

UACES 43rd Annual Conference

Leeds, 2-4 September 2013

Conference papers are works-in-progress - they should not be cited without the author's permission. The views and opinions expressed in this paper are those of the author(s).

www.uaces.org

Putnam and Schelling in EU Politics: The Impact of National Elections and Politicization on Council Bargaining Success

DOMINIC PAKULL

Department of Public Management & Governance, Zeppelin University, Germany

Paper presented at the UACES 43rd Annual Conference, Leeds, 2-4 September 2013

Panel: 'Elections & Representation in Europe'

Abstract

Negotiations in the Council of the European Union are two-level games (Putnam 1988) in which ministers negotiate with their partners at the European level while being responsible to voters domestically. According to Schelling's (1956) "paradox of weakness", domestically constrained negotiators can move policy decisions closer to their ideal point by claiming that their hands are tied. In the Council, this holds true even under qualified majority voting, since the frequent and overlapping negotiations lead to a cooperative bargaining environment that facilitates log-rolling and vote-trading. While there is a growing literature, investigating the impact that European integration has on national elections, only few studies analyse the interplay between national party politics and daily EU policy-making from a bottom-up perspective. This paper takes a first step at bridging this gap by proposing a theoretical framework to analyse the connection between day-to-day policy-making at the national and European level, focusing on Council bargaining success. Specifically, it is argued that politicization and national elections jointly constrain executives, since domestic constituents' dissatisfaction with EU policy-making could raise audience costs. The argument is developed in the light of the literature on two-level games and electoral constraints on legislative behaviour.

Table of contents

1. Introduction
2. Theoretical assumptions
 - 2.1 Rational choice theories of bargaining
 - 2.2 Modes of bargaining
 - 2.3 Domestic constraints and two-level games
3. Domestic constraints in the European Union
4. Decision-making in the Council
5. The impact of politicization and salience on Council bargaining
6. The impact of national elections on EU policy-making
7. Politicization and national elections as domestic constraints
8. Conclusion and future research

1. Introduction

The Council of the European Union is considered to be democratically legitimised by chains of delegation running from the member states' electorates – mediated by national parliaments – to the ministers sitting in the different Council variations. Thus, it would be fruitful to study the interplay between national and European levels (Marks 1992; Hooghe and Marks 2001). However, the impact of politicization and elections at the national level on intergovernmental bargaining in the Council has been rarely analysed in European Union studies so far. In this paper, I take a first step in order to bridge this gap, by developing a theoretical framework for analysing the connection between national party politics and intra-Council bargaining from a two-level game perspective (Putnam 1988).

There is a growing literature on Council decision-making, dealing with voting patterns (e.g. Hagemann 2008; Thomson 2006 et al.; Bailer 2011) and investigating the impact of salience governments attach to an issue on their bargaining success vis-à-vis other member states (Golub 2012; Cross 2012). Others analyse the impact of European integration on national elections, suggesting that mainstream parties leave it to issue entrepreneurs of the left and right extremes of the political spectrum to politicize these matters (e.g. De Vries und Hobolt 2013; Sitter 2003). However, only few studies (Woll 2012, Eising et al. 2013; Eising et al. forthcoming; Perez 2013) take the bottom-up perspective and analyse how politicization and elections at the national level influence EU policy-making. Studies that build on Putnam's two-level approach have largely been restricted to intergovernmental bargaining on treaty revisions (e.g. König and Hug 2000; Slapin 2006; Finke et al. 2012) and international trade negotiations (e.g. Coleman and

Tangermann 1999; Meunier 2007; Patterson 1997), requiring formal ratification mechanisms. However, these studies do not systematically incorporate politicization at the national level into their models.

Ministers in the Council are negotiating at the international level with other executives and at the same time trying to gain support for the agreement at the national level, since domestic constituents' dissatisfaction with EU policy-making could raise audience costs (Fearon 1994; Martin 1993). These costs may entail electoral losses, especially when the time span to the next national election is short. According to Schelling's (1956; 1960) "paradox of weakness", constrained negotiators can credibly claim that they cannot make concessions in negotiations, as their hands are tied. This may enable them to move the outcome closer to their preferred ideal point. In this paper, I argue that, in Council bargaining, domestic constraints are determined both by the degree of politicization and the time remaining until the next general election. Governments in the Council will take domestic constraints of their partners into account, since the frequent and overlapping negotiations in the Council lead to a cooperative bargaining environment, making log-rolling and vote-trading possible. Thus, being domestically constrained means increasing the own bargaining success on one occasion, but conceding to other governments' demands when those are constrained, due to pressures from the national arena. The paper is organised as follows. I first outline the underlying theoretical assumption of the rational choice school of bargaining (2.1 and 2.2) and reflect the main assumptions of the Schelling conjecture and Putnam's two-level-games approach (2.3). Next, I give an overview of European Union studies, building on these theories, and discuss if these concepts can be applied to daily decision-making in the Council (3.). In the fourth chapter, I deal with the question if there are any fixed voting patterns in the Council, which would inhibit negotiators to take domestic constraints into account. Next, the theoretical concepts of issue salience and politicization and their interdependence are introduced. In addition, I review studies analysing the impact of salience and politicization on Council bargaining (5.). Then I give an overview of studies dealing with the interplay between European integration and national elections (6.). In the seventh chapter, I build on the theoretical assumptions explained in the paper and develop the theoretical framework for analysing Council decision-making from a two-level perspective, considering politicization and elections at the national level as domestic constraints. Concluding, I make some preliminary remarks on the operationalization of the explanatory variables in an empirical research design (8).

2. Theoretical assumptions

2.1 Rational choice theories of bargaining

In spatial models of bargaining, political controversies are conceptualised as “issue continua” or “scales” (Thomson and Stokman 2006: 25; Thomson 2011: 22) with actors placed at different points on these scales to represent their policy positions (e.g. ranging from 0 to 100), which allows researchers to measure the distance between different positions numerically. Of all of the policy alternatives, represented by numerical values on the scale, each actor prefers the policy alternative closest to her position. The further a policy alternative is located from an actor’s position, the less she favours the alternative (Thomson 2011: 24). Thus, actors aim at moving policies closer to their most preferred policy-outcome (ideal-point) or to prevent an outcome being further away from their ideal-point than the status quo (Hoyland and Hansen 2013: 7; Hug and König 2002: pp. 450-51). Some models do not refer to the status quo in order to evaluate the bargaining result, but to a “reference” or “reversion” point, referring to the outcome in case of failure to agree, which is mostly, but not in every case identical to the status quo (Thomson et al. 2004; Dür et al. 2013; Thomson 2011). For example, failure to pass a decision allocating funds to a particular program would not necessarily mean that the previous funding continues, but rather the end of the program (Thomson and Stokman 2006: 39). Bargaining success can be defined as the distance between the final outcome and the position of a member state at the beginning of the negotiations (Bailer 2004; Cross 2012; Golub 2012)¹. The following example illustrates this reasoning: Let actor A prefer 30 on a scale ranging from “low level of regulation” (0), being as well the status quo/ reference point to “high level of regulation” (100), while B prefers a regulation of 60. If the outcome is 50, it is closer to the position of B, who can be considered to be more successful than A.

In rational choice models, preferences are generally considered to be exogenously given, i.e., they are stable and do not change during negotiations (Elster 1986; Knight 2007; Moravcsik 1998). When bargaining, actors take positions, sometimes strategically, in order to move the outcome towards their ideal point. Initial bargaining positions are often referred to as actors’ “revealed” preferences. The assumption is that positions and preferences are identical (Samuelson 1948; Moravcsik 1998; Thomson et al. 2006). However, positions do not always have to correspond to the underlying or “sincere” preferences of ac-

¹ It is important to note that bargaining success defined in this way need not be a result of the government’s power, but could also simply be “luck” (Barry 1980), as other actors sharing similar preferences might have been decisive in determining the outcome or the actor may have taken a position close to the outcome position by chance from the beginning (Bailer 2004: 100).

tors (Epstein et al. 1986; Dür 2008; c.f. Sen 1986). For instance, it is possible that an actor takes a more extreme position in order to move the outcome closer to her preferred point. Sometimes she may even hold a position that is contrary to her preferences. To illustrate this, let's imagine again two actors, C preferring 100 and D preferring 40 on the low-to-high-level of regulation scale. If both actors have the same power resources and there are no other actors, the outcome would be 70. However, if D pretends to prefer the status quo (0), the outcome would be 50, which is closer to her preferences. Thus, while preferences are fixed, positions can change during negotiations, due to strategic moves of other actors, but not because of external influences. As I want to analyse the impact politicization and elections at the national level have on the bargaining success of member state governments in the Council, I refer to actor's initial positions for measuring bargaining success. Playing two-level games, governments signal positions to outside actors and point to domestic constraints when bargaining at the European level. For this purpose, what matters are positions governments take in Council negotiations rather than their sincere preferences.

