

# Money Makes the EU Go Round: The Objective Foundations of Conflict in the Council of Ministers

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Many examinations of the dimensions of conflict in the EU Council of Ministers focus on the ideological roots of contestation in the European Union. In this article, we examine for the voting records of the Council in general and five of its subunits (Agriculture, Fisheries, Financial Affairs, Environment, Economic Affairs) the extent to which structural indicators explain the conflict between the member states. This is in contrast to the extant studies on the topic which, by and large, use the aggregated voting records to identify general dimensions of conflict and to regress left-right positions of the governments or other ideological variables on them. Drawing on previous work such as Zimmer et al. (see also 2005) and Mattila (2009), we show that redistributive interests shape the interactions considerably in the aggregate and also in some of the policy domains that we examine in more detail. The article concludes with a discussion what our disaggregated analysis implies for general studies of conflict in the EU.

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## **Introduction**

According to Laswell's (1936) famous dictum, "politics is who gets what, when, where, and how". Strangely enough, the notion that political decision making is largely a redistributive conflict between contending social and economic forces never really made it into the study of decision making processes in the European Union besides some analyses on the budgetary process (Aksoy ; Carrubba 1997; Kandogan 2000). This has prevented the field from examining closely the extent to which structural rather than ideological or geographical factors influence both treaty negotiations and legislative politics.

The classical theories of European integration either assume what we call objective interests away (neofunctionalism) or consider them to be so overpowering that the EU has no possibility to evolve (intergovernmentalism). Newer theoretical developments like neo-institutionalism (Aspinwall and Schneider 2000) or liberal intergovernmentalism (Moravcsik 1998) have not moved the field forward in this respect. The latter approach believes that economic interests shape the bargaining position of the member states, but does not explore the relative impact of the structural factors on the bargaining outcomes. Neo-institutionalism has focussed on the question of who wins and who loses in intergovernmental negotiations (Hug and König 2002; Schneider and Cederman 1994) and in the legislative process (e.g. Bailer 2004; Selck and Steunenberg 2004) , but it has, by and large, not assessed the structural origins of the varying bargaining success of the member states and other EU actors.

The empirical studies on the deliberations within the European Parliament (Hix, Noury, and Roland 2006) have contributed to the impression that ideology largely determines the European Union conflict space and that the typical EU decision reflects the relative power of the stakeholders on the left-right axis of contestation. Some authors have tried to translate these findings to the EU Council of Ministers (Hagemann and Hoyland 2008; Mattila 2009) and shown that partisan preferences are helpful in predicting aggregate voting patterns in the Council of Ministers. However, very few Council decision making studies explores whether structural factors influence government behaviour in this intergovernmental institution and, by extension, whether the possible influence of partisanship on these patterns is just an epiphenomenon.

This article attempts to break new ground by examining whether the number of negative votes and abstentions in the Council of Ministers in general and some of its councils specifically reflect objective interests of the member states. In other words, we attempt to show that important structural differences between the economies and societies of the 27 nations forming the EU shape legislative decision making within the Council. We contend in line with the political economy literature that executives are juggling between the interests of

the median voter and the wishes of powerful clientelistic groups that member state governments cannot escape to take into consideration. Governments typically give in to private interests if the decision making process is too arcane for the public or if a specific policy sector is especially prone to be captured by special interests. We argue that clientelistic group play a particularly large role in the EU if the budget attributed to a specific sector is particularly large; these are especially agriculture and fisheries and thus areas where collective action problems limit the influence of public interests in the first place. The article contends based on Zimmer et al. (Zimmer, Schneider, and Dobbins 2005) that the losers of decision making in the Council will be more likely to voice their opposition. These are generally the rich countries which are much more interested in intergovernmental initiatives to deregulate European markets than in the redistributive gains they might possibly achieve through EU legislation. We assume in other words that the rich member states use legislative politics to buy the support of the less privileged members and that they tend to oppose projects that they consider to be too costly, wasteful or to the detriment of their own population.

The empirical tests, which we perform with the help of a comprehensive data set on Council voting, lend strong support what we call the median voter and special interest hypotheses. While there is a cleavage between the rich and the poor member states as well as with the beneficiaries of the EU budget in the aggregate of all Council decisions, redistributive interests become especially apparent in almost all of the five sub-Councils that we study in detail and especially in such areas as agriculture. The event count regression models show further that ideological and institutional factors like the number of veto players have no systematic influence on the number of negative votes in the Council; partisanship is thus largely irrelevant for the deliberations within this intergovernmentalist institution. This suggests in our view that the study of Council decision making should focus more on redistributive issues in the future.

### **Conflict Dimensions in the EU Council of Ministers**

Recent studies on decision making in the EU Council of Ministers rely on different theoretical concepts, data sets and time frames to explain which conflict dimensions govern the interactions within this intergovernmentalist institution (see Table 1). It is therefore not surprising that they come to quite different conclusions about the core cleavages.

Examinations that rely on the protocols of the Council establish that either geographical divisions or the left-right conflict structure the deliberations between the delegates of the

member states. Both Hagemann (2007) and Mattila (2004) establish the left-right cleavage as a dimension of conflict within this main intergovernmentalist institution in the EU legislative process. Hagemann and Hoyland (2008) reach a similar conclusion. However, their study does not control for the possible impact that other conflict dimensions might have.

Hagemann and De Clerck-Sachsse (2007) additionally contend that the Eastern enlargements have not affected decision making and coalition building in the Council. Mattila (2009) however, establishes that the division between the northern and the southern member states continues to be a major cleavage, as the early study of Mattila and Lane (2001) has established. Using the Council protocols since the first Eastern enlargement, he also finds a weak conflict between the “old” and “new” member states (Mattila 2009).

