

Who has the Power in the EU?

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EU Nations

Old Members

- Austria
- Belgium
- Denmark
- France
- Finland
- Germany
- Greece
- Ireland
- Italy
- Luxembourg
- Netherlands
- Portugal
- Spain
- Sweden
- United Kingdom

Newly Acceding Countries

- Bulgaria (2007)
- Cyprus (5/1/04)
- Czech Rep. (5/1/04)
- Estonia (5/1/04)
- Hungary (5/1/04)
- Latvia (5/1/04)
- Lithuania (5/1/04)
- Malta (5/1/04)
- Poland (5/1/04)
- Romania (2007)
- Slovakia (5/1/04)
- Slovenia (5/1/04)
- Turkey (na)



The EU Government

- **European Parliament**
 - MEPs Directly Elected by citizens
 - Legislative Branch
- **EU Council**
 - Ministers from member governments
 - Legislative Branch
- **EU Commission**
 - Appointed commissioners
 - Agenda Setter



The path for reforms

- Historical dichotomy: Locating the optimal balance between
 - the intergovernmental nature
 - the federal development of the EU
- The Treaty of Nice (12/2000) failed to find a solution
- Laeken Summit (12/2001), a new method:
 - the Constitutional Convention
- Bruxelles Summit (6/ 2003) endorsed the Convention's proposals
- 12/2003, the member states failed to reach an agreement on the "weighted vote" issue
- Rome (10/2004) the Constitutional Treaty (CT) signed
- 5/2005, French and Dutch vote “NO” to the Constitution
- 10/2007, The heads of states decided to keep the institutional reforms within the ‘Lisbon Treaty’
- 5/2008, Ireland said ‘NO’.



EU Council

- ❑ EU's main decision making body
- ❑ Represents member governments
- ❑ Members are one minister from each member's national government
- ❑ Rotating presidency every 6 months
- ❑ Most issues passed by qualified majority

EU 27 Votes - 'Post Nice'

Country	Votes
Ger, Fra, Ita, UK	29
Spa, Pol	27
Romania	13
Netherlands	13
Belg, Cze, Gree, Hung, Port	12
Aus, Swe, Bulg	10
Den, Ire, Lith, Slova, Fin	7
Cyp, Est, Lat, Lux, Slov	4
Malta	3
Total	345