An important restriction of bargaining models is that most of them do not incorporate the salience. Salience can be defined as the importance an actor attaches to an issue (Warntjen 2011, Hinich and Munger 1997; Laver 2001; MacLean and MacMillan 2009). Thus, as done in the DEU project (Thomson et al. 2006;), a continuous scale cannot only be introduced for positions actors take on issues, but also the importance they attach to them. When attaching high levels of salience to an issue, actors are highly sensitive to small deviations from their most favoured positions, while actors who deem an issue to be less important to them are also less sensitive to outcomes deviating from their ideal point. It is important to note that actors can take extreme positions on issues being of low salience to them, while holding moderate positions on salient issues (Thomson and Stokman 2006: 42; Thomson 2011). In our regulation example this would correspond to an actor preferring a high level of regulation (e.g. 90 on the continuous scale), but considering the issue to be of minor importance, thus attaching a salience of 10. While actors will make more intensive use of their power resources on salient issue, they will be more willing to concede on less important ones. Bargaining models incorporating salience are more predictive, as several studies have shown empirically (e.g. Junge and König 2007; Bailer 2011; Cross 2012; Golub 2012; Thomson 2011: 42).

2.2 Modes of bargaining

Within the rational choice school of bargaining, two different modes can be distinguished: distributive or "hard" bargaining and cooperative, also called "soft" bargaining (Walton and McKersie 1965; Naurin

2010; Johansson 2013; Kersten 2001; Dür and Mateo 2010; Da Conceicao-Heldt 2006). Distributive bargaining refers to zero sum games in which every actor wants to maximize her utility at the costs of others, thus one actor's gain is the other's loss (Johansson 2013: 9). Signalling commitments and pressuring via threats and demands are the most common negotiation strategies in this mode (Naurin 2010: 38). Distributive bargaining results reflect the least common denominator. In cooperative bargaining, every actor wants to maximize her own utility as well. However, actors are searching for optimal compromise solutions that can also satisfy the others, resulting in win-win or at least win-not-lose situations (Kersten 2001: 502). In offering opportunities for log-rolling and package deals (Putnam 1988: pp. 447-48.; Naurin 2010, 37), actors aim at increasing the joint gains for all negotiating parties. Thus, actors are made better off or at least they do not lose compared to distributive bargaining (Da Conceicao-Heldt 2006: 148; Kersten 2001: pp. 504-05). One important precondition for cooperative bargaining is that actors do not negotiate with each other in a single game, which would most probably lead to distributive bargaining, but play repeated games. This can be illustrated by the prisoner's dilemma (Axelrod 1970; Axelrod 1984; Laver 1997; Sen 1986), in which defection is the "dominant strategy", making both actors worse compared to a cooperative solution (Laver 1997: pp. 46-47). In single games this collective action problem cannot be solved. But the situation changes if both players interact frequently in repeated games (iterated prisoner's dilemma). In this case, the dilemma can be solved by the strategy of "Tit-for-Tat" (Laver 1997; Axelrod 1970; Hardin 1997), which means that player A chooses to cooperate in the first game and does thereafter in each game what player B did in the previous one (Laver 1997: 51). If B also makes his choices according to this strategy, the collective action problem of the single shot game can be solved, leading to a stable pattern of cooperation, and better payoffs both on the individual and the collective level.

With regard to bargaining, iterated prisoners' dilemmas refer to situations in which actors negotiate in the "shadow of the future" (Axelrod 1984: 173; Elgström and Jönsson 2000: 688) since they interact frequently and know that they will meet each other in the next negotiation situation again. Hence, continuous negotiations facilitate co-operative solutions, especially in an environment of mutual trust (Elgström and Jönsson 2000: 688). If, in addition, actors bargain for different issues simultaneously, they can create win-win situations in trading issues via issue-linkages (logrolling) (Naurin 2010: 38). The rationale behind this is that actors concede on issues they attach less importance to while staying firm on issues being of vital interest to them. This refers to the concept of "issue salience", introduced above. Thus, let us imagine a situation, in which actor A prefers on Issue 1 and 2 (preferences ranging again from 0 to 100) both times 0 as level of regulation, while actor B prefers on both issues 100. If they have the same bargaining power and there are no other actors, the outcome would be in both cases 50. Now let us imagine, addi-

tionally, that issue 1 is of utmost importance to actor A, but less important to B, while on Issue 2 the situation is vice versa. Now B could offer A to concede on Issue 1, which means that the outcome will be closer to the preferences of A, if A does the same on Issue 2. Thus in linking issues, both actors will be better off with regard to their salience-weighted² preferences, than compared to a situation where on both issues distributive bargaining prevails.

Policy-making in the Council resembles more the mode of cooperative bargaining than the zero sum games of distributive bargaining (Johansson 2013, 10). Since decisions are taken recurrently and simultaneously, issue linkages are possible, involving also “inter-temporal vote swapping” because the number of interactions is high (Heisenberg 2005: 69). After discussing the general theoretical foundations of domestic constraints and two-level games in the next section, I apply these approaches to Council decision-making (3.).

2.3 Domestic constraints and two-level games

Schelling (1956; 1960) developed the concept of the “paradox of the weakness” in distributive bargaining: “The power to constrain an adversary may depend on the power to bind oneself; [...] In bargaining, weakness is often strength, freedom may be freedom to capitulate, and to burn bridges behind one may suffice to undo an opponent” (Schelling 1956: 282). Decisive in this regard is the logic of self-commitment. If a negotiator can credibly claim that her hands are tight, due to a commitment with a third party, she can move the outcome to the point most favourable to her (Schelling 1956: 283). In wage negotiations, for example, union officials can declare to their membership that they won’t accept any agreement below a certain amount of increase in wages. During the negotiations they can refer to this commitment, in claiming to the management that they couldn’t accept a lower offer (Schelling 1956: 286). In international negotiations, national executives create self-commitments by declaring “red lines” in public statements (Schelling 1956: 287). It is important to note that Schelling refers to the constraints resulting from self-commitments. These are applied as tactics by actors in bargaining, in order to improve their own utility. Thus, in binding themselves, negotiators are weakened because their bargaining space is limited, leaving them less leeway in the negotiations. But this weakness can be turned into strength, as they can move the bargaining outcome closer to their own preferences, and hence increasing their bargaining success.

² The preference an actor has on an issue is salience-weighted when multiplied with the salience she attaches to the issue (Cross 2012: 81).

Putnam (1988) refers to the Schelling conjecture when constructing his two-level game approach of international negotiations. The model bridges the gap between liberal and realist theories of international relations (Bailer and Schneider 2006: 156) and views international negotiations as consisting of simultaneous negotiations at both the national level with the decisive domestic actors and the international level between governments. As governments have to take the preferences of domestic actors into account when negotiating at the international level they face “domestic constraints”. One important difference to Schelling is that the “chief negotiators”, representing their countries, in Putnam’s pure model do not have any independent policy preferences, “but simply [seek] to achieve an agreement that will be attractive to [their] constituents” (Putnam 1988: 436). This refers to the assumption of re-election seeking politicians, who take policy positions in accordance with median voters’ preferences (Downs 1957; Faas 2003). Finally, Putnam (1988: 456) relaxes this assumption to a principal-agent perspective with the “chief negotiators” being the agents of their constituencies and thus having own preferences as well. However, it is unlikely that they will achieve outcomes that are located outside the domestic win-set³, since those will not be ratified at home. However, a chief negotiator could block or veto an agreement which corresponds to the preferences of his constituencies, but is contrary to his own ones (Putnam 1988: pp. 457-58) When referring to “constituents”, Putnam has in mind important groups like parties, “social classes”, interest groups, and legislators. However, he also includes, more generally, “public opinion” into his concept (Putnam 1988: 436).

The two-level game approach builds on the assumption that some kind of ratification of the international agreement is required at the national level, connecting it with the international level (Moravcsik 1993: 23). In general, this is a vote in the national parliament, but Putnam refers to it “as any decision process” at the national level “that is required to endorse or implement [an international] agreement, whether formally or informally” (Putnam 1988: 436). As all international negotiators have to take the preferences of their domestic constituents into account, an agreement is only successful if the domestic win-sets overlap. Thus, the larger the win-set, the more likely is an agreement and the smaller the win-sets the greater the risk that no agreement is possible (Putnam 1988: 438). However, a small domestic win-set can be a bargaining advantage at the international level, since negotiators can credibly claim that they can’t sell any other result at home, while negotiators with a large domestic win-set can be “pushed around” by the other parties (Putnam 1988: 440). Thus, constrained negotiators might fail in reaching a result at all, but if they do so, they will have more bargaining success, than less constrained actors.

³ Putnam (1988: 437) defines the “win-set” for a given domestic constituency as the set of all possible international agreements that would “win” — that is, gain the necessary majority among the constituents — when simply voted up or down.”

If an issue is politicized, the effective win-set will be reduced, as “politicization often activates groups who are less worried about the costs of non-agreement” (Putnam 1988: 445). Thus politicization can constrain a government domestically. However, Putnam makes just a short reference to politicization and does not incorporate it systematically into his model. Evans et al. (1993) developed Putnam’s concept further and focused more on the role of the own preferences of the chief negotiators or, in their terms, “chiefs of government” (COGs) and distinguish between three configurations of the preferences of COGs and their constituents: the “statesman-as-agent”, “statesman-as-dove”, and “statesman-as-hawk” (Moravcsik 1993: 31). Being an agent, the COG’s actions reflect perfectly the preferences of the “median domestic group”. Acting as a “dove”, her preferences lie at least partially outside the domestic win-set and closer to the opposing win-sets (i.e. the win-sets of the other negotiation parties at the international level), while “hawks” pursue preferences which lie as well at least partially outside the domestic win-set, but further from the opposing win-sets than the domestic win-set (Moravcsik 1993: 31). Acting as doves or hawks requires manipulating the domestic win-set, which means that executives have to take a more active stance vis-à-vis their constituencies (Evans 1993: 406). In doing so, doves are more successful than hawks as the latter are acting at least partially both against the preferences of their own and other negotiator’s constituencies, while the former can rely on support by other COGs. Thus, “COG collusion” is possible, in which “statesmen exchange political assets in order to strengthen the prestige of the opposing statesman vis-à-vis his or her domestic constituency” (Moravcsik 1993: 26). This refers to the idea of logrolling in cooperative bargaining.