Interview-based studies have also shown that geographically close member states are more likely to vote in a similar way in the Council. This is particularly the case for some early studies that have made usage of the Decision Making in the European Union (DEU) data set. This data set includes, based on expert interviews on more than 60 pieces of legislation, the negotiation position that the member states established in the Council of Ministers deliberations. Although Kaeding and Selck (2005) could not establish a clear cleavage, they uncovered at least a North-South division, a finding that Thomson et al. (2004) confirm and to which they add a regulatory versus market-based dimension.<sup>1</sup> The DEU data set was also the empirical basis for Zimmer, Schneider and Dobbins (2005) who uncovered the conflict between net beneficiaries and net contributors to the EU budget to be of primary importance (Zimmer, Schneider, and Dobbins 2005); their bivariate analyses did not lend any support to the partisanship thesis. Using expert interview data Thomson (2009) found a new, albeit weak, cleavage between the old and new member states in the post-2004 EU; this reflects according to the author, the preference of the new member states to obtain more subsidies.

Studies using survey data to identify the communication and contact patterns of Brussels-based diplomats find the North-South division rather than diverse ideological dimensions to be relevant (Elgström et al. 2002; Naurin and Lindahl 2008). If partisan preferences mattered, a change in government should have some repercussion in the Council. A case study of the service directive suggests that such alterations affect a country’s position in the Council (Miklin 2009). However, more systematic studies encompassing more cases show that the communication patterns in the Council are more geographically than partisan driven even in the case of government changes (Naurin 2008). This finding as well as many episodes of bargaining behaviour in which Germany defended the interests of the car industry

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<sup>1</sup> Note that the latter study does not represent the conflict space adequately because of the inclusion of the status quo of the included pieces of legislation in the calculation of the conflict dimensions.

or Spain the interests of the fishery sector, independent of their partisan orientation, suggest that the influence of partisan and structural preferences depends on the circumstances of the negotiation such as the salience of a negotiation topic and the importance of domestic actors trying to influence the negotiation position of a country.

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*Table 1 about here*

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We contend that current analyses on the Council conflict space suffer from several problems that are of either a theoretical or a methodological nature. First and foremost, we believe that geographical patterns of coalition building cannot offer a convincing causal mechanism as to why the delegates of a member state have a similar voting profile in the EU Council as the government of a neighboring nation. Geography offers, in other words, correlations, but no explanations. A similar problem besets in our view partisanship explanations. We believe that we should first demonstrate whether it is a joint ideological position rather than a converging economic or social structure that binds governments together in the EU Council of Ministers. Although there might be a strong bivariate association between ideology and voting behavior in the Council, partisanship might be an endogenous concept whose determining factors have to be identified separately in the first place. Third, we contend that many studies on Council decision making suffer from the problem of over-aggregation. Hence, researchers have often tried to establish patterns of decision making across all arenas of decision making and across all institutional peculiarities simultaneously. However, if decision making patterns in one policy field differ significantly from the behavior in another context, such examinations cannot unearth what really happens in the Council of Ministers.

To uncover social and economic determinants of voting behavior in the Council, we resort to political economy explanations of regulation (Hillman 1989; Peltzman 1984; Stigler 1971). According to the generalization of this approach by Grossman and Helpman (1996: 836) through a common agency model, governments balance the interest of often conflicting “special interest groups, while bearing a cost for implementing an inefficient policy that stems from its accountability to the general electorate”. In other words, the member state delegates will give in to the lobbying attempts of clientelistic economic and social groups in order to receive their support. As such exchanges create a burden on the median voter, strategic politicians will also consider the interest of the electorate. This suggests that the relative

importance of a sector within a member state should increase the chance that a member state votes against the rest of the member states which are able to address the interests of the general electorate to a greater extent. However, it is more likely that governments respect the interests of the clientelistic interests to some extent as the groups representing them are more likely to take note of a demonstrative abstention or a no vote of their national delegate than average citizens.

Our examination of the objective roots of Council decision making resorts to a distinguished research tradition. While Kau and Rubin (1979) reject the contention that economic interests alone explain congressional voting behaviour, Peltzman (1984) demonstrates empirically how ideological variables very often mask economic interests. The economic interests of the voting district have often played a decisive role in the U.S. congress, as for instance, Magee et al. (1989) and many others have shown. Attempts to translate such findings to the setting of the European Union, largely failed because of the obvious differences between a supranational IGO and the U.S. democracy (Schuknecht 1992). There is, however, sufficient evidence from the member states (e.g. Stratmann and Bauer (2002), (Schneider, Finke, and Baltz 2007) that parliamentarians or government actors give in to the wishes of economic interest groups to suspect that the national delegates in the EU Council cannot completely resist similar temptations.

We assume therefore in line with the political economy literature that partisan preferences matter less than structural and economic interests in the Council since governments deal with concrete interests of domestic stakeholders in these legislative discussions. Clientelistic deals are all the more likely because the electorates back home are usually not well informed about the deliberations of the Council and because these negotiations remained almost completely secret until the Treaty of Lisbon came into force.<sup>2</sup> This could be different in European Council summits where more general policy guidelines are discussed so that partisan preferences might be more apparent, although the financial market reactions examined by Bechtel and Schneider (2010) demonstrate the importance of economic interests even at the highest level of EU interstate relations. Manow et al. (2008) showed that the political center of gravity in the European Council has moved from the right in the 1950s towards the left in the 1990s, and that this move has provoked a change in social policy. Yet, Tallberg and Johansson (2008) challenge such conjectures through the

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<sup>2</sup> The Treaty on the Functioning of the European Union says in Article 15: “The European Parliament shall meet in public, as shall the Council when considering and voting on a draft legislative act.”

demonstration that there is less party mobilization than expected and that interest-based coalitions dominate in Council summit meetings.