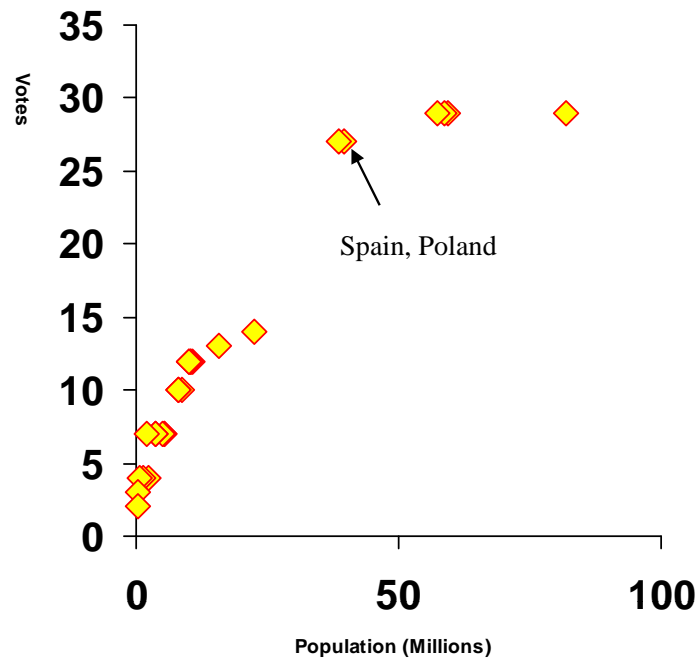


EU 27 Qualified Majority

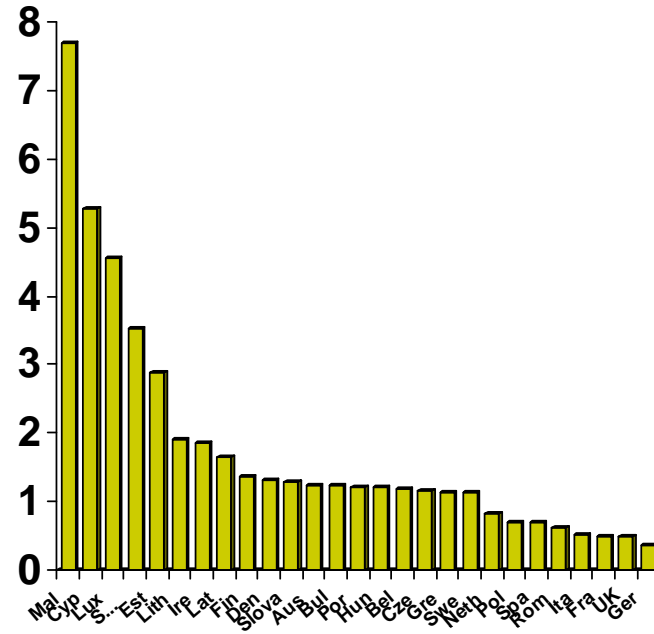
- 245 votes out of 345=72%
- A majority of member states approve
- Any member state can ask for confirmation that the decision represents 62% of EU's total population

EU 27: Votes and Population

Votes vs. Population



Votes per 1M People





Lisbon's Plan

- Nice agreement viewed as too 'decentralized'
- Small countries have more power to block bills they don't like
- Lisbon's plan attempts:
 - Centralize power in hands of big 4
 - Preserve democratic foundations
 - Simplify rules

EU 27 – Lisbon

Country	Votes
Germany	82,193
UK	59,832
France	59,521
Italy	57,844
Spain	39,490
Poland	38,649
Romania	22,443
Netherlands	15,983
Greece	10,565
Czech Rep	10,272
Belgium	10,262
Hungary	10,024
Portugal	10,023

Country	Votes
Sweden	8,883
Bulgaria	8,170
Austria	8,121
Slovakia	5,401
Denmark	5,349
Finland	5,181
Ireland	3,820
Lithuania	3,696
Latvia	2,417
Slovenia	1,989
Estonia	1,436
Cyprus	671
Luxembourg	441
Malta	390



‘Lisbon’ Qualified Majority

At least 15 out of 27 countries vote yes

And

65% of population (314 millions votes) votes yes



Background research questions

- ❑ Is the EU current decision-making system fair?
- ❑ Does it have any democratic foundations?
- ❑ Is there any democratic deficit in the EU?
- ❑ Is this a relevant issue?



How to address these questions?

- We focus on the Council of Ministers
- We model legislative bargaining in the Council
- We call "value" (or power) the worth of playing that legislative bargaining



What is Power?

- Prestige
- Ability of tipping the final decision in the most preferred direction
- The value of the vote



Political power results from

- The decisional rules (the Constitution)
 - (Super)-majority threshold
 - Voting weights
- Voters' ideological profiles



How to measure power?

- In a completely agnostic perspective
 - Shapley-Shubik (1954): a voter's power is her probability to play a pivotal role
 - symmetry: all orderings are equally likely

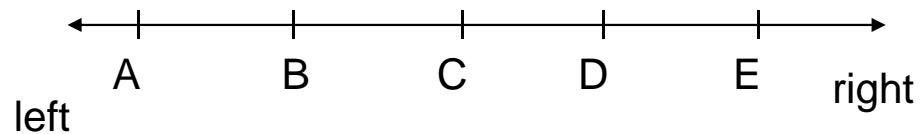


What happens if we consider ideological profiles?

- The legislators have to coordinate each other to take a common decision
- The idea that the median-voter is the most powerful one emerges
 - this results from the idea that only some orderings are possible
- it suggests that we must concentrate on ordering probabilities
- basically: orderings in which ideologically similar players are close should be more likely (and vice versa)

A graphical example

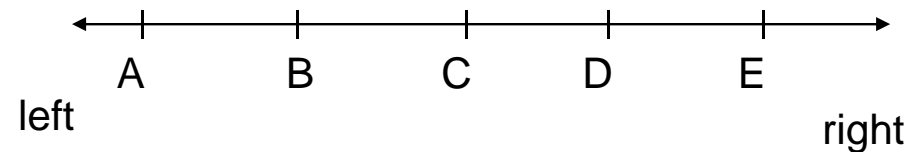
- Five voters, no weights, simple majority



- C is the most powerful one only if:
 - The proposal comes either from A
 - The ordering is A,B,C,D,E
 - or from E
 - The ordering is E,D,C,B,A

What happens if....