3. Domestic constraints in the European Union

The logic of Putnam’s two-level games has been frequently applied to the European Union, in particular to the EU’s role as an actor in international trade negotiations (Meunier 2005; Dür and Zimmermann 2007, Young 2007; Larsen 2007; Meunier 2007; Coleman and Tangemann 1999; Patterson 1997). Most studies consider EU negotiations as three level games, since there is bargaining at the international stage (level 1), between EU institutions, generally the Commission and the Council (level 2) and within the member states (level 3). Most studies deal with the principal-agent relationship between the Commission, representing EU interests at the international level, and the member states as principals and their interplay as “chief negotiators” at different levels (Collinson 1999; Larsen 2007, Meunier 2007). Thus, most studies focus on level 1 and 2, domestic constraints are rather referred to as different interests, resulting of the structure of economic sectors in the member states (Coleman and Tangemann 1999). However, Patterson (1997) scrutinizes in detail domestic influences on the GATT negotiations 1988 and 1992, accompanied by reform of the Common Agricultural Policy (CAP) of the EU. She analyzes the pref-

erences in the three largest member states, Germany, Great Britain, and France, and comes to the conclusion that in 1988 quite homogeneous agricultural interests in both Germany and France narrowed the domestic win-sets and circumvented a far-reaching reform. In addition, Mitterrand and Kohl, both facing elections in 1988 feared losing the “agricultural vote” (Patterson 1997: pp. 147-48). However, the situation had changed in 1992. German interests were now more heterogeneous, e.g. by bringing labor unions in and because of the costs of re-unification Germany had like Great Britain a more intense interest in reaching an agreement in order to circumvent an increase in the CAP budget. Thus, the domestic win-set in Germany had widened, making reform of CAP and the GATT agreement possible (Patterson 1997: pp. 156-57).

Since the underlying assumption of the two-level games approach is that both the consent of every actor at the international level and the ratification of the international agreement in every country are required, the approach can be applied to negotiations between the Heads of State and Government in intergovernmental conferences on the revision of EU treaties. Here is also the unanimous consent of every member state required, followed by the national ratification procedure. Thus, there are some studies analysing intergovernmental conferences from a two-level game perspective and finding some proof for the theory (Hosli 2000; Hug and König 2002; König and Hug 2000; Slapin 2006; Finke et al. 2012). Regarding negotiations on the Treaty of Amsterdam, Hug and König (2002) find that governments are most successful in bargaining when both their own and the preferences of the pivotal legislator, defined by the number of parties being pivotal for ratification, are close to the status quo. Their findings are in line with Slapin’s (2006) study on the Amsterdam Treaty, concluding that member states with ratification pivots sceptical of EU integration are more powerful than less constrained actors. Finke et al. (2012) analyse the ratification process of both the failed Constitutional and the successfully adopted Lisbon treaty and come to the conclusion that in announcing referenda on revised EU treaties, governments can improve their bargaining position and move the outcome closer to their preferences at the European level. This effect is even stronger when they can additionally point to a Eurosceptic electorate (König and Finke 2012: 162). However, also in line with the two-level games theory, narrowing the win-set can lead to ratification failure, as was the case with the Constitutional Treaty. Hosli (2000) analyses the negotiations on EMU from a two-level games perspective and comes to the conclusion that Germany was able to move the outcome closer to its preferences than France, as the domestic interests in Germany were more heterogeneous, especially with regard to the conflict between the government and the central bank, the latter being less enthusiastic about Monetary Union. Thus, the German win-set was quite small, which led to a bargaining advantage. However, one important restriction of these studies, dealing with bargain-

ing in intergovernmental conferences, is that they do not control for salience (c.f. Slapin 2006: 61; Junge and König 2007). Furthermore, none of them analyses systematically the influence of politicization or national elections on bargaining success at the European level.

The application of the domestic constraints approach to daily EU decision-making, especially under qualitative majority voting (QMV) in the co-decision procedure raises further issues. To begin with, there is no formal ratification procedure, even if in some member states governments are closely scrutinized by the national parliament, or the EU affairs committee respectively. Furthermore, in distributive bargaining a constrained government could only increase its bargaining success, if the decision-rule is unanimity. Under QMV, member states that cannot form a blocking minority can even be outvoted. This might be the reason why there are only very few studies analysing domestic constraints in the co-decision procedure (Pahre 1997; Schneider et al. 2005; Kohler-Koch 1996), again none of them dealing explicitly with the impact of politicization and national elections. Pahre (1997) and Schneider et al. 2005 define domestic constraints as the degree of involvement of the EU affairs committee in determining the governmental position at the European level. Schneider et al. (2005) find that this kind of constraint has no significant influence on variations of bargaining success.

Because of the bargaining environment, daily EU decision-making by unanimity and even by qualified majority voting in the Council, can also be explained by the two-level games approach. Hence, simultaneous and overlapping negotiations make vote trading and “log-rolling” possible (Mattila and Lane 2001: 46). Reciprocity forms a key component in such trades. Clarification of positions and interests should be a way of stressing importance by pointing to a noteworthy concern that others should consider and trade for concessions on other issues (Naurin 2010). Domestic constraints are used by a member state to signal credibly to other governments that these issues are not tradable, unlike other issues where the government does not face such constraints (Johansson 2013: 10). In this regard, there exists some kind of an “informal ratification mechanism” by the domestic constituency giving its approval or disapproval for outcomes and “by taking actions if discontent” (Johansson 2013: 5). This refers to the aforementioned concept of audience costs (Fearon 1994; Martin 1993). A surge in disapproval, leading to the loss of office, could occur if leaders make commitments they do not comply with (Tomz 1997). Thus, public dissatisfaction with an EU decision could have electoral consequences for the incumbent government at home if the issue at stake is salient to the public. And in a cooperative bargaining environment, other governments will possibly concede, since they could expect the same concessions, when being constrained themselves. However, one important restriction has to be made. The domestic constraints argument does only work, if the position the government holds in the Council and public opinion at least

broadly correspond to each other. If, by contrast, a government e.g. favours building new nuclear power plants, while public opinion opposes this, it could hardly claim being constrained, due to domestic pressures. This is also reflected in the use of “threats”, which are only credible, if “ratified”, that is, backed at home (Evans 1993: 407).

In order to apply the approach to decision-making in the Council, we have to consider the underlying mechanisms of Council operations. For instance, the existence of a stable coalition forming a permanent qualified majority in the Council could be an important restriction on log-rolling (Mattila and Lane 2001). This refers to governing coalitions with a high level of party discipline in national parliamentary systems. Another possibility of a stable voting pattern would be the convergence of preferences, so that a qualified majority with similar preferences on most issues votes frequently together (Mattila and Lane 2001: 48). This is, for example, the case with the European Parliament where a high degree of congruence in the transnational groups can be observed (Hix and Hoyland 2011). To further explore the applicability of domestic constraints and two-level games, in the following chapter, I provide an overview of the literature on voting in the Council and discuss if there is stable pattern of member states voting together on most issues, which would inhibit logrolling and vote-trading.

4. Decision-making in the Council

An outstanding feature of decision-making in the Council is that still the overwhelming majority of decisions are taken unanimously, even if qualified majority voting applies to most policy fields now (Heisenberg 2005). Thus, several studies (Westlake 1995; Sherrington 2000; Hayes-Renshaw and Wallace 1995) analysing voting in the Council have shown that from 1994 to 2002 about 81 per cent of all decisions were made by consensus without voting. Mattila (2008: 25) has analysed roll call votes from 1 May 2004 to 31 December 2006 and found this pattern confirmed for the post-enlargement period: With 85.9 % of all acts adopted unanimously, the amount of consensual decisions has even grown. Hayes-Renshaw and colleagues (2006) evaluate several data sets for the period from 1994 to 2004 and find that even under qualified majority voting about 75% of all decisions are made consensually. When decisions are “contested”, in most cases only one member state abstains or votes against a proposal. However, one important restriction of research on Council voting is that only those roll call votes are made publicly when a legislative act has been adopted. So, we know only little about the decision-making on failed acts, which probably biases in favour of the impression that there is a consensus culture in the Council. Thus, when opposition is successful, legislation can neither be adopted nor recorded (Hoyland and Hansen 2013: 22).