Past studies strongly suggest that countries in Southern and Eastern Europe behave differently than the older member states in Western Europe (Kaeding and Selck 2005; Mattila 2009). We argue in line with Zimmer et al. (2005) that these geographical patterns mask different socioeconomic preferences. Studies on the budgetary process (e.g. Kauppi and Widgrén 2004) suggest that the richer member states largely mount the bill for the integration project. In return, they expect policies that are not too costly for them. This logrolling logic is one of the reasons as to why a “culture of consensus” (Heisenberg 2005) supposedly governs the interactions in the Council. However, the implicit agreement does not work perfectly and we would expect that the economically strong and competitive member states are the ones which voice their opposition more frequently than the net profiteers of European integration. They will do so under the influence of their domestic principals, be it the electorate or specialized interest groups.

*H1: The rich and competitive member states have an increased tendency to oppose legislation in the Council of Ministers.*

Zimmer et al. (2005) establish, as indicated, that the financial contributions of a member state to the EU budget influences the policy preferences of the member states. We believe that this influence should also manifest itself in the voting record of the Council of Ministers. In other words, the countries that profit financially from the European Union should rather seldom be in the opposition role. The vote trading argument that we advance attributes the net beneficiaries the passive role, while the net payers are under the pressure from their electorates to occasionally oppose EU legislation.

*H2: The more a member state profits financially from the European Union, the less inclined it is to oppose legislation in the Council of Ministers.*

Governments will not only give in to the general interests, but also consider powerful lobbies. As Moravcsik (1998) maintains, economic interests remain stable over time and will not be affected by partisan changes. It is well known that especially the producers possess a disproportionate influence in EU decision making (e.g. Schneider and Baltz 2003) as they can organize themselves much better than the much larger consumer interests. If we compare the different economic sectors, agriculture should possess such a collective action advantage. Note however, that not all studies corroborate such a disproportionate influence of specialized interests. Franchino and Rahming (2003) for instance cannot confirm that the number of fishermen influences the EU’s decision to increase the quantities of fish to be caught in the

North Sea under the auspices of the Common Fisheries Policy (CFP). Given this ambiguity, we believe that special interests will only profit in individual sectors but not in general policy making and that in the aggregate larger economic sectors can more easily induce the government to oppose EU legislation.

*H3: The risk of a negative vote grows with the relative importance that an economic sector has within a member state.*

It has not been explored a great deal whether such relationships also manifest themselves in the key decision making areas in which the European Union is active. We believe, as discussed earlier, that the lack of many studies to establish a clear link between partisanship or economic variables in the Council of Ministers is due to the high level of aggregation in which the voting records of the member states are compared. Zimmer, Schneider and Dobbins (2005) show that for specific Councils more than two third of the variance in the member state preferences can be explained. This means that the ministers of the represented member states know fairly precisely what the position of the member states are and what sort of interests the other delegates represent. In other words, we suspect that objective factors also influence the deliberations in the most prominent councils of the upper chamber in EU legislation. We analyze in the empirical section the voting record in three highly redistributive policy areas, agriculture, fisheries and economic affairs. In such policy arenas, the redistributive argument developed by Shepsle and Weingast (1987) for congressional committees should to some extent hold according to which the stakeholders with the most pronounced economic incentive dominate decision making in parliamentary subarenas. We expect, to take up the Olsonian argument once again, that states with a large agricultural or fisheries sector are high-demanders in these policy areas.

*H4: Member states which are high-demanders or high-receivers in policy areas with a high redistributive potential are more likely to oppose legislative proposals.*

The Council does not possess such clear redistributive power in the two other policy areas under examination, financial and environmental affairs. However, the regulatory competency of the EU does have reverberation in those national policy areas so that the interests of the electorate in these policy areas matters. Furthermore, in some policy areas citizens are more aware whether they have to bear the costs of a public good, in particular in the environmental area or state finances. If the own national government or surrounding neighbour countries are not able to conduct a reasonable environmental policy or if a state does not provide a solid state budget, citizens are quite aware that they have to bear the costs by suffering from environmental damages or to mount the bill for increased protection



through higher taxes. Especially in the environment sector, citizens can be quite aware of the losses inflicted on them when the climate is changing for example. Thus, we expect that governments which have already invested in protecting the environment and want to protect the interests of their median voters make their voices more often heard in environmental policy in order to signal that they care. Similarly, already highly indebted countries rather voice their opposition in order to demonstrate that they care about state finances and because voters are concerned about the taxation consequences that an increasing encumbrance of the state budget would bring about. Thus, member states that have a relatively good environmental record and that are not exceptionally indebted oppose legislation more frequently than the other member states. In environmental politics and fiscal affairs the European Union does not possess the same redistributive capacity as for instance in agriculture. This limits the interest of special interest groups in these domains and increases the influence of the European citizenry. Voters are generally concerned that legislative activities in these areas might have adverse fiscal consequences for their member states which should increase the chance that governments of member states that are already in a relatively bad situation at the national level are more likely to voice their opposition against EU legislative proposals.

*H5: Member states with a bad status quo in policy areas where there is little to gain for special interests are less likely to oppose legislative proposals in the Council*

Our theoretical argument that links objective factors to the voting record of a member state does not preclude the possibility that ideological preferences influence the decision making behaviour. In fact, we will control for the left-right position of the government as well as for the number of veto players in our empirical tests. However, we do not think that partisan preferences matter more than structural variables or the interests of economic stakeholders. For rational governments it is far more beneficial to act according to the wishes of informed economic stakeholders in contrast to voters who are in general not informed about the exact interests of their specific domestic industries.