- the proposal comes from C, or from D?
- voting is weighted?
- there is a super-majority threshold?
- there is an agenda setter?
- the political space is multidimensional?





Symmetry and Information

- If any player is equally likely to be in any place of the political space, we have symmetry (Shapley-Shubik)
- If we have information about players political attitudes, we must use that information.



Our Paper

- We use the Owen-Shapley approach to generate ordering probabilities
- We use Eurobarometer data to build up a political space
- We look at how an Agenda setter (the Commission) can impact on ordering probabilities, and affect power
- We compare the current system (Nice) with the proposal of EU Constitution



The literature on ideological power

- Shapley, 1977
- Owen, 1972
- Owen and Shapley, 1989
- Rabinowitz and MacDonald, 1986

Three formulas

- Probabilistic value

$$\phi_i(v) = \sum_{T_i \subseteq N \setminus i} p_T^i [v(T_i \cup i) - v(T_i)]$$

- Probability of a political coalition

$$p_T^i = \int \cdots \int_{A_U^{T_i}} p(U) dU.$$

- Owen and Shapley

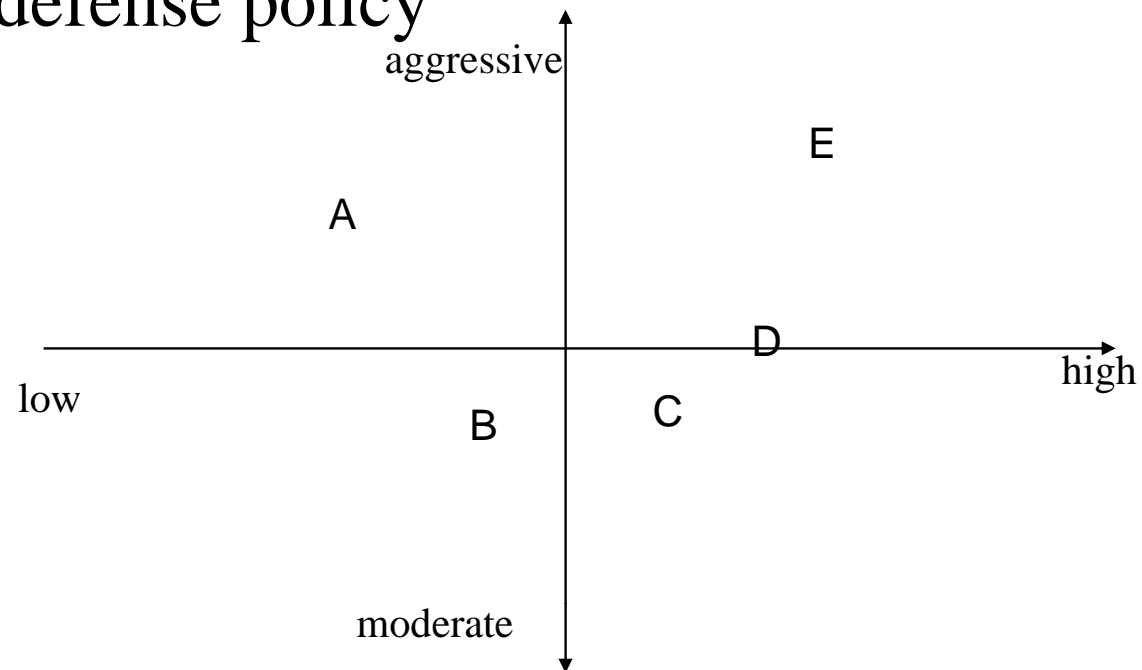
$$f_i(U) = \langle U, P_i \rangle$$

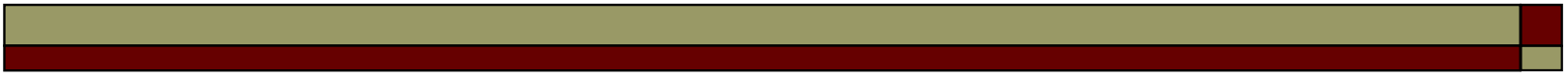
- We add an Agenda setter that blows the political wind

$p(U)$ is not uniform

The model

- Two issues, x: government spending; y: defense policy





Empirics



Research Question

How do

- ❖ number of votes per country,
- ❖ majority threshold levels,
- ❖ Preferences of countries,
- ❖ Preferences of agenda setter

affect power of countries within the Council of
Ministers?