One reason for the observed consensual nature of Council decision-making lies in its institutional setup. For legislative proposals of the Commission are discussed first in the working groups and the Committee of Permanent Representatives (Coreper). Often at this bureaucratic level a decision is already reached in and passed as “A point” to the ministers, who just rubber-stamp it (Häge 2013: 14). These negotiations at the bureaucratic level take place behind closed doors in an insulated bargaining environment, raising questions of transparency and democratic legitimacy (Häge 2013; Lewis 2000). However, issue density and intensity and the frequent negotiations (Lewis 2000; 2005) in these subgroups make log-rolling possible: “Consensus in this context is shorthand for ‘selling’ preferences that are not strongly held for advantages in other issue areas or in future negotiations (favour bank)” (Heisenberg 2005: 69). But what do we know about the cases in which ministers actually do vote, is there also the possibility of vote trading? In recent years, there has been a growing literature, investigating if any fixed voting pattern exists in the Council – especially with regard to a possible left-right realignment which prevails at the national level. There are some studies detecting a left-right cleavage (Hagemann 2008; Hagemann and Hoyland 2008; Mattila 2004). Hagemann (2008) and Hagemann and Hoyland (2008) analyse not only roll call votes, but also negative statements of the member states in the Council minutes, in which they can express their dissent with a decision they have not voted against (Hagemann 2008: 43). They find that in the pre-enlargement period, after a government change the voting pattern of the member state changed, too, due to party politics. Thus, executives are more likely to vote together with other ideologically connected governments. However, the left-right pattern was relatively weak and seems to have disappeared completely after the enlargement of the EU (Hagemann 2008).

Beside the possibility of using the roll call votes, there are other data sets based on experts’ assessments of member states’ positions on legislative acts in a fixed period of time (Thomson et al. 2006; Thomson 2011; Thomson et al. 2013), which can be used for analysing coalition patterns in the Council. Thomson et al. 2006 created the “Decision-Making in the European Union” (DEU) data set, which Thomson (2011; 2009) extended the period after the enlargement 2004, Thomson et al. 2013 (“DEU II”) further for the time after the 2007 enlargement. In contrast to research detecting a Left-Right divide, studies analysing roll call votes (Mattila 2008), the positional DEU data (Zimmer et al. 2005; Thomson et al. 2004; Thomson 2009; Bailer 2011) or conducting own expert interviews (Naurin and Lindahl 2008; Elgström et al. 2001) detect a North-South cleavage in the Council. As several of these scholars have shown, the underlying pattern of this cleavage is not a geographical one, but based on shared economic interests (Thomson et al. 2004; Bailer 2011; Bailer et al 2011; Thomson et al. 2004; Thomson 2009 and 2011). Mattila (2008) finds this pattern confirmed in his roll call analysis for the post-enlargement period of 2004.

However, Thomson has shown in several studies (Thomson et al. 2004; Thomson 2009; Thomson 2011), that the North-South cleavage is quite weak and refers especially to the degree of regulation of the economy (free-market vs. regulated economies) and levels of subsidies, with Northern member states preferring lower levels of regulation and subsidies, while Southerners preferring the opposite. In his recent analysis, including a post-2004-enlargement sample, Thomson (2011: 77) finds that the North-South cleavage has even more weakened. Furthermore, it has also changed its form, as several Northern states – still preferring lower subsidies than the Southern ones – have supported stronger regulation. Regarding all issues, Thomson (2009 and 2011) finds no overall pattern, instead there are cross-cutting coalitions, reflecting the domestic interests being at stake in this policy field: “A winning-coalition of actors on one issue is likely to consist of actors with diverse policy demands on another issue” (Thomson 2009: 776). For example, states belonging to the group of net contributors to the EU budget take similar positions on agricultural issues, as the net recipients do as well, sharing different interests in this policy field. Accordingly, Thomson (2011: pp. 137/152) finds that member states with legal regimes, placing similar levels of control on capital and labour, take similar policy positions on internal market issues as well. Since there is no fixed pattern structuring decision-making in the Council, Thomson (2011: 230) comes to the conclusion that the result of EU negotiations is a compromise among all member states’ positions, with no bargaining advantage of any group of member states: “Across a large range of controversies, there are no clear distinctions between winners and losers. Since each of the actors does at least as well as any of the other actors at the aggregate level, decision outcomes are fair if evaluated with the logic of mutual advantage” (Thomson 2011: 250). In his study, there is also a hint that not only domestic interests play role, but there also seems also to be a some kind of “electoral connection” (Carruba 2001) on issues regarding the harmonization of national policies. An example of harmonization is the range of the EU working time directive, especially with regard to opt-outs. Thomson’s hypothesis is that member states in which there are similar levels of public support for EU membership take also similar policy positions on issues regarding levels of harmonization (Thomson 2011: 136). He finds to some extent evidence for the hypothesis, being statistically significant, but the effect of the variable membership support on the policy positions the governments take on harmonization issues is quite weak (Thomson 2011: 149).

Thus, on the EU level, there does not seem to be a left-right pattern, as found on the national level, that would inhibit log-rolling and vote trading. On the contrary, coalitions are rather formed on an issue-by-issue basis, cross-cutting and issue-linking, making cooperative bargaining possible. However, even if governments’ positions in the Council would be solely defined by the interests of influential domestic groups, as indicated by the North-South cleavage, it would, of course, still face domestic constraints. As

public debates about issues the Council is dealing with shift Council decisions out of the sphere of “quiet politics” (Woll 2012), winners and losers become more visible. On the one hand this can counterbalance the pressures of interest groups. On the other hand, it can increase the importance of national party politics and thereby constrain governments further. To explore these dynamics, the following introduces the concept of politicization in more detail.

5. The impact of politicization and salience on Council bargaining

Conceptually, it is important to distinguish “salience” from “politicization”, although there is a high correlation between both phenomena, as will be shown below. As defined above, salience refers to the importance an actor attaches to an issue. Edwards et al. (1995) have shown that only salient issues have an impact on the public’s evaluation of the US President and his electoral fortune, if he faces re-election: “If foreign policy is especially salient and he ostensibly handles foreign affairs well, his ratings will benefit. If economic policy is more salient, however, even high ratings on foreign policy will not prevent him from failing in the polls if the economy sours” (Edwards et al. 1995: pp. 120-21). Mayhew (1974) and Fenno (1978) state that legislators behave differently on issues of national or local salience than on issues with a low degree of salience to the public. Some studies have shown that rulings of the US Supreme Court are affected by salience as well, resulting in a greater effort to reach an unanimous opinion (Kluger 1976) or more intense intra-Court bargaining (Murphy 1964; Epstein and Knight 1995; c.f. Epstein and Segal 2000).

For measuring the salience the public attaches to an issue, it is most common in the literature to analyse media coverage (Epstein and Segal 2000; Edward et al. 1995; Warntjen 2011; Netjes and Binnema 2007; Woll 2012). For example Edwards et al. (1995: 113) argue that mediated information is more important than personal experience in evaluating the US President. And in the case of the European Union, Netjes and Binnema (2007: 42) state that, in analysing media coverage, contemporaneous instead of retrospective salience – e.g. relying on the assessments of experts – can be measured. However, as Edwards and his colleagues argue, when analysing media coverage, just mediated salience can be captured and mass media can influence people’s “perceptions of what issues are important to the nation, but it will have less impact on what issues individuals find salient to themselves” (Edwards et al. 1995: 113). This means that there can be issues being salient to large parts of the voters, which the media do not cover, while other issues voters do not attach much salience to will receive some media coverage.

Although for most issues there will be a high correlation between salience and media coverage, I will refer to media coverage as an indicator of politicization rather than salience, since politicization can be defined as “making a matter subject of public regulation and/ or public discussion” (De Wilde/ Zürn 2012: 139; Torreblanca 2007; De Wilde 2011; Treib 2011). Thus, an issue can only become a subject of public discussion if there is some media coverage about it, making media analysis a more precise measurement for politicization than for salience. Regarding the Council of the European Union, “public regulation” refer to issues which are discussed and decided directly by the ministers (“B points”), in contrast to the “A points”, de facto decided by bureaucrats of Coreper or the working groups. Häge (2013) finds that the more contentious issues are referred to the Council, while more technical matters – especially regarding legal uncertainty – are decided at the lower stages of the Council. For the purpose of this analysis I am interested in the influence of national public debates on the negotiations in the Council. According to my concept of domestic constraints, politicians look for cues about the potential audience costs that might arise from making a concession at the intergovernmental level. Politicization is for them the most visible sign that an issue plays an important role in the national arena. Thus, if the direction of public debate and the government’s position in the Council correspond to each other, the government could credibly claim to be domestically constrained. Its position is backed at home and, more importantly, conceding on this issue could cause audience costs - if the government is blamed for giving in on an issue the public deems to be important. This claim is even more credible if an election is pending, since in this case, audience costs could directly entail electoral losses.

As with media coverage, there is also a strong correlation between salience and politicization, since in most cases the most salient issues will also be the most politicized and vice versa. In order to develop politicization as a factor that can increase domestic constraints, in the following, I give an overview of studies analysing the influence of salience and politicization on Council bargaining.

There are several studies analysing the impact of issue salience on Council bargaining from a rational choice perspective (Bailer 2011; Cross 2012; Golub 2012; Hoyland and Hansen 2013; Johansson 2013; Mikin 2013; Thomson et al. 2006; Thomson 2011). However, these studies define salience as the importance national governments attach to an issue, resembling the concept of a “vital interest” (c.f Bailer 2011) or “the intensity of member state preferences over outcomes” (Cross 2012: 74). This need not correspond to the salience the public attaches to it/ neither to the degree of politicization. However, results of research analysing the impact of salience governments attach to an issue on their bargaining strategies and success, could also be used for developing the concept of politicization as a domestic constraint,

since politicized issues will be important to a re-election seeking government, too, and the impact on Council bargaining could be similar.