### ***Research design***

The Council voting data used in this paper are based on information released by the Council Secretariat on the Council website (<http://ue.eu.int>). We use the 'Monthly Summary of Council Acts' documents which list all definitive legislative acts made by the Council and -- if voting occurred -- which EU member states voted 'no' or abstained from voting. The time period for the analysis is the period from 1 May 2004 to 31 December 2008. During this time

period, the Council decided on a total of 848 legislative acts. Of these 123 (i.e. 15 %) were contested, i.e., at least one member state voting against the majority or abstained from voting. In this analysis we decided to concentrate on five specific policy sectors. The number of contested decisions in these fields varies from 13 in fisheries policy to 45 in agriculture policy. The policy sector classification is derived from the Council Secretariat database. One should bear in mind that many, if not most, decisions made by the Council are connected to several policy sectors. For example, agricultural decision may have financial and environmental implications as well. Thus, some of the individual decisions in our data set are classified into multiple policy areas. A table listing the independent variables can be found in the appendix in Table A1.

### ***Results***

Table 2 shows the share of contested decisions by member states in all legislative proposals and by policy sectors during the research period. When looking at all contested proposals it is the ‘northern’ member states that top the list. The UK is the most common ‘no’ voter or abstainer followed closely by Denmark and Sweden. At the other end of the list one can find Slovenia and the two newest member states Bulgaria and Romania.

When the contested votes are disaggregated by policy sectors it is usually also the UK, Denmark and Sweden which are most likely to contest Council decisions. However, there are some interesting policy sector specific differences. In the field of agricultural policy these three countries are even more likely to go against the Council majority. They contest almost one fourth of all decisions related to agriculture. The same is true for decisions related to financial matters. In the field of environmental decision making the group of top contesters is an interesting mix. It includes some Mediterranean member states, such as Malta, Italy, Greece and Spain, and the northern member states of Sweden and the UK. Here it may be the case that northern member states prefer more stringent environmental regulation while southern member states would prefer more lenient rules.

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*Table 2 about here*

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To investigate the influence of various structural variables on the number of times an EU member state votes against or abstains we are using negative binomial regression analysis

with robust standard errors (to adjust for heterogeneity) since the voting data are count data and quite dispersed so that poisson regression is not recommended<sup>3</sup>. In Table 3 we show our four models which try to explain the overall number of no votes and abstentions in the Council.<sup>4</sup> Below the standard errors we denote the change in rate for the number of no votes and abstentions as the independent variable changes from its minimum to its maximum value (calculated with the “prchange” command in Stata) while all other variables in the model are held at their mean. So when the variable of percentage employment in the agriculture sector changes from its minimum value (1% in Luxembourg) to its maximum value (18% in Poland) (and all other variables are held at their mean) the expected change in no votes and abstentions rises 21.5 votes. Furthermore in Figure 1 we illustrate the size of the effects of the most interesting independent variables when other independent variables are held constant.

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Table 3 and Figure 1 about here

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The first three models are on the whole significant as the F tests show. In our first model we investigated whether the employment rate in the agriculture and service sector motivates countries to vote no or abstain. We found that higher employmentshares in these sectors motivate governments to voice their dissent more often. This is especially the case with employment in agriculture. So when the variable of percentage employment in the agriculture sector changes from its minimum value (1% in Luxembourg) to its maximum value (18% in Poland) (and all other variables are held at their mean) the expected change in no votes and abstentions rises 21.5 votes.

In our structural model we analyse the effects of GDP per capita (logged) as well the rigidity of employment index<sup>5</sup>. The significant variable of the rigidity of employment index indicates that countries with more rigid regulations vote less often against the majority. This might be an indication that these governments are generally more in favour of regulations than more liberally oriented countries. The negative coefficient of the ratio of annual EU spending to annual contribution from the state in our third redistribution model confirms our second hypothesis by showing that countries which profit more from the EU are less likely to

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<sup>3</sup> In the case of environment policy our models did not converge so that we had to use poisson regression.

<sup>4</sup> For a list of variables used see table 5.

<sup>5</sup> The rigidity of employment index measures the regulation of employment, specifically the hiring and firing of workers and the rigidity of working hours. This index is the average of three subindexes: a difficulty of hiring index, a rigidity of hours index, and a difficulty of firing index. The index ranges from 0 to 100, with higher values indicating more rigid regulations.

vote against the majority. Between the country which benefits least (Netherlands) and the country which benefits most (Lithuania) the change in non-endorsement of legislation changes is more than minus five votes.

In our institutional ideological model in which we investigate the possible influences of institutional domestic vetoplayers<sup>6</sup> and the orientation of the EU member state governments on the Left Right scale and towards EU integration we could not find any substantial effects. The coefficients are not only non-significant but the predicted changes are also quite small. Already in these relatively rough models which include votes in all policy sectors we get an indication that rather structural than ideological or institutional variables explain the voting behaviour of EU member states.

As suggested in the beginning of the paper we claim that a more detailed look in various policy sectors is necessary to understand the reasons for a public non-endorsement of bills better. The governments which vote no or abstain in EU legislation are fully aware that they cannot block the legislation anymore; however they still want to signal to their colleagues in the Council or to their domestic constituency that they do not support a certain piece of legislation. This might be used in order to demand concessions in future negotiation rounds or it might be a face-saving exercise directed towards the domestic constituency in order to signal a fought battle which could not be won against an overwhelming majority.

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Table 4 and Figure 2 about here

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In all our policy sector specific models (Table 4) we include a baseline model in which we control for budgetary profit from the EU budget and the partisan orientation of EU member states to control for this variance. In most cases the profit from the EU budget has a significant and negative impact showing that countries which profit from the EU are less likely to vote against the majority, whereas the Left-Right orientation of a member country is hardly influential at all. Again, we illustrate the magnitudes of the effects of the most interesting statistically significant variables in Figure 2, as well as with the predicted changes of the rejections if the independent variable changes from its minimum to its maximum value.