Data: Eurobarometer (EB)

- ❑ Public opinion of citizens of member states.
- ❑ Standard EB established in 1973.
- ❑ Each survey consists of 1000 face-to-face interviews per Member State (except Germany: 2000, Luxembourg: 600, United Kingdom 1300 including 300 in Northern Ireland).
- ❑ Reports are published twice yearly.



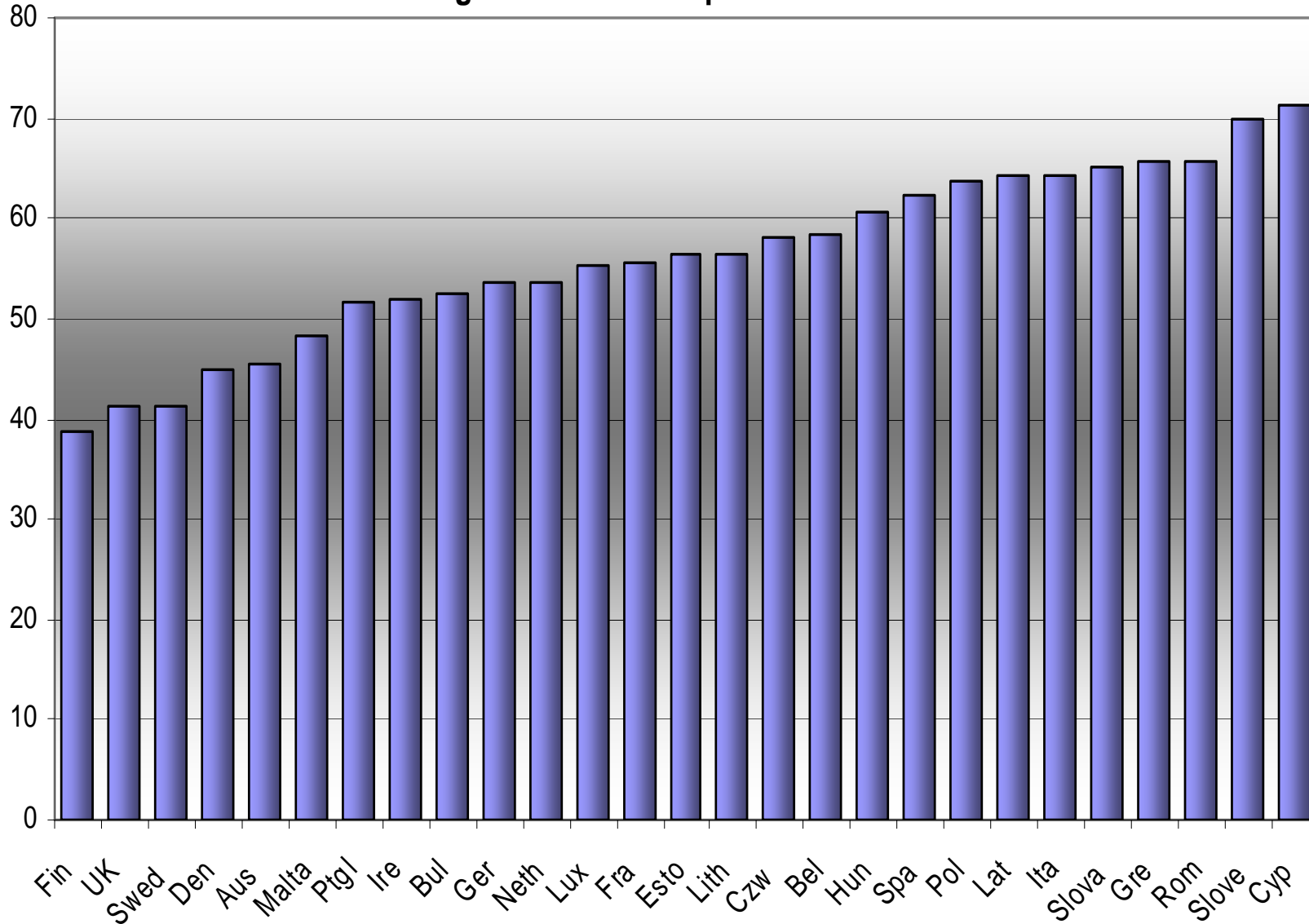
EB cont.

- Our study: Avg. of 3 surveys:
 - Fall 2001, Fall 2003, Spring 2003
- We use data collected on citizen's opinions regarding who should have control over EU policies.
- 26 questions—range of “inter-national” and “intra-national”
- Data set: 27 countries, % saying “EU”

“For each of the following areas, do you think that decisions should be made by (NATIONALITY) government, or made jointly within the EU?”