Thomson (2011) finds that the more salience a government attaches to an issue the more it puts its power resources into the negotiations, resulting in more bargaining success. Hence, the government is able to pull the final outcome closer to its own ideal point. This finding is also relevant from the perspective of national politicization as a domestic constraint. For there will be a connection between the degree of politicization at the national level and the willingness of a government to make use of its power resources in Council bargaining, in order to prevent audience costs. Bailer (2011) finds that the more salience governments attach to an issue the more extreme the positions they take in Council negotiations. Hoyland and Hansen (2013) combine both positional data from the DEU data set and roll call votes plus negative statements of the member states in the Council minutes and observe that member state governments vote in line with their salience-weighted preferences. The authors assume that the governments may want to signal the position to outside actors, e.g. the supranational institutions, or domestic constituencies and opposition parties at the national level (Hoyland/ Hansen 2013: 9). In estimating the salience-weighted loss, as defined by the distance between the member states ideal point and the bargaining outcome multiplied with salience, Golub (2012) and Cross (2012) incorporate salience similarly into their study on bargaining success in the Council. They find that it is quite equally distributed, contrary to the expectation that the large member states are more influential.

Mikin (2013) deals more directly with the impact of politicization in qualitative case studies, in which he scrutinizes the development of the stances the governments in Austria, Germany and Sweden held on the EU Services Directive in the Council. He demonstrates that the positions of both the German and Austrian government became more restrictive, once public debate at the national level emerged and altered the framing of the directive. This is in line with the expectation that politicization at the national level can be a bargaining constraint in the Council. However, while there are several studies analysing the impact of salience, with regard to the importance governments attach to an issue, only few studies (Woll 2012; Eising et al. forthcoming) systematically investigate the impact of public salience or politicization, as measured by media coverage, on Council decision-making. In analysing the development of the positions of the British, French, and German governments on EU Hedge Fund regulation, Woll (2012) shows that these positions were shaped to a large extent by the interests of the domestic financial markets industry and the existing regulation scheme. However, these factors can only explain the German preference for high and the British interest in light-touch regulation, but not the position of France which had had liberalized its regimes in the last decade, but mixed industrial preferences. Thus, France could

have sided both with Britain and Germany and did the latter. Woll (2012: 2) comes to the conclusion that the French position can be explained by domestic pressure, especially with regard to the upcoming presidential election. Politicization, measured by the number of national language press articles containing the term “Hedge Fund” explains how Hedge Fund regulation moved from the arena of “quiet politics” to “high political salience” (Woll 2012: pp. 5/8). This points directly to the idea of domestic constraints in Council negotiations, due to pressures from the national arena. If the French government could have been able to claim credibly to be domestically constrained and increased in this way its bargaining success, is hard to evaluate, since the aim of Woll’s study is to examine how the development of the three governments’ positions can be explained.

Eising et al. (2013b) analyse the policy-making processes of three EU directives on financial market regulation both at the European and the national level in Germany, Great Britain, the Netherlands, and Sweden: Directive on Alternative Investment Fund Managers (AIFM), Directive on Deposit Guarantee Schemes (DGS), and Directive on Investor Compensation Schemes (ICS). They want to determine the reasons why the AIFM proposal passed, while the DGS and ICS directives have not been adopted (so far), by scrutinizing the impact of media coverage as an indicator for the “salience of the debates” in the national arenas (Eising et al. forthcoming: 14). Interestingly, the only directive which passed, AIFM, was the one involving the highest level of politicization in combination with the least controversy in the policy-making process. However, the authors come to the conclusion that politicization was not decisive. Instead they find that more objective issue characteristics largely determined the outcomes, with DGS and ICS having a redistributive function, contrary to AIFM (Eising et al. forthcoming: 19). Not only politicization as a general indicator of audience costs, but also national elections, making the prospect of electoral loss more tangible, as Woll’s (2012) case study has illustrated, can influence the positions and the bargaining success of a government. Furthermore, it is possible that both factors interact, increasing the overall effect. Thus, the next chapter deals with the impact of national elections on EU policy-making.

6. The impact of national elections on EU policy-making

The more EU issues play a role in national elections, the higher could be the impact of politicization in the national arena on EU policy-making. Researchers agree that the period before the Maastricht Treaty has been characterized by a “permissive consensus”, meaning that citizens did not care much about European integration, but rather left it to the more pro-European elites do deal with these issues. In the national arena, however, issues of European integration were not politicized (Finke 2010: 10; Hooghe and Marks 2008; Down and Wilson 2008). This period ended abruptly, when the Maastricht Treaty failed

in a ratification referendum in Denmark in December 1991. According to Hooghe and Marks (2006: 247), European integration had now entered the arena of national referenda and elections. Regarding referendum debates, there can be no doubt that this assessment holds true: 30 referenda have been held on EU issues since 1991, seven have been rejected.⁴ EU issues figure prominently in these referendum campaigns, which is an indicator of growing politicization in the national arena (Hobolt 2009). But what's the role of the European Union in national elections? Van der Eijk and Franklin (2002) have shown that voters have more extreme and polarized attitudes on the dimension of more versus less integration than they have on the traditional left/ right cleavage. However, the potential for contestation in the national arena has not been exploited so far: "The pro-/ anti-EU orientation, despite its apparent irrelevance for political behaviour, constitutes something like a 'sleeping giant' that has the potential, if awakened, to impel voters to political behaviour that undercuts the bases for contemporary party mobilization" (Van der Eijk and Franklin 2002: pp. 32-33). There are some studies observing that EU issues have become more salient in the national arena and play a more prominent role in national election campaigns (Kriesi 2007; Gabel 2000). However, these matters are raised in national elections mostly by Eurosceptic issue entrepreneurs from the left and right extremes of the political spectrum, while mainstream parties on the centre-left and -right still keep depoliticizing topics related to European integration (De Vries and Hobolt 2013; De Vries and Edwards 2009; De Vries 2007; Sitter 2003). Furthermore, EU issues still do not belong to the decisive ones in national elections. However, maybe mainstream parties are only able to depoliticize EU issues in election campaigns, since governments in the Council are willing to compromise to each other's demands in Council negotiations close to national elections (c.f. ch. 7). Hence, if the Council takes domestic constraints into considerations, further politicization in the national arena could be circumvented.

While there are some studies investigating the role European integration plays in national elections, only few studies take the bottom-up perspective and analyse systematically the influence of national elections on EU policy-making (Eising et al. 2013; Perez 2013). Eising et al. (2013 a) have investigated in qualitative case studies which impact national elections and referendum campaigns had on policy positions of political parties on EU constitutional policy in Austria and Ireland from 2002 to 2009. They have shown that positions in general remain pretty stable. However, salient issues, carrying a high symbolic meaning like the principle "one Commissioner per state" have the potential for politicization in the national arena, – especially by Eurosceptic parties –, which can lead to shifts of positions of mainstream parties as well.

⁴ The figure of Hooghe and Marks (2006: 247) has been updated for the two Lisbon referenda in Ireland (2008/ 2009) and the Irish referendum on the fiscal pact (2012).

These shifts are characterised by a development of positions to a lower degree of supranational delegation, but they do not cause serious coordination problems at the European level (Eising et al. 2013: 175). Perez (2013) has analysed the impact of national elections and elections to the European Parliament on Member of Parliament's (MEP) voting behaviour and Council bargaining success relatively to the European Parliament under the co-decision procedure. His explanatory variable is the amount of time (in months) to the next national election in any member state. Bargaining success of the Council is measured as the distance between the outcome and the Council's bargaining point vis-à-vis the outcome and the bargaining point of the European Parliament. Perez (2013: 20) finds that, in general, national elections do not affect the bargaining success of the Council. However there is a statistically significant effect of German elections: As time remaining until the next German election decreases, Council success decreases as well, which is contrary to his hypothesis. He interprets his finding in the way that, in election times, the German executives have less control over the MEPs from their party groups (Perez 2013: pp. 20-21). However, while Perez has analysed electoral influences on inter-institutional bargaining, studies systematically analysing the effect of national elections on intra-Council bargaining and the bargaining success of individual member state governments are still lacking. In the remainder, building on the theoretical assumptions set out above, I will develop my concept of politicization and national elections as domestic constraints.

7. Politicization and national elections as domestic constraints

Politicization, as represented by media coverage, is a cue for governments to assess if an issue plays an important role for the public. Thus, when bargaining in the Council, governments can claim to be domestically constrained to the extent that an issue becomes politicized at the national level. However, this only holds true if the government's bargaining position is in line with public opinion. This effect will be even stronger when an election is pending since the threat of audience costs becomes more tangible and could entail electoral losses. Thus, the signal to other governments to be constrained, due to pressures from the domestic arena, becomes more credibly. However, even if the issue is not politicized, other member states' governments will be more likely to meet the demands of a government facing an upcoming election, since they hope to receive this kind of concession by their partners in the future as well. This refers to the above-mentioned idea that national governments could try to depoliticize issues and keep them off the electoral agenda, by conceding to each other's demands in election times.