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<sup>6</sup> We also tried to measure institutional factors more elaborately with a measure of the power of the Europe commission in the EU parliaments based on Maurer (Maurer and Wessels 2001; Raunio 2005) and extended by Winzen (2010) for the new EU member states. This more precise measure for parliamentary power in EU affairs, as well as the cabinet power index by Martin and Depauw (2009) did not yield better results so that we decided to use the more common vetoplayer index instead.

In our agriculture model we find that a larger dependency on the agriculture sector motivates the governments to demonstrate disagreement. This could be an indication that earlier beneficiaries from the EU agriculture policy now fear reform attempts. For the fishery sector we found a small, significant effect of the size of fishery production in the EU member states. The member states with the biggest fisheries sectors are about three times more likely to voice dissent in the Council in fisheries matters than countries the fisheries are practically non-existent. In the case of financial issues we could not find that countries with a higher government debt differ from other member states with smaller debt. More fine-grained measures for estimating the interests of the EU member governments in the financial sectors might be necessary.

As for the environment sector we used the log of SO<sub>x</sub> emissions per capita as indicator for environmental interests as recommended by Bernauer et al (2010). This proxy is supposed to measure environmental ambition since SO<sub>2</sub> emissions are a usual target of environmental policy. We find that the more SO<sub>x</sub> emissions a country has, the more it tends to signal dissent in the environment council. In economic affairs we find that it is rather the less affluent states which tend to vote against the majority. The shape of the effect shown in Figure 2 indicates that it is especially the poorest member states that are most likely to vote no in economic matters.

Overall, we can see that the closer investigation of no votes and abstentions in the Council is worth the effort since it shows much more clearly that a North-South dimension is rather a term for similar interests in certain policy areas. The interests of important domestic economic stakeholders can thus determine to some extent whether a national government considers the public demonstration of non-agreement or not. In no model we could find a substantial impact of the partisan orientation of the EU governments. As additional test for our hypothesis about the partisan orientation of a government we look closer at our data on government composition and the respective rejection rate. Anecdotal evidence suggests that in some cases the change in the government composition has led to quite dramatic policy implications. The case of the so called cosmetics directive<sup>7</sup> serves as such an extreme example. The thorniest issue of this proposal was the banning testing of cosmetics ingredients on animals which divided the cosmetics industry from more left-wing, animal-lover oriented stakeholders. During the heated discussion about the proposal the German government had originally favored a moderate position between the extreme positions of the animal loving Scandinavians, Greenpeace and the French position which defended the interests of its

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<sup>7</sup> Proposal for a revision of Directive 76/768 on cosmetics (7th modification) .

important cosmetics industry, mainly L'Oréal. In September 2002 the German government was confirmed in general elections, however, the Green coalition partner could strengthen its position in the red-green coalition by having gained 1.9% in contrast to some losses for the Social Democrats. The Green party used this victory to ensure in the new coalition treaty that the German government position concerning the cosmetics directive was distinctly more pro-animal friendly than before. According to our interview partner from the French delegation this change in the German position actually changed the distribution of voting weights to the extent that the directive was accepted as far more animal friendly than had been envisaged before that German election in 2002.

In order to find out whether this a rather exceptional occasion due to the high importance of such a hotly debated topic or whether this occurs regularly we calculated the total of non-endorsed bills of a cabinet divided by the number of votes during the cabinet's time in office and analysed whether these rates vary according to the political partisan orientation of governments. In the period between 2004 and 2008 84 cabinet compositions were negotiating in the Council and their average rejection rate was 0.0182 meaning that in 100 qualified majority voting situations only about 2 votes get rejected (no vote or abstention) by a cabinet.

We found that there seems to be not connection between the left-right orientation of a cabinet and ratio of rejections (Pearson correlation coefficient is 0.06). Two findings confirm this further: firstly, in the case of distinct government changes - when a left-wing government lost power to a right-wing government (or vice versa) - the monthly rejection rates did rarely change substantially. This is for instance the case for the Czech Republic where the deviations from the monthly rejection rate are minimal whether it is a more left-wing or right-wing government under Topolánek. Instead, we sometimes found changes in the rejection rates without a change in government orientation, in those cases the legislative acts under discussion varied more than the partisan orientation. Thus, Blair's government cabinets rejection rates show more variance than the rates under varying governments in other member states.

### ***Conclusion***

One of key controversies in political science is the question of whether ideology or economic and social interests influence public decision. This article adds to the growing evidence (Aksoy 2010; Kauppi and Widgrén 2004; Mattila 2004, 2006; Zimmer, Schneider, and Dobbins 2005) that redistributive conflicts considerably shape decision making in the

European Union in general and in its most important legislative actor, the Council of the European Union, in particular. Our statistical analyses demonstrate that relatively rough socio-economic indicators shape the voting behaviour of the governments of the member states considerably. This suggests that conflict among member states has objective foundations.

Our theoretical analysis suggests that the governments of the member states respond to both the general interest of the population and the wishes of strong national lobbies such as agriculture. This confirms the expectation raised by the classical political economy literature according to which regulators are maximizing their support through granting privileges and by considering the losses that can be attributed to the clientelistic style of policy making (Peltzman 1976; Hillman 1989; Grossman and Helpman 2002). To some extent EU governments are dependent on lobby groups to be informed about the possible impact of EU legislation on various policy sectors. Interest groups have thus a high incentive to exaggerate the loss to their industry so that their interests might be better represented in the end than other societal interests (Grundig 2009). As the Council of Ministers mainly uses transfers and subsidies to appease the structurally weak member states and regions, the key result that it is mostly the member states that are EU budget contributors that are opposing EU legislation does not come as a clear surprise. This compensatory logic holds true in the aggregate, but also for the explanation of the voting patterns in the specialized councils that we examined in this country.