	Issue		Issue
1	Defense	13	Information about the EU, its policies and institutions.
2	Protection of the environment	14	Foreign policy toward countries outside EU
3	Currency	15	Cultural policy
4	Humanitarian aid	16	Immigration policy
5	Health and social welfare	17	political asylum
6	Media	18	organized crime
7	Fight against poverty/social exclusion	19	police
8	Fight against unemployment	20	justice
9	Agriculture and fishing policy	21	accepting refugees
10	Support of regions experiencing economic difficulties	22	juvenile crime
11	Education	23	Urban crime
12	Scientific and technological research	24	Drugs
		25	exploitation of human beings

Avg. % "Pro-EU" Responses for "EU27"

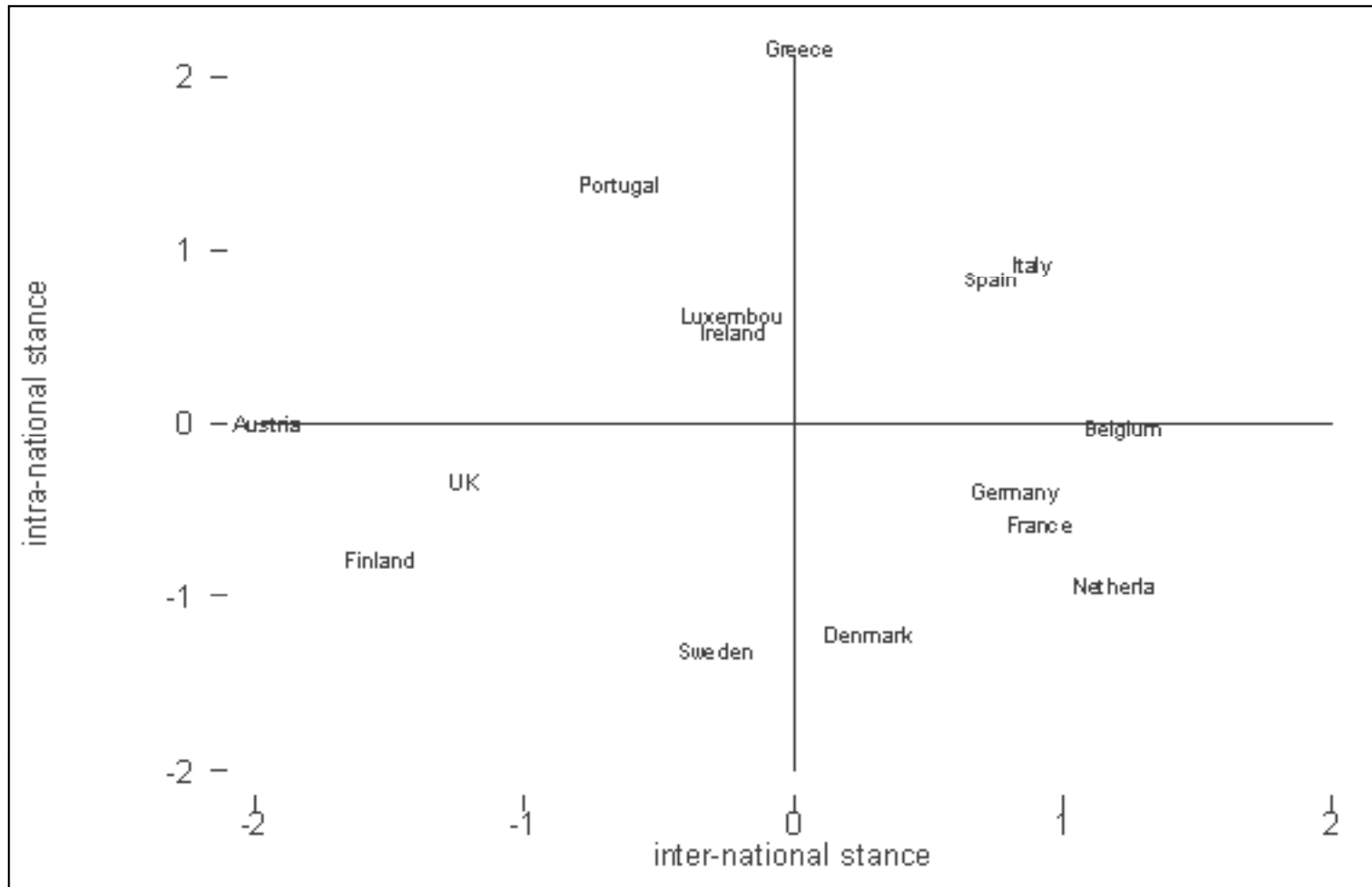




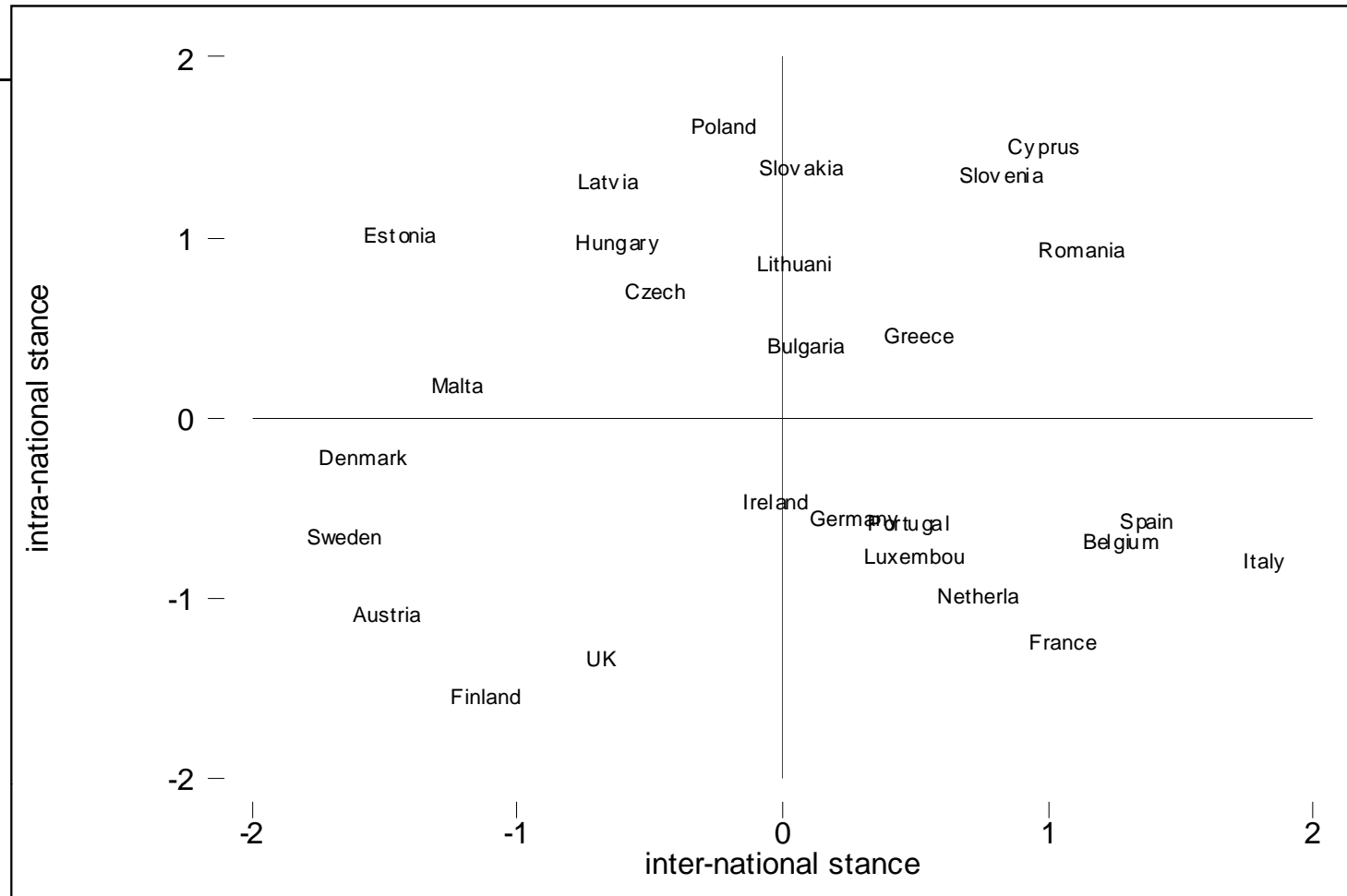
Principal Components Analysis (PCA)