Regarding a government facing an election and negotiating an issue that is not politicized at the national level, two scenarios are possible: First, the government fears that an issue could become politicized and

be raised in the election. In this case, the government tries to reach a result in the Council which it considers to be in the interest of its constituencies, in order to prevent politicization. In this case, the bargaining position reflects the perceived preferences of a decisive portion of the voters. Second, one might think of a scenario in which the government assesses that the issue won't play a role at the national level, whatsoever the Council decides. In this case, it does not face a real constraint, but can still pretend vis-à-vis the other executives to be constrained and try to move the outcome closer to its own preferences. Those may be contrary to the ones of its constituencies, in which case we would refer to the negotiator as a "hawk" (c.f. 2.3). But the effect is similar in both cases: The government will be more successful when bargaining in the Council than it would be without facing an election. While in the case of politicization, governments can only claim credibly that their hands are tight, due to domestic pressures if public opinion and government position correspond to each other, without politicization this might not be the case, simply because public opinion is difficult to assess in this case. When an issue is not politicized and the next election is still far away, the government will not be able to play domestic constraints in Council negotiations at all. These considerations lead to the following working hypotheses:

H1: If an issue is politicized at the national level, governments are domestically constrained, which increases their bargaining success at the European level.

H2: If a national election is pending, governments are domestically constrained, which increases their bargaining success at the European level.

H3: If an issue is politicized at the national level and a national election is pending, governments are domestically severely constrained, which increases their bargaining success at the European level more than if only one of these conditions was given.

In a last step, I first try to decide how close the national election has to be to the Council decision, to have an impact on bargaining. Second, I conceptualize which impact the two explanatory variables "politicization" and "pending national election" might have on a member state's bargaining success and how strong the interaction effect between both variables will be.

Studies on the Political Business Cycle (Nordhaus 1975; Alesina et al. 1993; Drazen 2002) have scrutinized efforts by politicians to manipulate macro-economic conditions in order to increase their re-election chances. It is a common assumption in these models that voters discount past actions when evaluating the government's performance and thus give more weight to recent actions and attach less weight to policies which have been enacted some time ago. Hence, in pre-election periods, re-election seeking pol-

iticians are more receptive to voters' preferences (Nordhaus 1975: 182; Alesina et al. 1993, Conconi et al. 2011). In this regard, Tufte (1978) and Horgos and Zimmermann (2009) have shown that the year leading to the next general election at the national level is the time period when governments are the most receptive to their domestic audiences. Tufte (1978) has observed for the US that the real disposable income increases disproportionately in years with presidential elections, due to government's efforts to increase its re-election chances by cutting taxes and/ or raising social security transfers. Horgos and Zimmermann (2009) analyse the election cycle of German general elections in the period from 1973-2006 and come to the conclusion that in the election year, governments try to lower the unemployment rate to get re-elected. By contrast, they are less responsive to the voters and more prone to listen to interest groups⁵ in the period when the next election is further away than 12 months, which has according to their analysis a negative effect on economic growth. Bonomo and Terra (2005) have observed a similar pattern. Thus, it is quite plausible to consider the year running up to the national election as the most important one for politicians, regarding their re-election chances, which can be referred to by creating a dummy variable "time to the next election" (0=election further away than 12 months; 1=election year). For determining the amount of time to the next election, the period between the Council's legally binding last decision before a legislative act is adopted, normally a formal vote, will be used. Furthermore the other explanatory variable "politicization" will be dichotomized as well (0=low degree of politicization; 1=high degree of politicization). The degree of politicization of a directive or regulation can be measured by the frequency of mention in national newspapers, see below.

How large will be the effects of politicization and national elections, which factor will be more influential, how will both of them interact? Regarding the interaction of the dummy variables, four different scenarios can be contrasted:

⁵ The authors operationalize interest group influence by the number of groups listed in the German lobby register (Horgos and Zimmermann 2009: 9).

Table 1

Politicization/ Election	Low	High
Further away than one year	1	3
Election year	2	4

The scenarios are ordered in a way that the effect of the explanatory variables increases from scenario to scenario. For scenarios 1 and 4 this seems to be straightforward, while 2 and 3 have to be discussed further, as in both cases one variable has a high value while the other has a low one. So, why should a high degree of politicization when the election is still far away lead to more domestic constraints and bargaining success than a weakly politicized issue being discussed in an election year? This refers to the underlying assumption that politicized issues could always play a role in the evaluation of the government by the public and cause electoral losses, while not or just weakly politicized issues may not have a strong impact, even if an election is pending. So, a government will have more leeway in negotiating non- or weakly politicized issues in election years, while a high degree of politicization can constrain them even when the next election is far away. As mentioned above, national elections could also be used as a bargaining advantage if issues are weakly politicized. However, when governments face a high degree of politicization, made visible by huge media coverage, the claim to be constrained will be more credible, compared to a situation where there can only be speculation about audience costs, even in case, an election is pending.

8. Conclusion and future research

In this article, I have proposed a theoretical framework for analysing the impact of politicisation and national elections on member states' bargaining success in the Council from a two-level games perspective. The literature review has shown that the assumptions of Schelling and Putnam have been frequently applied to EU policy-making, but this is mostly restricted to international trade negotiations and intergovernmental conferences. While domestic constraints are usually defined as formal ratification hurdles or domestic economic interests, the interplay between national party politics and Council bargaining from a

bottom-up perspective has been largely neglected. However, ministers are, on the one hand, elected and legitimised by their national electorates while, on the other hand, negotiating with their European partners in the Council. Thus, they seek to minimize audience costs and increase their own bargaining success by pointing to domestic constraints. Growing politicisation of European affairs, due to the sovereign debt crisis in the Eurozone, makes research on the effect of domestic constraints on Council bargaining even more relevant. In addition, information on Council decision-making is better accessible after entering into force of the new transparency rules, laid down in the Lisbon Treaty.

I conclude with some preliminary remarks on operationalizing bargaining success and measuring politicization in a research design for analysing the effects of the explanatory variables presented here. The extent to which member state governments face high levels of domestic constraints due to politicization and national elections can be analysed empirically, as can the extent to which these government have more bargaining success than less constrained governments. The DEU data contains positional data on member state governments and expert assessments of the final outcome (Thomson and Stokman 2006). This could be used for empirical analysis of governments' positions and bargaining success. As already indicated, politicization can generally be operationalized by the frequency of mention in national newspapers. Since the research interest is on the impact of national debates on bargaining success in the Council, it is most appropriate to investigate media coverage in both quality and tabloid newspapers. For this purpose, data bases like LexisNexis could be searched to count how often a directive is mentioned in a sample of papers. The quantitative analysis could be supplemented by qualitative case studies, which provide the opportunity to reach a more fine-grained assessment of the level on politicization.

Last but not least, I consider one further implication related to the theoretical assumptions discussed in this paper, which might be fruitful for future research: Politicization could not only work as a domestic constraint in Council bargaining: Since making an issue visible to the public, it could also have the effect that governments take the preferences of the electorate, rather than those of special interests of domestic groups, better into account (Woll 2012: 5). Hence, government positions could shift not only due to strategic moves of other actors in the negotiations, as assumed by rational choice bargaining models, but also as a reaction to strongly held voter preferences that have been made public by the media.

References

- Alesina, Alberto, Gerald D. Cohen and Nouriel Roubini (1993). 'Electoral Business Cycles in Industrial Democracies', *European Journal of Political Economy* 9(4): 663-688.
- Axelrod, Robert (1970). *Conflict of Interest. A Theory of Divergent Goals with Applications to Politics*, Chicago: Markham Publishing Company.
- Axelrod, Robert (1984). *The Evolution of Cooperation*, New York: Basic Books.
- Bailer, Stefanie (2004). 'Bargaining Success in the European Union. The Impact of Exogenous and Endogenous Power Resources', *European Union Politics* 5(1): 99-123.
- Bailer, Stefanie (2011). 'Structural, Domestic, and Strategic Interests in the European Union: Negotiation Positions', *Negotiation Journal* 27(4): 447-475.
- Bailer, Stefanie and Gerald Schneider (2006). 'Nash versus Schelling', in R. Thomson, F. Stokman, C. H. Achen and T. König (eds). *The European Union Decides*, Cambridge: Cambridge University Press: 153-177.
- Barry, Brian (1980). 'Is It Better to Be Powerful or Lucky?', *Political Studies* 28(2): 183-194.
- Bonomo, Marco and Maria Cristina Terra (2005) 'Special Interests and Political Business Cycles', *Ensaïos Economicos*.
- Carruba, Clifford J. (2001). 'The Electoral Connection in European Union Politics', *The Journal of Politics* 63(1): 141-158.
- Coleman, William D. and Stefan Tangermann (1999). 'The 1992 CAP Reform, the Uruguay Round and the Commission. Conceptualizing Linked Policy Games', *Journal of Common Market Studies* 37(3): 385-405.
- Collinson, Sarah (1999). "'Issue-systems", "Multi-Level Games" and the Analysis of the EU's External Commercial and Associated Policies. A Research Agenda', *Journal of European Public Policy* 6(2): 206-224.
- Conconi, Paola, Giovanni Facchini and Maurizio Zanardi (2011) 'Politics, Economics and Global Governance', *Politics, Economics and Global Governance: The European Dimensions (PEGGED)*.
- Conconi, Paola and Nicolas Sahuguet (2009). 'Policymakers' Horizons and the Sustainability of International Cooperation', *Journal of Public Economics* 93(3-4): 549-558.
- Cross, James P. (2012). 'Everyone's a Winner (almost): Bargaining Success in the Council of Ministers of the European Union', *European Union Politics* 14(1): 70-94.
- Da Conceicao-Heldt, Eugenia (2006). 'Integrative and Distributive Bargaining Situations in the European Union. What Difference does it Make?', *Negotiation Journal* 22(2): 146-165.
- De Vries, Catherine (2007). 'Sleeping Giant or Fairytale? How European Integration Affects National Elections', *European Union Politics* 8(3): 363-385.
- De Vries, Catherine and Sara B. Hobolt (2013). 'When Dimensions Collide: The Electoral Success of Issue Entrepreneurs', *European Union Politics* 13(2): 246-268.
- De Vries, Catherine E. and Erica E. Edwards (2009). 'Taking Europe to its Extremes. Extremist Parties and Public Euroscepticism', *Party Politics* 15(5): 5-28.
- De Wilde, Pieter (2011). 'No Polity for Old Politics? A Framework for Analyzing the Politicization of European Integration', *Journal of European Integration* 33(5): 559-575.
- De Wilde, Pieter and Michael Zürn (2012). 'Can the Politicization of European Integration be Reversed?', *Journal of Common Market Studies* 50(1): 137-153.
- Down, Ian and Carole J. Wilson (2008). 'From 'Permissive Consensus' to 'Constraining Dissensus': A Polarizing Union?', *Acta Politica* 43(1): 26-49.
- Downs, Anthony (1957). 'An Economic Theory of Political Action in a Democracy', *The Journal of Political Economy* 65(2): 135-150.
- Drazen, Allan (2002). *Political Economy in Macroeconomics*, Princeton: Princeton University Press.