Although partisanship and the restrictiveness of the domestic decision making process do not bear a systemic influence on member state behaviour in the Council, ideology should not be dismissed as a potential explanation of Council deliberation. This holds particularly true in the post-Lisbon area where all formal decisions are made public. Governments will have fewer chances to redistribute income to special interests and unproductive sectors in times that public scrutiny becomes more intensive. The lack of evidence found for partisanship explanations implies at the academic level that we should be careful in proclaiming that the EU has become a relatively normal polity and that there is a tendency towards a unifying political space across all EU institutions. While it is perfectly possible that the left-right conflict dominates interactions in the European Parliament, voting in the Council of Ministers is largely dominated by the structural cleavages between rich and poor member states.

## Literature

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**Table 1:** Studies on the Council conflict space, nature of the data used for the analysis and identified cleavages

<i>Authors</i>	<i>Data</i>	<i>Cleavages</i>
(Mattila and Lane 2001)	Council votes	North-South
(Kaeding and Selck 2005)	Expert interviews (DEU)	None, North-South
(Thomson, Boerefijn, and Stokman 2004)	Expert interviews (DEU)	No clear structure; North-South
(Mattila 2004, 2009)	Council votes	Left-Right, North-South
(Zimmer, Schneider, and Dobbins 2005)	Expert interviews (DEU)	Beneficiaries-Contributors
Hagemann (2007), Hagemann and Hoyland (2008)	Council votes and statements	Left-Right
(Naurin and Lindahl 2008)	Phone survey	North-South
Mattila (2009)	Council votes	North-South, Old and new member states
(Thomson 2009)	Expert interviews (DEU)	North-South, Old and new member states

Table 2. Share of contested decisions by member state and by policy sector May 1 2004 – 31 December 2008 (2007-08 for Bulgaria and Romania).

<b>Member state</b>	<b>All proposals</b>	<b>Agriculture</b>	<b>Fisheries</b>	<b>Financial</b>	<b>Environment</b>	<b>Economic</b>
Belgium	8 %	7 %	7 %	3 %	7 %	13 %
Czech	7 %	11 %	7 %	9 %	7 %	9 %
Denmark	17 %	24 %	14 %	24 %	14 %	19 %
Germany	12 %	9 %	14 %	9 %	0 %	9 %
Estonia	5 %	2 %	21 %	6 %	0 %	3 %
Greece	15 %	20 %	0 %	21 %	21 %	9 %
Spain	7 %	7 %	0 %	3 %	21 %	16 %
France	8 %	11 %	14 %	12 %	14 %	6 %
Ireland	6 %	4 %	7 %	3 %	14 %	0 %
Italy	11 %	16 %	0 %	15 %	21 %	9 %
Cyprus	6 %	11 %	0 %	6 %	7 %	6 %
Latvia	5 %	9 %	0 %	9 %	0 %	9 %
Lithuania	11 %	13 %	29 %	18 %	0 %	16 %
Luxembourg	6 %	2 %	0 %	0 %	0 %	3 %
Hungary	7 %	9 %	0 %	6 %	14 %	6 %
Malta	10 %	7 %	0 %	6 %	21 %	25 %
Netherlands	7 %	11 %	0 %	6 %	7 %	3 %
Austria	10 %	7 %	7 %	3 %	7 %	19 %
Poland	11 %	9 %	21 %	18 %	7 %	13 %
Portugal	10 %	13 %	0 %	15 %	7 %	13 %
Slovenia	2 %	0 %	0 %	0 %	0 %	3 %
Slovakia	6 %	7 %	0 %	9 %	0 %	16 %
Finland	6 %	4 %	0 %	9 %	7 %	16 %
Sweden	16 %	22 %	14 %	24 %	21 %	19 %
UK	18 %	24 %	21 %	29 %	21 %	16 %
Bulgaria	4 %	3 %	20 %	5 %	0 %	6 %
Romania	4 %	10 %	0 %	10 %	17 %	12 %
Average	9 %	10 %	7 %	10 %	9 %	11 %
Total number of contested proposals	123	45	13	34	14	32

Table 3 All No Votes and Abstentions 2004-2009, negative binomial models

	Sector Model	Structural Model	Redistribution Model	Institutional-Ideological Model
% empl agric.	0.04* (0.02)			
% empl service	21.49 0.05** (0.02)			
Log GDP per cap		0.22 (0.15)		
Rigidity Employment Index		4.81 -0.01* (0.01)		
Ratio annual EU Spend/Contrib			-0.10* (0.04)	
Vetoplayer Index			-5.18	-0.08 (0.08)
Left Right Position				-2.48 0.04 (0.08)
EU Integr Position				1.94 -0.01 (0.07)
Constant	-0.91 (1.20)	0.73 (1.56)	2.59*** (0.14)	-0.31 2.31** (0.88)
Observations	27	25	27	27
alpha	0.0648	0.0668	0.0814	0.106
Log likelihood	-75.70	-70.72	-77.30	-79.08
Wald Chi-squared	7.585**	11.42***	5.59***	6 1.528

Standard errors in parentheses below the coefficients. Below the standard errors is the predicted change of the no of abstentions when the independent variable changes from its minimum to its maximum value.

\*  $p < .10$ , \*\*  $p < .05$ , \*\*\*  $p < .01$

Figure 1. Estimated numbers of dissenting votes by member states by some explanatory variables (see Table 2).

