having the support of the Commission increases the success rate by 17.9%. Similarly, calculations based on the compromise model (Model 10) estimate an increase of 15.5% due to holding office. The difference to the increase due to Commission support (21.7%) is more pronounced in this case.

To distinguish between the effects of the Council Presidency and supranational actors across different legislative procedures more clearly, I also calculated separate regressions for cases involving co-decision or consultation (Table 4). Models 1 and 2 are based on cases decided by consultation; Models 3 and 4 are based on co-decision cases. The variables are identical to the ones discussed above. Again, the results show that member states benefit from holding the Presidency during the final stages of the proceedings. The coefficients are significant at the 10% level (Models 2 and 4) and 5% level (Models 1 and 3). Also, having the support of the supranational actors has a statistically significant effect. Unlike the pooled analysis, the regression analysis by legislative procedure yields consistently statistically significant results for the support of the European Parliament for both counterfactuals. However, the coefficient for the European Parliament changes signs in one of

Table 3 Predicted probabilities of winning relative to counterfactual (in %)

Pivot Model	Presidency during final act		Compromise Model	Presidency during final act			
(Model 5)	No	Yes	Difference	(Model 10)	No	Yes	Difference
Commission				Commission			
Support				Support			
No	14.5	30.8	16.3	No	28.2	43.7	15.5
Yes	32.4	55.7	13.3	Yes	49.9	66.3	16.4
Difference	17.9	24.9		Difference	21.7	32.6	

Notes: Rounded values for estimates. Calculations based on mean values for all variables and no other involvement as Presidency.



Table 4 Results of Logistic Regression Analysis by Legislative Procedure

	(1)	(2)	(3)	(4)					
Procedure	Consultation		Codecision						
Counterfactual	Pivot	Compromise	Pivot	Compromise					
Pseudo R ²	.15	.17	.18	.07					
Member State held (Member State held Council Presidency during								
Introduction	.283	.510	.501	022					
	(.466)	(.454)	(.446)	(.393)					
First reading	-1.175	-1.111	109	.179					
	(.683)*	(.692)	(.492)	(.443)					
Final act	1.412	1.272	1.089	.748					
	(.672)**	(.696)*	(.437)**	(.402)*					
Other time periods	.228	.719	.028	583					
	(.527)	(.696)	(.354)	(.279)**					
Support for Member	State Position	by							
Commission	.638	1.427	1.529	.593					
	(.239)***	(.226)***	(.280)***	(.215)***					
Parliament	.578	.752	.639	513					
	(.267)**	(.231)***	(.227)***	(.202)**					
Other control variables									
QMV	710	-1.232	626	.739					
	(.256)***	(.243)***	(.284)**	(.254)***					
Directive	.499	233	.461	.280					
	(.327)	(.326)	(.263)*	(.223)					
New	481	101	1.177	.417					
	(.276)*	(.253)	(.304)***	(.235)*					
Salience	.025	0054	.006	003					
	(.005)***	(.005)	(.005)	(.004)					
Observations	483	483	558	558					

Notes: Robust standard errors in parentheses. All models include fixed effects for member states. *** = p < 0.01, ** = p < 0.05, * = p < 0.1

Dependent Variable

the models (4). Models 1 and 4 yield evidence of a (negative) Presidency effect during time periods other than the final stages. However, this is not confirmed by the analysis of the same cases based on the other counterfactual model.

Overall, the multivariate analysis based on the counterfactual research strategy yields substantive support for the hypothesis of a powerful Presidency. However, this is limited to member states holding the Presidency

^{1 =} Increase of utility relative to model prediction

^{0 =} No increase of utility relative to model prediction

during the final stages of negotiations. The substantial effect is significant and is more or less equivalent to having the support of the Commission.

Conclusion

The rotating Presidency is a notable feature of the Council of the European Union. It has been argued that the powers of the Presidency allow a member state to exercise an extraordinary amount of influence during its term in office. However, it has also been noted that the visibility of the Presidency might force the member state holding it to make more sacrifices than usual to reach agreements. Two quantitative studies established the power of the Presidency at the adoption stage. This study confirms this result using a different methodology to measure power and to distinguish between power and luck. Building directly on the definition of power, I calculated a counterfactual outcome using two bargaining models. An actor was deemed to be potentially powerful if the actual outcome was closer to its ideal position than the counterfactual. This also goes some way towards establishing the distinction between power and luck. A decision outcome might be closer to the ideal position of an actor not owing to its powers but rather because it was lucky enough to have preferences similar to those of the decisive actor. For the other member states, this is already accounted for in the calculation of the counterfactual outcome. The supranational actors cannot be included in the same manner because their involvement in legislative decision-making is different. I calculated a measure for the support of the European Parliament and the Commission based on the similarity of preferences for policy change between the supranational actor and the member state. Owing to the measurement technique used in gathering the data, the analysis had to proceed at the issue level. Besides the support of supranational actors, the regression analysis includes control variables for the legislative procedure, the voting threshold, the type of proposal, whether or not a proposal was new or amending legislation, and salience. The regression analysis shows that holding the Presidency during the final stage of legislative proceedings has a positive and statistically significant effect. The increase in the probability of an outcome closer than expected owing to holding the Presidency is similar to that resulting from having the support of the Commission.

Further research is needed to investigate what mechanism explains the influence of the Presidency during the final stages of the legislative negotiations. The absence of a robust effect for member states holding the Presidency during the introduction of a proposal points against effective framing of the issues by the Presidency or the accommodation of the Presidency's preferences by the Commission. Indeed, this study corroborates earlier findings on the influence of the Commission in legislative decisionmaking. However, further research is needed to delineate the causal direction between the support of the Commission and the utility gains from decision outcomes by the Presidency. Procedural prerogatives in the Council should have been effective during the first reading agreement in the Council or during other time periods, as well as in the final stages. Thus, the findings suggest that the Presidency mainly benefits from an informational asymmetry and time pressure in the final stages of negotiations. Indeed, the Presidency might influence the timing of decisions rather than the outcomes. After it has been established that member states benefit disproportionately from decision outcomes reached during their Presidency, the challenge for future research is to delineate more precisely which of the theoretical causal mechanisms underlies this empirical finding.

Notes

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1 I also calculated models including the interaction terms of various control variables (support of Commission, support of Parliament, QMV, salience, new, directive) with the dummy variable for holding the Presidency during the final stages of negotiations. The interaction terms were added to the specification of Models 5 and 10. None of the interaction terms was statistically significant at the 10% level. The main finding is also robust with respect to changes in the order in which the control variables are included in the regression analysis.

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About the author

Andreas Warntjen is Assistant Professor of Political Science in the Department of Political Science and Research Methods, Centre for European Studies, University of Twente, The Netherlands.

Fax: +31 53 489 2590

E-mail: A.K.Warntjen@utwente.nl