- Dür, Andreas (2008). 'Measuring Interest Group Influence in the EU. A Note on Methodology', *European Union Politics* 9(4): 535-549.
- Dür, Andreas, Patrick Bernhagen and David Marshall. (2013). 'Interest Group Success in the European Union: When (and Why) does Business Lose?'. Paper presented at the 3rd Annual Conference of the European Political Science Association June 20-22 2013, Barcelona, Spain.
- Dür, Andreas and Gemma Mateo (2010). 'Bargaining Power and Negotiations Tactics. The Negotiations on the EU's Financial Perspective, 2007-2013', *Journal of Common Market Studies* 48(3): 557-578.
- Dür, Andreas and Hubert Zimmermann (2007). 'Introduction. The EU in International Trade Negotiations', *Journal of Common Market Studies* 45(4): 771-787.
- Edwards, George C. , William Mitchell and Reed Welch (1995). 'Explaining Presidential Approval: The Significance of Issue Saliency', *American Journal of Political Science* 39(1): 108-134.
- Eising, Rainer, Dominic Pakull and Florian Spohr (2013a). 'Koordinationsprobleme durch nationale Wahlen? Die europäische Verfassungspolitik in Österreich und Irland 2002-2009', *Österreichische Zeitschrift für Politikwissenschaft* 42(2): 161-180.
- Eising, Rainer, Daniel Rasch and Patrycja Rozbicka (forthcoming). 'EU Financial Market Regulation and Stakeholder Consultations', in M. Telo (ed). *Globalisation, Multilateralism, Europe. Towards a Better Global Governance?* , Farnham: Ashgate Publishing.
- Elgström, Ole and Christer Jönsson (2000). 'Negotiation in the European Union', *Journal of European Public Policy* 7(5): 684-704.
- Elster, Jon (1986). 'Introduction', in J. Elster (ed). *Rational Choice*, Oxford: Blackwell: 1-33.
- Epstein, Lee, Valerie Hoekstra, Jeffrey A. Segal and Harold J. Spaeth (1998). 'Do Political Preferences Change? A Longitudinal Study of U.S. Supreme Court Justices', *The Journal of Politics* 60(3): 801-818.
- Epstein, Lee and Jack Knight. (1995). 'Documenting Strategic Interaction on the U.S. Supreme Court'. Paper presented at the Annual Meeting of the American Political Science Association, 1995, Chicago.
- Epstein, Lee and Jeffrey A. Segal (2000). 'Measuring Issue Saliency', *American Journal of Political Science* 44(1): 66-83.
- Evans, Peter B. (1993). 'Conclusion. Building an Integrative Approach to International and Domestic Politics. Reflections and Projections', in P. B. Evans, H. K. Jacobson and R. D. Putnam (eds). *Double-Edged Diplomacy. International Bargaining and Domestic Politics*, Berkeley/ Los Angeles: University of California Press: 397-430.
- Faas, Thorsten (2003). 'To Defect or not to Defect? National, Institutional and Party Group Pressures on MEPs and their Consequences for Party Group Cohesion in the European Parliament', *European Journal of Political Research* 42(6): 841-866.
- Fearon, James D. (1994). 'Domestic Political Audiences and the Escalation of International Disputes', *The American Political Science Review*, 88(3): 577-592.
- Fenno, Richard Jr. (1978). *Home Style. Representatives in their Districts*, Boston: Little, Brown.
- Finke, Daniel (2010). *European Integration and its Limits. Intergovernmental Conflicts and their Domestic Origins*, Colchester: ECPR Press.
- Finke, Daniel, Thomas König, Sven-Oliver Proksch and George Tsebelis (2012). *Reforming the European Union. Realizing the Impossible*, Princeton: Princeton University Press.
- Gabel, Matthew (2000). 'European Integration, Voters and National Politics', *West European Politics* 23(4): 52-72.
- Häge, Frank M. (2013). *Bureaucrats as Law-makers. Committee Decision-making in the EU Council of Ministers*, London/ New York: Routledge.

- Hagemann, Sara (2008). 'Voting, Statements and Coalition-Building in the Council from 1999 to 2006', in D. Naurin and H. Wallace (eds). *Unveiling the Council of the European. Games Governments Play in Brussels*, Basingstoke, Hampshire: Palgrave Macmillan: 36-63.
- Hardin, Russel (1997). 'Economic Theories of the State', in D. C. Mueller (ed). *Perspectives on Public Choice. A Handbook*, Cambridge: Cambridge University Press: 21-34.
- Hayes-Renshaw, Fiona , Wim van Aken and Helen Wallace (2006). 'When and Why the EU Council of Ministers Votes Explicitly', *Journal of Common Market Studies* 44(1): 161-194.
- Hayes-Renshaw, Fiona and Helen S. Wallace (1995). *The Council of Ministers*, Basingstoke, Hampshire: Palgrave Macmillan.
- Heisenberg, Dorothee (2005). 'The Institution of "Consensus" in the European Union. Formal versus Informal Decision-making in the Council', *European Journal Political Research*.
- Hinich, Melvin J. and Michael C. Munger (1997). *Analytical Politics*, New York: Cambridge University Press.
- Hix, Simon and Bjorn Hoyland (2011). *The Political System of the European Union*. Basingstoke, Hampshire, Palgrave Macmillan.
- Hobolt, Sara B. (2009). *Europe in Question. Referendums on European Integration*, Oxford: Oxford University Press.
- Hooghe, Lisbet and Gary Marks (2001). *Multi-level Governance and European Integration*, Lanham: Rowman & Littlefield Publishers.
- Hooghe, Lisbet and Gary Marks (2006). 'Europe's Blues. Theoretical Soul-Searching after the Rejection of the European Constitution', *Political Science & Politics* 39(2): 247-250.
- Hooghe, Lisbet and Gary Marks (2008). 'A Postfunctionalist Theory of European Integration. From Permissive Consensus to Constraining Dissensus', *British Journal of Political Science* 39(1): 1-23.
- Horgos, Daniel and Klaus W. Zimmermann (2009) 'It Takes Two to Tango. Lobbies and the Political Business Cycle', *Working Paper Series Department of Economics* 1-32.
- Hosli, Madeleine O. (2000). 'The Creation of the European Economic and Monetary Union (EMU): Intergovernmental Negotiations and Two-level Games', *Journal of European Public Policy* 7(5): 744-766.
- Hoyland, Bjorn and Vibeke Woien Hansen. (2013). 'Issue-specific Policy-positions and Voting in the Council'. Paper presented at the 3rd Annual General Conference of the European Political Science Association, 20-22 June 2013, Oxford.
- Hug, Simon and Thomas König (2002). 'In View of Ratification: Governmental Preferences and Domestic Constraints at the Amsterdam Intergovernmental Conference', *International Organization* 56(2).
- Johansson, Markus. (2013). 'Domestic Constraint Tactics in the Council of the EU'. Paper presented at the European Union Studies Association Biennial Conference, 9-11 May 2013, Baltimore, Maryland, USA.
- Junge, Dirk and Thomas König (2007). 'What's Wrong with EU Spatial Analysis? The Accuracy and Robustness of Empirical Applications to the Interpretation of the Legislative Process and the Specification of Preferences', *Journal of Theoretical Politics* 19(4): 465-487.
- Kersten, Gregory (2001). 'Modeling Distributive and Integrative Negotiations. Review and Revised Characterization', *Group Decision and Negotiation* 10(6): 493-514.
- Kluger, Richard (1976). *Simple Justice*, New York: Random House.
- Klüver, Heike (2013). *Lobbying in the European Union. Interest Groups, Lobbying, Coalitions, and Policy Change*, Oxford: Oxford University Press.
- Knight, Jack (2007). *Explaining Institutional Change in Europe*, Oxford: Oxford University Press.
- Kohler-Koch, Beate (1996). 'Catching Up with Change. The Transformation of Governance in the European Union', *Journal of European Public Policy* 3(3): 359-380.