- Recall up to 27 countries, 26 variables.
- PCA allows us to reduce dimension of data, to create new “composite” variables.
- We reduce data set to two variables:
 - “inter-national”
 - “intra-national”
 - Based on “spillovers”

EU 15 Preferences



EU 27: Preferences



EU 15 Pre-Nice: Measures of Power

Country	Votes	S-S	NBI	S-O Spatial
Germany	10	0.117	0.112	0.142
Portugal	5	0.055	0.059	0.141
Spain	8	0.095	0.092	0.118
France	10	0.117	0.112	0.114
Austria	4	0.045	0.048	0.092
Belgium	5	0.055	0.059	0.083
Netherlands	5	0.055	0.059	0.076
Ireland	3	0.035	0.036	0.059
UK	10	0.117	0.112	0.048
Sweden	4	0.045	0.048	0.047
Greece	5	0.055	0.059	0.045
Italy	10	0.117	0.112	0.025
Finland	3	0.035	0.036	0.009
Luxembourg	2	0.021	0.023	0.003
Denmark	3	0.035	0.036	0.000

EU 27 'Post-Nice'

EU 27 Nice Proposal				
Country	Votes	S-S	NBI	S-O Spatial
Czech Rep	12	0.034	0.037	0.132
France	29	0.087	0.078	0.101
Germany	29	0.087	0.078	0.091
Spain	27	0.080	0.074	0.089
Greece	12	0.034	0.037	0.063
Bulgaria	10	0.028	0.031	0.062
Netherlands	13	0.037	0.040	0.054
Lithuania	7	0.020	0.022	0.048
Italy	29	0.087	0.078	0.048
Poland	27	0.080	0.074	0.035
Belgium	12	0.034	0.037	0.033
Romania	14	0.040	0.043	0.030
Portugal	12	0.034	0.037	0.024
Slovakia	7	0.020	0.022	0.024

EU 27 Post Nice cont

Country	Votes	S-S	NBI	S-O Spatial
Hungary	12	0.034	0.037	0.023
Ireland	7	0.020	0.022	0.021
Latvia	4	0.011	0.013	0.021
Denmark	7	0.020	0.022	0.020
Sweden	10	0.028	0.031	0.017
UK	29	0.087	0.078	0.016
Cyprus	4	0.011	0.013	0.014
Austria	10	0.028	0.031	0.011
Finland	7	0.020	0.022	0.010
Slovenia	4	0.011	0.013	0.006
Luxembourg	4	0.011	0.013	0.004
Malta	3	0.008	0.009	0.003
Estonia	4	0.011	0.013	0.000