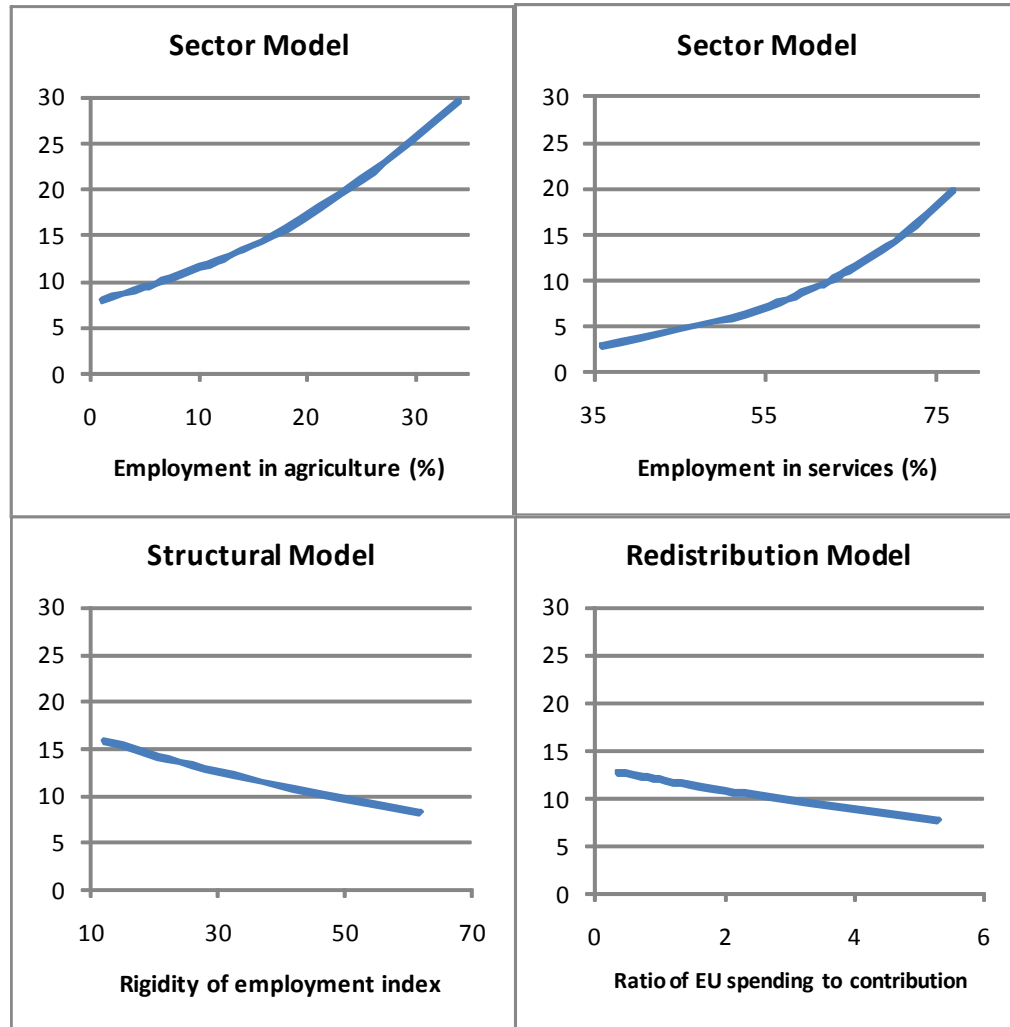


Table 4 No Votes and Abstentions 2004-2009 according to policy sectors, negative binomial and poisson models

	Agriculture	Fishery	Financial	Environmental <sup>8</sup>	Economic
main					
% empl agric.	0.03*** (0.01) 7.58				
Ratio annual EU Spend/Contrib	-0.21*** (0.07) -4.27	0.27 (0.18) 1.45	-0.03 (0.10) -0.50	-0.41*** (0.15) -2.16	-0.22** (0.09) -3.39
Left Right Position	-0.01 (0.10) -0.24	0.08 (0.21) 0.30	0.12 (0.12) 1.94	0.10 (0.17) 0.51	0.02 (0.09) 0.27
Fishery Production		0.00* (0.00) 2.77			
Government Debt			0.00 (0.00) 1.12		
logSOxpercap				0.38* (0.22) 1.98	
Log GDP per cap					-0.79*** (0.28) -5.78
Constant	1.77*** (0.51)	-1.58 (1.21)	0.57 (0.94)	2.09** (0.83)	9.53*** (3.01)
Observations	27	27	23	27	27
alpha	0.108	0.352	0.219		0.000000176
Log likelihood	-62.23	-35.41	-51.76	-35.10	-53.56
Chi-squared	13.91***	6.239*	1.490	9.037**	8.189

Standard errors in parentheses below the coefficients. Below the standard errors is the predicted change of the no of abstentions when the independent variable changes from its minimum to its maximum value.

\* significant at 10% level; \*\* significant at 5% level, \*\*\* significant at 1% level

<sup>8</sup> In the case of environment legislation, we had to use a poisson model since the negative binomial model did not converge.

Figure 2. Estimated numbers of dissenting votes by member states by policy sector (see Table 3).