- König, Thomas and Daniel Finke (2012). 'Principals and Agents. From the Covention's Proposal to the Constitutional Treaty', in D. Finke, T. König, S.-O. Proksch and G. Tsebelis (eds). *Reforming the European Union. Realizing the Impossible*, Princeton: Princeton University Press: 151-169.
- König, Thomas and Simon Hug (2000). 'Ratifying Maastricht. Parliamentary Votes on International Treaties and Theoretical Solution Concepts', *European Union Politics* 1(1): 93-124.
- Kriesi, Hanspeter (2007). 'The Role of European Integration in National Election Campaigns', *European Union Politics* 8(1): 83-108.
- Larsen, Magdalena Ferienhoff (2007). 'Trade Negotiations between the EU and South Africa. A Three-level Game', *Journal of Common Market Studies* 45(4): 857-881.
- Laver, Michael (1997). *Private Desires, Political Action. An Invitation to the Politics of Rational Choice*, London: Sage Publications.
- Lewis, Jeffrey (2000). 'The Methods of Community in EU Decision-making and Administrative Rivalry in the Council's Infrastructure', *Journal of European Public Policy* 7(2): 261-289.
- Lewis, Jeffrey (2005). 'The Janus Face of Brussels: Socialization and Everyday Decision Making in the European Union', *International Organization* 59(4): 937-971.
- MacLean, Iain and Alistair McMillan (2009). *The Concise Oxford Dictionary of Politics*, Oxford: Oxford University Press.
- Marks, Gary (1992). 'Structural Policy and 1992', in A. Sbragia (ed). *Euro-Politics. Institutions and Policymaking in the „New“ European Community*, Washington: The Brookings Institution: 191-224.
- Martin, Lisa (1993). 'Credibility, Costs, and Institutions. Cooperation on Economic Sanctions', *World Politics* 45(3): 406-432.
- Mattila, Mikko (2004). 'Contested Decisions. Empirical Analysis of Voting in the European Union Council of Ministers', *European Journal Political Research* 43(1): 29-50.
- Mattila, Mikko (2008). 'Voting and Coalitions in the Council after the Enlargement', in D. Naurin and H. Wallace (eds). *Unveiling the Council of the European Union. Games Governments Play in Brussels*, Basingstoke, Hampshire: Palgrave Macmillan: 23-35.
- Mattila, Mikko and Jan-Erik Lane (2001). 'Why Unanimity in the Council? A Roll Call Analysis of Council Voting', *European Union Politics* 2(1): 31-52.
- Mayhew, David R. (1974). *Congress. The Electoral Connection*, New Haven/ London: Yale University Press.
- Meunier, Sophie (2005). *Trading Voices. The European Union in International Commercial Negotiations*, Princeton: Princeton University Press.
- Meunier, Sophie (2007). 'Managing Globalization? The EU in International Trade Negotiations', *Journal of Common Market Studies* 45(4): 905-926.
- Mikin, Erik (2013). 'Government Positions on the EU Service Directive in the Council. National Interests or Individual Ideological Preferences?', *West European Politics* 32(5): 943-962.
- Moravcsik, Andrew (1993). 'Introduction. Integrating International and Domestic Theories of International Bargaining', in P. B. Evans, H. K. Jacobson and R. D. Putnam (eds). *Double-Edged Diplomacy. International Bargaining and Domestic Politics*, Berkeley/ Los Angeles: University of California Press.
- Moravcsik, Andrew (1998). *The Choice for Europe. A Guide to the Tombs and Temples of Ancient Luxor. Social Purpose and State Power from Messina to Maastricht*, Ithaca, New York: Cornell University Press.
- Murphy, Walter F. (1964). *Elements of Judicial Strategy*, Chicago: Chicago University Press.
- Naurin, Daniel (2010). 'Most Common when Least Important. Deliberation in the European Union Council of Ministers', *British Journal of Political Science* 40(1): 31-50.
- Netjes, Catherine E. and Harmen A. Binnema (2007). 'The Saliency of the European Integration Issue: Three Data Sources Compared', *Electoral Studies* 26(1): 39-49.

- Nordhaus, William D. (1975). 'The Political Business Cycle', *Review of Economic Studies* 42(2): 169-190.
- Pahre, Robert (1997). 'Endogenous Domestic Institutions in Two-level Games and Parliamentary Oversight of the European Union', *Journal of Conflict Resolution* 41(1): 147-174.
- Patterson, Lee Ann (1997). 'Agricultural Policy Reform in the European Community. A Three-level Game Analysis', *International Organization* 51(91): 135-165.
- Perez, Lauren. (2013). 'Elections as a Council Advantage: National Elections, MEP Voting Defection, and Council Bargaining Success'. Paper presented at the European Union Studies Association Biennial Conference, 9-11 May 2013, Baltimore, Maryland, USA.
- Putnam, Robert D. (1988). 'Diplomacy and Domestic Politics. The Logic of Two-level Games', *International Organization* 42(3): 427-460.
- Samuelson, Paul A. (1948). 'Consumption Theory in Terms of Revealed Preferences', *Economica* 15(60): 243-253.
- Schelling, Thomas C. (1956). 'An Essay on Bargaining', *The American Economic Review* 46(3): 281-306.
- Schelling, Thomas C. (1960). *The Strategy of Conflict*, Cambridge, Massachusetts: Harvard University Press.
- Schneider, Gerald, Daniel Finke and Stefanie Bailer (2005) 'Bargaining Power in the European Union. An Evaluation of Competing Game-Theoretic Models', *Working Paper*
- Sen, Amartya (1986). 'Behaviour and the Concept of Preference', in J. Elster (ed). *Rational Choice*, Oxford: Blackwell: 60-81.
- Sherrington, Philippa (2000). *Council of Ministers. Political Authority in the European Union*, London/ New York: Frances Pinter Publishers Ltd.
- Sitter, Nick (2003). 'Euro-Scepticism as Party Strategy. Persistence and Change in Party-Based Opposition to European Integration', *Österreichische Zeitschrift für Politikwissenschaft* 32(3): 239-249.
- Slapin, Jonathan B. (2006). 'Who is Powerful? Examining Preferences and Testing Sources of Bargaining Strength at European Intergovernmental Conferences', *European Union Politics* 51(7): 51-76.
- Thomson, Robert (2009). 'Actor Alignments in the European Union before and after Enlargement', *European Journal of Political Research* 48(6): 756-781.
- Thomson, Robert (2011). *Resolving Controversy in the European Union. Legislative Decision-Making before and after Enlargement*, Cambridge: Cambridge University Press.
- Thomson, Robert, Javier Arregui and Thomas Jensen (2013). 'A New Dataset on Decision-making in the European Union before and after the 2004 and 2007 Enlargement', *Journal of European Public Policy* 19(4): 604-622.
- Thomson, Robert, Jovanka Boerefijn and Frans Stokman (2004). 'Actor Alignments in European Union Decision Making', *European Journal Political Research* 43(2): 237-261.
- Thomson, Robert and Frans N. Stokman (2006). 'Research Design. Measuring Actors' Positions, Saliences, and Capabilities', in R. Thomson, F. N. Stokman, C. H. Achen and T. König (eds). *The European Union Decides*, Cambridge: Cambridge University Press: 25-53.
- Tomz, Michael (1997). 'Domestic Audience Costs in International Relations. An Experimental Approach', *International Organization* 61(3): 821-840.
- Torreblanca, Jose I. (2007). 'Overlapping Games and Cross-cutting Coalitions in the European Union', *West European Politics* 21(2): 134-153.
- Treib, Oliver. (2011). 'Government Positions in Negotiations beyond the Nation State. What Role for Party Politics?'. Paper presented at the ECPR Joint Sessions Workshops "Preferences in the European Union", 10-17 April 2011, St. Gallen, Switzerland.
- Tufte, Edward R. (1978). *Political Control of the Economy*, Princeton: Princeton University Press.
- Van der Eijk, Cees and Mark N. Franklin (2002). 'Potential for Contestation on European Matters at National Elections in Europe', in G. Marks and M. R. Steenbergen (eds). *European Integration and Political Conflict*, Cambridge: Cambridge University Press: 32-50.

- Walton, Richard E. and Robert B. McKersie (1956). *A Behavioral Theory of Labor Negotiations*, New York: McGraw Hill.
- Warntjen, Andreas (2011). 'Measuring Salience in EU Legislative Politics', *European Union Politics* 13(1): 168-182.
- Westlake, Martin (1995). *The Council of the European Union*, New York: Stockton Press.
- Woll, Cornelia (2012). 'Lobbying under Pressure: The Effect of Salience on European Union Hedge Fund Regulation', *Journal of Common Market Studies* 51(3): 555-572.
- Young, Alasdair R. (2007). 'Trade Politics Ain't What It Used to Be. The European Union in the Doha Round', *Journal of Common Market Studies* 45(4): 789-811.
- Zimmer, Christina, Gerald Schneider and Michael Dobbins (2005). 'The Contested Council. Conflict Dimensions of an Intergovernmental EU Institution', *Political Studies* 53(2): 403-422.