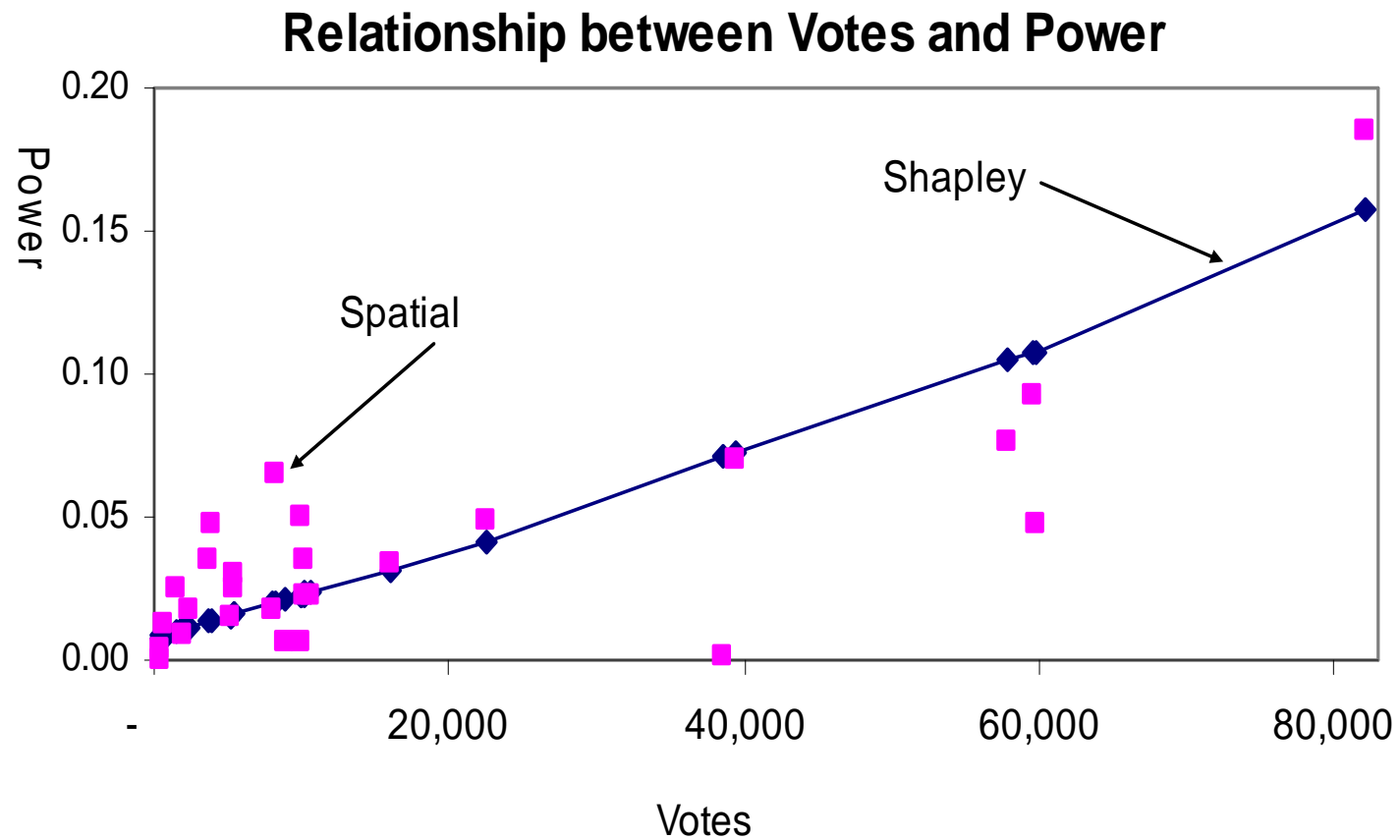
EU 27 – ‘Lisbon’

Country	Votes	S-S	NBI	S-O Spatial
Austria	8,121	0.020	0.024	0.017
Belgium	10,262	0.023	0.027	0.022
Bulgaria	8,170	0.020	0.024	0.065
Cyprus	671	0.008	0.015	0.012
Czech Rep	10,272	0.023	0.027	0.035
Denmark	5,349	0.016	0.021	0.030
Estonia	1,436	0.010	0.016	0.025
Finland	5,181	0.015	0.020	0.016
France	59,521	0.107	0.091	0.092
Germany	82,193	0.157	0.127	0.185
Greece	10,565	0.024	0.027	0.023
Hungary	10,024	0.022	0.027	0.006
Ireland	3,820	0.013	0.019	0.048
Italy	57,844	0.105	0.089	0.076

EU 27 – ‘Lisbon’ cont

Country	Votes	S-S	NBI	S-O Spatial
Latvia	2,417	0.011	0.017	0.018
Lithuania	3,696	0.013	0.019	0.035
Luxembourg	441	0.008	0.015	0.000
Malta	390	0.009	0.014	0.004
Netherlands	15,983	0.032	0.033	0.033
Poland	38,649	0.071	0.063	0.001
Portugal	10,023	0.023	0.027	0.050
Romania	22,443	0.042	0.042	0.049
Slovakia	5,401	0.016	0.021	0.025
Slovenia	1,989	0.011	0.016	0.009
Spain	39,490	0.073	0.064	0.070
Sweden	8,883	0.021	0.025	0.006
UK	59,832	0.108	0.091	0.047

Votes and Power: little relationship



The democratic deficit

	pop	SSI		SSI%-pop%		S-O		S-O/pop	
		Nice%	CT%	Nice%	CT%	Nice%	CT%	Nice%	CT%
Four big states	60.5	34.8	49.1	-25.7	-11.4	25.6	38.5	-34.9	-22.0
Franco-German axis	33.0	17.4	27.3	-15.6	-5.7	19.2	31.3	-13.8	-1.7
12 Acceding members	24.6	30.8	23.3	6.2	-1.3	39.8	26.2	15.2	1.6
Spain and Poland	18.2	16.0	14.3	-2.2	-3.9	12.4	21.3	-5.8	3.1
Scandinavian +UK	18.5	15.7	13.6	-2.8	-4.9	5.3	6.3	-13.2	-12.2