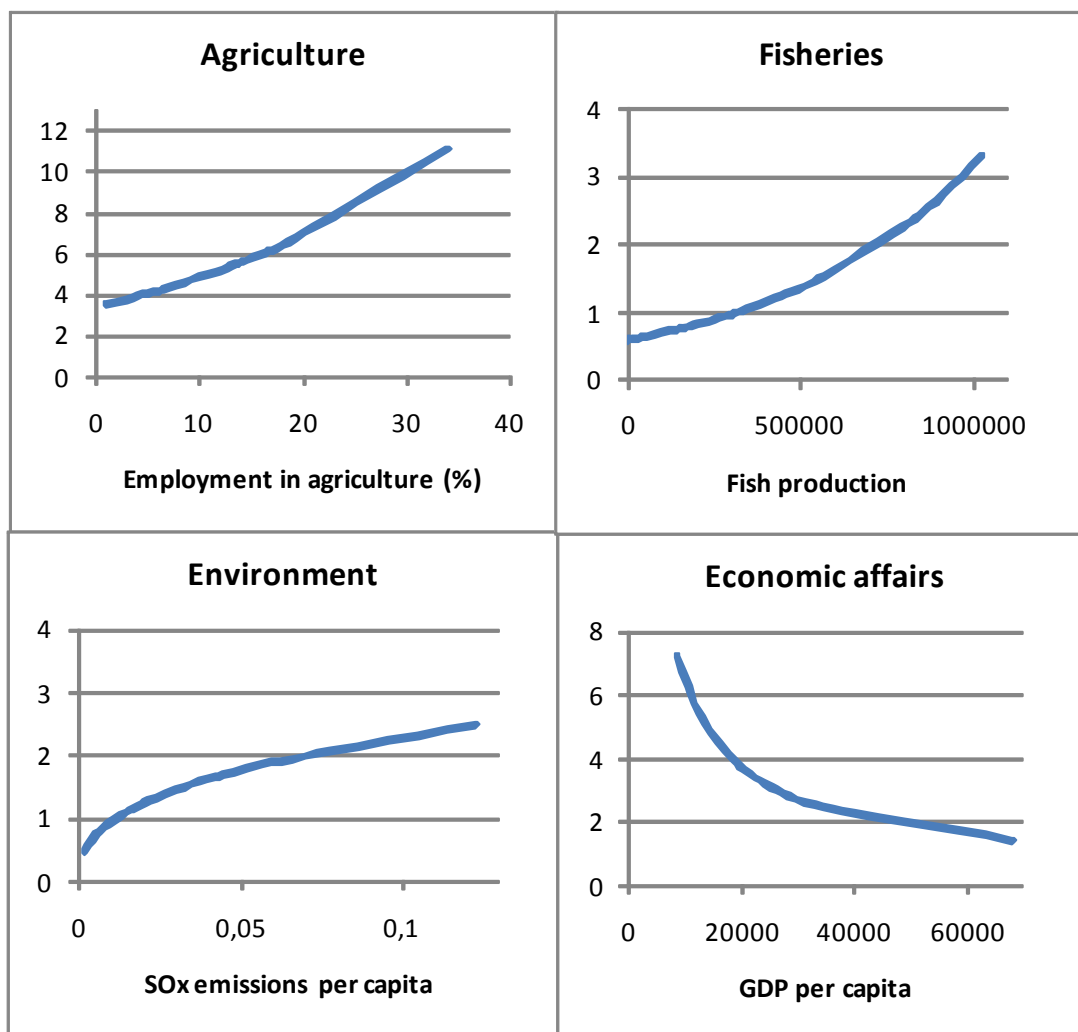




Table A-1: List of Variables used in the analyses

Variable		Obs	Mean	Std. Dev.	Min	Max
% empl agric.	Employment in agriculture (% of total employment), Average 2002-2007 (Worldbank 2007)	27	7.63	7.17	1.00	34.00
% empl service	Employment in services (% of total employment) Average 2002-2007(Worldbank 2007)	27	63.56	9.29	36.00	77.25
Log GDP per cap	Log of GDP per capita, PPP (constant 2005 international \$), 2002-07 Average (Worldbank 2007)	27	10.03	0.47	9.08	11.13
Rigidity						
Employment Index	Rigidity of employment index (0=less rigid to 100=more rigid) Average 2002-2007 (Worldbank 2007)	25	3.88	1.48	1.00	6.00
Ratio annual EU Spending	Ratio of annual EU Spending in the country to annual Contribution from the state, EU Budget 2007-13. (Source: Open Europe Website: <a href="http://www.openeurope.org.uk/research">http://www.openeurope.org.uk/research</a> )	27	2.29	1.77	0.35	5.29
Vetoplayer Index	Number of Veto Players in the domestic political sphere, measured on an ordinal scale from 0 (= no veto players) to 4 (= required referendum, optional referendum initiated by existing veto player, optional referendum initiated by citizens and popular initiatives). (Hug and Tsebelis 2002; Armingeon et al. 2008)}	27	1.33	1.14	0.00	3.00
Left Right Position	Average proportional position on left-right scale of coalition partners, proportional to time in office over the dataset period (May 2005 – December 2008) Left-right scale between 1(left)-10(right). Source: (Döring and Manow 2010)	27	5.42	1.13	2.59	7.27
EU Integr Position	Average proportional position on EU integration of coalition partners, proportional to time in office over the dataset period (May 2005 – December 2008) Left-right scale between 1(left)-10(right). Source: (Döring and Manow 2010)	27	8.02	1.05	5.54	9.67
Fishery Production	Total Fishery Production - Total all Fishing Areas, 2004-2007 average <a href="http://epp.eurostat.ec.europa.eu/portal/page/portal/fisheries/data/database">http://epp.eurostat.ec.europa.eu/portal/page/portal/fisheries/data/database</a>	25	252189.1	1.39	0.00	1028287
Government Debt	Central government debt, total (% of GDP) Average 2002-2007 (Worldbank 2007)	23	55.31	29.75	4.4	112.2
SOx Emissions per annum per capita	SOx emissions (own calculations), <a href="http://www.eea.europa.eu/themes/air/air-emissions-data">http://www.eea.europa.eu/themes/air/air-emissions-data</a>	27	8.49	3.83	3.00	22.67